FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2221

DATE FILMED 9/29/89 CAMERA NO. 3

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REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: February 21, 1986

ANALYST: Roberto Garcia

I. COMMITTEE: Friends of Spicer Congressional Committee (C00178822)
Lee R. Refior, Treasurer
1539 NE 9th Avenue
Rochester, MN 55904

II. RELEVANT STATUTE: 2 U.S.C. §441a(f)

III. BACKGROUND:

Receipt of an Apparent Excessive Contribution from a Qualified Party Committee

The Friends of Spicer Congressional Committee's ("the Committee") 1984 30 Day Post-General Report disclosed an outstanding debt, on Schedule D, of $18,108.38 owed to the Independent-Republican Party of Minnesota[1/] ("the Finance Committee") - a qualified party committee. The nature of the debt was reported as "Labels/GOTV Services" (Attachment 2). The Committee's 1984 Year End Report disclosed the beginning outstanding balance from the previous report, along with a billing adjustment in the amount of $228.54 and a payment of $12,500 on Schedule D, leaving an outstanding balance of $5,379.84. However, the payment was reported as an in-kind contribution, dated November 25, 1984, on Schedules A and B resulting in an apparent excessive contribution of $7,500 (Attachment 3).

A Request for Additional Information ("RFAI") was sent to the Committee, on March 26, 1985, noting the apparent excessive contribution (Attachment 4). A Second Notice was sent, on April 18, 1985, for failure to respond (Attachment 5).

1/ The registered name of the committee is the Minnesota Independent-Republican Finance Committee.

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The Committee's first response was sent certified mail on April 24, 1985. The letter stated that the method of reporting the outstanding debt had been recommended by Mr. Ronald Fischer -- the designated agent for the Finance Committee. Mr. Refior, the Committee's treasurer, and Mr. Fischer had requested guidance from the legal counsel of the Finance Committee (Attachment 6). The Committee filed an up-date to its response which was received by the Commission on May 23, 1985. Attached to the letter was a copy of a response which had been sent to the Commission by the Finance Committee addressed to a RAD Reports Analyst of the Unauthorized Committees Branch. With this response, the Committee believed that no further clarification was necessary (Attachment 7). On June 4, 1985, the Commission contacted Mr. Refior for further clarification, because it was not clear whether the Committee was disputing a debt, accepting an in-kind contribution, or simply reporting an outstanding debt. Mr. Refior stated that the Committee was accepting an in-kind contribution. Mr. Refior was reminded that the contribution was in excess of the limit (Attachment 8).

The 1985 Termination Report, certified on June 12, 1985, disclosed no outstanding debts owed by the Committee on its Summary Page. Schedule D of the report reported $5,379.84 in "Billing Adjustments" for the debt owed to the Finance Committee and an outstanding balance of zero (Attachment 9).

An RFAI was sent to the Committee on June 25, 1985, reminding the Committee that the in-kind contribution exceeded the limit and that the Committee would not be permitted to terminate so long as the debt owed to the Finance Committee remained unpaid (Attachment 10).

On July 3, 1985, Mr. Refior contacted the Commission by telephone, and stated that from the beginning the Committee had disclosed the amount in question as an outstanding debt for services rendered by the Finance Committee. The Committee had converted the debt to an in-kind contribution because of information which it had received from Mr. Fischer. According to Mr. Refior, this information was provided to Mr. Fischer by the RAD Analyst (Attachment 11). The Committee filed a written response confirming the telephone conversation on July 10, 1985. The response disclosed a $12,500 debt and stated it intended to file a revised Termination Report, along with a debt settlement (Attachment 12).

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The Committee filed an amended 1984 Year End Report, certified on August 24, 1985. This report reflected an outstanding debt owed by the Committee of $12,500, as well as reductions in the amounts of Total Receipts and Total Disbursements of $12,500 compared to the totals disclosed on the original Year End Report (Attachment 13). This report was accompanied by an amended Termination Report and a debt settlement (Attachment 14).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

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Attachment 1
(2 pages)

FEDERAL ELECTION COMMISSION
1983-1984
CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

DATE 13FEB86

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS PRIMARY	RECEIPTS GENERAL	DISBURSEMENTS PRIMARY	DISBURSEMENTS GENERAL	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
							TYPE OF FILER		
SPICER, KEITH P	HOUSE 01	REPUBLICAN PARTY			MINNESOTA		1984 ELECTION	ID# H4MN01039	
1. STATEMENT OF CANDIDATE									
1984 STATEMENT OF CANDIDATE							9MAR84	1	84HSE/255/4145
2. CANDIDATE REPORTS OF RECEIPTS & EXPENDITURES									
3. PRINCIPAL CAMPAIGN COMMITTEE									
FRIENDS OF SPICER CONGRESSIONAL COMMITTEE							ID# C00178822 HOUSE		
1984 STATEMENT OF ORGANIZATION							9MAR84	1	84HSE/255/4146
48 HOUR CONTRIBUTION NOTICE							31AUG84	1	84HSE/268/0756
48 HOUR CONTRIBUTION NOTICE							5SEP84	1	84HSE/268/1644
48 HOUR CONTRIBUTION NOTICE							25OCT84	1	84HSE/276/2813
48 HOUR CONTRIBUTION NOTICE							31OCT84	1	84HSE/277/0052
48 HOUR CONTRIBUTION NOTICE							31OCT84	1	84HSE/277/0054
48 HOUR CONTRIBUTION NOTICE							31OCT84	1	84HSE/277/0028
48 HOUR CONTRIBUTION NOTICE							2NOV84	1	84HSE/277/1075
48 HOUR CONTRIBUTION NOTICE							2NOV84	1	84HSE/277/1045
APRIL QUARTERLY			5,137		2,783		1JAN84 -30MAR84	8	84HSE/257/4705
JULY QUARTERLY			22,368		15,945		1APR84 -30JUN84	11	84HSE/262/2668
PRE-PRIMARY			48,052		49,784		1JUL84 -22AUG84	16	84HSE/268/0725
OCTOBER QUARTERLY				86,471		80,320	22AUG84 -30SEP84	25	84HSE/269/3222
PRE-GENERAL				60,964		59,283	10CT84 -17OCT84	17	84HSE/275/4036
PRE-GENERAL		- AMENDMENT		-		-	10CT84 -17OCT84	1	85HSE/282/1874
PRE-GENERAL		- AMENDMENT		60,964		59,283	10CT84 -17OCT84	3	85HSE/283/4315
1'ST LETTER INFORMATIONAL NOTICE							10CT84 -17OCT84	1	84FEC/357/2814
POST-GENERAL				99,665		103,019	18OCT84 -26NOV84	25	84HSE/281/2796
POST-GENERAL		- AMENDMENT		-		-	18OCT84 -26NOV84	1	85HSE/282/1875
POST-GENERAL		- AMENDMENT		99,665		103,019	18OCT84 -26NOV84	5	85HSE/283/4310
REQUEST FOR ADDITIONAL INFORMATION							18OCT84 -26NOV84	1	85FEC/359/1922
REQUEST FOR ADDITIONAL INFORMATION 2ND							18OCT84 -26NOV84	2	85FEC/363/2325
YEAR-END				20,970		27,204	27NOV84 -31DEC84	9	85HSE/283/4127
YEAR-END		- AMENDMENT		-		-	27NOV84 -31DEC84	1	85HSE/286/2831
YEAR-END		- AMENDMENT		-		-	27NOV84 -31DEC84	2	85HSE/286/4442
YEAR-END		- AMENDMENT		8,470		14,704	27NOV84 -31DEC84	5	85HSE/291/0184
REQUEST FOR ADDITIONAL INFORMATION							27NOV84 -31DEC84	3	85FEC/369/0663
REQUEST FOR ADDITIONAL INFORMATION 2ND							27NOV84 -31DEC84	4	85FEC/371/1174
TOTAL			75,557	255,570	68,512	257,326		149	TOTAL PAGES

4. AUTHORIZED COMMITTEES
4B. TRANSFERS IN FROM JOINT FUNDRAISING COMMITTEES

All reports listed above have been reviewed.

Ending cash-on-hand for 12/31/84: $ 5,287.00

Outstanding debts and obligations as of 12/31/84: $ 12,500.00

SPICER, KEITH P — HOUSE 01 REPUBLICAN PARTY — MINNESOTA — 1984 ELECTION — ID# H4MN01039

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE SOUGHT/	PARTY	RECEIPTS PRIMARY	RECEIPTS GENERAL	DISBURSEMENTS PRIMARY	DISBURSEMENTS GENERAL	COVERAGE DATES	TYPE OF FILER	# OF PAGES	MICROFILM LOCATION
1. STATEMENT OF CANDIDATE										
2. CANDIDATE REPORTS OF RECEIPTS & EXPENDITURES										
3. PRINCIPAL CAMPAIGN COMMITTEE										
FRIENDS OF SPICER CONGRESSIONAL COMMITTEE							ID# C00178822	HOUSE		
1985 DEBT SETTLEMENT STATEMENT							24AUG85		2	85HSE/291/0189
RFAI: DEBT SETTLEMENT FIRST							9SEP85		1	85FEC/387/3302
RFAI: DEBT SETTLEMENT SECOND							30CT85		2	85FEC/388/3976
DEBT SETTLEMENT STATEMENT AMENDMENT							120CT85		3	85HSE/291/2550
YEAR-END				-		88	1JUL85 -31DEC85		5	86HSE/292/3840
TERMINATION REPORT				3,393		8,680	1JAN85 -30MAY85		7	85HSE/286/5124
TERMINATION REPORT	- AMENDMENT			-		-	1JAN85 -30MAY85		1	85HSE/287/1468
TERMINATION REPORT	- AMENDMENT			-		-	1JAN85 -30JUN85		1	85HSE/287/1452
TERMINATION REPORT	- AMENDMENT			3,996		8,680	1JAN85 -30JUN85		5	85HSE/291/0191
REQUEST FOR ADDITIONAL INFORMATION							1JAN85 -30MAY85		4	85FEC/376/4588
1986 MISCELLANEOUS REPORT							23JAN86 TO FEC		1	86HSE/292/4534
TOTAL			0	3,996	0	8,768			32	TOTAL PAGES
4. AUTHORIZED COMMITTEES										
4B. TRANSFERS IN FROM JOINT FUNDRAISING COMMITTEES										

All reports listed above have been reviewed.

Ending cash-on-hand as 12/31/85: $ 513.95

Outstanding debts and obligations as of 12/31/85: $ 12,500.00

SCHEDULE D
(Revised 2/84)

Debts and Obligations
Outstanding Loans

Name of Committee (in Full): FRIENDS OF SPICER CONGRESSIONAL COMMITTEE	Outstanding Balance Beginning This Period	Amount Borrowed This Period	Payment This Period	Outstanding Balance at Close of This Period
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor: CUSTOM PRINTING, 1913 SECOND ST SW, ROCHESTER MN 55903	2456.14	485.19	2941.33	ø
Nature of Debt (Purpose): LETTERHEADS				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor: INSTY PRINTS, 603 NORTH BROADWAY, ROCHESTER MN 55906	5279.58	1912.48	7192.06	ø
Nature of Debt (Purpose): COPY SERVICE				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor: JOHNSON PRINTING, 311 NW 2ND AVE, ROCHESTER MN 55901	971.38	8158.62	4000.00	5130.00
Nature of Debt (Purpose): BROCHURES				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor: HUCKABY MARSH & RODRIQUEZ, 6650 BELLEAU WOODLANE, SACRAMENTO CA 95822	5066.40	983.60	5000.00	990.00
Nature of Debt (Purpose): CONSULTING SVS				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor: IR PARTY OF MINNESOTA, 8030 CEDAR AVES., BLOOMINGTON MN 55420	ø	18108.38	ø	18108.38
Nature of Debt (Purpose): LABELS / GOTV SERVICE				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor: NORTHWESTERN BELL, 200 S 5TH ST, MINNEAPOLIS MN.	ø			2076.39
Nature of Debt (Purpose): PHONE USAGE				
1) SUBTOTALS This Period This Page (optional)				26284.77
2) TOTAL This Period (last page this line only)				26284.77
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only)				ø
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only)				26284.77

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1984 Year-End Report
(11/27/84-12/31/84)

Attachment 3 (3 pages)

SCHEDULE A **ITEMIZED RECEIPTS**

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (In Full): FRIENDS OF SPILLER CONGRESSIONAL COMMITTEE

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt This Period
A. COLLEGE REPUBLICANS OF WINONA STATE UNIVERSITY WINONA, MN. 55987		12/31/84	10.00
Receipt For: ☐ Primary ☑ General ☐ Other (specify):	Aggregate Year-to-Date—$	10.00	
B. Gil Gutknecht Vol Cmte. 3812 16th Ave NW Rochester MN 55901		12/31/84	500.00
Receipt For: ☐ Primary ☑ General ☐ Other (specify):	Aggregate Year-to-Date—$	500.00	
C. People for Bob Waltman Cmte. Box N Elgin, MN 55932		12/31/84	135.00
Receipt For: ☐ Primary ☑ General ☐ Other (specify):	Aggregate Year-to-Date—$	135.00	
D. People for Piepho Vol Cmte. 1120 South Ave Mankato MN 56001		12/4/84	50.00
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date—$	50.00	
E. National Republican Congressional Committee 320 First St SE Washington DC 20003		10/25	339.84
Receipt For: ☐ Primary ☑ General ☐ Other (specify):	Aggregate Year-to-Date—$	4994.19	
F. IR Part of Minnesota 8030 Cedar Ave Bloomington MN 55420		11/25/84	12500.00 In Kind
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date—$		
G. Full Name, Mailing Address and ZIP Code			
Receipt For: ☐ Primary ☐ General ☐ Other (specify):	Aggregate Year-to-Date—$		
SUBTOTAL of Receipts This Page (optional)			13534.84
TOTAL This Period (last page this line number only)			13534.84

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SCHEDULE B

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (In Full)

FRIENDS OF SPICER CONGRESSIONAL COMMITTEE

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	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. Full Name, Mailing Address and ZIP Code IR PARTY OF MINNESOTA 8030 CEDAR AVE BLOOMINGTON MN 55420	PHONE BANK Disbursement for: ☐ Primary ☒ General ☐ Other (specify):	11/25/84	12500.00 IN KIND
B. Full Name, Mailing Address and ZIP Code CAMPAIGN FOR PROSPERITY 499 S. CAPITOL ST. WASHINGTON DC 20003	Purpose of Disbursement J. KEMP TRAVEL Disbursement for: ☐ Primary ☒ General ☐ Other (specify):	Date (month, day, year) 11/25/84	Amount of Each Disbursement This Period 913.16 IN KIND
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (optional)			13213.16
TOTAL This Period (last page this line number only)			26629.12

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1984 Year-End Report
(11/27/84-12/31/84)

SCHEDULE D
(Revised 3/80)

DEBTS AND OBLIGATIONS
Excluding Loans

Name of Creditor (In Full) FRIENDS OF SPICER CONGRESSIONAL COMMITTEE	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor JOHNSON PRINTING 311 NW 2ND AVE ROCHESTER MN 55901	5130.00	-1944.72 BILLING ERROR ADJUSTMENT	3135.28	Ø
Nature of Debt (Purpose):				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor HUCKABY MARSH & RODRIGUEZ 6650 BELLEAU WOOD LANE SACRAMENTO CA 95822	970.00	-30.00 BILLING ADJUSTMENT	940.00	Ø
Nature of Debt (Purpose):				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor IR PARTY OF MINN. 8030 CEDAR AVE BLOOMINGTON MN 55420	18108.38	-228.54 BILLING ADJUSTMENT	12500.00	5379.84
Nature of Debt (Purpose):				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				

1) SUBTOTALS This Period This Page (optional)	5379.84
2) TOTAL This Period (last page this line only)	5379.84
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only)	
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only)	5379.84

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Attachment 4
(2 pages)

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

March 26, 1985

Lee R. Refior, Treasurer
Friends of Spicer Congressional
Committee
1539 N.E. 9th Avenue
Rochester, MN 55904

Identification Number: C00178822

Reference: Year-End Report (11/27/84-12/31/84)

Dear Mr. Refior:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A of your report (pertinent portion attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. A political party committee may not make a contribution to a candidate for Federal office in excess of $5,000 per election. If you have received an excessive contribution(s), the Commission recommends that you refund to the donor(s) the amount in excess of $5,000 per election. The Commission should be notified in writing if a refund is necessary. In addition, any refund should appear on Line 20(c) of the Detailed Summary Page of your next report. (2 U.S.C. 441a(a) and (f))

If the contribution(s) in question was incorrectly reported and/or you have additional information regarding the contribution(s), you may wish to submit documentation for the public record. Please amend your report with the clarifying information.

Although the Commission may take further legal steps concerning the acceptance of an excessive contribution, prompt action by you to refund the excessive amount will be taken into consideration.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of

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this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

Roberto Garcia

Roberto Garcia
Reports Analyst
Reports Analysis Division

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Attachment 5

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

RQ-3

April 18, 1985

Lee R. Refior, Treasurer
Friends of Spicer Congressional
Committee
1539 N.E. 9th Avenue
Rochester, MN 55904

Identification Number: C00178822

Reference: Year-End Report (11/27/84-12/31/84)

Dear Mr. Refior:

This letter is to inform you that as of April 17, 1985, the Commission has not received your response to our request for additional information, dated March 26, 1985. That notice requested information essential to full public disclosure of your Federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). A copy of our original request is enclosed.

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Roberto Garcia on our toll-free number (800) 424-9530 or our local number (202) 523-4048.

Sincerely,

John D. Gibson

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure

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CERTIFIED MAIL

APR 24 1985

109657

RECEIVED
FEDERAL ELECTION COMMISSION
1985 APR 29 PM 2:16
SECRETARIAT
U.S. HOUSE OF REPRESENTATIVES

Mr John Gibson
Assistant Staff Director
Reports Analysis Division
Federal Election Commission
Washington, D. C. 20463

Reference: Mr. Robert Garcia's letter of March 26 and your of April 16, 1985 - Attachments enclosed

Account: Friends of Spicer Congressional Committe
1539 N.E. 9th Avenue
Rochester, Mn 55904
Identification Number: C00178822

Upon reciept of Mr Garcia's memo of March 26 indicating that the IR Party of Minnesota had provided in kind contributions that are potentially in excess of the limitation, I contacted Mr Garcia and informed him that the method of reporting was recommended to Ron Fisher, Minnesota IR Party Treasurer, by his contact at the FEC but that we were reviewing the guidelines for potential error on our part.

At that time, I also asked Mr Garcia for an extention of the reporting due date to allow adequate time to review the potential changes required. He indicated that another letter would be forthcoming from the FEC requesting a response but that additional time to respond within a reasonable time period would be allowed.

Mr Fisher and I have reviewed the matter and have requested advice from the Minnesota IR legal counsel who has made contact with the FEC legal counsel to clarify the guidelines. I would expect a resolution within the next 15 days and will provide an updated FEC Report at that time.

Lee R. Refior

Treasurer

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Attachment 7
(2 pages)

REGULAR MAIL

MAY 1 8 1985

Mr John Gibson
Assistant Staff Director
Reports Analysis Division
Federal Election Commission
Washington, D. C. 20463

May 14, 1985

109657

1985 MAY 23 AM 8 43

Lee R. Refior
Treasurer
Friends of Spicer Congressional Committee
1539 NE 9th Avenue
Rochester, Mn 55904

Reference: My letter to you dated April 25, 1985
Attached letter from the IR Party of Minnesota

There was question about an in-kind contribution of $12,500.00 from the IR State Party of Minnesota that was reported on my 12/31/84 FEC Report.

In prior correspondance, I indicated that I would further assess the matter. I have concluded that the reporting methodology was recommended by Mr Mike Tangney from your organization with the realization that there were no other options based on the the financial status of the campaign committee. A final report closing out the Friends of Spicer Congressional Committee will be submitted in the near future. Based on the referenced recommendation, I plan no further reporting of this matter.

Sincerly

Lee R. Refior

cc Ronald Fischer
Director of Business Operations
IR Party of Minnesota
8030 Cedar Ave
Bloomington, Mn 55420

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INDEPENDENT REPUBLICANS OF MINNESOTA

February 28, 1985

Mike Tangney, Reports Analyst
Federal Elections Commission
1325 K. St.
Washington, D.C. 20463

REFERENCE: 30 Day Post-General Report (10-18-84 to 11-26-84)

Dear Mr. Tangney:

Your letter questions three in-kind contributions in the amount of $12,500.00 each.

We ran a get-out-the-vote phone bank costing approximately $400,000. Since there were four (4) types of races involved, each race was $100,000. We have eight congressional seats in Minnesota so each Congressional Candidate was assessed $12,500.00 ($100,000 ÷ 8 = $12,500).

On three separate dates I spoke with you and explained that we had expected to get paid and even though we billed these three candidates, no money was received. As I explained to you, these candidates lost the election and were all in debt. The chances of collecting this money was slim to none.

You recommended that we report these items on line #21 as in-kind donations.

Since there is virtually no chance of collecting these items, unless the F.E.C. can bring enough pressure on the candidates, there is no reason to amend our report at this time. We had no choice in this matter.

Sincerely,

Ronald Fischer

Ronald Fischer
Director of Business Operations
I.D. #C00001313

8030 Cedar Ave., Suite 202 • Bloomington, MN 55420 • (612) 854-1446

85012304443

Attachment 8

MEMORANDUM TO THE FILE

FROM : Roberto Garcia

DATE : June 4, 1985 - 1:30 pm

COMMITTEE/STATE : Friends of Spicer Congressional Committee (C00178822)
Minn./1st Dist.

TREASURER/AGENT : Mr. Lee Refior

SUBJECT : 1984 Year End - RFAI response received
possible 2 U.S.C. 441a(f)

I contacted Mr. Refior after receiving the response on June 4, 1985, addressing the RFAI -- which was sent on March 26, 1985. I asked Mr. Refior if he could clarify the response.

(It was not clear whether the committee was disputing the debt with the IR of Minn. or whether they were accepting the in-kind contribution flat-out.)

Mr. Refior quickly responded by stating, "Well, Mr. Garcia, I have never seen such a mix-up in billing process. I didn't agree with the method of their bookkeeping. They would send us bills which were estimated costs to upcoming services. I had no idea what these upcoming services were, and when we would receive some of these services they would be so lousy I didn't agree with the estimated value. There were some sets of labels I just threw in the trash can.

"I called Mr. Fischer of the IR of Minnesota and asked him why we had these bills. Apparently they were having some computer mix-up, and as you will see in our upcoming Termination Report, there will be even more adjustments to the outstanding balance."

I then asked Mr. Refior if that meant he was disputing the amount which the IR of Minnesota had assessed the Spicer Committee.

His reponse was, "Mr. Garcia, the original $12,500 which you are referring to is a flat-out contribution."

I then explained to Mr. Refior that the contribution exceeded the $5,000 limitation, and because of this the Commission would recognize the excessive amount as an outstanding debt owed by the committee. Recalling the Termination Report that he had mentioned before, such a report would not be approved by the Commission to be in compliance with the Act. I suggested to Mr. Refior that the committee should attempt to set a fundraiser to help pay the debt.

Mr. Refior then noted, "Well Mr. Garcia, there is nothing left in the kitty and the candidate is no longer in the state, so I doubt we would be able to attract anybody to contribute to a nonexistent person."

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JUN 12 1985

CERTIFIED MAIL

REPORTS OF RECEIPTS AND DISBURSEMENTS
For Authorized Committee

(Summary Page)

ALIGN AREA

1 Name of Committee (in Full): FRIENDS OF SPICER Congressional Cmte.

2 FEC Identification Number: 109657

Address (Number and Street): 1539 NE 9TH AVE

3 Is this Report an Amendment? ☐ YES ☑ NO

City, State and Zip Code: ROCHESTER MN. 55904

☐ Check if address is different than previously reported

1985 JUN 17 PM 1:35

4 TYPE OF REPORT

☐ April 15 Quarterly Report

☐ July 15 Quarterly Report

☐ October 15 Quarterly Report

☐ January 31 Year End Report

☐ July 31 Mid Year Report (Non-election Year Only)

☐ Twelfth day report preceding _____ (Date of Election) election on _____ in the State of _____

☐ Thirtieth day report following the General Election on _____ in the State of _____

☑ Termination Report

This report contains activity for ☐ Primary Election ☐ General Election ☐ Special Election ☐ Runoff Election

SUMMARY	COLUMN A This Period	COLUMN B Calendar Year to-Date
5 Covering Period 1/1/85 through 6/30/85		
6 Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (From Line 11 (e))	1875.26	1875.26
(b) Total Contribution Refunds (from Line 20 (d))	∅	
(c) Net Contributions (other than loans) (subtract Line 6 (b) from 6 (a))	1875.26	1875.26
7 Net Operating Expenditures		
(a) Total Operating Expenditures (from Line 17)	8680.67	8680.67
(b) Total Offsets to Operating Expenditures (from Line 14)	1518.41	1518.41
(c) Net Operating Expenditures (Subtract Line 7 (b) from 7 (a))	7162.26	7162.26
8 Cash at Close of Reporting Period (from Line 27)	∅	
9 Debts and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)	∅	
10 Debts and Obligations Owed BY The Committee (Itemize all on Schedule C or Schedule D)	∅	

I (we) have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact
Federal Election Commission
Toll Free 800 424 9530
Local 202 523 4068

LEE R. REFIOR
Typed or Print Name of Treasurer

SIGNATURE OF TREASURER

5/31/85
Date

NOTE: Submission of false erroneous or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. 437g

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used

FEC FORM 3 (1/80)

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SCHEDULE D
(Revised 3/80)

DEBTS AND OBLIGATIONS
Excluding Loans

Page 1 of 1 for
LINE NUMBER ____
(Use separate schedules for each numbered line)

Name of Committee (In Full) FRIENDS OF SPREE CONGRESSIONAL COMMITTEE	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor: IN PARTY OF MN 8010 CEDAR AVE BLOOMINGTON MN 55420	537984	ø	ADJUSTMENT TO BILLING ERROR -537984	ø
Nature of Debt (Purpose)				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
1) SUBTOTALS This Period This Page (optional)				ø
2) TOTAL This Period (last page this line only)				
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only)				
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only)				ø

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Lee R. Refior, Treasurer
Friends of Spicer Congressional
Committee
1539 NE 9th Avenue
Rochester, MN 55904

JUN 25 1985

Identification Number: C00178822

Reference: Termination Report (1/1/85-5/30/85)

Dear Mr. Refior:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-The Commission must remind your committee that the $12,500 in-kind contribution from the Independent Republicans State Party of Minnesota, for the phone bank service of the General Election, exceeds the $5,000 limitation of the Act. (2 U.S.C. §441a(a) and (f)) This contribution creats an outstanding debt of $7,500 Owed To the Independent Republicans State Party of Minnesota. Therefore, your committee cannot terminate its reporting requirements because of this outstanding debt.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

Roberto Garcia
Reports Analyst
Reports Analysis Division

MEMORANDUM TO THE FILE

FROM : Roberto Garcia

DATE/TIME : July 3, 1985 - 2:30 pm

COMMITTEE/STATE : Friends of Spicer Congressional Committee (C00178822)

TREASURER/AGENT : Mr. Lee Refior

SUBJECT : 1985 Termination Report, Invalid Termination with an outstanding debt because of an apparent excessive "in-kind" contribution (U.S.C. 441a(f)

Mr. Refior contacted me after receiving the RFAI dated June 25, 1985, which notified the Committee that the Termination Report was not valid because of outstanding debts.

Mr. Refior noted that from the beginning the Committee had disclosed the matter as an outstanding debt on Schedule D. As Mr. Refior noted, "Mr. Garcia, the only reason that it was later shown as an in-kind contribution, as such, was because that was what I had been told to do by Mr. (Ronald) Fischer." This was from information that Mr. Fischer had received from Mr. Mike Tangney, an RAD analyst on the Unauthorized Branch.

Mr. Refior then stated, "Well Mr. Garcia, since this is really an outstanding debt which we're not going to be able to pay-off; What if we were to submit a Debt Settlement?"

I then told Mr. Refior that I could not guarantee a Debt Settlement would be accepted by the Commission. That's why I had suggested that he have some kind of fundraiser to pay-off the outstanding debt.

I then reminded Mr. Refior that the Committee must continue to file semi-annual reports, due July 31, and January 31, with the outstanding debt on Line 10 and a supporting Schedule D.

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REGULAR MAIL

JUL 7 1985

July 6, 1985

Roberto Garcia
Reports Analyst Division
Federal Election Commmission
Wahsington, D.C. 20463

109657

Reference: Your correspondence dated June 25 on the Friends of Spicer Congressional Committee Termination Report

RECEIVED
FEDERAL ELECTION COMMISSION
1985 JUL 10 PM 3:14
OFFICE OF GENERAL COUNSEL

Mr. Garcia

As we have discussed, there continues to be a question about the proper methodology of reporting of the $12500.00 charges from the IR Party of Minnnesota for phone bank services rendered.

As I indicated to you, I believe the item should have been reported as an outstanding liability, not an In Kind Contribution and I will request that the State Party modify their reporting. For you information, I then plan to submit a Debt Settlement Statement to the FEC for approval after comp .ting the closure agreement with the State IR Party.

RG

My termination report was dated thru 6/30/85 not 5/30/85 as you had indicated. Therefore I will plan to complete a revised termination report upon completion of the Debt Settlement Agreement.

Lee R. Refior
Treasurer
Friends of Spicer Congressional Committee
1539 NE 9th Ave
Rochester, MN

Attachment 13
(3 pages)

Original Year End Report

DETAILED SUMMARY PAGE
of Receipts and Disbursements
(Page 2, FEC FORM 3)

Name of Committee (In Full): Friends of Spike Cohen Senate Committee

Report Covering the Period: From 11/22/88 To 12/31/88

	COLUMN A Total This Period	COLUMN B Calendar Year to Date	
I. RECEIPTS			
11 CONTRIBUTIONS (other than loans) FROM			
(a) Individuals/Persons Other Than Political Committees (Memo Entry Unitemized $ 5245.39)	6345.39	217084.57	11 (a)
(b) Political Party Committees	13534.84	56360.09	11 (b)
(c) Other Political Committees	846.18	64783.30	11 (c)
(d) The Candidate		300.00	11 (d)
(e) TOTAL CONTRIBUTIONS (other than loans (add 11(a), 11(b), 11(c) and 11(d)	20726.41	338547.96	11 (e)
12 TRANSFERS FROM OTHER AUTHORIZED COMMITTEES			12
13. LOANS			
(a) Made or Guaranteed by the Candidate			13 (a)
(b) All Other Loans			13 (b)
(c) TOTAL LOANS (add 13 (a) and 13 (b))			13 (c)
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	243.83	5079.89	14
15 OTHER RECEIPTS (Dividends, Interest, etc.)			15
16 TOTAL RECEIPTS (add 11 (e), 12, 13 (c), 14 and 15)	20970.24	343627.85	16
II. DISBURSEMENTS			
17 OPERATING EXPENDITURES	27204.14	338340.85	17
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES	∅	∅	18
19. LOAN REPAYMENTS			
(a) Of Loans Made or Guaranteed by the Candidate			19 (a)
(b) Of All Other Loans			19 (b)
(c) TOTAL LOAN REPAYMENTS (add 19 (a) and 19 (b))	∅	∅	19 (c)
20 REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees			20 (a)
(b) Political Party Committees			20 (b)
(c) Other Political Committees			20 (c)
(d) TOTAL CONTRIBUTION REFUNDS (add 20 (a), 20 (b), and 20 (c))	∅	∅	20 (d)
21. OTHER DISBURSEMENTS			21
22 TOTAL DISBURSEMENTS (add 17, 18, 19 (c), 20 (d) and 21)	27204.14	338340.85	22

III. CASH SUMMARY

23 CASH ON HAND AT BEGINNING OF REPORTING PERIOD	$	11520.90	23
24 TOTAL RECEIPTS THIS PERIOD (From Line 16)	$	20970.24	24
25 SUBTOTAL (Add Line 23 and Line 24)	$	32491.14	25
26 TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)	$	27204.14	26
27 CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)	$	5287.00	27

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Amended Year End Report

of Receipts and Disbursements
(Page 2, FEC FORM 3)

Name of Committee (in Full): Friends of Spence Congressional Committee

Report Covering the Period From: 11/27/84 To: 12/31/84

	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date	
I. RECEIPTS			
11 CONTRIBUTIONS (other than loans) FROM:			
(a) Individuals/Persons Other Than Political Committees (Memo Entry Unitemized $ 5245.39)	6345.39	217084.57	11 (a)
(b) Political Party Committees	1034.84	43880.09	11 (b)
(c) Other Political Committees	846.18	64783.30	11 (c)
(d) The Candidate		500.00	11 (d)
(e) TOTAL CONTRIBUTIONS (other than loans (add 11(a), 11(b), 11(c) and 11(d).	8226.41	326047.96	11 (e)
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES			12
13 LOANS			
(a) Made or Guaranteed by the Candidate			13 (a)
(b) All Other Loans			13 (b)
(c) TOTAL LOANS (add 13 (a) and 13 (b))			13 (c)
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	243.83	5079.89	14
15. OTHER RECEIPTS (Dividends, Interest, etc.)			15
16. TOTAL RECEIPTS (add 11 (e), 12, 13 (c), 14 and 15)	8470.24	331,127.85	16
II. DISBURSEMENTS			
17 OPERATING EXPENDITURES	14704.14	325840.85	17
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES	Ø	Ø	18
19. LOAN REPAYMENTS:			
(a) Of Loans Made or Guaranteed by the Candidate			19 (a)
(b) Of All Other Loans			19 (b)
(c) TOTAL LOAN REPAYMENTS (add 19 (a) and 19 (b))	Ø	Ø	19 (c)
20 REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees			20 (a)
(b) Political Party Committees			20 (b)
(c) Other Political Committees			20 (c)
(d) TOTAL CONTRIBUTION REFUNDS (add 20 (a), 20 (b), and 20 (c))	Ø	Ø	20 (d)
21 OTHER DISBURSEMENTS			21
22 TOTAL DISBURSEMENTS (add 17, 18, 19 (c), 20 (d) and 21)	14704.14	325840.85	22

III. CASH SUMMARY

23 CASH ON HAND AT BEGINNING OF REPORTING PERIOD	$	11520.90	23
24 TOTAL RECEIPTS THIS PERIOD (From Line 16)	$	8470.24	24
25 SUBTOTAL (Add Line 23 and Line 24)	$	19991.14	25
26 TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)	$	14704.14	26
27 CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)	$	5287.00	27

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SCHEDULE D
(Revised 2/88)

DEBTS AND OBLIGATIONS
Excluding Loans

Page [illegible]
Line Number
(List separately for each numbered line)

Amended Year End Report

Name of Committee (In Full) FRIENDS OF SPIEGO CONGRESSIONAL COMMITTEE	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor: JOHNSON PRINTING, 311 NW 2ND AVE, ROCHESTER, MN 55901	3130.00	-1944.72 Allowance/ Billing Error	3135.28	∅
Nature of Debt (Purpose): PRINTING OF BROCHURES				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor: HICKEY MARSH & ASSOCIATES, 6650 BELLEAIRE LANE, SACRAMENTO CA. 95822	940.00	-30 Billing Adjustment	940.00	∅
Nature of Debt (Purpose): CONSULTING FEES				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor: IN PARTY OF MIND, 8030 CEDAR AVE, BLOOMINGTON, MN 55420	18108.38	-5608.38 Auditing Billing	∅	12500.00
Nature of Debt (Purpose):				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
1) SUBTOTALS This Period This Page (optional)				12500.00
2) TOTAL This Period (last page this line only)				12500.00
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only)				
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only)				12500.00

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1985 Amended Termination Report

Attachment 14
(5 pages)

AUG 24 1985

CERTIFIED MAIL

REPORTS OF RECEIPTS AND DISBURSEMENTS
For Authorized Committees

(Summary Page)

ALIGN AREA

1. Name of Committee (in Full): FRIENDS OF SPOKER CONGRESSIONAL COMMITTEE
2. FEC Identification Number: 109657
3. Is this Report an Amendment? ☑ YES ☐ NO
Address (Number and Street): 1539 NE 9TH AVE
City, State and Zip Code: ROCHESTER, MN 55906
☐ Check if address is different than previously reported

4. TYPE OF REPORT

☐ April 15 Quarterly Report
☐ July 15 Quarterly Report
☐ October 15 Quarterly Report
☐ January 31 Year End Report
☐ July 31 Mid Year Report (Non-election Year Only)
☐ Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____
☐ Thirtieth day report following the General Election on _____ in the State of _____
☐ Termination Report

This report contains activity for – ☐ Primary Election ☐ General Election ☐ Special Election ☐ Runoff Election

SUMMARY	COLUMN A This Period	COLUMN B Calendar Year to Date
5 Covering Period 1/1/85 through 6/30/85		
6 Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (From Line 11 (e))	1975.26	1975.26
(b) Total Contribution Refunds (from Line 20 (d))	ø	ø
(c) Net Contributions (other than loans) (subtract Line 6 (b) from 6 (a))	1975.26	1975.26
7 Net Operating Expenditures		
(a) Total Operating Expenditures (from Line 17)	8680.67	8680.67
(b) Total Offsets to Operating Expenditures (from Line 14)	2021.28	2021.28
(c) Net Operating Expenditures (Subtract Line 7 (b) from 7 (a))	6659.39	6659.39
8 Cash on Hand at Close of Reporting Period (from Line 27)	602.87	
9 Debts and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)		
10 Debts and Obligations Owed BY The Committee (Itemize all on Schedule C or Schedule D)	12500.00	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

LEE R. REFSIL
Type or Print Name of Treasurer

SIGNATURE OF TREASURER

8/12/85
Date

For further information, contact
Federal Election Commission
Toll Free 800 424 9530
Local 202 523 4068

NOTE: Submission of false erroneous or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C.

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

85 AUG 26 PM 2 55
U.S. FEDERAL ELECTION COMMISSION
OFFICE OF PUBLIC RECORDS

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DETAILED SUMMARY PAGE
of Receipts and Disbursements
(Page 2, FEC FORM 3)

Name of Committee (in Full): FRIENDS OF SPICER CONGRESSIONAL COMMITTEE

Report Covering the Period: From 1/1/85 To 6/30/85

	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date	
I. RECEIPTS			
11 CONTRIBUTIONS (other than loans) FROM			
(a) Individuals/Persons Other Than Political Committees	875.26	875.26	11 (a)
(Memo Entry Unitemized $ 575.26)			
(b) Political Party Committees	1000.00	1000.00	11 (b)
(c) Other Political Committees	100.00	100.00	11 (c)
(d) The Candidate			11 (d)
(e) TOTAL CONTRIBUTIONS (other than loans (add 11(a), 11(b), 11(c) and 11(d)	1975.26	1975.26	11 (e)
12 TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	Ø	Ø	12
13 LOANS			
(a) Made or Guaranteed by the Candidate			13 (a)
(b) All Other Loans			13 (b)
(c) TOTAL LOANS (add 13 (a) and 13 (b))	Ø	Ø	13 (c)
14 OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	2021.28	2021.28	14
15 OTHER RECEIPTS (Dividends, Interest, etc.)	Ø	Ø	15
16 TOTAL RECEIPTS (add 11 (e), 12, 13 (c), 14 and 15)	3996.54	3996.54	16
II. DISBURSEMENTS			
17 OPERATING EXPENDITURES	8680.67	8680.67	17
18 TRANSFERS TO OTHER AUTHORIZED COMMITTEES	Ø	Ø	18
19 LOAN REPAYMENTS			
(a) Of Loans Made or Guaranteed by the Candidate			19 (a)
(b) Of All Other Loans			19 (b)
(c) TOTAL LOAN REPAYMENTS (add 19 (a) and 19 (b))	Ø	Ø	19 (c)
20 REFUNDS OF CONTRIBUTIONS TO			
(a) Individuals/Persons Other Than Political Committees			20 (a)
(b) Political Party Committees			20 (b)
(c) Other Political Committees			20 (c)
(d) TOTAL CONTRIBUTION REFUNDS (add 20 (a), 20 (b), and 20 (c))	Ø	Ø	20 (d)
21 OTHER DISBURSEMENTS			21
22 TOTAL DISBURSEMENTS (add 17, 18, 19 (c), 20 (d) and 21)	8680.67	8680.67	22

III. CASH SUMMARY

23 CASH ON HAND AT BEGINNING OF REPORTING PERIOD	$	5287.00
24 TOTAL RECEIPTS THIS PERIOD (From Line 16)	$	3996.54
25 SUBTOTAL (Add Line 23 and Line 24)	$	9283.54
26 TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)	$	8680.67
27 CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)	$	602.87

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5011911192

SCHEDULE D
(Revised 2/98)

DEBTS AND OBLIGATIONS
Excluding Loans

Page 1 of 1
FEC ACCOUNT
This amount carries to the summary page

Name of Committee (In Full) FRIENDS OF SAVIDO CONGRESSIONAL COMMITTEE	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor IR PARTY OF MINN 8030 CEDAR AVE BLOOMINGTON MN 55420	12500 -	—	—	12500 -
Nature of Debt (Purpose):				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				

1) SUBTOTALS This Period This Page (optional)	12500.00
2) TOTAL This Period (last page this line only)	12500.00
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only)	
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only)	12500.00

35012910193
37040707777

Mr Roberto Garcia
Federal Election Commission
Washington, D.C. 20463

Friends of Spicer Congressional Committee
% Lee R. Refior, Treasurer
633 20th St NE
Rochester, Mn 55904

Reference: Debt Settlement Statement for Friends of Spicer Congressional Committee, FEC account # 10967

Dear Mr. Garcia,

In recent phone conversations and correspondence, you have brought to my attention that the $12500.00 in-kind contribution from the Independent Party of Minnesota that was reported on the 12/30/84 FOSCC FEC Report exceeded the limitation and that a report adjustment was required.

Attached please find amendements to the FOSCC FEC Reports for 12/31/84 and 6/30/85 to properly reflect the required change.

In an effort to resolve the outstanding debt to the Republican Party of Minnesota, I have proposed and received their approval for a debt settlement of 3 cents on the dollar or $375.00 as complete settlement for the outstanding debt. Attached is a copy of correspondence from Mr James Mullin, Treasurer for the Independent Party of Minnesota, supporting the debt settlement agreement. I should indicate that shortly after the November General Election the FOSCC sent a mailing to the 1st District in an attempt to raise more funds to pay off our outstanding obligations. This mailing plus subsequent phone efforts was adequate to raise funds to pay off all other obligations but , as reflected by our current balance, not adequate to address this large outstanding obligation. As you know, we were not successful in our election bid and it is extremely difficult to raise additional funds at this point in time - especially since the candidate has moved out of state.

I will appreciate your presentation of this item for FEC approval so I can progress with the debt settlement and submit a final FEC Report for the FOSCC. Thank you for your assistance in this matter.

Lee R. Refior
Treasurer
Friends of Spicer Congressional Committee

85012910194

INDEPENDENT REPUBLICANS OF MINNESOTA

July 14, 1985

Mr. Lee R. Refior, Treasurer
Friends Of Spicer Congressional Committee (FOSCC)
633 20th Street NE
Rochester, MN 55904

Dear Mr. Refior:

This letter is in answer to your letter of July 6, 1985, to Ronald Fischer (attached) in which you made two requests of the State IR Party.

In regard to your first request regarding a revision of the State IR Party's year-end report, Ron Fischer had discussions with both Mike Tagney and Roberto Garcia at the FEC. It was determined that it was not necessary for the State IR Party to revise its report in order for you to proceed with your revision.

In regard to your second request regarding settlement of FOSCC's $12,500 payable to the State IR Party, consider this letter as acceptance of your proposal to settle for 3 cents on the dollar or $375 as complete settlement. This acceptance assumes FEC approval of the process and I would suggest that payment be deferred until you receive such approval.

In order to facilitate the process you may wish to include your "Debt Settlement Statement for final FEC approval" with FOSCC's revision of its 1984 year-end report, changing "Contribution in kind" of $12,500 to a payable for "Get Out the Vote (GOTV)" services provided by the State IR Party for the agreed upon $12,500 fee.

I would appreciate being kept informed of your progress. If you have any questions or if I can be of any further assistance please contact me at State Headquarters or at 207 Pine Street, Chaska, MN 55318 or at (612) 448-2763.

Yours Sincerely,

James W. Mullin

James W Mullin
State Treasurer
Independent Republicans Of Minnesota

cc: Ron Fischer Director of Business Operations, State IR Party
Joyce Bagne FOSCC Campaign Director
Marge Gruenes State Party Chairwoman

8030 Cedar Ave., Suite 202 • Bloomington, MN 55420 • (612) 854-1446

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FAD REFERRALS TO OGC

FAD # [illegible]

Description: [illegible]

Date Received: [illegible]

Staff Person Assigned: [illegible]

Due Date: [illegible]

Comments: [illegible]

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: February 21, 1986

ANALYST: Mike Tangney

I. COMMITTEE: Minnesota Independent Republican Finance Committee (C00001313)
Jim Mullin, Treasurer[1/]
8030 Cedar Avenue South, Suite 202
Bloomington, MN 55420

II. RELEVANT STATUTE: 2 U.S.C. §441a(a)(2)(A)
11 CFR 110.2(a)(1)

III. BACKGROUND:

Apparent Excessive Contributions to Federal Candidates

The Minnesota Independent Republican Finance Committee ("the Finance Committee") made apparent excessive contributions, including in-kind contributions, to three (3) federal candidates for the General Election in 1984. The apparent excessive contributions totalled $46,946.03, and were disclosed on the Finance Committee's 1984 October Quarterly, 30 Day Post-General, and Year End Reports. To date, the Finance Committee has not received refunds of the excessive amounts from the candidate committees.

Presented below is a summary of the apparent excessive contributions made, the notices sent, and the responses received. For specific details, please refer to the attached chart and its supporting documentation. The chart includes contributions for which the Finance Committee has received notification as a result of the normal review of reports, as well as those contributions for which the Finance Committee has not received notification, as these were discovered during the preparation of this referral.

[1/] Although Mr. Mullin is the treasurer of record, Mr. Ronald Fischer, Director of Business Operations for the Finance Committee, has handled all correspondence regarding this matter.

39040764731

A. Apparent Violations Discovered During Initial Review of Reports

In November of 1984, Mr. Ronald Fischer, Director of Business Operations for the Finance Committee, contacted the Reports Analysis Division ("RAD") analyst and stated that the Finance Committee had made expenditures for get-out-the-vote phone banks on behalf of three (3) federal candidates in the amount of $12,500 each. He was informed by the candidate committees after they were billed for the services that they would be unable to reimburse the Finance Committee because they lacked the necessary funds.

In addition, Mr. Fischer stated that the candidate committees had received the maximum limitation in direct contributions and coordinated expenditures. The RAD analyst advised Mr. Fischer that the activity should be reported as in-kind contributions made on behalf of the candidate committees (Attachment 2).

On December 6, 1984 the Finance Committee's 30 Day Post-General Election Report was received by the Commission. Schedule B of the report disclosed in-kind contributions for the General Election, in the amount of $12,500 each, made on October 29, 1984 on behalf of the Friends of Spicer Congressional Committee ("the Spicer Committee"), Trueman for Congress Committee ("the Trueman Committee"), and Rued for Congress Committee ("the Rued Committee"). These contributions, when combined with earlier contributions made by the Finance Committee to these candidate committees for the General Election resulted in apparent excessive contributions totalling $32,522.90.

A Request for Additional Information ("RFAI") was sent on February 8, 1985 (Attachment 3). The RFAI advised the Finance Committee that the Act precludes a multicandidate committee from making a contribution to a candidate for Federal office in excess of $5,000 per election. The Finance Committee was advised to notify the recipients and request refunds of the amount in excess of $5,000, and to provide the Commission with photocopies of the refund request letters. A Second Notice was mailed to the Finance Committee on February 28, 1985 for failure to respond (Attachment 4).

A response was received by the Commission on March 5, 1985 (Attachment 5). The response stated that the Finance Committee had expected to be reimbursed by the candidate

committees and had billed them accordingly. However, since the candidates had lost the election and had outstanding debts, "[T]he chances of collecting this money was slim to none.." Although the Finance Committee has not provided copies of the bills or refund request letters, documents filed by the Spicer Committee included a letter and an invoice from the Finance Committee requesting these payments (Attachment 6).

B. Additional Apparent Violations Discovered During Referral Preparation

The review of reports filed by the Finance Committee during the preparation of this referral disclosed that the Finance Committee made contributions to the Spicer and Trueman Committees which resulted in additional apparent excesive contributions totalling $14,393.13.

Schedule B of the Finance Committee's 1984 October Quarterly and 30 Day Post-General Reports disclosed a total of $9,797.69 in in-kind contributions made between September 20 and October 26, 1984 on behalf of the Spicer Committee for the General Election. This resulted in a total of $4,797.69 in additional apparent excessive contributions.

Schedule D of the 1984 Year End Report filed by the Finance Committee disclosed outstanding debts totalling $9,595.44 owed to the Finance Committee by the Spicer and Trueman Committees. It appears that these debts were owed in addition to the $12,500 in-kind contributions for which the Finance Committee billed each of these candidate committees; these debts thus appear to represent additional contributions in excess of the contribution limitations. These debts were not disclosed on the Finance Committee's 1985 reports, nor has the Finance Committee disclosed the receipt of debt repayments from the candidate committees.

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

3 3 0 4 0 7 6 4 7 8 3

Apparent Excessive Contributions Made by the Finance Committee for the 1984 General Election
(Apparent excessive amounts addressed in notices to the Finance Committee have been asterisked)

Committee	Contributions Made - Date	Page	Payment Received - Date	Page	Apparent Excessive Amount
Dave Rued for Congress	$ 1,552.90 - 9/13/84	1			
C00186262	$12,500.00 - 10/29/84	4			$ 9,052.90*
Total	$14,052.90				$ 9,052.90
Friends of Spicer	$ 5,651.00 - 9/20/84	1	$353.31 - 9/28/84	2	$ 297.69
Congressional Committee	$ 2,000.00 - 10/18/84	3			$ 2,000.00
C00178822	$ 2,000.00 - 10/23/84	3			$ 2,000.00
	$ 500.00 - 10/26/84	3			$ 500.00
	$12,500.00 - 10/29/84	4			$12,500.00*
	$ 5,379.84 - debt outstanding as of 12/31/84	5			$ 5,379.84
Total	$28,030.84		$353.31		$22,677.53
Trueman for Congress	$ 3,500.00 - 9/18/84	1			
Committee	$12,500.00 - 10/29/84	4			$11,000.00*
C00157230	$ 4,215.60 - debt outstanding as of 12/31/84	5			$ 4,215.60
Total	$20,215.60				$15,215.60
			Total Apparent Excessive Amount		$46,946.03

Page 1 of 1 for
LINE NUMBER 21
(Use separate schedule(s) for each category of the Detailed Summary Page)

SCHEDULE B **ITEMIZED DISBURSEMENTS**

1984 OCTOBER QUARTERLY

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee

Name of Committee (In Full)

Minnesota Independent-Republican Finance Committee

	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. Full Name, Mailing Address and ZIP Code People for Boschwitz 215 So. 11th St. Minneapolis, MN 55403	Contribution/Transfer Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	9/18/84	$2,500.00
B. Full Name, Mailing Address and ZIP Code Trueman For Congress 200 Cental Ave. Osseo, MN 55369	Contribution/Transfer Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	9/18/84	$3,500.00
C. Full Name, Mailing Address and ZIP Code Prompt Printing Inc. 173 Glenwood Ave. No. Minneapolis, MN 55405	Purpose of Disbursement Rued Inkind Contribution Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 9/13/84	Amount of Each Disbursement This Period $1,552.90
D. Full Name, Mailing Address and ZIP Code Vogel Outdoor Advertising 505 17 Ave. N.W. Rochester, MN 55901	Purpose of Disbursement Spicer for Congressman Inkind Contribtuion Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year) 9/20/84	Amount of Each Disbursement This Period $5,651.00
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (optional)			
TOTAL This Period (last page this line number only)			

84103154 0 7 6 4 7 8 3

Page 3 of 4 for
LINE NUMBER I
(Use separate schedule(s) for each category of the Detailed Summary Page)

SCHEDULE A **ITEMIZED RECEIPTS**

1984 OCTOBER QUARTERLY

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)
Minnesota Independent-Republican Finance Committee

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt This Period
A. Friends of Spicer Comm. 633 20th St. NE Rochester, MN 55904 Receipt For: ☐ Primary ☐ General ☐ Other (specify)	EDP Services Occupation Aggregate Year-to-Date-$ 353.31	9/28/84	353.31
B. Re-Elect Stangeland Comm. Box 704 Moorhead, MN 56560 Receipt For: ☐ Primary ☐ General ☐ Other (specify)	GOTV Program Occupation Aggregate Year-to-Date-$ 14,166.00	9/4/84	4,166.00
C. Westmeyer Associates 9090 Ferry Falls Rd Stillwater, MN 55082 Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Booth Rental Refund Occupation Aggregate Year-to-Date-$ 393.00	9/11/84	393.00
D. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Name of Employer / Occupation Aggregate Year-to-Date-$	Date (month, day, year)	Amount of Each Receipt This Period
E. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Name of Employer / Occupation Aggregate Year-to-Date-$	Date (month, day, year)	Amount of Each Receipt This Period
F. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Name of Employer / Occupation Aggregate Year-to-Date-$	Date (month, day, year)	Amount of Each Receipt This Period
G. Full Name, Mailing Address and ZIP Code Receipt For: ☐ Primary ☐ General ☐ Other (specify)	Name of Employer / Occupation Aggregate Year-to-Date-$	Date (month, day, year)	Amount of Each Receipt This Period

SUBTOTAL of Receipts This Page (actions)

TOTAL This Period (last page this line number only) $

9 4 0 3 3 1 0 5 1 0 9 2 7 6 0 3 0

Page 21 of 29 for
LINE NUMBER 19
(Use separate schedule(s) for each category of the Detailed Summary Page)

SCHEDULE B

ITEMIZED DISBURSEMENTS

1984 30 DAY POST-GENERAL

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee

Name of Committee (In Full)

Minnesota Independent-Republicans Finance Committee

Full Name, Mailing Address and ZIP Code	Purpose of Disbursement / Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
James Penick 2283 Brewster St. #2 St. Paul, MN 55108	Salaries	10/31/84 11/15/84	$ 132.95 $ 132.95
Diana Pilney 1620 Scheffer Ave St. Paul, MN 55116	Salaries	10/31/84	$ 103.20
Popham, Haik, Schnobrich, Kaufman & Doty Ltd 4344 IDS Center Minneapolis, MN 55402	Political Advertisment	10/31/84	$ 184.50
Postmaster Bloomington, MN 55420	Postage for Meter	10/18/84 10/22/84 11/2/84	$1,000.00 2,000.00 1,000.00
Postmaster Bloomington, MN 55420	Roll of Stamps	10/22/84 10/24/84 10/18/84	$ 100.00 500.00 500.00
Postmaster Bloomington, MN 55420	#19957 Business Reply mail	10/31/84 10/18/84	$1,000.00 1,000.00
Postmaster Minneapolis, MN 55401	Bulk mail permit #2088	10/24/84 10/29/84	$10,000.00 7,000.00
Postmaster Rochester, MN 55901	Postage for Spicer	10/26/84 10/23/84 10/18/84	$ 500.00 2,000.00 2,000.00
SUBTOTAL of Disbursements This Page (optional)			
TOTAL This Period (last page this line number only)			

8 4 0 4 0 7 6 4 7 3 7

8 4 0 3 1 3 0 9 5

Page 1 of 1 for LINE NUMBER 21 (Use separate schedule(s) for each category of the Detailed Summary Page)

SCHEDULE B

ITEMIZED DISBURSEMENTS

1984 30 DAY POST - GENERAL

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee

Name of Committee (In Full)

Minnesota Independent-Republicans Finance Committee

Full Name, Mailing Address and ZIP Code	Purpose of Disbursement / Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
A. Friends of Spicer Congressional 1202 1/2 N.W. 7th St. Suite F ochester, MN 55901	Inkind Contrib DCC Unpaid	10/29/84	$ 12,500.00
B. Trueman for Congress 200 Central Avenue Osseo, MN 55369	Inkind Contrib DCC Unpaid	10/29/84	$ 12,500.00
C. Rued for Congress Committee Eighth District I-R Office Board of Trade Building Suite 528 Duluth, MN 55802	Inkind Contrib DCC Unpaid.	10/29/84	$ 12,500.00
D.			
E.			
F.			
G.			
H.			
I.			
SUBTOTAL of Disbursements This Page (optional)			
TOTAL This Period (last page this line number only)			$12,500.00

PAGE 5 OF 5

SCHEDULE D
(Revised 3/80)

DEBTS AND OBLIGATIONS
Excluding Loans

Page 1 of 1 for
LINE NUMBER 9
(Use separate schedule for each numbered line)

1984 YEAR-END

Name of Committee (In Full) Minnesota Independent-Republican Finance Committee	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor Friends of Spicer Congressional Committee 1202 1/2 N.W. 7th St. Suite F Rochester, MN 55901	5,379.84			5,379.84
Nature of Debt (Purpose):				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor Truman for Congress 200 Central Avenue Osseo, MN 55369	4,215.60			4,215.60
Nature of Debt (Purpose):				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
1) SUBTOTALS This Period This Page (optional)				
2) TOTAL This Period (last page this line only)				9,595.44
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only)				
4. ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only)				9,595.44

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FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (83-84)

PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
MINNESOTA INDEPENDENT-REPUBLICAN FINANCE COMMITTEE				PARTY QUALIFIED		ID #C00001313
1983	STATEMENT OF ORGANIZATION - AMENDMENT			5JUL83	2	83FEC/274/3982
	STATEMENT OF ORGANIZATION - AMENDMENT			14OCT83	2	83FEC/285/1342
	STATEMENT OF ORGANIZATION - AMENDMENT			14OCT83	26	83FEC/285/1344
	APRIL QUARTERLY	443,312	422,155	1JAN83 -31MAR83	71	83FEC/270/0195
	JULY QUARTERLY	545,583	529,353	1APR83 -30JUN83	57	83FEC/276/2345
	OCTOBER QUARTERLY	465,467	514,220	1JUL83 -30SEP83	67	83FEC/285/1370
	YEAR-END	694,468	580,317	1OCT83 -31DEC83	85	84FEC/295/0724
1984	STATEMENT OF ORGANIZATION - AMENDMENT			31JAN84	2	84FEC/295/0722
	APRIL QUARTERLY	600,573	662,902	1JAN84 -31MAR84	82	84FEC/309/5265
	JULY QUARTERLY	624,088	670,336	1APR84 -30JUN84	97	84FEC/323/1196
	PRE-PRIMARY	421,072	420,033	1JUL84 -22AUG84	74	84FEC/327/3325
	PRE-PRIMARY - AMENDMENT	-	-	1JUL84 -22AUG84	2	84FEC/357/0234
	REQUEST FOR ADDITIONAL INFORMATION			1JUL84 -22AUG84	1	84FEC/351/3197
	OCTOBER QUARTERLY	452,351	456,561	23AUG84 -30SEP84	77	84FEC/340/5089
	OCTOBER QUARTERLY - AMENDMENT	-	-	23AUG84 -30SEP84	3	85FEC/362/2877
	OCTOBER QUARTERLY - AMENDMENT	-	-	23AUG84 -30SEP84	1	85FEC/367/3247
	REQUEST FOR ADDITIONAL INFORMATION			23AUG84 -30SEP84	3	84FEC/356/2903
	REQUEST FOR ADDITIONAL INFORMATION 2ND			23AUG84 -30SEP84	4	85FEC/358/1142
	PRE-GENERAL	272,891	258,726	1OCT84 -17OCT84	40	84FEC/347/2936
	REQUEST FOR ADDITIONAL INFORMATION			1OCT84 -17OCT84	2	85FEC/358/4580
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1OCT84 -17OCT84	3	85FEC/363/2421
	POST-GENERAL	300,754	316,843	18OCT84 -26NOV84	59	84FEC/356/3048
	POST-GENERAL - AMENDMENT	-	-	18OCT84 -26NOV84	2	85FEC/367/3248
	REQUEST FOR ADDITIONAL INFORMATION			18OCT84 -26NOV84	3	85FEC/365/3989
	REQUEST FOR ADDITIONAL INFORMATION 2ND			18OCT84 -26NOV84	4	85FEC/367/1705
	YEAR-END	317,680	319,643	27NOV84 -31DEC84	49	85FEC/364/3025
	TOTAL	5,138,239 0	5,151,089 0		818	TOTAL PAGES

All reports have been reviewed.
Ending cash-on-hand as of 12/31/84: $1,639
Outstanding debts owed by the committee as of 12/31/84: $209,027
Outstanding debts owed to the committee as of 12/31/84: $21,595*

* The Committee reported outstanding debts of $9,595 which did not include the $12,500 owed by the Spicer Committee and reported by the Spicer Committee as an outstanding debt owed to the Finance Committee.

ATTACHMENT 1
(page 1 of 2)

PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
MINNESOTA INDEPENDENT-REPUBLICAN FINANCE COMMITTEE				PARTY QUALIFIED		ID #C00001313
1985	APRIL QUARTERLY	416,686	395,945	1JAN85 -31MAR85	61	85FEC/372/3407
	JULY QUARTERLY	515,947	499,267	1APR85 -30JUN85	61	85FEC/379/2652
	OCTOBER QUARTERLY	546,074	579,835	1JUL85 -30SEP85	70	85FEC/390/2931
	YEAR-END	822,904	776,805	1OCT85 -31DEC85	98	86FEC/399/0833
	TOTAL	2,301,611 0	2,251,852 0		290	TOTAL PAGES

All reports except the 1985 Year End Report have been reviewed.
Ending cash-on-hand as of 12/31/85: $ 51,398
Outstanding debts owed to the committee as of 12/31/85: $12,500*
Outstanding debts owed by the committee as of 12/31/85: $0

*The Committee reports outstanding debts owed to it of $0, which does not include the $12,500 owed by the Spicer Committee and reported by the Spicer Committee as an outstanding debt owed to the Finance Committee.

TELECON

Attachment 2

ANALYST: Mike Tangney

CONVERSATION WITH: Ronald Fischer, Director of Business Operations

COMMITTEE: Minnesota Independent Republican Finance Committee (C00001313)

DATE: November, 1984

SUBJECT(S): Expenditures made on behalf of Federal candidates

Mr. Fischer telephoned on three occasions with questions concerning how expenditures for get out the vote phone banks made on behalf of Federal candidates should be reported. He stated that expenditures of $12,500 each were made on behalf of three (3) Federal candidates who informed him after being billed for the services that they would be unable to reimburse the committee. In addition, he stated that the candidates had received the maximum amount allowable in direct contributions and coordinated expenditures. I advised Mr. Fischer that since there did not appear to be any chance for reimbursement that the expenditures should be reflected as in-kind contributions on Schedule B supporting Line 21 of the Detailed Summary Page.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

FEB 8 1985

RQ-2

Jim Mullin, Treasurer
Minnesota Independent-Republican
Finance Committee
8030 Cedar Avenue South
Bloomington, MN 55420

Identification Number: C00001313

Reference: 30 Day Post-General Report (10/18/84-11/26/84)

Dear Mr. Mullin:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule B of your report (pertinent portion(s) attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. The Act precludes a multicandidate committee from making a contribution to a candidate for Federal office in excess of $5,000 per election. (2 U.S.C. §441a(a)) If you have made an excessive contribution, the Commission recommends that you notify the recipient and request a refund of the amount in excess of $5,000. Please inform the Commission immediately in writing and provide a photocopy of your refund request sent to the recipient. In addition, any refund should appear on a supporting Schedule A for Line 16 of your next report.

If the contribution(s) in question was incorrectly reported and/or you have additional information, you may wish to submit documentation for the public record.

Although the Commission may take further legal steps concerning the excessive contribution(s), your prompt action in obtaining a refund of the excessive amount will be taken into consideration.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need

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assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

Mike Tangney
Reports Analyst
Reports Analysis Division

A 5 0 3 3 4 5 3 0 0 0
8 2 0 4 0 7 6 4 7 9 4

Attachment 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. [illegible]

[illegible]-3

February [illegible], 1985

Jim Mullin, Treasurer
Minnesota Independent-Republican
Finance Committee
9030 Cedar Avenue South
Bloomington, MN 55420

Identification Number: C00081313

Reference: 30 Day Post-General Report (10/18/84-11/26/84)

Dear Mr. Mullin:

This letter is to inform you that as of February 27, 1985, the Commission has not received your response to our request for additional information, dated February 8, 1985. That notice requested information essential to full public disclosure of your Federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). A copy of our original request is enclosed.

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Mike Tangney on our toll-free number (800) 424-9530 or our local number (202) 523-4048.

Sincerely,

John D. Gibson

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure

85037171708

Attachment 5

INDEPENDENT REPUBLICANS OF MINNESOTA

'85 MAR 5 A10:18

February 28, 1985

Mike Tangney, Reports Analyst
Federal Elections Commission
1325 K. St.
Washington, D.C. 20463

REFERENCE: 30 Day Post-General Report (10-18-84 to 11-26-84)

Dear Mr. Tangney:

Your letter questions three in-kind contributions in the amount of $12,500.00 each.

We ran a get-out-the-vote phone bank costing approximately $400,000. Since there were four (4) types of races involved, each race was $100,000. We have eight congressional seats in Minnesota so each Congressional Candidate was assessed $12,500.00 ($100,000 ÷ 8 = $12,500).

On three separate dates I spoke with you and explained that we had expected to get paid and even though we billed these three candidates, no money was received. As I explained to you, these candidates lost the election and were all in debt. The chances of collecting this money was slim to none.

You recommended that we report these items on line #21 as in-kind donations.

Since there is virtually no chance of collecting these items, unless the F.E.C. can bring enough pressure on the candidates, there is no reason to amend our report at this time. We had no choice in this matter.

Sincerely,

Ronald Fischer

Ronald Fischer
Director of Business Operations
I.D. #C00001313

8030 Cedar Ave., Suite 202 • Bloomington, MN [illegible] • P.O. Box 1440

INDEPENDENT REPUBLICANS OF MINNESOTA

FRIENDS OF SPICER CONGRESSIONAL COMMITTEE
— AMENDED DEBT SETTLEMENT STATEMENT —
AG

August 16, 1984

To: Phone Bank Committee

From: Ron Fischer

Based on our contract with D.C.C. plus the the telephone and computer costs, we estimate the total cost of the package to be $400,000.

The shares will be as follows:

State I-R	$ 225,000
Beschwitz	100,000
Spicer	12,500
Huber	12,500
Frenzel	12,500
Trusman	12,500
Stangeland	12,500
Rand	12,500
	$ 400,000

The contract calls for payments on August 30, October 6 and October 29. We will need payments of 1/3 from each of you on August 24, September 30 and October 23.

Please send your payments promptly so that we can meet these contract dates.

2030 Cedar Ave., Suite 202 • Bloomington, MN 55420 • (612) 854-1446

8501291255 1

INDEPENDENT-REPUBLICANS OF MINNESOTA
8030 Cedar Avenue South Suite 302
Bloomington, Min. 55420

INVOICE

Attachment 6
Page 2 of 2

TO Friends of Spicer Congressional Campaign
1202 1/2 N.W. 7th St. Suite F
Rochester, MN 55901

Date 10/30/84

Quantity	Articles and Description	Price		Amount	
	G.O.T.V. Program Balance Due			12,300	00
	Please Rush as we must pay $70,000 phone bill from September				

PLEASE PAY FROM THIS INVOICE — NO STATEMENT WILL BE SENT

8501291252552

SENSITIVE

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

'86 AUG 6 A11:07

DATE AND TIME OF TRANSMITTAL BY OGC TO THE COMMISSION _____

RAD Referral # 86L-2a, 86L-2b
STAFF MEMBER
Michele Brown

SOURCE OF MUR: INTERNALLY GENERATED

Respondents' Names: Minnesota Independent-Republican Finance Committee
Jim Mullin, as treasurer
Friends of Spicer Congressional Committee
Lee R. Refior, as treasurer
Trueman for Congress Committee
Leroy A. Kreitlow, as treasurer
Dave Rued for Congress Committee
Robert A. Janzen, as treasurer

Relevant Statute: 2 U.S.C. §§ 441a(a), 441a(d), 441a(f), 431(9)
11 C.F.R. 106.1, 110.7(b), 110.2(a)

Internal Reports Checked: Minnesota Independent-Republican Finance Committee
Friends of Spicer Congressional Committee
Trueman for Congress Committee
David Rued for Congress Committee

MUR 1227
AOs 1978-10, 1978-28, 1978-50

Federal Agencies Checked: None

GENERATION OF MATTER

The Reports Analysis Division referred two related matters to the Office of General Counsel involving the making of excessive contributions by a state party committee and the acceptance of the excessive contribution by a principal campaign committee.

SUMMARY OF ALLEGATIONS

Referral 86L-2a alleges that Minnesota Independent-

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Republican Finance Committee (the "Minnesota Committee") made excessive in-kind contributions to three federal candidates for the 1984 general election. What appears to have happened is that the Minnesota Committee contracted with Direct Communications Corporation ("DCC") for a get-out-the-vote phone bank in part to benefit federal candidates. According to a memorandum dated August 16, 1984 from Ronald Fischer, the Director of Business Operations for the Minnesota Committee, to "Phone Bank Committee" (see attachments p. 19), the Minnesota Committee estimated the total cost of the phone bank to be $400,000. The Minnesota Committee then allocated the cost of the phone bank among all the candidates who would benefit from it. The memorandum lists seven candidates and the share of each candidate. The memorandum states that because the Minnesota Committee had to make payments under its contract with DCC on August 30, October 6 and October 29, the candidate committees would have to pay one-third of their share to the Minnesota Committee on August 24, September 30 and October 23. The payment dates are approximately one week prior to each date the Minnesota Committee's payments were due to DCC.

The referral states that three committees, the Friends of Spicer Congressional Committee (the "Spicer Committee"), the Trueman for Congress Committee (the "Trueman Committee") and the Dave Rued for Congress Committee (the "Rued Committee") did not pay their share of the costs of the phone bank. According to Mr. Fischer, the Minnesota Committee billed the three committees $12,500 each. After the billing, the committees informed the

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Minnesota Committee that they could not pay the Minnesota Committee because they lacked funds. According to the Minnesota Committee's 1984 Post General Report, the Minnesota Committee paid DCC for the Spicer Committee's, the Trueman Committee's, and the Rued Committee's $12,500 shares of the cost of the get-out-the-vote phone bank. The Minnesota Committee also reported in-kind contributions of $12,500 to each of the three committees. */ The Minnesota Committee did not report paying any other candidate committee's share of the phone bank cost, nor any in-kind contributions to them for the phone bank. The Minnesota Committee's reports disclose receipts from the other candidate committees for the purpose of getting-out-the-vote. A chart listing the payments by the other committees and the dates is included here as attachment 2.

Mr. Fischer told the RAD analyst that the Minnesota Committee had made the maximum amount of direct contributions and coordinated expenditures allowed under the Federal Election Campaign Act of 1971, as amended (the "Act" or "FECA"), to each of the three committees. RAD's review of the National Republican Congressional Committee ("NRCC") reports revealed that a total of $37,518.10 in coordinated expenditures had been made to the Spicer Committee and $40,018.43 to the Trueman Committee, both less than the $40,400 maximum. The referral states that neither the NRCC nor the RNC disclosed coordinated expenditures for the

*/ According to Mr. Fischer, he reported this activity as in-kind contributions based on advice from the RAD analyst.

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Rued Committee. The referral states that the Trueman Committee received the maximum in contributions from the Minnesota Committee for the 1984 primary election. For the general election, the RAD referral includes a chart (attached at p. 6) listing the Minnesota Committee contributions to each of the three committees, including the $12,500 in-kind contributions. The Minnesota Committee contributed a total of $14,052.90 to the Rued Committee, resulting in an apparent excessive amount of $9,052.90. The Minnesota Committee contributed a total of $28,030.84 to the Spicer Committee. RAD subtracted a $353.31 payment from the Spicer Committee to the Minnesota Committee. The apparent excessive amount for the Spicer Committee, therefore, is $22,677.53. The Minnesota Committee contributed a total of $20,215.60 to the Trueman Committee, resulting in an apparent excessive amount of $15,215.60.

RAD referred the Spicer Committee separately. Originally, the Spicer Committee disclosed on its 1984 30-Day Post General Report an outstanding debt owed to the Minnesota Committee for "Labels/GOTV Services." On its 1984 Year End Report, the Spicer Committee changed its reporting. The Committee disclosed the beginning outstanding balance from the previous report but then it included a billing adjustment and a payment of $12,500. It reported the payment as an in-kind contribution, resulting in an apparent excessive contribution. According to the referral, the Committee reported the amount as an in-kind contribution based on

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conversations with Mr. Fischer after he had spoken with the RAD analyst.

FACTUAL AND LEGAL ANALYSIS

In Advisory Opinion 1978-10, the Commission determined, based on section 106.1 of the Commission's regulations, that the Kansas Republican Party should allocate the cost of a get-out-the-vote drive between Federal and non-Federal elections in the same manner as other general party expenditures. Section 106.1 of the regulations provides that expenditures made on behalf of more than one candidate must be attributed to each candidate in proportion to the benefit each candidate is expected to derive. 11 C.F.R. 106.1(a). Based on the information listed in the August 16th memorandum to the Phone Bank Committee, it appears that the Minnesota Committee allocated the total cost of the phone bank among the candidates expected to derive a benefit from the phone bank. Of the $400,000 total, the Minnesota Committee allocated $225,000 to "State I-R [Independent-Republicans]," $100,000 to Senator Boschwitz, and $12,500 each to congressional candidates Spicer, Weber, Frenzel, Trueman, Stangeland and Rued. The Minnesota Committee did allocate the cost among the candidates.

AO 78-10 then concluded that, with respect to an election in which there are candidates for Federal office, the party committee need not attribute expenditures for get-out-the-vote drives unless the drives are made specifically on behalf of a clearly identified candidate and the expenditure can be directly attributed to that candidate. 11 C.F.R. 106.1(c)(2). According to the AO, if the purpose of the drive is to advocate the

election of a Federal candidate or candidates, then the party committee must attribute the cost to that candidate or candidates for limitation and reporting purposes. The AO refers the reader to sections 441a(a) and 441a(d) of the Act. For purposes of section 106.1, "clearly identified" means, among other things, that the candidate's identity is apparent by unambiguous reference. 11 C.F.R. 106.1(d)(3).

In this case, the Minnesota Committee billed each Federal candidate to whom it allocated part of the cost of the get-out-the-vote program. Although there is no information at present as to how the phone bank was run, the fact that the Minnesota Committee billed the candidates suggests that the purpose of the drive was to advocate their election. The Minnesota Committee is required, therefore, to attribute its expenditures to the candidates. All of the candidate committees except the Spicer Committee, the Trueman Committee and the Rued Committee paid for their shares of the program.*/ Because the Spicer, Trueman and Rued Committees did not pay their shares, the Minnesota Committee paid for them, thus making expenditures.

The Act excludes from the definition of expenditure any "nonpartisan activity designed to encourage individuals to vote or register to vote." 2 U.S.C. § 431(9)(B)(ii). The

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*/ Although not included in the RAD referral, the facts raise the question whether payments made by the candidate committees for services rendered by the Minnesota Committee resulted in contributions subject to the limitations and prohibitions of the Act. The Office of General Counsel makes no recommendation concerning this possibility at the present time. See also AO 1986-14.

expenditures in this case do not appear to be nonpartisan based on the fact that the Minnesota Committee allocated part of the cost of among several candidates. The Minnesota Committee's payments, therefore, apply toward the contribution or coordinated party expenditure limits. The next question, then, is whether the Minnesota Committee has exceeded either the contribution or coordinated party expenditure limits, or both.

Section 441a(d) of the FECA allows the national committee and a state committee of a political party to make expenditures in connection with the general election campaign of Federal candidates. 2 U.S.C. § 441a(d)(1) and 11 C.F.R. 110.7(b)(1). Additionally, a political party committee may make contributions to candidates and their authorized committees with respect to any election which, in the aggregate, total $5,000. 11 C.F.R. 110.7(b)(3); 2 U.S.C. § 441a(a)(2)(A) and 11 C.F.R. 110.2(a)(1).

According to the RAD referral, Mr. Fischer of the Minnesota Committee told the RAD analyst that the maximum amount of both direct contributions and coordinated expenditures allowed under the Act had been made. RAD's review of the reports revealed coordinated expenditures from the Minnesota Committee to the Spicer and Trueman Committees only. The Minnesota Committee made coordinated expenditures of $37,518.10 to the Spicer Committee and $40,018.43 to the Trueman Committee. The coordinated expenditure to the Spicer Committee was $2,881.90 less than the $40,400 limit, while the coordinated expenditure to the Trueman

Committee was $381.57 less than the limit. If it is true that no coordinated expenditures were made on behalf of the Rued Committee, then the $40,000 limit is still available.

With respect to direct contributions, although Mr. Fischer said that the Minnesota Committee had made the maximum contribution to each committee, RAD found that, with respect to the general election, the Minnesota Committee had contributed $1,552.90 to the Rued Committee, $15,177.53 to the Spicer Committee and $7,715.60 to the Trueman Committee. Although the Minnesota Committee reported the disbursements as in-kind contributions, the disbursements could be considered either coordinated party expenditures or in-kind contributions. If the expenditures are in-kind contributions, the Minnesota Committee has violated 2 U.S.C. § 441a(a)(2)(A) with respect to each of the three committees. If the expenditures are coordinated party expenditures, the Minnesota Committee has violated 2 U.S.C. § 441a(d) with respect to the Spicer Committee and the Trueman Committee. The Minnesota Committee also may have violated 2 U.S.C. § 441a(d) with respect to the Rued Committee if Mr. Fischer's statement to the RAD analyst about the Committee having made the maximum amount of coordinated expenditures to that Committee is true. This must be determined through an investigation.

The Minnesota Committee reported the disbursements on behalf of the three committees as in-kind contributions. The Office of General Counsel recommends, therefore, that the Commission

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consider the expenditures to be in-kind contributions. If, through the investigation, the Minnesota Committee presents evidence indicating the expenditures were party expenditures, then the Office of General Counsel will make the appropriate recommendations to the Commission. Based on the evidence available at this time, the Office of General Counsel recommends also the Commission find reason to believe the Minnesota Independent-Republican Finance Committee and Jim Mullin, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A).

With respect to the Spicer Committee, its reports show that the Committee has violated section 441a(f) by accepting the $12,500 in-kind contribution from the Minnesota Committee. The Office of General Counsel, therefore, recommends that the Commission find reason to believe the Friends of Spicer Congressional Committee and Lee R. Refior, as treasurer, violated 2 U.S.C. § 441a(f).

According to the RAD referrals, the Trueman Committee and the Rued Committee did not report the receipt of the $12,500 in-kind contribution from the Minnesota Committee. The Office of General Counsel recommends, therefore, that the Commission find reason to believe the Trueman for Congress Committee and Leroy A. Kreitlow, as treasurer, and the Dave Rued for Congress Committee and Robert A. Janzen, as treasurer, violated 2 U.S.C. § 434. Also, both Committees have violated 2 U.S.C. § 441a(f) by accepting the in-kind contributions from the Minnesota Committee. Again, if evidence obtained through the investigation indicates

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the expenditures were coordinated party expenditures rather than in-kind contributions, the Office of General Counsel will prepare a report making the appropriate recommendations.

RECOMMENDATIONS

The Office of General Counsel recommends that the Commission:

1. Open a MUR.

2. Find reason to believe the Minnesota Independent-Republican Finance Committee and Jim Mullin, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A).

3. Find reason to believe Friends of Spicer Congressional Committee and Lee R. Refior, as treasurer, violated 2 U.S.C. § 441a(f).

4. Find reason to believe the Trueman for Congress Committee and Leroy A. Kreitlow, as treasurer, violated 2 U.S.C. § 434 and § 441a(f).

5. Find reason to believe the Dave Rued for Congress Committee and Robert A. Janzen, as treasurer, violated 2 U.S.C. § 434 and § 441a(f).

6. Approve and send the attached letters and Factual and Legal Analyses.

Charles N. Steele
General Counsel

8/5/86
Date

BY: Lawrence M. Noble
Lawrence M. Noble
Deputy General Counsel

Attachments
1. RAD Referrals
2. Chart
3. Letter from Ronald Fischer
4. Pages from Reports Filed with the Commission
5. Proposed Letters
6. Proposed Factual and Legal Analyses

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/CHERYL A. FLEMING

DATE: AUGUST 7, 1986

SUBJECT: OBJECTION TO RAD Ref. 86L-2a, 86L-2b:
FIRST GENERAL COUNSEL'S REPORT
SIGNED AUGUST 5, 1986

The above-named document was circulated to the Commission on Wednesday, August 6, 1986 at 4:00 P.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	
Commissioner Elliott	X
Commissioner Harris	
Commissioner Josefiak	
Commissioner McDonald	
Commissioner McGarry	

This matter will be placed on the Executive Session agenda for Tuesday, August 12, 1986.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Minnesota Independent-Republican Finance Committee	)	RAD REFERRAL #86L-2a, 86L-2b (MUR 2221)
Jim Mullin, as treasurer	)	
Friends of Spicer Congressional Committee	)	
Lee R. Refior, as treasurer	)	
Trueman for Congress Committee	)	
Leroy A. Kreitlow, as treasurer	)	
Dave Rued for Congress Committee	)	
Robert A. Janzen, as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of August 12, 1986, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions with respect to the above-captioned matter:

1. Open a Matter Under Review (MUR).

2. Find reason to believe the Minnesota Independent-Republican Finance Committee and Jim Mullin, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A).

3. Find reason to believe Friends of Spicer Congressional Committee and Lee R. Refior, as treasurer, violated 2 U.S.C. § 441a(f).

4. Find reason to believe the Trueman for Congress Committee and Leroy A. Kreitlow, as treasurer, violated 2 U.S.C. § 434 and § 441a(f).

(continued)

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5. Find reason to believe the Dave Rued for Congress Committee and Robert A. Janzen, as treasurer, violated 2 U.S.C. § 434 and § 441a(f).

6. Approve and send the Factual and Legal Analyses attached to the General Counsel's report dated August 5, 1986.

7. Approve and send the letters attached to the General Counsel's memorandum dated August 8, 1986.

Commissioners Elliott, Harris, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioner Aikens dissented.

Attest:

8-13-86
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 20, 1986

Jim Mullin
Treasurer
Minnesota Independent-Republican Finance Committee
8030 Ceder Avenue South
Suite 202
Bloomington, MN 55420

RE: MUR 2221
Minnesota Independent-
Republican Finance Committee
Jim Mullin, as treasurer

Dear Mr. Mullin:

On August 12, 1986, the Federal Election Commission determined there is reason to believe Minnesota Independent-Republican Finance Committee and you, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A), a provision of the Federal Election Campaign Act of 1971, as amended (the "Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed interrogatories, within fifteen days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-

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probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days pror to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michele Brown, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 20, 1986

Lee R. Refior
Treasurer
Friends of Spicer Congressional Committee
1539 NE 9th Avenue
Rochester, MN 55904

RE: MUR 2221
Friends of Spicer
Congressional Committee
Lee R. Refior, as treasurer

Dear Mr. Refior:

On August 12, 1986, the Federal Election Commission determined there is reason to believe Friends of Spicer Congressional Committee and you, as treasurer, violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended (the "Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed interrogatories, within fifteen days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-

probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days pror to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

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Sincerely,

Joan D. Aikens

Joan D. Aikens
Chairman

cc: Keith P. Spicer

Enclosures
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Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 20, 1986

Leroy A. Kreitlow
Treasurer
Trueman for Congress Committee
405 Division Street
Buffalo, MN 55313

RE: MUR 2221
Trueman for Congress
Committee
Leroy A. Kreitlow

Dear Mr. Kreitlow:

On August 12, 1986, the Federal Election Commission determined there is reason to believe Trueman for Congress Committee and you, as treasurer, violated 2 U.S.C. § 434 and 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed interrogatories, within fifteen days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-

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probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, requests for pre-probable cause conciliation will not be entertained after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days pror to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michele Brown, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Chairman

cc: Patrick A. Trueman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 20, 1986

Robert A. Janzen
Treasurer
Dave Rued for Congress Committee
527 Board of Trade Building
Duluth, MN 55802

RE: MUR 2221

Dear Mr. Janzen:

On August 12, 1986, the Federal Election Commission determined there is reason to believe Dave Rued for Congress Committee and you, as treasurer, violated 2 U.S.C. § 434 and 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed interrogatories, within fifteen days of your receipt of this letter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of General Counsel may recommend that pre-

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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Michele Brown, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Chairman

cc: Dave Rued

Enclosures
General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 22, 1986

Lee R. Refior
Treasurer
Friends of Spicer Congressional Committee
1539 NE 9th Avenue
Rochester, MN 55904

RE: MUR 2221
Friends of Spicer
Congressional Committee
Lee R. Refior, as treasurer

Dear Mr. Refior:

The Commission's letter of August 21, 1986 to your committee inadvertently referred to interrogatories which were not enclosed. The Commission has not propounded any interrogatories to the committee at this time, and we apologize for any inconvenience that this inadvertent error may have caused.

If you have any questions, concerning MUR 2221, please contact R. Lee Andersen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 22, 1986

Jim Mullin
Treasurer
Minnesota Independent-Republican Finance Committee
8030 Ceder Avenue South
Suite 202
Bloomington, MN 55420

RE: MUR 2221
Minnesota Independent-
Republican Finance Committee
Jim Mullin, as treasurer

Dear Mr. Mullin:

The Commission's letter of August 21, 1986 to your committee inadvertently referred to interrogatories which were not enclosed. The Commission has not propounded any interrogatories to the committee at this time, and we apologize for any inconvenience that this inadvertent error may have caused.

If you have any questions, concerning MUR 2221, please contact R. Lee Andersen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 22, 1986

Leroy A. Kreitlow
Treasurer
Trueman for Congress Committee
405 Division Street
Buffalo, MN 55313

RE: MUR 2221
Trueman for Congress
Committee
Leroy A. Kreitlow

Dear Mr. Kreitlow:

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Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 22, 1986

Robert A. Janzen
Treasurer
Dave Rued for Congress Committee
527 Board of Trade Building
Duluth, MN 55802

RE: MUR 2221

Dear Mr. Janzen:

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If you have any questions, concerning MUR 2221, please contact R. Lee Andersen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

Benjamin J. Guthrie
Clerk

ACC 1394

Patricia A. Bias, Director
Office of Records and Registration

Office of the Clerk
U.S. House of Representatives
Washington, DC 20515-6601

September 2, 1986

TO: Mr. Charles N. Steele, General Counsel
Federal Election Commission

FROM: Pat A. Bias, Director
Records and Registration

RE: Friends of Spicer Congressional Committee (MUR 2221)

Enclosed please find a letter from Mr. Lee R. Refior, the treasurer of Friends of Spicer Congressional Committee, which was received by this office.

Since this document concerns a response to a matter under review by your office, I am forwarding it to you to handle in a manner consistent with Commission procedures.

This document has not been microfilmed nor included in our computer index. If I can be of further assistance, please do not hesitate to contact me.

cc: Doug Patton
Stephen Duffy

2 AUG 3 AM 10:20

REGULAR MAIL
AUG 30 1986

Mr. Lee Anderson
Office Of General Counsel
Federal Election Division
Washington, D C

August 30, 1986

RECEIVED
OFFICE OF RECORDS & REGISTRATION
1986 SEP -2 PM 3:02
OFFICE OF THE CLERK
U.S. HOUSE OF REPRESENTATIVES

Lee R. Refior
Treasurer
Friends of Spicer Congressional Committee
633 20th St NE
Rochester, Mn 55904

Reference: MUR No. 2221

Mr Anderson, I am in receipt of a letter from your office informing me of a Matter Under Review #2221.

I received the letter on August 26, 1986 (Dated August 20, 1986) and am informed that I have 15 days to respond. I am reviewing this matter with the FOSCC legal counsel but believe I will not be able to complete this process within the allocated time since he has requested additional information to allow him to make a complete analysis of the events leading up to the MUR.

I am requesting an extension of the response due until September 26, 1986 which will give our legal counsel adequate time to review the matter.

Lee R. Refior
Treasurer
FOSCC

cc Wally J. Oates III

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WASHINGTON, D.C. 20036
TELEPHONE 202-828-5300
TELECOPIER 202-828-5318
DIRECT DIAL NUMBER
344-0518

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MATTHEW E. DAMON

OF COUNSEL
FRED L. MORRISON

FEC
GCC 1518
86 SEP 3 AM : 37

August 30, 1986

R. Lee Andersen, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street Northwest
Washington, D.C. 20463

Re: MUR 2221
Our File No. 7221-008

Dear Mr. Andersen:

Please find enclosed a Statement of Designation of Counsel, designating our firm as counsel for the Minnesota Independent-Republican Finance Committee and Jim Mullin, as Treasurer, respondent(s) in the above MUR. While I will be the primary contact on this matter, I expect to be out of the country for a little more than two weeks while the matter is still likely to be pending. In my absence, Frank Connolly of our office will be the contact here.

The notice of determination by the FEC that there is reason to believe a violation has occurred was received by the respondent(s) on Monday, August 25, 1986. A response is currently due, therefore, on Tuesday, September 9, 1986. We are in the process of attempting to gather relevant facts and copies of relevant filings, but we have not yet completed that process. In light of the fact that we are now in the midst of a three-day weekend and the fact that I have to attend a meeting in Washington from September 5-9, 1986, I respectfully request that

SEP 3 P4:01

the respondent(s) in the above MUR be granted a 14-day extension, that is, until September 16, 1986, to submit a response to the reason to believe notice.

Please let me know at your earliest convenience what action is taken on the extension request.

Very truly yours,

Bruce Willis

Bruce D. Willis

BDW:cll:1045L

Enclosure

pc: Leon Oistad, Chairman
Marge Gruenes, Chairwoman
Jim Mullin, Treasurer
Ron Fischer, Director of Business Operations
Independent-Republicans of Minnesota

3 2 0 4 0 7 0 2 8 2 7

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2221

NAME OF COUNSEL: Bruce D. Willis, Esq. and Francis J. Connolly, Esq.

ADDRESS: Popham, Haik, Schnobrich, Kaufman & Doty, Ltd.
4344 IDS Center
Minneapolis, Minnesota 55402

TELEPHONE: (612) 333-4800

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

Minnesota Independent-Republican
Finance Committee

August 29, 1981
Date

By Jim Mullin
Signature Jim Mullin, Treasurer

RESPONDENT'S NAME: Minnesota Independent-Republican Finance Committee, Jim Mullin, as Treasurer

ADDRESS: 8030 Cedar Avenue
Suite 202
Bloomington, Minnesota 55420

HOME PHONE: (612) 448-2763

BUSINESS PHONE: (612) 854-1446

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MATTHEW F. DAMON

OF COUNSEL
FRED L. MORRISON

HAND DELIVERED

'86 SEP 5 AM 11:36

344-0518

September 4, 1986

FEDERAL EXPRESS

R. Lee Andersen, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street Northwest
Washington, D.C. 20463

Re: MUR 2221
Our File No. 7221-008

Dear Mr. Andersen:

I am writing to confirm our telephone conversation today, in which you told me that you have received notice of our designation as counsel for the Minnesota Independent-Republican Finance Committee and Jim Mullin, as Treasurer, respondents in the above MUR. In my August 30, 1986 cover letter forwarding to you the Statement of Designation of Counsel, I requested a 14-day extension for a response to the reason to believe notice. You told me today that we should be receiving within a few days confirmation of that extension.

As I pointed out to you when we spoke, there was a typographical error in my letter to you, in that a 14-day extension from September 9 is obviously September 23, rather than September 16. It is my understanding that the extension will be granted until September 23, 1986.

'86 SEP 5 P2:52

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In view of the fact that I will be out of my office from the afternoon of September 5 until the afternoon of September 9, I would very much appreciate it if you would let either me or Frank Connolly of our office know immediately if any of the foregoing understandings is incorrect.

Thank you for your consideration.

Very truly yours,

Bruce Willis

Bruce D. Willis

BDW/njc/0441X

cc: Leon Oistad, Chairman
Marge Gruenes, Chairwoman
Jim Mullin, Treasurer
Ron Fischer, Director of Business Operations
Independent-Republicans of Minnesota

Rec
9-8-86

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OFFICE OF THE FEC
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86 SEP 8 P3:24

86 SEP 8 P4:16

September 8, 1986

Ms. Joan D. Atkins
Chairman
Federal Election Commission
Washington, D.C. 20463.

Re: MUR No. 2221 Request for extension of time.

Dear Ms. Atkins:

On August 28, 1986 I received a letter from you along with a copy of General Counsel's Factual and Legal Analysis regarding the above. These materials were sent to the former address of the Trueman For Congress Committee and forwarded to me by the post office. While the materials were addressed to my former treasure, I am representing my committee in this and all matters dealing with the committee since the election nearly two years ago. Therefore, the post office routinely forwards all mail addressed to the committee to my current address which I have previously given to the Federal Election Committee. That is as follows:

Patrick A. Trueman
2907H South Woodley
Arlington, Va. 22206

Please have all future mail in this matter referred to this address.

I hereby request an additional fourteen days to submit my reply in this matter. My reply was to be filed 15 days from the date I received your letter, August 28. Therefore, I request an extension until September 26, 1986.

An extension of time is needed because I am seeking affidavits from four individuals who have knowledge in this matter. These individuals live out of my area and I am relying on the mail for an exchange of documents and this takes longer than the 15 days allowed. Also, the records of the Trueman For Congress Committee are with an individual in Minnesota who is has been away from her home, where the records are kept, since the date the materials sent from you were received. I need to review various materials,

such as our bank records, before I can prepare a response. I will be able to review the materials for the first time on September 9, 1986.

Most sincerely,

Patrick A. Trueman

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Pelm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 15, 1986

Bruce D. Willis, Esquire
Popham, Haik, Schnobrich, Kaufman & Doty, LTD
4344 IDS Center
Minneapolis, Minnesota 55402

Re: MUR 2221
Minnesota Independent Republican
Finance Committee
Jim Mullin, Treasurer

Dear Mr. Willis:

This is in reference to your letter dated August 30, 1986, requesting an extension of 14 days to respond to the Commission's Notice of Complaint. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on September 23, 1986.

If you have any questions, please contact Lee Andersen, the attorney assigned to this matter at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

39040763

perm

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

September 15, 1986

Friends of Spicer Congressional Committee
Lee R. Refior, Treasurer
633 20th Street, N.E.
Rochester, MN 55904

Re: MUR 2221
Friends of Spicer Congressional Committee
Lee R. Refior, Treasurer

Dear Mr. Spicer:

This is in reference to your letter dated August 30, 1986, requesting an extension of 14 days to respond to the Commission's Notice of Complaint. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on September 26, 1986.

If you have any questions, please contact Lee Andersen, the attorney assigned to this matter at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

8 7 0 4 0 7 6 4 3 3 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 15, 1986

Trueman for Congress Committee
Patrick A. Trueman
2907H South Woodley
Arlington, VA 22206

Re: MUR 2221
Trueman for Congress Committee
Leroy A. Kreitlow, Treasurer

Dear Mr. Trueman:

This is in reference to your letter dated September 8, 1986, requesting an extension of 14 days to respond to the Commission's Notice of Complaint. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on September 26, 1986.

If you have any questions, please contact Lee Andersen, the attorney assigned to this matter at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

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GCC #1523
86 SEP 15 P12:49

REGAN, KUNARD, BARNETT & KAKELDEY, LTD.
Attorneys at Law

226 North Broad Street
P.O. Box 3008
Mankato, MN 56002-3008

R. Michael Regan
Marlin R. Kunard
Garry D. Barnett
Richard H. Kakeldey
Walter J. Gates, III

Telephone (507) 345-7722
Mapleton Office 524-3812

86 SEP 15 P3:53

September 11, 1986

Lee Anderson
Office of General Counsel
Federal Election Division
Washington, DC 20463

RE: MUR 2221
Our file: 86-1429
Friends of Spicer Congressional Committee/Lee R. Refior as Treasurer

Dear Mr. Anderson:

Please be advised that I will be representing Friends of Spicer Congressional Committee and Mr. Refior, as Treasurer, in the above-referenced matter.

We are in the process of gathering factual information concerning the allegations.

As soon as I receive that information, I will know whether it is appropriate to defend in the matter or enter into conciliation.

I would like a reasonable extension of time within which to respond to the allegations. I would like until Friday, September 26, 1986, to respond.

Please contact me to let me know if the extension will or will not be granted.

Further, I am enclosing the completed Statement of Designation of Counsel.

Thank you.

Sincerely,

REGAN, KUNARD, BARNETT & KAKELDEY, LTD.

Walter J. Gates, III

WJG:cfg

pc: Lee Refior

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2221

NAME OF COUNSEL: Walter J. Gates, III

ADDRESS: Attorney at Law
226 North Broad St.
P. O. Box 3008, Mankato, MN 56002-3008

TELEPHONE: (507) 345-7722

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

September 11, 1986
Date

Walter J. Gates III
Signature

RESPONDENT'S NAME: Lee R. Refior

ADDRESS: 633 20th St. NE
Rochester, MN 55904

HOME PHONE: (507) 285-9492

BUSINESS PHONE: (507) 286-0019

2 0 0 4 0 7 0 4 8 3 7

Gcc 1558

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86 SEP 19 P12:28

OUR CONGRESSMAN

333 WEST SUPERIOR STREET • DULUTH, MINNESOTA 55802 • 218/727-5707

September 15, 1986

86 SEP 19 P4:00

Charles N. Steele, General Counsel
Federal Election Commission
Washington, DC 20463

RE: MUR 2221

Dear Mr. Steele:

I received on September 8, 1986 your August 20 and August 22 letters indicating a possible violation of the Federal Election Campaign Act of 1971.

We believe that no action should be taken against me and the Rued for Congress Committee. Even if the Rued for Congress Committee received a $12,500 contribution in the form of coordinated expenditures from the Independent-Republicans of Minnesota, that would still be far less than the $40,000 limit. The only other coordinated expenditures that we received in 1984 totaled approximately $5,000.

Mr. Ron Fischer from the Independent-Republicans of Minnesota recently promised to inform the Rued for Congress Committee of the total amount of coordinated expenditures provided to the Rued for Congress Committee in 1984. At that time we will be able to amend our 1984 report to reflect the coordinated expenditures we received.

Page five of the "General Counsel's Factual and Legal Analysis" states, "Although the Minnesota Committee reported the dispursements as in-kind contributions, the dispursements could be considered either coordinated party expenditures or in-kind contributions." Therefore, this $12,500 contribution could be added to the approximate $5,000 coordinated expenditure contribution and the Rued for Congress Committee would have received less than one-half of the limit.

Therefore, I propose that when the Independent-Republicans of Minnesota inform the Rued for Congress Committee of the total amount contributed in 1984, then we will amend the appropriate reports to reflect such expenditures. We respectfully request all other actions against the Rued for Congress Committee be ceased.

If you have any other questions, please contact me or Dave Rued's campaign manager and current treasurer, W. Paul Otten, at the above address instead of the former Duluth address.

Sincerely,

Robert A. Janzen

Robert A. Janzen
RJ/md

Paid for by Rued for Congress Committee 333 W. Superior St. Duluth, MN 55802

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86 SEP 23 A10:30

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WASHINGTON, D. C. 20036
TELEPHONE 202-828-5300
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DIRECT DIAL NUMBER

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OWEN E. HERRNSTADT
MATTHEW E. DAMON

OF COUNSEL
FRED L. MORRISON

September 22, 1986

FEDERAL EXPRESS

86 SEP 23 P 3:12

R. Lee Andersen, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

Re: M.U.R. 2221
Our File No. 7221-008

Dear Mr. Andersen:

I am responding on behalf of the the Minnesota Independent-Republican Finance Committee (the "Minnesota Committee"), and Jim Mullin, its Treasurer, respondents in the above Matter Under Review.

I will state at the outset that it has not yet been possible to collect all of the information necessary in order to respond fully, but I will set forth the facts as we currently understand them, in light of the existing deadline for a response.

Summary of Allegations

The essence of the General Counsel's Factual and Legal Analysis is that the Minnesota Committee may have made either

excess contributions to three federal candidates in 1984, in violation of 2 U.S.C. Section 441a(a)(2)(A), or may have exceeded permissible coordinated party expenditure limitations with respect to two of those candidates, in violation of 2 U.S.C. Section 441a(d).

Facts

In connection with the 1984 election, the Minnesota Committee coordinated a phone bank effort, which was divided into two parts: the first, and more time consuming and therefore more expensive, was a candidate preference program; the second was a get-out-the-vote effort urging voters to vote on election day. (Fischer Affidavit, ¶ 2.)

The Minnesota Committee contracted with Direct Communications Corporation ("DCC") for the performance of the phoning services. The estimated total cost of the phone bank, including both the candidate preference element and the get-out-the-vote element, was $400,000. Approximately $390,000 of the $400,000 was reasonably attributable to the candidate preference program and the balance to the get-out-the-vote effort, since, the latter used volunteer phoners. (Fischer Affidavit, ¶ 3.) A formula for funding the phone bank was prepared, which required, as far as federal candidates are concerned, payment by a U.S. Senatorial candidate in the amount of $100,000 and payments by each of six U.S. House candidates of $12,500. The formula was for the purpose of funding the phone bank only. Since it was not anticipated that the phone bank would involve either contributions in kind to candidates or coordinated expenditures on behalf of candidates, no detailed analysis of the relative "benefit" to each candidate was undertaken. Indeed, in light of the demographics of the six Congressional districts involved, it would be difficult to establish that the "benefit" to each of the House candidates was the same, although their funding shares were identical.

In any event, allocated funding shares were paid by the committees of all candidates save the three that are the subject of this inquiry: the Friends of Spicer Congressional Committee (the "Spicer Committee"), the Trueman for Congress Committee (the "Trueman Committee"), and the Dave Rued for Congress Committee (the "Rued Committee"). None of those committees has to date paid any of the $12,500 funding allocation assigned to it. All three of those candidates lost in the 1984 general election, and all three of those committees wound up with deficits.

Since the Minnesota Committee was contractually obligated to pay DCC, it made full payment for the phone bank. In connection with the preparation of the Minnesota Committee's 30-day post-general election report, the Director of Business Operations of the Minnesota Committee contacted the Reports Analyst at the FEC with whom he regularly dealt to discuss appropriate reporting of the unpaid funding shares of the Spicer Committee, the Trueman Committee, and the Rued Committee.

The Reports Analyst told the Director of Business Operations for the Minnesota Committee that since there was little or no chance of collecting the funding allocations of $12,500 each from the three committees involved here, the Minnesota Committee should report contributions in kind of $12,500 to each of those committees. The Minnesota Committee erroneously followed that advice in its FEC filing, giving rise to this matter.

Analysis

The General Counsel's Legal Analysis points out that 11 C.F.R. 106.1(a) requires that expenditures made on behalf of more than one candidate be attributed to each candidate in proportion to the benefit each candidate is expected to derive. The General Counsel also notes that Advisory Opinion 1978-10 concludes that, with respect to an election in which there are candidates for federal office, a party committee need not attribute expenditures for get-out-the-vote drives unless the drives are made specifically on behalf of a clearly identified candidate and the expenditure can be directly attributed to that candidate. See also 11 C.F.R. 106.1(c)(2).

As noted above, at the time funding allocations for the phone bank coordinated by the Minnesota Committee were established, it was not anticipated that there would be party expenditures of any kind for or contributions to any federal candidate in connection with the phone bank. As also noted earlier, most of the phone bank contract involved a voter identification effort which did not advocate the election of any candidate. Because of its contractual obligations, the Minnesota Committee paid the cost of the phone bank and intended to carry the three unpaid funding allocations as receivables, until it was advised by FEC personnel to report them as in-kind contributions. (See attached Affidavit of Ronald Fischer) The Minnesota Committee intends to amend its filing to show those amounts still due and owing from the three committees in question.

The Minnesota Committee is now, and was in 1984, registered as a multi-candidate committee with the FEC. The Minnesota Committee had, therefore, a $5,000 contribution limitation for each of the three candidates here in question for the primary election, as well as a $5,000 contribution limitation for each for the general election. The 1984 primary election in Minnesota was held on September 11, 1984. (Fischer Affidavit, ¶ 7(c).) The General Counsel's Factual and Legal Analysis in this matter appears to assume that all contributions made by the Minnesota Committee and by local party units in Minnesota were contributions by the Minnesota Committee and were all general election contributions. That is not true. As shown by the attached Affidavit of Ronald Fischer, as well as the filings of the three committees in question, some of the contributions by the Minnesota Committee and local party units were primary election contributions, some of the contributions were general election contributions, and with the exceptions noted in the attached affidavit, the Minnesota Committee was not aware of local party unit contributions to the three committees until a review of the candidate filings was undertaken in connection with this matter.

The local party units that made contributions to the three candidates in question here are "funded" by the Minnesota Committee only in the sense that funds raised by or in such local party units are forwarded to the Minnesota Committee, and the Minnesota Committee returns a percentage of those funds back to the local party units, pursuant to a pre-arranged formula. (Fischer Affidavit, ¶ 8.)

In any event, it appears that in some instances the filings of the Minnesota Committee were inaccurate, in some instances the filings of the three candidate committees were inaccurate, and the totals appearing in the General Counsel's Factual and Legal Analysis are inaccurate. The Minnesota Committee is obviously eager to cooperate in resolving this matter. However, the Minnesota Committee does not believe that it should be penalized for having following FEC staff advice regarding the reporting of unpaid funding allocations for the 1984 phone bank. Those funding shares were acknowledged at the time as obligations to the Minnesota Committee owed by the three candidate committees in question and are amounts still owed to the Minnesota Committee by the three candidate committees.

The General Counsel's Factual and Legal Analysis in this matter indicates on page 3 that a review of the National Republican Congressional Committee ("NRCC") reports reveals that

a total of $37,518.10 in coordinated expenditures had been made to the Spicer Committee and $40,018.43 to the Trueman Committee. On page 6 of the same document, the General Counsel indicates that "[t]he Minnesota Committee made coordinated expenditures of $37,518.10 to the Spicer Committee and $40,018.43 to the Trueman Committee." In fact, apart from the ultimate treatment of the unpaid phone bank funding allocations, the Minnesota Committee made a coordinated expenditure on behalf of the Spicer Committee only in the amount of $5,651 and a coordinated expenditure on behalf of the Rued Committee in the amount of $1,552.90, both of which were erroneously reported as in-kind contributions. Of its coordinated expenditure limitations, the Minnesota Committee assigned to the NRCC $19,500 for the Trueman Committee and $14,5000 for the Spicer Committee. No assignment was made of the Minnesota Committee's coordinated expenditure limitation for the Rued Committee. (Fischer Affidavit, ¶ 9 and attachments.) To the extent that coordinated expenditures in excess of the assignments may have been made, that also is a matter for which the Minnesota Committee should not be penalized.

Respectfully submitted,

Bruce D. Willis

Bruce D. Willis

BDW/dnd/0537X
cc: Leon Oistad, Chairman,
Independent-Republicans of Minnesota
Marge Gruenes, Chairwoman,
Independent-Republicans of Minnesota
James Mullin, Treasurer,
Independent-Republicans of Minnesota
Ronald Fischer, Director of Business Operations,
Independent-Republicans of Minnesota

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AFFIDAVIT OF RONALD FISCHER

STATE OF MINNESOTA)
) SS
COUNTY OF HENNEPIN)

Ronald Fischer, being first duly sworn, deposes and states that:

1. I am now, and I have been since 1975, the Director of Business Operations for the Minnesota Independent-Republican Party, and its finance arm, the Minnesota Independent-Republican Finance Committee (the "Minnesota Committee").

2. In 1984, the Minnesota Committee contracted with Direct Communications Corporation ("DCC") for a phone bank. The bulk of the contract involved the use of paid supervisors and phoners for a candidate preference program. The candidate preference program did not advocate the election of any candidate, although candidates of both major political parties were mentioned by name. The contract also called for the provision of paid supervisors for volunteer phoners for an election day get-out-the-vote effort. The get-out-the-vote phoning urged voters to vote on election day. There were likely occasions on which voters were urged to vote for "Republican candidates," and I believe there were probably occasions on which phoners would identify Republican candidates by name if asked by the voter.

3. The estimated cost of the contract with DCC was $400,000. Approximately $390,000 of the $400,000 was reasonably attributable to the candidate preference program and the balance to

paid supervisors for the volunteer get-out-the-vote phoning. The cost was allocated among the Minnesota Independent-Republican Party and seven federal candidates. A U. S. Senatorial candidate was allocated $100,000 for funding purposes, and each of six candidates for the U. S. House of Representatives was allocated $12,500 for funding purposes. No detailed analysis of the "benefit" to any individual candidate was made, since it was not anticipated that any contribution in kind or coordinated expenditure to any candidate would be involved.

4. The Minnesota Committee billed the committees of the federal candidates in installments during the course of the voter identification phoning. All candidate committees paid their funding allocations except for the Friends of Spicer Congressional Committee (the "Spicer Committee"), the Trueman for Congress Committee ("the "Trueman Committee"), and the Dave Rued for Congress Committee (the "Rued Committee"). The funding allocation of $12,500 for each of those three committees remains unpaid.

5. Shortly after the 1984 general election, I received a telephone call from the Treasurer for the Spicer Committee, who told me that the Spicer Committee wanted to close its accounts and terminate. I discussed the matter with Mike Tangney, the Reports Analyst with the Federal Election Commission with whom I regularly dealt. I also discussed the matter with Roberto Garcia, the Reports Analyst with the Federal Election Commission who, as I understood it, audited the reports of Minnesota federal candidates. I understood both to tell me that the Minnesota Committee should

report the three unpaid funding allocations of $12,500 as contributions in kind to those three candidates. I understood that the three committees would then attempt to negotiate some sort of settlement of the obligations, which settlements would have to be approved by the FEC.

6. In accordance with my understanding of the direction given to me by the FEC, the unpaid phone bank funding allocations were reported as contributions in kind to the three candidates on the 30-day post-general election report that was submitted on or about December 1, 1984.

7. I have reviewed the FEC filings of the Minnesota Committee, the Spicer Committee, the Trueman Committee, and the Rued Committee, as well as other records of the Independent-Republican Party of Minnesota and the Minnesota Committee. I also have information from the General Counsel's analysis regarding the reports of the National Republican Congressional Committee ("NRCC"). My review of those records indicates the following:

a. The Minnesota Committee was in 1984, and had been for many years preceding 1984, registered as a multi-candidate committee with the FEC.

b. In 1984, the Minnesota Committee made a direct contribution of $3,500 to the Trueman Committee on September 20, 1984, for the general election. The Minnesota Committee also authorized in writing a primary election contribution to the Trueman Committee of $5,000, to be made by the Sixth District Congressional Committee

from funds transferred to the Sixth District Committee by the Minnesota Committee. That contribution was made on May 6, 1984. No other direct contributions were made by the Minnesota Committee to any of the three candidate committees in question in this matter.

c. The 1984 primary election in Minnesota was held on September 11, 1984.

d. The Minnesota Committee wrongly reported as an in-kind contribution to the Rued Committee an expenditure of $1,552.90 on September 13, 1984, which should have been reported as a coordinated expenditure.

e. The Minnesota Committee wrongly reported as an in-kind contribution to the Spicer Committee an expenditure of $5,651, which should have been reported as a coordinated expenditure.

f. The Rued Committee filing shows a primary election contribution from the Eighth Congressional District Committee of $5,000, made on June 11, 1984. The Rued Committee filing also shows that ten contributions ranging from $50 to $500 and totaling $1,849.19 were received by the Rued Committee from various local Republican committees in Minnesota for the 1984 general election. The Minnesota Committee itself made no direct contributions to the Rued Committee for either the primary or general election, and in fact was not aware of local committee contributions until candidate filings were reviewed in connection with this matter.

g. A review of the Spicer Committee filings shows a total of $3,950 in contributions from six local party units for the primary election, and contributions totaling $5,900.95 from 14 local party units for the general election. The Minnesota Committee itself made no direct contributions to the Spicer Committee and did not know of the local party unit contributions until the Spicer Committee filings were reviewed in connection with this matter.

h. In addition to the $5,000 pre-primary contribution to the Trueman Committee already described, and the $3,500 general election contribution to the Trueman Committee from the Minnesota Committee already described, the Trueman Committee reported receiving a total of $350 in general election contributions from two local party units. The Minnesota Committee did not know of local committee contributions to the Trueman Committee until the Trueman Committee filings were reviewed in connection with this matter.

i. I do not have access to the books and records of the three committees in question. I do not know if the committees properly allocated contributions between the primary and general election. On information and belief, each of the three committees was in debt after the primary election. It is possible that contributions made after the primary election were designated as primary election contributions, but in one or more instances designated as general election contributions.

8. The local party units that made contributions to the three candidate committees in question received "funding" from the Minnesota Committee only to the extent that the Minnesota Committee returns to each such local party unit a percentage of the funds raised by or in such local party unit, pursuant to a pre-arranged formula.

9. As shown on the attached letters, the Minnesota Committee assigned to the NRCC $19,500 of its coordinated expenditure limitation for the Trueman Committee and $14,500 of its coordinated expenditure limitation for the Spicer Committee. No assignment of the Minnesota Committee's coordinated expenditure limitation for the Rued Committee was made.

Ronald Fischer

Ronald Fischer

Subscribed and sworn to before me
this 22nd day of September, 1986.

Bruce B. Willis

Notary Public

0539X

BRUCE B. WILLIS
NOTARY PUBLIC—MINNESOTA
HENNEPIN COUNTY
My Commission Expires Aug. 3, 1992

INDEPENDENT REPUBLICANS OF MINNESOTA

Marge

July 31, 1984

The Honorable Guy Vander Jagt
National Republican Congressional Committee
320 First Street, S.E.
Washington, D.C. 20003

Dear Congressman Vander Jagt:

By this letter the Independent-Republicans of Minnesota authorizes the National Republican Congressional Committee to serve as the agent of the Independent-Republicans of Minnesota for the purpose of making coordinated expenditures pursuant to 2 U.S.C. 441(a) (d) (3).

Your Committee is authorized to make these expenditures on behalf of the Independent-Republicans of Minnesota in connection with the general election campaign of Congressional candidate Pat Trueman of the Sixth Congressional District.

Under 441(a) (d) (3) you may spend, on behalf of the Independent-Republicans of Minnesota, $19,500.00 for Congressional candidate Pat Trueman.

Leon Oistad

Leon Oistad
State Chairman
Independent-Republicans
of Minnesota

Marge Gruenes

Marge Gruenes
State Chairwoman
Independent-Republicans
of Minnesota

cc: Bob Peterson, Sixth District Chairman
Barb Sykora, Sixth District Chairwoman
Rob Floe, Campaign Manager, Trueman for Congress

8030 Cedar Ave., Suite 202 • Bloomington, MN 55420 • (612) 854-1446

INDEPENDENT REPUBLICANS OF MINNESOTA

file

August 2, 1984

The Honorable Guy Vander Jagt
National Republican Congressional Committee
320 First Street, S.E.
Washington, D.C. 20003

Dear Congressman Vander Jagt:

By this letter the Independent-Republicans of Minnesota authorizes the National Republican Congressional Committee to serve as the agent of the Independent-Republicans of Minnesota for the purpose of making coordinated expenditures pursuant to 2 U.S.C. 441 (a) (d) (3).

Your Committee is authorized to make these expenditures on behalf of the Independent-Republicans of Minnesota in connection with the general election campaign of Congressional candidate Keith Spicer of the First Congressional District.

Under 441(a) (d) (3) you may spend, on behalf of the Independent-Republicans of Minnesota, $14,500.00 for Congressional candidate Keith Spicer. We have already committed $5,000.00 and therefore authorize less than the maximum.

Leon Oistad
State Chairman
Independent-Republicans
of Minnesota

Marge Gruenes
State Chairwoman
Independent-Republicans
of Minnesota

cc: Dr. Charles Zupfer, First District Chairwoman
Lora Schwartz, First District Chairwoman
Joyce Bagne, Campaign Manager, Friends of Spicer Congressional Campaign

8030 Cedar Ave., Suite 202 • Bloomington, MN 55420 • (612) 854-1446

GCC#1604

STATEMENT OF DESIGNATION OF COUNSEL

86 SEP 24 A8:45

MUR 2221

NAME OF COUNSEL: Patrick A. Trueman

ADDRESS: 2907 H. South Woodley
Arlington, Va. 22206

TELEPHONE: 202-633-3465

86 SEP 24 A9:29

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

9-10-86
Date

Signature

RESPONDENT'S NAME: Same Trueman for Congress

ADDRESS: Same

HOME PHONE:

BUSINESS PHONE:

3 7 0 4 0 7 6 4 8 5 2

GCC#1630

Patrick A. Trueman
2907H South Woodley
Arlington, Virginia 22206

September 26, 1986

SEP 26 P3:29

Ms. Joan D. Atkins
Chairman
Federal Election Commission
Washington, D.C. 20463

Re: MUR No. 2221

Dear Ms. Atkins:

No action should be taken against either the Trueman for Congress Committee (the Committee) or Mr. Leroy Kreitlow as Treasure in the above for the following reasons:

Papers received from the FEC indicate that the Committee may be charged with accepting and failing to report an in-kind contributions from the Minnesota Independent-Republican Party. It should be noted at the outset that the Committee has always reported the matter involved on it's FEC Reports. It has always treated (and reported) it as a **debt** rather than an in-kind receipt. This is because it was the understanding of the Committee that it had received the maximum allowed from party sources and could not receive anymore. The amount reported by the Committee was $4215.60 rather than $12,500 for reasons that will be made clear from the facts outlined below.

As the enclosed affidavits make clear, none of the principals associated with the Committee, the Campaign Manager, the Treasurer, nor the candidate, contracted with the Minnesota Independent-Republican Party or the Minnesota Independent-Republican Finance Committee for payment of the $12,500 (or for any amount) involved in this matter.

Nor were the principals (or anyone in the Committee) informed by anyone representing the Minnesota Independent-Republican Party or the Minnesota Independent-Republican Finance Committee that it would be billed for the get-out-the-vote phone bank effort prior to the time bills for the effort were received by the Committee.

The Committee expected to pay something for lists we received which were generated by the phone bank effort. That is because it had purchased lists from various sources and was used to paying for them. However, it could not be expected to know that the cost for names generated by the phone bank effort would be

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far in excess of amounts the Committee paid for purchasing various voter lists from the Minnesota Independent-Republican Party and other sources at other times during the campaign.

Bills for the phone effort arrived late in the campaign and some on the Committee have indicated that it is their recollection that some of the bills for the effort did not arrive until **after** the campaign ended. A three payment schedule was not set up with the Committee as is implied on page 2 of The General Counsel's Factual and Legal Analysis.

Minnesota Independent-Republican Party officials were contacted by the Committee for an explanation of the bills as soon as the first bills arrived and only then was the Committee made aware that it was expected to pay an allocated share of the phone bank effort. The recollection of the Committee is that this was very late in the campaign, most likely in October of 1984. The Committee, following receipt of the first bills, protested to the Minnesota Independent-Republican Party about the fact that it was not informed, prior to being billed, that a portion of the phone effort would be allocated to the Committee.

The Committee reported on it's FEC Report a debt to the "Independent- Republican Party of Minnesota" of $4215.60 which is the total of the first bill or bills received by the Committee. As bills continued to arrive, the Committee, treated them as illegitimate because the allocation of the phone effort was never agreed to by the Committee. Because these later bills were considered illegitimate, they were not reported on the Committee's FEC Report.

The Committee still owes debts and, thus, has not closed out it's fund raising effort and filed it's termination report with the FEC. The Committee would be willing to pay a reasonable sum for the approximate amount it benefited by the phone bank effort. The Committee does not believe, however, that it benefited in the amount of $4215.60 for the phone bank effort. It believes that it should be allowed to pay a far more reasonable amount. Certainly it did not receive a benefit of $12,500 by the effort. Because it did not contract to pay that amount, the $12,500 should be treated as **only** an arbitrary figure and not as an indication of benefit received.

Earlier this year I contacted the FEC Reports Analyst for Minnesota districts to explain that the Committee showed a debt of $4215.60 to the Minnesota I-R Party but the Committee did not believe that it owed that amount because it neither contracted for it nor benefited by that amount from the phone bank effort involved. I asked how we should handle this debt before the FEC. His advice was to indicate in a letter to the FEC what we paid as settlement of the debt and explain the circumstances of the debt at the time we are closing out the Committee and ask for approval

of the settlement. This the Committee intended to do at the appropriate time.

Therefore, while it has been the intention of the Committee to pay only a portion of the amount reported because of the reasons indicated above and in the accompanying affidavits, the Committee did not avoid reporting on it's FEC Report a debt owed to the Minnesota I-R Party or ever intend to avoid following any FEC laws and regulations with respect to the debt.

It should be relevant to the FEC in it's consideration of this matter that three Minnesota congressional committees, Trueman Committee, Spicer Committee, and Rude Committee were not told by the Minnesota Party or Finance Committee of the allocation of the phone effort involved until after being billed. I am aware that the Spicer Committee has or will inform the FEC of this in response to a similar letter received by that Committee to the one received by the Trueman Committee. Also, in the attached affidavit of Patrick Trueman, I indicate that I was informed by the campaign manager for the Rude Committee that it had no knowledge that the cost of the phone effort would be allocated to it prior to being billed. These three committees were for first time challanger candidates and their committees had no knowledge from previous campaigns that the Minnesota I-R Party allocated the cost of it's phone effort to candidates. The incumbent Congressmen and Senator were apparently not surprised to be billed and that may be due to the fact that they had knowledge from prior campaigns that the cost of the phone effort would be allocated to their campaigns.

Three facts stand out very clearly in this matter from the above and the attached, sworn affidavits: 1.) That the Minnesota I-R Party or Finance Committee neglected to contract with or inform challanger campaigns, specifically the Trueman Committee, that the cost of it's phone effort would be allocated. 2.) That the Trueman Committee did not have any reason to know that it received a "benefit" in the amount of $12,500 from the effort. 3.) That the Committee did not receive a substantial benefit from the phone effort.

For the above reasons, the Federal Election Commission is urged to find that the Trueman for Congress Committee and it's Treasurer did not violate any FEC laws or regulations.

Most sincerely,

Patrick A. Trueman

AFFIDAVIT

Trueman For Congress and Leroy A. Kreitlow, as treasurer

MUR 2221

State of Minnesota †
† ss.
County of Wright †

Leroy A. Kreitlow of the City of Buffalo, County of Wright, State of Minnesota being duly sworn on his oath, deposes and says:

1.) That during the 1984 campaign of the Trueman for Congress Committee I served as the treasure of the Committee.

2.) That at no time during the campaign did I have any conversations or make any agreement with anyone associated with the Minnesota Independent Republican Finance Committee or the Minnesota Independent Republican Party regarding a get-out-the-vote phone bank effort for the benefit of the Trueman for Congress Committee.

Leroy A. Kreitlow

Subscribed and sworn to before me this 15th day of Sept. 1986.

Harold Dickson

Notary Public in and for the County of Wright, State of Minnesota Minnesota. My commission expires the 13th day of October, 1986.

HAROLD F. DICKSON
NOTARY PUBLIC-MINNESOTA
WRIGHT COUNTY
My Commission Expires Oct. 13, 1986

AFFIDAVIT

Trueman For Congress and Leroy A. Kreitlow, as treasurer

MUR 2221

District of Columbia † ss.

Patrick A. Trueman, of the City of Arlington, County of Arlington, State of Virginia, being duly sworn on his oath, deposes and says:

1.) That during 1984 I was a candidate for United States Congress.

2.) The name of my campaign was the Trueman for Congress Committee.

3.) That at no time during the campaign did anyone from the Minnesota Independent-Republican Finance Committee or the Minnesota Independent-Republican Party contract with me or anyone in the Trueman for Congress Committee for payment of a get-out-the-vote phone bank effort.

4.) That at no time, prior to the time the Trueman for Congress Committee was billed for a phone bank effort, was I or anyone associated with the Trueman for Congress Committee informed by anyone representing the Minnesota Independent-Republican Party or the Minnesota Independent-Republican Finance Commmittee that the Committee would be allocated a portion of phone effort.

5.) That on August 28, 1986 I talked with Paul Otten, who was the campaign manager for Dave Rude for Congress Committee in Minnesota's Eight Congressional District in 1984, regarding the Rude Committee's experience with the phone bank effort and the Minnesota Independent-Republican Party.

6.) In the conversation mentioned in paragraph 5 above, Mr. Otten informed me that the Rude for Congress Committee was not informed, prior to being billed, that the Rude Committee would be allocated part of the cost of the phone bank effort.

7.) That had the Trueman for Congress Committee known that it would be billed $12,500 or a substantial amount for the phone bank effort, I would have prevented the Committee from any involvement in the effort.

Subscribed and sworn to before me this day of September, 1986.

Notary Public in and for District of Columbia
My commission expires the 26th day of September, 1986.

Notary Public

My Commission Expires March 14, 1990

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AFFIDAVIT

Trueman For Congress and Leroy A. Kreitlow, as treasurer

MUR 2221

District of Columbia ss.

Robert Floe of the City of Herndon, County of Fairfax, State of Virginia, being duly sworn on his oath, deposes and says:

1.) That during the 1984 campaign of the Trueman for Congress Committee I served as the campaign manager of the Committee.

2.) That at no time during the campaign did anyone from the Minnesota Independent-Republican Finance Committee or the Minnesota Independent-Republican Party contract with me or anyone in the Trueman for Congress Committee for payment of a get-out-the-vote phone bank effort.

3.) That during the campaign the Minnesota Independent-Republican Party sponsored meetings for the purpose of explaining the phone bank effort.

4.) That I attended one or more of the meetings mentioned in paragraph 3 above.

5.) That at the meeting or meetings I attended no one representing the Party made any mention that the Committee would be billed for the phone bank effort.

6.) That I had no knowledge that the Trueman for Congress Committee would be billed for the phone bank effort except for the cost of any lists of voters generated by the effort that the Committee might wish to purchase.

7.) That the Committee had been purchasing lists of various voter groups from the Minnesota Independent-Republican Party at various times during the campaign, at minimum cost.

8.) That I was not made aware by anyone from the Minnesota Independent-Republican Finance Committee or the Minnesota Independent-Republican Party at any time, prior to being billed for the phone bank effort, that the lists received by the Committee from the phone bank effort were more valuable than lists of other groups we purchased at other times during the campaign.

9.) That I was not made aware by anyone, nor was I aware that the Committee would benefit from the phone bank effort except insofar as we may purchase lists of voters generated by the effort and use them to contact voters.

10.) That the Committee did not benefit from the phone bank effort except insofar as we used lists of voters generated by the effort to contact voters.

11.) That the Committee received relatively few names of voters from the phone bank effort which might benefit the Committee.

12.) That the benefit to the Committee of the lists generated by the phone bank effort was far less than $12,500.

13.) That had the Committee known that it would be billed $12,500 for the phone bank effort, it is doubtful that it would have participated in the effort at all.

Robert Filce

Subscribed and sworn to before me this 25th day of September, 1986.

Notary Public in and for the District of Columbia
My commission expires the 14th day of March, 1990.

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86 SEP 29 A9:38

REGAN, KUNARD, BARNETT & KAKELDEY, LTD.
Attorneys at Law
226 North Broad Street
P.O. Box 3008
Mankato, MN 56002-3008

R. Michael Regan
Marlin R. Kunard
Garry D. Barnett
Richard H. Kakeldey
Walter J. Gates, III

Telephone (507) 345-7722
Mapleton Office 524-3812

86 SEP 29 A10:39

September 24, 1986

Lee Anderson
Office of General Counsel
Federal Election Division
Washington, DC 20463

RE: MUR 2221
Our file: 86-1429
Friends of Spicer Congressional Committee/Lee R. Refior as Treasurer

Dear Mr. Anderson:

I have received my information from Mr. Refior and another individual involved with the Spicer campaign. However, because of other matters which I had pending prior to receiving notice of this proceeding, and because I am scheduled to be out of my office from Friday, September 26, 1986 through Monday, October 6, 1986, I will not be able to formally respond to the allegations. Therefore, I would like a second extension of time within which to respond.

Please contact me by telephone so that we can discuss the extension period which I would like to include to Friday, October 17, 1986.

I will try to call you before I leave on Thursday, September 25, 1986, however, if I am unable to contact you, I ask that you understand my situation and bear with me.

Thank you for your anticipated cooperation.

Sincerely,

REGAN, KUNARD, BARNETT & KAKELDEY, LTD.

Walter J. Gates, III

WJG:clg

pc: Lee Refior

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87 FEB 2 A9:21

REGAN, KUNARD, BARNETT & KAKELDEY, LTD.
Attorneys at Law
226 North Broad Street
P.O. Box 3008
Mankato, MN 56002-3008

R. Michael Regan
Marlin R. Kunard
Garry D. Barnett
Richard H. Kakeldey
Walter J. Gates, III

Telephone (507) 345-7722
Mapleton Office 524-3812

January 28, 1987

FEB 2 A10:16

Mr. Lee Anderson
Office of General Counsel
Federal Election Division
Washington, DC 20463

IN RE: MUR 2221
Our file 86-1429
Friends of Spicer Congressional Committee/
Lee R. Refior as Treasurer

Dear Mr. Anderson:

I have prepared the Responsive Affidavit of Mr. Refior with regard to the above-referenced matter. It will take me approximately a week or two to have the Affidavit in final form and in the mail to your office.

I thank you for your patience and cooperation thus far.

Hopefully the Affidavit from the former Executive Director of the Spicer Campaign Committee and Mr. Refior will allow us to close the matter.

Again, thank you.

Sincerely,

REGAN, KUNARD, BARNETT & KAKELDEY, LTD.

Walter J. Gates, III
WJG/mjr
pc: Lee R. Refior

RECEIVED
GENERAL COUNSEL
87 FEB 24 P3:54

RECEIVED AT THE FEC
87 FEB 24 A10:56

REGAN, KUNARD, BARNETT & KAKELDEY, LTD.
Attorneys at Law
226 North Broad Street
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Mankato, MN 56002-3008

R. Michael Regan
Marlin R. Kunard
Garry D. Barnett
Richard H. Kakeldey
Walter J. Gates, III
William S. Partridge

Telephone (507) 345-7722
Mapleton Office 524-3812

February 20, 1987

Lee Anderson
Office of General Counsel
Federal Election Division
Washington, DC 20463

IN RE: MUR 2221; Friends of Spicer Congressional Committee/Lee R. Refior, Treasurer
Our File No. 86-1429

Dear Mr. Anderson:

Enclosed herewith for filing with regard to the above-referenced matter is the responsive affidavit of Lee R. Refior, Treasurer for the Friends of Spicer Congressional Committee.

Please review the affidavit and accompanying exhibits.

If you need additional information prior to making your decision, please contact me at your convenience.

Sincerely,

Walter J. Gates, III

WJG:bah

Enclosure

pc: Lee Refior

FEDERAL ELECTION COMMISSION

MUR #2221

RESPONDENT: Friends of Spicer Congressional Committee and Lee R. Refior, as treasurer

AFFIDAVIT OF LEE R. REFIOR
TREASURER
FRIENDS OF SPICER CONGRESSIONAL COMMITTEE

STATE OF MINNESOTA)
) ss:
COUNTY OF OLMSTED)

I, LEE R. REFIOR, being first duly sworn upon oath, state and represent to the Commission as follows:

1. That I am the treasurer for the Friends of Spicer Congressional Committee and make this Affidavit in response to the Summary of Allegations directed against myself and the Committee.

2. That I have reviewed the Summary of Allegations I received from the Federal Election Commission alleging that the Friends of Spicer Congressional Committee and myself, as treasurer, have accepted excessive in kind contributions from the Minnesota Independent Republican Finance State Party Committee.

3. That one or two days following the 1984 general election, I was notified by Joyce Bagney, Executive Director of the Friends of Spicer Congressional Committee, that there was a $12,500.00 expense charged to the campaign by the Minnesota Independent Republican Finance Committee as evidenced by an invoice dated the 30th day of October, 1984. A copy of said invoice is attached hereto as Exhibit "A" and incorporated herein by reference.

4. That on my post-election report dated November 26, 1984, I correctly reported the $12,500.00 expense correctly as an outstanding debt of the Committee. A copy of the pertinent part of my November 26, 1984 report, is attached hereto as Exhibit "B" and incorporated herein by reference.

5. That following my report of November 26, 1984, and prior to my report of December 31, 1984, I had several telephone conversations with Mr. Ronald Fisher, Director of Business Operations, Minnesota Independant Republican Finance Committee, St. Paul, Minnesota. That during our telephone conversations, Mr. Fisher and I discussed my classification and treatment of the $12,500.00 expense as an outstanding debt. That Mr. Fisher disputed my treatment of the charge and had determined, based upon advice from the F.E.C. analyst and instructions from the F.E.C., that my December 31, 1984, report should list the $12,500.00 expense as a contribution in kind rather than an outstanding debt. That this would permit the Minnesota Independent Republican Finance Committee's report to be consistent with my report. That I advised Mr. Fisher that listing the charge as an in kind contribution the campaign would have received an amount in excess of the limitations for in kind contributions. Mr. Fisher insisted that I list the charge as an in kind contribution on the basis of his instructions. To accomodate him and at his express instructions and also in reliance upon the instructions from the F.E.C. analyst and F.E.C. as related to me by Mr. Fisher, I listed the charge on my December 31, 1984, report as an in kind contribution.

6. That the $12,500.00 sum attributed the Friends of Spicer Congressional Committee is not a fair or accurate determination of the campaign's share of the debt and is an arbitrary figure arrived at in a capricious matter. That based upon my information and belief, which I believe to be true, this figure was arbitrarily determined by a committee consisting of three incumbent Congressmen, the Senator Boschwitz committee and the Independent Republican State Party.

That a week or two prior to the 1984 general election I was not aware, nor do I believe any agent, representative or employee of the Friends of Spicer Congressional Committee was aware, that a committee existed to organize and conduct a phone bank or there was an amount to be charged to the Spicer campaign.

7. That the Friends of Spicer Congressional Committee anticipated a phone bank to be part of the 1984 campaign on the basis that a phone bank is a normal part of a general election campaign. However, neither I nor any officer, agent, or representative of the Friends of Spicer Congressional Committee had any prior knowledge as to the estimated $400,000.00 budgeted for the phone bank or that the Independent Republican Party of Minnesota would pay $225,000.00 towards the costs, that the Boschwitz committee would pay $100,000.00 towards the costs and that the balance of the budget would be charged to each of the congressional candidates.

8. That the sum of $12,500.00 charged to the Friends of Spicer Congressional Committee does not accurately reflect the benefit Candidate Spicer received or expected to receive. That any benefit to Candidate Spicer or his committee was negligible at best, i.e. less than $1,000.00. That the negligible benefit actually received by the Spicer committee is based upon the following facts:

a. The phone bank was not specifically made on behalf of Candidate Spicer.

b. Candidate Spicer was not unambiguously referred to during the survey questions.

c. Neither Candidate Spicer nor any agent or representative of the Friends of Spicer Congressional Committee sat on the phone bank committee.

d. Neither Candidate Spicer nor any agent or representative of the Friends of Spicer Congressional Committee had any input into the formulation of the survey questions, survey area, or use of the survey information.

e. Neither Candidate Spicer nor any representative or agent of the Friends of Spicer Congressional Committee participated in the determination of what survey company would be contracted with or hired to conduct the survey.

f. Neither Candidate Spicer nor any representative or agent of the Friends of Spicer Congressional Committee participated or had any input concerning the dates when the survey would be conducted or the GOTV calling would be made.

g. That none of the expenditures for the phone bank or the GOTV calling can be directly attributed to Candidate Spicer or the Friends of Spicer Congressional Committee.

h. That neither Candidate Spicer nor any agent or representative of the Friends of Spicer Congressional Committee participated or had any control or input into the total amount of money budgeted for the phone bank or any of its four categories:

(i) Contact with or hiring of the surveyor;
(ii) Telephones, or telephone service;
(iii) Retail systems, forms for candidate preference, scanning of date and GOTV forms;
(iv) GOTV coordination, training or distribution of materials.

i. That neither I nor any agent or representative of the Friends of Spicer Congressional Committee have any knowledge of what the actual phone bank expenses were.

j. That the information actually provided as a result of the survey was non-specific and made no direct reference to Candidate Spicer but simply was a overall summary for Republican candidates in the first district.

k. There was no change in campaign strategy or activities and the data released to the Spicer Committee was general in nature and selected and screened by the phone bank committee without any participation from any agent or representative of the Spicer committee.

9. That my initial report, dated November 26, 1984, showed the $12,500.00 sum as an outstanding debt and all of my other reports show the sum as an outstanding debt but for my original reports dated December 31, 1984, and June 30, 1985. Subsequent to the filing of the December 31, 1984, and June 30, 1985, reports, I have revised them and show the $12,500.00 sum to be an outstanding debt. Further, I have negotiated a settlement with the Minnesota Independent Republican Finance Committee to settle the debt for $.03 on the dollar which, based upon all the facts and circumstances, is a sum reasonably representative of the actual value of the information from the phone bank to the Friends of Spicer Congressional Committee and Candidate Spicer.

10. That the Summary of Allegations refers to a memorandum dated August 16, 1984, from Ronald Fisher to the phone bank committee that estimated the total

cost of the phone bank to be $400,000.00, a copy of which is attached hereto as Exhibit "C" and incorporated herein by reference. That prior to my receipt of the Summary of Allegations, I never saw or had knowledge of the existence of this memorandum.

11. That based upon my information, which I believe to be true, the Minnesota Independent Republican Finance Committee was short of funds to cover the phone bank charges. It then arbitrarily determined that each Republican candidate for federal office would be assessed equally to cover the remaining cost. That on October 30, 1984, the time of the assessment, the Minnesota Independent Republican Finance Committee was aware that the Friends of Spicer Congressional Committee was not able to pay the $12,500.00 assessed to it. That I believe my conclusion is correct based upon the information provided to me following my December 31, 1984, report. Specifically, the memo dated August 16, 1984, states that the contract with the surveyor called for payments on August 30, October 6, and October 29, 1984. That the invoice directed to the Friends of Spicer Congressional Committee is dated October 30, 1984, and was not received by the Friends of Spicer Congressional Committee until after the 1984 general election. Had the Friends of Spicer Congressional Committee been notified of the $12,500.00 share at any time prior to the 1984 general election, the committee would have received billing statements within a reasonable time prior to the respective payment due dates, i.e. August 30, October 6, and October 29, 1984, and not one billing invoice until sometime after the 1984 general election.

12. That the Friends of Spicer Congressional Committee did not, and could not, accept a $12,500.00 in-kind contribution as that would have exceeded the limitations set by law.

13. That the $12,500.00 assessment to the Friends of Spicer Congressional Committee is excessive, arbitrary and capricious. The phone bank was for state

and federal offices in general with a primary focus on the Republican candidates Senator Rudy Boschwitz, President Ronald Reagan and the three incumbent Republican Congressmen for Minnesota. There was only a "spill-over" benefit to the Spicer committee.

14. That the memorandum dated August 16, 1984, addressed specifically to "phone bank committee" requested one third payment. Apparently, each of the phone bank committee members paid their one third share on or near the due dates. However, as I indicated earlier, the invoice dated October 30, 1984, to the Friends of Spicer Congressional Committee, is the one and only invoice that was received and was received after the 1984 general election. That following the general election, I requested from Mr. Fisher, a copy of the August 16, 1984, memorandum purportedly sent to the Friends of Spicer Congressional Committee. That Mr. Fisher was unable to produce a memorandum addressed to the Friends of Spicer Congressional Committee like that addressed to the Truman for Congress Committee.

FURTHER YOUR AFFIANT SAITH NOT SAVING AND ACCEPTING THIS AFFIDAVIT AS SUBMITTED IN DEFENSE OF THOSE MATTERS SET FORTH IN THE SUMMARY OF ALLEGATIONS AGAINST YOUR AFFIANT AND THE FRIENDS OF SPICER CONGRESSIONAL COMMITTEE.

Lee R. Refior

Subscribed and sworn to before me
this 18th day of February, 1987.

Notary Public

KAREN GOLBERG
NOTARY PUBLIC - MINNESOTA
OLMSTED COUNTY
My commission expires Sept 16, 1989

INDEPENDENT-REPUBLICANS OF MINNESOTA
8030 Cedar Ave. South Suite 202
Bloomington, Mn. 55420

INVOICE

TO [illegible]

[illegible]

[illegible]

Date 10/30/87

Quantity	Articles and Description	Price	Amount
	[illegible]		
	[illegible]		
	Please Pay [illegible]		12500 00

PLEASE PAY FROM THIS INVOICE — NO STATEMENT WILL BE SENT

3 9 0 4 0 7 6 4 8 5 7

Note: the date and amount have been enhanced for photocopying purposes.

EXHIBIT A

OF RECEIPTS AND DISBURS

For Authorized Committee

(Summary Page)

ALIGN AREA | ALIGN AREA

1. Name of Committee (in Full): FRIENDS OF SPICER CONGRESSIONAL COMMITTEE

2. FEC Identification Number: 100257

Address (Number and Street): [illegible] NE 9TH AVE

3. Is this Report an Amendment? ☐ YES ☑ NO

City, State and Zip Code: [illegible]

☐ Check if address is different than previously reported

4. TYPE OF REPORT

☐ April 15 Quarterly Report

☐ July 15 Quarterly Report

☐ October 15 Quarterly Report

☐ January 31 Year End Report

☐ July 31 Mid Year Report (Non-election Year Only)

☐ Twenty-day report preceding the [illegible] Election on [illegible] in the State of [illegible]

☐ Thirteenth day report following the General Election on [illegible] in the State of [illegible]

☐ Termination Report

This report contains activity for: ☐ Primary Election ☑ General Election ☐ Special Election ☐ Runoff Election

SUMMARY	COLUMN A This Period	COLUMN B Calendar Year to Date
5. Covering Period: 10/[illegible] through 11/[illegible]		
6. Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (From Line 11 (a))	[illegible]	[illegible]
(b) Total Contribution Refunds (From Line 20 (b))		
(c) Net Contributions (other than loans) (subtract Line 6 (b) from 6 (a))	[illegible]	[illegible]
7. Net Operating Expenditures		
(a) Total Operating Expenditures (from Line 17)	[illegible]	[illegible]
(b) Less Offsets to Operating Expenditures (from Line 18)	[illegible]	[illegible]
(c) Net Operating Expenditures (Subtract Line 7 (b) from 7 (a))	[illegible]	[illegible]
8. Cash on Hand at Beginning Reporting Period (From Line 21)	[illegible]	
9. Loans and Obligations Owed To The Committee (Schedule C, Schedule D)	[illegible]	
10. Debts and Obligations Owed By The Committee (Schedule C, Schedule D)	[illegible]	

[illegible]

[illegible]

SIGNATURE OF TREASURER

[illegible]

All previous versions of FEC FORM 3 and FEC FORM 3A are obsolete and should not be used.

FEC FORM 3

page 1 EXHIBIT B

8 7 0 4 0 7 6 4 8 7 0

SCHEDULE D
(Revised 3/80)

DEBTS AND OBLIGATIONS
Excluding Loans

Page 1 of 1 for
LINE NUMBER _____
(Use separate schedules for each numbered line)

Name of Committee (in Full) FRIENDS OF SPICER CONGRESSIONAL COMMITTEE	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor: CUSTOM PRINTING, 1913 SECOND ST SW, ROCHESTER MN 55902	2456.14	485.19	2941.33	0
Nature of Debt (Purpose): CONSULTANTS				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor: INSTA PRINTS, 605 NORTH BROADWAY, ROCHESTER MN 55901	5274.58	1918.48	7192.06	0
Nature of Debt (Purpose): COPY SERVICE				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor: JOHNSON PRINTING, 311 NW 2ND AVE, ROCHESTER MN 55901	971.38	8158.62	4000.00	5150.00
Nature of Debt (Purpose): PRINTING				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor: HUCKABY MOSS & RODMUS, 1050 WILLOW WOODLAND, SHAKOPEE MN 55379	5066.40	903.60	5100.00	870.00
Nature of Debt (Purpose): CONSULTING SVS				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor: [illegible]	0	1808.38	0	1808.38
Nature of Debt (Purpose): [illegible]				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor: [illegible]	0			[illegible]
Nature of Debt (Purpose): [illegible]				
1) SUBTOTALS This Period This Page (optional)				[illegible]
2) TOTAL This Period (last page this line only)				[illegible]
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only)				0
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only)				[illegible]

page 2 FAILED B

8990407648871

INDEPENDENT REPUBLICANS OF MINNESOTA

August 16, 1984

To: Phone Bank Committee

From: Ron Fischer

Based on our contract with D.C.C. plus the the telephone and computer costs, we estimate the total cost of the package to be $400,000.

The shares will be as follows:

State I-R	$ 225,000
Boschwitz	100,000
Spicer	12,500
Weber	12,500
Frenzel	12,500
Trueman	12,500
Stangeland	12,500
Rued	12,500
	$ 400,000

The contract calls for payments on August 30, October 6 and October 29. We will need payments of 1/3 from each of you on August 24, September 30 and October 23.

Please send your payments promptly so that we can meet these contract dates.

8030 Cedar Ave., Suite 202 • Bloomington, MN 55420 • (612) 854-1446

EXHIBIT C

3 9 0 4 0 7 6 4 8 7 2

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

88 OCT 19 PM 2:59

SENSITIVE

MUR 2221

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)
	)
Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee)	)
Donna Harrington, as treasurer	)
Friends of Spicer Congressional Committee	)
Lee R. Refior, as treasurer	)
Trueman for Congress Committee	)
Leroy A. Kreitlow, as treasurer	)
Dave Rued for Congress Committee	)
W. Paul Otten, as treasurer	)

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to all the respondents captioned above based on the assessment of the information presently available.

10/19/88
Date

Lawrence M. Noble
General Counsel

Staff Person: Jim Voegeli

FEDERAL ELECTION COMMISSION
89 JAN -3 AM 11:03

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

SENSITIVE

January 3, 1989

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

SUBJECT: MUR #2221

Attached for the Commission's review are two briefs stating the General Counsel's position on the legal and factual issues in the above-captioned matter. Copies of the briefs, along with letters notifying the respondents of the General Counsel's intent to recommend to the Commission findings concerning probable cause to believe, were mailed on January 3, 1989. Following receipt of the Respondents' replies to these notices, this Office will make a further report to the Commission concerning all respondents.

Attachments
1-Briefs
2-Letters to the Respondents

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 3, 1988

Mr. W. Paul Otten, Treasurer
Dave Rued for Congress Committee
14745 Portland Ave., South, Apt. #102
Burnsville, Minnesota 55337

RE: MUR 2221
Dave Rued for Congress Committee and W. Paul Otten, as treasurer

Dear Mr. Otten:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, on August 12, 1986, the Federal Election Commission found reason to believe that the Dave Rued for Congress Committee ("Committee") and former treasurer, Robert A. Janzen, violated 2 U.S.C. §§ 441a(f) and 434, and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

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If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

Should you have any questions, please contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

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Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) ("Minnesota Committee") is a political committee within the meaning of 2 U.S.C. § 431(4); a multicandidate political committee within the meaning of 2 U.S.C. § 441a(a)(4); and is also a state party committee pursuant to 11 C.F.R. § 100.14(a).

Pursuant to 2 U.S.C. § 441a(d), the national and state committees of a political party may make coordinated expenditures in connection with the general election campaigns of Federal candidates. See also 11 C.F.R. § 110.7(b)(1). Additionally, pursuant to 2 U.S.C. § 441a(a)(2)(A), a multicandidate political committee may make contributions to a Federal candidate and his or her authorized committees with respect to any election which, in the aggregate, total $5,000. See also 11 C.F.R. § 110.7(b)(3) and 11 C.F.R. § 110.2(b)(1). Pursuant to 2 U.S.C. § 441a(f), no candidate or political committee shall knowingly accept any contribution in violation of any limitation imposed by section 441a. All contributions must be disclosed in reports filed with the Commission, pursuant to 2 U.S.C. § 434(b)(2).

Expenditure Violation

The basis for the reason to believe findings was the Minnesota Committee's reporting, in its 1984 Post-General Election Report, having made a $12,500 in-kind contribution to the Rued Committee, and the Rued Committee's failure to report the contribution in its disclosure reports. The Minnesota Committee also reported in the same report that it was owed

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$12,500 by the Rued Committee. The origin of the Minnesota Committee's reporting was its allocation of $12,500 to the Rued Committee to pay for costs of a voter identification ("VIP") and a get-out-the-vote ("GOTV") telephone project.

The Minnesota Committee claims, however, that the reporting of the $12,500 as an in-kind contribution was a mistake. The Minnesota Committee reported making an in-kind contribution, instead of a coordinated expenditure, after receiving advice telephonically from a staff member of the Commission's Reports Analysis Division ("RAD"). According to the staff member, Mr. Fischer of the Minnesota Committee told him that the maximum allowable amounts of both coordinated expenditures and contributions had been expended for Candidate Rued. Based on this information, the staff member advised reporting the project expenditure as an in-kind contribution.

However, contrary to the Minnesota Committee's assertion that it had reached the contribution and coordinated expenditure limits, disclosure reports reveal that such limits were not reached when Mr. Fischer spoke with RAD.[1/] The evidence indicates that the Minnesota Committee could have made coordinated expenditures on behalf of Candidate Rued, as well as

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1/ Pursuant to 2 U.S.C. § 441a(d), the coordinated expenditure limit for a candidate for the U.S. House of Representatives was $20,200 in 1984. Since the Minnesota Committee did not assign away any of this limit, it could have made coordinated expenditures in this full amount. The Minnesota Committee reported in its 1984 October Quarterly Report making a $1,552 in-kind contribution to the Rued Committee for the general election. Thus, the Minnesota Committee could have made additional contributions of $3,448, pursuant to 2 U.S.C. § 441a(a)(2)(A).

additional contributions, because it had not reached the limits. The information upon which the RAD staff member based his advice was therefore incorrect. Nevertheless, the Minnesota Committee claims that it relied on RAD's advice, and thus, incorrectly reported the project expenditure as a contribution. Thus no contribution limits were exceeded.

In view of the fact that the Minnesota Committee appears to have made no excessive coordinated expenditure on behalf of the Rued Committee, the Office of the General Counsel recommends that the Commission find that there is no probable cause to believe that the Rued Committee violated 2 U.S.C. § 441a(f) by accepting a contribution in excess of the contribution limit.

Reporting Violation

The Commission's initial reason to believe finding that the Rued Committee violated 2 U.S.C. § 434 was based upon a failure to report an in-kind contribution from the Minnesota Committee. It now appears that the expenditure was a coordinated expenditure by the Minnesota Committee on behalf of the Trueman Committee. Pursuant to 11 C.F.R. § 110.7(c)(1), the state central committee, and not the candidate committee, is required to report coordinated expenditures. Thus, the Rued Committee was not, in fact, required to report the project expenditure. Accordingly, it is the recommendation of this Office that the Commission find no probable cause to believe that the Rued Committee violated 2 U.S.C. § 434 reporting requirements.

III. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find no probable cause to believe that Dave Rued for Congress Committee and W. Paul Otten, as treasurer, violated 2 U.S.C. § 441a(f) or 2 U.S.C. § 434.

12/30/88
Date

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 3, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Bruce D. Willis, Esquire
Popham, Haik, Schnobrich, Kaufman & Doty, LTD.
4344 IDS Center
Minneapolis, Minnesota 55402

RE: MUR 2221
Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) and Donna Harrington, as treasurer

Dear Mr. Willis:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, on August 12, 1986, the Federal Election Commission found reason to believe that your clients, the Independent Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) and former treasurer, Jim Mullin, violated 2 U.S.C. § 441a(a)(2)(A), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation of 2 U.S.C. § 441a(f) has occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your clients' position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General

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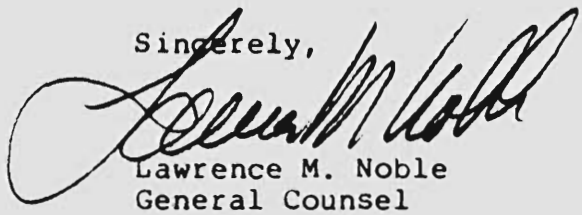
Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) and Donna Harrington, as treasurer	)	MUR 2221

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter was initiated by the Commission based on information ascertained in the ordinary course of carrying out its supervisory responsibilities. On August 12, 1986, the Commission found reason to believe that the Independent-Republicans of Minnesota Committee ("the Minnesota Committee") and Jim Mullin, as treasurer,[1/] violated 2 U.S.C. § 441a(a)(2)(A) by making excessive in-kind contributions to three committees: the Dave Rued for Congress Committee ("Rued Committee"); the Friends of Spicer Congressional Committee ("Spicer Committee"); and the Trueman for Congress Committee ("Trueman Committee"). On August 21, 1986, the Commission sent notification of its finding to the Respondents. On September 23, 1986, the Commission received a letter from Mr. Bruce D. Willis, designated counsel for the Respondents, along with an affidavit of Mr. Ronald Fischer, the Minnesota Committee's Director of Business Operations.

1/ Ms. Donna Harrington is currently the Minnesota Committee's treasurer.

II. LEGAL ANALYSIS

The Minnesota Committee is a political committee within the meaning of 2 U.S.C. § 431(4); a multicandiate political committee within the meaning of 2 U.S.C. § 441a(a)(4); and also a state party committee pursuant to 11 C.F.R. § 100.14(a). The candidate committees are principal campaign committees within the meaning of 2 U.S.C. § 431(5).

Pursuant to 2 U.S.C. § 441a(d), the national and state committees of a political party may make coordinated expenditures in connection with the general election campaigns of Federal candidates. See also 11 C.F.R. § 110.7(b)(1). Additionally, pursuant to 2 U.S.C. § 441a(a)(2)(A), a multicandiate political committee may make contributions to a Federal candidate and his or her authorized committees with respect to any election which, in the aggregate, total $5,000. See also 11 C.F.R. § 110.7(b)(3) and 11 C.F.R. § 110.2(b)(1). Pursuant to 2 U.S.C. § 441a(f), political committees and their officers and employees are prohibited from making any expenditures on behalf of candidates that are in violation of any limitations imposed by section 441a.

The principal basis for the reason to believe finding in this matter was the Minnesota Committee's reporting of a $12,500 in-kind contribution made to each of the Rued, Spicer and Trueman committees in connection with the general election. This information appeared in the Minnesota Committee's 1984 Post-General Election Report. In the same report the Minnesota Committee reported that each of the three candidate committees

owed it $12,500. The origin of this reporting was the Minnesota Committee's allocation of $12,500 to each of the candidates to pay for costs of a voter identification ("VIP") and a get-out-the-vote ("GOTV") telephone project. In addition, the Minnesota Committee made other contributions and expenditures on behalf of the candidate committees totalling $10,703.

The Minnesota Committee reported the telephone project expenditures as in-kind contributions, instead of coordinated expenditures, after receiving advice telephonically from a staff member of the Commission's Reports Analysis Division ("RAD"). According to the RAD staff member, the Minnesota Committee's Mr. Fischer told him that, for each of the candidates, the Committee had made the maximum allowable amounts of both coordinated expenditures and contributions. The staff member advised reporting the project expenditures as in-kind contributions based on this information.

The evidence indicates, however, that at the time of the telephone conversation with the RAD analyst, the Minnesota Committee could have made coordinated expenditures on behalf of the candidates because it had not used up available section 441a(d) limits. In addition, the Minnesota Committee had not reached the section 441a(a)(2)(A) contribution limits for the Rued and Trueman candidate committees. Thus, the information upon which the RAD staff member based his advice was incorrect. Nevertheless, the Minnesota Committee claims that it relied on RAD's advice, and thus, incorrectly reported all telephone

project expenditures as in-kind contributions.[2/]

The Commission found reason to believe that the violation by the Minnesota Committee was for making excessive in-kind contributions to the candidate committees. The evidence, however, indicates that some of these expenditures can be counted toward the Committee's coordinated expenditure limit. With respect to two of the three committees (Spicer and Trueman), there remains roughly $17,000 in expenditures that appear to exceed the limits. There appears to be no excessive for the Rued Committee.

The factual record indicates that the Minnesota Committee exceeded the coordinated expenditure limits with respect to the Spicer and Trueman committees when it made the phone project expenditures primarily because of prior assignments of portions of its limits to the National Republican Congressional Committee ("NRCC"). Pursuant to 2 U.S.C. § 441a(d), the limit for a candidate for the U.S. House of Representatives during the 1984 general election was $20,200. On July 31, 1984, the Minnesota Committee assigned $19,500 of its $20,200 limit for the Trueman Committee to the NRCC. Thus, when Mr. Fischer spoke with RAD the Minnesota Committee had a remaining limit of $700 for coordinated expenditures on behalf of the Trueman Committee. Therefore, the $12,500 project expenditure exceeded this $700 remaining limit by $11,800 for the Trueman Committee. ($32,000 - $20,200 = $11,800).

2/ In addition to the expenditures for the telephone project, the Minnesota Committee similarly claims it mistakenly reported as an in-kind contributions $5,651 and $1,552 in coordinated expenditures for the Spicer and Rued Committees, respectively.

On August 2, 1984, the Minnesota Committee assigned $14,500 of its $20,200 limit for the Spicer Committee to the NRCC. Thus, there remained a limit of $5,700 for coordinated expenditures on behalf of the Spicer Committee. Therefore, the Minnesota Committee's $12,500 project expenditure exceeded this $5,700 remaining limit by $6,800. Furthermore, the Minnesota Committee maintains that it mistakenly reported an additional $5,651 in coordinated expenditures as in-kind, raising the total amount of section 441a(d) expenditures to $32,651 ($14,500 + $12,500 + $5,651 = $32,651), and the total excessive amount for the Spicer Committee to $12,451. ($32,651 - $20,200 = $12,451).

The Minnesota Committee did not assign away any of its $20,200 limit for the Rued Committee, and thus, the $12,500 project expenditure did not exceed the limit for this candidate committee. The Minnesota Committee does claim, however, that it mistakenly reported as an in-kind contribution a $1,552 coordinated expenditure for the Rued Committee. Including the $1,552 expenditure under the section 441a(d) limit, the Minnesota Committee still expended less than the $20,200 limit for the Rued Committee. ($12,500 + $1,552 = $14,052) Therefore, there is no violation associated with the Minnesota Committee's expenditures for the Rued Committee.

Thus, the Minnesota Committee's total excessive coordinated expenditures, which is a combination of the $11,800 excess for the Trueman Committee, and the $12,451 excess for the Spicer Committee, is $24,251. If the Committee's remaining

section 441a(a)(2)(A) contribution limit is applied against these excessive coordinated expenditures, the figure by which the Minnesota Committee exceeded the combination of limits becomes $17,751. This is derived by subtracting the $5,000 section 441a(a)(2)(A) limit from the Spicer Committee's excessive coordinated expenditure of $12,451, resulting in total excessive of $7,451 for Spicer. To this is added the difference between the Trueman Committee's excessive coordinated expenditure of $11,800 and the remaining section 441a(a)(2)(A) limit, which was only $1,500 because the Minnesota Committee had already made a $3,500 direct contribution to the Trueman Committee for a total of $17,751. [($12,451 Spicer Committee Excessive - $5,000 limit) + ($11,800 Trueman Committee Excessive - $1,500 remaining limit) = $17,751]. In view of the foregoing it is the recommendation of the Office of the General Counsel that the Commission find probable cause to believe that the Independent-Republicans of Minnesota Committee and Donna Harrington, as treasurer, violated 2 U.S.C. § 441a(f) by making expenditures in excess of 2 U.S.C. § 441a on behalf of candidates.3/

3/ The Minnesota Committee reported the expenditures for the telephone project as in-kind contributions. The Committee followed RAD's advice on how to report these, even though that advice was based on misinformation provided by the Committee. Therefore, this Office makes no recommendation concerning any possible reporting violations.

III. GENERAL COUNSEL'S RECOMMENDATION

Find probable cause to believe that the Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) and Donna Harrington, as treasurer, violated 2 U.S.C. § 441a(f).

12/30/88
Date

Lawrence M. Noble
General Counsel

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OF COUNSEL
FRED L. MORRISON

*ADMITTED IN IOWA
*ADMITTED IN ILLINOIS

334-2518

January 18, 1989

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89 JAN 19 AM 9:51

FEDERAL ELECTION COMMISSION

SENT BY FEDERAL EXPRESS

Jonathan Bernstein, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street Northwest
Washington, D.C. 20463

Re: MUR 2221
Our File No. 7221-008

Dear Mr. Bernstein:

As we discussed yesterday afternoon on the telephone, I received yesterday correspondence from Larry Noble, dated January 3, 1989, indicating that the General Counsel is prepared to recommend to the Commission a finding of probable cause of a violation in the above matter, along with a copy of the General Counsel's Brief. That letter also indicated that you are now the contact attorney on the file.

As I told you, I suspect that the delay in delivery was the result of the fact that our firm moved to new offices in March 1988, and while we sent change of address forms to all courts in

which we had matters pending, the fact that the above MUR was pending somehow slipped through the cracks, and you did not receive such a form. As you will note from the enclosed copy of the envelope in which the materials were received yesterday, our old address was used. Our current address appears on the letterhead above.

As we also discussed, receipt of the January 3, 1989, notice having occurred on January 17, 1989, the normal deadline for a responsive brief on behalf of the Independent-Republican Finance Committee would be February 1, 1989. As I told you I would do, I am hereby requesting in writing a twenty day extension of that deadline, to February 21, 1989, because of the fact that the Chairman of the Independent-Republican Party submitted his resignation on Monday of this week, amidst great media fanfare, and I also am aware of much current publicity surrounding about the fact that substantial staff cuts are being made by the Party, because of its financial condition.

I am therefore in the position of representing a client whose leadership is in turmoil, and I do not yet know what effect, if any, the staff cuts will have on my ability to communicate readily with the individuals who were involved with the occurrences that are the subject of MUR 2221.

According to yesterday morning's newspaper, a new Chairman, at least, will be elected at a special meeting of the State Central Committee on February 11, 1989. If it is at all possible, it would be of enormous help to me from the perspective of an attorney representing a client to have a Chairman in place with whom I can discuss a response to the January 3, 1989, notice before it is submitted to you. Your consideration in that regard would be very much appreciated.

As I also mentioned to you, I am serving on an FEC project advisory committee that will meet in Washington on Monday, January 30, 1989. I currently am scheduled to stay over the following day for other business, and it may well be possible, our mutual schedules permitting, for us to at least have the opportunity to meet one another on January 31, and perhaps also to discuss the course this matter should take. I will be in touch with you when my schedule is more certain.

I would appreciate a response to my request for an extension at your earliest convenience, so that I, and those representatives

of my client who are available, will know the schedule we have. Thank you for your consideration of this matter.

Very truly yours,

Bruce D. Willis

Bruce D. Willis

BDW/sjm/ZSJM171
Enclosure
cc: Barbara Sykora, Chairwoman, Independent-Republicans of Minnesota
Donna Harrington, Treasurer, Independent-Republicans of Minnesota
Ronald Fischer, Director of Business Operations, Independent-Republicans of Minnesota

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WASHINGTON D.C. 20463

January 25, 1989

Bruce D. Willis, Esquire
Popham, Haik, Schnobrich & Kaufman, Ltd.
3300 Piper Jaffray Tower
Minneapolis, Minnesota 55402

RE: MUR 2221
Independent-Republicans of Minnesota

Dear Mr. Willis:

This is in response to your letter dated January 18, 1989, which we received on January 19, 1989, requesting an extension of 20 days to respond to the General Counsel's Brief in this matter. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your responsive brief is due by the close of business on February 21, 1989.

If you have any questions, please contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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OF COUNSEL
FRED L. MORRISON

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February 20, 1989

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VIA FEDERAL EXPRESS

Jonathan Bernstein, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street Northwest
Washington, DC 20463

RE: MUR 2221
Our File No. 7221-008

Dear Mr. Bernstein:

This letter is submitted as the response of the Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) and Donna Harrington, as treasurer (together referred to herein as "the Minnesota Committee"), to the General Counsel's Brief, dated December 30, 1988. You should be aware that Ms. Harrington is no longer Treasurer of the Independent-Republicans of Minnesota. She was succeeded in that office by Richard Evans in December 1988.

As a result of your consideration in granting an extension for a response on behalf of the Minnesota Committee, we have had an opportunity to review this matter with some care, and the Minnesota Committee agrees with the dollar amounts described in the General Counsel's Brief, dated December 30, 1988.

However, the Minnesota Committee wants to make a few comments for consideration by the Commission in its determination of whether to accept the General Counsel's recommendation of a

finding of probable cause that the Minnesota Committee violated 2 U.S.C. § 441a(f), recognizing that these comments address the equities of the matter and not the legal substance of the General Counsel's Brief:

1. While several errors were committed, the Minnesota Committee hopes that it is clear that there was no intention on its part to violate federal campaign finance law. Clearly, in retrospect, the first error was the assignment by the Minnesota Committee of a portion of its coordinated expenditure limit to the NRCC for both the Trueman Committee and the Spicer Committee before the Minnesota Committee had received payment from those candidate committees for their allocable portions of the 1984 phone bank expense. That is an error which has not been and will not be repeated.

   However, in late July and early August 1984, when the Minnesota Committee made its assignments to the NRCC, the Minnesota Committee fully expected all federal committees to pay their allocated portions of the phone bank expense and did not, therefore, expect to find itself in the position of making either an in-kind contribution to any federal candidate or making a coordinated expenditure on behalf of any federal candidate in connection with the phone bank.

   It is only when the candidate committees involved in this matter refused or were unable to pay the billings presented to them by the Minnesota Committee that the dilemma that is the subject of this MUR arose. The Minnesota Committee, as the contracting party with the vendor, was obligated to pay for the phone bank. If the Minnesota Committee had not paid the vendor, it would have been subject to a suit by the vendor, for which the Minnesota Committee would have had no defense. On the other hand, as matters have evolved, by paying the vendor, the Minnesota Committee has subjected itself to a claim that it made excess contributions.

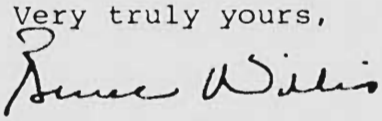
2. The Minnesota Committee hopes that in its consideration of this matter, the irony is not lost on the Commission of the fact that had the Minnesota Committee not sought the advice of Commission staff, this matter would likely not now be before the Commission. By reporting contributions in kind of

$12,500 each to the federal candidate committees in question here, as it was advised to do, rather than showing those amounts as receivables due from the committees, the Minnesota Committee's filing showed a prima facie violation of federal campaign finance law. The Minnesota Committee believes it is likely that an analysis of the filings of other political committees with the Commission over the past several years would show a variety of cases in which similar expenditures have been carried as receivables without Commission action and without the committees knowing they are in violation of contribution limits.

3. Assuming the figures in the General Counsel's Factual and Legal Analysis of August 1986 to be accurate, the total of the combined coordinated expenditure limits for the Minnesota Committee and the national party was not reached for either the Trueman Committee or the Spicer Committee in connection with the 1984 election. Again, the Minnesota Committee hopes that the Commission will take that fact into account in its analysis of the magnitude of the violence done to the overall framework of the federal campaign finance system, if not in determining the fact of a violation by the Minnesota Committee.

If the Commission accepts the recommendation of the General Counsel and finds probable cause that the Minnesota Committee violated 2 U.S.C. § 441a(f), the Minnesota Committee requests conciliation of the matter in the hope that a conciliation agreement acceptable to both the Commission and the Minnesota Committee can be reached.

Very truly yours,



Bruce D. Willis

BDW/trc/286/ZSJM

cc: David Jennings, Chairman,
Independent-Republicans of Minnesota
Barbara Sykora, Chairwoman,
Independent-Republicans of Minnesota
Richard Evans, Treasurer,
Independent-Republicans of Minnesota

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BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of	)	
	)	
	)	
Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee), and Donna Harrington, as treasurer	)	MUR 2221
Friends of Spicer Congressional Committee and Lee R. Refior, as treasurer	)	
Dave Rued for Congress Committee and W. Paul Otten, as treasurer	)	

GENERAL COUNSEL'S REPORT

On January 3, 1989, this Office forwarded a brief on the factual and legal issues in the case to counsel for Respondent Independent-Republicans of Minnesota Committee. The brief named Donna Harrington as treasurer because she was then the Committee's treasurer of record. On February 3, 1989, however, the Committee filed an amended statement of organization naming Richard Evans as successor treasurer to Ms. Harrington; counsel points out this change in his response dated February 21, 1989 to the General Counsel's brief. Pursuant to the Commission's policy of providing the treasurer of record with notice of the General Counsel's intention to make a probable cause to believe recommendation, this Office will forward a supplemental brief to counsel naming the Committee's new treasurer. Upon receipt of a response or upon expiration of the period for response, this Office will forward a report to the Commission with

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further recommendations.

Date 3/17/87

Lawrence M. Noble
General Counsel

Staff assigned: Jonathan Bernstein

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WASHINGTON D.C. 20463

SENSITIVE

March 29, 1989

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

SUBJECT: MUR 2221

Attached for the Commission's review is a supplemental brief stating the position of the General Counsel on the treasurer's liability in the above-captioned matter. This supplemental brief and a letter notifying the respondent of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe were mailed on March 29, 1989. Following receipt of the respondent's reply to this notice, this Office will make a further report to the Commission.

Attachments
1-Brief
2-Letters to the Respondents

Staff Person: Jonathan Bernstein

89040764900

FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

March 29, 1989

Bruce D. Willis, Esquire
Popham, Haik, Schnobrich & Kaufman, Ltd.
3300 Piper Jaffray Tower
Minneapolis, Minnesota 55402

RE: MUR 2221
Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) and Donna Harrington, as treasurer

Dear Mr. Willis:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, on August 12, 1986, the Federal Election Commission found reason to believe that your clients, the Independent Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) and former treasurer, Jim Mullin, violated 2 U.S.C. § 441a(a)(2)(A), and instituted an investigation in this matter.

On January 3, 1989, you were mailed a copy of the General Counsel's brief recommending that the Commission find probable cause to believe that the Independent-Republicans of Minnesota Committee, and Donna Harrington, as treasurer, violated 2 U.S.C. § 441a(f). According to the public record, however, Ms. Harrington is no longer the treasurer of record. Consistent with the Commission's policy of providing the treasurer of record with notice of the General Counsel's intention to make a probable cause to believe recommendation, enclosed please find a supplemental brief indicating the General Counsel's intention to recommend probable cause to believe Richard Evans, as treasurer, violated 2 U.S.C. § 441a(f).

The Commission may or may not approve the General Counsel's recommendation. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your clients' position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is

probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Supplemental Brief

3 2 0 4 0 7 6 4 9 0 7 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) and Richard Evans as treasurer	)	MUR 2221

GENERAL COUNSEL'S SUPPLEMENTAL BRIEF

I. Statement of the Case

This matter was initiated by the Commission based on information ascertained in the ordinary course of carrying out its supervisory responsibilities. On August 12, 1986, the Commission found reason to believe that the Independent-Republicans of Minnesota Committee ("the Minnesota Committee") and Jim Mullin, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A) by making excessive in-kind contributions to the Dave Rued for Congress Committee ("Rued Committee"); the Friends of Spicer Congressional Committee ("Spicer Committee"); and the Trueman for Congress Committee ("Trueman Committee"). On January 3, 1989, the Office of the General Counsel mailed a brief to counsel informing him of the General Counsel's intent to recommend that the Commission find probable cause to believe that the Independent-Republicans of Minnesota Committee and Donna Harrington, as treasurer, violated 2 U.S.C. § 441a(f) by making $17,751 in expenditures in excess of 2 U.S.C. § 441a on behalf of the Spicer and Trueman Committees. Following an extension of time, counsel responded on behalf of the Minnesota Committee on February 23, 1989.

II. Status of the Minnesota Committee's Treasurer

On February 3, 1989, the Minnesota Committee filed an amended statement of organization, see 2 U.S.C. § 433(c), designating Richard Evans as treasurer. Consistent with the Commission's treasurer policy of providing the treasurer of record with notice of the General's probable cause recommendation, Mr. Evans should be named as the respondent treasurer in a probable cause finding. Therefore, this Office recommends that the Commission find probable cause to believe Richard Evans, as treasurer of the Minnesota Committee, violated 2 U.S.C. § 441a(f).

III. General Counsel's Recommendation

Find probable cause to believe that Richard Evans, as treasurer of the Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee), violated 2 U.S.C. § 441a(f).

3/28/89
Date

Lawrence M. Noble
General Counsel

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DIRECT DIAL NUMBER

(612) 334-2518

April 13, 1989

SENT BY FEDERAL EXPRESS

Office of the General Counsel
Federal Election Commission
999 E Street Northwest
Washington, D.C. 20463
Attention: Jonathan Bernstein, Esq.

Re: MUR 2221
Our File No. 7221-008

Dear Mr. Bernstein:

Pursuant to the request of the General Counsel, dated March 28, 1989, and received on April 1, 1989, please find enclosed three copies of the response of the Respondents in the above MUR to the General Counsel's Brief, dated December 30, 1988, and the General Counsel's Supplemental Brief, dated March 28, 1989.

As I indicated to you in my letter response dated February 20, 1989, if the Commission accepts the recommendation of the General Counsel and finds probable cause that the Minnesota Committee violated 2 U.S.C. § 441a(f), the Minnesota Committee requests conciliation of the matter in the hope that an agreement acceptable to the Commission and possible for the Minnesota Committee can be reached.

Very truly yours,

Bruce Willis

Bruce D. Willis

BDW/sjm/ZSJM448
Enclosures
cc: David Jennings, Chairman,
Independent-Republicans of Minnesota
Barbara Sykora, Chairwoman,
Independent-Republicans of Minnesota
Richard Evans, Treasurer,
Independent-Republicans of Minnesota

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Independent-Republicans of Minnesota	)	
Committee (AKA Minnesota	)	
Independent-Republican	)	MUR 2221
Finance Committee) and	)	
Richard Evans as treasurer	)	
	)	

RESPONSE OF INDEPENDENT-REPUBLICANS OF MINNESOTA COMMITTEE (AKA MINNESOTA INDEPENDENT-REPUBLICAN FINANCE COMMITTEE) AND RICHARD EVANS AS TREASURER

I. Statement of the Case

Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) (hereafter "the Minnesota Committee") and Richard Evans as treasurer hereby incorporate by reference the facts set forth in the letter response dated September 22, 1986, and the attached affidavit of Ronald Fischer, as they relate to the Trueman Committee and the Spicer Committee, the two federal candidate committees currently involved in this MUR.

II. Supplemental Comments

The Minnesota Committee agrees with the dollar amounts described as being at issue in the General Counsel's Brief, dated December 30, 1988.

However, the Minnesota Committee wants to make a few comments for consideration by the Commission in its determination

of whether to accept the General Counsel's recommendation of a finding of probable cause of a violation of 2 U.S.C. § 441a(f), recognizing that these comments address the equities of the matter and not the legal substance of the General Counsel's Brief:

1. While it is clear that several errors where committed, the Minnesota Committee hopes that it is clear to the Commission that there was no intention on its part to violate federal campaign finance law. Clearly, in retrospect, the first error was the assignment by the Minnesota Committee of a portion of its coordinated expenditure limit to the NRCC for both the Trueman Committee and the Spicer Committee before the Minnesota Committee had received payment from those candidate committees for their allocable portions of the 1984 phone bank expense. That is an error that has not been and will not be repeated.

However, in late July and early August 1984, when the Minnesota Committee made its assignments to the NRCC, the Minnesota Committee fully expected all federal committees to pay their allocated portions of the phone bank expense and did not, therefore, expect to find itself in the position of making either an in-kind contribution to any federal candidate or making a coordinated expenditure on behalf of any federal candidate in connection with the phone bank.

It is only when the candidate committees involved in this matter refused or were unable to pay the billings presented to them by the Minnesota Committee that the dilemma that is the subject of this MUR arose. The Minnesota Committee, as the contracting party

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with the vendor, was obligated to pay for the phone bank. If the Minnesota Committee has not paid the vendor, it would have been subject to a suit by the vendor, for which the Minnesota Committee would have had no defense. On the other hand, as matters have evolved, by paying the vendor the Minnesota Committee has subjected itself to a claim that it made excess contributions.

2. The Minnesota Committee hopes that in its consideration of this matter, the irony is not lost on the Commission of the fact that had the Minnesota Committee not sought the advice of Commission staff, this matter would likely not now be before the Commission. By reporting contributions in kind of $12,500 each to the federal candidate committees in question here, as it was advised to do, rather than showing those amounts as receivables due from the committees, the Minnesota Committee's filing showed a prima facie violation of federal campaign finance law. The Minnesota Committee believes that it is likely that an analysis of the filing of other political committees with the Commission over the past several years would show a variety of cases in which similar expenditures have been carried as receivables without Commission action and without the committees knowing that they are in violation of contribution limits.

3. Assuming the figures in the General Counsel's Factual and Legal Analysis of August 1986 to be accurate, the total of the combined coordinated expenditure limits for the Minnesota Committee and the national party was not reached for either the Trueman Committee or the Spicer Committee in connection with the 1984

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election. Again, the Minnesota Committee hopes that the Commission will take that fact into account in its analysis of the magnitude of the violence done to the overall framework of the federal campaign finance system, if not in determining the fact of a violation by the Minnesota Committee.

4. While the Minnesota Committee understands that it is the Commission's policy to provide the current treasurer of record with notice of a probable cause recommendation by the General Counsel, the Minnesota Committee notes that the General Counsel's recommendation has changed from a recommendation on December 30, 1988, that the Minnesota Committee and Donna Harrington, as treasurer, violated 2 U.S.C. § 441a(f) to a recommendation on March 28, 1989, that Richard Evans, as treasurer of the Minnesota Committee, violated 2 U.S.C. § 441a(f). While the Commission's policy of providing notice to an incumbent treasurer can be understood, a finding of probable cause in precisely the form recommended by the General Counsel clearly would be inappropriate. Richard Evans did not and could not have violated 2 U.S.C. § 441a(f) in connection with this matter. He is named as a Respondent, unfortunately from his perspective, only by virtue of his current office. He became treasurer of the Minnesota Committee more than four years after the events giving rise to this MUR occurred.

Dated: April 13, 1989

Bruce D. Willis
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Minneapolis, Minnesota 55402

Designated Counsel for Respondents

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MATTHEW E. DAMON

OF COUNSEL
FRED L. MORRISON

344-0518

September 22, 1986

FEDERAL EXPRESS

R. Lee Andersen, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

Re: M.U.R. 2221
Our File No. 7221-008

Dear Mr. Andersen:

I am responding on behalf of the the Minnesota Independent-Republican Finance Committee (the "Minnesota Committee"), and Jim Mullin, its Treasurer, respondents in the above Matter Under Review.

I will state at the outset that it has not yet been possible to collect all of the information necessary in order to respond fully, but I will set forth the facts as we currently understand them, in light of the existing deadline for a response.

Summary of Allegations

The essence of the General Counsel's Factual and Legal Analysis is that the Minnesota Committee may have made either

File Copy

excess contributions to three federal candidates in 1984, in violation of 2 U.S.C. Section 441a(a)(2)(A), or may have exceeded permissible coordinated party expenditure limitations with respect to two of those candidates, in violation of 2 U.S.C. Section 441a(d).

Facts

In connection with the 1984 election, the Minnesota Committee coordinated a phone bank effort, which was divided into two parts: the first, and more time consuming and therefore more expensive, was a candidate preference program; the second was a get-out-the-vote effort urging voters to vote on election day. (Fischer Affidavit, ¶ 2.)

The Minnesota Committee contracted with Direct Communications Corporation ("DCC") for the performance of the phoning services. The estimated total cost of the phone bank, including both the candidate preference element and the get-out-the-vote element, was $400,000. Approximately $390,000 of the $400,000 was reasonably attributable to the candidate preference program and the balance to the get-out-the-vote effort, since, the latter used volunteer phoners. (Fischer Affidavit, ¶ 3.) A formula for funding the phone bank was prepared, which required, as far as federal candidates are concerned, payment by a U.S. Senatorial candidate in the amount of $100,000 and payments by each of six U.S. House candidates of $12,500. The formula was for the purpose of funding the phone bank only. Since it was not anticipated that the phone bank would involve either contributions in kind to candidates or coordinated expenditures on behalf of candidates, no detailed analysis of the relative "benefit" to each candidate was undertaken. Indeed, in light of the demographics of the six Congressional districts involved, it would be difficult to establish that the "benefit" to each of the House candidates was the same, although their funding shares were identical.

In any event, allocated funding shares were paid by the committees of all candidates save the three that are the subject of this inquiry: the Friends of Spicer Congressional Committee (the "Spicer Committee"), the Trueman for Congress Committee (the "Trueman Committee"), and the Dave Rued for Congress Committee (the "Rued Committee"). None of those committees has to date paid any of the $12,500 funding allocation assigned to it. All three of those candidates lost in the 1984 general election, and all three of those committees wound up with deficits.

Since the Minnesota Committee was contractually obligated to pay DCC, it made full payment for the phone bank. In connection with the preparation of the Minnesota Committee's 30-day post-general election report, the Director of Business Operations of the Minnesota Committee contacted the Reports Analyst at the FEC with whom he regularly dealt to discuss appropriate reporting of the unpaid funding shares of the Spicer Committee, the Trueman Committee, and the Rued Committee.

The Reports Analyst told the Director of Business Operations for the Minnesota Committee that since there was little or no chance of collecting the funding allocations of $12,500 each from the three committees involved here, the Minnesota Committee should report contributions in kind of $12,500 to each of those committees. The Minnesota Committee erroneously followed that advice in its FEC filing, giving rise to this matter.

Analysis

The General Counsel's Legal Analysis points out that 11 C.F.R. 106.1(a) requires that expenditures made on behalf of more than one candidate be attributed to each candidate in proportion to the benefit each candidate is expected to derive. The General Counsel also notes that Advisory Opinion 1978-10 concludes that, with respect to an election in which there are candidates for federal office, a party committee need not attribute expenditures for get-out-the-vote drives unless the drives are made specifically on behalf of a clearly identified candidate and the expenditure can be directly attributed to that candidate. See also 11 C.F.R. 106.1(c)(2).

As noted above, at the time funding allocations for the phone bank coordinated by the Minnesota Committee were established, it was not anticipated that there would be party expenditures of any kind for or contributions to any federal candidate in connection with the phone bank. As also noted earlier, most of the phone bank contract involved a voter identification effort which did not advocate the election of any candidate. Because of its contractual obligations, the Minnesota Committee paid the cost of the phone bank and intended to carry the three unpaid funding allocations as receivables, until it was advised by FEC personnel to report them as in-kind contributions. (See attached Affidavit of Ronald Fischer) The Minnesota Committee intends to amend its filing to show those amounts still due and owing from the three committees in question.

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The Minnesota Committee is now, and was in 1984, registered as a multi-candidate committee with the FEC. The Minnesota Committee had, therefore, a $5,000 contribution limitation for each of the three candidates here in question for the primary election, as well as a $5,000 contribution limitation for each for the general election. The 1984 primary election in Minnesota was held on September 11, 1984. (Fischer Affidavit, ¶ 7(c).) The General Counsel's Factual and Legal Analysis in this matter appears to assume that all contributions made by the Minnesota Committee and by local party units in Minnesota were contributions by the Minnesota Committee and were all general election contributions. That is not true. As shown by the attached Affidavit of Ronald Fischer, as well as the filings of the three committees in question, some of the contributions by the Minnesota Committee and local party units were primary election contributions, some of the contributions were general election contributions, and with the exceptions noted in the attached affidavit, the Minnesota Committee was not aware of local party unit contributions to the three committees until a review of the candidate filings was undertaken in connection with this matter.

The local party units that made contributions to the three candidates in question here are "funded" by the Minnesota Committee only in the sense that funds raised by or in such local party units are forwarded to the Minnesota Committee, and the Minnesota Committee returns a percentage of those funds back to the local party units, pursuant to a pre-arranged formula. (Fischer Affidavit, ¶ 8.)

In any event, it appears that in some instances the filings of the Minnesota Committee were inaccurate, in some instances the filings of the three candidate committees were inaccurate, and the totals appearing in the General Counsel's Factual and Legal Analysis are inaccurate. The Minnesota Committee is obviously eager to cooperate in resolving this matter. However, the Minnesota Committee does not believe that it should be penalized for having following FEC staff advice regarding the reporting of unpaid funding allocations for the 1984 phone bank. Those funding shares were acknowledged at the time as obligations to the Minnesota Committee owed by the three candidate committees in question and are amounts still owed to the Minnesota Committee by the three candidate committees.

The General Counsel's Factual and Legal Analysis in this matter indicates on page 3 that a review of the National Republican Congressional Committee ("NRCC") reports reveals that

a total of $37,518.10 in coordinated expenditures had been made to the Spicer Committee and $40,018.43 to the Trueman Committee. On page 6 of the same document, the General Counsel indicates that "[t]he Minnesota Committee made coordinated expenditures of $37,518.10 to the Spicer Committee and $40,018.43 to the Trueman Committee." In fact, apart from the ultimate treatment of the unpaid phone bank funding allocations, the Minnesota Committee made a coordinated expenditure on behalf of the Spicer Committee only in the amount of $5,651 and a coordinated expenditure on behalf of the Rued Committee in the amount of $1,552.90, both of which were erroneously reported as in-kind contributions. Of its coordinated expenditure limitations, the Minnesota Committee assigned to the NRCC $19,500 for the Trueman Committee and $14,5000 for the Spicer Committee. No assignment was made of the Minnesota Committee's coordinated expenditure limitation for the Rued Committee. (Fischer Affidavit, ¶ 9 and attachments.) To the extent that coordinated expenditures in excess of the assignments may have been made, that also is a matter for which the Minnesota Committee should not be penalized.

Respectfully submitted,

Bruce D. Willis

Bruce D. Willis

BDW/dnd/0537X
cc: Leon Oistad, Chairman,
Independent-Republicans of Minnesota
Marge Gruenes, Chairwoman,
Independent-Republicans of Minnesota
James Mullin, Treasurer,
Independent-Republicans of Minnesota
Ronald Fischer, Director of Business Operations,
Independent-Republicans of Minnesota

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AFFIDAVIT OF RONALD FISCHER

STATE OF MINNESOTA)
) SS
COUNTY OF HENNEPIN)

Ronald Fischer, being first duly sworn, deposes and states that:

1. I am now, and I have been since 1975, the Director of Business Operations for the Minnesota Independent-Republican Party, and its finance arm, the Minnesota Independent-Republican Finance Committee (the "Minnesota Committee").

2. In 1984, the Minnesota Committee contracted with Direct Communications Corporation ("DCC") for a phone bank. The bulk of the contract involved the use of paid supervisors and phoners for a candidate preference program. The candidate preference program did not advocate the election of any candidate, although candidates of both major political parties were mentioned by name. The contract also called for the provision of paid supervisors for volunteer phoners for an election day get-out-the-vote effort. The get-out-the-vote phoning urged voters to vote on election day. There were likely occasions on which voters were urged to vote for "Republican candidates," and I believe there were probably occasions on which phoners would identify Republican candidates by name if asked by the voter.

3. The estimated cost of the contract with DCC was $400,000. Approximately $390,000 of the $400,000 was reasonably attributable to the candidate preference program and the balance to

paid supervisors for the volunteer get-out-the-vote phoning. The cost was allocated among the Minnesota Independent-Republican Party and seven federal candidates. A U. S. Senatorial candidate was allocated $100,000 for funding purposes, and each of six candidates for the U. S. House of Representatives was allocated $12,500 for funding purposes. No detailed analysis of the "benefit" to any individual candidate was made, since it was not anticipated that any contribution in kind or coordinated expenditure to any candidate would be involved.

4. The Minnesota Committee billed the committees of the federal candidates in installments during the course of the voter identification phoning. All candidate committees paid their funding allocations except for the Friends of Spicer Congressional Committee (the "Spicer Committee"), the Trueman for Congress Committee ("the "Trueman Committee"), and the Dave Rued for Congress Committee (the "Rued Committee"). The funding allocation of $12,500 for each of those three committees remains unpaid.

5. Shortly after the 1984 general election, I received a telephone call from the Treasurer for the Spicer Committee, who told me that the Spicer Committee wanted to close its accounts and terminate. I discussed the matter with Mike Tangney, the Reports Analyst with the Federal Election Commission with whom I regularly dealt. I also discussed the matter with Roberto Garcia, the Reports Analyst with the Federal Election Commission who, as I understood it, audited the reports of Minnesota federal candidates. I understood both to tell me that the Minnesota Committee should

report the three unpaid funding allocations of $12,500 as contributions in kind to those three candidates. I understood that the three committees would then attempt to negotiate some sort of settlement of the obligations, which settlements would have to be approved by the FEC.

6. In accordance with my understanding of the direction given to me by the FEC, the unpaid phone bank funding allocations were reported as contributions in kind to the three candidates on the 30-day post-general election report that was submitted on or about December 1, 1984.

7. I have reviewed the FEC filings of the Minnesota Committee, the Spicer Committee, the Trueman Committee, and the Rued Committee, as well as other records of the Independent-Republican Party of Minnesota and the Minnesota Committee. I also have information from the General Counsel's analysis regarding the reports of the National Republican Congressional Committee ("NRCC"). My review of those records indicates the following:

a. The Minnesota Committee was in 1984, and had been for many years preceding 1984, registered as a multi-candidate committee with the FEC.

b. In 1984, the Minnesota Committee made a direct contribution of $3,500 to the Trueman Committee on September 20, 1984, for the general election. The Minnesota Committee also authorized in writing a primary election contribution to the Trueman Committee of $5,000, to be made by the Sixth District Congressional Committee

from funds transferred to the Sixth District Committee by the Minnesota Committee. That contribution was made on May 6, 1984. No other direct contributions were made by the Minnesota Committee to any of the three candidate committees in question in this matter.

c. The 1984 primary election in Minnesota was held on September 11, 1984.

d. The Minnesota Committee wrongly reported as an in-kind contribution to the Rued Committee an expenditure of $1,552.90 on September 13, 1984, which should have been reported as a coordinated expenditure.

e. The Minnesota Committee wrongly reported as an in-kind contribution to the Spicer Committee an expenditure of $5,651, which should have been reported as a coordinated expenditure.

f. The Rued Committee filing shows a primary election contribution from the Eighth Congressional District Committee of $5,000, made on June 11, 1984. The Rued Committee filing also shows that ten contributions ranging from $50 to $500 and totaling $1,849.19 were received by the Rued Committee from various local Republican committees in Minnesota for the 1984 general election. The Minnesota Committee itself made no direct contributions to the Rued Committee for either the primary or general election, and in fact was not aware of local committee contributions until candidate filings were reviewed in connection with this matter.

g. A review of the Spicer Committee filings shows a total of $3,950 in contributions from six local party units for the primary election, and contributions totaling $5,900.95 from 14 local party units for the general election. The Minnesota Committee itself made no direct contributions to the Spicer Committee and did not know of the local party unit contributions until the Spicer Committee filings were reviewed in connection with this matter.

h. In addition to the $5,000 pre-primary contribution to the Trueman Committee already described, and the $3,500 general election contribution to the Trueman Committee from the Minnesota Committee already described, the Trueman Committee reported receiving a total of $350 in general election contributions from two local party units. The Minnesota Committee did not know of local committee contributions to the Trueman Committee until the Trueman Committee filings were reviewed in connection with this matter.

i. I do not have access to the books and records of the three committees in question. I do not know if the committees properly allocated contributions between the primary and general election. On information and belief, each of the three committees was in debt after the primary election. It is possible that contributions made after the primary election were designated as primary election contributions, but in one or more instances designated as general election contributions.

8. The local party units that made contributions to the three candidate committees in question received "funding" from the Minnesota Committee only to the extent that the Minnesota Committee returns to each such local party unit a percentage of the funds raised by or in such local party unit, pursuant to a pre-arranged formula.

9. As shown on the attached letters, the Minnesota Committee assigned to the NRCC $19,500 of its coordinated expenditure limitation for the Trueman Committee and $14,500 of its coordinated expenditure limitation for the Spicer Committee. No assignment of the Minnesota Committee's coordinated expenditure limitation for the Rued Committee was made.

Ronald Fischer

Ronald Fischer

Subscribed and sworn to before me
this 22nd day of September, 1986.

Bruce B. Willis

Notary Public

0539X

BRUCE B. WILLIS
NOTARY PUBLIC—MINNESOTA
HENNEPIN COUNTY
My Commission Expires Aug. 3, 1992

INDEPENDENT REPUBLICANS OF MINNESOTA

Marge

July 31, 1984

The Honorable Guy Vander Jagt
National Republican Congressional Committee
320 First Street, S.E.
Washington, D.C. 20003

Dear Congressman Vander Jagt:

By this letter the Independent-Republicans of Minnesota authorizes the National Republican Congressional Committee to serve as the agent of the Independent-Republicans of Minnesota for the purpose of making coordinated expenditures pursuant to 2 U.S.C. 441(a) (d) (3).

Your Committee is authorized to make these expenditures on behalf of the Independent-Republicans of Minnesota in connection with the general election campaign of Congressional candidate Pat Trueman of the Sixth Congressional District.

Under 441(a) (d) (3) you may spend, on behalf of the Independent-Republicans of Minnesota, $19,500.00 for Congressional candidate Pat Trueman.

Leon Oistad

Leon Oistad
State Chairman
Independent-Republicans
of Minnesota

Marge Gruenes

Marge Gruenes
State Chairwoman
Independent-Republicans
of Minnesota

cc: Bob Peterson, Sixth District Chairman
Barb Sykora, Sixth District Chairwoman
Rob Floe, Campaign Manager, Trueman for Congress

8030 Cedar Ave., Suite 202 • Bloomington, MN 55420 • (612) 854-1446

INDEPENDENT REPUBLICANS OF MINNESOTA

file

August 2, 1984

The Honorable Guy Vander Jagt
National Republican Congressional Committee
320 First Street, S.E.
Washington, D.C. 20003

Dear Congressman Vander Jagt:

By this letter the Independent-Republicans of Minnesota authorizes the National Republican Congressional Committee to serve as the agent of the Independent-Republicans of Minnesota for the purpose of making coordinated expenditures pursuant to 2 U.S.C. 441 (a) (d) (3).

Your Committee is authorized to make these expenditures on behalf of the Independent-Republicans of Minnesota in connection with the general election campaign of Congressional candidate Keith Spicer of the First Congressional District.

Under 441(a) (d) (3) you may spend, on behalf of the Independent-Republicans of Minnesota, $14,500.00 for Congressional candidate Keith Spicer. We have already committed $5,000.00 and therefore authorize less than the maximum.

Leon Oistad
State Chairman
Independent-Republicans
of Minnesota

Marge Gruenes
State Chairwoman
Independent-Republicans
of Minnesota

cc: Dr. Charles Zupfer, First District Chairwoman
Lora Schwartz, First District Chairwoman
Joyce Bagne, Campaign Manager, Friends of Spicer Congressional Campaign

8030 Cedar Ave., Suite 202 • Bloomington, MN 55420 • (612) 854-1446

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) and Richard Evans, as treasurer	)	
Friends of Spicer Congressional Committee and Lee R. Refior, as treasurer	)	MUR 2221
Trueman for Congress Committee and Leroy A. Kreitlow, as treasurer	)	
Dave Rued for Congress Committee and W. Paul Otten, as treasurer	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter was initiated by the Commission based on information ascertained in the ordinary course of carrying out its supervisory responsibilities. On August 12, 1986, the Commission found reason to believe that the Independent-Republicans of Minnesota Committee ("the Minnesota Committee") and its treasurer violated 2 U.S.C. § 441a(a)(2)(A) by making excessive in-kind contributions to the Dave Rued for Congress Committee ("Rued Committee"); the Friends of Spicer Congressional Committee ("Spicer Committee"); and the Trueman for Congress Committee ("Trueman Committee"). The Commission also found reason to believe that each of these three candidate committees violated 2 U.S.C. § 441a(f) by accepting excessive contributions from the Minnesota Committee, and additionally that the Rued and Trueman committees violated 2 U.S.C. § 434 for failing to report the excessive Minnesota Committee contributions.

On January 3, 1989, the Office of the General Counsel mailed a brief to counsel for Respondent Minnesota Committee, informing him of the General Counsel's intent to recommend that the Commission find probable cause to believe that the Minnesota Committee and Donna Harrington, as treasurer, violated 2 U.S.C. § 441a(f) by making $17,751 in expenditures in excess of 2 U.S.C. § 441a on behalf of the Spicer and Trueman Committees. On the same date, this Office also forwarded a brief containing a no probable cause to believe recommendation to the Rued Committee.

Following an extension of time, counsel responded on behalf of the Minnesota Committee on February 23, 1989 (Attachment 1). On February 3, 1989, however, the Minnesota Committee had filed an amended statement of organization, see 2 U.S.C. § 433(c), designating Richard Evans as treasurer. Consistent with the Commission's policy of providing the treasurer of record with notice of the General Counsel's probable cause recommendation, on March 29, 1989, this Office forwarded a supplemental brief to counsel for the Minnesota Committee naming Mr. Evans as the Minnesota Committee's treasurer. On April 14, 1989, we received an additional response from counsel (Attachment 2). To date, we have received no response from the Rued Committee.

II. LEGAL ANALYSIS

This Office's analysis is contained in the General Counsel's briefs in this case. Counsel's responses appear to concede the Minnesota Committee's violations took place, but argue that these violations were not willful. The responses furthermore provide

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information (Attachment 2, pages 18, 19) indicating the Minnesota Committee's apparent affiliation under the Commission's regulations with local party committees, which also made 1986 general election contributions to the Spicer and Trueman Committees totaling $6,250. Commission records, reveal, however, that only one of these local party committees was registered with the Commission, and one additional committee, although unregistered, apparently triggered federal political committee status by making total 1984 election cycle contributions of $1,500. These two committees made general election contributions to the Spicer Committee totalling $1,750. Pursuant to 11 C.F.R. § 110.3(b)(ii) and the Commission's opinion in AO 1978-9, the presumption of affiliation would appear to apply only to political committees under the Act. Cf. MUR 2729 (Hansen '88 Committee) (Commission votes of March 9, 1989). Accordingly, this Office has added this $1,750 in general election contributions to the amount of excessive expenditures made in violation of 2 U.S.C. § 441a(f), and the Minnesota Committee's conciliation agreement reflects this larger amount. Accordingly, the Office of the General Counsel recommends the Commission find probable cause to believe that the Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee), and Richard Evans, as treasurer, violated 2 U.S.C. § 441a(f). As is explained in the brief sent to the Rued Committee, because the Minnesota Committee had not assigned to the National Republican Congressional Committee

("NRCC") any of its section 441a(d) limit for that committee, none of the amounts spent with respect to that committee exceeded applicable contribution or coordinated expenditure limitations. Therefore, this Office further recommends that the Commission find no probable cause to believe that Dave Rued for Congress Committee and W. Paul Otten, as treasurer, violated 2 U.S.C. § 441a(f) or 2 U.S.C. § 434.

This Office did not forward briefs to the Spicer and Trueman Committees and instead recommends the Commission take no further action and close the file as to these committees. For purposes of the reason to believe finding, the Commission found that these committees accepted excessive in-kind contributions from the Minnesota Committee. As noted in this Office's brief to the Minnesota Committee, the investigation in this matter revealed that some of these expenditures could have been counted toward the committee's coordinated expenditure limit. The investigation also revealed that both the Trueman and Spicer committees dispute the Minnesota Committee's claim that they agreed to reimburse the committee for their allocated portion of the telephone bank costs. In response to the Commission's reason to believe finding, the Trueman Committee has asserted that neither the campaign manager, treasurer, nor candidate ever contracted with the Minnesota Committee to pay any amount for the phone bank. The Spicer Committee similarly claims that it was not aware of the existence of the phone bank or that it would be charged for any portion, prior to the receipt of a final invoice.

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Because of the confusion caused by the erroneous information given to RAD by the Minnesota Committee and the resulting RAD advice on how to report the expenditures, it remains unclear whether the excessive expenditures were coordinated expenditures or rather in-kind contributions, for which the recipient committees would be held responsible. Therefore, it is the recommendation of this Office that the Commission take no further action against these two committees and close the file as it pertains to them.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

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IV. RECOMMENDATIONS

1. Find probable cause to believe that the Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) and Richard Evans, as treasurer, violated 2 U.S.C. § 441a(f).

2. Find no probable cause to believe that Dave Rued for Congress Committee and W. Paul Otten, as treasurer, violated 2 U.S.C. § 441a(f) or 2 U.S.C. § 434.

3. Take no further action with regard to violations of 2 U.S.C. § 441a(f) and 434 by the Trueman for Congress Committee and Leroy A. Kreitlow, as treasurer, and close the file as to these respondents.

4. Take no further action with respect to violations of 2 U.S.C. § 441a(f) by the Friends of Spicer Congressional Committee and Lee R. Refior, as treasurer, and close the file as to these respondents.

5. Approve the attached conciliation agreement and letters.

Date 7/27/89

Lawrence M. Noble
General Counsel

Attachments
1. Counsel's response received February 21, 1989
2. Counsel's response received April 14, 1989
3. Conciliation Agreement
4. Letters (3)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) and Richard Evans, as treasurer	)	
Friends of Spicer Congressional Committee and Lee R. Refior, as treasurer	)	MUR 2221
Trueman for Congress Committee and Leroy A. Kreitlow, as treasurer	)	
Dave Rued for Congress Committee and W. Paul Otten, as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of August 1, 1989, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2221:

1. Find probable cause to believe that the Independent Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) and Richard Evans, as treasurer, violated 2 U.S.C. § 441a(f).

2. Find no probable cause to believe that Dave Rued for Congress Committee and W. Paul Otten, as treasurer, violated 2 U.S.C. § 441a(f) or 2 U.S.C. § 434.

(continued)

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3. Take no further action with regard to violations of 2 U.S.C. §§ 441a(f) and 434 by the Trueman for Congress Committee and Leroy A. Kreitlow, as treasurer, and close the file as to these respondents.

4. Take no further action with respect to violations of 2 U.S.C. § 441a(f) by the Friends of Spicer Congressional Committee and Lee R. Refior, as treasurer, and close the file as to these respondents.

5. Approve the conciliation agreement and letter attached to the General Counsel's report dated July 27, 1989, subject to amendment of the agreement by reduction of the civil penalty to Four Thousand Dollars.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

8-1-89
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 7 1989

Bruce D. Willis, Esquire
Popham, Haik, Schnobrich & Kaufman, Ltd.
3300 Piper Jaffray Tower
Minneapolis, Minnesota 55402

RE: MUR 2221
Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) and Richard Evans, as treasurer

Dear Mr. Willis:

On August 1, 1989, the Federal Election Commission found that there is probable cause to believe that your clients, the Independent-Republicans of Minnesota Committee (AKA Minnesota Independent-Republican Finance Committee) and Richard Evans, as treasurer, violated 2 U.S.C. § 441a(f) in connection with expenditures made on behalf of Friends of Spicer Congressional Committee and Trueman for Congress Committee during the 1984 general election campaign.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept the agreement. Please make your check for the civil penalty payable to the Federal Election Commission.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation

agreement, please contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 7 1989

Walter J. Gates, III, Esquire
Regan, Kunard, Barnett & Kakeldey, LTD.
226 North Broad Street
P.O. Box 3008
Mankato, Minnesota 56002-3008

RE: MUR 2221
Friends of Spicer Congressional Committee and Lee R. Refior, as treasurer

Dear Mr. Gates:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, on August 12, 1986, the Federal Election Commission found reason to believe that your clients, the Friends of Spicer Congressional Committee ("Committee") and Lee Refior, as treasurer, violated 2 U.S.C. § 441a(f), and instituted an investigation in this matter.

After considering the circumstances of the matter, the Commission determined on August 1 , 1989, to take no further action against your clients, and closed its file as it pertains to them. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that the acceptance of excessive contributions appears to be a violation of 2 U.S.C. § 441a(f). Your clients should take steps to insure that this activity does not occur in the future.

If you have any questions, please contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 7, 1989

Mr. Patrick A. Trueman
Trueman for Congress Committee
2907H South Woodley
Arlington, Virginia 22206

RE: MUR 2221
Trueman for Congress Committee
and Leroy A. Kreitlow, as
treasurer

Dear Mr. Trueman:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, on August 12, 1986, the Federal Election Commission found reason to believe that your Committee and its treasurer violated 2 U.S.C. §§ 441a(f) and 434, and instituted an investigation in this matter.

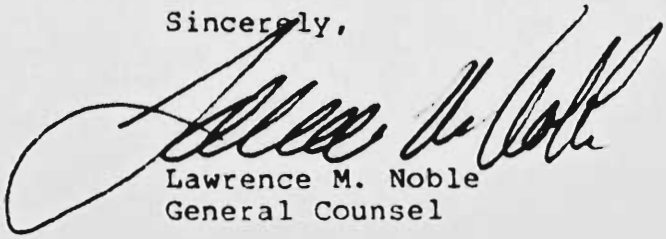
After considering the circumstances of the matter, the Commission determined on August 1, 1989, to take no further action against your committee and its treasurer and closed its file as it pertains to them. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that the acceptance of excessive contributions appears to be a violation of 2 U.S.C. § 441a(f). You should take steps to insure that this activity does not occur in the future.

If you have any questions, please contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

August 24, 1989

Mr. W. Paul Otten, Treasurer
Dave Rued for Congress Committee
14745 Portland Ave., South, Apt. #102
Burnsville, Minnesota 55337

RE: MUR 2221
Dave Rued for Congress
Committee and W. Paul Otten,
as treasurer

Dear Mr. Otten:

This is to advise you that on August 1, 1989, the Federal Election Commission found that there is no probable cause to believe that Dave Rued for Congress Committee ("Committee") and you, as treasurer, violated 2 U.S.C. § 441a(f) or 2 U.S.C. § 434. Accordingly, the file in this matter has been closed as it pertains to the Committee and you, as treasurer.

This matter will become part of the public record within 30 days after it has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

If you have any questions, please contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

89 SEP -1 AM 10:54

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of	)	
	)	
Independent-Republicans of Minnesota	)	
Committee (AKA Minnesota Independent-	)	MUR 2221
Republican Finance Committee) and	)	
Richard Evans, as treasurer	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by counsel for the Independent-Republicans of Minnesota Committee ("Minnesota Committee") and its treasurer. The attached agreement contains no substantive changes from the agreement approved by the Commission on August 1, 1989. It contains only one change at Paragraph V to correct the figures for excessive amounts spent on behalf of candidates Keith Spicer and Patrick Trueman, respectively.[1/] Accompanying the signed conciliation agreement is a check for the civil penalty.

The Office of the General Counsel recommends the Commission approve this agreement in settlement of this

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1/ This Office's brief sent to the Minnesota Committee calculated the total amount of excessive spending at $17,751. The agreement at Paragraph IV. 13 includes an additional $1,750 in local party committee contributions to the Keith Spicer campaign, for a total of $19,501. Paragraph V, setting out the excessive spending on behalf of each candidate respectively, included the amounts allocable to each candidate in reverse order and the additional $1,750 in affiliated committee contributions was included in the wrong column. As authorized by counsel (Attachment 1, p. 1), this Office has substituted a fresh page with the corrected figures.

matter. Further, because the Minnesota Committee and its treasurer are the last remaining respondents, this Office further recommends the Commission close the file in this matter.

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Independent-Republicans of Minnesota Committee (AKA Minnesota Independent Republican Finance Committee) and Richard Evans, as treasurer.

2. Close the file.

3. Approve the attached letters.

8/31/89
Date

LMNoble (JGT)
Lawrence M. Noble
General General

Attachments
1. Conciliation Agreement
2. Civil penalty check
3. Letters

Staff Assigned: J. Bernstein

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2221
Independent-Republicans of Minnesota	)	
Committee (AKA Minnesota Independent-	)	
Republican Finance Committee) and	)	
Richard Evans, as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on September 7, 1989, the Commission decided by a vote of 4-0 to take the following actions in MUR 2221:

1. Accept the conciliation agreement with Independent-Republicans of Minnesota Committee (AKA Minnesota Independent Republican Finance Committee) and Richard Evans, as treasurer, as recommended in the General Counsel's Report dated August 31, 1989.

2. Close the file.

3. Approve the letters, as recommended in the General Counsel's Report dated August 31, 1989.

Commissioners Aikens, Elliott, McDonald, and McGarry voted affirmatively for the decision; Commissioners Josefiak and Thomas did not cast votes.

Attest:

9/8/89
Date

Hilda Arnold
for Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Friday, September 1, 1989 10:54 a.m.
Circulated on 48 hour tally basis: Friday, September 1, 1989 2:00 p.m.
Deadline for vote: Wednesday, September 6, 1989 4:00 p.m.
At the time of the deadline, a majority of votes had not been received.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 14, 1989

Walter J. Gates, III, Esquire
Regan, Kunard, Barnett & Kakeldey, Ltd.
226 North Broad Street
P.O. Box 3008
Mankato, MN 56002-3008

RE: MUR 2221
Friends of Spicer Congressional Committee and Lee R. Refior, as treasurer

Dear Mr. Gates:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 14, 1989

Patrick A. Trueman, Esquire
3327 Lakeside View Drive
Falls Church, VA 22041

RE: MUR 2221
Trueman for Congress Committee and
Leroy A. Kreitlow, as treasurer

Dear Mr. Trueman:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

September 14, 1989

Mr. W. Paul Otten, Treasurer
Dave Rued for Congress Committee
14745 Portland Ave., South, Apt. #102
Burnsville, Minnesota 55337

RE: MUR 2221
Dave Rued for Congress
Committee and W. Paul Otten,
as treasurer

Dear Mr. Otten:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 14, 1989

Bruce D. Willis, Esquire
Popham, Haik, Schnobrich & Kaufman, Ltd.
3300 Piper Jaffray Tower
Minneapolis, MN 55402

CLOSED

RE: MUR 2221
Independent-Republicans of Minnesota Committee and Richard Evans, as treasurer

Dear Mr. Willis:

On September 7, 1989, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of a violation of 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Jonathan Bernstein, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

8904076944

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Independent-Republicans of Minnesota	)	
Committee (AKA Minnesota Independent-	)	MUR 2221
Republican Finance Committee) and	)	
Richard Evans, as treasurer	)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that the Independent-Republicans of Minnesota Committee ("Committee") and Richard Evans, as treasurer, ("Respondents") violated 2 U.S.C. § 441a(f).

NOW, THEREFORE, the Commission and the Respondents, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. The Independent-Republicans of Minnesota Committee is a multicandidate political committee within the

meaning of 2 U.S.C. § 431(4).

2. Richard Evans is the current treasurer of the Committee. Jim Mullin was the Committee's treasurer at the time of the transactions involved in this matter.

3. The Committee is a state party committee within the meaning of 11 C.F.R. § 100.14(a).

4. Pursuant to 2 U.S.C. § 441a(f), political committees are prohibited from making any expenditures on behalf of candidates in violation of any limits imposed by Section 441a.

5. Pursuant to 2 U.S.C. § 441a(a)(2)(A), no multicandidate political committee shall make contributions to any candidate and his authorized political committees with respect to any election for federal office which, in the aggregate, exceed $5,000. Pursuant to 2 U.S.C. § 441a(a)(5) and 11 C.F.R. § 110.3, for purposes of the contribution limitations, contributions made by affiliated political committees shall be considered to be made by a single poltical committee.

6. Pursuant to 2 U.S.C. § 441a(d), national and state committees of a political party may make coordinated expenditures in connection with the general election campaign of federal candidates, subject to limitations.

7. The 1984 limit on state party coordinated expenditures for a candidate for the U.S. House of Representatives was $20,200.

8. In 1984 the Committee made a $12,500 expenditure on behalf of candidate Keith Spicer, and a $12,500 expenditure on behalf of candidate Patrick Trueman, each of whom sought election to the U.S. House of Representatives. The Committee's 1984 Post-General Election Report disclosed these expenditures as in-kind contributions.

9. In 1984 the Committee also made a $5,651 expenditure on behalf of candidate Keith Spicer, which was reported as an in-kind contribution in the Committee's 1984 October Quarterly Report.

10. On August 2, 1984, the Committee authorized the National Republican Congressional Committee ("NRCC") to spend $14,500 of its $20,200 limit for Keith Spicer.
On July 31, 1984, the Committee authorized the NRCC to spend $19,500 of its $20,200 limit for Patrick Trueman.

11. Pursuant to 2 U.S.C. § 441a(a)(2)(A), the Committee and any affiliated local party committees were permitted to contribute $5,000 to the general election campaigns of candidates Keith Spicer and Patrick Trueman.

12. In addition to the expenditures discussed above, the Committee and two affiliated committees made general election contributions totalling $5,250 to candidates Trueman and Spicer, pursuant to 2 U.S.C. § 441a(a)(2)(A).

13. The Committee's expenditures on behalf of these candidates, the amounts spent by the NRCC for these candidates pursuant to the Committee's authorization, and the direct

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general election contributions made to the candidates exceeded the Committee's coordinated expenditure limitation of 2 U.S.C. § 441a(d) and its contribution limitation under 2 U.S.C. § 441a(a)(2)(A) with respect to both candidates by $19,501.

V. Respondents made expenditures on behalf of candidates Keith Spicer and Patrick Trueman which exceeded the limitations of 2 U.S.C. § 441a by $9,201 and $10,300, respectively, in violation of 2 U.S.C. § 441a(f).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Four Thousand dollars ($4,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire

agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

Date 9/13/89

FOR THE RESPONDENTS:

Bruce D. Willis
Counsel for Respondents

Date 8/15/89

FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THIS IS THE END OF MUR # 2221

DATE FILMED 9/29/89 CAMERA NO. 3

CAMERAMAN AS

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