FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2722

DATE FILMED 2/17/89 CAMERA NO. 3

CAMERAMAN AS

8907403459

OC C480

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

88 SEP 26 PM 12:41

Lorraine K. Seaton
3 Whippoorwill Lane
Westport, Connecticut 06880

September 14, 1988

Mr. Lawrence M. Noble, Chief Counsel
Federal Elections Commission
999 E Street NW
Washington, D.C. 20463

Dear Mr. Noble:

I wish to file a complaint with the Federal Elections Commission for what I believe to be a violation of the Federal Election Campaign Act.

Enclosed you will find a packet labeled "Official Business" titled "1988 Presidential Issues Survey, General Election Campaign" from the National Republican Congressional Committee. It appears that this committee is soliciting illegal corporate contributions or partnership contributions that may be over the contribution limits.

Please note the statement "This check is a personal contribution even though it may appear to be drawn on a business, partnership or other type of account."

I would appreciate your prompt attention to this unusual statement.

Very truly yours,
Lorraine K. Seaton

Encl. Above-named packet (6 pcs)

89040073460

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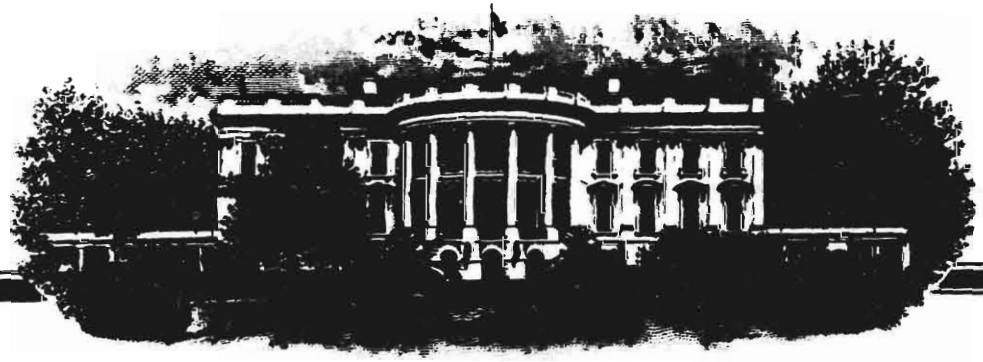
OFFICIAL BUSINESS

Non-Profit Org.
U.S. Postage
PAID
Nat'l Republican
Congressional Com.

1988 PRESIDENTIAL ISSUES SURVEY

General Election Campaign

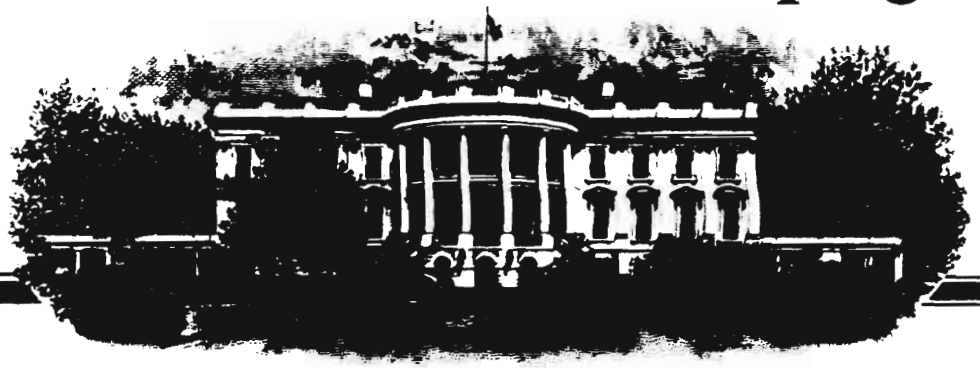


OFFICIAL SURVEY
DELIVER ONLY TO:

MRS L K SEATON
3 WHIPPORRWILL LA
WESTPORT, CT 06880

PRESIDENTIAL ISSUES SURVEY

General Election Campaign



OFFICIAL SURVEY
DELIVER ONLY TO:

MRS L K SEATON
3 WHIPPORRWILL LA
WESTPORT, CT 06880

CONTENTS ENCLOSED:

- ☑ Presidential Issues Survey
- ☑ Letter from Chairman
- ☑ 1988 GOP VICTORY PLAN
- ☑ Postcard to President Reagan

Registered Survey # AB-2121

ATTENTION: MRS SEATON, YOUR RESPONSE TO THE ENCLOSED DOCUMENTS IS URGENTLY REQUESTED BY SEPTEMBER 26, 1988.

- ☐ Strongly Agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Uncertain

8. Are you more or less likely to support a candidate who promises to support the immediate testing, development and deployment of (SDI) the Strategic Defense Initiative sometimes referred to as "Star Wars"?

- ☐ More likely
- ☐ Less likely
- ☐ Uncertain

11. Do you feel a visit by President Reagan to your state would help your Republican candidates' chances of winning?

☐ Yes ☐ No ☐ Don't Know

12. If you were to make one recommendation to the next President what would you say?

_____

_____

_____

The Federal Election Commission requires that we report the following:

_____
Occupation

_____ ☐ Please check if self-employed.
Name of Employer

_____
Telephone Number: (Office) (Home)

This check is a personal contribution even though it may appear to be drawn on a business, parthership or other type of account.

_____
Signature

Paid for by the National Republican Congressional Committee.
Contributions to the National Republican Congressional Committee
are not deductible as charitable contributions
for federal income tax purposes.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 3, 1988

Mrs. L. K. Seaton
7 Whippoorwill Lane
Westport, CT 06880

Dear Ms. Seaton:

We have received your letter on September 26, 1988, regarding the possibility of a violation of the Federal Election Campaign Act of 1971, as amended ("the Act").

The 1976 amendments to the Act and Federal Election Commission regulations require that a complaint meet certain specific requirements. Your letter does not meet these requirements. Consequently, the Commission can take no action at this time to investigate this matter.

However, if you desire the Commission to look into the matter discussed in your letter to determine if the Act has been violated, a formal complaint as described in 2 U.S.C. § 437g(a)(1) must be filed. Requirements of this section of the law and Commission regulations at 11 C.F.R. § 111.4 which are a prerequisite to Commission action are detailed below:

(1) A complaint must be in writing. (2 U.S.C. § 437g(a)(1))

(2) Its contents must be sworn to and signed in the presence of a notary public and shall be notarized. (2 U.S.C. § 437g(a)(1))

(3) A formal complaint must contain the full name and address of the person making the complaint. (11 C.F.R. § 111.4)

(4) A formal complaint should clearly identify as a respondent each person or entity who is alleged to have committed a violation. (11 C.F.R. § 111.4)

(5) A formal complaint should clearly identify the source of information upon which the complaint is based. (11 C.F.R. § 111.4)

(6) A formal complaint should contain a clear and concise recitation of the facts describing the violation of a

89040733464

statute or law over which the Commission has jurisdiction. (11 C.F.R. § 111.4)

(7) A formal complaint should be accompanied by supporting documentation if known and available to the person making the complaint. (11 C.F.R. § 111.4)

Finally, please include your telephone number, as well as the full names and addresses of all respondents.

Enclosed is a copy of Commission regulations, and your attention is directed to 11 C.F.R. § 111.4 through § 111.10 that deal with preliminary enforcement procedures. Also, enclosed is a compilation of Federal Election Campaign laws on which these regulations are promulgated. I trust these materials will be helpful to you should you wish to file a legally sufficient complaint with the Commission. The file regarding this correspondence will remain confidential for a 15 day time period during which you may file an amended complaint as specified above.

If we can be of any further assistance, please do not hesitate to contact me at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

Enclosures
Excerpts
Procedures

cc: respondents

8904073465

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 3, 1988

GOP Victory Fund
National Republican Congressional
Committee
Washington, DC 20032-5094

Gentlemen:

On September 26, 1988, the Federal Election Commission received a letter alleging that the GOP Victory Fund violated sections of the Federal Election Campaign Act of 1971, as amended. However, as indicated from the copy of the enclosed letter to the complainant, those allegations do not meet certain specified requirements for the proper filing of a complaint. Thus, no action will be taken in this matter unless the allegations are refiled meeting the requirements for a properly filed complaint. If the matter is refiled, you will be notified at that time.

This matter will remain confidential for 15 days to allow for the correction of the defects. If the defects are not cured and the allegations are not refiled, no additional notification will be provided and the file closed.

If you have any questions, please do not hesitate to call me at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

Enclosures
Copy of Complaint
Copy of Letter to Complainant

89040733466

Subscribed and sworn to before me, a Notary Public in and for the County of Fld and State of Connecticut, this 7 day of October, 19 3

LOUISE V. LANGE
Notary Public
My Commission Expires March 31, 1992

L. K. Seaton
193 Whippoorwill Lane
~~Westport,~~ Connecticut 06880

October 6, 1988

Mr. Lawrence Noble, Chief Counsel
Federal Elections Commission
999 E Street NW
Washington, D.C. 20463

Dear Mr. Noble:

I wish to file a complaint with the Federal Elections Commission for what I believe to be a violation of the Federal Election Campaign Act.

In a packet labeled "Official Business" titled "1988 Presidential Issues Survey, General Election Campaign" from the National Republican Congressional Committee. It appears that this committee is soliciting illegal corporate contributions or partnership contributions that may be over the contribution limits.

Please note the statement "This check is a personal contribution even though it may appear to be drawn on a business, partnership or other type of account."

I would appreciate your prompt attention to this unusual statement.

Very truly yours,

Lorraine K. Seaton

9 9 0 4 0 7 3 3 1 6 7

OFFICIAL BUSINESS

8 3 0 4 0 7 3 3 4 6 8

Non-Profit Org
U.S. Postage
PAID
Nat'l Republican
Congressional Com

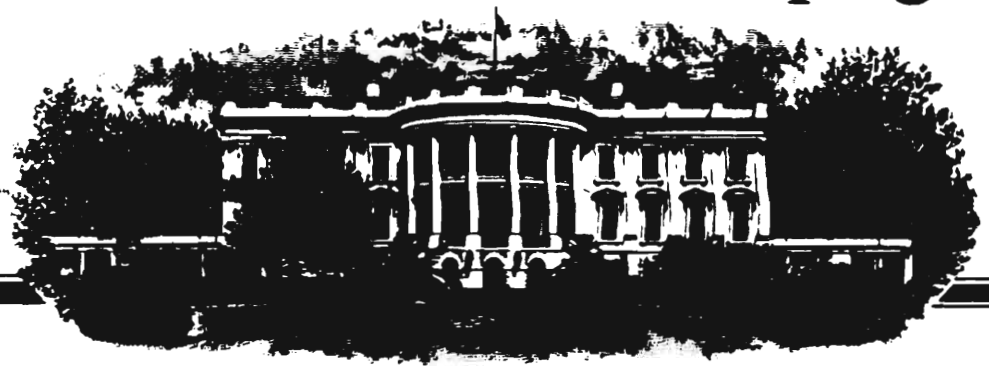
1988 PRESIDENTIAL ISSUES SURVEY

General Election Campaign

OFFICIAL SURVEY
DELIVER ONLY TO:

MRS L K SEATON
3 WHIPPORRWILL LA
WESTPORT, CT 06880

ISSUES SURVEY
General Election Campaign



OFFICIAL SURVEY
DELIVER ONLY TO:

MRS L K SEATON
3 WHIPPORRWILL LA
WESTPORT, CT 06880

CONTENTS ENCLOSED:

- ☑ Presidential Issues Survey
- ☑ Letter from Chairman
- ☑ 1988 GOP VICTORY PLAN
- ☑ Postcard to President Reagan

Registered Survey # AB-2121

ATTENTION: MRS SEATON, YOUR RESPONSE TO THE ENCLOSED DOCUMENTS IS URGENTLY REQUESTED BY SEPTEMBER 26, 1988.

☐ Strongly Agree
☐ Agree
☐ Disagree
☐ Strongly Disagree
☐ Uncertain

8. Are you more or less likely to support a candidate who promises to support the immediate testing, development and deployment of (SDI) the Strategic Defense Initiative sometimes referred to as "Star Wars"?

☐ More likely
☐ Less likely
☐ Uncertain

11. Do you feel a visit by President Reagan to your state would help your Republican candidates' chances of winning?

☐ Yes ☐ No ☐ Don't Know

12. If you were to make one recommendation to the next President what would you say?

_____

_____

_____

The Federal Election Commission requires that we report the following:

_____
Occupation

_____ ☐ Please check if self-employed.
Name of Employer

_____
Telephone Number: (Office) (Home)

This check is a personal contribution even though it may appear to be drawn on a business, parthership or other type of account.

_____
Signature

Paid for by the National Republican Congressional Committee.
Contributions to the National Republican Congressional Committee
are not deductible as charitable contributions
for federal income tax purposes.

9904073471

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 14, 1988

SPECIAL DELIVERY

Ms. Lorraine K. Beaton
[illegible] Whippoorwill Lane
Westport, CT 06880

RE: MUR 2722

Dear Ms. Beaton:

This letter acknowledges receipt on October 12, 1988, of your complaint against the National Republican Congressional Committee and Jack McDonald, as treasurer, alleging violations of the Federal Election Campaign Laws. A staff member has been assigned to analyze your allegations. The respondents will be notified of this complaint within 24 hours. You will be notified as soon as the Commission takes final action on your complaint. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Please be advised that this matter shall remain confidential in accordance with 2 U.S.C. Section 437g(a)(4)(B) and 437g(a)(12)(A) unless the respondents notify the Commission in writing that they wish the matter to be made public.

Sincerely,

Lawrence M. Noble
General Counsel

Lois G. Lerner

By: Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 14, 1988

SPECIAL DELIVERY

Jack McDonald, Treasurer
National Republican
Congressional Committee
310 First Street, SE
Washington, DC 20003

RE: MUR 2722
National Republican
Congressional Committee
and Jack McDonald, as
treasurer

Dear Mr. McDonald:

This letter is to notify you that on October 12, 1988, the Federal Election Commission received a complaint which alleged that the National Republican Congressional Committee and you, as treasurer, 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 2722. 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 National Republican Congressional Committee in this matter. 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. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. You are encouraged to respond to this notification promptly. In order to facilitate an expeditious response, we have enclosed a pre-addressed, postage paid, special delivery envelope. If no response is received within 15 days, the Commission may take further action based on the available information.

The complaint may be dismissed by the Commission prior to the receipt of your response if the evidence submitted does not indicate that a violation of the Act has been committed. Should the Commission dismiss the complaint, you will be notified by overnight express mail.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public.

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

If you have any questions, please contact Colleen Miller at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Lois G. Lerner
mac

By: Lois G. Lerner
Associate General Counsel

Enclosures
Complaint
Procedures
Envelope
Form

89040733473

JAN W. BARAN
GENERAL COUNSEL

RICHARD D. HOLCOMB
LEGAL COUNSEL

RECEIVED
FEDERAL ELECTION COMMISSION
88 OCT 28 AM 10: 40

320 FIRST STREET, S.E.
WASHINGTON, D.C. 20003
202-479-7025

NATIONAL REPUBLICAN
CONGRESSIONAL COMMITTEE

October 20, 1988

Lawrence M. Noble
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20004

Dear Mr. Noble:

Re: MUR 2722

On behalf of the National Republican Congressional Committee ("NRCC"), I hereby request a 20-day extension of the time granted the NRCC for responding to the above-captioned matter. NRCC requests this extension in order to gather all the information and exhibits needed to respond to the complaint. Accordingly, NRCC will submit its response on or before November 21, 1988.

Thank you for your consideration.

Sincerely,

Richard D. Holcomb
Legal Counsel

PAID FOR BY THE NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE NOT PRINTED AT GOVERNMENT EXPENSE

SENSITIVE

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
88 OCT 14 PM 3:03

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

EXPEDITED FIRST GENERAL COUNSEL'S REPORT

MUR #2722
DATE COMPLAINT RECEIVED
BY OGC 10-12-88
DATE OF NOTIFICATION TO
RESPONDENTS 10-13-88
STAFF MEMBER Miller

COMPLAINANTS: Lorraine K. Seaton

RESPONDENTS: National Republican Congressional Committee, and Jack McDonald, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 441b

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

I. SUMMARY OF ALLEGATIONS

A complaint was received from Lorraine K. Seaton, who received a "survey" from the National Republican Congressional Committee. The survey concludes with a form to be used if a contribution is made. The form bears a statement to be signed by a contributor, if necessary, which reads, "This check is a personal contribution even though it may appear to be drawn on a business, partnership or other type of account." Complainant believes that this statement shows that the National Republican Congressional Committee is soliciting contributions from corporations and partnerships.

II. PRELIMINARY LEGAL ANALYSIS

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any corporation to make a contribution or expenditure in connection

with any federal election, or for any candidate or political committee knowingly to accept or receive such contributions. 2 U.S.C. § 437g establishes that knowing and willful violations of the Act are subject to the possibility of greater penalties assessed by the Commission. See 2 U.S.C. 437g(a)(5)(B), (6)(C) and (d)(1).

The Respondent, National Republican Congressional Committee, is a political committee and is registered with the Federal Election Commission. If the Respondent is, in fact, sending surveys which solicit contributions from corporations and then accepting contributions from such entities, a violation of 2 U.S.C. § 441b has occurred. If the solicitation encourages the corporation to attest that its contribution is not corporate in nature, then a knowing and willful violation of 2 U.S.C. § 441b has occurred.

The information contained in the complaint is insufficient to determine whether there is reason to believe that the surveys and accompanying solicitations were sent to corporations. Therefore, this Office believes it is necessary to await Respondent's reply to the complaint before making recommendations to the Commission regarding this matter.

10/14/88
Date

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MWE MARJORIE W. EMMONS/JOSHUA MCFADDEN JM

DATE: OCTOBER 17, 1988

SUBJECT: MUR 2722
First General Counsel's Report
Signed October 14, 1988

The above-captioned report was received in the Secretariat at 3:03 p.m. on Friday, October 14, 1988 and circulated to the Commission on a 24-hour no-objection basis at 4:00 p.m. on Friday, October 14, 1988.

There were no objections to the report.

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OGC# 865

GUY VANDER JAGT, M.C.
CHAIRMAN

JOSEPH R. GAYLORD
EXECUTIVE DIRECTOR

320 FIRST STREET, S.E.
WASHINGTON, D.C. 20003

202-479-7000

NATIONAL REPUBLICAN
CONGRESSIONAL COMMITTEE

November 3, 1988

88 NOV -3 PM 3:58

Lawrence M. Noble, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20004

RE: MUR 2722, The National Republican Congressional Committee and Jack McDonald, as treasurer.

Dear Mr. Noble:

The National Republican Congressional Committee ("NRCC"), and Jack McDonald, as Treasurer ("Respondents"), hereby submit the following Response to the above styled MUR.

A review of the facts and the applicable provisions of the Federal Election Campaign Act of 1971, as amended ("the Act") and the Regulations issued by the Federal Election Commission ("FEC"), demonstrate that there is no reason to believe that a violation of the Act or Regulations has occurred..

I. FACTS

The "Presidential Issues Survey," which is the subject

PAID FOR BY THE NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE. NOT PRINTED AT GOVERNMENT EXPENSE

of the complaint, was mailed by the NRCC throughout this calendar year beginning in April. Complainant received the Survey and now alleges that the response device carries a solicitation of illegal corporate contributions or partnership contributions which might be over the legal limit.

A review of the response device in question will reveal that it is in complete compliance with the Act and the Regulations issued by the FEC. That is, the response device clearly discloses the sponsorship and authorization of the Survey (as well as the disclosure of the non-deductibility of any contributions for federal income tax purposes); and it clearly requests the required information from the contributor (i.e., name, mailing address, occupation, and name of employer), stating that the reporting of such information is required by law. The response device does not solicit corporate contributions, nor does it solicit partnership contributions over the limit. What the response device does do, however, is provide the contributor with the ability to sign a written statement pursuant to the Regulations explaining why the contribution is legal.[1/]

1/ See 11 C.R.F. section 103.3(b)(1).

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II. DISCUSSION

First, Federal law specifically provides that when a communication solicits any contribution through any direct mailing, it must clearly and conspicuously display one of the following authorization notices:

> 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 a candidate, or its agents, shall clearly state that the communication is paid for by such other persons and authorized by such authorized political committee;
>
> if not authorized by a candidate, an authorized political committee of a candidate, or its agents, 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. (2 U.S.C. section 441d(a)).

The response device in question clearly carried the disclaimer that it was "Paid for by the National Republican Congressional Committee." The response device also disclosed that "Contributions to the National Republican Congressional Committee are not deductible as charitable contributions for federal income tax purposes." Clearly the response device was in compliance with the sponsorship and authorization requirement of the Act.

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Second, the Act also requires that the committee receiving a contribution secure the identification of each person who makes a contribution and each political committee which makes a contribution. (2 U.S.C. section 434(b)(3)). The identification of individual contributors shall include the individual's name, mailing address, occupation, the name of his or her employer, if any, and the date of receipt and amount of any such contribution. (11 C.F.R. section 104.8). In order to demonstrate that best efforts were made by the treasurer to secure the identification information, such information must be requested with each solicitation. Additionally, the request must also inform the contributor that the reporting of the requested identification information is required by law. (11 C.F.R. sections 104.3(a)(4)(i) and 104.7). The response device in question clearly requested the required information and also informed the contributor that the identification information was required by law. Clearly the response device was in compliance with the best efforts requirements of the Regulations.

Third, the response device did not solicit corporate contributions or contributions from partnerships

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which might be over the legal limit.[2/]

Finally, the Regulations provide that contributions which present genuine questions as to whether they were made by corporations, labor organizations, foreign nationals, or Federal contractors may be either deposited or returned to the contributor. If the contribution is deposited, the treasurer shall make his or her best efforts to determine the legality of the contribution. The treasurer shall make at least one written or oral request for evidence of the identity of the contribution. Such evidence includes, but is not limited to, a written statement from the contributor explaining why the contribution is legal. 11 C.F.R. section 103.3(b)(1). The language in question in the response

---

2/ However, even assuming arguendo that Complainant's charge that the response device solicited corporate contributions or contributions from partnerships over the limit was factually correct, the complaint would still not state a violation under the Act. The Act states that no political committee shall knowingly accept any contribution in violation of the Act (e.g., corporate contributions or contributions from partnership over the legal limit). (2 U.S.C. section 441a(f)) (Emphasis added). There is no prohibition against soliciting contributions outside of the Act, only in the acceptance of such contributions. No contributions outside of the Act are accepted into the federal account of the NRCC. Complainant has not provided any evidence to the contrary.

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device (i.e., "This check is a personal contribution even though it may appear to be drawn on a business, partnership or other type of account.") provides the contributor with the opportunity in advance to sign a written statement as to the legality of the contribution and is, therefore, in complete compliance with the Regulations.

III. CONCLUSION

Complainant has failed to establish a violation of the Act or the Regulations issued by the FEC. Therefore, the FEC should find no reason to believe that the Respondents violated the Act or the Regulations.

IV. VERIFICATION

The undersigned swears that the facts set forth in this response are true to the best of his knowledge, information and belief.

Joseph R. Gaylord
Executive Director
National Republican
Congressional Committee
320 First Street, S.E.
Washington, D.C. 20003

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Subscribed and sworn before me this 3rd day of November, 1988.

Philip A. Guarino
Notary Public

My Commission Expires: My Commission Expires June 14, 1991

Submitted by:

Jan W. Baran
General Counsel

Richard D. Holcomb
Legal Counsel

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 2722

NAME OF COUNSEL: Jan W. Baran, General Counsel
Richard D. Holcomb, Legal Counsel

ADDRESS: National Republican Congressional Committee
320 First Street, S.E.
Washington, D.C. 20003

TELEPHONE: (202) 479-7025

RECEIVED
FEDERAL ELECTION COMMISSION
88 NOV -3 PM 3:58

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.

11-01-88
Date

Nancy S. Marshall, Asst Treas.
Signature

RESPONDENT'S NAME: Jack McDonald, Treasurer

ADDRESS: National Republican Congressional Committee
320 First Street, S.E.
Washington, D.C. 20003

HOME PHONE:

BUSINESS PHONE: 479-7000

9 2 0 4 0 7 3 5 4 9 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 4, 1988

Richard D. Holcomb
Legal Counsel
National Republican
Congressional Committee
320 First Street, S.E.
Washington, D.C. 20003

RE: MUR 2722
National Republican
Congressional Committee

Dear Mr. Holcomb:

This is in response to your letter dated October 20, 1988, which we received on October 28, 1988, requesting an extension of 20 days to respond to the complaint in MUR 2722. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on November 21, 1988.

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

8 9 0 4 0 7 5 3 4 8 6

RECEIVED
FEDERAL ELECTION COMMISSION
89 JAN -5 PM 4:22

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2722
National Republican	)	
Congressional Committee	)	
Jack McDonald, as treasurer	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

A complaint was received from Lorraine K. Seaton, alleging that a survey generated by the National Republican Congressional Committee ("the Committee") was designed to solicit contributions from corporations and partnerships. An Expedited First General Counsel's Report was circulated on October 14, 1988, stating that it was necessary to await Respondents' reply before making recommendations to the Commission.

The survey sent by Respondent included a statement to be signed by a contributor which reads, "This check is a personal contribution even though it may appear to be drawn on a business, partnership or other type of account." The complaint asserts that "it appears that ... illegal corporate contributions or partnership contributions" were being solicited. There is no allegation, however, that this survey was directed specifically to any corporations. Additionally, there is no allegation that the Committee accepted any prohibited contributions as a result of this survey and solicitation.

Respondents have replied, through counsel, by letter dated November 3, 1988. (Attachment #1.) Respondents assert that the statement on the survey was intended to facilitate compliance with the regulations. Respondents further assert that there would be no violation of the Act even if the survey did solicit corporate contributions, so long as no contributions were actually accepted.

II. FACTUAL AND LEGAL ANALYSIS

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any corporation to make a contribution or expenditure in connection with any federal election, or for any candidate or political committee knowingly to accept or receive such contributions. The regulations require a committee treasurer to examine all contributions to ascertain compliance with the law. Where a contribution presents a genuine question as to whether it is made by a corporation or other prohibited source, the treasurer must make best efforts to determine the legality of the contribution, including obtaining a written statement from the contributor explaining why the contribution is legal. 11 C.F.R. § 103.3(b)(1).

Respondents argue that the statement to be signed by a contributor was included on the survey to ensure compliance with the treasurer's responsibility to explain contributions which appear to be prohibited. The statement on the survey falls somewhat short of its intention to aid a committee treasurer in determining "why" a questionable contribution is, in fact, legal

because the statement is one of assertion, not explanation. Standing alone, it would not satisfy the requirements of 11 C.F.R. § 103.3(b)(1). Nonetheless, there is no allegation that questionable and unexplained contributions were made and received as a result of this survey.

Respondents propound the argument that a committee may actively encourage a corporation to make contributions but will run afoul of the Act only when it accepts those contributions it has solicited. While the Office of the General Counsel does not agree that a political committee is permitted to invite a corporation to influence a federal election, the issue need not be resolved in this matter because the statement on the survey does not appear to be a solicitation of prohibited funds. Therefore, this Office recommends finding that there is no reason to believe that Respondents violated the Act on the basis of the complaint filed in MUR 2722.

III. RECOMMENDATIONS

1. Find no reason to believe that the National Republican Congressional Committee and Jack McDonald, as treasurer, violated the Act on the basis of the complaint filed in MUR 2722.

2. Approve the attached letters and Factual and Legal Analysis.

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3. Close the file.

Lawrence M. Noble
General Counsel

1-5-89
Date

By: Lois G. Lerner
Associate General Counsel

Attachments
1. Response to Complaint
2. Proposed letters

STAFF MEMBER: Colleen Miller

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
National Republican	)	MUR 2722
Congressional Committee	)	
Jack McDonald, as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 11, 1989, the Commission decided by a vote of 6-0 to take the following actions in MUR 2722:

1. Find no reason to believe that the National Republican Congressional Committee and Jack McDonald, as treasurer, violated the Act on the basis of the complaint filed in MUR 2722.

2. Approve the letters and Factual and Legal Analysis, as recommended in the General Counsel's report signed January 5, 1989.

3. Close the file.

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

Attest:

1-11-89
Date

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

Received in the Office of Commission Secretary: Thurs., 01-05-89, 4:22
Circulated on 48 hour tally basis: Fri., 01-06-89, 12:00
Deadline for vote: Tues., 01-10-89, 4:00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 17, 1989

Richard D. Holcomb
National Republican
Congressional Committee
320 First St., S.E.
Washington, D.C. 20003

RE: MUR 2722
National Republican
Congressional Committee and
Jack McDonald, as treasurer

Dear Mr. Holcomb:

On October 15, 1988, the Federal Election Commission notified your clients, the National Republican Congressional Committee and Jack McDonald, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On January 11, 1989, the Commission found, on the basis of the information in the complaint, and information provided by your clients, that there is no reason to believe the National Republican Congressional Committee and Jack McDonald, as treasurer, violated 2 U.S.C. § 441b. Accordingly, the Commission closed its file in this matter.

This matter will become a part of the public record within 30 days. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 17, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Lorraine K. Seaton
3 Whippoorwill Lane
Westport, Connecticut 06880

RE: MUR 2722

Dear Ms. Seaton:

On January 11, 1989, the Federal Election Commission reviewed the allegations of your complaint dated October 6, 1988, and found that on the basis of the information provided in your complaint, and information provided by the Republican National Congressional Committee, there is no reason to believe that the Republican National Congressional Committee and Jack McDonald, as treasurer, violated 2 U.S.C. § 441b. Accordingly, on January 11, 1989, the Commission closed the file in this matter. The Federal Election Campaign Act of 1971, as amended ("the Act") allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2722

DATE FILMED 2/17/89 CAMERA NO. 3

CAMERAMAN AS

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