



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

THIS IS THE END OF MUR # 2232

DATE FILMED 5/28/87 CAMERA NO. 2
CAMERAMAN AS

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FEDERAL ELECTION COMMISSION

- Conciliation-related documents and report
- Routing slips and cards
- 12-Day Report and comments

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- | | |
|--|---|
| <input type="checkbox"/> (1) Classified Information | <input type="checkbox"/> (6) Personal privacy |
| <input type="checkbox"/> (2) Internal rules and practices | <input type="checkbox"/> (7) Investigatory files |
| <input checked="" type="checkbox"/> (3) Exempted by other statute | <input type="checkbox"/> (8) Banking Information |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well Information (geographic or geophysical) |
| <input checked="" type="checkbox"/> (5) Internal Documents | |

Signed Gene A. Weisenborn
date 5/7/87

FEC 9-21-77

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flm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 14, 1987

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Warren J. Hamerman
National Democratic Policy Committee
P.O. Box 17729
Washington, D.C. 20041-00729

Re: MUR 2232

Dear Mr. Hamerman:

This is in reference to the complaint you filed with the Federal Election Commission on September 4, 1986, concerning Hubert H. Humphrey, III, and the Minnesota Attorney General's Office.

The Commission found that there was no reason to believe that Hubert H. Humphrey, III, and the Office of the Minnesota Attorney General violated 2 U.S.C. §§ 433, 434 or 441d. The Commission found that there was no reason to believe that the Ray Stock for Congress Committee and Joseph L. Schmit, as treasurer, violated 2 U.S.C. § 441d.

The Commission found that there was reason to believe that the Minnesota Democratic Farmer-Labor Party and Joyce Brady, as treasurer, violated 2 U.S.C. § 441d, a provision of the Federal Election Campaign Act of 1971, as amended, and conducted an investigation in this matter. On April 9, 1987, a conciliation agreement signed by the respondent was accepted by the Commission. Accordingly, the Commission closed the file in this matter. A copy of this agreement is enclosed for your information.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

Enclosure
Conciliation Agreement

87040645314



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Warren J. Hamerman
National Democratic Policy Committee
P.O. Box 17729
Washington, D.C. 20041-00729

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The Commission found that there was reason to believe that the Minnesota Democratic Farmer-Labor Party and Joyce Brady, as treasurer, violated 2 U.S.C. § 441d, a provision of the Federal Election Campaign Act of 1971, as amended, and conducted an investigation in this matter. On _____, 1987, a conciliation agreement signed by the respondent was accepted by the Commission. Accordingly, the Commission closed the file in this matter. A copy of this agreement is enclosed for your information.

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Sincerely,

Lawrence M. Noble
Acting General Counsel

Enclosure
Conciliation Agreement

AW 4-13-87
AW 4-13-87

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Joseph L. Schmit, Treasurer
Stock for Congress Committee
4005 W. 65th Street
Suite 223
Edina, Minnesota 55435

Re: MUR 2232
Stock for Congress
Committee
Joseph L. Schmit, as
treasurer

Dear Mr. Schmit:

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 Frances B. Hagan, staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 14, 1987

John R. Tunheim, Chief
Deputy Attorney General
Attorney General's Office
102 State Capitol
St. Paul, Minnesota 55155

Re: MUR 2232
Hubert H. Humphrey, III
and the Minnesota Attorney
General's Office

Dear Mr. Tunheim:

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 Frances B. Hagan, staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

John R. Tunheim, Chief
Deputy Attorney General
Attorney General's Office
102 State Capitol
St. Paul, Minnesota 55155

Re: MUR 2232
Hubert H. Humphrey, III
and the Minnesota Attorney
General's Office

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Should you have any questions, contact Frances B. Hagan, staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 14, 1987

Ruth Esala, Chair
Minnesota Democratic Farmer-Labor
Party
121 Seventh Place East
Suite 250
Saint Paul, Minnesota 55101

Re: MUR 2232
Minnesota Democratic
Farmer-Labor Party
Joyce Brady, as treasurer

Dear Ms. Esala:

On April 9, 1987, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your committee's behalf in settlement of a violation of 2 U.S.C. § 44ld, 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 Frances B. Hagan, the staff member assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Lawrence M. Noble
Acting General Counsel

Enclosure
Conciliation Agreement

87040545319



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Ruth Esala, Chair
Minnesota Democratic Farmer-Labor
Party
121 Seventh Place East
Suite 250
Saint Paul, Minnesota 55101

Re: MUR 2232
Minnesota Democratic
Farmer-Labor Party
Joyce Brady, as treasurer

Dear Ms. Esala:

On _____, 1987, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your committee's behalf in settlement of a violation of 2 U.S.C. § 441d, 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.

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Sincerely,

Lawrence M. Noble
Acting General Counsel

Enclosure
Conciliation Agreement

Handwritten:
LW 4-13-87
AW 4-13-87

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 2232
Minnesota Democratic Farmer -)	
Labor Party)	
Joyce Brady, as treasurer)	

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RECEIVED
OFFICE OF THE
GENERAL COUNSEL

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Warren J. Hamerman. The Commission found reason to believe that the Minnesota Democratic Farmer-Labor Party and Joyce Brady, as treasurer ("Respondents"), violated 2 U.S.C. § 441d by failing clearly to state on a solicitation mailing who paid for and authorized such mailing, and an investigation was conducted.

NOW, THEREFORE, the Commission and Respondents, having participated in informal methods of conciliation prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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. Respondent, the Minnesota Democratic Farmer-Labor Party is a party-related political committee registered with the Commission.

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2. Respondent Joyce Brady is treasurer of the Respondent Committee.
3. In August 1986, Respondents prepared and partially paid for an authorized solicitation mailing on behalf of the Ray Stock for Congress Committee.
4. The mailing consisted of 3558 pieces and costs paid by Respondents totaled \$495.25 in labor, materials, and postage.
5. 2 U.S.C. § 441d states that whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any . . . direct mailing . . ., such communication if paid for and authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication has been paid for by such authorized political committee, or if paid for by other persons but authorized by a candidate, an authorized political committee of the candidate or its agents, shall clearly state that the communication is paid for by such other persons and authorized by such committee.
6. One page of the mailing was paid for by the Ray Stock for Congress Committee and contained the disclaimer "Prepared and paid for by the Ray Stock

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for Congress Committee, Joseph L. Schmit,
Treasurer."

7. The portion of the mailing paid for by the Respondents contained a notice "Prepared by the Minnesota DFL."

V. Respondents failed clearly to state in a disclaimer that the solicitation communication was paid for by the Respondents and authorized by the candidate's political committee in violation of 2 U.S.C. § 44ld.

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of two hundred fifty dollars (\$250), 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.

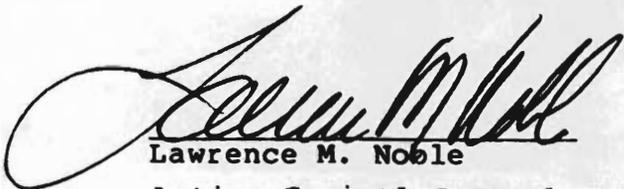
VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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.

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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 valid.

FOR THE COMMISSION:


Lawrence M. Noble
Acting General Counsel

7/14/87
Date

FOR THE RESPONDENTS:


Chair
Ma. Democratic-Farmer-Labor Party

3/25/87
Date

87040645324

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Minnesota Democratic Farmer-Labor Party) MUR 2232
)
Joyce Brady, as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 9, 1987, the Commission decided by a vote of 6-0 to take the following actions in MUR 2232:

1. Accept the conciliation agreement with the Minnesota Democratic Farmer-Labor Party and Joyce Brady, as treasurer.
2. Close the file.
3. Approve the letters, as recommended in the General Counsel's Report signed April 6, 1987.

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

Attest:

4-9-87
Date

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

Received in the Office of Commission Secretary: Mon., 4-6-87, 4:17
Circulated on 48 hour tally basis: Tues., 4-7-87, 11:00
Deadline for vote: Thurs., 4-9-87, 11:00

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Minnesota Democratic Farmer-Labor)
Party)
Joyce Brady, as treasurer)

MUR 2232

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GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Ruth Esala, the chair of the Minnesota Democratic Farmer-Labor Party.

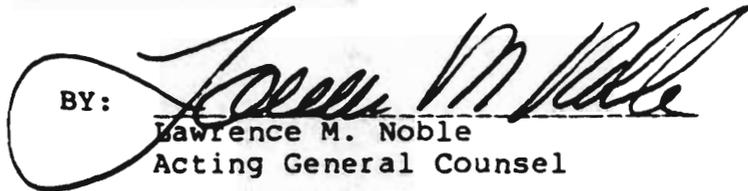
II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with the Minnesota Democratic Farmer-Labor Party and Joyce Brady, as treasurer.
2. Close the file.
3. Approve the attached letters.

Date

4/6/87

BY:


Lawrence M. Noble
Acting General Counsel

- Attachments**
- Conciliation Agreement
 - Photocopy of civil penalty check
 - Letter to Respondent
 - Letter to Complainant

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BCC 3024

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MINNESOTA DFL
DOLLARS FOR DEMOCRATS
121 E. 7TH ST., NO. 250
ST. PAUL, MN 55101

25 March 87 ^{22-118/900}

PAY
TO THE
ORDER OF

Federal Elections Commission

\$ 250.00

D.F.L. PARTY 250 DOLS 00 CTS

DOLLARS

Metropolitan
St. Paul
FDIC
140 Third Avenue - St. Paul, MN 55102

June E. Gula

FOR

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MEMORANDUM

TO: Debra A. Reed

TO: *Cecilia Lieber*
~~Judy Smith~~

FROM: *Cecilia Lieber*
~~Judy Smith~~

FROM: Debra A. Reed

CHECK NO. 1378 (a copy of which is attached) RELATING
TO MUR 2232 AND NAME Miss. Rep. Farmer - Labor Party
WAS RECEIVED ON 4-1-87. PLEASE INDICATE THE ACCOUNT INTO
WHICH IT SHOULD BE DEPOSITED:

BUDGET CLEARING ACCOUNT (#95F3875.16)

CIVIL PENALTIES ACCOUNT (#95-1099.160)

OTHER

SIGNATURE Retha L. Wilson

DATE 4-2-87

MINNESOTA



GCC#2521

Francis Hagen
Federal Election Commission
999 E. Street NW
Washington, D.C. 20643

JAN 21 8:42
GENERAL COUNSEL

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Dear Ms. Hagen:

The Minnesota Democratic Farmer Labor Party is requesting a pre-probable cause conciliation agreement with the FEC in regard to the alleged violation of 2 U.S.C. s.441d of the Federal Election Campaign Act of 1971.

We appreciate your cooperation with this matter.

Sincerely,

Ruth Esala
State DFL Chair

RUTH ESALA
CHAIR

RICHARD NOLAN
ASSOCIATE CHAIR

METRO SQUARE
BUILDING
SUITE 250
121 SEVENTH
PLACE EAST
SAINT PAUL
MINNESOTA
55101-2107

(612) 293-1200

MINNESOTA



December 23, 1986

GCC#2377

Joan D. Akens
Federal Election Commission
999 E Street NW
Washington, D.C. 20643

MUR 2232 (Hagan)

05 DEC 30

PI2: 1

Dear Ms. Akens:

On December 12, 1986, I received a letter from the Federal Election Commission stating the Minnesota Democratic-Farmer-Labor Party violated 2 U.S.C. s.441d of the Federal Election Campaign Act of 1971. The alleged violation resulted from a mailing prepared and paid for by the Minnesota DFL for Congressional Candidate Ray Stock. The FEC claims the disclaimer on the reply card does not state adequately who paid for the mailing.

I assure you that the error in the disclaimer was simply an oversight when our typesetter inadvertently omitted the word "paid" and the error was not caught by our proofreader. Moreover, on our October 15, 1986 quarterly report, the postage, labor and material costs of the mailing were clearly itemized, which suggests that we did not intend to violate federal law. Thus, I firmly contend that the FEC should not initiate legal action against the Minnesota Democratic-Farmer-Labor Party.

The following are responses to the questions provided in your correspondence:

1. a. The total number of pieces mailed was 3558. The postage cost was \$284.64.
- b. The DFL paid for all the components of the mailing except for the Ray Stock flyer, which was prepared and paid for by the Ray Stock for Congress Committee. The DFL incurred \$70.00 in labor costs and \$140.61 in material costs. The DFL has no information concerning the cost of the Ray Stock flyer (exhibit C) because it was prepared and paid for by the Ray Stock for Congress Committee.
2. The DFL has no information concerning the amount of revenue generated from the mailing because the contributions were mailed directly to the Ray Stock for Congress Committee Headquarters.

If you have any further questions, please feel free to contact me.

Sincerely,
Ruth Esala
Ruth Esala
State DFL Chair

RUTH ESALA
CHAIR

RICHARD NOLAN
ASSOCIATE CHAIR

METRO SQUARE
BUILDING
SUITE 250
121 SEVENTH
PLACE EAST
SAINT PAUL
MINNESOTA
55101-2107

(612) 293-1200

97040;45329

06 DEC 30 P 4:06

RECEIVED
GENERAL COUNSEL

plm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 8, 1986

Joyce Brady, Treasurer
Minnesota Democratic Farmer Labor Party
121 Seventh Place East
Suite 250
Saint Paul, Minnesota 55101

RE: MUR 2232
Minnesota Democratic Farmer
Labor Party
Joyce Brady, as treasurer

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Dear Ms. Brady:

On December 2, 1986, the Federal Election Commission determined that there is reason to believe that the Minnesota Democratic Farmer Labor Party and you, as treasurer, violated 2 U.S.C. § 441d, 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 questions, 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.

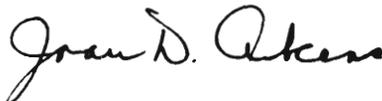
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

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 Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Joan D. Aikens
Chairman

Enclosures

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

87040645331



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Joyce Brady, Treasurer
Minnesota Democratic Farmer Labor Party
121 Seventh Place East
Suite 250
Saint Paul, Minnesota 55101

RE: MUR 2232
Minnesota Democratic Farmer
Labor Party
Joyce Brady, as treasurer

Dear Ms. Brady:

On _____, 1986, the Federal Election Commission determined that there is reason to believe that the Minnesota Democratic Farmer Labor Party and you, as treasurer, violated 2 U.S.C. § 441d, 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.

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Sincerely,

Joan D. Aikens
Chairman

Enclosures

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

87040545333

12-4-86
12/5/86
[Signature]



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 8, 1986

Joseph L. Schmit, Treasurer
Stock for Congress Committee
4005 W. 65th Street
Suite 223
Edina, MN 55435

RE: MUR 2232
Stock for Congress Committee
Joseph L. Schmit, as treasurer

Dear Mr. Schmit:

On September 16, 1986, the Commission notified the Ray Stock for Congress Committee and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on December 2, 1986, determined that on the basis of the information in the complaint and information provided by the Minnesota Attorney General's Office, that there is no reason to believe that a violation of any statute within its jurisdiction has been committed by your committee and you, as treasurer. Accordingly, the Commission closed its file in this matter as it pertains to the Committee and you, as treasurer. This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. 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 is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

Lawrence M. Noble (L.M.N.)

By Lawrence M. Noble
Deputy General Counsel

87040645334

rlm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Joseph L. Schmit, Treasurer
Stock for Congress Committee
4005 W. 65th Street
Suite 223
Edina, MN 55435

RE: MUR 2232
Stock for Congress Committee
Joseph L. Schmit, as treasurer

Dear Mr. Schmit:

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The Commission, on _____, 1986, determined that on the basis of the information in the complaint and information provided by the Minnesota Attorney General's Office, that there is no reason to believe that a violation of any statute within its jurisdiction has been committed by your committee and you, as treasurer. Accordingly, the Commission closed its file in this matter as it pertains to the Committee and you, as treasurer. This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. 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 is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

By Lawrence M. Noble
Deputy General Counsel

Law 12-11-86

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 8, 1986

John R. Tunheim, Chief
Deputy Attorney General
Attorney General's Office
102 State Capitol
St. Paul, Minnesota 55155

RE: MUR 2232
Hubert H. Humphrey, III
and the Minnesota
Attorney General's
Office

Dear Mr. Tunheim:

On September 16, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on December 2, 1986, determined that on the basis of the information in the complaint and information you provided, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by your clients. Accordingly, the Commission closed its file in this matter as it pertains to your client. This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. 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 is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

Lawrence M Noble (LF)
By Lawrence M. Noble
Deputy General Counsel

87040645336



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

John R. Tunheim, Chief
Deputy Attorney General
Attorney General's Office
102 State Capitol
St. Paul, Minnesota 55155

RE: MUR 2232
Hubert H. Humphrey, III
and the Minnesota
Attorney General's
Office

Dear Mr. Tunheim:

On September 16, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on _____, 1986, determined that on the basis of the information in the complaint and information you provided, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by your clients. Accordingly, the Commission closed its file in this matter as it pertains to your client. This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. 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 is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

By Lawrence M. Noble
Deputy General Counsel

fn
12-4-86

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Hubert H. Humphrey, III)
Minnesota Democratic Farmer-Labor)
Party) MUR 2232
Joyce Brady, Treasurer)
Stock for Congress Committee)
Joseph L. Schmit, Treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of December 2, 1986, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2232:

1. Find no reason to believe that Hubert H. Humphrey, III and the Office of the Minnesota Attorney General violated 2 U.S.C. §§ 433 and 434.
2. Find no reason to believe that the following violated 2 U.S.C. § 441d:
 - a) Hubert H. Humphrey, III and the Office of the Minnesota Attorney General;
 - b) Ray Stock for Congress Committee and Joseph L. Schmit, as treasurer.
3. Find reason to believe that the Minnesota Democratic Farmer-Labor Party and Joyce Brady, as treasurer, violated 2 U.S.C. § 441d.

(continued)

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4. Close the file as it relates to:
- a) Hubert H. Humphrey, III and the Office of the Minnesota Attorney General;
 - b) Ray Stock for Congress Committee and Joseph L. Schmit, as treasurer.
5. Send the letters, questions and General Counsel's Factual and Legal Analysis as recommended in the General Counsel's report dated November 13, 1986.

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

Attest:

12-3-86

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/CHERYL A. FLEMING *CAF*

DATE: NOVEMBER 17, 1986

SUBJECT: OBJECTION TO MUR 2232 - FIRST GC'S REPORT
SIGNED NOVEMBER 13, 1986

The above-captioned document was circulated to the Commission on Thursday, November 13, 1986 at 4:00 P.M.

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

Commissioner Aikens _____
Commissioner Elliott _____
Commissioner Josefiak _____
Commissioner McDonald _____
Commissioner McGarry _____
Commissioner Thomas _____ X

This matter will be placed on the Executive Session agenda for Tuesday, December 2, 1986.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *Rd*
DATE: November 13, 1986
SUBJECT: MUR 2232 - First General Counsel's Report

The attached is submitted as an Agenda document
for the Commission Meeting of _____
Open Session _____
Closed Session _____

CIRCULATIONS

DISTRIBUTION

48 Hour Tally Vote	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Sensitive	<input checked="" type="checkbox"/>	Audit Matters	<input type="checkbox"/>
Non-Sensitive	<input type="checkbox"/>	Litigation	<input type="checkbox"/>
24 Hour No Objection	<input type="checkbox"/>	Closed MUR Letters	<input type="checkbox"/>
Sensitive	<input type="checkbox"/>	Status Sheets	<input type="checkbox"/>
Non-Sensitive	<input type="checkbox"/>	Advisory Opinions	<input type="checkbox"/>
Information	<input type="checkbox"/>	Other (see distribution below)	<input type="checkbox"/>
Sensitive	<input type="checkbox"/>		
Non-Sensitive	<input type="checkbox"/>		
Other	<input type="checkbox"/>		

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SENSITIVE

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

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

NOV 13 11:41

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION

MUR #2232
DATE COMPLAINT RECEIVED
BY OGC: September 5, 1986
DATE OF NOTIFICATION TO
RESPONDENTS: September 16, 1986
STAFF MEMBER: Frances B. Hagan

COMPLAINANT'S NAME: Warren J. Hamerman
RESPONDENTS' NAMES: Hubert H. Humphrey, III
Minnesota Democratic Farmer-Labor Party
Joyce Brady, Treasurer
Stock for Congress Committee
Joseph L. Schmit, Treasurer
RELEVANT STATUTES: 2 U.S.C. §§ 433 and 434
2 U.S.C. § 441d
INTERNAL REPORTS CHECKED: Disclosure Reports
FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

Complainant, Warren J. Hamerman, alleged that the Minnesota Attorney General's Office violated 2 U.S.C. §§ 433 and 434 by failing to register and report as a political committee. Complainant also alleged that the Minnesota Attorney General's Office violated 2 U.S.C. § 441d by failing to display the required disclaimer on campaign material.

FACTUAL AND LEGAL ANALYSIS

2 U.S.C. §§ 433 and 434 require that a political committee register with the Commission and file statements of receipts and expenditures.

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2 U.S.C. § 441d states that whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any . . . direct mailing . . ., such communication if paid for and authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication has been paid for by such authorized political committee, or (2) if paid for by other persons but authorized by a candidate, an authorized political committee of the candidate or its agents, shall clearly state that the communication is paid for by such other persons and authorized by such committee and (3) if not authorized by a candidate or candidate committee, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

11 C.F.R. § 110.11(a)(11) states in part that, "Such person is not required to place the disclaimer on the front face or page of any such material, as long as a disclaimer appears within the communication, except on communications . . . that contain only a front face.

Complainant Warren J. Hamerman of the National Democratic Policy Committee in Washington, stated that a Minnesota supporter of his organization forwarded to him a letter of support for Minnesota House candidate Ray Stock. The endorsement letter was signed by Hubert H. Humphrey, III, attorney general of Minnesota.

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Complainant supplied a copy of the letter which stated at the bottom, "Not printed at government expense."

Complainant alleged that the Minnesota Attorney General's Office is a political committee because of its considerable support for House candidate Ray Stock in the form of a letter of support sent to targeted voters. Complainant asserted that this constitutes a violation of 2 U.S.C. § 433 for failure to register as a committee. Complainant also alleged a violation of 2 U.S.C. § 441d for failure to show on the campaign letter who paid for the mailing.

The Minnesota Attorney General's Office responded to the complaint and provided a complete copy of the solicitation package that was mailed with the Attorney General's cover letter. Respondent also provided a sworn affidavit by the Chairman of the Minnesota Democratic Farmer-Labor Party ("the DFL"). The DFL chairman stated that the entire mailing "was prepared under the direction of the DFL and mailed at the expense of the DFL" and that a one-page advertisement in the mailing was funded by the Ray Stock for Congress Committee. The Chairman attested that:

The only involvement of Attorney General Humphrey. . . was to (1) agree to sign a letter endorsing Third District Democratic Congressional candidate Ray Stock, (2) provide one blank letter, (3) review and approve the letter, and (4) sign the letter.

The mailing package provided with in this response includes the Attorney General's cover letter, a contribution return card, a Ray Stock advertisement and a return envelope. The return envelope is pre-addressed to "Ray Stock for Congress" with a pre-

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printed DFL return address in the corner. The Stock advertisement contains text about the candidate and a disclaimer at the bottom "Prepared and paid for by the Ray Stock for Congress Committee, Joseph L. Schmit, Treasurer." It also gives the address and telephone number of the Committee. The contribution card allows for contributor name, address, occupation and employer as well as contribution amount. A statement at the bottom of it advises "Prepared by the Minnesota DFL."

It is evident that the Attorney General's cover letter endorsing the candidate was only part of a campaign mailing - a package that included a disclaimer and other indications that entities other than the Attorney General's Office paid for the mailing. Thus, the Attorney General's Office did not become a political committee through its nominal endorsement of the candidate in a cover letter. Therefore, the Office of the General Counsel recommends that the Commission find no reason to believe that the Minnesota Attorney General or the Office of Attorney General violated 2 U.S.C. §§ 433, 434 or 441d in this matter.

The portion of the mailer prepared by the Stock Committee includes the proper disclaimer; therefore, this Office recommends that the Commission find no reason to believe that the Stock Committee and its treasurer violated 2 U.S.C. § 441d.

As to the remainder of the mailer prepared by the DFL, because it did not clearly state who paid for the mailing or

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whether it was authorized, this Office recommends that the Commission find reason to believe that the DFL and its treasurer violated 2 U.S.C. § 441d. Attached are questions to elicit more specific information concerning the extent of the mailing and the amount of costs/payments shared with the Stock Committee.

RECOMMENDATION

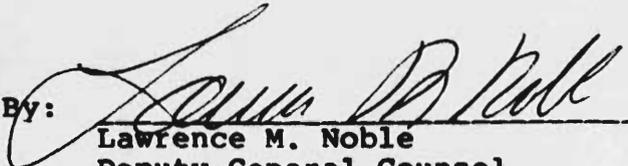
1. Find no reason to believe that Hubert H. Humphrey, III and the Office of the Minnesota Attorney General violated 2 U.S.C. §§ 433 and 434.
2. Find no reason to believe that the following violated 2 U.S.C. § 441d:
 - a) Hubert H. Humphrey, III and the Office of the Minnesota Attorney General;
 - b) Ray Stock for Congress Committee and Joseph L. Schmit, as treasurer.
3. Find reason to believe that the Minnesota Democratic Farmer-Labor Party and Joyce Brady, as treasurer, violated 2 U.S.C. § 441d.
4. Close the file as it relates to:
 - a) Hubert H. Humphrey, III and the Office of the Minnesota Attorney General;
 - b) Ray Stock for Congress Committee and Joseph L. Schmit, as treasurer.

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5. Send the attached letters, questions and General Counsel's Factual and Legal Analysis.*/

Charles N. Steele
General Counsel

Date 11/13/86

By: 
Lawrence M. Noble
Deputy General Counsel

Attachments

- Letter from Respondents
- Letters to Respondents and General Counsel's Factual and Legal Analysis
- Questions

*/ The Office of General Counsel did not know of the DFL Party's involvement in this matter until we received the responses to the complaint. Therefore, the DFL Party is an internally generated respondent who will receive a Factual and Legal Analysis regarding the issues.

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STATE OF MINNESOTA
OFFICE OF THE ATTORNEY GENERAL

Hammer
HAND DELIVERED
OCT 6 A10:14
CC#1689-
ADDRESS REPLY TO:
102 CAPITOL BUILDING
ST. PAUL, MN 55155
TELEPHONE: (612) 296-6196

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

ST. PAUL 55155

October 3, 1986

Federal Election Commission
Office of General Counsel
Washington, D.C. 20463

Re: MUR 2232

Dear General Counsel:

I am responding on behalf of Minnesota Attorney General Hubert H. Humphrey, III, to the above-referenced complaint filed by Mr. Warren J. Hamerman of the "National Democratic Policy Committee." The complaint alleges that a letter signed by Attorney General Humphrey and mailed to Democrats in Minnesota's Third Congressional District violates several FEC regulations requiring registration of committees with expenditures in excess of \$1,000.00, and regulations requiring disclaimers on political material. The complaint is patently frivolous and should be promptly dismissed.

I. FAILURE TO FILE AS A POLITICAL COMMITTEE.

This charge is particularly baseless. 11 CFR 100.5(a), 100.8(a)(1) and 102.1 require groups to organize and file with the FEC as a political committee once they have expended \$1,000 during a calendar year. The Attorney General's campaign committee, as detailed in the enclosed Affidavit of Ruth Esala, expended only the cost of a single blank letter in this matter. No Attorney General staff time was involved. Obviously, this expenditure is far from the \$1,000 threshold. The mailing and the campaign material contained therein were expenditures of the Minnesota State DFL Party ("DFL"), which is a party committee registered with the FEC.

II. DISCLAIMER.

This charge is equally without merit. 22 CFR 110.11(a)(1) requires persons making expenditures for certain political communications to include in the communication a disclaimer indicating the identity of the individual authorizing or financing the communication. First, this allegation against the Attorney General is misdirected in that Attorney General Humphrey did not finance in any way the subject mailing. Rather, the DFL financed the mailing. Second, 11 CFR 110.11(a)(1) provides, in relevant part:

Such person is not required to place the disclaimer on the front page or page of any such material, as long as a disclaimer appears within the communication,

Attachment A(1)

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The Stock mailing can and should be interpreted as one communication. The return card (Exhibit B, Esala Affidavit) clearly contains a disclaimer indicating that the DFL paid for the communication. In addition, even if the mailing is viewed as containing separate communications, the return card is clearly related to and part of the Humphrey letter. The card begins with "Dear Skip." "Skip" is Attorney General Humphrey's nickname, a name by which he is commonly known in the State of Minnesota. The card again references the message of Attorney General Humphrey's letter, that Ray Stock is a person of "conviction and compassion." No recipient who reviewed the material could justifiably be confused as to who financed the mailing.

The complaint regarding Attorney General Humphrey's alleged failure to file as a political committee should be dismissed because the Attorney General did not in any way finance the subject mailing. The complaint regarding the lack of a disclaimer on the Humphrey letter should be dismissed as against Attorney General Humphrey because he did not pay for the letter. In addition, the complaint should likewise be dismissed as to any other potential respondent because 11 CFR 110.11(a)(1) only requires a disclaimer to appear somewhere within a communication and the subject mailing satisfies that requirement.

Please do not hesitate to contact me if you would like further information. I request this matter remain confidential pursuant to statute.

John R. Tunheim

JOHN R. TUNHEIM
 Chief Deputy
 Attorney General

Counsel for Respondents
 Minnesota Attorney General
 Hubert H. Humphrey, III, and
 the Minnesota Attorney General's
 Office

Subscribed and sworn to before
 me this 3rd day of October, 1986.

 Notary Public



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FEDERAL ELECTION COMMISSION)
)
File No. MUR 2232)

AFFIDAVIT OF
RUTH ESALA

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

RUTH ESALA, being duly sworn, says:

1. I am Chair of the Minnesota Democratic-Farmer-Labor (DFL) Party, a party committee representing the Democratic Party and part of the official party structure at the state, local, and national level.

2. Exhibits A-E, appended hereto, constitute the entire mailing, which is the subject of the above-captioned complaint, a mailing that was prepared under the direction of the DFL and mailed at the expense of the DFL.

3. Exhibit A, a letter signed by Minnesota Attorney General Hubert H. Humphrey, III, was drafted under the supervision of the DFL and presented to Attorney General Humphrey for his approval and signature. Attorney General Humphrey provided a blank letter bearing his office stationary, a letter not printed at public expense, and the DFL arranged for the letter to be typed.

4. The only involvement of Attorney General Humphrey and/or his campaign committee in this entire matter was to (1) agree to sign a letter endorsing Third District Democratic Congressional candidate Ray Stock, (2) provide one blank letter, (3) review and approve the letter, and (4) sign the letter.

5. Exhibit B, a return card, a key component of the mailing, was prepared and paid for by the DFL. A disclaimer is

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prominently displayed on this card. This card is a companion to Exhibit A, and begins "Dear Skip," which is Attorney General Humphrey's widely-known nickname.

6. Exhibit C, campaign literature for candidate Stock, was prepared and paid for by the Ray Stock for Congress Committee. A disclaimer is prominently displayed on the literature.

7. Exhibit D, a return envelope, was prepared and paid for by the DFL.

8. Exhibit E, the mailing envelope, was prepared and paid for by the DFL.

9. The photocopying for the mailing was done by the DFL. Labeling of the envelopes was done by the Stock campaign committee. The envelopes were then returned to the DFL and mailed on August 28, 1986, to Democratic precinct caucus attendees and DFL sustaining fund members in the Third Congressional District.

10. This mailing was one of many election year campaign mailings prepared and paid for by the DFL. It was most certainly not a project financed even in part by Attorney General Humphrey or his campaign committee.

FURTHER AFFIANT SAYETH NOT.

Ruth Esala
RUTH ESALA

Subscribed and sworn to before me this 3rd day of October, 1986.

[Signature]
Notary Public
NOT
MY COMM.

A (4)

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STATE OF MINNESOTA
OFFICE OF THE ATTORNEY GENERAL

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

ST. PAUL 55155

ADDRESS REPLY TO:
102 CAPITOL BUILDING
ST. PAUL, MN 55155
TELEPHONE: (612) 297-4272

August 26, 1986

Dear DFLer,

I enthusiastically support Ray Stock in his bid to upset Bill Frenzel.

Ray has a big task ahead of him, and he needs your help. First, he must defeat a LaRouche disciple - Stanley Bentz - in the primary, and then take on the entrenched Bill Frenzel.

Ray needs you to vote in the Primary on September 9. We must show the nation that Minnesota will not tolerate the LaRouche fringe. Ray intends to see that what happened in Illinois does not happen here.

Ray needs you to knock on doors, make telephone calls, lick stamps, drop literature, and write letters to the editor. He already has an active group of more than 150 volunteers, but more are needed. Ray will work hard.

Ray also needs your dollars. He can't match Frenzel's war chest stuffed with PAC dollars; but your contribution of \$35, \$50 or \$100 will make a difference. Ray will use your money wisely.

Ray Stock is a man of deep conviction and compassion. He was moved to challenge Bill Frenzel because of Frenzel's callous contra aid vote. For Ray it was just one more example of Frenzel's disregard for what is right and his blatant disregard for the views of the people of the Third District.

Once again, Bill - the media "moderate" - has voted on both sides of the issue; and when the vote counted, Frenzel was on the wrong side - the Reagan side.

Ray believes the security of his two little girls and of all our children depends not on MX missiles, Star Wars defense systems and a \$300 billion defense budget, but on hard-headed negotiations, finding new and creative ways to solve conflict, and on finding our common humanity. He believes education is the key to our future. He believes that clean air and clean water are our birthright and that the federal government has the responsibility to see that our environment is safe and clean. And he believes that our deficit-ridden - buy now, pay later - economy is a poor legacy to leave

- Exhibit A -

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Prepared by the Minnesota DFL

- Exhibit B -

Employer _____

Phone _____

Occupation _____

Address _____

Name _____

(Return this form with checks made payable to Stock for Congress.)

phone door knock office work other

Count on me to:

\$100 \$50 \$35 \$15 other

Here is my contribution for:

I want to help upset Bill Frenzel. We need a person of conviction and compassion — like Ray Stock — representing us in Washington.

Dear Skip,

I want to help upset Bill Frenzel. We need a person of conviction and compassion — like Ray Stock — representing us in Washington.

P.S. You can subtract all or part of your 1986 tax(es) from your 1986 tax(es) details. Call 927-9298 for details.



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8 7 0 4 0 5 4 5 3 5 4

**Put
Stock
in Congress**

DFL/3rd District

- Exhibit C -

A (3)

MINNESOTANS HAVE A DEEP SENSE OF JUSTICE AND FAIR PLAY. WE CAN TRUST OUR COMMON SENSE AND STAND UP FOR OUR CONVICTIONS.

Frenzel's vote for Contra Aid deeply offended many Minnesotans.

I don't understand Mr. Frenzel's vote for the Contra. Especially after all we know about Contra atrocities, their gross misuse of taxpayer funds and other crimes, and the lack of support for them in their own country.

Even though voters in his district strongly opposed aid to the Contra, Frenzel voted in to House House passage and cast his vote for \$400 million in additional aid. This will assure that we expand the violence, the killing and the destruction in Central America, instead of expanding the peace toward peace.

Dangerous policies abroad lead to dangerous policies at home.

Practically everyone studying our children is aware of the danger to our survival posed by the nuclear arms race. Yet, this Administration has put extraordinary effort into convincing us that we always need not one more "deterrence chip" or new weapon system before we can energetically work a halt to the arms race.

We need to trust our instincts and common sense about this. We have over 30,000 nuclear warheads in our arsenal. Just imagine that. There can't be many who seriously believe we need one more warhead to deter us in our present or our more weapon system in order to get serious about arms negotiations.

Yet for six years, this Administration has pressed for weapons and not for peace. Only now, in a critical election year, is this Administration reluctantly acknowledging public pressure that we should set serious arms negotiations.

Where is Mr. Frenzel's leadership in stopping the arms race?

Think of the effort it takes to do about "Star Wars." Even with the finest minds and generous funding, our space program has been plagued with problems. It doesn't require a genius to see the folly of playing our security on such a technologically uncertain basis.

If there were not such an incredible amount of money thrown at "Star Wars," I think the public would laugh the entire program right out of the sky. You often see these "experts" know what is best for us, even when our common sense tells us otherwise.

Mr. Frenzel has voted for Star Wars funding.



We have an economy with no leadership.

Our economy continues to be down and their forecasts for economic growth to as low as 2%. Our most recent quarter had a growth rate of 1.1% - the lowest since 1982.

We have the largest deficits in history, from an Administration which promoted us balanced budgets. Our trade deficits are monumental and there is no real strategy to help our economy adjust to changes in the world economy. It is more difficult to produce comprehensive, proved goods when so much of our brain power is applied to our military research and development.

Center Bush originally described it as "flexible economics." It now appears that simple economic strategies to no substitute for leadership and intelligence to address a complex world.

I think we need an economy supportive of small business, our major source of new innovations and new ideas. It is particularly unusual to have a recovery, rich in health care, the death link between record deficits and record military



Minnetonka businessman and activist challenges Frenzel for U.S. Congress.

Ray Stock is not a politician. Although he has never run for public office, he has worked hard to influence major policies of our government.

For a businessman with a successful career, a political background. But, these two activities and I want them to inherit a world that is not different from the one our current Administration is creating.

I am about facing a strong country, but I also am a father that doesn't need to help to his own people.

expenditures." Most Americans would prefer to work on developments which advance the quality of life in this world, rather than work on expensive methods to kill or destroy. But, when our economic situation is threatened by loss of a weapons contract, we can't seem to ourselves about the need to control the mad weapons race.

Our educational system needs to prepare our young people, not limit them.

Given the other priorities, this Administration has chosen to restrict education with a philosophy of "back to the basics."

We need the basics to be sure. But, if our young people are to solve the problems they are confronting in our generation, they need to see an expanded curriculum that will examine the vital issues we face, such as the pollution of our environment, the nuclear arms threat and the feeding of the world's hungry people. We owe them the encouragement and understanding they need to influence and shape their world.

In 1985 the National Education Association rated Mr. Frenzel lower than any other Minnesota Congressman (Republican or Democrat) for his record on votes designated as most important by the NEA.

If we don't clean up our act, we won't clean up our environment.

Minnesotans have always boasted of the quality of life we enjoy. It's one of the temptations of our lush forests. It stands to reason that we are so concerned about chemical contamination in our

ground water in southern Minnesota, the threat of acid rain, and the construction of the state as a radioactive dump site. Minnesotans face an Administration that is hostile to our environment.

Mr. Frenzel voted against Superfund, the bipartisan program created to clean up toxic spills in the environment.

Mr. Frenzel received one of the lowest ratings of all Minnesota Congressmen on his voting over the past ten years from the League of Conservation Voters.

Mr. Frenzel is the only Minnesota Congressman ever to co-sponsor the current bipartisan Superfund bill to control acid rain.

After 16 years, it's time for change.

Not by Mr. Frenzel has been in Washington too long. He seems to be out of touch with many Minnesotans. His leadership on our vital issues has been too absent or too quiet. We need leadership that will do more than just protect our special privileges. Our members at the station on his calendar boards. (Yes, Bill Frenzel really listen to you?)

Minnesotans often lead their leaders.

One of the odd things about Minnesotans is that we are often ahead of our leaders in Washington. So many have taken the time to study, learn about issues like the arms race, Central America. We're less susceptible to intimidation and shallowness in our politicians and shallowness in our leaders. We're not dumb, but we know the difference. The government is on a dangerous one



We offer a clear choice.

If funding the Contra and the destruction they will bring to Central America doesn't fit your vision of what America stands for, come join us.

If you don't think we need one more weapon system, if you don't believe we seriously seek arms agreements, then come join us.

If you are skeptical about all the excuses used to explain away our record deficits, our growing national debt, our unemployment, and our low rate of economic growth, then come join us.

If you are troubled with the crazy waste of money in the military, our health care system, our education system, health care, day care, etc., our rising price of our workers and the protection of our environment, then come join us.

We don't have all the answers, but we're not afraid of the questions.

Some people think Bill Frenzel can't be beaten. Don't bet on it.

How you can help:

This campaign is only successful by people who want to see new directions from our leadership. We don't have the resources running Mr. Frenzel has accumulated.

If you share our concerns, we need your financial assistance. Please send your contributions to the address below.

If you can help to pick stamps, use check, telephone, pass out information or spread the word about this campaign to your friends and community, please call and we'll provide you with more materials. We can work together to bring about change.

Stamps of the right kind with the Federal Election Commission and a receipt for purchase from the Federal Election Commission, Washington, D.C.

Ray Stock

For U.S. Congress

DFL Endorsed / 3rd District

Prepared and paid for by the Ray Stock for Congress Committee, Joseph L. Schmitt, Treasurer, 805 W. 10th St., Suite 223, Edina, MN 55435, Phone 477-7200

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8 7 0 4 0 6 4 5 3 5 5

MINNESOTA



METRO SQUARE BUILDING, SUITE 250
121 SEVENTH PLACE EAST
SAINT PAUL, MINNESOTA 55101-2107

**Important Information on
Your congressional candidate —
RAY STOCK**

**Attention:
Skip Humphrey**

**Ray Stock for Congress
4005 West 65th Street, Suite 223
Edina, Minnesota 55435**

- Exhibit B -

A (9)

9 5 5 5 4 5 0 4 0 2 8

- Exhibit D -

STATEMENT OF DESIGNATION OF COUNSEL

NR 2232

NAME OF COUNSEL: JOHN R. TUNHEIM, CHIEF DEPUTY ATTORNEY GENERAL
ATTORNEY GENERAL'S OFFICE

ADDRESS: 102 State Capitol
St. Paul, MN 55155

TELEPHONE: (612) 296-2351

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.

Oct. 3, 1986
Date

Hubert H. Humphrey III
Signature

RESPONDENT'S NAME: HUBERT H. HUMPHREY, III

ADDRESS: MINNESOTA ATTORNEY GENERAL'S OFFICE
102 State Capitol
St. Paul, MN 55155

HOME PHONE: (612) 545-4159

BUSINESS PHONE: (612) 297-4242

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

John R. Tunheim, Chief
Deputy Attorney General
Attorney General's Office
102 State Capitol
St. Paul, Minnesota 55155

RE: MUR 2232
Hubert H. Humphrey, III
and the Minnesota
Attorney General's
Office

Dear Mr. Tunheim:

On September 16, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on _____, 1986, determined that on the basis of the information in the complaint and information you provided, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by your clients. Accordingly, the Commission closed its file in this matter as it pertains to your client. This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. 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 is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

By Lawrence M. Noble
Deputy General Counsel

Attachment B

87040545358



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Joseph L. Schmit, Treasurer
Stock for Congress Committee
4005 W. 65th Street
Suite 223
Edina, MN 55435

RE: MUR 2232
Stock for Congress Committee
Joseph L. Schmit, as treasurer

Dear Mr. Schmit:

On September 16, 1986, the Commission notified the Ray Stock for Congress Committee and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on _____, 1986, determined that on the basis of the information in the complaint and information provided by the Minnesota Attorney General's Office, that there is no reason to believe that a violation of any statute within its jurisdiction has been committed by your committee and you, as treasurer. Accordingly, the Commission closed its file in this matter as it pertains to the Committee and you, as treasurer. This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. 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 is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Charles N. Steele
General Counsel

By Lawrence M. Noble
Deputy General Counsel

Attachment C

87040645359



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Joyce Brady, Treasurer
Minnesota Democratic Farmer Labor Party
121 Seventh Place East
Suite 250
Saint Paul, Minnesota 55101

RE: MUR 2232
Minnesota Democratic Farmer
Labor Party
Joyce Brady, as treasurer

Dear Ms. Brady:

On , 1986, the Federal Election Commission determined that there is reason to believe that the Minnesota Democratic Farmer Labor Party and you, as treasurer, violated 2 U.S.C. § 441d, 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 questions, 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

Attachment D (1)

87040545360

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 prior 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 Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Joan D. Aikens
Chairman

Enclosures

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

D (2)

87040345351

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO: 2232
STAFF MEMBER & TELEPHONE NO.:
Frances B. Hagan, (202) 376-8200

RESPONDENT: Minnesota Democratic Farmer Labor Party
Joyce Brady, as treasurer

SUMMARY OF ALLEGATIONS

The Minnesota Democratic Farmer Labor Party and Joyce Brady, as treasurer, violated 2 U.S.C. § 441d.

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. § 441d states that whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any . . . direct mailing . . ., such communication (1) if paid for and authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication has been paid for by such authorized political committee, or (2) if paid for by other persons but authorized by a candidate, an authorized political committee of the candidate or its agents, shall clearly state that the communication is paid for by such other persons and authorized by such committee.

11 C.F.R. § 110.11(a)(11) states in part that, "Such person is not required to place the disclaimer on the front face or page of any such material, as long as a disclaimer appears within the communication, except on communications . . . that contain only a front face.

D (3)

87040545362

The Commission received a complaint from Warren J. Hamerman of the National Democratic Policy Committee in Washington, stating that a Minnesota supporter of his organization forwarded to him a letter of support for Minnesota House candidate Ray Stock. The endorsement letter was signed by Hubert H. Humphrey, III, attorney general of Minnesota. Complainant supplied a copy of the letter which stated at the bottom, "Not printed at government expense." Complainant alleged a violation of 2 U.S.C. § 441d for failure to show on the campaign letter who paid for the mailing.

The Minnesota Attorney General's Office responded to the complaint and provided a complete copy of the solicitation package that was mailed with the Attorney General's cover letter. Respondent also provided a sworn affidavit by the Chairman of the Minnesota Democratic Farm Labor Party ("the DFL"). The DFL chairman stated that the entire mailing "was prepared under the direction of the DFL and mailed at the expense of the DFL" and that a one-page advertisement in the package was funded by the Ray Stock for Congress Committee.

The mailing package provided with this response includes the Attorney General's cover letter, a contribution return card, a Ray Stock advertisement and a return envelope. The return envelope is pre-addressed to "Ray Stock for Congress" with a pre-printed DFL return address in the corner. The Stock advertisement contains text about the candidate and a disclaimer

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D (4)

at the bottom "Prepared and paid for by the Ray Stock for Congress Committee, Joseph L. Schmit, Treasurer." It also gives the address and telephone number. The contribution card allows for contributor name, address, occupation and employer as well as contribution amount. A disclaimer at the bottom of it states "Prepared by the Minnesota DFL."

Because the portion of the mailer prepared by the DFL did not clearly state who paid for it or whether it was authorized by the candidate, this Office recommended that the Commission find reason to believe that the DFL and Joyce Brady, as treasurer, violated 2 U.S.C. § 441d.

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D (5)

Questions: Minnesota Democratic Farmer Labor Party

1. Please provide information concerning the scope of the mailing in question which endorses Ray Stock for Congress. Such information should include, but is not limited to (a) the number of pieces mailed and the cost, (b) the amount of all costs paid by the DFL and the amount paid by the Stock for Congress Committee.
2. Please state the amount of contributions generated by the mailing solicitation.

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D (6)



STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

ST. PAUL 55155

October 3, 1986

RECEIVED AT THE FEC
HAND DELIVERED

26 OCT 6 10:14

GCC#1289

ADDRESS REPLY TO:
102 CAPITOL BUILDING
ST. PAUL, MN 55155
TELEPHONE: (612) 296-6196

5 OCT 6 11:48

Federal Election Commission
Office of General Counsel
Washington, D.C. 20463

Re: MUR 2232

Dear General Counsel:

I am responding on behalf of Minnesota Attorney General Hubert H. Humphrey, III, to the above-referenced complaint filed by Mr. Warren J. Hamerman of the "National Democratic Policy Committee." The complaint alleges that a letter signed by Attorney General Humphrey and mailed to Democrats in Minnesota's Third Congressional District violates several FEC regulations requiring registration of committees with expenditures in excess of \$1,000.00, and regulations requiring disclaimers on political material. The complaint is patently frivolous and should be promptly dismissed.

I. FAILURE TO FILE AS A POLITICAL COMMITTEE.

This charge is particularly baseless. 11 CFR 100.5(a), 100.8(a)(1) and 102.1 require groups to organize and file with the FEC as a political committee once they have expended \$1,000 during a calendar year. The Attorney General's campaign committee, as detailed in the enclosed Affidavit of Ruth Esala, expended only the cost of a single blank letter in this matter. No Attorney General staff time was involved. Obviously, this expenditure is far from the \$1,000 threshold. The mailing and the campaign material contained therein were expenditures of the Minnesota State DFL Party ("DFL"), which is a party committee registered with the FEC.

II. DISCLAIMER.

This charge is equally without merit. 22 CFR 110.11(a)(1) requires persons making expenditures for certain political communications to include in the communication a disclaimer indicating the identity of the individual authorizing or financing the communication. First, this allegation against the Attorney General is misdirected in that Attorney General Humphrey did not finance in any way the subject mailing. Rather, the DFL financed the mailing. Second, 11 CFR 110.11(a)(1) provides, in relevant part:

Such person is not required to place the disclaimer on the front page or page of any such material, as long as a disclaimer appears within the communication,



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The Stock mailing can and should be interpreted as one communication. The return card (Exhibit B, Esala Affidavit) clearly contains a disclaimer indicating that the DFL paid for the communication. In addition, even if the mailing is viewed as containing separate communications, the return card is clearly related to and part of the Humphrey letter. The card begins with "Dear Skip." "Skip" is Attorney General Humphrey's nickname, a name by which he is commonly known in the State of Minnesota. The card again references the message of Attorney General Humphrey's letter, that Ray Stock is a person of "conviction and compassion." No recipient who reviewed the material could justifiably be confused as to who financed the mailing.

The complaint regarding Attorney General Humphrey's alleged failure to file as a political committee should be dismissed because the Attorney General did not in any way finance the subject mailing. The complaint regarding the lack of a disclaimer on the Humphrey letter should be dismissed as against Attorney General Humphrey because he did not pay for the letter. In addition, the complaint should likewise be dismissed as to any other potential respondent because 11 CFR 110.11(a)(1) only requires a disclaimer to appear somewhere within a communication and the subject mailing satisfies that requirement.

Please do not hesitate to contact me if you would like further information. I request this matter remain confidential pursuant to statute.

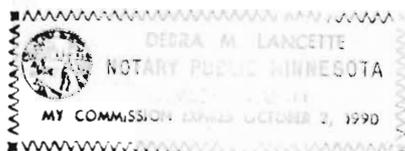
John R. Tunheim

JOHN R. TUNHEIM
 Chief Deputy
 Attorney General

Counsel for Respondents
 Minnesota Attorney General
 Hubert H. Humphrey, III, and
 the Minnesota Attorney General's
 Office

Subscribed and sworn to before
 me this 3rd day of October, 1986.

Debra M. Lancette
 Notary Public



87040645357

FEDERAL ELECTION COMMISSION)
)
File No. MUR 2232)

AFFIDAVIT OF
RUTH ESALA

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

RUTH ESALA, being duly sworn, says:

1. I am Chair of the Minnesota Democratic-Farmer-Labor (DFL) Party, a party committee representing the Democratic Party and part of the official party structure at the state, local, and national level.

2. Exhibits A-E, appended hereto, constitute the entire mailing, which is the subject of the above-captioned complaint, a mailing that was prepared under the direction of the DFL and mailed at the expense of the DFL.

3. Exhibit A, a letter signed by Minnesota Attorney General Hubert H. Humphrey, III, was drafted under the supervision of the DFL and presented to Attorney General Humphrey for his approval and signature. Attorney General Humphrey provided a blank letter bearing his office stationary, a letter not printed at public expense, and the DFL arranged for the letter to be typed.

4. The only involvement of Attorney General Humphrey and/or his campaign committee in this entire matter was to (1) agree to sign a letter endorsing Third District Democratic Congressional candidate Ray Stock, (2) provide one blank letter, (3) review and approve the letter, and (4) sign the letter.

5. Exhibit B, a return card, a key component of the mailing, was prepared and paid for by the DFL. A disclaimer is

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prominently displayed on this card. This card is a companion to Exhibit A, and begins "Dear Skip," which is Attorney General Humphrey's widely-known nickname.

6. Exhibit C, campaign literature for candidate Stock, was prepared and paid for by the Ray Stock for Congress Committee. A disclaimer is prominently displayed on the literature.

7. Exhibit D, a return envelope, was prepared and paid for by the DFL.

8. Exhibit E, the mailing envelope, was prepared and paid for by the DFL.

9. The photocopying for the mailing was done by the DFL. Labeling of the envelopes was done by the Stock campaign committee. The envelopes were then returned to the DFL and mailed on August 28, 1986, to Democratic precinct caucus attendees and DFL sustaining fund members in the Third Congressional District.

10. This mailing was one of many election year campaign mailings prepared and paid for by the DFL. It was most certainly not a project financed even in part by Attorney General Humphrey or his campaign committee.

FURTHER AFFIANT SAYETH NOT.


RUTH ESALA

Subscribed and sworn to before me
this 3rd day of October, 1986.



Notary Public
DEBRA M. LANCETTE
NOTARY PUBLIC-MINNESOTA
DALEY COUNTY
MY COMMISSION EXPIRES OCTOBER 2, 1990

87040645369



STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

ST. PAUL 55155

ADDRESS REPLY TO:
102 CAPITOL BUILDING
ST. PAUL, MN 55155
TELEPHONE: (612) 297-4272

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

August 26, 1986

Dear DFLer,

I enthusiastically support Ray Stock in his bid to upset Bill Frenzel.

Ray has a big task ahead of him, and he needs your help. First, he must defeat a LaRouche disciple - Stanley Bentz - in the primary, and then take on the entrenched Bill Frenzel.

Ray needs you to vote in the Primary on September 9. We must show the nation that Minnesota will not tolerate the LaRouche fringe. Ray intends to see that what happened in Illinois does not happen here.

Ray needs you to knock on doors, make telephone calls, lick stamps, drop literature, and write letters to the editor. He already has an active group of more than 150 volunteers, but more are needed. Ray will work hard.

Ray also needs your dollars. He can't match Frenzel's war chest stuffed with PAC dollars; but your contribution of \$35, \$50 or \$100 will make a difference. Ray will use your money wisely.

Ray Stock is a man of deep conviction and compassion. He was moved to challenge Bill Frenzel because of Frenzel's callous contra aid vote. For Ray it was just one more example of Frenzel's disregard for what is right and his blatant disregard for the views of the people of the Third District.

Once again, Bill - the media "moderate" - has voted on both sides of the issue; and when the vote counted, Frenzel was on the wrong side - the Reagan side.

Ray believes the security of his two little girls and of all our children depends not on MX missiles, Star Wars defense systems and a \$300 billion defense budget, but on hard-headed negotiations, finding new and creative ways to solve conflict, and on finding our common humanity. He believes education is the key to our future. He believes that clean air and clean water are our birthright and that the federal government has the responsibility to see that our environment is safe and clean. And he believes that our deficit-ridden - buy now, pay later - economy is a poor legacy to leave

- Exhibit A -

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our children.

Ray believes, and I believe, that Bill Frenzel has not and will not provide the leadership we need to solve these problems. Ray Stock will.

Ray knows that beating Bill Frenzel will be difficult. But in a short time he has put together an impressive, well-organized campaign. Ray's energy, enthusiasm, and conviction are contagious. When people tell Ray that Bill Frenzel can't be beat, he tells them: "Don't bet on it."

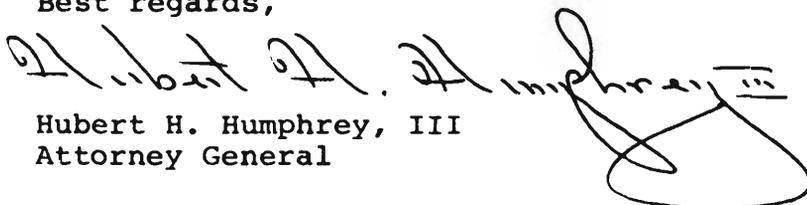
Tim Penny proved the experts wrong in 1982. Ray Stock plans to do the same in 1986.

But to upset Bill Frenzel, Ray needs your help. He needs you to:

- * VOTE SEPTEMBER 9: Stanley Bentz must be soundly defeated;
- * VOLUNTEER: call 927-9298 to see how you can help;
- * CONTRIBUTE: you get tax credits for your contributions.

Ray needs and deserves our support. With your help we can put Ray Stock in Congress.

Best regards,


Hubert H. Humphrey, III
Attorney General

P.S. On September 3, please join me at an open house for Ray. It will be at the Stock for Congress campaign headquarters at 4005 West 65th Street, Suite 223, in Edina. The time is from 5:00 p.m. to 8:00 p.m. I hope you can come. It will be a great chance to get to know Ray.

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MINNESOTANS HAVE A DEEP SENSE OF JUSTICE AND FAIR PLAY.

WE CAN TRUST OUR COMMON SENSE AND STAND UP FOR OUR CONVICTIONS.

Frenzel's vote for Contra Aid deeply offended many Minnesotans.

"I don't understand Mr. Frenzel's vote for the Contras. Especially after all we know about Contra atrocities, their gross misuse of taxpayer funds and other crimes, and the lack of support for them in their own country."

Even though voters in his district strongly opposed aid to the Contras, Frenzel caved in to White House pressure and cast his vote for \$100 million in additional aid. This will assure that we expand the violence, the killing and the destruction in Central America, instead of expanding the process toward peace.

Dangerous policies abroad lead to dangerous policies at home.

Practically everyone, including our children, is aware of the danger to our survival posed by the nuclear arms race. Yet, this Administration has put extraordinary effort into convincing us that we always need just one more "bargaining chip" or new weapon system before we can energetically seek a halt to the arms race.

We need to trust our instincts and common sense about this. We have over 20,000 nuclear warheads in our arsenal. Just imagine that. There can't be many who seriously believe we need one more warhead to destroy life on this planet or one more weapon system in order to get serious about arms negotiations.

Yet, for six years, this Administration has pressed for weapons and not for peace. Only now, in a critical election year, is this Administration reluctantly acknowledging public pressure that we should get serious about negotiating.

Where is Mr. Frenzel's leadership in stopping the arms race?

Think of the effort to persuade us about "Star Wars." Even with the finest minds and generous funding, our space program has been plagued with problems. It doesn't require a genius to see the folly of placing our security in such a technological fantasy.

If there were not such an incredible amount of money thrown at "Star Wars," I think the public would laugh the entire program right out of the sky. Too often we think a few "experts" know what is best for us, even when our common sense tells us otherwise.

Mr. Frenzel has voted for Star Wars funding.



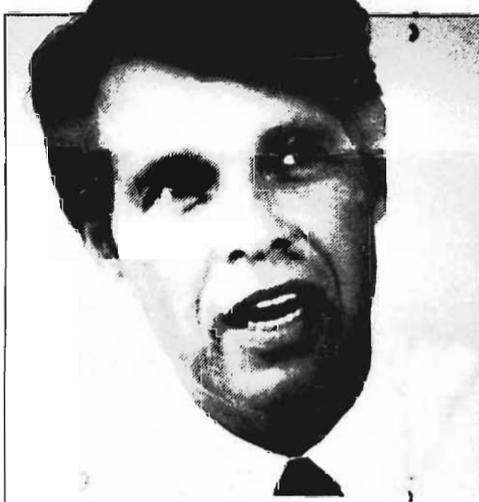
We have an economy with no leadership.

Economists continue to revise downward their forecasts for economic growth to as low as 2%. Our most recent quarter had a growth rate of 1.1%, the lowest since 1982.

We have the largest deficits in history, from an administration which promised us balanced budgets. Our trade deficits are monumental, and there is no real strategy to help our economy adjust to changes in the world economy. It is more difficult to produce competitively priced goods when so much of our brain power is siphoned off for military research and construction.

George Bush originally described it as "Voodoo economics." It's now apparent that simplistic economic ideology is no substitute for leadership and intelligence to address a complex world.

I think we need an economy supportive of small business, our major source of new innovations and new jobs. It is profoundly unsound to have a recovery rely so heavily on the deadly link between record deficits and record military



Minnetonka businessman and activist challenges Frenzel for U.S. Congress.

Ray Stock is not a politician. Although he has never run for public office, he has worked hard to influence major policies of our government.

"I'm a businessman with a somewhat conservative political background. But, I have two daughters and I want them to inherit a world that is quite different from the one our current Administration is creating.

I care about having a strong country, but I also care whether that strength is used to help or to harm people."

expenditures." Most Americans would prefer to work on developments which advance the quality of life in this world, rather than work on ingenious methods to kill or destroy. But, when our economic situation is threatened by loss of a weapons contract, we can deceive ourselves about the need to continue the mad weapons race.

Our educational system needs to prepare our young people, not limit them.

Given its other priorities, this Administration has chosen to restrict education with a philosophy of "back to the basics."

We need the basics, to be sure. But, if our young people are to solve the problems they are inheriting from our generation, they need access to expanded curriculums that will examine the vital issues we face such as the pollution of our environment, the nuclear arms threat and the feeding of the world's hungry people. We owe them the encouragement and understanding they need to influence and shape their world.

In 1985 the National Education Association rated Mr. Frenzel lower than any other Minnesota Congressman (Republican or Democrat) for his record on votes designated as most important by the NEA.

If we don't clean up our act, we won't clean up our environment.

Minnesotans have always boasted of the quality of life we enjoy. It's one of the compensations for our tough winters. It stands to reason that we are so concerned about chemical contamination of our

ground water in northern Minnesota, the acid rain, and the consideration of this state as a radioactive dump site. Minnesotans face an administration that is hostile to our environment.

Mr. Frenzel voted against Superfund, the bipartisan program created to clean up toxic spills in the environment.

Mr. Frenzel received one of the lowest ratings of all Minnesota Congressmen on his voting over the past six years from the League of Conservation Voters.

Mr. Frenzel is the only Minnesota Congressman not to co-sponsor the current bipartisan Sikorski bill to control acid rain.

After 16 years, it's time for change.

Maybe Mr. Frenzel has been in Washington too long. He seems to be out of touch with many Minnesotans. His leadership on our vital issues has been too absent or too quiet. We need leadership that will do more than just protect our special privileges. One wonders at the slogan on his outdoor boards. Does Bill Frenzel really listen to you?

Minnesotans often lead their leaders.

One of the good things about Minnesotans is that we're often ahead of our leaders in Washington. So many here have taken the time to really learn about issues like the arms race or Central America. We're less vulnerable to intimidation and shallow ideological explanations for the problems we encounter. We're not alarmists, but we know the course this government is on is a dangerous one.



We offer a clear choice.

If funding the Contras and the destruction they will bring to Central America doesn't fit your vision of what America stands for, come join us.

If you don't think we need one more weapon system or warhead before we seriously seek arms agreements, then come join us.

If you are skeptical about all the excuses used to explain away our record deficits, our growing inability to compete internationally, and our low rate of economic growth, then join us.

If you are troubled with the extravagant commitment of resources for Star Wars compared with the shrinking commitment for education, small business, farmers, health care, day care, care for our aging, protection of our workers and the protection of our environment, then come join us.

We don't have all the answers, but we're not afraid of the questions.

Some people think Bill Frenzel can't be beaten. Don't bet on it.

How you can help:

This campaign is encouraged by people who want to see new directions from our leadership. We don't have the enormous funding Mr. Frenzel has accumulated.

If you share our concerns, we need your financial assistance. Please send your contributions to the address below.

If you can help us lick stamps, door knock, telephone, pass out information or spread the word about this campaign to your friends and community, please call and we'll provide you with some materials. We can work together to bring about change.

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Committee, Washington, D.C.

Ray Stock

For U.S. Congress

DFL Endorsed / 3rd District

Put

Stock

in Congress

DFL/3rd District

- Exhibit C -

STATEMENT OF DESIGNATION OF COUNSEL

NR 2232

NAME OF COUNSEL: JOHN R. TUNHEIM, CHIEF DEPUTY ATTORNEY GENERAL
ATTORNEY GENERAL'S OFFICE

ADDRESS: 102 State Capitol
St. Paul, MN 55155

TELEPHONE: (612) 296-2351

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.

Oct. 3, 1986
Date

Hubert H. Humphrey III
Signature

RESPONDENT'S NAME: HUBERT H. HUMPHREY, III

ADDRESS: MINNESOTA ATTORNEY GENERAL'S OFFICE
102 State Capitol
St. Paul, MN 55155

HOME PHONE: (612) 545-4159

BUSINESS PHONE: (612) 297-4242

87040545374



National Democratic Policy Committee

P.O. Box 17729 • Washington, D.C. 20041-0729

G.C.# RECEIVED 10/2/86 THE FEC

86 SEP 26 12:55

Office of General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463
ATTN: Lawrence M. Noble

September 22, 1986

RE: MUR 2232: your letter of September 16

Mr. Noble:

In the referenced letter, you cite Hubert Humphrey III, the Stock for Congress Committee, and Joseph L. Schmit as respondents in MUR 2232.

I would like to point out that my complaint centered, in fact, upon the "Office of the Attorney General of the State of Minnesota." Mr. Humphrey appears to have signed and circulated the subject campaign letter not as a private individual, but rather in his capacity as Attorney General. Thus I believe that the "Office of the Attorney General of the State of Minnesota," should be included as a respondent, as I stated in my original complaint.

Sincerely,

Warren J. Hamerman
WARREN J. HAMERMAN

36 SEP 26 12:36

GENERAL COUNSEL

87040645375

Jelm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 16, 1986

Mr. Warren J. Hamerman
National Democratic Policy Committee
PO Box 17729
Washington, DC 20041-0729

Dear Mr. Hamerman:

This letter will acknowledge receipt of a complaint filed by you which we received on September 9, 1986, alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the Honorable Hubert H. Humphrey, III, and the Stock For Congress Committee and Mr. Joseph L. Schmit as treasurer. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as the original complaint. For your information, we have attached a brief description of the Commission's procedures for handling complaints. We have numbered this matter under review MUR 2232. Please refer to this number in all future correspondence. If you have any questions, please contact Retha Dixon at (202) 376-3110.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosure

87040645370

plm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 16, 1986

Joseph L. Schmit, Treasurer
Stock For Congress Committee
4005 West 65th St.
Suite 223
Edina, MN 55435

Re: MUR 2232

Dear Mr. Schmit:

The Federal Election Commission received a complaint which alleges that you, as treasurer, and the Stock For Congress Committee may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2232. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the Stock For Congress Committee in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

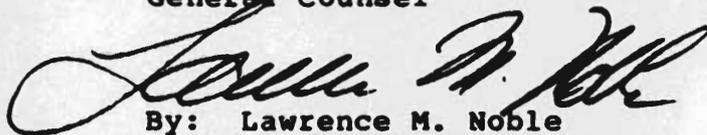
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed 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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If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel



By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 16, 1986

The Honorable Hubert H. Humphrey, III
Attorney General
State of Minnesota
St. Paul, MN 55155

Re: MUR 2232

Dear Mr. Attorney General:

The Federal Election Commission received a complaint which alleges that you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2232. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

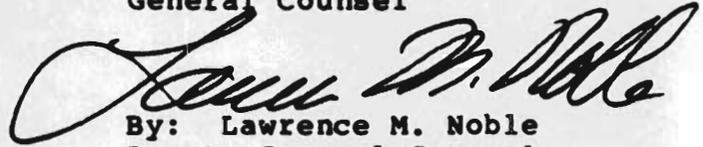
This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and §437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed 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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If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel



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Deputy General Counsel

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National Democratic Policy Committee

P.O. Box 17729 • Washington, D.C. 20041-0729

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86 SEP 5 P2:49

NUR 2232

86 SEP 11 P3:23

Office of General Counsel Federal Election Commission 999 E Street, N.W. Washington, DC 20463

September 4, 1986

To whom it may concern:

I would like to file a complaint, pursuant to 11 CFR 111.4, regarding several violations of the Federal Election Campaign Act and its regulations.

A Minnesota supporter of the NDPC forwarded to me the enclosed letter, which he received by mail several days ago, from the Office of the Attorney General of the State of Minnesota. The letter is dated August 26, 1986, and has the salutation "Dear DFLer." "DFL" refers to the "Democratic Farm Labor Party" of Minnesota.

The letter specifically advocates in the Third Congressional District of Minnesota the election of Ray Stock, and the defeat of primary opponent Stanley Bentz, and the incumbent Republican Congressman, Bill Frenzel. The Office of the Attorney General of the State of Minnesota solicits recipients of the letter to vote for Mr. Stock, do volunteer work for Mr. Stock, and contribute funds to Mr. Stock.

On information and belief, the letter was mailed to at least every member of the DFL in Minnesota's Third Congressional District. By my rough calculations, the postage alone for such a mailing would exceed \$1000.00 [this calculation of course ignores typist's compensation by the State of Minnesota, and costs of reproducing the letter (print or photocopy)]. This makes the Office of the Attorney General of the State of Minnesota a "political committee" under the definition of 11 CFR 100.5(a):

". . . any committee, club, association, or other group of persons . . . which makes expenditures aggregating \$1,000 during a calendar year is a committee."

The applicable definition of "expenditure" is at 11 CFR 100.8(a)(1):

"A purchase, payment, distribution, loan . . . , advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office is an expenditure."

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STATE OF MINNESOTA
OFFICE OF THE ATTORNEY GENERAL

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

ST. PAUL 55155

ADDRESS REPLY TO:
102 CAPITOL BUILDING
ST. PAUL, MN 55155
TELEPHONE: (612) 297-4272

August 26, 1986

Dear DFLer,

I enthusiastically support Ray Stock in his bid to upset Bill Frenzel.

Ray has a big task ahead of him, and he needs your help. First, he must defeat a LaRouche disciple - Stanley Bentz - in the primary, and then take on the entrenched Bill Frenzel.

Ray needs you to vote in the Primary on September 9. We must show the nation that Minnesota will not tolerate the LaRouche fringe. Ray intends to see that what happened in Illinois does not happen here.

Ray needs you to knock on doors, make telephone calls, lick stamps, drop literature, and write letters to the editor. He already has an active group of more than 150 volunteers, but more are needed. Ray will work hard.

Ray also needs your dollars. He can't match Frenzel's war chest stuffed with PAC dollars; but your contribution of \$35, \$50 or \$100 will make a difference. Ray will use your money wisely.

Ray Stock is a man of deep conviction and compassion. He was moved to challenge Bill Frenzel because of Frenzel's callous contra aid vote. For Ray it was just one more example of Frenzel's disregard for what is right and his blatant disregard for the views of the people of the Third District.

Once again, Bill - the media "moderate" - has voted on both sides of the issue; and when the vote counted, Frenzel was on the wrong side - the Reagan side.

Ray believes the security of his two little girls and of all our children depends not on MX missiles, Star Wars defense systems and a \$300 billion defense budget, but on hard-headed negotiations, finding new and creative ways to solve conflict, and on finding our common humanity. He believes education is the key to our future. He believes that clean air and clean water are our birthright and that the federal government has the responsibility to see that our environment is safe and clean. And he believes that our deficit-ridden - buy now, pay later - economy is a poor legacy to leave

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our children.

Ray believes, and I believe, that Bill Frenzel has not and will not provide the leadership we need to solve these problems. Ray Stock will.

Ray knows that beating Bill Frenzel will be difficult. But in a short time he has put together an impressive, well-organized campaign. Ray's energy, enthusiasm, and conviction are contagious. When people tell Ray that Bill Frenzel can't be beat, he tells them: "Don't bet on it."

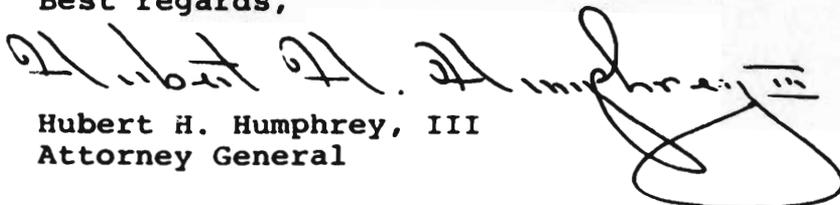
Tim Penny proved the experts wrong in 1982. Ray Stock plans to do the same in 1986.

But to upset Bill Frenzel, Ray needs your help. He needs you to:

- * VOTE SEPTEMBER 9: Stanley Bentz must be soundly defeated;
- * VOLUNTEER: call 927-9298 to see how you can help;
- * CONTRIBUTE: you get tax credits for your contributions.

Ray needs and deserves our support. With your help we can put Ray Stock in Congress.

Best regards,


Hubert H. Humphrey, III
Attorney General

P.S. On September 3, please join me at an open house for Ray. It will be at the Stock for Congress campaign headquarters at 4005 West 65th Street, Suite 223, in Edina. The time is from 5:00 p.m. to 8:00 p.m. I hope you can come. It will be a great chance to get to know Ray.

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WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2232

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