



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2934

DATE FILMED 8-12-92 CAMERA NO. 4

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
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July 19, 1989

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
FOR THE AUDIT DIVISION

SUBJECT: NEVADA REPUBLICAN STATE CENTRAL COMMITTEE -
REFERRAL OF MATTERS NOTED IN AUDIT

On July 17, 1989 the Commission approved the final audit report on the Nevada Republican State Central Committee. The report included the attached exhibits as referrals to your office.

If you have any questions regarding these matters please contact Ray Lisi or Rick Halter at 376-5320.

Attachments:

- Exhibit A: Contribution in Excess of Limitation
- Exhibit B: Contributions/Expenditures on Behalf of Candidates
- Exhibit C: Expenditures Insufficiently Documented

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Contribution in Excess of Limitation

Section 441a(a)(2)(A) of Title 2 of the United States Code states that no multicandidate political committee shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$5,000.00.

A review of the Committee's contributions to candidates disclosed the following excessive contribution.

The Committee reported \$3,775.00 in in-kind contributions, designated for the primary election, to the James Santini campaign. In addition, the Committee made a \$3,237.16 loan to the Santini Committee. The loan represented four payments totaling \$2,179.27 for expenses made on behalf of the Santini committee and a \$1,057.89 payment to James Santini. All of the payments were made on April 17, 1986. The loan was repaid on August 13, 1986. These transactions appear to represent a \$2,012.16 excessive primary contribution for the period April 17, 1986 through August 13, 1986. (See Attachment 1)

In the interim audit report the Audit staff recommended that within 30 days of service of this report, the Committee provide evidence that the contributions noted above do not represent excessive contributions to the Santini campaign or any other comments the Committee may deem appropriate. As of June 30, 1989 no response was received.

Recommendation #2

The Audit staff recommends that this matter be referred to the Office of General Counsel in accordance with the Commission approved materiality thresholds.

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Nevada Republican State Central Committee
Schedule of Contributions to James Santini

<u>Date</u>	<u>Payee</u>	<u>Check #</u>	<u>Amount</u>
2/25/86	Interstate Air Service	1001	\$ 750.00 -IK
3/11/86	Tony Marsh & Associates	1003	1,320.00 -IK
3/15/86	Clark County Rep. Central Comm.	1004	700.00 -IK
3/15/86	Van Slyck & Ruside Travel	1005	1,005.00 -IK
4/17/86	Van Slyck & Ruside Travel	1013	1,588.00
4/17/86	VISA	1014	443.73
4/17/86	American Exp.	1015	80.50
4/17/86	James Santini	1016	1,057.89
4/17/86	Gregg Fenaro	1017	<u>67.04</u>
Total			<u>\$7,012.16</u>

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Contributions/Expenditures on Behalf of Candidates

Section 441a(d) of Title 2 of the United States Code, states, in part, that a state committee of a political party, may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with such party which exceeds, in the case of a candidate for election to the office of Senator, the greater of 2 cents multiplied by the voting age population of the state or \$20,000 (plus cost of living adjustment).

Section 434(b)(4)(H)(iv) of Title 2 of the United States Code states that each report shall disclose expenditures made under Section 441a(d). The Regulations at 11 CFR § 104.3(b)(3)(viii) state that each political committee shall report each person who receives any expenditures from the reporting committee during the reporting period in connection with an expenditure under 11 CFR 110.7 (2 USC 441a(d)), together with the date, amount, and purpose of any such expenditure as well as the name of, and office sought by (including State and Congressional district, when applicable), the candidate on whose behalf the expenditure is made.

Sections 100.8(b)(10) and (16) of Title 11 of the Code of Federal Regulations define exemptions to the definition of expenditure for various categories of payments made by state party committees.

During the 1986 election cycle, the Committee supported three federal candidates; Senate candidate James Santini and House candidates Barbara Vucanovich and Bob Ryan. A review of the Committee's disbursement records identified payments totaling \$128,434.19, the majority of which initially appeared to relate to these three candidates. Of this amount, \$65,250 was paid to a consultant to conduct door to door voter registration. The Audit staff received the Memorandum of Agreement between the consultant and the Committee, and a letter to the Committee which reported the results at the completion of the first segment of the registration drive. Based on a review of these documents, it is the opinion of the Audit staff that the registration drive was targeted at registering Republican voters and was not made on behalf of any specified candidate.

The remaining \$63,184.19 in expenditures were identified on the Committee's disclosure reports as informational mailings, consultant fees, volunteer mailings, and campaign materials. Based on an extensive review of documentation made available by the Committee to support the \$63,184.19 in expenditures, the Audit staff could not determine the exact purpose of twelve disbursements totaling \$29,564.89 and whether or not these disbursements were made on behalf of a specific candidate. (See Attachment 1) The Audit staff has been able to associate the remaining \$33,619.30 in disbursements with specific candidates. Detailed below are the expenditures which the Audit staff associated with the candidates.

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Barbara Vucanovich

The Committee reported a \$3,000 contribution to the general election campaign of candidate Vucanovich. The Audit staff identified an additional \$27,697.95 in expenditures on behalf of the Vucanovich campaign. See Attachment 2. The purpose, as reported by the Committee, for these expenditures was information mailings, three of the expenditures were to a direct mail firm and one to a computer firm for mailing labels. A copy of one of the mailings reviewed by the Audit staff mentions the candidate by name and her voting record. A copy of the second mailing was not available, however, the invoice referred to it as "Barbara Vucanovich Letter."

In the interim audit report, the Audit staff recommended that within 30 days of service of this report, the Committee file amended disclosure reports disclosing the four expenditures as 2 U.S.C. 441a(d) expenditures made on behalf of Barbara Vucanovich on FEC Schedule F. As an alternative the Committee may either provide evidence that the expenditures were not made on behalf of the candidate or provide evidence that the expenditures were exempt under 11 C.F.R. § 100.8(b)(10) and (16). As of June 30, 1989, no response was received.

Bob Ryan

The Committee reported a direct contribution of \$5,000 to the candidate's primary campaign and an in-kind contribution of \$5,000 to the general election campaign. In addition, the Audit staff identified two expenditures, totaling \$5,921.35, which appear to have been made on behalf of the Ryan campaign. The expenditures were reported as volunteer mailings. See Attachment 3.

Copies of invoices and check stubs refer to the mailings as "Ryan Mailings." Copies of the materials mailed were not available for review.

In the interim audit report, the Audit staff recommended that within 30 days of service of this report, the Committee file amended disclosure reports disclosing the two expenditures as 2 U.S.C. 441 a(d) expenditures made on behalf of Bob Ryan on FEC Schedule F. As an alternative the Committee may either provide evidence that the expenditures were not made on behalf of the candidate or provide evidence that the expenditures were exempt under 11 C.F.R. § 100.8(b)(10) and (16). As of June 30, 1989, no response was received.

Recommendation #3

The Audit staff recommends that this matter be referred to the Office of General Counsel in accordance with the Commission approved materiality thresholds.

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Nevada Republican State Central Committee
Expenditures for which Additional Documentation is Necessary

9
2
0
4
0
9
2
0
9
4
8

<u>Date</u>	<u>Payee</u>	<u>Check#</u>	<u>Amount</u>
1. 1/15/85	Nevada Republican Party	947	\$ 7,076.03
2. 7/21/86	Boomtown	1028	8,694.00
3. 10/1/86	Sunworld	1036	771.00
4. 10/1/86	Odell, Roper & Associates	1040	1,744.77
5. 10/3/86	U.S. Postmaster	1042	3,339.57
6. 10/15/86	U.S. Postmaster	1044	650.00
7. 10/23/86	Mail Resources	1046	1,515.12
8. 11/7/86	UPA-UTT Printing	1062	1,390.95
9. 11/7/86	Art Associates	1063	223.94
10. 1/15/87	Odell Roper	1123	1,085.51
11. 3/13/87	Odell Roper	1131	1,750.00
12. 5/1/87	Odell Roper	1141	<u>1,324.00</u>
	Total		<u>\$29,564.89</u>

Nevada Republican State Central Committee
Schedule of Expenditures Made
on Behalf of Barbara Vucanovich

<u>Date</u>	<u>Payee</u>	<u>Check #</u>	<u>Amount</u>
1/8/86	James R. Foster & Associates	954	\$ 7,734.74
2/7/86	James R. Foster & Associates	91	4,110.00
2/12/86	James R. Foster & Associates	93	13,663.21
3/11/86	On Line Computer Systems	1002	<u>2,190.00</u>
	Total		\$27,697.95

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Nevada Republican State Central Committee
Schedule of Reported Contributions/Expenditures Made
on Behalf of Bob Ryan

<u>Date</u>	<u>Payee</u>	<u>Check #</u>	<u>Amount</u>
10/28/86	P D Q Printing	1048	\$1,972.24
10/28/86	Passkey Systems	1049	<u>3,949.11</u>
	Total		<u>\$5,921.35</u>

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Expenditures Insufficiently Documented

The Audit staff identified 12 expenditures totaling \$29,564.89 which could not be associated with a candidate(s) or as exempt activity. The Committee did not provide sufficient information from which such a determination could be made.

The expenditures in question reportedly represent expenses for postage, printing, direct mail, travel expense, shipping costs, absentee ballots, volunteer mailing, slate cards and campaign materials. See Attachment 1.

In addition to the expenditures noted above, the Audit staff identified four invoices which indicated that \$16,159.46 in payments were made by the "Nevada GOP." The Audit staff could not identify any payments made from either the Committee's federal or non-federal accounts which relate to the \$16,159.46 in payments. See Attachment 2.

In the interim audit report, the Audit staff recommended that within 30 days of service of this report, the Committee file amended disclosure reports disclosing the expenditures as 2 U.S.C. 441a(d) expenditures made on behalf of the candidate on FEC Schedule F. As an alternative the Committee may either provide evidence that the expenditures were not made on behalf of the candidate(s) or provide evidence that the expenditures were exempt under 11 C.F.R. § 100.8(b) and (16).

In addition, the Audit staff recommended that the Committee identify the entity identified as the "Nevada GOP" which is indicated as having made the four payments totalling \$16,159.46. Based on the Committee's response, additional recommendations may be forthcoming. As of June 30, 1989, no response was received.

Recommendation #4

The Audit staff recommends that this matter be referred to the Office of General Counsel in accordance with the Commission approved materiality thresholds.

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Nevada Republican State Central Committee
Expenditures for which Additional Documentation is Necessary

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<u>Date</u>	<u>Payee</u>	<u>Check#</u>	<u>Amount</u>
1. 1/15/85	Nevada Republican Party	947	\$ 7,076.03
2. 7/21/86	Boomtown	1028	8,694.00
3. 10/1/86	Sunworld	1036	771.00
4. 10/1/86	Odell, Roper & Associates	1040	1,744.77
5. 10/3/86	U.S. Postmaster	1042	3,339.57
6. 10/15/86	U.S. Postmaster	1044	650.00
7. 10/23/86	Mail Resources	1046	1,515.12
8. 11/7/86	UPA-UTT Printing	1062	1,390.95
9. 11/7/86	Art Associates	1063	223.94
10. 1/15/87	Odell Roper	1123	1,085.51
11. 3/13/87	Odell Roper	1131	1,750.00
12. 5/1/87	Odell Roper	1141	<u>1,324.00</u>
	Total		<u>\$29,564.89</u>

Nevada Republican State Central Committee
Payments Noted on Vendor Invoice, Not Traceable to the
Committee's Federal and State Bank Accounts

<u>Payee</u>	<u>Check #</u>	<u>Amount</u>
James R. Foster	254	\$ 5,582.00
James R. Foster	256	3,525.82
James R. Foster	255	3,525.82
James R. Foster	260	<u>3,525.82</u>
	Total	<u>\$16,159.46</u>

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

MUR: 2934

STAFF MEMBER: Reilly

SOURCE: INTERNALLY GENERATED

RESPONDENTS: Nevada Republican Federal Campaign
Committee and Dan J. Peterson,
as treasurer

RELEVANT STATUTES: 2 U.S.C. § 441a(d)
2 U.S.C. § 441a(a)
2 U.S.C. § 441a(f)

INTERNAL REPORTS CHECKED: Disclosure Reports

I. GENERATION OF MATTER

On July 17, 1989, the Commission approved the final audit report on the Nevada Republican Party State Central Committee ("the State Party") and Dan J. Peterson, as treasurer. The Audit report included referrals to the Office of the General Counsel regarding five factual situations. Each one is discussed separately below.¹

II. FACTUAL AND LEGAL ANALYSIS

A. EXCESSIVE PRIMARY ELECTION CONTRIBUTIONS TO THE SANTINI COMMITTEE

The auditors report that the State Party made the following

1. The State Party is also a respondent in MUR 2270, a matter addressing the State Party's possible excessive coordinated party expenditures made on behalf of the Santini Committee. That matter involves discrete factual issues regarding the volunteer exemption and the impact of funds donated from national party organizations to the State Party. Moreover, that matter is also at the probable cause to believe stage of the investigation, with both sides having exchanged briefs. Due to these factors, this Office does not believe that merger of these two matters is appropriate.

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primary election contributions to the Santini Committee.

<u>Date</u>	<u>Payer</u>	<u>Amount</u>	
2/25/86	Interstate Air Service	\$ 750.00	
3/11/86	Tony Martial & Associates	\$1,320.00	
3/15/86	Clark County Republican Central Committee	\$ 700.00	
4/17/86	Van Slyck & Ruside Travel	\$1,005.00	
4/17/86	Van Slyck & Ruside Travel	\$1,588.00	*2
4/17/86	VISA	\$ 433.73	*
4/17/86	American Express Co.	\$ 80.50	*
4/17/86	James Santini	\$1,057.89	*
4/17/86	Gregg Fenaro	\$ 67.04	*
		<u>\$7,012.16</u>	

Pursuant to 2 U.S.C. § 441a(a)(2)(A), multicandidate committees, such as the State Party, are limited to contributing \$5,000 per election to an authorized committee of a candidate. A contribution is defined to include a loan, advance, or anything of value made for the purpose of influencing a federal election. 2 U.S.C. § 431(8). In the instant case, the State Party made in-kind contributions to the Santini Committee for the primary election totaling \$7,012.16. This amount exceeds the Act's limitations. Moreover, although at the interim audit stage the Commission's auditors afforded the State Party an opportunity to provide evidence that these transactions were not excessive contributions to the Santini Committee, the State Party did not respond. Consequently, this Office recommends that there is reason to believe the State Party and its treasurer violated 2 U.S.C. § 441a(a)(2)(A).

2. * Indicates payments made by the State Party as loans to the Santini Committee, repaid on August 13, 1986.

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B. EXCESSIVE SECTION 441a(d) SPENDING ON BEHALF OF BARBARA VUCANOVICH

The auditors' review reveals that the State Party made apparent excessive section 441a(d) expenditures on behalf of congressional candidate Barbara Vucanovich. The State Party made a \$3,000 direct general election contribution to this candidate. Additionally, the audit staff identified an additional \$27,697.95 in expenditures by the State Party on behalf of Ms. Vucanovich. The auditors indicate these expenditures were made as follows:

	<u>Date</u>	<u>Payee</u>	<u>Check#</u>	<u>Amount</u>
1.	1/08/86	James R. Foster & Assoc.	954	\$ 7,734.74
2.	2/07/86	James R. Foster & Assoc.	91	4,110.00
3.	2/12/86	James R. Foster & Assoc.	93	13,663.21
4.	3/11/86	On Line Computer Systems	1002	<u>2,190.00</u>
				\$27,687.95

The auditors report that these funds were expended for two mailers. The first mailer, entitled the Special Report, is attached. The auditors were unable to obtain a copy of the second mailer. This mailer was referred to in the State Party's materials as "Barbara Vucanovich Letter".

Multicandidate committees, such as the State Party, are afforded a \$5,000 contribution limitation for the primary and general elections. 2 U.S.C. § 441a(a)(2)(A). In addition, State Party committees are afforded an additional spending limitation for the general election in the form of coordinated party spending. Pursuant to 2 U.S.C. § 441a(d) (and as adjusted for inflation) state party committees in Nevada were afforded a \$21,810 limitation for the 1986 congressional race. An expenditure is subject to the limitations of sections 441a(d)

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where it depicts a clearly identified candidate, is for the general election, and contains an electioneering message. See A.O.s 1984-15 and 1985-14. In its advisory opinions the Commission has concluded that such expenditures are not necessarily restricted to the time period between nomination and election. Id. Such expenditures must be reported and itemized as coordinated party spending. 2 U.S.C. § 434(b)(4)(H)(iv) and (6)(B)(iv). State parties are also permitted to make certain exempt volunteer expenditures provided they meet the Regulations' requirements at 11 C.F.R. § 100.8(b)(16). State party committees are also permitted to assign their section 441a(d) limit to the national party provided such authorization is in writing and occurs prior to the exhaustion of any limitation.

Regarding the first mailer, this Office has previously taken the position that the total cost of this piece was part of the State Party's excessive section 441a(d) spending on behalf of Republican Senatorial Candidate Jim Santini. In the Referral, however, the auditors allocated one half of this amount to Barbara Vucanovich and one half to Jim Santini.³ Because this Office

3. The Special Report mailer contained three sections. The first listed the votes of Nevada's two Senator's and two Representatives on five specific issues. Then Representative Harry Reid, opponent of Jim Santini, was one of those listed by name. The second section listed ratings given to those same four office holders by a variety of interest groups, as well as the four's level of support for President Reagan's position and "Conservative Coalition". The final section contained a conclusion solely about Harry Reid stating, "...only Harry Reid has consistently voted against President Reagan, a balanced federal budget, and fairer spending and tax policies. In short, Harry Reid represents a philosophy that promises to raise taxes and spend our nation back to bigger government, bigger deficits and the certainty of higher interest rates and renewed

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believes payments for this mailer are more appropriately considered as expenditures in opposition to Harry Reid, at this juncture we do not suggest that amounts paid for the Special Report Mailer are contributions or expenditures on behalf of Barbara Vucanovich. Thus, this Office makes no recommendation at this time regarding this mailer.

Regarding the second mailer, described by the State Party as the "Barbara Vucanovich Letter" and the costs of which were reported as operating expenditures, it is unclear whether it was a primary election expenditure or a general election expenditure (thus implicating section 441a(d)). The vendor who produced this letter is James R. Foster, who also produced many of the other alleged coordinated party expenditures in MUR 2270. The payments for this mailer, however, were made during the primary election period. Although in the interim audit report, the auditors recommended that the State Party either amend its reports to indicate that all these expenditures were section 441a(d) expenditures on behalf of this candidate, or that the expenditures were for exempt activity, the State Party failed to respond to these recommendations. At this juncture, because it is unclear whether these expenditures were for the primary or the general election, this Office recommends that the Commission find reason to believe State Party violated 2 U.S.C. §§ 441a and 434(b).

(Footnote 3 continued from previous page)
unemployment." (Emphasis in original).

A complete analysis of this mailer appears in the General Counsel's Brief in MUR 2270.

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Moreover, because the State Party failed to respond to the interim audit report, this Office recommends that the Commission approve the attached subpoena for documents and order to answer questions.

C. EXCESSIVE SECTION 441a(d) SPENDING ON BEHALF OF BOB RYAN

The auditors also determined that the State Party appeared to have made other excessive coordinated party expenditures on behalf of congressional candidate Bob Ryan. The State Party made the maximum primary and general election contributions on behalf of this candidate. In addition, the auditors have identified the following expenditures totaling \$5,921.35 for "informational mailings" regarding this candidate.

	<u>Date</u>	<u>Payee</u>	<u>Check#</u>	<u>Amount</u>
1.	10/28/86	P D Q Printing	1048	\$ 1,972.24
2.	10/28/86	Passkey Systems	1049	\$ 3,949.11
				\$ 5,921.35

According to documentation provided by the State Party to the auditors, these mailings were referred to as "Ryan Mailings." The auditors state that copies of these mailers were not provided for their review. In the interim audit report, the auditors recommended that the State Party either amend its reports to indicate that these expenditures were section 441a(d) expenditures on behalf of this candidate, or provide evidence that the expenditures were for exempt activity. The State Party failed to respond to these recommendations.

As noted above, the State Party must report all section 441a(d) spending. Additionally, it is prohibited from exceeding its limitation under that section. 2 U.S.C. § 441a(f). The State Party did not report any coordinated party expenditures on behalf

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of this candidate. Moreover, the NRCC reported spending \$39,431.79 on behalf of this candidate. Because this amount appears to be nearly two times the NRCC's limit, it appears that the State Party authorized the NRCC to spend on its behalf, and that the NRCC spent almost the entire amount.⁴ Accordingly, this Office recommends that the Commission find reason to believe the State Party violated 2 U.S.C. § 441a(f), as well as 2 U.S.C. § 434(b)(4)(H)(iv) and (6)(B)(iv).

D. EXPENDITURES DETERMINED TO BE INSUFFICIENTLY DOCUMENTED

The auditors identified a total of \$29,564.89 for twelve expenditures by the State Party which could not be associated with either candidates or exempt activities. According to the auditors, the State Party did not provide sufficient information from which determinations could be made regarding these expenditures. The twelve expenditures are listed below.

	<u>Date</u>	<u>Payee</u>	<u>Check#</u>	<u>Amount</u>
1.	01/15/85	Nev. Rep. Party	947	\$ 7,076.03
2.	07/21/86	Boontown	1028	8,694.00
3.	10/01/86	Sunworld	1036	771.00
4.	10/01/86	Odell, Roper & Assoc.	1040	1,744.77
5.	10/03/86	U.S. Postmaster	1042	3,339.57
6.	10/15/86	U.S. Postmaster	1044	650.00
7.	10/23/86	Mail Resources	1046	1,515.12
8.	11/07/86	UPA--UTT Printing	1062	1,390.95
9.	11/07/86	Art Associates	1063	223.94
10.	01/15/87	Odell Roper	1123	1,085.51
11.	03/13/87	Odell Roper	1131	1,750.00
12.	05/01/87	Odell Roper	1141	1,324.00
				Total: \$29,564.89

According to the auditors, the expenditures noted above reportedly represent expenses for postage, printing, direct mail,

4. The attached interrogatories request information on this issue.

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travel expense, shipping costs, absentee ballots, volunteer mailings, slate cards and campaign materials. In the interim audit report, the auditors recommended that the State Party either amend its reports to indicate that these expenditures were section 441a(d) expenditures on behalf of specific candidates, or provide evidence that the expenditures were for exempt activity. The State Party failed to respond to these recommendations.

At this juncture, it is uncertain whether these expenditures were made on behalf of candidates pursuant to section 441a(d), were exempt activity, or were some other form of activity. These disbursements, however, are for the type of activities generally associated with services provided to candidates (particularly postage and mailings). In light of this circumstance, this Office recommends that the Commission find reason to believe the State Party violated 2 U.S.C. § 434(b) for failing to report the candidates on whose behalf the expenditures were made. The attached interrogatories request further information regarding these expenditures.

E. RECEIPT OF A POSSIBLE EXCESSIVE CONTRIBUTION

The auditors also identified four invoices indicating that a total of \$16,159.46 in payments were made by the "Nevada GOP." Based upon the auditors' review, it did not appear that any of these payments came from either the State Party's Federal Account or its Non-Federal Account. These payments were noted on vendor invoices provided by the State Party and included check numbers, presumably from the account of this unknown payee. Thus, an inference is raised that an unknown source made these payments on

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behalf of the State Party. The auditors identified these payments as follows:

	<u>Payee</u>	<u>Check#</u>	<u>Amount</u>
1.	James R. Foster	254	\$ 5,582.00
2.	James R. Foster	256	3,525.82
3.	James R. Foster	255	3,525.82
4.	James R. Foster	260	3,525.82
			\$16,159.46

The Act limits persons to contributing \$5,000 per year to an unauthorized committee. 2 U.S.C. § 441a(a)(1)(C). Political committees are prohibited from accepting contributions exceeding the Act's limitations. 2 U.S.C. § 441a(f). A contribution is defined to include a loan, advance, or anything of value, including indirect and in-kind contributions, made for the purpose of influencing a federal election. See 2 U.S.C. § 431(8).

In the instant case, the auditors have been unable to identify either the source of these possible contributions or the purposes for which they were used. Because the State Party previously used this vendor for its mailings on behalf of candidates, it appears that these expenditures may have been for federal activity. Thus, the State Party may have permitted another unknown entity to pay its bills. Such payments would constitute indirect or in-kind contributions subject to the Act's limitations. Because this amount exceeded the \$5,000 limitation, this Office recommends that the Commission find reason to believe the State Party violated 2 U.S.C. § 441a(f).

III. RECOMMENDATIONS

1. Find reason to believe the Nevada Republican State Central Committee and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(a)(2)(A), 441a(f), 441a, and 434(b).

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2. Approve the attached letter, subpoena and Factual and Legal Analysis.

Lawrence M. Noble
General Counsel

Date

12-21-89

BY:


Lois G. Lerner
Associate General Counsel

Attachments:

1. Audit referral
2. Proposed Letter and Factual and Legal Analysis
3. Subpoena
4. Special Report Mailer

92040920963



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS /DELORES HARRIS *DH*
COMMISSION SECRETARY

DATE: JANUARY 8, 1990

SUBJECT: MUR 2934 - GENERAL COUNSEL'S REPORT
DATED DECEMBER 21, 1990

The above-captioned document was circulated to the Commission on Tuesday, December 26, 1989 at 4:00 p.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	<u>XXX</u>
Commissioner Elliott	<u> </u>
Commissioner Josefiak	<u>XXX</u>
Commissioner McDonald	<u> </u>
Commissioner McGarry	<u> </u>
Commissioner Thomas	<u>XXX</u>

This matter will be placed on the meeting agenda for Tuesday, January 9, 1990.

Please notify us who will represent your Division before the Commission on this matter.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2934
Nevada Republican Federal Campaign)
Committee and Dan J. Peterson, as)
treasurer)

AMENDED CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on January 9, 1990, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 2934:

1. Find reason to believe the Nevada Republican State Central Committee and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(a)(2)(A), 441a(f), 441a, 434(b)(4)(H)(iv) and (6)(B)(iv) and 434.

(continued)

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2. Approve the letter, subpoena, and Factual and Legal Analysis as recommended in the General Counsel's report dated December 21, 1989, subject to amendments pursuant to the action noted above and the meeting discussion.

Commissioners Aikens, Elliott, Josefiak, McGarry,
and Thomas voted affirmatively for the decision;
Commissioner McDonald was not present.

Attest:

1-19-90
Date

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

92040920966



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 23, 1990

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Dan J. Peterson, Treasurer
Nevada Republican State Central Committee
Fish Lake Valley
Tonopah, NV 89049

RE: MUR 2934
Nevada Republican Federal Campaign
Committee and Dan J. Peterson, as
treasurer

Dear Mr. Peterson:

On January 9, 1990, the Federal Election Commission found that there is reason to believe the Nevada Republican State Central ("Committee") and you, as treasurer, violated 2 U.S.C. §§ 441a(a)(2)(A), 441a(f), 441a, 434(b), and 434(b)(4)(H)(4) and (6)(B)(iv), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The 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 that you believe are relevant to the Commission's consideration of this matter. Statements should be submitted under oath. All responses to the enclosed Subpoena to Produce Documents and Order to Answer Questions and must be submitted within 15 days of your receipt of this order and subpoena. Any additional materials or statements you wish to submit should accompany the response to the order and subpoena.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order and subpoena. If you intend to be represented by counsel, 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 or other communications from the Commission.

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Dan J. Peterson
Page 2

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

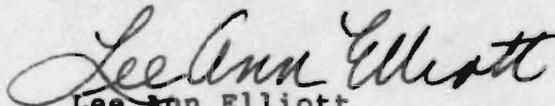
If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the 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 the General Counsel ordinarily will not give extensions beyond 20 days.

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 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 Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,


Lee Ann Elliott
Chairman

Enclosures
Order and Subpoena
Factual and Legal Analysis
Procedures
Designation of Counsel Form

92040920968

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Nevada Republican Federal Campaign
Committee and Dan J. Peterson,
as treasurer

MUR: 2934

I. GENERATION OF MATTER

On July 17, 1989, the Commission approved the final audit report on the Nevada Republican Party State Central Committee ("the State Party") and Dan J. Peterson, as treasurer. The Audit report included referrals to the Office of the General Counsel regarding five factual situations. Each one is discussed separately below.

II. FACTUAL AND LEGAL ANALYSIS

A. EXCESSIVE PRIMARY ELECTION CONTRIBUTIONS TO THE SANTINI COMMITTEE

The auditors report that the State Party made the following primary election contributions to the Santini Committee.

<u>Date</u>	<u>Payee</u>	<u>Amount</u>	
2/25/86	Interstate Air Service	\$ 750.00	
3/11/86	Tony Marshall & Associates	\$1,320.00	
3/15/86	Clark County Republican Central Committee	\$ 700.00	
4/17/86	Van Slyck & Ruside Travel	\$1,005.00	
4/17/86	Van Slyck & Ruside Travel	\$1,588.00	* ¹
4/17/86	VISA	\$ 433.73	*
4/17/86	American Express Co.	\$ 80.50	*
4/17/86	James Santini	\$1,057.89	*
4/17/86	Gregg Fenaro	\$ 67.04	*
		<u>\$7,012.16</u>	

1. * Indicates payments made by the State Party as loans to the Santini Committee, repaid on August 13, 1986.

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The auditors report that these funds were expended for two mailers. The first mailer, entitled the Special Report, is attached. The auditors were unable to obtain a copy of the second mailer. This mailer was referred to in the State Party's materials as "Barbara Vucanovich Letter".

Multicandidate committees, such as the State Party, are afforded a \$5,000 contribution limitation for the primary and general elections. 2 U.S.C. § 441a(a)(2)(A). In addition, State Party committees are afforded an additional spending limitation for the general election in the form of coordinated party spending. Pursuant to 2 U.S.C. § 441a(d) (and as adjusted for inflation) state party committees in Nevada were afforded a \$21,810 limitation for the 1986 congressional race. An expenditure is subject to the limitations of sections 441a(d) where it depicts a clearly identified candidate, is for the general election, and contains an electioneering message. See A.O.s 1984-15 and 1985-14. In its advisory opinions the Commission has concluded that such expenditures are not necessarily restricted to the time period between nomination and election. Id. Such expenditures must be reported and itemized as coordinated party spending. 2 U.S.C. § 434(b)(4)(H)(iv) and (6)(B)(iv). State parties are also permitted to make certain exempt volunteer expenditures provided they meet the Regulations' requirements at 11 C.F.R. § 100.8(b)(16). State party committees are also permitted to assign their section 441a(d) limit to the national party provided such authorization is in writing and

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occurs prior to the exhaustion of any limitation.

Regarding the first mailer, the General Counsel's Office has previously taken the position that the total cost of this piece was part of the State Party's excessive section 441a(d) spending on behalf of Republican Senatorial Candidate Jim Santini. An analysis of that mailer appears in the General Counsel's brief in MUR 2270. Consequently, at this juncture, the General Counsel's Office does not suggest that amounts paid for the Special Report Mailer are contributions or expenditures on behalf of Barbara Vucanovich, and the Commission makes no finding at this time regarding this mailer.

Regarding the second mailer, described by the State Party as the "Barbara Vucanovich Letter," it is unclear whether it was a primary election expenditure or a general election expenditure (thus implicating section 441a(d)). The vendor who produced this letter is James R. Foster, who also produced many of the other alleged coordinated party expenditures in MUR 2270. The payments for this mailer, however, were made during the primary election period. Although in the interim audit report the auditors recommended that the State Party either amend its reports to indicate that all these expenditures were section 441a(d) expenditures on behalf of this candidate, or that the expenditures were for exempt activity, the State Party failed to respond to these recommendations. At this juncture, because it is unclear whether these expenditures were for the primary or the general election, this Office recommends that the Commission find reason to believe State Party violated 2 U.S.C. §§ 441a and 434(b).

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C. EXCESSIVE SECTION 441a(d) SPENDING ON BEHALF OF BOB RYAN

The auditors also determined that the State Party appeared to have made other excessive coordinated party expenditures on behalf of congressional candidate Bob Ryan. The State Party made the maximum primary and general election contributions on behalf of this candidate. In addition, the auditors have identified the following expenditures totaling \$5,921.35 for "informational mailings" regarding this candidate.

	<u>Date</u>	<u>Payee</u>	<u>Check#</u>	<u>Amount</u>
1.	10/28/86	P D Q Printing	1048	\$ 1,972.24
2.	10/28/86	Passkey Systems	1049	\$ 3,949.11
				\$ 5,921.35

According to documentation provided by the State Party to the auditors, these mailings were referred to as "Ryan Mailings." The auditors state that copies of these mailers were not provided for their review. In the interim audit report, the auditors recommended that the State Party either amend its reports to indicate that these expenditures were section 441a(d) expenditures on behalf of this candidate, or provide evidence that the expenditures were for exempt activity. The State Party failed to respond to these recommendations.

As noted above, the State Party must report all section 441a(d) spending. Additionally, it is prohibited from exceeding its limitation under that section. 2 U.S.C. § 441a(f). The State Party did not report any coordinated party expenditures on behalf of this candidate. Moreover, the NRCC reported spending \$39,431.79 on behalf of this candidate. Because this amount

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appears to be nearly two times the NRCC's limit, it appears that the State Party authorized the NRCC to spend on its behalf, and that the NRCC spent almost the entire amount. Accordingly, there reason to believe the State Party violated 2 U.S.C. § 441a(f), as well as 2 U.S.C. § 434(b)(4)(H)(iv) and (6)(B)(iv).

D. EXPENDITURES DETERMINED TO BE INSUFFICIENTLY DOCUMENTED

The auditors identified a total of \$29,564.89 for twelve expenditures by the State Party which could not be associated with either candidates or exempt activities. According to the auditors, the State Party did not provide sufficient information from which determinations could be made regarding these expenditures. The twelve expenditures are listed below.

	<u>Date</u>	<u>Payee</u>	<u>Check#</u>	<u>Amount</u>
1.	01/15/85	Nev. Rep. Party	947	\$ 7,076.03
2.	07/21/86	Boomtown	1028	8,694.00
3.	10/01/86	Sunworld	1036	771.00
4.	10/01/86	Odell, Roper & Assoc.	1040	1,744.77
5.	10/03/86	U.S. Postmaster	1042	3,339.57
6.	10/15/86	U.S. Postmaster	1044	650.00
7.	10/23/86	Mail Resources	1046	1,515.12
8.	11/07/86	UPA-UTT Printing	1062	1,390.95
9.	11/07/86	Art Associates	1063	223.94
10.	01/15/87	Odell Roper	1123	1,085.51
11.	03/13/87	Odell Roper	1131	1,750.00
12.	05/01/87	Odell Roper	1141	1,324.00
			Total:	\$29,564.89

According to the auditors, the expenditures noted above reportedly represent expenses for postage, printing, direct mail, travel expense, shipping costs, absentee ballots, volunteer mailings, slate cards and campaign materials. In the interim audit report, the auditors recommended that the State Party either amend its reports to indicate that these expenditures were section 441a(d) expenditures on behalf of specific candidates, or provide evidence

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that the expenditures were for exempt activity. The State Party failed to respond to these recommendations.

At this juncture, it is uncertain whether these expenditures were made on behalf of candidates pursuant to section 441a(d), were exempt activity, or were some other form of activity. In light of this circumstance, there is reason to believe the State Party violated 2 U.S.C. § 434(b) for failing to report the candidates on whose behalf the expenditures were made.

E. RECEIPT OF POSSIBLE EXCESSIVE CONTRIBUTIONS

The auditors also identified four invoices indicating that a total of \$16,159.46 in payments were made by the "Nevada GOP." Based upon the auditors' review, it did not appear that any of these payments came from either the State Party's Federal Account or its Non-Federal Account. These payments were noted on vendor invoices provided by the State Party and included check numbers, presumably from the account of this unknown payee. Thus, an inference is raised that an unknown source made these payments on behalf of the State Party. The auditors identified these payments as follows:

	<u>Payee</u>	<u>Check#</u>	<u>Amount</u>
1.	James R. Foster	254	\$ 5,582.00
2.	James R. Foster	256	3,525.82
3.	James R. Foster	255	3,525.82
4.	James R. Foster	260	3,525.82
			<u>16,159.46</u>

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The Act limits persons to contributing \$5,000 per year to an unauthorized committee. 2 U.S.C. § 441a(a)(1)(C). Political committees are prohibited from accepting contributions exceeding the Act's limitations. 2 U.S.C. § 441a(f). A contribution is defined to include a loan, advance, or anything of value, including indirect and in-kind contributions, made for the purpose of influencing a federal election. See 2 U.S.C. § 431(8).

In the instant case, the auditors have been unable to identify either the source of these possible contributions or the purposes for which they were used. Because the State Party previously used this vendor for its mailings on behalf of candidates, it appears that these expenditures may have been for federal activity. Thus, the State Party may have permitted another unknown entity to pay its bills. Such payments would constitute indirect or in-kind contributions subject to the Act's limitations. Because this amount exceeded the \$5,000 limitation, there is reason to believe the State Party violated 2 U.S.C. § 441a(f).

92040920975

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
) MUR 2934
)

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Dan J. Peterson, treasurer
Nevada Republican State Central Committee
Fish Lake Valley
Tonopah, NV 89040

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within twenty days of receipt of this Order and Subpoena.

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WHEREFORE, the Chairman of the Federal Election Commission
has hereunto set her hand in Washington, D.C. on this *23rd*,
day of *January*, 1990.

Lee Ann Elliott
Lee Ann Elliott Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachments
Document Request and Questions (5 pages)

92040920977

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1, 1985 to January 31, 1986.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

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DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

92040920979

INTERROGATORIES AND REQUEST FOR PRODUCTION
OF DOCUMENTS

To: Nevada Republican State Central Committee and Dan J.
Peterson, as treasurer

1. List all costs incurred by the State Party on behalf of Barbara Vucanovich, including for each the date incurred, the date paid, the payee, and the purpose.
2. If any of the costs noted in your response to question one were reported on reports filed with the Federal Election Commission, list where each such cost was reported. (report, page, schedule and line). If any such cost was a combined entry, list the other amounts comprising this entry and the purpose of each such amount.
3. With regard to each entry identified under section B of the factual and legal analysis, list for each the date incurred, the date paid, the payee, and the purpose.
4. List all costs incurred by the State Party on behalf of Bob Ryan, including for each the date incurred, the date paid, the payee, and the purpose.
5. If any of the costs noted in your response to question four were reported on reports filed with the Federal Election Commission, list where each such cost was reported. (report, page, schedule and line). If any such cost was a combined entry, list the other amounts comprising this entry and the purpose of each such amount.
6. With regard to each entry identified under Section C of the factual and legal analysis, list for each the date incurred, the date paid, the payee, and the purpose.
7. List all entities to whom the State Party authorized to make coordinated party expenditures on its behalf.
8. For each of the twelve expenditures listed at Section D of the factual and legal analysis, list for each the date incurred, the date paid, the payee, and the purpose.
9. For each of the four expenditures listed at Section E of the factual and legal analysis, identify the entity making each and list for each the date incurred, the date paid, the payee, and the purpose.

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10. Identify each person by name, current address and phone number, who authorized any mailings or activities noted in the factual and legal analysis.

The Commission requests the following documents:

1. All mailers associated with costs listed in section B of the factual and legal analysis.
2. All authorizations by the State Party noted in your response to question 7.
3. All mailers associated with costs listed in Section C of the factual and legal analysis.
4. All materials associated with costs listed in Section D of the factual and legal analysis.
5. All materials associated with costs listed in Section E of the factual and legal analysis.

92040920981

OGC 5395



NEVADA REPUBLICAN PARTY

Fish Lake Valley via Tonopah, NV 89049
572-3349 482-5988

February 7, 1990

Dan J. Peterson
Treasurer

Ms. Lee Ann Elliott, Chairman
Federal Election Commission
999 E. Street N. W.
Washington D.C. 20463

90 FEB 12 PM 3:24

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

RE :MUR 2934
Subpoena to Produce Documents
January 23, 1990

90 FEB 12 PM 4:45

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF LEGAL COUNSEL

9204092092082

Dear Ms. Elliott,

Please refer to the Subpoena to Produce Documents dated January 23, 1990.

Enclosed, please find "STATEMENT OF DESIGNATION OF COUNSEL" designating Mr. Jan W. Baran, Esquire, and Ms. Carol A. Laham, Esquire of the firm of Wiley, Rein & Fielding as our attorneys in this matter.

When you communicate with our attorney's please send me a copy of any correspondence.

Thank you for your cooperation and understanding in these matters.

Sincerely,

Dan J. Peterson
Treasurer

cc: Jan W. Baran, Esquire
Carol A. Laham, Esquire
Robert Seale
Mike McQuire/Peter Ernaut
Joan Patrick

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2934

NAME OF COUNSEL: JAN BARAN, ESQUIRE / CAROL LOHAN, ESQUIRES

ADDRESS: WILEY, REIN & FIELDING
1776 K STREET, N.W.
WASHINGTON, D.C. 20006

TELEPHONE: 202-429-7000

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.

2/7/90
Date


Signature

RESPONDENT'S NAME: DAN J. PETERSON, Treasurer.

ADDRESS: FISH LAKE VALLEY VIA
TONOPAH NV 89049

HOME PHONE: 702-572-3349

BUSINESS PHONE: 702-482-5980

92040920983

062 5464



NEVADA REPUBLICAN PARTY

Fish Lake Valley via Tonopah, NV 89049
572-3349 482-5988

February 16, 1990

Dan J. Peterson
Treasurer

Mr. Lawrence G. Noble, Esquire
General Counsel
Federal Election Commission
999 E Street NW
Washington, DC 20463

RE: MUR 2934

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 FEB 20 PM 3:52

Dear Mr. Noble,

On February 7, 1990, I received a notice from the Federal Election Commission dated January 23, 1990, regarding MUR 2934.

This MUR requires the Nevada Republican State Central Committee to respond to a number of issues and specific payments from the 1985-1986 election cycle. We are currently reviewing all available records for the time period in question. However, in order to provide as complete a response as possible to the Commission's questions, I would respectfully request a twenty day extension until March 14, 1990, for the Nevada Republican State Central Committee to respond to the Commission.

Thank You for your consideration in this matter.

Sincerely,

Dan J. Peterson
Treasurer

Transmitted by Fax to (202) 376-5280, 2:20 P.M. (PST)

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
90 FEB 20 PM 10:29

92040920984



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Handwritten: 0009647

February 28, 1990

Dan J. Peterson, Treasurer
Nevada Republican State Central Committee
Fish Lake Valley
Tonopah, NV 89049

RE: MUR 2934
Nevada Republican Federal Campaign
Committee and Dan J. Peterson, as
treasurer

Dear Mr. Peterson:

This is in response to your letter dated February 16, 1990, which we received on February 20, 1990, requesting an extension of twenty days to respond to the Commission's subpoena in the above-captioned matter. 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 March 14, 1990.

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

Sincerely,

Lawrence M. Noble
General Counsel

Handwritten signature of Jonathan Bernstein

BY: Jonathan Bernstein
Assistant General Counsel

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OGC 5583



NEVADA REPUBLICAN PARTY

Fish Lake Valley via Tonopah, NV 89049
572-3349 482-5988

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

90 MAR -5 PM 2:05

Dan J. Peterson
Treasurer

February 22, 1990

Mr. Lawrence G. Noble, Esquire
General Counsel
Federal Election Commission
999 E Street NW
Washington, DC 20463

RE: MUR 2934

Dear Mr. Noble,

On February 7, 1990, I received a notice from the Federal Election Commission dated January 23, 1990, regarding MUR 2934.

On February 7, 1990 I authorized the law firm of Wiley, Rein & Fielding to represent us in this matter.

In order to expedite the response to the Subpoena and Request for Production of Documents, the Nevada State Republican Central Committee (NSRCC) has authorized Huckaby & Associates and Mr. Robert L. Seale, former NSRCC Treasurer, to respond to the request of the commission. They are authorized on behalf of the NSRCC to act in all matters pertaining to this MUR.

Please send me a copy of any communication the FEC has with these firms.

Thank you for your consideration in this matter.

Sincerely,

Dan J. Peterson
Treasurer

Mr. Robert L. Seale
924 S. Virginia St.
Reno, Nevada 89502 (702) 329-3118.
Mr. Keith Davis
228 S. Washington St.
Alexandria, Virginia 22314 (703) 549-7705

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

90 MAR -5 AM 9:47

92040920986

90 MAR -5 AM 10:30

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of

Nevada Republican Federal
Campaign Committee and Dan
J. Peterson, as treasurer

)
)
)
)

MUR 2934

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On January 9, 1990, the Commission found reason to believe the Nevada Republican Federal Campaign Committee and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(A)(2)(A), 441a(f), 441a, and 434(b)(4)(H)(iv) and (6)(B)(iv). Respondents were notified of this determination by letter dated January 23, 1990, but did not receive this notification until February 7, 1990.

Recently, respondents requested a twenty day extension of time to respond to this matter, citing the need to review numerous documents in order to submit a complete reply. Under this circumstance, this Office granted the requested extension. Accordingly, after a receiving a response in this matter, this Office will report to the Commission.

Lawrence M. Noble
General Counsel

3/2/90
Date

BY: 
Lois G. Lerner
Associate General Counsel

Staff assigned: Patty Reilly

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NEVADA REPUBLICAN PARTY

100-5680

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

Fish Lake Valley via Tonopah, NV 89049
572-3349 482-5988

90 MAR 14 AM 10:26

March 13, 1990

Dan J. Peterson
Treasurer

Mr. Lawrence G. Noble, Esquire
General Counsel
Federal Election Commission
999 E Street NW
Washington, DC 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 MAR 14 PM 3:39

RE: MUR 2934

92040920988

Dear Mr. Noble,

Enclosed please find 3 copies of the Nevada Republican State Central Committee's response to your Subpoena to Produce Documents Order to Submit Written Answers.

This was not prepared or reviewed by an attorney. If there any errors due to legal form, please inform me and I will correct them.

Thank you for your understanding in this matter.

Sincerely,

Dan J. Peterson
Treasurer



NEVADA REPUBLICAN PARTY

RECEIVED
COMMISSION

Fish Lake Valley via Tonopah, NV 89049
572-3349

90 MAR 14 AM 10:26
482-5988

Dan J. Peterson
Treasurer

March 14, 1990

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

Re: Response to Subpoena to Produce
Written Documents Order to Submit
Written Answers in the Matter of
MUR 2934

Dear Mr. Noble:

On behalf of the Nevada Republican State Central Committee "the Committee" and its Treasurer, Dan J. Peterson, I hereby respond to the Subpoena to Produce Documents Order to Submit Written Answers in the Matter of MUR 2934. Notice of this MUR was received by the Committee on February 7, 1990. This response will begin by addressing the Interrogatories and Request for Production of Documents received with this MUR.

1. List all costs incurred by the State Party on behalf of Barbara Vučanovich, including for each the date incurred, the date paid, the payee, and the purpose.

The Committee indicated to the Commission's auditors during the audit field work its position that all Committee activity in support of its 1986 federal candidates, which was not otherwise reported as an in-kind contribution, qualified as exempt activity under 11 CRF 100.7(b)(15) and 100.8(b)(16). The Committee reasserts in the strongest terms possible its confidence in the integrity and scope of its massive exempt volunteer activities programs. Documentation concerning the details of the volunteer exempt efforts, including photographs, has already been provided to the Commission with the Committee's response to MUR 2270. As a result, the Committee believes that there are no such costs incurred on behalf of, or allocable to, Barbara Vučanovich.

92040920989

Mr. Lawrence G. Noble
March 14, 1990
Page 2

2. If any of the costs noted in your response to question one were reported on reports filed with the Federal Election Commission, list where each such cost was reported. (report page, schedule, and line). If any such cost was a combined entry, list the other amounts comprising this entry and the purpose of each such amount.

The Committee's volunteer exempt activities were not reported as allocable to any candidate on Federal Election Commission disclosure reports. All such disbursements were reported as part of the Committee's operating expenditures total.

3. With regard to each entry identified under section B of the factual and legal analysis, list for each the date incurred, the date paid, the payee, and the purpose.

Item 1: Date Incurred -
Date Paid - 1/8/86
Payee - James R. Foster & Associates
Purpose - Volunteer exempt mailing expense

Item 2: Date Incurred -
Date Paid - 2/7/86
Payee - James R. Foster & Associates
Purpose - Volunteer exempt mailing expense

Item 3: Date Incurred -
Date Paid - 2/12/86
Payee - James R. Foster & Associates
Purpose - Volunteer exempt mailing expense

Item 4: Date Incurred -
Date Paid - 3/11/86
Payee - On Line Computer Systems
Purpose - Volunteer exempt mailing expense

With regard to the first mailer, the factual and legal analysis notes that "... the General Counsel's Office does not suggest that amounts paid for the Special Report Mailer are contributions or expenditures on behalf of Barbara Wucanovich, and the Commission makes no finding at this time regarding this mailer." In as much as this mailer is a part of MUR 2270, the Committee cannot understand why it is included in MUR 2934 also.

92040920990

Mr. Lawrence G. Noble
March 14, 1990
Page 3

4. List all costs incurred by the State Party on behalf of Bob Ryan, including for each the date incurred, the date paid, the payee, and the purpose.

A. Date Incurred - 10/16/86
Date Paid - 10/16/86
Payee - Passkey Systems
Purpose - mailing expense (in-kind expenditure)
(See Attachment #4)

5. If any of the costs noted in your response to question four were reported on reports filed with the Federal Election Commission, list where each such cost was reported. (report, page, schedule, and line). If any such cost was a combined entry, list the other amounts comprising this entry and the purpose of each such amount.

Item A: Report - 1986 Post-General (10/16/86-11/24/86)
Page - 1 of 4
Schedule - B
Line - 21

6. With regard to each entry identified under Section C of the factual and legal analysis, list for each the date incurred, the date paid, the payee, and the purpose.

Item 1: Date Incurred -
Date Paid - 10/28/86
Payee - PDQ Printing
Purpose - Volunteer exempt mailing: printing of
postal cards (See Attachment #6-1,
pages 1 and 2)

Item 2: Date Incurred -
Date Paid - 10/28/86
Payee - Passkey Systems
Purpose - Volunteer exempt mailing expense

7. List all entities to whom the State Party authorized to make (sic) coordinated expenditures on its behalf.

A. National Republican Senatorial Committee
B. National Republican Congressional Committee

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Mr. Lawrence G. Noble
March 14, 1990
Page 4

8. For each of the twelve expenditures listed at Section D of the factual and legal analysis, list for each the date incurred, the date paid, the payee, and the purpose.

Item 1: Date Incurred - 1/1/85
Date Paid - 1/15/85
Payee - Nevada Republican Party: non-federal account
Purpose - Allocated fundraising expense

The "Silver Club" was a fundraising program during 1984 which raised money for both the Committee's federal and non-federal accounts. This check amount represented a final repayment to the non-federal account by the federal account for the federal account's share of allocated expenses. This program was explained in detail to the lead auditor, Mr. Bill Logan, during the field audit. The repayment of \$ 7,076.03 was one-half of the total fundraising expense of \$ 14,075.43 incurred by the non-federal account.

Item 2: Date Incurred -
Date Paid - 7/21/86
Payee - Boomtown
Purpose - Travel expenses

Item 3: Date Incurred -
Date Paid - 10/1/86
Payee - Sunworld
Purpose - Shipping expense

Item 4: Date Incurred - 10/1/86
Date Paid - 10/1/86
Payee - Odell, Roper & Associates
Purpose - Absentee Ballot Application postage

Odell, Roper & Associates produced the "Absentee Ballot Application" mailings. The federal account paid postage cost of \$ 1,744.77 (25%), and the non-federal account paid \$ 5,234.30 (75%) of postage. The costs were allocated on the basis of number of federal statewide candidates on the ballot. (See Attachment #8,4, pages 1-5).

Item 5: Date Incurred - 10/3/86
Date Paid - 10/3/86
Payee - U.S. Postmaster
Purpose - Volunteer exempt mailing postage

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Mr. Lawrence G. Noble
March 14, 1990
Page 5

Item 6: Date Incurred - 10/15/86
Date Paid - 10/15/86
Payee - U.S. Postmaster
Purpose - 2nd Absentee Ballot Mailing postage

Item 7: Date Incurred -
Date Paid - 10/23/86
Payee - Mail Resources
Purpose - Slate card mailing postage

The attached statement from Thomas Van Gilder, the President of Mail Resources, indicates that Mail Resources received this amount for postage for the slate card mailing produced by Odell, Roper & Associates. (See Attachment #8,7)

Item 8: Date Incurred -
Date Paid - 11/7/86
Payee - UPA-UTT Printing
Purpose - Printing of doorhangers

Item 9: Date Incurred -
Date Paid - 11/7/86
Payee - Art Associates
Purpose - Design of doorhangers

Item 10: Date Incurred -
Date Paid - 1/15/87
Payee - Odell Roper & Associates
Purpose - Slate card printing

Item 11: Date Incurred -
Date Paid - 3/13/87
Payee - Odell Roper & Associates
Purpose - Slate card printing

Item 12: Date Incurred -
Date Paid - 5/1/87
Payee - Odell Roper & Associates
Purpose - Slate card printing

The last three items on this list represent payments to Odell, Roper & Associates for a slate card mailing. The postage payment for this slate card mailing was sent to Mail Resources (Item 7 on this list). (See Attachment #8,10-12, pages 1-3).

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9. For each of the four expenditures listed at Section E of the factual and legal analysis, identify the entity making each and list for each the date incurred, the date paid, the payee, and the purpose.

Item 1: Entity making payment - Nevada Republican State
Central Committee

Date Incurred -
Date Paid -
Payee -
Purpose - Volunteer exempt mailing postage

Item 2: Entity making payment - Nevada Republican State
Central Committee

Date Incurred -
Date Paid -
Payee -
Purpose - Volunteer exempt mailing postage

Item 3: Entity making payment - Nevada Republican State
Central Committee

Date Incurred -
Date Paid -
Payee -
Purpose - Volunteer exempt mailing postage

Item 4: Entity making payment - Nevada Republican State
Central Committee

Date Incurred -
Date Paid -
Payee -
Purpose - Volunteer exempt mailing postage

As was explained to the lead auditor, the mailing piece in Item 4 was never mailed. The Committee honored the debt to James R. Foster & Associates, but there would have been no postage payable.

The factual and legal analysis indicates that these payments were made by check numbers 254, 256, 255 and 260, respectively. And, unable to find such check numbers in any account of the Nevada Republican State Central Committee, the auditors suggest that "...an unknown source made these payments on behalf of the State Party".

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Mr. Lawrence G. Noble
March 14, 1990
Page 7

If the Office of General Counsel has also reviewed the invoices on which these payments are noted, then it is apparent that 254, 255, 256 and 260 refer not to check numbers, but rather to the invoice numbers assigned each invoice by the vendor James R. Foster & Associates. Thus, there is no unknown source, or outside entity, making payments on behalf of the State Party, as is suggested.

In addition, although not a question listed as an Interrogatory, the Committee would like to respond to Section A of the factual and legal analysis of this MUR. The Committee does acknowledge that an excessive primary contribution was inadvertently made to Santini for Senate. The Committee wishes to re-emphasize to the Commission, however, that reimbursement was sought, and subsequently received, from the Santini campaign as soon as this situation was realized. No further corrective action by the Committee is possible.

Respectfully submitted:



Dan J. Peterson
Treasurer
Nevada Republican State Central Committee

92040920995

This was originally
printed with a PMB
green ink.
PMS 348

92040920998

Permit Holder: Nevada Republican Party
2770 S. Maryland Parkway
Las Vegas, Nevada 89109

Your vote can make
a difference in the
race for Congress.

Vote for

BOB RYAN

Paid for by the Nevada Republican Party

December 7, 1987

MEMORANDUM

To: Peter Jacobson

From: Maryjane Slaski

Re: Payments for Nevada Job #'s 235 and 275

1. #235 Nevada Absentee Ballot

<u>Payer</u>	<u>Date of Check</u>	<u>Check #</u>	<u>Amount</u>
Rep Nat'l Comm	09/29/86	98952	\$ 9,114.00
Rep Nat'l Comm.	12/17/86	107412/	1,422.93
Total RNC Payment			\$10,536.93
Nevada Rep Party	10/01/86	3938	\$ 5,234.30
Nevada Rep Party	10/01/86	1040 ✓	1,744.77
Total Nevada Payment			\$ 6,979.07
GRAND TOTAL			\$17,516.00

2. #275 Nevada Slate Card

<u>Payer</u>	<u>Date of Check</u>	<u>Check #</u>	<u>Amount</u>
Nevada Rep Party	Check rec'd 1/23/87	?? 1123	\$ 1,085.51
Nevada Rep Party	Check rec'd 1/23/87	77	3,256.52
" " "	03/13/87	4652	5,250.00
" " "	03/13/87	1131	1,750.00
" " "	05/01/87	4773	3,971.99
" " "	05/01/87	1141	1,324.00
Total Nevada Payment			\$16,638.02

* ORA deposit receipt indicates bank transit #94-1

** ORA deposit receipt indicates bank transit #94-142

92040920999

000012

Place
Stamp
Here

Clark County Election Department

400 Las Vegas Blvd. South

Las Vegas, Nevada 89101

92040921000

REQUEST FOR ABSENTEE BALLOT

Name: _____

Registered Address: _____

Mail Absentee Ballot to this Address: _____
(If different) _____

I will be unable to go to the polls on Election Day for the following reason (Please check appropriate box):

- I will be out of town.
- For physical reasons.
- I am serving in the Armed Forces of the United States.
- Other: _____

Signature as it appears on Affidavit: X _____

(Sign here exactly as registered.)

92040921001

UNIVERSITY



NEVADA REPUBLICAN PARTY

State Headquarters • 421 Hill Street • Reno, Nevada 89501 • (702) 786-9960
Southern Office • 2770 S. Maryland Parkway • Suite 408 • Las Vegas, Nevada 89109 • (702) 734-2200

October, 1986

000013

- Robert A. Cahill
Chairman
- Sally Vitkus McKinney
Vice Chairman
- Manna Davenport Rugg
Secretary
- Robert L. Seale
Treasurer
- Ellen Schouweiler
Member at Large
- Tom Wheeler
National Committeeman
- Robert B. Fenn
Executive Director

Dear Republican Voter:

The Clark County Election Department has informed us that your Absentee Ballot Request has been rejected for one of the following reasons: either (1) you did not sign the request, or (2) you did not give an acceptable reason for requesting an Absentee Ballot.

You will not receive an absentee ballot based on your original request.

The Clark County Election Department has very specific requirements concerning your signature, the reason for an absentee ballot request, and the proper resident and mailing address. Your signature on the request must match the signature on the registration affidavit you completed when you registered to vote. Acceptable reasons for requesting an Absentee Ballot fall into one of three categories as indicated on the enclosed card.

Because we want to help you vote, we are providing you with another Request for an Absentee Ballot. Please complete the enclosed postal card and return it to the Clark County Election Department as soon as possible. A prompt response will assure that your vote is counted on Election Day.

If you have any questions concerning the information required on this Request, please call the Election Department at 386-4055 and ask for the Absentee Ballot Department.

Thanks very much for your continued support of the Republican Party and all that it stands for. Together we will win in November.

Sincerely,

Robert A. Cahill
Chairman

9204092

710000

Nevada Republican Party
2770 South Maryland Parkway
Suite 405
Las Vegas, Nevada 89103

Place
Stamp
Here

*file
over folder*

TIME DATED
ABSENTEE VOTING MATERIAL

9 2 0 4 0 9 2 1 0 0 3

**MAIL
RESOURCES, INC.**
COMPLETE MAILING SERVICES

December 17, 1987

Federal Election Commission
Washington, D.C. 20463

To Whom it may concern:

The Nevada Republican Party sent Mail Resources, Inc. a postage check in the amount of \$1,515.12, check #1046, for the Nevada State card mailing on October of 1986. This state card mailing was a product of Odell Roper & Associates.

Respectfully Submitted,

Thomas Van Gilder

Thomas Van Gilder
President
Mail Resources, Inc.

TWV:jr

92940921004

December 7, 1987

MEMORANDUM

To: Peter Jacobson

From: Maryjane Slaski

Re: Payments for Nevada Job #'s 235 and 275

1. #235 Nevada Absentee Ballot

<u>Payer</u>	<u>Date of Check</u>	<u>Check #</u>	<u>Amount</u>
Rep Nat'l Comm	09/29/86	98952	\$ 9,114.00 ✓
Rep Nat'l Comm.	12/17/86	107412 ✓	-1,422.93 ✓
Total RNC Payment			\$10,536.93
Nevada Rep Party	10/01/86	3938	\$ 5,234.30 ✓
Nevada Rep Party	10/01/86	1040 ✓	1,744.77 ✓
Total Nevada Payment			\$ 6,979.07
GRAND TOTAL			\$17,516.00

2. #275 Nevada Slate Card

<u>Payer</u>	<u>Date of Check</u>	<u>Check #</u>	<u>Amount</u>
Nevada Rep Party	Check rec'd 1/23/87	?? 1125	\$ 1,085.51 *
Nevada Rep Party	Check rec'd 1/23/87	??	3,256.52 *
" " "	03/13/87	4652	5,250.00 ✓
" " "	03/13/87	1131	1,750.00 ✓
" " "	05/01/87	4773	3,971.99 ✓
" " "	05/01/87	1141	1,324.00 ✓
Total Nevada Payment			\$16,638.03

* ORA deposit receipt indicates bank transit #94-1
 ** ORA deposit receipt indicates bank transit #94-142

92040921005

000019

RONALD REAGAN

GET OUT
THE
VOTE
SAMPLE

OCT 30 1936

- ATTEMPTED - NOT KNOWN
- NO SUCH NUMBER
- VACANT
- REFUSED
- NO MAIL RECEIPT
- TELEPHONICALLY CONTACTED



92040921006

RONALD REAGAN

***** CAR-RT SORT ** CR35
Mr Peter C Brown
1170 Freddie Ct
Reno, NV 89503

Dear Friends,

This year's elections represent a critical turning point for America and Nevada. The results will determine whether we stay on the right track of building greater economic prosperity and preserving peace in the world or go back to a period of national uncertainty, raging inflation and a loss of respect around the world.

The Democrat leaders are running an expensive campaign to defeat those Republican officials who have courageously supported my programs and helped make them work. The only way these Democrats can return us to the failed policies of the past is if good Republicans don't take the time to vote. We can't let that happen. The stakes are too high for all of us.

By voting Republican, you can make certain that our policies of restoring a sense of national pride and confidence in America and creating a more secure future will continue. Your vote is very important. Please use it to keep Nevada's Republican team on the job by voting Republican on Tuesday, November 4. Thank you.

Ronald Reagan

P.S. Your vote next Tuesday will be critical in helping maintain control for Republican leadership in Washington next year.

92040921007

YOUR 1986 REPUBLICAN TICKET

- | | |
|--|--|
| U.S. Senate JIM SANTINI | State Treasurer KEN SANTOR |
| U.S. Congress
2nd District BARBARA VUCHNOVICH | State Controller DARREL DAINES |
| Governor PATTY CAFFERATA | Attorney General BRIAN McKAY |
| Lt. Governor JOE BROWN | State Senate District # 11
ERIK BEER |
| Secretary of State BARBARA ZIMMER | State Assembly District # 24
BORFAT W. O'NEIL |

RONALD REAGAN

000018

***** CAR-RT SORT ** CR99

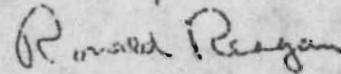
Mr Donald R Clark
2909 Marlin Aveapt 2
Las Vegas, NV 89119

Dear Friends,

This year's elections represent a critical turning point for America and Nevada. The results will determine whether we stay on the right track of building greater economic prosperity and preserving peace in the world or go back to a period of national uncertainty, raging inflation and a loss of respect around the world.

The Democrat leaders are running an expensive campaign to defeat those Republican officials who have courageously supported my programs and helped make them work. The only way these Democrats can return us to the failed policies of the past is if good Republicans don't take the time to vote. We can't let that happen. The stakes are too high for all of us.

By voting Republican, you can make certain that our policies of restoring a sense of national pride and confidence in America and creating a more secure future will continue. Your vote is very important. Please use it to keep Nevada's Republican team on the job by voting Republican on Tuesday, November 4. Thank you.



P.S. Your vote next Tuesday will be critical in helping maintain control for Republican leadership in Washington next year.

Paid for by the Nevada Republican Party

YOUR 1986 REPUBLICAN TICKET

U.S. Senate JIM SANTINI

State Treasurer KEN SANTOR

U.S. Congress
1st District BOB RYAN

State Controller DARREL DAINES

Governor PATTY CAFFERATA

Attorney General BRIAN McKAY

Lt. Governor JOE BROWN

State Assembly District # 11
ANDY HANGERIS

Secretary of State BARBARA ZIMMER

92040921008



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 10, 1990

Jan Baran, Esquire
Wiley, Rein, & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2934
Nevada Republican Federal Campaign
Committee and Dan J. Peterson, as
treasurer

Dear Mr. Baran:

On March 14, 1990, the Office of the General Counsel received a response to the Commission's subpoena from your clients in the above-captioned matter. A copy of this response and the subpoena are enclosed. It appears that this response is not complete. Accordingly, in order to avoid possible litigation, this Office requests the following information.

First, the response fails to include the costs incurred on behalf of Barbara Vucanovich, merely asserting that any activity conducted by the State Party on behalf of this candidate was exempt volunteer activity. Without reaching the merits of this assertion, the subpoena seeks a listing of all costs incurred by the State Party for expenses associated with this candidate. Similarly, the response fails to provide information responsive to question two regarding whether these costs were reported as a combined entry, and if so, what other costs that entry included. Additionally, to the extent the response excludes purported exempt volunteer activity on behalf of Bob Ryan, it is also not responsive. Moreover, please provide the total amount referenced in your response to question four.

Regarding the response to question five, this information appears to be erroneous since there is not a line 21 on Schedule B, as indicated by your clients. Additionally, requested information regarding whether this information was reported as a combined entry has not been provided.

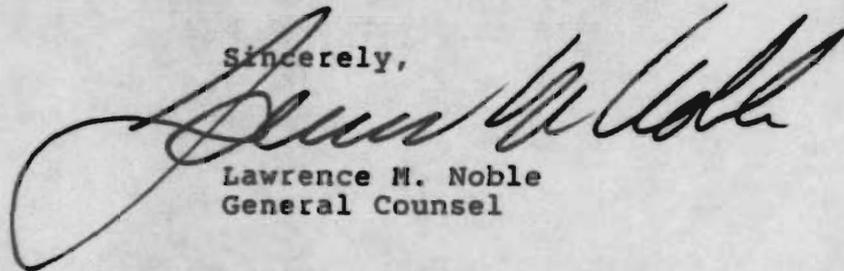
Regarding the response to question nine, requested information has not been provided. Additionally, in order to clarify the response to this question, please provide copies of the checks for the noted payments and provide the same information for them as listed in question two.

92040921009

Jan Baran, Esquire
Page 2

If you have any questions please contact Patty Reilly at
376-5690.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosures
Subpoena
Response

cc (without enclosures): Dan Peterson

92040921010

OGC 5942

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D. C. 20006
(202) 429-7000

JAN W. BARAN
(202) 429-7330

April 16, 1990

TELECOPIER
(202) 429-7049
TELEX 248349 WYRN UR

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 APR 16 PM 5:12

Mr. Lawrence M. Noble
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Patty Reilly

Re: MUR 2934
Nevada Republican Federal Campaign
committee and Dan J. Peterson, as
Treasurer

Dear Mr. Noble:

I am in receipt of your letter of April 10, 1990, notifying me that the Office of the General Counsel received a response to the Federal Election Commission's subpoena from the Nevada Republican Federal Campaign Committee and Dan J. Peterson, as Treasurer ("Respondents") in Matter Under Review ("MUR") 2934. Your letter assumes that Wiley, Rein & Fielding represents the Respondents with regard to this matter. However, neither I, nor my firm has entered an appearance in this matter, and we do not represent Respondents with regard to MUR 2394.¹ I have, therefore, forwarded your letter to Mr. Peterson for his response.

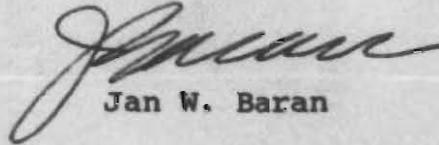
¹ I understand that Mr. Peterson may have submitted a designation of counsel form indicating that I would be representing Respondents. However, this form was completed prior to consultation with me. At no time have I personally entered an appearance in this matter.

92040921011

Mr. Lawrence M. Noble
April 16, 1990
Page 2

For your records, we do continue to represent the Nevada
Republican Party/Nevada Republican State Central Committee
Federal Account and Dan J. Peterson, as Treasurer in
MUR 2270.

Sincerely,



Jan W. Baran

JWB:rbd
cc: Dan J. Peterson

92040921012

2025 APR 16 10 12 AM '90



NEVADA REPUBLICAN PARTY

Fish Lake Valley via Tonopah, NV 89049
572-3349 482-5988

Dan J. Peterson
Treasurer

April 25, 1990

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

Re: MUR 2934
Response to letter from Mr. Noble
dated April 10, 1990

Dear Mr. Noble:

I received your letter dated April 10, 1990 on April 20, 1990.

The first item raised in this letter asks that the Nevada Republican State Central Committee list "all costs" relating to any expenditure associated with Barbara Vucanovich and/or Bob Ryan. On Friday, April 20, upon receipt of the letter, I spoke with Mr. Jonathan Bernstein of your office, who indicated that the Commission sought a listing of these costs regardless of the Nevada Republican State Central Committee's position that they included costs for volunteer exempt activity.

Accordingly, while reiterating our confidence that those expenditures previously asserted to be qualified as volunteer exempt are indeed volunteer exempt, we will attempt to answer your question as we now understand it.

A. Costs incurred associated with Barbara Vucanovich:

Date incurred: 1/8/86
Date paid: 1/8/86 Amount paid: \$15,469.49
Payee: James R. Foster & Associates
Purpose: Volunteer exempt mailing expense

Date incurred: 2/7/86
Date paid: 2/7/86 Amount paid: \$4,110.00
Payee: James R. Foster & Associates
Purpose: Volunteer exempt mailing expense

92040921013

Mr. Lawrence G. Noble
 April 25, 1990
 Page 2

Date incurred: 2/12/86
 Date paid: 2/12/86 Amount paid: \$13,663.21
 Payee: James R. Foster & Associates
 Purpose: Volunteer exempt mailing expense

Date incurred: 3/11/86
 Date paid: 3/11/86 Amount paid: \$2,190.00
 Payee: On Line Computer Systems
 Purpose: Volunteer exempt mailing expense

Date incurred: 10/1/86
 Date paid: 10/1/86 Amount paid: \$1,744.77
 Payee: Odell Roper & Associates
 Purpose: Volunteer exempt mailing expense (absentee ballot)

Date incurred: 10/15/86
 Date paid: 10/15/86 Amount paid: \$650.00
 Payee: U.S. Postmaster
 Purpose: Volunteer exempt mailing expense

Date incurred: 10/23/86
 Date paid: 10/23/86 Amount paid: \$1,515.12
 Payee: Mail Resources
 Purpose: Volunteer exempt mailing expense

Date incurred: 10/23/86
 Date paid: 1/23/87 Amount paid: \$1,085.51
 3/13/87 Amount paid: \$1,750.00
 5/1/87 Amount paid: \$1,324.00
 Payee: Odell Roper & Associates
 Purpose: Volunteer exempt mailing expense (slate cards)

Date incurred: 10/27/86
 Date paid: 10/27/86 Amount paid: \$3,000.00
 Payee: Barbara Vucanovich for Congress
 Purpose: Candidate contribution

Date incurred: 11/7/86
 Date paid: 11/7/86 Amount paid: \$1,390.95
 Payee: UPA-UTT Printing
 Purpose: Volunteer exempt campaign materials-doorhangers

Date incurred: 11/7/86
 Date paid: 11/7/86 Amount paid: \$223.94
 Payee: Art Associates
 Purpose: Volunteer exempt campaign materials-doorhangers

92040921014

Mr. Lawrence G. Noble
 April 25, 1990
 Page 3

Date incurred: 12/7/86
 Date paid: 12/7/86 Amount paid: \$1,760.83
 Payee: Tony Marsh & Associates
 Purpose: Volunteer exempt mailing expense

B. Costs incurred associated with Bob Ryan:

Date incurred: 10/1/86
 Date paid: 10/1/86 Amount paid: \$1,744.77
 Payee: Odell Roper & Associates
 Purpose: Volunteer exempt mailing expense (absentee ballot)

Date incurred: 10/15/86
 Date paid: 10/16/86 Amount paid: \$5,000.00
 Payee: Passkey Systems
 Purpose: In-kind contribution

Date incurred: 10/15/86
 Date paid: 10/15/86 Amount paid: \$650.00
 Payee: U.S. Postmaster
 Purpose: Volunteer exempt mailing expense

Date incurred: 10/23/86
 Date paid: 1/23/87 Amount paid: \$ 1,085.51
 3/13/87 Amount paid: \$ 1,750.00
 5/1/87 Amount paid: \$ 1,324.00

Payee: Odell Roper & Associates
 Purpose: Volunteer exempt mailing expense (slate cards)

Date incurred: 10/23/86
 Date paid: 10/23/86 Amount paid: \$1,515.12
 Payee: Mail Resources
 Purpose: Volunteer exempt mailing expense

Date incurred: 10/25/86
 Date paid: 10/28/86 Amount paid: \$1,972.24
 Payee: PDQ Printing
 Purpose: Volunteer exempt mailing expense

Date incurred: 10/28/86
 Date paid: 10/28/86 Amount paid: \$3,949.11
 Payee: Passkey Systems
 Purpose: Volunteer exempt mailing expense

92040921015

Mr. Lawrence G. Noble
April 25, 1990
Page 4

Date incurred: 11/7/86
Date paid: 11/7/86 Amount paid: \$1,390.95
Payee: UPA-UTT Printing
Purpose: Volunteer exempt campaign materials-doorhangers

Date incurred: 11/7/86
Date paid: 11/7/86 Amount paid \$223.94
Payee: Art Associates
Purpose: Volunteer exempt campaign materials-doorhangers

Date incurred: 11/7/86
Date paid: 11/7/86 Amount paid: \$1,760.83
Payee: Tony Marsh & Associates

Regarding the question in your April 10 letter as to "...whether these costs were reported as a combined entry", each expenditure was disclosed separately on the Committee's F.E.C. reports.

Regarding the question of "...the total amount referenced in (our) response to question four, the total from our March 14 response is \$5,000.00, the amount of the in-kind contribution. However, as you will notice, our response filed today notes the cost of each expenditure separately. To repeat, as we understand your request, the total of costs "associated with" Barbara Vucanovich is \$49,877.82, and the total of costs "associated with" Bob Ryan is \$22,366.47.

Regarding our response to question five, the in-kind contribution to Bob Ryan is indeed disclosed on Page 1 of 4, Line 21, on a Schedule B, of the 1986 post-election F.E.C. report for 10/16/86 - 11/24/86. A copy of this page is attached. We are puzzled by the indication in the letter of April 10 that there "is not a Line 21 on Schedule B...."

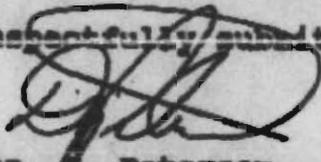
With regard to question nine, the Committee's former Treasurer, Mr. Robert Seale, explained to Mr. William Logan, lead auditor for the field audit, that the postage in question had been paid out of the Committee's non-federal account. All activity in all Committee accounts was provided to Mr. Logan and the audit team during the field audit.

92040921016

Mr. Lawrence G. Noble
Page 5
April 25, 1990

However, the amounts do not correspond directly with the credits indicated on the James R. Foster & Associates invoices for two reasons: first, the mailing represented by invoice #260 was never sent, and, second, the other mailings were sent in slightly smaller quantities than the total number of pieces produced by Foster & Associates.

~~Respectfully submitted:~~



Dan. J. Paterson
Treasurer
Nevada Republican State Central Committee

92040921017

SCHEDULE B

ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the Detailed Summary Page

PAGE 1 OF 4
FOR LINE NUMBER 31

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

NAME OF COMMITTEE (in Full)

Nevada State Republican Central Committee

92040921018
0001401312

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Passkey Systems 4027 Petra Ave. Las Vegas, NV 89103	In-Kind Contribution Ryan Campaign Mailing Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	10-16-86	8,000.00
B. Full Name, Mailing Address and ZIP Code Vucanovich for Congress Committee 2638 S. Virginia Street Reno, NV 89502	Purpose of Disbursement Contribution Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	10-27-86	3,000.00
C. Full Name, Mailing Address and ZIP Code R & R Advertising 515 Riverside Dr. Reno, NV 89503	Purpose of Disbursement In-Kind Contribution Santini Endorsement Ad Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10-31-86	1,469.60
D. Full Name, Mailing Address and ZIP Code Lois Grillo 6624 Burgundy Way Las Vegas, NV 89107	Purpose of Disbursement Phoner In-Kind Contribution Santini Campaign Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	11-7-86	68.71
E. Full Name, Mailing Address and ZIP Code Donald Gowins 455 E. Twain Apt. 98 Las Vegas, NV 89109	Purpose of Disbursement Phoner In-Kind Contribution Santini Campaign Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	11-7-86	29.71
F. Full Name, Mailing Address and ZIP Code Pam Owens 1905 E. Roxford Dr. Las Vegas, NV 89101	Purpose of Disbursement Phoner In-Kind Contribution Santini Campaign Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	11-7-86	57.87
G. Full Name, Mailing Address and ZIP Code Lorraine Woiner 1361 E. University-Apt. 106B Las Vegas, NV 89109	Purpose of Disbursement Phoner In-Kind Contribution Santini Campaign Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	11-7-86	96.58
H. Full Name, Mailing Address and ZIP Code Kelly Anderson 4101 Meadow Valley Las Vegas, NV 89107	Purpose of Disbursement Phoner In-Kind Contribution Santini Campaign Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	11-7-86	23.00
I. Full Name, Mailing Address and ZIP Code Kevin DeLaPaz 848 Shrubbery Las Vegas, NV 89110	Purpose of Disbursement Phoner In-Kind Contribution Santini Campaign Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	11-7-86	52.00

SUBTOTAL of Disbursements This Period (optional) **9,797.15**

TOTAL This Period (less page this line number) ONLY

OGC 6103



NEVADA REPUBLICAN PARTY

Fish Lake Valley via Tonopah, NV 89049
572-3349 482-5988

HAND DELIVERED

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 MAY -2 PM 12:14

Dan J. Peterson
Treasurer

May 1, 1990

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

Re: MUR 2934-Nevada Republican State Central Committee

Dear Mr. Noble:

With regard to MUR 2934, the Nevada Republican State Central Committee has responded to all questions and requests for documentation received from the General Counsel's Office through our responses filed March 14, 1990 and April 25, 1990, respectively. These responses follow the F.E.C. Audit Division's thorough field examination of all Committee records.

In as much as the Committee has no further documentation to provide pertaining to MUR 2934, we respectfully request preprobable cause conciliation, pursuant to 11 CFR 118 (d).

I look forward to my meeting with Patty Reilly from your office at 10:00 a.m. on Friday, May 5th.

Sincerely,

Dan J. Peterson
Treasurer
Nevada Republican State
Central Committee

92040921019

90 MAY -3 PM 4:06

BEFORE THE FEDERAL ELECTION COMMITTEE

SENSITIVE

In the Matter of)	
Nevada Republican Federal Campaign)	MUR 2934
Committee and Dan J. Peterson,)	
as treasurer)	

COMPREHENSIVE INVESTIGATIVE REPORT # 1

On January 9, 1990, the Commission found reason to believe the Nevada Republican Federal Campaign Committee ("Committee") and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(a)(2)(A), 441a(f), 441a, 434(b), and 434(b)(4)(H)(iv) and (6)(B)(iv). Also on that date the Commission approved an order to answer question and a subpoena for documents. Appropriate letters were mailed on January 23, 1990, and were received by respondents on February 7, 1990.

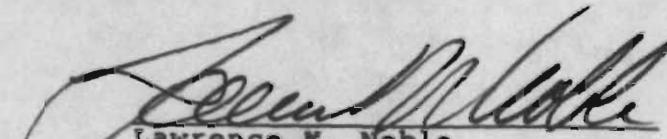
On February 16, 1990, the State Party requested and received a twenty day extension of time. On March 14, 1990, this Office received a response to the subpoena directly from the respondent treasurer. Because this response did not contain all the requested information, this Office requested clarification of certain answers from counsel who had been previously designated by the Committee.

Thereafter, we were notified that the respondents' designation of counsel was mistaken, and that counsel does not represent the respondents in this matter. Based upon a telephone conversation with the treasurer, this Office expects to receive shortly a response to its request for clarification. Furthermore, the treasurer has requested a meeting with staff of this Office during a visit to Washington within the next week. After

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reviewing the further response in this matter and meeting with the respondent treasurer, this Office will report to the Commission.

5/3/91
Date


Lawrence M. Noble
General Counsel

Staff person: Patty Reilly

92040921021



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE NOBLE
GENERAL COUNSEL

FROM: *MW* MARJORIE W. EMMONS / *DA* DELORES HARRIS
SECRETARY OF THE COMMISSION

DATE: MAY 7, 1990

SUBJECT: MUR 2934 - COMPREHENSIVE INVESTIGATIVE REPORT #1
GENERAL COUNSEL'S REPORT DATED
MAY 3, 1990.

92040921022

The above-captioned matter was received in the Commission Secretariat at 4:06 p.m. on Thursday, May 3, 1990 and circulated on a 24-hour no-objection basis at 12 Noon on Friday, May 4, 1990.

There were no objections to the above-captioned matter.

90 JUN -4 AM 9:53

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of

Nevada Republican State)
Central Committee and Dan)
J. Peterson, as treasurer)

MUR 2934

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On January 9, 1990, the Commission found reason to believe the Nevada Republican Federal Campaign Committee and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(a)(2)(A), 441a(f), 441a, and 434(b)(4)(H)(iv) and (6)(B)(iv). Following an extension of time, on March 14, 1990, this Office received a response to the subpoena directly from the respondent treasurer. Because this response did not contain all the requested information, this Office requested clarification of certain answers from counsel who had been previously designated by the Committee.¹

On April 25, 1990, this Office received a response from counsel clarifying some information. Furthermore, the treasurer, former treasurer, and a representative of the State Party's accounting firm met with staff of this Office and the Audit Division on May 4, 1990. At that meeting respondents explained certain disbursements at issue in this matter and agreed to provide additional information, including invoices from vendors, explanations of certain services noted on other invoices, and

1. In a subsequent communication, counsel denied that he represented respondents in this matter, although he continues to represent them in MUR 2270.

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clarification of what activities were performed by volunteers.

II. ANALYSIS

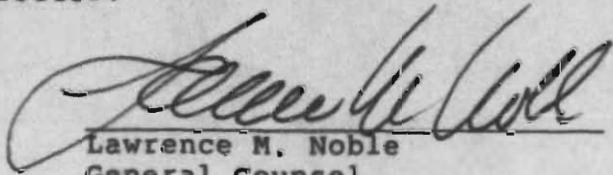
Respondents' April 25th response also included a request for conciliation prior to a finding of probable cause to believe. Because further information is needed in this matter, this Office recommends that the Commission deny this request at this time. After receiving respondents' additional information, this Office will report to the Commission.

III. RECOMMENDATIONS

1. Decline, at this time, to enter into conciliation with the Nevada Republican State Central Committee and Dan J. Peterson, as treasurer, prior to a finding of probable cause to believe.
2. Approve the attached letter.

Date

6/1/90


Lawrence M. Noble
General Counsel

Attachments

Conciliation request
Proposed letter

Staff person: Patty Reilly

92040921024

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Nevada Republican State) MUR 2934
Central Committee and Dan)
J. Peterson, as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 6, 1990, the Commission decided by a vote of 5-0 to take the following actions in MUR 2934:

1. Decline, at this time, to enter into conciliation with the Nevada Republican State Central Committee and Dan J. Peterson as treasurer, prior to a finding of probable cause to believe.
2. Approve the letter, as recommended in the General Counsel's report dated June 1, 1990.

Commissioners Aikens, Elliott, McDonald, McGarry and Thomas voted affirmatively for the decision; Commissioner Josefiak did not cast a vote.

Attest:

June 6, 1990

Date

Hilda Arnold

for Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Monday, June 4, 1990 9:53 a.m.
Circulated to the Commission: Monday, June 4, 1990 11:00 a.m.
Deadline for vote: Wednesday, June 6, 1990 11:00 a.m.

dh

92040921025



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 11, 1990

Dan J. Peterson, Treasurer
Nevada Republican State Central Committee
Fish Lake Valley
Tonopah, NV 89049

RE: MUR 2934
Nevada Republican State Central
Committee and Dan J. Peterson,
as treasurer

Dear Mr. Peterson:

On January 23, 1990, you were notified that the Federal Election Commission found reason to believe that the Nevada Republican Federal Campaign Committee and you, as treasurer, violated 2 U.S.C. §§ 441a(a)(2)(A), 441a(f), 441a, 434(b), and 434(b)(4)(H)(iv) and (6)(B)(iv). On April 25, 1990, you submitted a request to enter into conciliation negotiations prior to a finding of probable cause to believe.

The Commission has reviewed your request and determined to decline at this time to enter into conciliation prior to a finding of probable cause to believe because additional information is necessary. A listing of this information was provided to you at your May 4, 1990 meeting with the Commission staff. Such information should be submitted to the Office of the General Counsel within fifteen days of receipt of this letter.

At such time when the investigation in this matter has been completed, the Commission will reconsider your request to enter into conciliation prior to a finding of probable cause to believe.

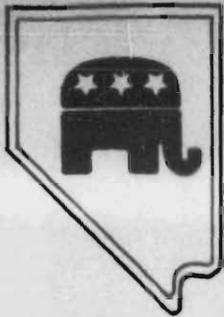
If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois Lerner
Associate General Counsel

92040921026



NEVADA REPUBLICAN PARTY

06-6611
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

Fish Lake Valley via Tonopah, NV 89049
572-3349 482-5988

90 JUN 18 PM 9:31

June 7, 1990

Dan J. Peterson
Treasurer

Ms. Patty Reilly, Esquire
Office of General Counsel
Federal Election Commission
999 E Street NW
Washington, DC 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 JUN 18 PM 3:50

RE: MUR 2934

Dear Mr. Reilly,

This letter addresses the questions remaining concerning MUR 2934 following the meeting at the Federal Election Commission on May 4, 1990, with representatives of the Commission and representatives of the Nevada Republican State Central Committee.

In our attempts to answer these questions, the Committee has made another thorough review of it's files, and has made numerous telephone calls to individuals and vendors who we hoped could assist us in providing these answers. As a result, I am confident that this response exhausts the Committee's ability to respond to MUR 2934.

Responses

1. The Committee has not located in its files a sample or copy of one of the doorhangers, nor has it been able to obtain such a copy from any of the vendors involved in producing them.
2. The Committee believes that the \$650.00 payment to the U.S. Postmaster on October 15, 1986 was for first-class postage paid by the Committee in connection with follow-up absentee ballot request mailing (as discussed in our meeting of May 4, 1990) that was sent to some voters in Clark County. The proximity to the election day necessitated sending this follow-up mailing by first-class mail. The Committee cannot locate a specific invoice for this postage check.

92040921027

page no. 2
Ms. Patty Reilly/6/7/90

3. The only activity engaged in by Mail Resources, with regard to this exempt slate card mailing, was to apply the stamps to the envelopes of the slate card mailing. Mail Resources did not sort the slate cards, but put them in boxes and delivered them to the Committee.

4. I have spoken with Bob Ryan, who confirmed that the Committee sent out only one mailing on his behalf. This is the postal card mailing. The Commission already has a copy of both the mailing itself and the invoices for the mailing.

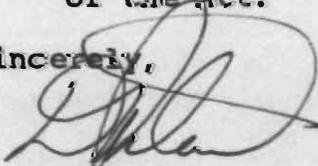
5. I have spoken with Passkey Systems regarding a further explanation of their term "mailroom" as it appears on their invoices. Passkey informed me that this is a standard description for services provided, even when those services involve nothing more than production of labels for a client. They do not have specific records for what activity they performed for the Committee.

6. Passkey Systems does not have in its files a copy of the invoice for \$3,949.11.

7. The Committee has not been able to determine from its files the exact date of the Las Vegas rally. This is the event for which the airfare check to Boomtown was written. I have spoken with Robert L. Seale, former Committee treasurer, whose best recollection is that the event occurred in early to mid-July of 1986.

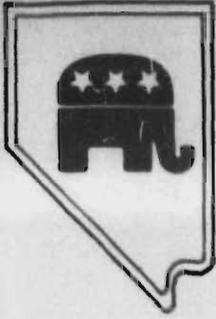
8. Frank Steinberg and Eleanor Mills have previously explained the scope and particulars of the Committee's volunteer efforts in the 1986 elections through affidavits filed in connection with MUR 2270. These affidavits are equally applicable to any and all volunteer activities undertaken by the Committee. Neither Robert L. Seale nor I had primary oversight of organizational responsibility for these volunteer activities, and therefore cannot attest with particularity to these details. However, I am confident that the Committee was very aware of its responsibilities under the Commission's regulations, and that the extensive level of volunteer involvement met requirements of the Act.

Sincerely,



Dan J. Peterson
Treasurer

92040921028



NEVADA REPUBLICAN PARTY

Fish Lake Valley via Tonopah, NV 89049
572-3349 482-5988

June 7, 1990

Dan J. Peterson
Treasurer

Mr. Lawrence G. Noble, Esquire
General Counsel
Federal Election Commission
999 E Street NW
Washington, DC 20463

RE: MUR 2934

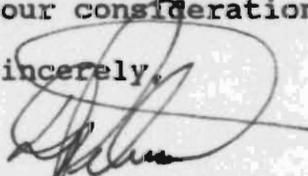
Dear Mr. Noble,

With regard to MUR 2934, the Nevada Republican State Central Committee has through the attached response answered to the best of it's ability the final questions posed by the General Counsel's Office in our meeting of May 4, 1990, and has, with the previous responses filed on March 14, 1990, an April 25, 1990, provide all documentation of which we are in possession.

The Committee has made a good faith effort to comply with every request made by the commission, including attempting to obtain documents which were not in our possession. In as much as the committee has no further documentation to provide pertaining to MUR 2934, we hereby respectfully request pre-probable conciliation, pursuant to 11 CFR 118 (d).

We look forward to the resolution of this matter. Thank you for your consideration.

Sincerely,



Dan J. Peterson
Treasurer

92040921029

91 JAN 25 AM 10:08

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

SENSITIVE

Nevada Republican State)
Central Committee and Kevin)
G. Higgins, as treasurer)
Boomtown, Inc.)

MUR 2934

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On January 9, 1990, the Commission found reason to believe the Nevada Republican State Central Committee and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(a)(2)(A), 441a(f), 441a, and 434(b)(4)(H)(iv) and (6)(B)(iv). Also on that day the Commission approved a subpoena for documents and an order to answer questions. Following an initial incomplete response, on April 25, 1990, this Office received a second response that included a request for conciliation prior to probable cause to believe. Because questions relating to vendor invoices and volunteer activities were unresolved, the Commission denied this request for conciliation on June 6, 1990. Additionally, on May 4, 1990, staff and a member of the Audit Division met with the Committee's treasurer, former treasurer, and a representative of the State Party's accounting firm. At that meeting respondents explained certain disbursements at issue in this matter and agreed to provide the additional factual information referenced above.

On June 18, 1990, respondents submitted a third response in this matter providing additional information said to "exhaust[] the Committee's ability to respond to MUR 2934." Attachment 3, page 1. Included with this response was a second request for

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pre-probable cause conciliation. As developed below, this Office recommends that the Commission reject this request and make additional reason to believe findings.¹

II. ANALYSIS

At this juncture it appears that the Committee has submitted sufficient materials and provided adequate explanations that, when added to the materials collected by the auditors, resolve the remaining factual questions presented by the interrogatories. Nevertheless, in our recent meeting with the State Party's past and present treasurers, respondents made admissions indicating that an additional violation of the Act may have occurred.

Specifically, when asked to explain an \$8,694 expenditure to "Boomtown" made on July 21, 1986, respondents cited their initial responses that indicated that this was for travel expenses. See March 13, 1990 Response at 4. When pressed for a further explanation regarding the payee, respondents admitted that Boomtown is an incorporated business owned by then state party chairman Robert A. Cashell, that it operates a Nevada casino and truck stop, and that the business provided an airplane to the State Party for travel to a party fundraiser in Las Vegas, Nevada. Respondents stated that the corporation was repaid from the proceeds of the fundraiser. When asked for the date of the trip, respondents have not been able to provide this information, other

1. Kevin G. Higgins has succeeded Dan J. Peterson as treasurer of the Nevada State Republican Central Committee. As a consequence, this Office has substituted Mr. Higgins in place of Mr. Peterson, and the additional finding against the Committee recommended in this report now refers to Mr. Higgins as treasurer.

92040921031

than to estimate that it occurred in "early to mid-July" of 1986.
See June 7, 1990 Response at 2.

Pursuant to 2 U.S.C. § 441b, corporations are prohibited from making contributions and expenditures in connection with a federal election and corporate officers and directors are prohibited from consenting to a corporate contribution. This section defines contributions and expenditures to include any direct or indirect payment, advance, gift of money, or any services, or anything of value. 2 U.S.C. § 441b(b)(2). In this matter, it seems that Boomtown, an incorporated entity, provided the State Party with air transportation to a fundraising event and subsequently was repaid by the State Party. It is unknown whether Boomtown was the owner of the vehicle, or whether it simply absorbed on behalf of the State Party the cost of renting a plane. In the event Boomtown advanced the rental cost of an airplane for the State Party, violations of section 441b would be implicated. As next discussed, even if the plane was owned by, or on lease to Boomtown, provision of the plane to the State Party may have violated section 441b(a).

Under 11 C.F.R. § 114.10(a)(1988), corporations may extend credit to a political committee without making an advance prohibited by section 441b, but only in the ordinary course of a corporation's business. On this logic, candidates must pay in advance for use of an airplane owned or leased by a corporation, if the corporation's business is not commercial air transport. 11 C.F.R. § 114.9(e); Explanation and Justification for 1977 Amendments to the Federal Election Campaign Act, H.R. Document

92040921032

No. 44, 95th Cong., 1st Sess. 116 (1977) ("The advance reimbursement is required because the corporation or labor organization is not in the regular business of offering commercial transportation for credit").²

The specific regulation governing corporate air transportation applies to airplanes used by "a candidate, candidate's agent, or person traveling on behalf of a candidate," and appears not to specifically address airplanes provided to a political party committee. 11 C.F.R. § 114.9(e)(1). Since the section 441b prohibition, however, extends to support of political committees as well as candidates, 2 U.S.C. § 441b(b)(2); 11 C.F.R. § 114.1(a)(1), it follows that an advance of air transportation to a political party committee by a corporation not in the commercial charter business is an impermissible extension of credit under 11 C.F.R. § 114.10(a)(1988) and hence would be an illegal corporate advance prohibited by section 441b(a).

This Office intends to make inquiries of Boomtown to uncover further detail about this transaction, include the timing of Boomtown's provision of the air transportation and the payment for it, the circumstances involved, and the valuation used to make repayment. Nonetheless, at this juncture, it appears that respondents accepted the use of an airplane, a thing of value within the meaning of 2 U.S.C. § 441b(b). Therefore, this Office recommends that the Commission find reason to believe that Nevada

2. This regulation does state that payment based upon the first class air fare (for a regularly serviced route) is sufficient. Id.

92040921033

Republican State Central Committee and Kevin J. Higgins, as treasurer, violated 2 U.S.C. 441b(a). This Office also recommends the Commission find reason to believe that Boomtown, Inc. violated this section. Further, because of the apparent involvement in the transaction of then state party chairman Robert A. Cashell, apparently the owner of Boomtown, Inc., this Office recommends section 441b findings against Mr. Cashell as well, for consenting to a corporate contribution as an officer or director of Boomtown, Inc. Finally, because of the additional inquiry necessary, this Office also recommends that the Commission reject respondents' request for conciliation prior to a finding of probable cause to believe.

III. RECOMMENDATIONS

1. Find reason to believe the Nevada Republican State Central Committee and Kevin J. Higgins, as treasurer, violated 2 U.S.C. § 441b(a).

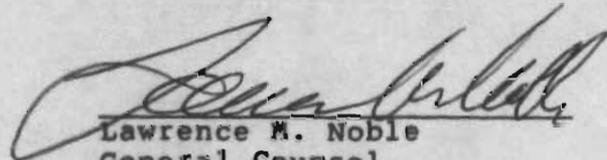
2. Find reason to believe Boomtown, Inc. and Robert A. Cashell violated 2 U.S.C. § 441b(a).

3. Decline, at this time, to enter into conciliation with the Nevada Republican State Central Committee and Dan J. Peterson, as treasurer, prior to a finding of probable cause to believe.

92040921034

4. Approve the attached factual and legal analyses and the appropriate letters.

1/29/91
Date


Lawrence M. Noble
General Counsel

Attachments

1. March 13, 1990 Response
2. April 25, 1990 Response
3. June 7, 1990 Response
4. Factual and Legal Analyses (2)

Staff person: J. Bernstein

92040921035



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20461

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS / DELORES HARRIS *DH*
COMMISSION SECRETARY

DATE: JANUARY 31, 1991

SUBJECT: MUR 2934 - GENERAL COUNSEL'S REPORT
DATED JANUARY 24, 1991

The above-captioned document was circulated to the Commission on Monday, January 28, 1991 at 11:00 a.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	<u>XXX</u>
Commissioner Elliott	<u>XXX</u>
Commissioner Josefiak	<u> </u>
Commissioner McDonald	<u> </u>
Commissioner McGarry	<u> </u>
Commissioner Thomas	<u> </u>

This matter will be placed on the meeting agenda for TUESDAY, FEBRUARY 5, 1991.

Please notify us who will represent your Division before the Commission on this matter.

92040921036

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 2934
Nevada Republican State)	
Central Committee and Kevin)	
G. Higgins, as treasurer;)	
Boomtwn, Inc.)	

CERTIFICATION

I, Hilda Arnold, recording secretary for the Federal Election Commission executive session on February 5, 1991, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions with respect to MUR 2934:

1. Find reason to believe that the Nevada Republican State Central Committee and Kevin J. Higgins, as treasurer, violated 2 U.S.C. § 441b(a), but take no further action and close the file regarding this violation.
2. Find reason to believe Boomtown, Inc. and Robert A. Cashell violated 2 U.S.C. § 441b(a), but take no further action and close the file regarding this violation.
3. Enter into conciliation with the Nevada Republican State Central Committee and Kevin J. Higgins, as treasurer, prior to a finding of probable cause to believe.

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

Attest:

Feb. 7, 1991
Date

Hilda Arnold
Hilda Arnold
Administrative Assistant

92040921037



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1991

Kevin J. Higgins, Treasurer
Nevada Republican State
Central Committee
Fish Lake Valley
Tonopah, NV 89049

RE: MUR 2934
Nevada Republican State
Central Committee and
Kevin G. Higgins,
as treasurer;

Dear Mr. Higgins:

On February 5, 1991, the Federal Election Commission found reason to believe that Nevada Republican State Central Committee ("Committee") and you, as treasurer, violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information. However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to this specific violation.

The Commission reminds you that acceptance of corporate advances of goods and services appears to be a violation of 2 U.S.C. § 441b(a). You should take immediate steps to insure that this activity does not occur in the future.

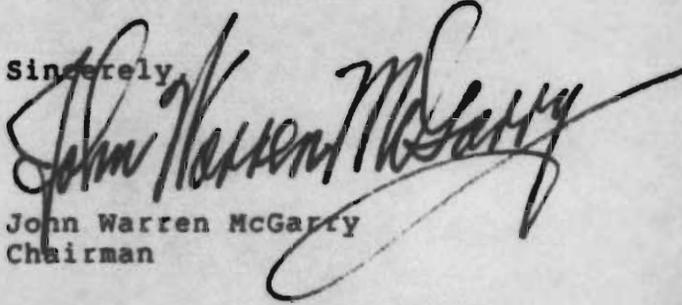
On February 5, 1991, the Commission also considered your request for conciliation prior to a finding of probable cause regarding the other outstanding reason to believe findings in this matter. The Commission directed the Office of the General Counsel to prepare a draft conciliation agreement for its review. As soon as the Commission has approved a proposed conciliation agreement, the General Counsel will forward it to you for your consideration.

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Kevin J. Higgins, Treasurer
Page Two

If you have any questions, please direct them to
Deborah Curry, the attorney assigned to this matter, at
(202) 376-8200.

Sincerely,


John Warren McGarry
Chairman

Enclosure
Factual and Legal Analysis

92040921039

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Nevada Republican State)
Central Committee and Kevin) MUR 2934
G. Higgins, as treasurer)

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The Commission previously found reason to believe the Nevada Republican State Central Committee and its treasurer violated 2 U.S.C. §§ 441a(a)(2)(A), 441a(f), 441a, and 434(b)(4)(H)(iv) and (6)(B)(iv). To date, respondents have submitted a number of substantive responses and have met with Commission staff. Based upon information obtained during that meeting, it appears respondents may have violated 2 U.S.C. § 441b(a).¹

Specifically, when asked to explain an \$8,694 expenditure to "Boomtown" made on July 21, 1986, respondents cited their initial responses that indicated that this was for travel expenses. See March 13, 1990 Response at page 4. When pressed for a further explanation regarding the payee, respondents admitted that Boomtown is an incorporated business owned by the state party chairman which operates a Nevada casino and truck stop, and that the business provided an airplane to the State Party for travel to a party fundraiser in Las Vegas, Nevada. Respondents stated that the corporation was repaid from the proceeds of the fundraiser.

1. Kevin G. Higgins has succeeded Dan J. Peterson as treasurer of the Nevada State Republican Central Committee. As a consequence, Mr. Higgins has been substituted in place of Mr. Peterson in this matter.

When asked for the date of the trip, respondents have not been able to provide this information, other than to estimate that it occurred in "early to mid-July" of 1986. See June 7, 1990 Response at 2.

Pursuant to 2 U.S.C. § 441b, corporations are prohibited from making contributions and expenditures in connection with a federal election and political committees are prohibited from knowingly accepting corporate contributions. This section defines contributions and expenditures to include any direct or indirect payment, advance, gift of money, or any services, or anything of value. 2 U.S.C. § 441b(b)(2). In this matter, Boomtown, an incorporated entity, provided the State Party with air transportation to a fundraising event and subsequently was repaid by the State Party. It is unknown whether Boomtown was the owner of the vehicle, or whether it simply absorbed on behalf of the State Party the cost of renting a plane. In the event Boomtown advanced the rental cost of an airplane for the State Party, violations of section 441b would be implicated. As next discussed, even if the plane was owned by, or on lease to Boomtown, it appears that provision of the plane to the State Party violated section 441b(a).

Under 11 C.F.R. § 114.10(a), corporations may extend credit to a political committee without making an advance prohibited by section 441b, but only in the ordinary course of a corporation's business. On this logic, candidates must pay in advance for use of an airplane owned or leased by a corporation, if the corporation's business is not commercial air transport. 11 C.F.R.

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§ 114.9(e); Explanation and Justification for 1977 Amendments to the Federal Election Campaign Act, H.R. Document No. 44, 95th Cong., 1st Sess. 116 (1977) ("The advance reimbursement is required because the corporation or labor organization is not in the regular business of offering commercial transportation for credit").²

The specific regulation governing corporate air transportation applies to airplanes used by "a candidate, candidate's agent, or person traveling on behalf of a candidate," and appears not to specifically address airplanes provided to a political party committee. 11 C.F.R. § 114.9(e)(1). Since the section 441b prohibition, however, extends to support of political committees as well as candidates, 2 U.S.C. § 441b(b)(2); 11 C.F.R. § 114.1(a)(1), it follows that an advance of air transportation to a political party committee by a corporation not in the commercial charter business is an impermissible extension of credit under 11 C.F.R. § 114.10(a) and hence would be an illegal corporate advance prohibited by section 441b(a).

In this matter respondents have admitted accepting the use of an airplane, a thing of value within the meaning of 2 U.S.C. § 441b(b). Therefore, there is reason to believe that Nevada Republican State Central Committee and Kevin J. Higgins, as treasurer, violated 2 U.S.C. 441b(a).

2. This regulation does state that payment based upon the first class air fare (for a regularly serviced route) is sufficient. Id.

92040921042



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1991

Boomtown, Inc. and
Mr. Robert A. Cashell
Interstate 80 & Garson Road
Verdi, NV 89439

RE: MUR 2934
Boomtown, Inc.
Robert A. Cashell

Gentlemen:

On February 5, 1991, the Federal Election Commission found reason to believe that Boomtown, Inc. and Robert A. Cashell violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information. However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to Boomtown, Inc. and Mr. Cashell.

The Commission reminds you that making and consenting to a corporate advance of goods or services to a federal political committee appears to be in violation of 2 U.S.C. §441b(a). You should take immediate steps to insure that this activity does not occur in the future.

The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

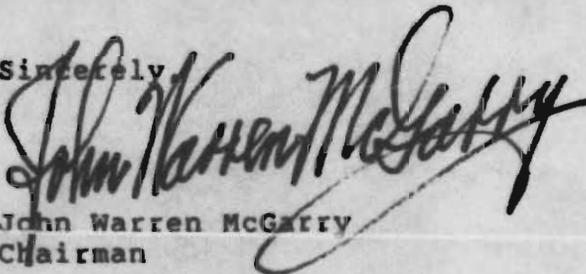
The confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

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Boomtown, Inc. and
Mr. Robert A. Cashell
Page Two

If you have any questions, please direct them to
Deborah Curry, the attorney assigned to this matter, at
(202) 376-8200.

Sincerely,



John Warren McGarry
Chairman

Enclosure
Factual and Legal Analysis

92040921044

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Boomtown, Inc.) MUR 2934
Robert A. Cashell)

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission discovered that Boomtown, Inc. and Robert A. Cashell may have violated 2 U.S.C. § 441b(a).

Specifically, when asked to explain an \$8,694 expenditure to "Boomtown" made on July 21, 1986, the Nevada Republican State Central Committee admitted that Boomtown is an incorporated business owned by then state party chairman Bob Cashell, that it operates a Nevada casino and truck stop, and that the business provided an airplane to the State Party for travel to a party fundraiser in Las Vegas, Nevada. The Committee stated that the fundraiser took place in early to mid-July of 1986 and that the corporation was repaid from the proceeds of the fundraiser.

Pursuant to 2 U.S.C. § 441b, corporations are prohibited from making contributions and expenditures in connection with a federal election, and corporate officers and directors are prohibited from consenting to a corporate contribution. This section defines contributions and expenditures to include any direct or indirect payment, advance, gift of money, or any services, or anything of value to any candidate, campaign committee, or political party. 2 U.S.C. § 441b(b)(2). In this matter, Boomtown, an incorporated

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entity, provided the State Party with air transportation to a fundraising event and subsequently was repaid by the State Party. It is unknown whether Boomtown was the owner of the vehicle, or whether it simply absorbed on behalf of the State Party the cost of chartering a plane. In the event Boomtown advanced the rental cost of an airplane for the State Party, violations of section 441b would be implicated. As next discussed, even if the plane was owned by, or on lease to Boomtown, provision of the plane to the State Party may have violated section 441b(a).

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Under 11 C.F.R. § 114.10(a), corporations may extend credit to a political committee without making an advance prohibited by section 441b, but only in the ordinary course of a corporation's business. On this logic, candidates must pay in advance for use of an airplane owned or leased by a corporation, if the corporation's business is not commercial air transport. 11 C.F.R. § 114.9(e); Explanation and Justification for 1977 Amendments to the Federal Election Campaign Act, H.R. Document No. 44, 95th Cong., 1st Sess. 116 (1977) ("The advance reimbursement is required because the corporation or labor organization is not in the regular business of offering commercial transportation for credit").¹

The specific regulation governing corporate air transportation applies to airplanes used by "a candidate, candidate's agent, or person traveling on behalf of a candidate."

1. This regulation does state that payment based upon the first class air fare (for a regularly serviced route) is sufficient. Id.

and appears not to specifically address airplanes provided to a political party committee. 11 C.F.R. § 114.9(e)(1). Since the section 441b prohibition, however, extends to support of political committees as well as candidates, 2 U.S.C. § 441b(b)(2); 11 C.F.R. § 114.1(a)(1), it follows that an advance of air transportation to a political party committee by a corporation not in the commercial charter business is an impermissible extension of credit under 11 C.F.R. § 114.10(a) and hence would be an illegal corporate advance prohibited by section 441b(a).

In this case it appears that Boomtown, Inc. made an in-kind contribution of the use of an airplane, a thing of value within the meaning of 2 U.S.C. § 441b(b). Therefore, there is reason to believe that Boomtown, Inc. violated 2 U.S.C. 441b(a). Further, because of the apparent involvement in the transaction of then state party chairman Robert A. Cashell, apparently the owner of Boomtown, Inc., there is reason to believe Robert A. Cashell violated 2 U.S.C. § 441b(a), by consenting to a corporate contribution as an officer or director of Boomtown, Inc.

92040921047



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 20, 1991

MEMORANDUM

TO: Robert J. Costa
Assistant Staff Director

THROUGH: John C. Surina
Staff Director

FROM: Lawrence M. Noble
General Counsel

BY: Lois G. Lerner *LL*
Associate General Counsel

SUBJECT: MUR 2934 - Nevada Republican State Central
Committee and Kevin G. Higgins, as treasurer
Request for a "Modified FIFO Analysis"

This is to confirm and follow-up on Deborah Curry's prior discussions with Rick Halter and Ray Lisi of your office regarding our request for a "modified FIFO Analysis" in MUR 2934. This matter was generated by the final audit report on Nevada Republican State Central Committee ("Nevada Committee").

According to the responses of the Nevada Committee certain expenditures were made for volunteer exempt activity in the form of slate cards, absentee ballots, and other campaign materials. In MUR 2270, the Commission determined that a "modified FIFO" method should be used to determine whether national committee funds were used to make state committee expenditures claimed to fall within the volunteer exemption.

This Office requests that the Audit Division prepare and forward to this Office a modified FIFO analysis of the expenditures listed below to determine if national party funds were used in connection with these activities. For the purposes of this analysis, funds received from the following committees would be considered national party monies: Republican National Committee, National Republican Senatorial Committee and National Republican Congressional Committee. Please analyze the following expenditures by the Nevada Committee:

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<u>Payee</u>	<u>Date</u>	<u>Check #</u>	<u>Amount</u>
1. James R. Foster & Associates	2/7/86	91	\$ 4,110.00
2. James R. Foster & Associates	2/12/86	93	\$13,663.21
3. James R. Foster	3/11/86	1002	\$ 2,190.00
4. Mail Resources	10/23/86	1046	\$ 1,515.12
5. PDQ Printing	10/28/86	1048	\$ 1,972.24
6. Passkey Systems	10/28/86	1049	\$ 3,949.11
7. UPA-UTT Printing	11/7/86	1062	\$ 1,390.95
8. Art Associates	11/7/86	1063	\$ 223.94
9. Odell Roper Associates	1/23/87	1123	\$ 1,085.51
10. Odell Roper Associates	3/13/87	1131	\$ 1,750.00
11. Odell Roper Associates	5/1/87	1141	\$ 1,324.00

Thank you in advance for your assistance in this matter. If you should have any questions or problems regarding our request, please contact either Jonathan Bernstein or Deborah Curry at (202) 376-5690.

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SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION
91 OCT 17 AM 10:36

In the Matter of)
)
Nevada Republican State)
Central Committee and)
Kevin G. Higgins, as treasurer)

MUR 2934

SENSITIVE

GENERAL COUNSEL'S REPORT

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Most recently in the above-captioned matter, this Office put before the Commission new section 441b recommendations against the Nevada Republican State Central Committee ("State Party") and Boomtown, Inc. The General Counsel's Report dated January 24, 1991, explained that the State Party had sufficiently responded to the Commission's interrogatories regarding the remaining issues in the matter, but in view of the new recommended finding, suggested that the Commission decline the State Party's outstanding conciliation request. On February 5, 1991, the Commission found reason to believe the State Party (as well as the corporate contributor) violated section 441b but determined to take no further action with respect to this issue. At the same time, the Commission voted to enter into pre-probable cause conciliation with the State Party as to the remaining issues in the matter.

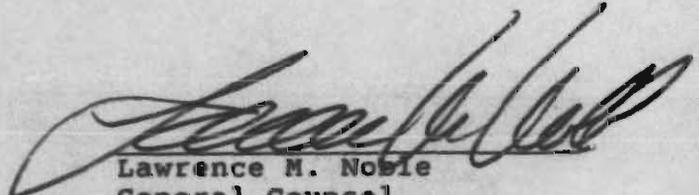
The Report then before the Commission had not fully analyzed the Committee's liability nor included a proposed conciliation agreement, so this Office began work on such analysis.¹ On May 20, 1991, this Office wrote the Audit Division and requested

1. At that time, the matter was reassigned to another staff member.

an audit analysis of certain State Party expenditures, consistent with the Commission's approach in MUR 2270, the externally generated matter (now closed) involving this Committee. On August 13 and August 20, 1991, staff of this Office met with the Audit Division to discuss details of the requested analysis. Upon this Office's receipt and review of the audit analysis, we will report to the Commission as to the Committee's liability as well as put forward a recommended conciliation proposal.

Date

10/16/91


Lawrence M. Noble
General Counsel

Staff assigned: Jonathan Bernstein
Deborah Curry

92040921051



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AR-92-9

MJ000392

January 17, 1992

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

THROUGH: JOHN C. SUBINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: MUR 2934 - NEVADA REPUBLICAN STATE CENTRAL
COMMITTEE, "MODIFIED FIFO ANALYSIS"

In a memorandum dated May 20, 1991, the Office of General Counsel requested that a "modified FIFO analysis" be prepared and forwarded to them by the Audit Division. Specifically, the Audit staff was asked to analyze the receipts and disbursements of Nevada Republican State Central Committee from January 1, 1986 to June 30, 1987 and determine whether national party receipts were used to fund the "targeted expenditures" listed in MUR 2934 (see Attachment A).^{1/} The phrase "targeted expenditures" refers to those state committee expenditures which the Nevada Committee claimed were made for volunteer exempt activity.

Source and Application of Funds Received

The Audit staff was required to complete four separate analyses. When private funds and national party funds were received and/or deposited on the same day, two separate analyses were required - one analysis which considered private funds to be received first, and one analysis which considered national party funds to be received first. In conjunction with the above, the Office of General Counsel requested that the four expenditures associated with slate card activity, be considered targeted under one analysis and not targeted under another.

^{1/} Attachment A is a consolidated list of "targeted" expenditures from MUR 2934 and MUR 2270.

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For the two analyses which did not consider slate card expenditures as "targeted", the review covered the period January 1, 1986 through December 31, 1986.^{2/} The data for these analyses was obtained by reviewing available source documentation (i.e. bank statements, check register, and other audited information).

For the remaining two analyses, which considered slate card expenditures as "targeted", the review covered the period January 1, 1986 through June 30, 1987. Since the source documentation described above was not available for 1987 activity, the information necessary to complete the analyses was obtained from the Committee's FEC disclosure reports. As a result, the following assumptions were incorporated into these two analyses.

1. The information recorded on the FEC disclosure reports was complete and accurate (The reported activity was not audited).
2. Any contributions and/or disbursements that were not individually itemized on the supporting schedules were divided equally among the total number of business days (Monday through Friday) during the reporting period.
3. The reported unitemized receipts were received from private sources only.
4. The unitemized lump sum disbursements were not considered exempt volunteer activity.
5. On those dates where reported receipts and reported disbursements occurred on the same day, the receipts activity was assumed to have occurred first.

Changes to any of the five assumptions above could result in different conclusions being reached.

The analyses were performed using the modified FIFO approach in accordance with Commission policy to determine whether national party funds were used to fund the "targeted" expenditures. After completing the four "modified FIFO analyses", the Audit staff calculated that \$37,854.34 in national party funds were used to defray all or part of four "targeted" expenditures (see Attachment A). It should be noted that in eight instances private funds and national party funds were received and/or deposited on the same day. However, the application of private funds before national party funds and

^{2/} There were no "targeted" expenditures in 1987 other than those made for slate card activity.

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vice versa, did not effect the amount of national party funds applied towards the "targeted" expenditures. Further, the classification of slate card expenditures as "targeted" or not "targeted" also had no effect on the results of either analysis.

AUDITOR'S NOTE

It should be noted that where the Audit staff had access to invoice records for the vendors to whom targeted expenditures were made, some of invoice dates preceded by more than 30 days the actual date of payment. As is apparent, arrangements were made and documented with some of the vendors well in advance of the date of payment.

The Audit workpapers are available for review in the Audit Division. Please direct any questions to Brian Dehoff or Tom Nurthen at 219-3720.

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TARGETED EXPENDITURES

Check Date/ Date Reported	Payee	Amount	Source of Funds	
			Private	RNC/NRSC
2/07/86	James R. Foster & Assoc.	\$4,110.00	\$3,434.86	\$675.14
2/12/86	James R. Foster & Assoc.	\$13,663.21		\$13,663.21
3/11/86	On Line Computer Systems	\$2,190.00	\$1,250.00	\$940.00
8/14/86	R & R Advertising	\$14,338.91	\$14,338.91	
9/24/86	U.S. Postmaster	\$154.39	\$154.39	
9/24/86	U.S. Postmaster	\$5,142.17	\$5,142.17	
10/03/86	U.S. Postmaster	\$3,339.57	\$3,339.57	
10/07/86	U.S. Postmaster	\$3,261.61	\$3,261.61	
10/15/86	U.S. Postmaster	\$650.00	\$650.00	
10/23/86	Mail Resources	\$1,515.12	\$1,515.12	
10/28/86	PDQ Printing	\$1,972.24	\$1,972.24	
10/28/86	Passkey Systems	\$3,949.11	\$3,949.11	
10/29/86	James R. Foster & Assoc.	\$73,752.54	\$51,176.55	\$22,575.99
11/07/86	Tony Marsh & Assoc.	\$1,760.83	\$1,760.83	
11/07/86	UPA-UTT Printing	\$1,390.95	\$1,390.95	
11/07/86	Art Associates	\$223.94	\$223.94	
11/07/86	B & K Printing	\$396.56	\$396.56	
11/18/86	B & K Printing	\$41.67	\$41.67	
1/15/87	Odell Roper Assoc.	\$1,085.51	\$1,085.51	
3/13/87	Odell Roper Assoc.	\$1,750.00	\$1,750.00	
5/01/87	Odell Roper Assoc.	\$1,324.00	\$1,324.00	
TOTALS:		\$138,012.33	\$98,157.99	\$37,854.34

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MAY 27 11:20

SENSITIVE

May 27, 1992

JUN 2 1992

MEMORANDUM

EXECUTIVE SESSION

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

Lois G. Lerner
Associate General Counsel

SUBJECT: Matters Under Review and Exercise of
Prosecutorial Discretion

I. BACKGROUND

In April 1992 this Office circulated a memorandum to the Commission containing a list of cases which we believed warranted the exercise of prosecutorial discretion by the closing of the file. The memorandum also invited the Commission to suggest additional cases for consideration of such action. Presented below are the cases included in our memorandum as well as those suggested to us by a Commissioner for inclusion (as denoted by an asterick).

This report recommends closing certain matters, not closing others, and holding one matter in abeyance. This Office's recommendations as to whether the file should be closed in each matter reflect numerous factors including our present workload, the age of the case, the amount of financial activity involved, and the seriousness of the violation. Closing cases under these circumstances should not necessarily be seen as a decision on how to handle similar cases in the future.

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PAGES 2-11 AND 13-32 DO NOT PERTAIN TO THESE RESPONDENTS.

92040921057

3) MUR 2934 (I) Nevada Republican State Central Committee
(Opened 8-1-89)

The case arose from an audit referral based on the 1986 election cycle, the same election cycle at issue in MUR 2270. That matter, closed in July 1991, was a complaint generated case against the Nevada Republican Party involving excessive coordinated party spending under section 441a(d). The major issue in this case also involves excessive coordinated party expenditures mostly based on different transactions than those at issue in MUR 2270. Under the Commission's current view that use of national party funds by a state party taints otherwise exempt spending, in May 1991 this Office sent a list of disbursements to the Audit Division for analysis. See General Counsel's Report dated October 16, 1991. The Audit Division's analysis shows national party funds of approximately \$15,000. (The total amount cited in the memo is \$37,854.34, but the difference is attributable to one direct mail disbursement already resolved in the previous MUR and not at issue in this matter.)

The disbursements at issue here took place during the same rough time frame as those in MUR 2270, and in that matter respondents paid a \$25,000 civil penalty for excessive coordinated party spending of nearly \$90,000. Further, although obstructiveness of an earlier treasurer is substantially responsible for the early delays in this matter, the current treasurer appears conscientious and anxious to move past the problems of the 1986 election cycle. For all these reasons, this Office recommends that the Commission take no further action in MUR 2934 and close the file.

92040921058

III. RECOMMENDATIONS

1. Take no further action and close the file in:
 - a) MUR 3177
 - b) MUR 3419
 - c) MUR 2745
 - d) MUR 2934
 - e) MUR 3099
 - f) MUR 3127
 - g) MUR 3271
 - h) MUR 3371
 - i) MUR 3441
 - j) MUR 3482
 - k) MUR 3151
 - l) MUR 3239

2. Decline to open a Matter Under Review in:
 - a) RAD Referral 92NF-02
 - b) RAD Referral 91L-76
 - c) Pre-MUR 245

- 3.

4. Approve the appropriate letters containing admonishment language.

92040921059

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Matters Under Review and Exercise) Agenda Document
of Prosecutorial Discretion) #X92-43

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on June 2, 1992, do hereby certify that the Commission took the following actions with respect to the above-captioned matters:

1. Decided by a vote of 5-0 to
 - a) Take no further action and close the file in MUR 3177, MUR 3419, MUR 2745, MUR 3099, MUR 3127, MUR 3271, MUR 3371, MUR 3441, MUR 3482, MUR 3151, and MUR 3239.
 - b) Decline to open a Matter Under Review in RAD Referral 92NF-02, RAD Referral 91L-76, and Pre-MUR 245.
 - c)
 - d) Approve the appropriate letters containing admonishment language, as recommended in the General Counsel's report dated May 27, 1992.

Commissioners Aikens, Elliott, McGarry, Potter, and Thomas voted affirmatively for the decision; Commissioner McDonald was not present at the meeting.

(continued)

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2. Decided by a vote of 4-0 to take no further action and close the file in MUR 2934.

Commissioners Aikens, Elliott, McGarry, and Thomas voted affirmatively for the decision. Commissioner McDonald was not present at the meeting. Commissioner Potter recused with respect to MUR 2934 and did not cast a vote.

Attest:

6-4-92
Date

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

92040921061



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 7, 1992

Boomtown, Inc. and
Robert A. Cashell
Interstate 80 & Garson Road
Verdi, Nevada 89439

RE: MUR 2934
Boomtown, Inc.
Robert A. Cashell

Dear Gentlemen:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script that reads "Deborah Curry".

Deborah Curry
Attorney

92040921062



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 7, 1992

CLOSED

Bob Beers, Treasurer
Nevada State Republican Central Committee
Suite S
7310 West Smoke Ranch Road
Las Vegas, Nevada 89128

RE: MUR 2934
Nevada State Republican Central
Committee and Bob Beers, as treasurer

Dear Mr. Beers:

On January 23, 1990, Nevada State Republican Central Committee ("Committee") was notified that the Federal Election Commission found reason to believe that the Committee and its treasurer violated 2 U.S.C. §§ 441a(a)(2)(A), 441a(f), 441a, 434(b), and 434(b)(4)(H)(iv) and (6)(B)(iv). In answer to the Commission's findings of reason to believe, the Committee submitted responses or information on March 14, 1990; April 25, 1990; May 4, 1990, and June 18, 1990. Subsequently, on March 6, 1991, the Committee was notified that the Commission found reason to believe the Committee and its treasurer violated 2 U.S.C. § 441b but determined to take no further action with respect to this issue.

After considering all the circumstances of the matter, and in the exercise of its prosecutorial discretion, the Commission determined on June 2, 1992, to take no further action against Nevada State Republican Central Committee and its treasurer and closed the file. The Commission reminds the Committee that the making of excessive contributions, the making of excessive coordinated party expenditures, the acceptance of corporate contributions, and the inaccurate reporting of expenditures constitute violations of the above mentioned sections of the Federal Election Campaign Act of 1971, as amended. You should take immediate steps to insure that this activity does not occur in the future.

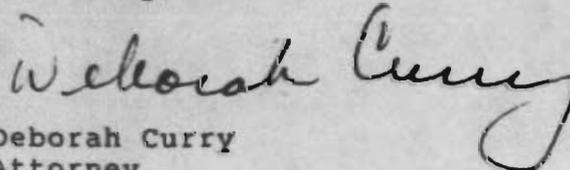
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Bob Beers, Treasurer
Page 2

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

If you have any questions, please contact me at
(202) 219-3400.

Sincerely,



Deborah Curry
Attorney

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2934

DATE FILMED 8-12-92 CAMERA NO. 4

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