



FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20463

THIS IS THE BEGINNING OF MUR # 3098 <sup>48298</sup> w. 3051 + Ptz M48  
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Pepper, Hamilton & Scheetz  
3000 Two Logan Square  
Philadelphia, PA 19103  
(215) 981-4995

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FEDERAL ELECTION COMMISSION  
90MAR -5 PM 2:04

February 28, 1990

Lawrence M. Noble, Esquire  
General Counsel  
Federal Election Commission  
999 East State Street, N.W.  
Washington, D. C. 20463

Dear Mr. Noble:

I was quite disturbed when I received the enclosed materials<sup>1</sup> in the mail the other night. First of all, they are misleading. The mailing contained a "check" that is not really a check. There is a restrictive endorsement that, once deciphered, makes clear that the funds represented by the "check" cannot in any event be used by the payee (me) except to return the money to the political committee (some "Candidate Escrow Fund" (CEF)) designated by the payor.

Second, the mailing appears to me to be illegal. The Republican Presidential Task Force is giving me money that I can use only to give back, through my bank account, to the CEF. As such, this appears to be an offer by the Republican Presidential Task Force to make a \$25 contribution in my name to the CEF -- a violation of 11 C.F.R. §110.4(b). If the scale of this mailing is what I suspect (my check number is 513886), then it is probably also a subterfuge by the Task Force to exceed its maximum contribution limit to the CEF with contributions made in other persons' names -- truly a "Secret Candidate Support Weapon" as described in the accompanying letter.

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1. The materials consist of (1) an envelope emblazoned "check enclosed," (2) a "check" bearing a restrictive endorsement, (3) a three-page letter signed by one Richard Dearborn, Executive Director of the Republican Presidential Task Force, also bearing the names of President Bush and President Reagan, and (4) a glossy brochure entitled "Who's Who in the Republican Party."

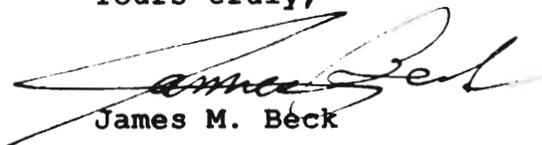
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Lawrence M. Noble, Esquire  
Page 2  
February 28, 1990

Since the letter states that it is paid for and authorized by the National Republican Senatorial Committee, I can only assume that the funds raised (or transferred) through the mailing are to be used in federal elections -- thereby conferring jurisdiction upon the FEC.

Please refer this letter and the enclosures to your investigators pursuant to 11 C.F.R. §111.8. I am retaining the originals. For the time being, you need not treat this letter as a formal private complaint.

Yours truly,



James M. Beck

JMB/egb  
Enclosures

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# REPUBLICAN PRESIDENTIAL TASK FORCE

**Ronald Reagan**  
FOUNDER

**Richard Dearborn**  
EXECUTIVE DIRECTOR

**George Bush**  
PRESIDENT

February 23, 1990

Dear James M. Beck:

The enclosed \$25 check is real.

And you'll be happy to know that the Executive Committee of the Republican Presidential Task Force recommended that you receive it.

The Executive Committee believes your past accomplishments as well as your personal commitment to our President and our nation makes you worthy of the special recognition recipients of this check are eligible to receive.

For when you endorse the \$25 check and deposit it, you will be agreeing to participate in the testing (without obligation) of the Republican Party's newest candidate support concept called Candidate Escrow Funding (CEF).

And all participants in this -- "No Obligation" -- "No Cost" -- CEF testing program will automatically be eligible for inclusion in Who's Who in the Republican Party.

President George Bush, Vice President Dan Quayle, President Ronald Reagan and many of their most important supporters will also be included in this prestigious publication.

Needless to say, each of these individuals is deeply touched to receive this honor and each will be delighted to know that you are receiving the same recognition.

But in order to be eligible for inclusion in Who's Who in the Republican Party you must agree to participate in the testing of the Republican Party's newest Candidate Escrow Funding concept.

CEF is a revolutionary new concept designed to give our incumbent and challenger candidates the extra edge they'll need this November to defeat Liberal Democrats who oppose President Bush.

And the testing of this new funding concept requires absolutely NO FINANCIAL COMMITMENT from you. All you have to do is agree to try CEF for two months at our expense.

To do this just sign the endorsement on the reverse side of the enclosed check, deposit the check and then for each of the next two months \$12.50 will be instantly transferred

425 Second Street, N.E. ■ Washington, D.C. 20002

Paid for and authorized by the National Republican Senatorial Committee  
Contributions to the National Republican Senatorial Committee are not deductible as charitable contributions for federal income tax purposes.  
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Patent Pending

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directly to a vitally important Candidate Support Program.

And if after two months you are not completely satisfied or if for any reason you don't feel comfortable participating in this program, then simply terminate the arrangement and it will have cost you absolutely nothing.

But if after the completion of our two month "FREE" trial period, you think CEF makes sense to you, then at that point you will automatically become an active member of an exclusive group of concerned Americans who have made a personal commitment to helping the Republican Party elect candidates who truly support our President and his programs.

Candidate Escrow Funding is the "Secret Candidate Support Weapon" we're relying on to help us accomplish this important objective.

And if you have the slightest doubt about the importance of CEF -- let me stress one important point. Historically too many GOP candidates on the threshold of victory have simply run out of money and lost the election.

And your willingness to help us prove the validity of this new "CEF" funding concept will go a long way towards helping us solve this grave problem. Equally exciting is the fact that CEF will also help us to get needed resources to our candidates faster.

In this day of instant communications every second counts in a political campaign and every new technological advancement we can use to enhance the speed with which we can get resources to our candidates -- tips the election scales in our favor.

In addition, mass participation in CEF will allow both the Task Force and our candidates to dramatically slash mailing, administrative, and postage costs. This means that at every stage of the campaign there will be more resources available to our candidates.

Moreover, having a reliable, ongoing source of funding will enable our candidates to make firm, binding commitments to campaign programs that could only be dreamed about during previous election cycles.

Hi-tech Voter Identification Programs, Hi-tech Voter Registration Programs, and Hi-tech Voter Turnout Programs can now become a reality for all our incumbent and challenger candidates.

Furthermore, your participation in CEF will ensure that 100% of your hard earned, unselfish generosity will always be instantly converted to grassroots support for our Republican candidates.

Technology has only recently made it possible for us to unleash this new, powerful electronic weapon. Now that we have CEF -- it's absolutely essential you help us put it to good use. And to show our appreciation we have made special arrangements to have your personal biographical background included in the Charter issue

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of Who's Who in the Republican Party.

This is a once-in-a-lifetime opportunity and it is yours with our compliments, if you will simply agree to try our new Candidate Escrow Funding concept for just two full months FREE.

Remember you are under no obligation to continue your participation in CEF beyond the two month trial period.

And testing this concept costs you nothing, since the Task Force is advancing you the money to pay for this two month FREE trial. So there is absolutely nothing for you to lose by agreeing to participate.

That's why I urge you to take just a moment to endorse the enclosed check and deposit it without delay.

Also, please be certain to deposit your check before its expiration date. If this check is not deposited before this date -- you will forfeit your right to be included in the Charter Issue of Who's Who in the Republican Party.

That would be tragic because Who's Who in the Republican Party is destined to become one of America's most prestigious reference books. And to officially induct you into Who's Who in the Republican Party, you will be sent a Certificate of Registration which will be notarized and appropriate for framing.

Undoubtedly this impressive document will become one of your family's most treasured keepsakes. It will be beautifully calligraphed with your name and printed on fine vellum. I am confident you will want to display this impressive Who's Who Certificate prominently in either your home or office.

In addition to this stately document, you will also receive an Official Who's Who in the Republican Party Biographical Data Form which you will be asked to complete in its entirety.

This special distinction of being accepted for inclusion in the Charter issue of Who's Who in the Republican Party is totally unique. It will never again be offered to anyone.

So please, I urge you to sign the endorsement and deposit your check today.

Sincerely,  
  
Richard Dearborn  
Executive Director

P.S. Remember -- you are only being asked to participate in a no-risk, no-nonsense trial test of an important new candidate support concept. It will cost you nothing to participate in this test. So please don't delay even one day in depositing your check. Thank you.

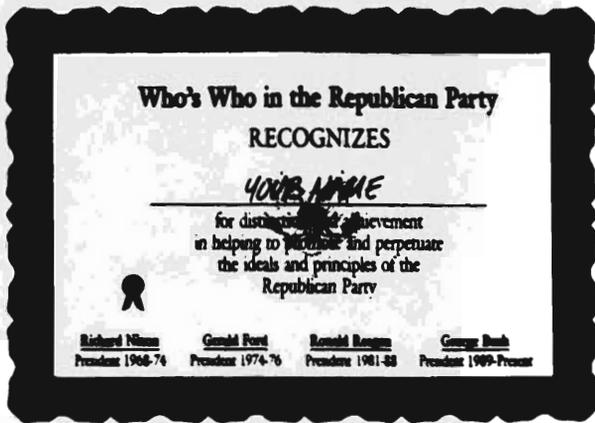
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# Who's Who in the Republican Party

A chronicle attesting to the Achievements of the Republican Party's most influential, active, and loyal supporters.

To officially induct you into Who's Who in the Republican Party you will be sent a Certificate of Registration which will be notarized and appropriate for framing.

*Replica*



It will be a lasting record accessed and replied upon by commentators, media personalities, news makers, writers, elected officials and the entire Republican Establishment.

Inclusion in the Charter Issue of Who's Who in the Republican Party is a Once in a Lifetime Opportunity and there is no cost or obligation to any person so selected.

*"It's An Honor without Equal"*

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JAMES MICHELS  
 DONALD REAGAN ★ GEORGE BUSH ★ BOB DOLE  
 KEMP ★ ARNOLD SCHWARZENEGGER ★ CONNOR  
 STROM THURMOND ★ JOHN HEINZ ★ NANCY  
 RODNEY SMITH ★ JAMES DANFORTH QUAYLE  
 ZABE L  
 BURCE  
 NIXON  
 HART  
 HAW  
 LAN  
 N QU  
 CLAU  
 JOHN S  
 DAN COATS ★ PETE duPONT ★ SUSAN ENGLE  
 E GORTON ★ HOWARD BAKER ★ STEVE SYMMIS  
 ARLEN SPECTER ★ TOM TAUKE ★ CONNIE MORE  
 MARK HATFIELD ★ PAT SAIKI ★ DON NICKLES  
 CONRAD BURNS ★ MARGE ROUKEMA ★ TED ST  
 GRAMM ★ BOB MICHEL ★ BARRY GOLDWATER  
 JERRY FORD ★ LYNN MARTIN ★ BOB PACKW  
 A VUCANOVICH ★ BOB KASTEN ★ TRENT LOTT  
 HATCH ★ NANCY KASSEBAUM ★ SCOTT

★

## Who's Who in the Republican Party

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## GEORGE HERBERT WALKER BUSH

President of the United States 1989-Present

*Sample Biography Abbreviated*

**Born:** Milton, Massachusetts June 12, 1924  
**Parents:** Prescott and Dorothy Walker Bush  
**Married:** Barbara Pierce January 6, 1945  
**Children:** George, John (Jeb), Neil, Marvin, and Dorothy  
**Education:** High School: Andover Academy;  
College: Yale University  
**Military Service:** U.S. Navy - Distinguished Flying Cross  
**Career:** 1976-1977 Director of the Central Intelligence Agency  
1981-1988 Vice President of the United States  
**Hobbies:** Fishing and Horseshoes



## RONALD WILSON REAGAN

President of the United States 1981-1988

*Sample Biography Abbreviated*

**Born:** Tampico, Illinois February 6, 1911  
**Parents:** John and Nelle Wilson Reagan  
**Married:** Nancy Davis March 4, 1952  
**Children:** Maureen, Michael, Ronald Jr., and Patricia  
Party)  
**Education:** High School: Dixon Northside;  
College: Eureka College  
**Military Service:** U.S. Army  
**Career:** 1947-1960 President Screen Actors Guild  
1966-1974 Governor of California  
**Hobbies:** Riding and Ranching



## GERALD RUDOLPH FORD

President of the United States 1974-1976

*Sample Biography Abbreviated*

**Born:** July 14, 1913 in Omaha, Nebraska  
**Parents:** Leslie and Dorothy Gardner King, adopted father Gerald Ford Sr.  
**Married:** Elizabeth Bloomer on October 15, 1948  
**Children:** Michael, John, Steven, and Susan  
**Education:** High School, South High, College, University of Michigan B.A. 1935, Yale University LLB 1941  
**Military:** U.S. Navy in WWII  
**Career:** 1965-1974 Republican Leader U.S. House of Representatives  
1974 Vice President of the United States  
**Hobbies:** Skiing and golf



## RICHARD MILHOUS NIXON

President of the United States 1968-1974

*Sample Biography Abbreviated*

**Born:** January 9, 1913 Yorba Linda, California  
**Parents:** Francis and Hannah Milhous Nixon  
**Married:** Thelma Catherine Ryan on June 21, 1940  
**Children:** Patricia and Julie  
**Education:** High School: Whittier High, College: Whittier College 1934, Duke University LLB 1937  
**Military:** U.S. Navy in WWII  
**Career:** 1950-1952 United States Senate  
1953-1961 Vice President of the United States  
**Hobbies:** Golf and reading

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**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

March 8, 1990

Republican Presidential Task Force  
Richard Dearborn  
Executive Director  
425 Second Street, N.E.  
Washington, D.C. 20002

Dear Mr. Dearborn:

On March 5, 1990, the Federal Election Commission received a letter alleging that the Republican Presidential Task Force violated sections of the Federal Election Campaign Act of 1971, as amended. As indicated from the copy of the enclosed letter addressed to the complainant, those allegations do not meet certain specified requirements for the proper filing of a complaint. Thus, no action will be taken on this matter unless the allegations are refiled meeting the requirements for a properly filed complaint. If the matter is refiled, you will be notified at that time.

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

If you have any questions, please call Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

  
Lois G. Lerner  
Associate General Counsel

Enclosures

Copy of Improper Complaint  
Copy of letter to the Complainant

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 8, 1990

James M. Beck  
Peper, Hamilton & Scheetz  
3000 Two Logan Square  
Philadelphia, PA 19103

Dear Mr. Beck:

We have received your letter of February 28, 1990, regarding the possibility of a violation of the Federal Election Campaign Act of 1971, as amended ("the Act"). Chapters 95 and 96 of Title 26, United States Code.

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

However, if you desire the Commission to look into the matter discussed in your letter to determine if the Act [Chapters 95 and 96 of Title 26, United States Code,] have been violated, a formal complaint as described in 2 U.S.C. § 437g(a)(1) must be filed. Requirements of this section of the law, and Commission regulations at 11 C.F.R. § 111.4, which are a prerequisite to Commission action, are detailed below:

- (1) A complaint must be in writing. (2 U.S.C. § 437g(a)(1)).
- (2) Its contents must be sworn to and signed in the presence of a notary public and shall be notarized. (2 U.S.C. § 437g(a)(1)).
- (3) A formal complaint must contain the full name and address of the person making the complaint. (11 C.F.R. § 111.4).
- (4) A formal complaint should clearly identify as a respondent each person or entity who is alleged to have committed a violation. (11 C.F.R. § 111.4).
- (5) A formal complaint should identify the source of information upon which the complaint is based. (11 C.F.R. § 111.4).

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(6) A formal complaint should contain a clear and concise recitation of the facts describing the violation of a statute or law over which the Commission has jurisdiction. (11 C.F.R. § 111.4).

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

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

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

If we can be of any further assistance, please do not hesitate to contact me at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

Enclosures  
Excerpts  
Procedures

cc: respondent

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FEDERAL ELECTION COMMISSION  
NATIONAL ROOM

Pepper, Hamilton & Scheetz  
3000 Two Logan Square  
Philadelphia, PA 19103  
(215) 981-4995

90 APR 18 AM 10:37

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April 16, 1990

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OFFICE OF GENERAL COUNSEL  
90 APR 19 AM 12:59

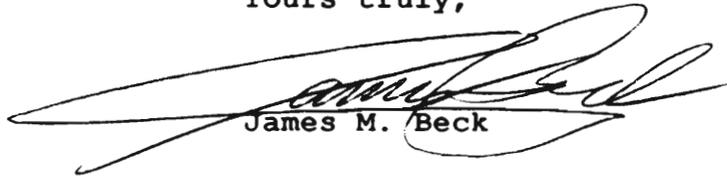
Lawrence M. Noble, Esquire  
General Counsel  
Federal Election Commission  
999 East State Street, N.W.  
Washington, D. C. 20463

Re: Beck v. Republican Presidential Task Force, et al.

Dear Mr. Noble:

Enclosed please find a formal administrative complaint, substituting my letter of February 28, 1990, which meets the requirements stated in your return letter of March 8, 1990, and enables the FEC to institute a formal investigation into the solicitation in question.

Yours truly,



James M. Beck

JMB/egb  
Enclosure

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BEFORE THE  
FEDERAL ELECTION COMMISSION

---

JAMES M. BECK,  
Complainant,  
v.  
REPUBLICAN PRESIDENTIAL TASK  
FORCE, "CANDIDATE ESCROW FUNDING",  
and NATIONAL REPUBLICAN  
SENATORIAL COMMITTEE,  
Respondents.

MUR No.

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ADMINISTRATIVE COMPLAINT

Parties

1. Complainant James M. Beck is an individual and a citizen of the United States of America and of the Commonwealth of Pennsylvania, residing at 4714 Windsor Avenue, Philadelphia, Pennsylvania 19143-3517.

2. Respondent Republican Presidential Task Force ("Task Force") is, upon information and belief, a political committee with an address at 425 Second Street, N.E., Washington, D.C. 20002.

3. Respondent "Candidate Escrow Funding" ("CEF") is, upon information and belief, a political committee with an address at c/o Republican Presidential Task Force, 425 Second Street, N.E., Washington, D.C. 20002. It is possible that CEF is not sui juris, in which case allegations pertaining to CEF should be deemed to pertain to the Task Force.

4. Respondent National Republican Senatorial Campaign Committee, ("Committee") is, upon information and

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belief, a political committee with an address at 425 Second Street, N.E., Washington, D.C. 20002.

Jurisdiction

5. The Federal Election Commission has jurisdiction over this Administrative Complaint because the solicitation at issue here was authorized by respondent Committee, contains a disclaimer required by federal election law and, upon information and belief, solicits "contributions" to be used to influence "elections" to "federal office" within the meaning of 11 C.F.R. §§100.2; 100.3; 100.7 (1989).

Factual Background

6. On or about February 26, 1990, Complainant received at his residence the political solicitation described in more detail below. Said solicitation consisted of: a "Check" (attached as Exhibit "A"); a three-page Letter (attached as Exhibit "B") signed by one Richard Dearborn; a "Brochure" entitled "Who's Who in the Republican Party" (attached as Exhibit "C"); and an outer "Envelope" (attached as Exhibit "D").

7. The Envelope is emblazoned "CHECK ENCLOSED." See Exhibit "D".

8. The Letter is printed on the letterhead of the Committee and uses the names of former president Ronald Reagan and current president George Bush. The Letter is signed by Richard Dearborn, the "Executive Director" of the Committee. See Exhibit "B".

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9. The Letter states that, "The enclosed check is real," and describes a "Secret Candidate Support Weapon," which is CEF. See Exhibit "B".

10. The Check that accompanies the Letter is for \$25.00 and is made out to Complainant. See Exhibit "A".

11. The Letter represents that the Check is being sent "without obligation" and requests that Complainant deposit said Check in Complainant's personal bank account. See Exhibit "B".

12. The Letter represents that, by signing the endorsement on the Check, the Complainant agrees to "participate" in "testing" CEF. See Exhibit "B".

13. Under the "test", \$12.50 would be deducted from Complainant's account monthly for two months and credited to CEF. See Exhibits "A", "B".

14. The Letter represents that participation in CEF "requires absolutely NO FINANCIAL COMMITMENT." See Exhibit "B".

15. If, however, after two months any person who agrees to "participate" in the "test" does not, on his own initiative, notify someone who is not specified in the Letter that he or she wished to "terminate" the "test", at that point he or she "automatically" would become an "active member" in CEF. See Exhibit "B".

16. The only specification of who a "test" participant must notify to terminate the "test" is contained on the restrictive endorsement on the back of the Check. See Exhibit "A". After deposit, a participant will no longer have access to the Check.

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17. The Letter represents that funds collected by CEF "will be instantly transferred directly to a vitally important Candidate Support Program." See Exhibit "B".

18. Upon information and belief, by means of the "automatic" enrollment feature, respondents Task Force and CEF intend to continue debiting the bank accounts, beyond the two-month "test" period, of all persons who fail to provide notice of termination.

19. The restrictive endorsement on the Check indicates that the \$25.00 being provided to Complainant can be used for only one purpose -- to contribute that money back to the Task Force and CEF. The endorsement provides that it "shall be the same as if Benefactor had personally signed and given the check to The Republican Presidential Task Force." See Exhibit "A".

20. The endorsement of the Check provides authorization "to charge my personal account for at least each of the next two months one-half of the amount of the face of this check." See Exhibit "A".

21. As an added inducement, participants are given a "right to be included" in a yet unpublished "reference book" entitled "Who's Who in the Republican Party." See Exhibits "B", "C".

22. On information and belief, the "right" to inclusion in "Who's Who in the Republican Party" is illusory. The "right" is nothing more than "eligibility", and no one who does not continue to participate beyond the two-month "test" will, in fact, be included in "Who's Who." See Exhibit "B".

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Violations Alleged

23. The solicitation by the Task Force, CEF and the Committee is misleading in the following respects:

a. It includes a "Check" purporting to be from the Task Force to the recipient, but which "must be endorsed before deposited." The only endorsement permitted is "the same as if Benefactor had personally signed and given check to The Republican Presidential Task Force." See Exhibit "A". In reality, the Check is not from the Task Force to the recipient, but precisely the opposite.

b. The Letter repeatedly states that the recipient has no financial obligation, whereas the authorization permits automatic deductions for "at least" two months in amounts of "one-half. . .of the face of this check." See Exhibits "A", "B". In reality, by signing the Check, the participant is making a financial commitment by authorizing deductions for more than two months.

c. The Letter purports to be soliciting volunteers for a limited, two-month "test". However, the endorsement on the Check permits automatic deduction for "at least" two months, and participants who fail to take the initiative to "terminate" their participation, are "automatically" enrolled as "active members" of CEF. See Exhibits "A", "B". In actuality, recipients are being requested to agree to an obligation of unlimited duration.

d. The Letter states that the "test" can be "terminated" by the participant, but does not inform the

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participant how to terminate or to whom a termination notice is to be directed. See Exhibit "B". The only information on termination is written on the back of the Check, which, of course, will no longer be available to the recipient after it is deposited. In reality, unless the recipient understands federal banking law, the recipient will not know how to terminate the automatic deductions from his or her account.

e. The Letter offers a "right" to be included in "Who's Who" as a further inducement to participate in the "test", and includes a glossy brochure on "Who's Who." See Exhibits "B", "C". However, elsewhere the Letter speaks only of "eligibility for inclusion." See Exhibit "B". In reality, no one who participates only in the two-month "test" will be included in the book.

24. As a result of its misleading character, the solicitation in question causes, or is likely to cause the following violations:

a. 11 C.F.R. §110.4(b). By providing checks to recipients that are designed to be usable only for the purpose of having the recipient return the money as a political contribution, the Task Force is making contributions to CEF in the names of others (the recipients). CEF, by receiving the automatic deductions financed by the Task Force is knowingly receiving contributions made in names of others (the recipients).

b. 11 C.F.R. §104.3(a). As a consequence of the scheme by the Task Force to make contributions to CEF in the

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names of others, it can be expected that CEF will improperly report these contributions in the names of others.

c. 11 C.F.R. §110.7(b). On information and belief, the solicitation received by the Complainant is only one of a great many identical solicitations mailed by the Task Force. The number on the Check is 513,886. See Exhibit "A". Because the effect of these solicitations is allow one large sum of the Task Force's money to appear as if contributed by many individuals, it can be expected that either the Task Force, CEF, or the Committee will employ this appearance to distribute these funds to candidates in excess of the contribution limits imposed on party committees by law.

d. 11 C.F.R. §110.9(a). The Committee, by authorizing and paying for the solicitation, made an expenditure in violation of Part 110, as detailed in ¶24(a), (c), above. To the extent the Committee obtains the funds represented by Task Force checks deposited by "participants" in the "test", the Committee further violates the subsection by accepting contributions made in violation of Part 110.

WHEREFORE, Complainant James M. Beck, requests that the Federal Election Commission investigate the allegations of the within Complaint pursuant to the powers granted to it by 2 U.S.C. §437(g), find that a violation has occurred, and impose such sanctions upon the respondents, including return of all

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improperly received contributions and nullification of all  
improperly obtained authorizations, as are warranted by law.

  
JAMES M. BECK  
(215) 729-7842

Dated: April 16, 1990

Sworn to and Subscribed  
before me this 16<sup>th</sup> day  
of April, 1990.

  
\_\_\_\_\_  
Notary Public

NOTARIAL SEAL  
LORETTA OHL, Notary Public  
City of Philadelphia, Phila. County  
My Commission Expires Aug. 17, 1990

21040522535



**REPUBLICAN PRESIDENTIAL TASK FORCE**  
 425 SECOND STREET, N.E. • WASHINGTON, D.C. 20002  
 1-800-877-6772

THE  
**RIGGS**  
 NATIONAL BANK  
 OF WASHINGTON, D.C.

513886

15-3  
 540

**February 23 1990**

VOID AFTER NINETY DAYS

**PAY TWENTY-FIVE DOLLARS AND 00/100**

**Dollars \$ 25.00**

(VOID IF OVER \$88.00)

**TO: James M. Beck  
 4714 Windsor Ave.  
 Philadelphia, PA 19143**

1190100553099 1111 0

FOR OFFICIAL USE ONLY

*James L. Hegen*

05025930 \*018770\* 0540000300 12-08692849

In accordance with the terms and conditions stated below I hereby authorize my bank to charge my personal account for at least each of the next two months one-half of the amount of the face of this check.

PROCESS THIS CHECK THE FOLLOWING INFORMATION IS NEEDED—

BUSINESS CHECK NAME \_\_\_\_\_ YOUR SIGNATURE \_\_\_\_\_  
 FOR DEPOSIT ONLY TO # \_\_\_\_\_  
 THIS BANK ACCOUNT \_\_\_\_\_ YOUR BANK ACCOUNT NUMBER \_\_\_\_\_  
 ABA CODE - PHONE NUMBER \_\_\_\_\_ DATE \_\_\_\_\_

PLEASE COMPLETE THE SIGNATURE, BANK ACCOUNT NUMBER, PHONE NUMBER AND DATE SPACES ABOVE.

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 Patent Pending

AGREEMENT

THE REPUBLICAN PRESIDENTIAL TASK FORCE HAS ADVANCED ME MONEY TO MY CANDIDATE ESCROW FUNDING "FREE" FOR TWO MONTHS. I UNDERSTAND THAT MY OBLIGATIONS FOR THE ESCROW AMOUNT UNDER THIS AGREEMENT ARE COMPLETE ANYTIME AFTER THE INITIAL TWO MONTHS. I MAY SIMPLY GIVE MY BANK NOTICE OF TERMINATION OF THIS AUTHORIZATION PURSUANT TO THE REQUIREMENTS OF THE ELECTRONIC FUND TRANSFER ACT.

The authorization to charge Benefactor's account at Bank shall be the same as if Benefactor had personally signed and given a check to The Republican Presidential Task Force. It is understood and agreed that the Bank shall have no responsibility for the corrections of any charge herein contemplated and that said monthly charge shall increase by ten percent on each twelve month anniversary date of the initial charge. A record of each debit will be included in the Benefactor's monthly bank summary and this record will serve as the Benefactor's receipt. Any dispute involving the amount thereof shall be handled by the Benefactor directly with The Republican Presidential Task Force.

CONTROLLED BY FEDERAL RESERVE BOARD OF GOVERNORS REG. CC

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REPUBLICAN PRESIDENTIAL TASK FORCE



Ronald Reagan FOUNDER

Richard Dearborn EXECUTIVE DIRECTOR

George Bush PRESIDENT

February 23, 1990

Dear James M. Beck:

The enclosed \$25 check is real.

And you'll be happy to know that the Executive Committee of the Republican Presidential Task Force recommended that you receive it.

The Executive Committee believes your past accomplishments as well as your personal commitment to our President and our nation makes you worthy of the special recognition recipients of this check are eligible to receive.

For when you endorse the \$25 check and deposit it, you will be agreeing to participate in the testing (without obligation) of the Republican Party's newest candidate support concept called Candidate Escrow Funding (CEF).

And all participants in this -- "No Obligation" -- "No Cost" -- CEF testing program will automatically be eligible for inclusion in Who's Who in the Republican Party.

President George Bush, Vice President Dan Quayle, President Ronald Reagan and many of their most important supporters will also be included in this prestigious publication.

Needless to say, each of these individuals is deeply touched to receive this honor and each will be delighted to know that you are receiving the same recognition.

But in order to be eligible for inclusion in Who's Who in the Republican Party you must agree to participate in the testing of the Republican Party's newest Candidate Escrow Funding concept.

CEF is a revolutionary new concept designed to give our incumbent and challenger candidates the extra edge they'll need this November to defeat Liberal Democrats who oppose President Bush.

And the testing of this new funding concept requires absolutely NO FINANCIAL COMMITMENT from you. All you have to do is agree to try CEF for two months at our expense.

To do this just sign the endorsement on the reverse side of the enclosed check, deposit the check and then for each of the next two months \$12.50 will be instantly transferred

425 Second Street, N.E. ■ Washington, D.C. 20002

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directly to a vitally important Candidate Support Program.

And if after two months you are not completely satisfied or if for any reason you don't feel comfortable participating in this program, then simply terminate the arrangement and it will have cost you absolutely nothing.

But if after the completion of our two month "FREE" trial period, you think CEF makes sense to you, then at that point you will automatically become an active member of an exclusive group of concerned Americans who have made a personal commitment to helping the Republican Party elect candidates who truly support our President and his programs.

Candidate Escrow Funding is the "Secret Candidate Support Weapon" we're relying on to help us accomplish this important objective.

And if you have the slightest doubt about the importance of CEF -- let me stress one important point. Historically too many GOP candidates on the threshold of victory have simply run out of money and lost the election.

And your willingness to help us prove the validity of this new "CEF" funding concept will go a long way towards helping us solve this grave problem. Equally exciting is the fact that CEF will also help us to get needed resources to our candidates faster.

In this day of instant communications every second counts in a political campaign and every new technological advancement we can use to enhance the speed with which we can get resources to our candidates -- tips the election scales in our favor.

In addition, mass participation in CEF will allow both the Task Force and our candidates to dramatically slash mailing, administrative, and postage costs. This means that at every stage of the campaign there will be more resources available to our candidates.

Moreover, having a reliable, ongoing source of funding will enable our candidates to make firm, binding commitments to campaign programs that could only be dreamed about during previous election cycles.

Hi-tech Voter Identification Programs, Hi-tech Voter Registration Programs, and Hi-tech Voter Turnout Programs can now become a reality for all our incumbent and challenger candidates.

Furthermore, your participation in CEF will ensure that 100% of your hard earned, unselfish generosity will always be instantly converted to grassroots support for our Republican candidates.

Technology has only recently made it possible for us to unleash this new, powerful electronic weapon. Now that we have CEF -- it's absolutely essential you help us put it to good use. And to show our appreciation we have made special arrangements to have your personal biographical background included in the Charter issue

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of Who's Who in the Republican Party.

This is a once-in-a-lifetime opportunity and it is yours with our compliments, if you will simply agree to try our new Candidate Escrow Funding concept for just two full months FREE.

Remember you are under no obligation to continue your participation in CEF beyond the two month trial period.

And testing this concept costs you nothing, since the Task Force is advancing you the money to pay for this two month FREE trial. So there is absolutely nothing for you to lose by agreeing to participate.

That's why I urge you to take just a moment to endorse the enclosed check and deposit it without delay.

Also, please be certain to deposit your check before its expiration date. If this check is not deposited before this date -- you will forfeit your right to be included in the Charter Issue of Who's Who in the Republican Party.

That would be tragic because Who's Who in the Republican Party is destined to become one of America's most prestigious reference books. And to officially induct you into Who's Who in the Republican Party, you will be sent a Certificate of Registration which will be notarized and appropriate for framing.

Undoubtedly this impressive document will become one of your family's most treasured keepsakes. It will be beautifully calligraphed with your name and printed on fine vellum. I am confident you will want to display this impressive Who's Who Certificate prominently in either your home or office.

In addition to this stately document, you will also receive an Official Who's Who in the Republican Party Biographical Data Form which you will be asked to complete in its entirety.

This special distinction of being accepted for inclusion in the Charter issue of Who's Who in the Republican Party is totally unique. It will never again be offered to anyone.

So please, I urge you to sign the endorsement and deposit your check today.

Sincerely,  
  
Richard Dearborn  
Executive Director

P.S. Remember -- you are only being asked to participate in a no-risk, no-nonsense trial test of an important new candidate support concept. It will cost you nothing to participate in this test. So please don't delay even one day in depositing your check. Thank you.

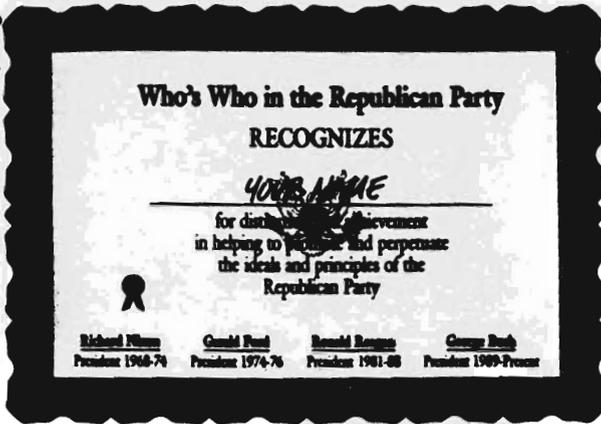
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# Who's Who in the Republican Party

A chronicle attesting to the Achievements of the Republican Party's most influential, active, and loyal supporters.

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*Replica*



It will be a lasting record accessed and relied upon by commentators, media personalities, news makers, writers, elected officials and the entire Republican Establishment.

Inclusion in the Charter Issue of Who's Who in the Republican Party is a Once in a Lifetime Opportunity and there is no cost or obligation to any person so selected.

*"It's An Honor without Equal"*

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JAMES MICHELS  
DONALD REAGAN ★ GEORGE BUSH ★ BOB DORTCH  
KEMP ★ ARNOLD SCHWARZENEGGER ★ CONNOR  
STROM THURMOND ★ JOHN HINZ ★ NANCY  
RODNEY SMITH ★ JAMES DANFORTH QUAY  
ZABE  
BURCH  
NIXON  
HARLE  
ETEL  
★ JAN  
N QU  
CLAU  
JOHN S  
DAN COATS ★ PLTE duPONT ★ SUSAN ENGLISH  
E GORTON ★ HOWARD BAKER ★ STEVE SYMMS  
ARLEN SPECTER ★ TOM TAUBE ★ CONNIE MORE  
MARK HATHFIELD ★ PAT SAIKI ★ DON NICKLES  
CONRAD BURNS ★ MARGE ROUKEMA ★ TED S  
GRAMM ★ BOB MICHEL ★ BARRY GOLDWATER  
★ JERRY FORD ★ LYNN MARTIN ★ BOB PACKW  
★ VAUCANOVICH ★ BOB KASTEN ★ TRENT LOTT  
★ NANCY KASSEBAUM ★ SCOT

★

## Who's Who in the Republican Party

★

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## GEORGE HERBERT WALKER BUSH

President of the United States 1989-Present

*Sample Biography Abbreviated*

**Born:** Milton, Massachusetts June 12, 1924  
**Parents:** Prescott and Dorothy Walker Bush  
**Married:** Barbara Pierce January 6, 1945  
**Children:** George, John (Jeb), Neil, Marvin, and Dorothy  
**Education:** High School: Andover Academy;  
College: Yale University  
**Military Service:** U.S. Navy—Distinguished Flying Cross  
**Career:** 1976-1977 Director of the Central Intelligence Agency  
1981-1988 Vice President of the United States  
**Hobbies:** Fishing and Horseshoes



## RONALD WILSON REAGAN

President of the United States 1981-1988

*Sample Biography Abbreviated*

**Born:** Tampico, Illinois February 6, 1911  
**Parents:** John and Nelle Wilson Reagan  
**Married:** Nancy Davis March 4, 1952  
**Children:** Maureen, Michael, Ronald Jr., and Patricia (Patty)  
**Education:** High School: Dixon Northside;  
College: Eureka College  
**Military Service:** U.S. Army  
**Career:** 1947-1960 President Screen Actors Guild  
1966-1974 Governor of California  
**Hobbies:** Riding and Ranching



## GERALD RUDOLPH FORD

President of the United States 1974-1976

*Sample Biography Abbreviated*

**Born:** July 14, 1913 in Omaha, Nebraska  
**Parents:** Leslie and Dorothy Gardner King, adopted father Gerald Ford Sr.  
**Married:** Elizabeth Bloomer on October 15, 1948  
**Children:** Michael, John, Steven, and Susan  
**Education:** High School, South High, College, University of Michigan B.A. 1935, Yale University LLB 1941  
**Military:** U.S. Navy in WW II  
**Career:** 1965-1974 Republican Leader U.S. House of Representatives  
1974 Vice President of the United States  
**Hobbies:** Skiing and golf



## RICHARD MILHOUS NIXON

President of the United States 1968-1974

*Sample Biography Abbreviated*

**Born:** January 9, 1913 in Yorba Linda, California  
**Parents:** Francis and Hannah Milhous Nixon  
**Married:** Thelma Catherine Ryan on June 21, 1940  
**Children:** Patricia and Julie  
**Education:** High School, Whittier High, College, Whittier College 1934, Duke University LLB 1937  
**Military:** U.S. Navy in WW II  
**Career:** 1950-1952 United States Senate  
1953-1961 Vice President of the United States  
**Hobbies:** Golf and reading

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BUREAU OF CONSUMER PROTECTION

FEDERAL ELECTION COMMISSION MAIL ROOM

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

APR 18 AM 10:40  
April 13, 1990

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

Dear Mr. Noble:

Enclosed herewith is a letter from Carol K. Dietz, Assistant Attorney General for the Commonwealth of Massachusetts, who sent us the enclosed flyer soliciting contributions on behalf of the Republican Presidential Task Force.

The issues raised by Ms. Dietz and the enclosure seem to fall more appropriately within the jurisdiction of the Federal Election Commission than the Federal Trade Commission. For that reason, I am referring the enclosures to you for such action as your agency may deem appropriate.

Ms. Dietz has requested that she be informed of any determinations or actions taken by your agency with regard to the enclosed flyer.

Thank you for whatever consideration you can give this matter.

Sincerely,

*M. C. McCarey*  
Michael C. McCarey  
Associate Director

Enclosure

cc: Carol K. Dietz  
Assistant Attorney General  
Commonwealth of Massachusetts

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 APR 19 AM 12:59

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THE COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF THE ATTORNEY GENERAL

131 TREMONT STREET  
BOSTON, MASSACHUSETTS 02111

JAMES M. SHANNON  
ATTORNEY GENERAL

March 28, 1990

Michael McCarey  
Federal Trade Commission  
Room 200  
Washington, D.C. 20580

Dear Mr. McCarey:

Susan Roberts of this office informs me that she spoke with you concerning a solicitation, made by the "Republican Presidential Task Force", for contributions to the National Republican Senatorial Committee. A negotiable twenty-five dollar check accompanied the solicitation.

I understand that, although you have not yet seen the solicitation papers, you are interested in doing so. I am, accordingly, enclosing copies of everything that came in the single mailing we have. It includes copies of the letter, both sides of the check, and a brochure "Who's Who In the Republican Party".

I would be very interested in hearing your opinion about these materials once you have had an opportunity to review them. If you care to call, my telephone number is given below.

Very truly yours,

*Carol K. Dietz*

Carol K. Dietz  
Assistant Attorney General  
Consumer Protection Division  
Public Protection Bureau  
(617) 727-2200

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Enc.

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**REPUBLICAN PRESIDENTIAL**  
**TASK FORCE**

**Ronald Reagan**  
FOUNDER

**Richard Dearborn**  
EXECUTIVE DIRECTOR

**George Bush**  
PRESIDENT

February 23, 1990

Dear Mr. Berrier:

The enclosed \$25 check is real.

And you'll be happy to know that the Executive Committee of the Republican Presidential Task Force recommended that you receive it.

The Executive Committee believes your past accomplishments as well as your personal commitment to our President and our nation makes you worthy of the special recognition recipients of this check are eligible to receive.

For when you endorse the \$25 check and deposit it, you will be agreeing to participate in the testing (without obligation) of the Republican Party's newest candidate support concept called Candidate Escrow Funding (CEF).

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To do this just sign the endorsement on the reverse side of the enclosed check, deposit the check and then for each of the next two months \$12.50 will be instantly transferred

425 Second Street, N.E. ■ Washington, D.C. 20002

Paid for and authorized by the National Republican Senatorial Committee.

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Patent Pending

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directly to a vitally important Candidate Support Program.

And if after two months you are not completely satisfied or if for any reason you don't feel comfortable participating in this program, then simply terminate the arrangement and it will have cost you absolutely nothing.

But if after the completion of our two month "FREE" trial period, you think CEF makes sense to you, then at that point you will automatically become an active member of an exclusive group of concerned Americans who have made a personal commitment to helping the Republican Party elect candidates who truly support our President and his programs.

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Technology has only recently made it possible for us to unleash this new, powerful electronic weapon. Now that we have CEF -- it's absolutely essential you help us put it to good use. And to show our appreciation we have made special arrangements to have your personal biographical background included in the Charter issue

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of Who's Who in the Republican Party.

This is a once-in-a-lifetime opportunity and it is yours with our compliments, if you will simply agree to try our new Candidate Escrow Funding concept for just two full months FREE.

Remember you are under no obligation to continue your participation in CEF beyond the two month trial period.

And testing this concept costs you nothing, since the Task Force is advancing you the money to pay for this two month FREE trial. So there is absolutely nothing for you to lose by agreeing to participate.

That's why I urge you to take just a moment to endorse the enclosed check and deposit it without delay.

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Sincerely,  
  
Richard Dearborn  
Executive Director

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21040322598



**REPUBLICAN PRESIDENTIAL TASK FORCE**  
 425 SECOND STREET, N.E. ■ WASHINGTON, D.C. 20002  
 1-800-877-6772

**THE RIGGS**  
 NATIONAL BANK  
 OF WASHINGTON, D.C.

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February 23 1990

VOID AFTER NINETY DAYS

PAY           **TWENTY-FIVE DOLLARS AND 00/100**          

Dollars \$           **25.00**            
(VOID IF OVER \$50.00)

**TO:** Mr. James T. Berrier  
 29 Commonwealth Ave.  
 Boston, MA 02116

1190100047324 1115 0

FOR OFFICIAL USE ONLY

*James L. Hagen*

05025930 ⑈005751⑈ ⑆054000030⑆ 12⑈08692849⑈

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**CHECK MUST BE ENDORSED BEFORE DEPOSITED**

In accordance with the terms and conditions stated below I hereby authorize my bank to charge my personal account for at least each of the next two months one-half of the amount of the face of this check.

— TO PROCESS THIS CHECK THE FOLLOWING INFORMATION IS NEEDED —

X \_\_\_\_\_ YOUR SIGNATURE  
ENDORSE CHECK HERE

FOR DEPOSIT ONLY TO \_\_\_\_\_  
THIS BANK ACCOUNT: \_\_\_\_\_ YOUR BANK ACCOUNT NUMBER

( ) \_\_\_\_\_  
AREA CODE - PHONE NUMBER DATE

PLEASE COMPLETE THE SIGNATURE, BANK ACCOUNT NUMBER,  
PHONE NUMBER AND DATE SPACES ABOVE.

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Patent Pending  
AGREEMENT

THE REPUBLICAN PRESIDENTIAL TASK FORCE HAS ADVANCED ME MONEY TO TRY CANDIDATE ESCROW FUNDING "FREE" FOR TWO MONTHS. I UNDERSTAND THAT MY OBLIGATIONS FOR THE ESCROW AMOUNT UNDER THIS AGREEMENT ARE COMPLETE ANYTIME AFTER THE INITIAL TWO MONTHS. I MAY SIMPLY GIVE MY BANK NOTICE OF TERMINATION OF THIS AUTHORIZATION PURSUANT TO THE REQUIREMENTS OF THE ELECTRONIC FUND TRANSFER ACT.

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JAMES MCCORMACK  
 DONALD REAGAN ★ GEORGE BUSH ★ BOB DORTCH  
 KEMP ★ ARNOLD SCHWARZENEGGER  
 STROM THURMOND ★ JOHN THINZ  
 RODNEY SMITH ★ JAMES DANFORTH  
 ZABELE  
 BURCH  
 NIXON  
 HARLE  
 ELLIOTT  
 ★ JAN  
 N QU  
 CLAU  
 JOHN SCOTT  
 DAN COATS ★ PETE DU PONT ★ SUSAN BROSNI  
 E GORTON ★ HOWARD BAKER ★ STEVE SCALES  
 ARIEN SPECTER ★ TOM TAUBE ★ CONNOR  
 MARK HATHFIELD ★ PAT SAIKI ★ DON  
 CONRAD BURNS ★ MARGE ROUKMA  
 GRAMM ★ BOB MICHEL ★ BARRY GOLDEN  
 ★ JEFF FORD ★ LYNN MARTIN ★ TO  
 ★ JOE LASTER ★

Who's Who  
 in the  
 Republican  
 Party

21040322502



**GEORGE  
HERBERT  
WALKER BUSH**

President of the  
United States 1989-Present

*Sample Biography Abbreviated*

**Born:** Milton, Massachusetts June 12, 1924  
**Parents:** Prescott and Dorothy Walker Bush  
**Married:** Barbara Pierce January 6, 1945  
**Children:** George, John (Jeb), Neil, Marvin, and Dorothy  
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**Military Service:** U.S. Navy - Distinguished Flying Cross  
**Career:** 1976-1977 Director of the Central Intelligence  
Agency  
1981-1988 Vice President of the United States  
**Hobbies:** Fishing and Horseshoes



**RONALD  
WILSON  
REAGAN**

President of the  
United States 1981-1988

*Sample Biography Abbreviated*

**Born:** Tampico, Illinois February 6, 1911  
**Parents:** John and Nelle Wilson Reagan  
**Married:** Nancy Davis March 4, 1952  
**Children:** Maureen, Michael, Ronald Jr., and Patricia  
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**Education:** High School: Dixon Northside;  
College: Eureka College  
**Military Service:** U.S. Army  
**Career:** 1947-1960 President Screen Actors Guild  
1966-1974 Governor of California  
**Hobbies:** Riding and Ranching

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**GERALD  
RUDOLPH  
FORD**

President of the  
United States 1974-1976

*Sample Biography Abbreviated*

**Born:** July 14, 1913 in Omaha, Nebraska

**Parents:** Leslie and Dorothy Gardner King, adopted father  
Gerald Ford Sr.

**Married:** Elizabeth Bloomer on October 15, 1948

**Children:** Michael, John, Steven, and Susan

**Education:** High School, South High, College, University  
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**Military:** U.S. Navy in WW II

**Career:** 1965-1974 Republican Leader U.S. House of  
Representatives

1974 Vice President of the United States

**Hobbies:** Skiing and golf



**RICHARD  
MILHOUS  
NIXON**

President of the  
United States 1968-1974

*Sample Biography Abbreviated*

**Born:** January 9, 1913 in Yorba Linda, California

**Parents:** Francis and Hannah Milhous Nixon

**Married:** Thelma Catherine Ryan on June 21, 1940

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**Military:** U.S. Navy in WW II

**Career:** 1950-1952 United States Senate

1953-1961 Vice President of the United States

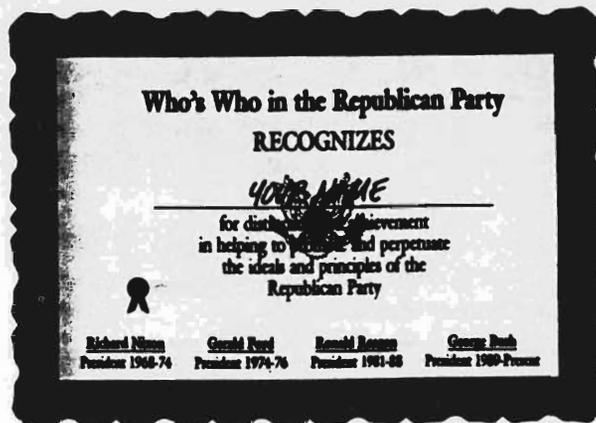
**Hobbies:** Golf and reading

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 27m, 1990

James M. Beck  
4714 Windsor Avenue  
Philadelphia, PA 19143-3517

RE: MUR 3051

Dear Mr. Beck:

This letter acknowledges receipt on April 19, 1990, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by the Republican Presidential Task Force, Candidate Escrow Funding, and the National Republican Senatorial Committee. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 3051. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

If you have any questions, please contact Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
Procedures

21040322605



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

**April 27, 1990**

**Republican Presidential Task Force  
425 2nd Street, N.E.  
Washington, D.C. 20002**

**RE: MUR 3051**

**Dear Gentleman:**

The Federal Election Commission received a complaint which alleges that the Republican Presidential Task Force may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3051. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

91040322606

If you have any questions, please contact Jeff Long, the staff member assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble  
General Counsel



BY: Lois G. Lerner  
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

91040322607



**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**April 27, 1990**

**Candidate Escrow Funding**  
425 2nd Street, N.E.  
Washington, D.C. 20002

**RE: MUR 3051**

**Dear Gentleman:**

The Federal Election Commission received a complaint which alleges that the Candidate Escrow Funding (Committee) may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3051. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

21040322608

If you have any questions, please contact Jeff Long, the staff member assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

  
Lois G. Lerner  
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

91040322609



**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**April 27, 1990**

**James L. Hagan, Treasurer  
National Republican Senatorial  
Campaign Committee  
425 2nd Street, N.E.  
Washington, D.C. 20002**

**RE: MUR 3051**

Dear Mr. Hagan:

The Federal Election Commission received a complaint which alleges that the National Republican Senatorial Campaign Committee and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3051. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

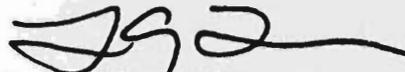
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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If you have any questions, please contact Jeff Long, the staff member assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble  
General Counsel



BY: Lois G. Lerner  
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

91040322611



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 27, 1990

Carol K. Dietz  
Assistant Attorney General  
Consumer Protection Division  
131 Tremont Street  
Boston, MA 02111

RE: Pre-MUR 229

Dear Ms. Dietz:

This is to acknowledge receipt of your letter dated April 14, 1990, advising us of the possibility of a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") by the Republican Presidential Task Force. We are currently reviewing the matter and will advise you of the Commission's determination.

If you have any questions or additional information, please call Jeff Long, the staff member assigned to this matter, at (202) 376-5690. Our file number for this matter is Pre-MUR 229.

Pursuant to 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), the Commission's review of this matter shall remain confidential until the file has been closed.

Sincerely,

Lawrence M. Noble  
General Counsel

A handwritten signature in dark ink, appearing to read "Lerner", written over a horizontal line.

BY: Lois G. Lerner  
Associate General Counsel

21040322612



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 27, 1990

Michael C. McCarney  
Associate Director  
Bureau of Consumer Protection  
Federal Trade Commission  
Washington, D.C. 20580

RE: Pre-MUR 229

Dear Mr. McCarney:

This is to acknowledge receipt of your letter dated April 14, 1990, advising us of the possibility of a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") by the Republican Presidential Task Force. We are currently reviewing the matter and will advise you of the Commission's determination.

If you have any questions or additional information, please call Jeff Long, the staff member assigned to this matter, at (202) 376-5690. Our file number for this matter is Pre-MUR 229.

Pursuant to 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), the Commission's review of this matter shall remain confidential until the file has been closed.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

91040322613

OGC 6198

# WILEY, REIN & FIELDING

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

JAN WITOLD BARAN  
(202) 429-7330

May 10, 1990

FACSIMILE  
(202) 429-7049  
TELEX 248349 WYRN UR

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

ATTN: Jeffrey D. Long, Esq.

Re: MUR 3051

Dear Mr. Noble:

This office represents the National Republican Senatorial Committee (NRSC) and James L. Hagen, as Treasurer in the above-captioned matter. Enclosed please find an executed Statement of Designation of Counsel which confirms our representation.

I have received from Mr. Hagen the copy of the complaint filed in MUR 3051. Because I will be leaving Sunday for 10 days in Romania as an election observer, I hereby request an extension of 20 days up to and including Monday, June 4, 1990, within which to respond. This will enable me to consult fully with my clients, and obtain whatever information and documentation may prove necessary.

Your favorable consideration of this request will be appreciated.

Sincerely,



Jan Witold Baran

rpb  
Encl.

cc: Mr. James L. Hagen  
William B. Canfield, III, Esq.

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RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 MAY 11 AM 9:08

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3051

NAME OF COUNSEL: Jan W. Baran

ADDRESS: Wiley, Rein & Fielding

1776 K Street, N.W.

Washington, D.C. 20006

TELEPHONE: 429-7330

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.

5-10-90  
Date

James L. Hagen  
Signature

RESPONDENT'S NAME: Natl. Republican Senatorial  
Committee and James L. Hagen  
as Treasurer

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

HOME PHONE: \_\_\_\_\_

BUSINESS PHONE: \_\_\_\_\_

91040322615



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 14, 1990

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

RE: MUR 3051  
National Republican  
Senatorial Committee, and  
James L. Hagen, as treasurer

Dear Mr. Baran:

This is in response to your letter dated May 10, 1990, which we received on May 11, 1990, requesting an extension of 20 days to respond to the Commission's inquiry. 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 June 4, 1990.

If you have any questions, please contact Jeff Long, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: George F. Rishel  
Assistant General Counsel

21040322616

OGC 6423

WILEY, REIN & FIELDING

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

JAN WITOLD BARAN  
(202) 429-7330

June 4, 1990

FACSIMILE  
(202) 429-7049  
TELEX 248349 WYRN UR

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

ATTN: Jeffrey D. Long, Esq.

Re: MUR 3051 (National Republican Senatorial  
Committee, "Republican Presidential Task Force" and  
"Candidate Escrow Funding")

Dear Mr. Noble:

This response, including the attached Affidavit, is submitted on behalf of the National Republican Senatorial Committee and its fundraising designations "Republican Presidential Task Force" and "Candidate Escrow Funding" in reply to a complaint filed by James M. Beck and designated Matter Under Review ("MUR") 3051. The complaint alleges four violations of the Federal Election Campaign Act of 1971, as amended (the "Act"). For the reasons set forth herein, the Federal Election Commission ("FEC" or "Commission") should find no reason to believe that the NRSC has violated any provision of the Act.

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 JUN -4 PM 5:15

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Lawrence M. Noble, Esq.  
June 4, 1990  
Page 2

Facts

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The National Republican Senatorial Committee ("NRSC" or "the Committee") is a "national committee" of the Republican Party as defined in 11 C.F.R. § 100.13. As such a committee, it has primary responsibility for national party activities on behalf of Republican candidates for the United States Senate. In order to finance its activities, the NRSC seeks contributions from individuals who share an interest in electing Republican Senators. See Affidavit of James L. Hagen at ¶ 3, attached hereto as Exhibit 1 (hereinafter "Hagen Aff.").

The NRSC has devised a number of fundraising programs to this end, many of which have their own designations. The names "Republican Presidential Task Force" and "Candidate Escrow Funding" are two such designations and refer to specific fundraising programs developed and executed by the Committee. All of the income and expenses of these fundraising programs required to be reported by the federal election laws are reported by the NRSC on its Federal Election Commission reports. Hagen Aff. at ¶ 5. The "Republican Presidential Task Force" and "Candidate Escrow Funding" have no existence except as NRSC fundraising designations. Hagen Aff. at ¶¶ 4-5.

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June 4, 1990  
Page 3

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The fundraising venture in question in this matter concerns the development and test marketing of an electronic funds transfer (EFT) program by which individuals may direct their banks to make monthly contributions to the NRSC from the individual's personal checking account. See Affidavit of Rodney A. Smith at ¶ 5, attached hereto as Exhibit 2 (hereinafter "Smith Aff."). Since the inception of the EFT program, a series of invitations to join the program have been mailed using a variety of sample contributor lists. Because this program is still in the testing stage, later mailings have reflected revisions and corrections of previous mailings. James L. Beck, the complainant in this Matter, apparently received one of the test mailings dated February 27, 1990, the contents of which are attached as Exhibits to the Complaint in this matter. A copy of the most recent version of the solicitation package is attached hereto as Exhibit 3.

As the February 27, 1990 letter explains, individuals who endorse the \$25 check agree to participate in the electronic funds transfer (EFT) program for two months without additional obligation. For each of the two months, \$12.50 will be contributed to the NRSC from their accounts. The solicitation letter expressly states that a contributor's

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June 4, 1990  
Page 4

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participation is "without obligation" and that a contributor may "simply terminate the arrangement." See Exhibit B to the Complaint. Individuals may terminate the automatic transfer of funds from their account at any time by notifying either their own banking institution or by notifying the NRSC, either orally or in writing of their desire to discontinue participation in the program. The NRSC has and will continue to honor any such request and to terminate the automatic electronic fund transfer from that account upon receiving such request. Smith Aff. at ¶ 7.

Because this fundraising endeavor is still in the trial stages at the NRSC, various revisions and refinements are incorporated with each new mailing. The February 27, 1990 check itself states that, "I MAY SIMPLY GIVE MY BANK NOTICE OF TERMINATION OF THIS AUTHORIZATION PURSUANT TO THE REQUIREMENTS OF THE ELECTRONIC FUND TRANSFER ACT." See Exhibit A to the Complaint. The current version of the check states:

THE REPUBLICAN PRESIDENTIAL TASK FORCE HAS  
ADVANCED ME MONEY TO TRY CANDIDATE ESCROW FUNDING,  
"FREE" FOR TWO MONTHS. I UNDERSTAND THAT I MAY  
CANCEL THE AUTHORIZATION TO CHARGE MY ACCOUNT AT  
ANY TIME AFTER THE INITIAL TWO MONTHS BY SIMPLY

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Lawrence M. Noble, Esq.  
June 4, 1990  
Page 5

CALLING THE TASK FORCE AT 1-800-877-6772 OR BY  
GIVING MY BANK NOTICE OF THE TERMINATION OF THIS  
AUTHORIZATION PURSUANT TO THE REQUIREMENTS OF THE  
ELECTRONIC FUNDS TRANSFER ACT.

See Exhibit 3 attached hereto.

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The test sample solicitation mailed on February 27, 1990 and apparently received by Mr. Beck, indicated that "said monthly charge shall increase by ten percent on each twelve month anniversary date of the initial charge." See Exhibit A to the Complaint. Since that test mailing, the NRSC has decided to remove that concept from the program and no longer intends to seek such an annual increase. Accordingly, that language has been removed from the solicitation packages mailed since that date. See Smith Aff. at ¶ 6. See also Exhibit 3.

All individuals who endorse and deposit the Task Force check subsequently receive in the mail a follow-up thank-you letter from the NRSC. Smith Aff. at ¶ 10. That letter encloses for the individual contributor's records a copy of the EFT agreement which appears on the back of the check endorsed by the contributor. See copy of thank you letter attached hereto as Exhibit 4. The thank-you letter sent to contributors also includes a Who's Who in the Republican

WILEY, REIN & FIELDING

Lawrence M. Noble, Esq.  
June 4, 1990  
Page 6

Party Biographical Data Form for completion by the contributor. All individuals who endorse and deposit the Task Force check receive the Form and will be included in the Who's Who in the Republican Party Volume upon its publication. Smith Aff. at ¶ 11.

Continuance in the EFT program is completely voluntary. Recipients of the Task Force checks are permitted to deposit the check and cancel any transfers from their account at any time, even within the first two months, effectively keeping the \$25.00. According to NRSC records, approximately 145 recipients of the solicitation have cashed the NRSC check and either revoked the EFT authorization or otherwise cancelled the transfer within the first two months following the endorsement. Smith Aff. at ¶ 12. Nevertheless, the favorable response the EFT program has received from contributors makes it likely that this program will be of considerable assistance to the NRSC in raising funds to assist Republican senatorial candidates.

The NRSC immediately and without question honors all requests to terminate the EFT transfers at any time after the initial two-month trial period. The NRSC has honored voluntarily all cancellation requests during the first two months. See Smith Aff. at ¶ 12. As stated in the

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authorization language on the check, the NRSC will immediately and unconditionally honor any request for refund of the contributions made through the EFT program. Smith Aff. at ¶ 13. A toll-free 800 telephone number is included in the acknowledgement letter to all those who contributed in response to the February 27, 1990 letter. That toll-free number has now been incorporated into the EFT agreement that appears on the Task Force check. See Exhibit 3.

Each \$25 Task Force check which is cashed is reported on the NRSC's regular reports to the Federal Election Commission as a \$25 expenditure of the NRSC and indicated as a solicitation expense. These amounts are aggregated and reported as a single entry in compliance with 11 C.F.R. § 104.3(b). Hagen Aff. at ¶ 6. Contributions to the NRSC through the electronic fund transfer program are reported as individual contributions to the Committee and are itemized when aggregate annual amounts exceed \$200 for an individual. Hagen Aff. at ¶ 8. No funds received through the electronic funds transfer program are contributed to senatorial candidates without being deposited in general NRSC accounts and being reported as contributions to the NRSC. Hagen Aff. at ¶ 7.

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All contributions from the NRSC to Republican candidates for the United States Senate are made from the general accounts of the NRSC. These amounts are reported on the regular reports of the NRSC to the Federal Election Commission and are made subject to the limitations and restrictions of federal law for contributions to Senate candidates by national committees. See 11 C.F.R. § 100.7(b)(2). Hagen Aff. at ¶ 9.

Legal Analysis

Alleged FECA Violations

The Complaint's first allegation with respect to the Act is that the NRSC has violated 11 C.F.R. § 110.4(b), specifically that the NRSC has made contributions to another political committee in the name of others through the use of the fundraising device in question. This allegation is apparently based on the misperception that the NRSC, the Republican Presidential Task Force (the "Task Force") and Candidate Escrow Funding ("CEF") are separate political committees as defined by the Act. In fact, the "Republican Presidential Task Force" and "Candidate Escrow Funding" are merely fundraising designations of the NRSC. See Hagen Aff. at ¶ 4. All funds raised under the auspices of these programs are deposited in the bank accounts of the NRSC and

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Lawrence M. Noble, Esq.  
June 4, 1990  
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are reported to the FEC as contributions to the NRSC. Id. at ¶ 5.

Moreover, the particular solicitation in question, as well as all other written solicitations connected with these programs, includes the designation "Paid for and authorized by the National Republican Senatorial Committee." See invitation letter to both the February 27, 1990 mailing (attached as Exhibit B to the Complaint) and the current version of solicitation package (attached hereto as Exhibit 3). Because "Republican Presidential Task Force" and "Candidate Escrow Funding" are merely designations of fundraising programs and are not separate committees, there has been no transfer of money from the NRSC to any other organization, and therefore, no violation of the Act.

Second, the Complaint alleges that the Committee has violated 11 C.F.R. § 104.3, averring that the NRSC has improperly reported its own contributions to another committee as contributions in the names of others. This allegation, like the previous one, arises from the mistaken impression of the Complainant that the NRSC, the Task Force, and CEF are separate political committees and that the NRSC has somehow "funnelled" its funds to another committee through the participants in the EFT program. Since no

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Lawrence M. Noble, Esq.  
June 4, 1990  
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impermissible transfer of money to another committee has occurred, there is no improper reporting of such transfers either.

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The third allegation involves 11 C.F.R. § 110.7(b). Complainant alleges that the design of the fundraising program creates an appearance that funds are "contributed by many individuals" thereby allowing the NRSC to "employ this appearance to distribute these funds to candidates in excess of the contribution limits imposed on party committees by law." Complaint at p. 7. This allegation is without merit because the contributions received from individual contributors are deposited into the general accounts of the NRSC and reported as contributions to the NRSC. When expenditures are later made by the NRSC to specific Republican candidates using these funds, these monies from the NRSC accounts are all reported as contributions by the NRSC. Hagen Aff. at ¶¶ 8-9. As such, they are within limitations of the statutory formula for campaign contributions by a national committee of a political party, as stated in 11 C.F.R. § 110.7(b). No violation of the Act has occurred.

Fourth, the Complaint alleges violations of 11 C.F.R. § 110.9(a), stating that because the Committee authorized and

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Lawrence M. Noble, Esq.  
June 4, 1990  
Page 11

paid for the solicitation and obtains the funds represented by Task Force checks, the Committee has accepted contributions in violation of Part 110. Because the basis of this allegation is dependent upon the other alleged violations of the Act (again, all based on the misperception that the NRSC, the "Republican Presidential Task Force" and "Candidate Escrow Funding" are separate political committees), there is no violation of 11 C.F.R. § 100.9(a).

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Additionally, recipients of the solicitation package are free to deposit the check from the Task Force and then notify their bank, or the NRSC, that they wish to discontinue the electronic withdrawal from their account up to three days prior to any scheduled transfer. See, 5 U.S.C. § 1693d (Electronic Fund Transfer Act). The solicitation provides notice of the option to cancel the transfers on the back of the enclosed check. Smith Aff. at ¶¶ 8-9. A number of recipients of the Task Force checks have done just that and cashed the checks without authorizing electronic fund transfers back to the NRSC. Id. at ¶ 12. To that extent, the recipients exercise dominion and control over the money and are under no legal commitment to continue their participation in the program. Thus, the face value of the checks are actual expenditures by the NRSC. As the

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Lawrence M. Noble, Esq.  
June 4, 1990  
Page 12

individual contributors permit the electronic fund transfers from their accounts each month, these amounts are actual contributions back to the Committee.

Thus, none of the alleged violations of the Act have substance.

General Compliance with FEC Advisory Opinion 1989-26

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In FEC Advisory Opinion 1989-26, the Federal Election Commission has expressly approved the use of electronic fund transfers by political committees. Fed'l Election Camp. Fin. Guide (CCH) ¶ 5974 (1989). The facts underlying that opinion do not differ materially from the relevant facts of the electronic fund transfer program involved here. In fact, Mr. Smith, the EFT Program Director, states that he has designed the EFT program to meet the requirements of the Advisory Opinion as well as National Automated Clearing House Association (NACHA) which maintains industry standards. Smith Aff. at ¶¶ 14-15.

The Commission stated in the Advisory Opinion that "the ability of the contributor to revoke his or her deduction authorization must be made clear." In compliance with this aspect of the Advisory Opinion, the NRSC solicitation letter expressly and repeatedly states that a contributor's participation is "without obligation" and that a contributor

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Lawrence M. Noble, Esq.  
June 4, 1990  
Page 13

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may "simply terminate the arrangement." Under the NRSC's program, the individual may cancel the authorization at any time by notifying his or her bank, or may call the NRSC's toll-free number directly to do so. Smith Aff. at ¶ 7. The check received by Mr. Beck states that, "I MAY SIMPLY GIVE MY BANK NOTICE OF TERMINATION OF THIS AUTHORIZATION PURSUANT TO THE REQUIREMENTS OF THE ELECTRONIC FUND TRANSFER ACT." More recent NRSC solicitations for this program also contain a toll-free "800" telephone number which may be called by the contributor to cancel participation in the program. See Exhibit 3. The acknowledgement letter to individuals who deposit the Task Force checks also includes a copy of the EFT agreement for the individual's records. It provides the contributor with cancelation information, including the "800" telephone number, for their future use. See Exhibit 4. Thus, all participants in the EFT program generated by the February 27, 1990 letter that is the subject of this MUR have received written notice for their records of the 800 number that they may call if they wish to cancel their participation in the program at any time. This information also complies with the federal statute which governs electronic fund transfers. Specifically, the Electronic Fund Transfer Act provides that "A preauthorized electronic fund transfer from

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Lawrence M. Noble, Esq.  
June 4, 1990  
Page 14

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a consumer's account may be authorized by the consumer only in writing, and a copy of the authorization shall be provided to the consumer when made." 15 U.S.C. § 1693e. By providing the recipients of the Task Force checks with the copy of the agreement on the back of the check which they must endorse to initiate the transfers, the NRSC is in compliance with this requirement. The NRSC further assures that contributors are aware of the transfers they have authorized by sending them the additional copy of the language in the agreement.

Additionally, the Commission noted in Advisory Opinion 1989-26 that the proposed transfer authorization would remain in effect until the sponsor or bank received written notification of revocation in a manner affording "a reasonable opportunity to act on it." The Commission advised the sponsor in that instance that it should state on the deduction authorization form what it considers to be a reasonable time to act and "should provide refunds to those contributors who inform the Committee of the desire to revoke before the next scheduled transfer of funds from the contributor's account, but after the deadline for a reasonable opportunity to act on the request." Id. The Electronic Fund Transfer Act requires that, "A customer may stop payment of a preauthorized electronic fund transfer by

WILEY, REIN & FIELDING

Lawrence M. Noble, Esq.  
June 4, 1990  
Page 15

notifying the financial institution orally or in writing at any time up to three business days preceding the scheduled date of such transfer." 15 U.S.C. § 1693d.

The inclusion of the toll-free 800 telephone number permits individuals to effectuate a cancelation of the EFT on their account almost immediately. The NRSC honors, without question, all requests to terminate a EFT transfer at any time during the initial two-month trial period, or at any time thereafter that the contributor wishes to conclude the contribution arrangement. Smith Aff. at ¶ 7. As further stated in the authorization language on the check, the NRSC will immediately and unconditionally honor any request for a refund of the contributions made through the EFT program. Id. at ¶ 13.

The NRSC has also complied with Advisory Opinion 1989-26 with regard to reporting dates of contributions and maintaining methods for determining and reporting contributor identification once the annual amount exceeds \$200. Each check from the NRSC is reported on the NRSC's regular reports to the Federal Election Commission as a \$25 expenditure as part of the NRSC's solicitation expenses. These amounts are aggregated and reported as a single entry in compliance with 11 C.F.R. § 104.3(b). Hagen Aff. at ¶ 6. Contributions to

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Lawrence M. Noble, Esq.  
June 4, 1990  
Page 16

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the NRSC through the EFT program are reported as individual contributions to the Committee and are itemized when aggregate annual amounts exceed \$200 for an individual. Id. at ¶ 8. The Commission's instructions in the Advisory Opinion for division of contributions between a primary and general election are not applicable here where the contributions are to a committee of a national party.

Although the stated facts of that Advisory Opinion Request did permit an individual to authorize an automatic monthly transfer of \$15, or some other amount at the contributor's discretion, there is no requirement that a national committee of a political party provide individuals an opportunity to contribute more or less than the suggested amount. Compare § 114.5(a)(2) (guidelines for solicitations by separate segregated funds). Thus, the stated withdrawal of \$12.50 per month is totally permissible under the Act.

Finally, the Commission specifically noted in Advisory Opinion 1989-26 that, except to the extent the circumstances of an electronic transfer raise issues of illegal contributions, other disputes regarding the revocation of authorization for a transfer are generally outside the purview of the Act. See Advisory Opinion 1989-26, Fed'l Election Camp. Fin. Guide (CCH) ¶ 5974 (1989), at note 3.

WILEY, REIN & FIELDING

Lawrence M. Noble, Esq.  
June 4, 1990  
Page 17

Therefore, the Complainant's general and vague allegations in paragraph 23 of the Complaint with regard to language of the solicitation letter are not only baseless, as demonstrated above, but are also immaterial to this Matter.

Conclusion

Accordingly, the Commission should find no reason to believe that the National Republican Senatorial Committee or its fundraising programs ("Republican Presidential Task Force" and "Candidate Escrow Funding") violate the Act.

Sincerely,



For:  
Jan Witold Baran  
Trevor Potter  
Steven M. Mister  
Counsel for National Republican  
Senatorial Committee

21040322633

BEFORE THE FEDERAL ELECTION COMMISSION

City of Washington )  
District of Columbia ) MUR 3051

AFFIDAVIT OF JAMES L. HAGEN

JAMES L. HAGEN, first being duly sworn, deposes and says:

1. I am James L. Hagen. I serve as Treasurer of the National Republican Senatorial Committee (NRSC), an authorized national committee of the National Republican Party.

2. In my capacity as Treasurer of the NRSC, I have primary responsibility for maintaining the records of contributions to and expenditures of the NRSC. I also have responsibility for filing regular reports with the Federal Election Commission of contributions to and expenditures of the NRSC. I am familiar with the fundraising programs of the NRSC, including the one which is the subject of FEC Matter Under Review 3051.

3. The NRSC has primary responsibility for fundraising in support of Republican candidates to the United States Senate. In order to finance its activities, the NRSC seeks contributions from individuals who share an interest in electing Republican Senators.

4. The NRSC has devised a number of fundraising programs, many of which have their own designations. The names "Republican Presidential Task Force" and "Candidate

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Escrow Funding" are two such designations and refer to specific fundraising programs developed and executed by the Committee.

5. The "Republican Presidential Task Force" and "Candidate Escrow Funding" have no existence except as NRSC fundraising designations. All of the income and expenses of these fundraising programs required to be reported by the federal election laws are reported by the NRSC on its Federal Election Commission reports.

6. Each Republican Presidential Task Force check issued by the NRSC in connection with the electronic funds transfer (EFT) fundraising program is reported on the NRSC's regular reports to the Federal Election Commission as a \$25 expenditure as of the time the check is endorsed and received by the NRSC for payment. These amounts are aggregated and reported as a single entry on the NRSC's regular reports as a solicitation expense associated with fundraising.

7. All contributions received by the NRSC in connection with the electronic funds transfer program are deposited in NRSC accounts with its registered depositories. No funds received through the electronic funds transfer program are contributed to Senatorial candidates without being deposited in NRSC accounts and being reported as contributions to the NRSC.

8. All contributions received by the NRSC through the electronic fund transfer program are reported as individual

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contributions to the Committee. The NRSC monitors the aggregate amounts of these contributions and itemizes these contributions, reporting the name, address and other identification information of the contributor when the aggregate annual amount exceeds \$200 for an individual.

9. All contributions from the NRSC to Republican candidates for the United States Senate are made from the general accounts of the NRSC. These amounts are reported on the regular reports of the NRSC to the Federal Election Commission and are made within the permissible limitations and restrictions of federal law for contributions to Senate candidates by national committees.

James L. Hagen  
James L. Hagen

Sworn and subscribed to by the said James L. Hagen this 4<sup>th</sup> day of June, 1990.

Loa C. Shuler  
Notary Public

My Commission Expires: July 14, 1992

91040322636

BEFORE THE FEDERAL ELECTION COMMISSION

City of Washington            )  
                                  )  
District of Columbia         )            MUR 3051

AFFIDAVIT OF RODNEY A. SMITH

RODNEY A. SMITH, first being duly sworn, deposes and says:

1. I am Rodney A. Smith. I am the Electronic Funds Transfer (EFT) Program Director at the National Republican Senatorial Committee (NRSC), an authorized national committee of the National Republican Party.

2. In my capacity as EFT Program Director for the NRSC, I have primary responsibility for the development and execution of the fundraising program which is the subject of FEC Matter Under Review 3051. My duties include designing, implementing and monitoring a system by which contributors may authorize the NRSC to receive contributions from their personal checking accounts by means of an electronic fund transfer. The NRSC contracted with me to explore the viability of implementing this method of making contributions to enable contributors to make contributions at regular intervals over time without the annoyance of writing monthly checks or the complications and expense of using a credit card to make contributions.

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3. The terms "Republican Presidential Task Force" and "Candidate Escrow Funding" are designations of the NRSC and refer to specific fundraising programs developed and executed by the Committee. The "Republican Presidential Task Force" and "Candidate Escrow Funding" are merely marketing tools of the NRSC and have no existence except as NRSC fundraising designations. To my knowledge, all of the receipts and expenses of these fundraising programs are reported by the NRSC on its Federal Election Commission reports.

4. The fundraising letter which is the subject of FEC Matter Under Review 3051 is a test marketing of a mailing of the Electronic Fund Transfer (EFT) program developed for the use of the NRSC. Since the inception of the program in November 1989, the NRSC has prepared and sent mass mailings on a closely monitored trial basis. Apparently, the Complainant in this matter, James L. Beck, received a mailing dated February 27, 1990, the contents of which are attached as Exhibits to the Complaint in this matter.

5. By endorsing and depositing the \$25 check enclosed in the mailing received by Mr. Beck and others, individuals may authorize the NRSC to withdraw automatically \$12.50 from their personal checking accounts for each of the two months following the deposit of the check, and thereafter until the individual requests that such transfers be terminated.

6. Although the test solicitation mailed on February 27, 1990, indicated that the amount would be increased by 10

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percent each year, since the time of that mailing, the NRSC has decided to remove that concept from the program. Accordingly, that language has been removed from the solicitation packages mailed since that date. The NRSC does not plan to include an automatic increase in the monthly \$12.50 contribution as part of the EFT program at this time.

7. Individuals may terminate the automatic transfer of funds from their checking accounts at any time by notifying either their own banking institution or by notifying the NRSC, either orally or in writing of their desire to discontinue participation in the program. The NRSC has and will continue to honor any such request and to terminate the automatic electronic fund transfer from that account upon receiving such a request. The NRSC voluntarily honors cancellation requests from individuals participating in the first two months of the EFT program.

8. The February 27, 1990 solicitation letter expressly and repeatedly states that a contributor's participation is "without obligation" and that a contributor may "simply terminate the arrangement." The check states that, "I MAY SIMPLY GIVE MY BANK NOTICE OF TERMINATION OF THIS AUTHORIZATION PURSUANT TO THE REQUIREMENTS OF THE ELECTRONIC FUND TRANSFER ACT."

9. This language has since been revised and the current version of the check states:

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THE REPUBLICAN PRESIDENTIAL TASK FORCE HAS  
ADVANCED ME MONEY TO TRY CANDIDATE ESCROW FUNDING,  
"FREE" FOR TWO MONTHS. I UNDERSTAND THAT I MAY  
CANCEL THE AUTHORIZATION TO CHARGE MY ACCOUNT AT  
ANY TIME AFTER THE INITIAL TWO MONTHS BY SIMPLY  
CALLING THE TASK FORCE AT 1-800-877-6772 OR BY  
GIVING MY BANK NOTICE OF THE TERMINATION OF THIS  
AUTHORIZATION PURSUANT TO THE REQUIREMENTS OF THE  
ELECTRONIC FUNDS TRANSFER ACT.

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10. Individuals who endorse and deposit the Republican  
Presidential Task Force check subsequently receive in the  
mail a follow-up acknowledgement letter from the NRSC.  
Enclosed with this acknowledgement letter for the  
contributors' records is a copy of the EFT agreement which  
appears on the back of the check endorsed by the contributor.  
This acknowledgement package also provides the contributor  
with cancelation information, including the "800" telephone  
number. Mr. Beck would not have received such an  
acknowledgement letter because he apparently did not cash the  
check and agree to participate in the EFT program.

11. This acknowledgement package sent to contributors  
also includes a Who's Who in the Republican Party  
Biographical Data Form for completion by the contributor.  
All individuals who endorse and deposit the Task Force check  
receive the Form. It is the intent of the Committee to  
include all participants in the EFT program who return the

completed Biographical Data Form in its charter of Who's Who in the Republican Party when it is published.

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12. Continuance in the EFT program is completely voluntary. Recipients of the Task Force checks are permitted to deposit the check and cancel any transfers from their account at any time, even within the first two months, effectively keeping some or all of the \$25.00. According to NRSC records, approximately 145 recipients of the solicitation have cashed the NRSC check and either revoked the EFT authorization or otherwise cancelled the transfer within the first two months following the endorsement and this figure is probably low rather than high. Nevertheless, the favorable response the EFT program has received from contributors makes it likely that this program will be of considerable assistance to the NRSC in raising funds to assist Republican senatorial candidates.

13. As stated in the authorization language on the current version of the Task Force check, the NRSC will immediately and unconditionally honor any request for refund of the contributions made through the EFT program. This practice is in accord with the NRSC's traditional policy of refunding any contribution upon request no matter what the mode of payment.

14. I am familiar with FEC Advisory Opinion 1989-26, given to Dick Bond for Congress, in which the FEC approved of the use of electronic fund transfers for political

contributions. Accordingly, I have attempted to model the NRSC program within my understanding of the constraints set out by that Advisory Opinion to ensure compliance with federal law.

15. I have had copies of the NRSC electronic fund transfer materials provided to officials of the National Automated Clearing House Association (NACHA) to solicit their reaction to the program and to invite any suggestions they might have to ensure that the program is in keeping with the standard practices of that industry. I have further ensured that the NRSC materials comply with the requirements of the Electronic Fund Transfer Act and the accompanying regulations by seeking the advice of outside legal counsel with specialized banking law expertise in the area of Electronic Fund Transfers.

Rodney A. Smith  
Rodney A. Smith

Sworn and subscribed to by the said Rodney A. Smith  
this 1<sup>st</sup> day of JUNE, 1990.

Roberta P. Barber  
Notary Public

My Commission Expires: 1-31-93

21540322642



REPUBLICAN PRESIDENTIAL  
**TASK FORCE**

Albert E. Mitchler  
EXECUTIVE DIRECTOR

June 4, 1990

Mr. Joseph Sample  
1234 Any Street  
Suite 123  
Washington, DC 20002

Dear Mr. Sample

Thank you for depositing the \$25 check we sent to you and thereby agreeing to participate in testing the Candidate Escrow Funding Concept (CEF).

We are delighted to report that our CEF test has been a tremendous success. At last we have a reliable mechanism to help raise the additional dollars we need to enable us to give the maximum legal funding permitted by Law to each of our Senate Candidates.

That's why it gives me great pleasure to send you the enclosed Biographical Data Form for our Charter Issue of Who's Who in the Republican Party.

If you recall in our earlier letter we promised that you'd be automatically eligible for inclusion in Who's Who in the Republican Party if you would simply agree to participate in our CEF test.

You accepted our offer and now we are pleased to fulfill our part of the bargain. So immediately after reading this letter take a few moments to complete the enclosed Who's Who in the Republican Party questionnaire.

And as you fill out this form, keep in mind that you'll be in good company because President George Bush, Vice President Dan Quayle, President Ronald Reagan and many of their most important supporters will also be included in this prestigious publication.

Needless to say, each of these individuals is deeply touched to receive this honor and each will be thrilled to see your name and biographical background included with theirs.

Certainly we have no way of knowing what prompted you to help us prove the validity of our CEF concept, but I can tell you without question it is one of the best decisions you could have ever made.

CEF is a revolutionary new concept that will give our Senatorial Candidates the extra edge they'll need this November to ensure we regain Republican control of the United States Senate.

And our implementation of CEF comes just in the nick of time, because George Bush desperately needs a Republican Senate Majority

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backing him up to keep the Ultra-Liberal Democrats from destroying all we have accomplished in the past nine years.

Remember back in 1987 the liberal Democrats used their Senate Majority to block Robert Bork's selection to the Supreme Court. Then in 1989 they flex their legislative muscle again by rejecting John Tower's nomination as Secretary of Defense.

And just a few months ago they shot down President Bush's tax cut proposal. Even more alarming, they have now decided to roughshod over the President's entire budget proposal.

So the pattern is frighteningly clear. With every election the Democrat's grip on the Senate has gotten stronger. As a consequence, they have gotten bolder and bolder about challenging, blocking and undermining the President.

That's why, it's absolutely essential we break the Democrat's stranglehold on the Senate and regain Republican control of the United States Senate this November.

And if you could see your way clear to send an extra \$XX to help ensure that we have the money needed to fully fund all our Senatorial Candidates -- it would be deeply appreciated.

But before deciding how much you can afford to send, please understand that receiving the honor of inclusion in our Charter issue of Who's Who in the Republican Party is not in anyway contingent on your sending a contribution today.

You have already earned this honor many times over with your participation in CEF and many years of faithful Republican support.

But we have such a golden opportunity at hand for regaining Republican control of the Senate, I hate the idea of losing it just for the want of a few more dollars.

That's why I urge you to send an additional \$XX without delay.

Once again, thank you for helping us test Candidate Escrow Funding. For your records we have enclosed a copy of our Agreement.

And to help you out just a bit with your data form, we have utilized our White House records to fill in a few of your Republican Activities at the national level.

Looking forward to hearing from you soon.

Sincerely,



Albert E. Mitchell  
Executive Director

P.S. If you have any further questions about CEF or Who's Who in the Republican Party -- please call at 1-800-877-6772. Thank you.

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**REPUBLICAN PRESIDENTIAL TASK FORCE**  
**CANDIDATE ESCROW FUNDING AGREEMENT**

The Republican Presidential Task Force has advanced me money to try candidate escrow funding "Free" for two months. I understand that my obligations for the escrow amount under this agreement are complete anytime after the initial two months. I may simply give my bank notice of termination of this authorization pursuant to the requirements of the electronic fund transfer act.

The authorization to charge Benefactor's account at Bank shall be the same as if Benefactor had personally signed and given a check to the Republican Presidential Task Force. It is understood and agreed that the Bank shall have no responsibility for the corrections of any charge made contemplated and that said monthly charge shall increase by ten percent on each twelve month anniversary date of the initial charge. A record of each debit will be included in the Benefactor's monthly bank summary and this record will serve as the Benefactor's receipt. Any dispute involving the amount thereof shall be handled by the Benefactor directly with The Republican Presidential Task Force, and the Task Force unconditionally guarantees that all contribution refund requests will immediately be honored.

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9 1 0 4 0 3 2 2 6 4 6

**Who's Who Biographical  
Data Form Enclosed  
Process Immediately!**



**NO POSTAGE  
NECESSARY  
IF MAILED  
IN THE  
UNITED STATES**



**BUSINESS REPLY MAIL**

FIRST CLASS PERMIT NO. 10782 WASHINGTON, D.C.

POSTAGE WILL BE PAID BY ADDRESSEE

**REPUBLICAN PRESIDENTIAL  
TASK FORCE**

425 Second Street, N.E.  
Post Office Box 96027  
Washington, D.C. 20077-7510



# OFFICIAL Who's Who in the Republican Party Biographical Data Form

Complete areas of your choice only  
AND RETURN PROMPTLY  
83403329 9H01

To assure accuracy please print or type

Please correct any errors and/or deletions

**Military Service: Highest Rank:** \_\_\_\_\_  
**Highest Medal:** \_\_\_\_\_

**Branch:**  
 Army      **Field of Combat:**  
 Navy       WWI       Korea  
 Air Force     WWII       Vietnam  
 Marines       Other: \_\_\_\_\_  
 Other \_\_\_\_\_

**Marital Status:**  
 Married     Divorced     Male  
 Widowed     Never Married     Female  
 Single

**Name** Mr. Joseph Sample  
FIRST MI LAST

**Address** 1234 Any Street 1234  
STREET APT OR SUITE NO

Washington, DC 20002  
CITY STATE ZIP

**Home Phone** ( 202 ) 955-4327

**Ethnic Origin:**  German  Polish  Greek  French  
 Afro/American  Spanish  Irish  Scottish  Russian  
 Asiatic  English  Other \_\_\_\_\_  
PLEASE SPECIFY

**Spouse's Name** \_\_\_\_\_  
FIRST ONLY MI  
**Spouse's Birthdate** \_\_\_\_\_  
MONTH DAY YEAR  
**Spouse's Birthplace** \_\_\_\_\_  
CITY STATE  
**Your Birthdate** \_\_\_\_\_  
MONTH DAY YEAR  
**Your Birthplace** \_\_\_\_\_  
CITY STATE

**Date Married** \_\_\_\_\_  
MONTH DAY YEAR  
**Date Widowed** \_\_\_\_\_  
MONTH DAY YEAR  
**Your Birthdate** \_\_\_\_\_  
MONTH DAY YEAR

CHILDREN	FIRST NAME	MIDDLE NAME	BOY	DATE BORN
1	_____	_____	<input type="checkbox"/>	____/____/____
2	_____	_____	<input type="checkbox"/>	____/____/____
3	_____	_____	<input type="checkbox"/>	____/____/____
4	_____	_____	<input type="checkbox"/>	____/____/____
5	_____	_____	<input type="checkbox"/>	____/____/____

CAREER	ORGANIZATION	TITLE POSITION	DATE
1	_____	_____	____/____/____
2	_____	_____	____/____/____
3	_____	_____	____/____/____

REPUBLICAN SERVICE	ACTIVITY, CAMPAIGN AND/OR OFFICE	BEG YEAR	END YEAR	HOBBIES
1	Republican Presidential Task Force	____	____	Primary _____
2	Ronald Reagan Republican Center	____	____	Secondary _____
3	Republican Senatorial Inner Circle	____	____	Religion _____
4	National Republican Senatorial Comm	____	____	AWARDS & HONORS
5	_____	____	____	1. _____
6	_____	____	____	2. _____
7	_____	____	____	3. _____

COMMUNITY SERVICE	ORGANIZATION	TITLE POSITION	DATE
1	_____	_____	____/____/____
2	_____	_____	____/____/____
3	_____	_____	____/____/____
4	_____	_____	____/____/____

Completion of this form and its submission to the National Republican Senatorial Committee by designee constitutes permission for the NRSC and Who's Who in the Republican Party to publish all information shown in print, electronic database or any other form. Who's Who in the Republican Party reserves the right to abbreviate, edit, or otherwise condense data to conform to its standards and the limitation of space.

In the event of printing and/or publication errors or mistakes, Who's Who in the Republican Party and the NRSC only responsibility shall be to exercise "good faith" in attempting to correct such mistakes and/or errors in future publications. The NRSC and Who's Who in the Republican Party expressly disclaim all liability for loss, and/or incidental or consequential damages arising out of errors and/or mistakes in publication and/or printing of any type.

Today's Date \_\_\_\_\_

Your Signature \_\_\_\_\_

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425 Second Street, N.E. Washington, D.C. 20002



REPUBLICAN PRESIDENTIAL  
**TASK FORCE**

Mr. Joseph Sample  
1234 Any Street  
Suite 123  
Washington, DC 20002

**Your Who's Who in the  
Republican Party  
Bio Data Form Enclosed**

21040322649



06C 6657  
RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

90 JUN 18 PM 10:00

STATE OF NEW YORK  
DEPARTMENT OF LAW  
120 BROADWAY  
NEW YORK, NY 10271

MUR 3051

ROBERT ABRAMS  
Attorney General

PAMELA A. MANN  
Assistant Attorney General in Charge  
Charities Bureau

(212) 341-2400

June 14, 1990

Lawrence M. Noble,  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

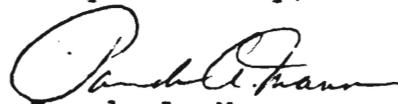
Re: Referral to the Federal  
Election Commission  
-----

Dear Mr. Nobel:

We received the attached complaint concerning the "Republican Presidential Task Force" and the attached solicitation which was paid for and authorized by the National Republican Senatorial Committee. Neither these organizations nor this solicitation fall under any facet of the New York Attorney General's jurisdiction.

Because this complaint may fall within the jurisdiction of the Federal Election Commission, we herewith forward this complaint to your agency for whatever action it deems appropriate.

Very sincerely,

  
Pamela A. Mann

Enc.  
cc: Ron Shiffman

C/E

21040322650

RECEIVED

Fed Elec Com

MAR 19 1990  
DEPARTMENT OF LAW  
OFFICE OF LEGAL RECORDS  
ALBANY, NEW YORK

Pratt Institute Center for Community and Environmental Development  
Pratt Architectural Collaborative

March 14, 1990

14

Mary Ellen Birns

Honorable Robert Abrams  
Attorney General of New York  
New York State Department of Law  
The Capital  
Albany, New York 12224

Dear Attorney General Abrams:

I am writing to bring to your attention the enclosed mailing, received February 28, 1990 from the "Republican Presidential Task Force." Though difficult to imagine there is an actual illegal aspect to their "offer," it raises a question:

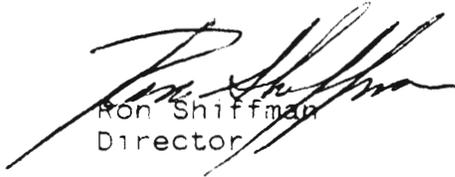
- What is the source of the \$25?  
(Is it from existing, "legitimate" Republican party money being used as pump-priming? Or might it be money that the Task Force wants recipient/ "Benefactors" to make "legitimate?")

The "arrangement" takes advantage of one's tendency to not read "small print." Without giving notice to one's bank, the \$12.50s could be "donated" for some time before the "Benefactor" discovers his/her generosity.

How would these many small "donations" to the Republican party be interpreted? Could, for example, a "poll" or some "research" declare there is increasing popular support for administration policy?

Your assurance that the enclosed does not compromise political party fundraising laws--or, in fact, that it does, and will be confronted--would be appreciated. Please advise.

Sincerely yours,

  
Ron Shiffman  
Director

Enclosure

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pratt

379 DeKalb Ave. 2nd Floor, Steuben Hall, Brooklyn, New York 11205 Tel. 1-(718) 636-3486

  
**REPUBLICAN PRESIDENTIAL**  
**TASK FORCE**

**Ronald Reagan**  
FOUNDER

**George Bush**  
PRESIDENT

**Richard Dearborn**  
EXECUTIVE DIRECTOR

February 23, 1990

Dear Mr. Shiffman:

The enclosed \$25 check is real.

And you'll be happy to know that the Executive Committee of the Republican Presidential Task Force recommended that you receive it.

The Executive Committee believes your past accomplishments as well as your personal commitment to our President and our nation makes you worthy of the special recognition recipients of this check are eligible to receive.

For when you endorse the \$25 check and deposit it, you will be agreeing to participate in the testing (without obligation) of the Republican Party's newest candidate support concept called Candidate Escrow Funding (CEF).

And all participants in this -- "No Obligation" -- "No Cost" -- CEF testing program will automatically be eligible for inclusion in Who's Who in the Republican Party.

President George Bush, Vice President Dan Quayle, President Ronald Reagan and many of their most important supporters will also be included in this prestigious publication.

Needless to say, each of these individuals is deeply touched to receive this honor and each will be delighted to know that you are receiving the same recognition.

But in order to be eligible for inclusion in Who's Who in the Republican Party you must agree to participate in the testing of the Republican Party's newest Candidate Escrow Funding concept.

CEF is a revolutionary new concept designed to give our incumbent and challenger candidates the extra edge they'll need this November to defeat Liberal Democrats who oppose President Bush.

And the testing of this new funding concept requires absolutely NO FINANCIAL COMMITMENT from you. All you have to do is agree to try CEF for two months at our expense.

To do this just sign the endorsement on the reverse side of the enclosed check, deposit the check and then for each of the next two months \$12.50 will be instantly transferred

425 Second Street, N.E. ■ Washington, D.C. 20002

Paid for and authorized by the National Republican Senatorial Committee.

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

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Patent Pending

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directly to a vitally important Candidate Support Program.

And if after two months you are not completely satisfied or if for any reason you don't feel comfortable participating in this program, then simply terminate the arrangement and it will have cost you absolutely nothing.

But if after the completion of our two month "FREE" trial period, you think CEF makes sense to you, then at that point you will automatically become an active member of an exclusive group of concerned Americans who have made a personal commitment to helping the Republican Party elect candidates who truly support our President and his programs.

Candidate Escrow Funding is the "Secret Candidate Support Weapon" we're relying on to help us accomplish this important objective.

And if you have the slightest doubt about the importance of CEF -- let me stress one important point. Historically too many GOP candidates on the threshold of victory have simply run out of money and lost the election.

And your willingness to help us prove the validity of this new "CEF" funding concept will go a long way towards helping us solve this grave problem. Equally exciting is the fact that CEF will also help us to get needed resources to our candidates faster.

In this day of instant communications every second counts in a political campaign and every new technological advancement we can use to enhance the speed with which we can get resources to our candidates -- tips the election scales in our favor.

In addition, mass participation in CEF will allow both the Task Force and our candidates to dramatically slash mailing, administrative, and postage costs. This means that at every stage of the campaign there will be more resources available to our candidates.

Moreover, having a reliable, ongoing source of funding will enable our candidates to make firm, binding commitments to campaign programs that could only be dreamed about during previous election cycles.

Hi-tech Voter Identification Programs, Hi-tech Voter Registration Programs, and Hi-tech Voter Turnout Programs can now become a reality for all our incumbent and challenger candidates.

Furthermore, your participation in CEF will ensure that 100% of your hard earned, unselfish generosity will always be instantly converted to grassroots support for our Republican candidates.

Technology has only recently made it possible for us to unleash this new, powerful electronic weapon. Now that we have CEF -- it's absolutely essential you help us put it to good use. And to show our appreciation we have made special arrangements to have your personal biographical background included in the Charter issue

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of Who's Who in the Republican Party.

This is a once-in-a-lifetime opportunity and it is yours with our compliments, if you will simply agree to try our new Candidate Escrow Funding concept for just two full months FREE.

Remember you are under no obligation to continue your participation in CEF beyond the two month trial period.

And testing this concept costs you nothing, since the Task Force is advancing you the money to pay for this two month FREE trial. So there is absolutely nothing for you to lose by agreeing to participate.

That's why I urge you to take just a moment to endorse the enclosed check and deposit it without delay.

Also, please be certain to deposit your check before its expiration date. If this check is not deposited before this date -- you will forfeit your right to be included in the Charter Issue of Who's Who in the Republican Party.

That would be tragic because Who's Who in the Republican Party is destined to become one of America's most prestigious reference books. And to officially induct you into Who's Who in the Republican Party, you will be sent a Certificate of Registration which will be notarized and appropriate for framing.

Undoubtedly this impressive document will become one of your family's most treasured keepsakes. It will be beautifully calligraphed with your name and printed on fine vellum. I am confident you will want to display this impressive Who's Who Certificate prominently in either your home or office.

In addition to this stately document, you will also receive an Official Who's Who in the Republican Party Biographical Data Form which you will be asked to complete in its entirety.

This special distinction of being accepted for inclusion in the Charter issue of Who's Who in the Republican Party is totally unique. It will never again be offered to anyone.

So please, I urge you to sign the endorsement and deposit your check today.

Sincerely,  
  
Richard Dearborn  
Executive Director

P.S. Remember -- you are only being asked to participate in a no-risk, no-nonsense trial test of an important new candidate support concept. It will cost you nothing to participate in this test. So please don't delay even one day in depositing your check. Thank you.

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## GEORGE HERBERT WALKER BUSH

President of the United States 1989-Present

Sample Biography Abbreviated

**Born:** Milton, Massachusetts June 12, 1924  
**Parents:** Prescott and Dorothy Walker Bush  
**Married:** Barbara Pierce January 6, 1945  
**Children:** George, John (Jeb), Neil, Marvin, and Dorothy  
**Education:** High School: Andover Academy;  
College: Yale University  
**Military Service:** U.S. Navy - Distinguished Flying Cross  
**Career:** 1976-1977 Director of the Central Intelligence Agency  
1981-1988 Vice President of the United States  
**Hobbies:** Fishing and Horseshoes



## RONALD WILSON REAGAN

President of the United States 1981-1988

Sample Biography Abbreviated

**Born:** Tampico, Illinois February 6, 1911  
**Parents:** John and Nelle Wilson Reagan  
**Married:** Nancy Davis March 4, 1952  
**Children:** Maureen, Michael, Ronald Jr., and Patricia (Patty)  
**Education:** High School: Dixon Northside;  
College: Eureka College  
**Military Service:** U.S. Army  
**Career:** 1947-1960 President Screen Actors Guild  
1966-1974 Governor of California  
**Hobbies:** Riding and Ranching



## GERALD RUDOLPH FORD

President of the United States 1974-1976

Sample Biography Abbreviated

**Born:** July 14, 1913 in Omaha, Nebraska  
**Parents:** Leslie and Dorothy Gardner King, adopted father Gerald Ford Sr.  
**Married:** Elizabeth Bloomer on October 15, 1948  
**Children:** Michael, John, Steven, and Susan  
**Education:** High School, South High, College, University of Michigan B.A. 1935, Yale University LL.B 1941  
**Military:** U.S. Navy in WW II  
**Career:** 1965-1974 Republican Leader U.S. House of Representatives  
1974 Vice President of the United States  
**Hobbies:** Skiing and golf



## RICHARD MILHOUS NIXON

President of the United States 1968-1974

Sample Biography Abbreviated

**Born:** January 9, 1913 in Yorba Linda, California  
**Parents:** Francis and Hannah Milhous Nixon  
**Married:** Thelma Catherine Ryan on June 21, 1940  
**Children:** Patricia and Julie  
**Education:** High School, Whittier High, College, Whittier College 1934, Duke University LL.B 1937  
**Military:** U.S. Navy in WW II  
**Career:** 1950-1952 United States Senate  
1953-1961 Vice President of the United States  
**Hobbies:** Golf and reading

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REPUBLICAN PRESIDENTIAL TASK FORCE  
425 SECOND STREET, N.E. • WASHINGTON, D.C. 20002  
1-800-877-6772

THE RIGGS NATIONAL BANK OF WASHINGTON, D.C.

508567

15-3 540

February 23 1990  
VOID AFTER NINETY DAYS

PAY TWENTY-FIVE DOLLARS AND 00/100

Dollars \$ 25.00  
(VOID IF OVER \$50.00)

TO: Mr. Ronald Shiffman  
863 President St.  
Brooklyn, NY 11215

119010037661 1115 0

FOR OFFICIAL USE ONLY

James L. Hegen

05025930 #013394 #0540000300 1208692849

**SENSITIVE**

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

**FIRST GENERAL COUNSEL'S REPORT**

MUR 3051 and  
PRE-MUR 229

DATE COMPLAINT RECEIVED  
BY OGC: April 19, 1990  
DATE OF NOTIFICATION TO  
RESPONDENTS: April 27, 1990  
STAFF MEMBER: John Canfield

90 JUL 20 PM 3:16

RECEIVED  
FEDERAL ELECTION COMMISSION  
SECRETARIAT

**COMPLAINANT:** James M. Beck

**SOURCE OF PRE-MUR:** Referral from Federal Trade Commission

**RESPONDENTS:** National Republican Senatorial Committee and James  
L. Hagen, as treasurer

**RELEVANT STATUTES:** 2 U.S.C. § 434(b)  
2 U.S.C. § 441a  
2 U.S.C. § 441f

**INTERNAL REPORTS CHECKED:** Disclosure Reports

**FEDERAL AGENCIES CHECKED:** None

**I. GENERATION OF MATTER**

MUR 3051 was initiated on April 19, 1990, by a complaint filed by James M. Beck of Philadelphia. His complaint relates to a solicitation by the National Republican Senatorial Committee ("NRSC") under the letterhead of the Republican Presidential Task Force ("Task Force") for a concept described as Candidate Escrow Funding. Pre-MUR 229 was also initiated on April 19, 1990, by a

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referral from the Federal Trade Commission arising from correspondence received from the Massachusetts Attorney General concerning the same NRSC solicitation. Both MUR 3051 and Pre-MUR 229 involve the same direct mail solicitation by the Task Force. According to affidavits filed with the Commission, both the Republican Presidential Task Force and Candidate Escrow Funding are merely fundraising programs within the NRSC and have no existence as independent entities.<sup>1</sup> Attachment 1.

II. FACTUAL AND LEGAL ANALYSIS

Complainant Beck alleges that on or about February 26, 1990, he received at his residence a political solicitation dated February 23, 1990, from the Task Force. The solicitation consisted of a three-page letter, a \$25.00 check, and a brochure regarding "Who's Who in the Republican Party." The solicitation stated that it had been paid for and authorized by the NRSC.

The check is made payable to the recipient and is issued in the name of the Task Force in the amount of \$25.00. The back of the check contains a place for endorsement by the recipient, together with his bank account number, telephone number and the date. Printed above the endorsement area is the statement:

In accordance with the terms and conditions stated below I hereby authorize my bank to charge my personal account for at least each of the next two months one half of the amount of the face of this check.

---

1. Notification of the complaint was sent to the National Republican Senatorial Committee ("NRSC"), the Republican Presidential Task Force ("Task Force") and Candidate Escrow Funding ("CEF"). Because the Task Force and CEF are merely the names of NRSC projects, this Office considers the NRSC the Respondent in this matter. Thus, only it is identified in the recommendations.

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At the other end of the back of the check are instructions to complete the information in the endorsement area and a copyrighted agreement that states:

THE REPUBLICAN PRESIDENTIAL TASK FORCE HAS  
ADVANCED ME MONEY TO TRY CANDIDATE ESCROW FUND  
"FREE" FOR TWO MONTHS. I UNDERSTAND THAT MY  
OBLIGATIONS FOR THE ESCROW AMOUNT UNDER THIS  
AGREEMENT ARE COMPLETE ANYTIME AFTER THE INITIAL  
TWO MONTHS. I MAY SIMPLY GIVE MY BANK NOTICE OF  
TERMINATION OF THIS AUTHORIZATION PURSUANT TO THE  
REQUIREMENTS OF THE ELECTRONIC FUNDS TRANSFER  
ACT.

The authorization to charge Benefactor's account at bank shall be the same as if Benefactor had personally signed and given a check to The Republican Presidential Task Force. It is understood and agreed that the bank shall have no responsibility for the corrections of any charge herein contemplated and that said monthly charge shall increase by ten percent on each twelve month anniversary date of the initial charge. A record of each debit will be included in the Benefactor's monthly bank summary and this record will serve as the Benefactor's receipt. Any dispute involving the amount thereof shall be handled by the Benefactor directly with The Republican Presidential Task Force.  
CONTROLLED BY FEDERAL RESERVE BOARD OF GOVERNORS  
REG. CC

The three-page letter addressed to the recipient states that the \$25.00 check is "real" and asks the recipient to "participate in testing (without obligation) of the Republican Party's newest candidate support concept called Candidate Escrow Funding (CEF)." The letter adds that all participants will automatically be eligible for inclusion in "Who's Who in the Republican Party".

The complaint alleges that because of the misleading characteristics of this solicitation, violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), will occur

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by the making of contributions in the name of others, the misreporting of such contributions, the making of excessive contributions from the NRSC to the candidates, the NRSC's receipt of excessive contributions, and the making of excessive expenditures by the NRSC on behalf of its senatorial candidates.

On June 4, 1990, a response to the complaint was filed on behalf of the National Republican Senatorial Committee, along with the signed affidavits of James L. Hagen, treasurer, and Rodney A. Smith, Electronic Funds Transfer (EFT) Program Director of the NRSC. Attachment 1. In its response, the NRSC asserts that this is merely a program by which participants make monthly contributions in the amount of \$12.50 to the NRSC via an Electronic Funds Transfer (EFT) from their checking account. Each \$25.00 check sent by the Committee which is cashed is reported on the NRSC's reports to the Commission as a \$25.00 operating expenditure by its Contributions Committee. Treasurer James Hagen, through a telephone conversation with his counsel on June 11, 1990, states that these expenses for the \$25.00 checks are reported as unitemized expenditures for direct mail expenses and are listed as such on Schedule A of the NRSC-Contributions report. These expenses are currently reflected as operating expenditures on Line 19 of the Detailed Summary Page of the most recent quarterly report. Attachment 2. These amounts are aggregated and reported as a single entry on NRSC's regular reports as a solicitation expense associated with fundraising. Hagen Affidavit at ¶ 6.

All deposits made to the Republican Presidential Task Force and Candidate Escrow Funding via the EFT program are deposited into

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NRSC general accounts and are reported as contributions to the NRSC. Hagen Aff. at ¶ 7. The Committee states that these contributions are itemized on its reports when the aggregate annual amount exceeds \$200.00 for an individual. All of these funds are deposited into NRSC accounts; none of the funds are contributed directly to senatorial candidates without first being deposited into the NRSC accounts and being reported as contributions to the NRSC. Hagen Aff. at ¶ 7. Subsequently, all contributions made by the NRSC to senatorial candidates are made from the general accounts of the NRSC. These contributions are reported on the regular reports of the NRSC to the Commission. See Attachment 3 for a printout of contributions to candidates and coordinated party expenditures on behalf of candidates by the NRSC in 1989 and to date in 1990.

The NRSC maintains that the recipients of these \$25.00 checks exercise dominion and control over those funds, and thus the checks which are deposited represent actual contributions to the NRSC, not merely the return of a \$25 advance. Hagen Aff. at ¶ 8; Smith Aff. at ¶ 7 and ¶12. Recipients are free to deposit the check without authorizing any EFT, or they may deposit the check with EFT authorization but then withdraw such authorization before any funds are transferred. In its reply, the NRSC supports this argument with the statement that approximately 145 recipients of this solicitation have cashed the check and then revoked EFT authorization within the first two months, effectively retaining all or part of the money sent by the NRSC. Smith Aff. at ¶12.

The NRSC, in its reply, reiterates that participation in the

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EFT contribution plan is completely voluntary and may be terminated by the contributor at any time by notifying either the bank or the NRSC orally or in writing. The NRSC states that this information is contained both on the check and in the solicitation letter. The actual language contained on the back of the earlier version of the check, such as the one Complainant Beck received, states:

THE REPUBLICAN PRESIDENTIAL TASK FORCE HAS  
ADVANCED ME MONEY TO TRY CANDIDATE ESCROW  
FUNDING "FREE" FOR TWO MONTHS. I UNDERSTAND  
THAT MY OBLIGATIONS FOR THE ESCROW AMOUNT UNDER  
THIS AGREEMENT ARE COMPLETE ANYTIME AFTER THE  
INITIAL TWO MONTHS. I MAY SIMPLY GIVE MY BANK  
NOTICE OF TERMINATION OF THIS AUTHORIZATION  
PURSUANT TO THE REQUIREMENTS OF THE ELECTRONIC  
FUND TRANSFER ACT.

The disclaimer on the back of the current version of the check has been revised and now states:

THE REPUBLICAN PRESIDENTIAL TASK FORCE HAS  
ADVANCED ME MONEY TO TRY CANDIDATE ESCROW  
FUNDING "FREE" FOR TWO MONTHS. I UNDERSTAND  
THAT I MAY CANCEL THE AUTHORIZATION TO CHARGE MY  
ACCOUNT AT ANY TIME AFTER THE INITIAL TWO MONTHS  
BY SIMPLY CALLING THE TASK FORCE AT  
1-800-877-6772 OR BY GIVING MY BANK NOTICE OF  
TERMINATION OF THIS AUTHORIZATION PURSUANT TO  
THE REQUIREMENTS OF THE ELECTRONIC FUND TRANSFER  
ACT.

Since the mailing of the solicitation letter to Complainant Beck, the NRSC states that it has abandoned the concept of an annual automatic ten percent increase in the amount of the EFT contribution, and language to that effect which appeared on the check sent to Mr. Beck no longer appears on checks or letters presently being mailed by the NRSC. Since the time Complainant Beck received his \$25 check in the mail, the NRSC has also added a toll-free telephone number to the information on the back of

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the check by which participants may terminate their participation in this program. Individuals who endorse and deposit the check are now sent in the mail a follow-up package containing an acknowledgment letter, a copy of the EFT agreement, the toll-free telephone number and a data form for "Who's Who in the Republican Party". Smith Aff. at ¶ 9, 10 and 11. The NRSC claims that Complainant Beck would not have received one of these acknowledgment packages because he did not endorse and deposit the check.

The Commission has expressly approved the use of electronic fund transfers by political committees for the making of contributions, so long as the ability of the contributor to revoke his or her deduction authorization is made clear. Advisory Opinion 1989-26. The Act does not require that contributions be made only by check or similar draft. See 2 U.S.C. § 441g. However, for those persons or committees opting to utilize EFT for contributions, the contribution must be properly attributed to the actual donor. 11 C.F.R. 104.8(c) and (d)(1), and 110.1(k). Finally, the ability of the contributor to revoke his or her deduction authorization must be made clear. The NRSC appears to be in compliance with this Advisory Opinion with regard to EFT contributions in that the NRSC states they are reporting the dates of contributions and reporting contributor identification once the annual amount exceeds \$200.00. They also maintain that the right of a contributor to revoke the authorization is made clear on both the check and the accompanying letter. Even though the language on the check

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implies that the right to revoke the authorization does not take effect until after the transfer of \$25, the NRSC states that participants may revoke their authorization at any time during the first two months, effectively keeping all or part of the \$25 sent to them, and that approximately 145 persons have done so to date. Smith Aff. at ¶ 12. Because these EFT contributions are made to NRSC general accounts and reported as such, and any contributions to senatorial candidates are then made from NRSC general accounts and are reported accordingly, there does not appear to be a violation of 2 U.S.C. § 441a.

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With regard to the \$25 checks which are cashed and the reporting of the first \$25 of EFT transfers from individuals as unitemized contributions (unless the aggregate for a person reaches \$200 per year, at which point they are itemized), the NRSC does not appear to be in compliance with the reporting requirements of 2 U.S.C. § 434(b). Given the fact that the first \$25 came from the NRSC for the purpose of making a "contribution," the NRSC should list the first two EFT transfers (representing the initial \$25 outlay by the Committee) as offsets to operating expenditures, per 2 U.S.C. §434(b)(2)(I). Presently, all funds received by the NRSC from this program are reported as unitemized contributions (except when the yearly aggregate totals more than \$200 per person). Thus, the first two \$12.50 "contributions" received by the NRSC from each solicited donor are being inaccurately reported as contributions in violation of Section 434(b).

With regard to the allegation that these facts give rise to

a violation of 2 U.S.C. § 441f, the NRSC asserts that because each individual maintains control over the use of the \$25, any subsequent contribution back to the NRSC via an EFT is a valid contribution from that person and is not a contribution made in the name of another person or entity. However, although approximately 145 persons have terminated their authorization for the EFT transfer and retained all or part of the money, the NRSC mailing and the check itself clearly state that authorization may be terminated anytime after the first two transfers, or in other words, after the NRSC gets its initial \$25 back. Although the NRSC states in its responses that persons are free to terminate their participation in the program at any time, they do not publicize this fact nor is that disclosed in the mailing or on the check. To the contrary, the mailing and the check both state that the participant may cancel anytime after the first two transfers. In addition, the ability of a person to not follow through with the making of a contribution after receiving funds to make that contribution is not a defense to a Section 441f violation where, as in many of the cases here, the person does, in fact, make the requested transfer of funds. Therefore, we do not agree that where the \$25 advance is returned to the NRSC via electronic transfer, the individual has exercised such control over the funds as to make them a contribution from the individual to the NRSC. Even in light of this conclusion, however, this situation still does not constitute a Section 441f violation since the application of that section here would require saying that the NRSC made a contribution back to itself. Rather, where

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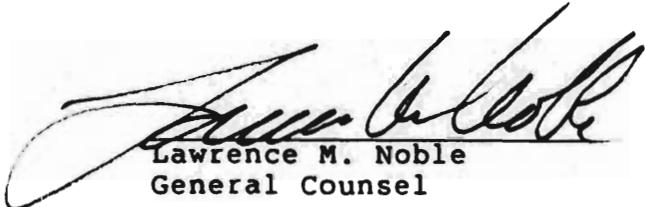
there is no contribution to a third party made by one party in the name of another, there is not a Section 441f violation. Therefore, we believe that the return of the \$25 advance should be reported as an offset to expenditures, as opposed to contributions

**III. RECOMMENDATIONS**

1. Open a MUR in Pre-MUR 229.
2. Merge the newly opened MUR with MUR 3051.
3. Find reason to believe that the Republican National Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b).
4. Find no reason to believe that the Republican National Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 441a and § 441f.
5. Approve the attached Factual and Legal Analysis and the appropriate letter.

Date

7/20/90

  
Lawrence M. Noble  
General Counsel

**Attachments:**

1. Response of NRSC and Affidavits
2. NRSC Contributions Quarterly Report
3. NRSC Contributions to Candidates
4. Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

DATE 06/15/90

COMMITTEE INDEX OF CANDIDATES SUPPORTED/OPPPOSED - (D) 1989-90

PAGE 1

\*\*\*\*\*  
 COMMITTEE  
 RPT AI DATE ID# NAME CONTRIBUTIONS EXPENDITURES INDEP. EXPEND. ID#  
 TO ON BEHALF OF AGAINST MICROFILM  
 \*\*\*\*\*

NATIONAL REPUBLICAN SENATORIAL COMMITTEE - EXPENDITURES \* PARTY QUALIFIED  
 CONNECTED ORGANIZATION: NAT REP RTY/NRSC CO/REP SEN INR DIR 90 MONTHLY FILER

M4	N	03/31/89	HEWY00116	THOMAS, CRAIG LYLE	REP	5,000	0	0	ROSEN FOR 0085
TOTAL						206,200	60,645	0	

SUBTOTAL-CONTRIBUTIONS TO DEMOCRATIC CANDIDATES 0  
 SUBTOTAL-CONTRIBUTIONS TO REPUBLICAN CANDIDATES 206,200  
 SUBTOTAL-CONTRIBUTIONS TO OTHER CANDIDATES 0  
 SUBTOTAL-EXPENDITURES ON BEHALF OF DEMOCRATIC CANDIDATES 0  
 SUBTOTAL-EXPENDITURES ON BEHALF OF REPUBLICAN CANDIDATES 60,645  
 SUBTOTAL-EXPENDITURES ON BEHALF OF OTHER CANDIDATES 0

\*LAST ITEMIZED CONTRIBUTION TO CANDIDATE ENTERED - DECEMBER MONTHLY 1989  
 \*LAST ITEMIZED EXPENDITURE ON BEHALF OF CANDIDATE ENTERED - DECEMBER MONTHLY 1989  
 \*LAST ITEMIZED INDEP. EXPENDITURE AGAINST ENTERED  
 \*LAST REPORTING PERIOD COVERED - MAY MONTHLY 1990 ROSEN FOR 0085

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FEDERAL ELECTION COMMISSION

DATE 12/13/90

COMMITTEE INDEX OF CANDIDATES SUPPORTED/OPOSED - (D) 1989-90

PAGE 2

COMMITTEE				CONTRIBUTIONS		EXPENDITURES	INDEP. EXPEND.	DIS#	
REF	AI	DATE	ID#	NAME	PTY	TO	ON BEHALF OF	AGAINST	MICROFILM
*****									
NATIONAL REPUBLICAN SENATORIAL COMMITTEE - EXPENDITURES *									
CONNECTED ORGANIZATION: NAT REP PTY/NSC CO/REP SEN INF CIR 90									
						PARTY QUALIFIED		DISCLOSURE	
						MONTHLY FILER			
44	N	03/25/90	SBMT00058	KOLETAD, ALLEN C	REP	50	0	0	RISEN 018 034
45	N	04/24/90	SBMT00058	KOLETAD, ALLEN C	REP	1,357	0	0	RISEN 018 034
46	N	02/28/90	SBMS00162	LOTT, TRENT	REP	77	0	0	RISEN 018 034
47	N	02/28/90	SBMS00162	LOTT, TRENT	REP	0	2,102	0	RISEN 018 034
48	N	02/29/90	SBFL00034	MACK, CONNIE	REP	105	0	0	RISEN 018 034
49	N	02/28/90	SBMA00151	MALONE, JOSEPH DANIEL	REP	3	0	0	RISEN 018 034
50	N	02/07/90	SB1000161	MARTIN, LYNN	REP	1,000	0	0	RISEN 018 034
51	N	12/01/90	SB1000161	MARTIN, LYNN	REP	1,025	0	0	RISEN 018 034
52	N	04/15/90	SB1000161	MARTIN, LYNN	REP	0	3,000	0	RISEN 018 034
53	N	02/01/90	SB1400089	MCKEITHEN, FOX	REP	275	0	0	RISEN 018 034
54	N	02/02/90	SB1400089	MCKEITHEN, FOX	REP	241	0	0	RISEN 018 034
55	N	02/03/90	SB8000021	MCMASTER, HENRY LARGAN	REP	109	0	0	RISEN 018 034
56	N	02/08/90	SBNY00005	MCWILLIAN, ROBERT RALPH	REP	3	0	0	RISEN 018 034
57	N	02/15/90	SBSD00004	MEEBELER, LARRY	REP	15,000	0	0	RISEN 018 034
58	N	04/24/90	SBMA00013	MERRIFORT, JAMES W	REP	200	0	0	RISEN 018 034
59	N	02/01/90	SBFI00013	SCHNEIDER, CLAUDINE J	REP	325	0	0	RISEN 018 034
60	N	03/01/90	SBFI00013	SCHNEIDER, CLAUDINE J	REP	15,000	0	0	RISEN 018 034
61	N	02/02/90	SBMI00070	SCHLETTE, WILLIAM J	REP	767	0	0	RISEN 018 034
62	N	02/02/90	SBMH00144	SMITH, ROBERT C	REP	370	0	0	RISEN 018 034
63	N	02/08/90	SBPA00100	SPRATER, ARLEN	REP	300	0	0	RISEN 018 034
64	N	02/01/90	SBPA00069	TALKE, THOMAS JOSEPH	REP	1,000	0	0	RISEN 018 034
65	N	02/02/90	SBPA00069	TALKE, THOMAS JOSEPH	REP	1,050	0	0	RISEN 018 034
66	N	02/08/90	SBMM00085	VALENTINE, WILLIAM R "BOBBY"	REP	22	0	0	RISEN 018 034
67	N	02/08/90	SBCH00011	VOINOVICH, GEORGE V	REP	23	0	0	RISEN 018 034
68	N	02/08/90	SBCH00011	VOINOVICH, GEORGE V	REP	0	55	0	RISEN 018 034
69	N	04/24/90	SBMT00045	VORHAUER, BRUCE	REP	505	0	0	RISEN 018 034
70	N	02/08/90	SBWY00043	WALLER, MALCOLM	REP	5	0	0	RISEN 018 034
71	N	02/08/90	SBWY00043	WALLER, MALCOLM	REP	0	25	0	RISEN 018 034
72	N	02/08/90	SBWA00017	WARNER, JOHN W	REP	0	2,500	0	RISEN 018 034
73	N	02/08/90	SBWA00017	WARNER, JOHN W	REP	0	2,500	0	RISEN 018 034
74	N	02/08/90	SBWA00017	WARNER, JOHN W	REP	0	2,500	0	RISEN 018 034
75	N	04/15/90	SBMD00005	WERTMAN, CHRISTINE TODD	REP	15,000	0	0	RISEN 018 034
76	N	02/08/90	SBEM00070	WYMAN, CHARLES S	REP	0	0	0	RISEN 018 034
77	N	04/15/90	SBWY00043	YOEER, JOHN CHRISTOPHER	REP	5,000	0	0	RISEN 018 034
TOTAL						145,135	15,120		

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FEDERAL ELECTION COMMISSION

DATE 06/13/90

COMMITTEE INDEX OF CANDIDATES SUPPORTED/OPPOSED - (D) 1989-90

PAGE 1

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 COMMITTEE  
 RPT. # DATE ID# NAME CONTRIBUTIONS EXPENDITURES INDEP. EXPEND. ID#  
 CITY TO ON BEHALF OF AGAINST \*ICDFRFLY  
 \*\*\*\*\*

NATIONAL REPUBLICAN SENATORIAL COMMITTEE - EXPENDITURES \* PARTY QUALIFIED  
 CONNECTED ORGANIZATION: NAT REP STY/NRSC COARSP SEN INF DIR 90 MONTHLY FILER

SUBTOTAL-CONTRIBUTIONS TO DEMOCRATIC CANDIDATES 0  
 SUBTOTAL-CONTRIBUTIONS TO REPUBLICAN CANDIDATES 129,519  
 SUBTOTAL-CONTRIBUTIONS TO OTHER CANDIDATES 15,816  
 SUBTOTAL-EXPENDITURES ON BEHALF OF DEMOCRATIC CANDIDATES 0  
 SUBTOTAL-EXPENDITURES ON BEHALF OF REPUBLICAN CANDIDATES 18,631  
 SUBTOTAL-EXPENDITURES ON BEHALF OF OTHER CANDIDATES 0

\*LAST ITEMIZED CONTRIBUTION TO CANDIDATE ENTERED - MAY MONTHLY 1990  
 \*LAST ITEMIZED EXPENDITURE ON BEHALF OF CANDIDATE ENTERED - MAY MONTHLY 1990  
 \*NO ITEMIZED INDEP. EXPENDITURE AGAINST ENTERED  
 \*LAST REPORTING PERIOD COVERED - MAY MONTHLY 1990 PERIOD COVERED

21040322671



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 7, 1990

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

RE: MUR 3098  
(formerly MUR 3051)  
National Republican  
Senatorial Committee and  
James L. Hagen,  
as treasurer

Dear Mr. Baran:

On April 27, 1990, the Federal Election Commission notified your clients, the National Republican Senatorial Committee and James L. Hagen, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your clients, the Commission, on July 31, 1990, found that there is reason to believe the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b), a provision of the Act, and found no reason to believe that the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 441a and § 441f. The Factual and Legal Analysis, which formed a basis for the Commission's findings, is attached for your information. Also, please be advised that the Commission has redesignated this matter as MUR 3098. Please use this new file number on all correspondence in the future.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the National Republican Senatorial Committee and James L. Hagen, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, along with answers to the following question, within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

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Please inform the Commission as to the amount of money received by the National Republican Senatorial Committee and the Republican Presidential Task Force from the electronic transfer of funds for the program called Candidate Escrow Funding since the inception of this program to the date of this letter, such funds representing the first two monthly payments of \$12.50 each (\$25 total per person). This would be the amount of funds which, under the enclosed factual and legal analysis, the Commission concluded were misreported as contributions rather than as operating expenditures.

In the absence of any additional information demonstrating that no further action should be taken against the National Republican Senatorial Committee and James L. Hagen, 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, the Commission will not entertain requests for pre-probable cause conciliation 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 matter to be made public.

91040322573

MUR 3098  
Page Three

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

Sincerely,



Lee Ann Elliott  
Chairman

Enclosures  
Factual & Legal Analysis

91040322674

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
National Republican Senatorial Committee )  
and James L. Hagen, as treasurer. )

MUR 3051  
and  
Pre-MUR 229

(*mur*  
*3098*)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on July 31, 1990, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 3051 and Pre-MUR 229:

1. Open a MUR in Pre-MUR 229.
2. Merge the newly opened MUR with MUR 3051.
3. Find reason to believe that the Republican National Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b).
4. Find no reason to believe that the Republican National Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 441a and § 441f.

(continued)

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Federal Election Commission  
Certification for MUR 3051 and  
Pre-MUR 229  
July 31, 1990.

Page 2

5. Approve the Factual and Legal Analysis and the appropriate letter as recommended in the General Counsel's report dated July 20, 1990.

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

Attest:

7-31-90  
Date

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

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OGC 7534

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

WILEY, REIN & FIELDING 90 AUG 22 AM 10:44

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

JAN WITOLD BARAN  
(202) 429-7330

August 20, 1990

FACSIMILE  
(202) 429-7049  
TELEX 248349 WYRN UR

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

Attn: John Canfield

Re: MUR 3098 (formerly MUR 3051)  
(National Republican Senatorial Committee  
and James L. Hagen, as Treasurer)

Dear Mr. Noble:

Pursuant to my conversation with Mr. Canfield of your office, I was informed that Matter Under Review ("MUR") 3051 has been redesignated MUR 3098 based on a referral from the Federal Trade Commission ("FTC") which resulted from a letter of complaint referred to the FTC. Since we have no further information regarding that Matter, I hereby request a copy of the FTC referral and the letter on which it was based.

Your cooperation will be greatly appreciated.

Sincerely,  
*Jan Baran /CHL*  
Jan Witold Baran

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 AUG 22 PM 12:54

21040322677

OGC 7569

Julia H. Tashjian  
Secretary of the State

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM



State Capitol  
Hartford, CT 06106

90 AUG 23 AM 10:56

Secretary of the State  
Connecticut

August 17, 1990

Lawrence Noble  
General Counsel  
Federal Election Commission  
999 "E" St., N.W.  
Washington, D.C. 20463

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 AUG 23 PM 1:02

Dear Mr. Noble:

Enclosed is a letter of complaint which I received about a fund-raising program being conducted by a group called "Republican Presidential Task Force," apparently an arm of the National Republican Senatorial Committee.

Also enclosed is a copy of a mailing from the Task Force, which included a check for \$25 made out to the recipient.

As you can see, this fund-raising scheme puts a check in the hands of a potential contributor and then transfers the money from that individual's bank account to a campaign fund (referred to as a "Candidate Support Program"). Then, unless the potential contributor objects, additional transfers are made each month thereafter from his/her account to the campaign fund.

On behalf of Ms. Thompson, who complained to me, I am inquiring as to the legality of this procedure under federal law and FEC regulations. If you have already issued an Advisory Opinion on the matter, I would appreciate receiving a copy.

Yours truly,

*Julia H. Tashjian*

JULIA H. TASHJIAN  
Secretary of the State

cc: Ms. Thompson  
Election Enforcement Cmsn.

Telephone: (203) 566-2668

Fax: (203) 566-6318

21540822678

August 13, 1990

TO: Secretary of State  
Cmr. Department of Consumer Protection

FROM: *Judith S. Thompson*  
Judith S. Thompson  
97 Ridge Road  
Hebron, CT 06248

RECEIVED

AUG 15 1990

SECRETARY OF THE STATE

I received the enclosed check and correspondence in the mail. I have never in any way been affiliated with the Republican party, nor do I wish to be. In fact, I resent being part of what must be a mass mailing of theirs. Regardless, it seems to be that this method of fund raising is unethical, and I would hope illegal. I am being given money only on the condition that I return it to them, with the hope on their part that I continue to give them money. I receive all sorts of requests for money, but have never encountered anything like this.

Is there anything that can be done about this sort of thing? I am sending a copy of this back to them requesting that I be taken off any and all of their mailing lists.

Thank you for any assistance you can provide.

cc: Republican Task Force

91040822679

REPUBLICAN  PRESIDENTIAL  
TASK FORCE

Ronald Reagan  
FOUNDER

George Bush  
PRESIDENT

Albert E. Mitchler  
EXECUTIVE DIRECTOR

August 6, 1990

Dear Ms. Thompson:

The enclosed \$25 check is real.

And you'll be happy to know that the Executive Committee of the Republican Presidential Task Force recommended that you receive it.

The Executive Committee believes your past accomplishments as well as your personal commitment to our President and our nation make you worthy of the special recognition recipients of this check are eligible to receive.

For when you endorse this \$25 check and deposit it, you will be agreeing to participate in the testing of the Republican Party's newest candidate support concept called Candidate Escrow Funding (CEF).

CEF is a revolutionary new concept designed to give our incumbent and challenger candidates the extra edge they'll need this November to defeat Liberal Democrats who oppose President Bush.

And all participants in our CEF testing program will automatically be eligible for inclusion in Who's Who in the Republican Party.

Presidents George Bush, Vice President Dan Quayle, President Ronald Reagan and many of their most important supporters will also be included in this prestigious publication.

Needless to say, each of these individuals is deeply touched to receive this honor and each will be delighted to know that you are receiving the same recognition.

But in order to be eligible for inclusion in Who's Who in the Republican Party you must agree to participate in the testing of the Republican Party's newest Candidate Escrow Funding concept.

And the testing of this new funding concept is being conducted at ABSOLUTELY NO COST TO YOU -- we'd simply like you to try CEF for two months at our expense.

To do this just sign the endorsement on the reverse side of the enclosed check, deposit the check and then for each of the next two months \$12.50 will be instantly transferred directly

425 Second Street, N.E. ■ Washington, D.C. 20002 ■ 1-800-877-6772

Paid for and authorized by the National Republican Senatorial Committee. Contribution Refunds Unconditionally Guaranteed.  
Contributions to the National Republican Senatorial Committee are not deductible as charitable contributions for federal income tax purposes.

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Patent Pending

31040322530

from your bank to a vitaly important Candidate Support Program.

And if after two months you are not completely satisfied or if for any reason you don't feel comfortable participating in this program, then simply call us at 1-800-877-6772 and we will instantly terminate your involvement.

But if after the completion of your two month "FREE" trial period, you think CEF makes sense, then at that point the \$12.50 automatic transfer will continue and you will join the ranks of a small dedicated group of concerned Americans who have made an on-going financial commitment to helping elect candidates who truly support our President and his programs.

And if you have the slightest doubt about the importance of CEF -- let me stress one important point. Historically far too many GOP candidates on the threshold of victory have simply run out of money and, as a consequence, lost the election.

And your willingness to help us prove the validity of this new "CEF" funding concept will go a long way towards helping us solve this grave problem. Equally exciting is the fact that CEF will also help us to get needed resources to our candidates faster.

In this day of instant communications every second counts in a political campaign and every new technological advancement we can use to enhance the speed with which we can get resources to our candidates -- tips the election scales in our favor.

In addition, mass participation in CEF will allow the Task Force to dramatically slash mailing, administrative, and postage costs. This means that at every stage of the campaign there will be more resources available to our candidates.

Moreover, having a reliable, ongoing source of funding will enable the Task Force to make firm, binding commitments to campaign programs that could only be dreamed about during previous election cycles.

Hi-tech Voter Identification Programs, Hi-tech Voter Registration Programs, and Hi-tech Voter Turnout Programs become a reality for all our incumbent and challenger candidates.

Technology has only recently made it possible for us to unleash this new, powerful electronic weapon. Now that we have CEF it's absolutely essential you help us put it to good use.

And to show our appreciation we have made special arrangements to have your personal biographical background included in the Charter issue of Who's Who in the Republican Party.

This is a once-in-a-lifetime opportunity and it is yours with our compliments, if you will simply agree to try our new Candidate Escrow Funding concept.

91040322531

Testing this concept costs you nothing, since the Task Force is advancing you the money to pay for the first two months. And remember, we unconditionally guarantee your complete satisfaction with CEF.

So, I urge you to take just a moment to endorse the enclosed check and deposit it without delay.

Also, please be certain to deposit your check before its expiration date. If this check is not deposited before this date -- you will forfeit your right to be included in the Charter issue of Who's Who in the Republican Party.

That would be tragic because Who's Who in the Republican Party is destined to become one of America's most prestigious reference books. And to officially induct you into Who's Who in the Republican Party, you will be sent a Certificate of Registration which will be notarized and appropriate for framing.

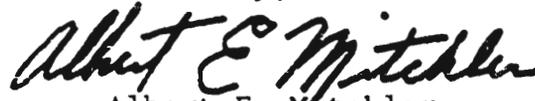
Undoubtedly this impressive document will become one of your family's most treasured keepsakes. It will be beautifully calligraphed with your name and printed on fine vellum. I am confident you will want to display this impressive Who's Who Certificate prominently in either your home or office.

In addition to this stately document, you will also receive an Official Who's Who in the Republican Party Biographical Data Form which you will be asked to complete in its entirety.

This special distinction of being accepted for inclusion in the Charter issue of Who's Who in the Republican Party is totally unique. It will never again be offered to anyone.

So please, I urge you to sign the endorsement and deposit your check today.

Sincerely,

  
Albert E. Mitchler  
Executive Director

P.S. You are being asked to participate in a no-risk, no-nonsense trial test of an important new candidate support concept. It will cost you nothing to participate in this test. So please don't delay even one day in depositing your check.  
Thank you.

21040322532

06C7700

Pepper, Hamilton & Scheetz  
3000 Two Logan Square  
18th and Arch Streets  
Philadelphia, PA 19103  
(215) 981-4995

August 29, 1990

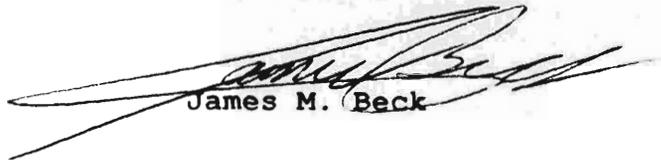
Retha Dixon, Docket Chief  
Federal Election Commission  
999 East State Street, N.W.  
Washington, D.C. 20463

Re: MUR 3051

Dear Ms. Dixon

Enclosed is additional information pertinent to the  
above matter.

Yours truly,



James M. Beck

JMB/egb  
Enclosure

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 AUG 31 PM 3:12

3 3 6 2 2 8 0 4 1 0 1 2

BEFORE THE  
FEDERAL ELECTION COMMISSION

---

JAMES M. BECK,

Complainant,

v.

REPUBLICAN PRESIDENTIAL TASK  
FORCE, "CANDIDATE ESCROW FUNDING",  
and NATIONAL REPUBLICAN  
SENATORIAL COMMITTEE,

Respondents.

---

MUR No. 3051

**ADDITIONAL INFORMATION SUPPLEMENTING  
ADMINISTRATIVE COMPLAINT**

25. On information and belief, at least as of August 6, 1990, and presumably through the present, respondents have been continuing to engage in the deceptive and illegal fundraising tactics that are detailed in the Administrative Complaint. See Exhibit "E".

WHEREFORE, Complainant James M. Beck, requests, in addition to the relief sought in the Administrative Complaint,

91040322534

that respondents be immediately restrained from engaging in further deceptive and illegal solicitation activity.

  
JAMES M. BECK  
(215) 729-7842

Dated: August 29, 1990

Sworn to and Subscribed  
before me this 29<sup>th</sup> day  
of August, 1990.

  
\_\_\_\_\_  
Notary Public

NOTARIAL SEAL  
LORETTA OHL, Notary Public  
City of Philadelphia, Phila. County  
My Commission Expires Aug. 17, 1994

21540323535

REPUBLICAN  PRESIDENTIAL  
TASK FORCE

Ronald Reagan  
FOUNDER

George Bush  
PRESIDENT

Albert E. Mitchell  
EXECUTIVE DIRECTOR

August 6, 1990

Dear Ms. Schultz:

The enclosed \$25 check is real.

And you'll be happy to know that the Executive Committee of the Republican Presidential Task Force recommended that you receive it.

The Executive Committee believes your past accomplishments as well as your personal commitment to our President and our nation make you worthy of the special recognition recipients of this check are eligible to receive.

For when you endorse this \$25 check and deposit it, you will be agreeing to participate in the testing of the Republican Party's newest candidate support concept called Candidate Escrow Funding (CEF).

CEF is a revolutionary new concept designed to give our incumbent and challenger candidates the extra edge they'll need this November to defeat Liberal Democrats who oppose President Bush.

And all participants in our CEF testing program will automatically be eligible for inclusion in Who's Who in the Republican Party.

President George Bush, Vice President Dan Quayle, President Ronald Reagan and many of their most important supporters will also be included in this prestigious publication.

Needless to say, each of these individuals is deeply touched to receive this honor and each will be delighted to know that you are receiving the same recognition.

But in order to be eligible for inclusion in Who's Who in the Republican Party you must agree to participate in the testing of the Republican Party's newest Candidate Escrow Funding concept.

And the testing of this new funding concept is being conducted at ABSOLUTELY NO COST TO YOU -- we'd simply like you to try CEF for two months at our expense.

To do this just sign the endorsement on the reverse side of the enclosed check, deposit the check and then for each of the next two months \$12.50 will be instantly transferred directly

425 Second Street, N.E. ■ Washington, D.C. 20002 ■ 1-800-877-6772

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Contributions to the National Republican Senatorial Committee are not deductible as charitable contributions for federal income tax purposes.  
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Patent Pending

91040322536

from your bank to a vitally important Candidate Support Program.

And if after two months you are not completely satisfied or if for any reason you don't feel comfortable participating in this program, then simply call us at 1-800-877-6772 and we will instantly terminate your involvement.

But if after the completion of your two month "FREE" trial period, you think CEF makes sense, then at that point the \$12.50 automatic transfer will continue and you will join the ranks of a small dedicated group of concerned Americans who have made an on-going financial commitment to helping elect candidates who truly support our President and his programs.

And if you have the slightest doubt about the importance of CEF -- let me stress one important point. Historically far too many GOP candidates on the threshold of victory have simply run out of money and, as a consequence, lost the election.

And your willingness to help us prove the validity of this new "CEF" funding concept will go a long way towards helping us solve this grave problem. Equally exciting is the fact that CEF will also help us to get needed resources to our candidates faster.

In this day of instant communications every second counts in a political campaign and every new technological advancement we can use to enhance the speed with which we can get resources to our candidates -- tips the election scales in our favor.

In addition, mass participation in CEF will allow the Task Force to dramatically slash mailing, administrative, and postage costs. This means that at every stage of the campaign there will be more resources available to our candidates.

Moreover, having a reliable, ongoing source of funding will enable the Task Force to make firm, binding commitments to campaign programs that could only be dreamed about during previous election cycles.

Hi-tech Voter Identification Programs, Hi-tech Voter Registration Programs, and Hi-tech Voter Turnout Programs can now become a reality for all our incumbent and challenger candidates.

Technology has only recently made it possible for us to unleash this new, powerful electronic weapon. Now that we have CEF -- it's absolutely essential you help us put it to good use.

And to show our appreciation we have made special arrangements to have your personal biographical background included in the Charter issue of Who's Who in the Republican Party.

This is a once-in-a-lifetime opportunity and it is yours with our compliments, if you will simply agree to try our new Candidate Escrow Funding concept.

91040322537

Testing this concept costs you nothing, since the Task Force is advancing you the money to pay for the first two months. And remember, we unconditionally guarantee your complete satisfaction with CEP.

So, I urge you to take just a moment to endorse the enclosed check and deposit it without delay.

Also, please be certain to deposit your check before its expiration date. If this check is not deposited before this date -- you will forfeit your right to be included in the Charter issue of Who's Who in the Republican Party.

That would be tragic because Who's Who in the Republican Party is destined to become one of America's most prestigious reference books. And to officially induct you into Who's Who in the Republican Party, you will be sent a Certificate of Registration which will be notarized and appropriate for framing.

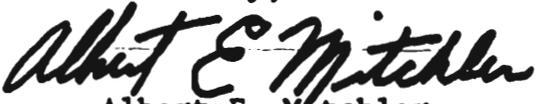
Undoubtedly this impressive document will become one of your family's most treasured keepsakes. It will be beautifully calligraphed with your name and printed on fine vellum. I am confident you will want to display this impressive Who's Who Certificate prominently in either your home or office.

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So please, I urge you to sign the endorsement and deposit your check today.

Sincerely,

  
Albert E. Matchler  
Executive Director

P. S. You are being asked to participate in a no-risk, no-nonsense trial test of an important new candidate support concept. It will cost you nothing to participate in this test. So please don't delay even one day in depositing your check. Thank you.

21040321638



**REPUBLICAN PRESIDENTIAL TASK FORCE**  
 425 SECOND STREET, N.E. ■ WASHINGTON, D.C. 20002  
 1-800-877-6772

**THE RIGGS**  
 NATIONAL BANK  
 OF WASHINGTON, D.C.

112119

15-3  
540

VOID AFTER NINETY DAYS  
 August 6 19 90

PAY            **TWENTY-FIVE DOLLARS AND 00/100**

**Dollars \$ 25.00**

(VOID IF OVER \$50.00)

**TO:**

Ms. Dorothea Schultz  
 RR 1 Box 1045  
 Hardin, MT 59034

FOR OFFICIAL USE ONLY  
 1101427624 13809 25002 8

*James L. Hagen*

05025930 #01114270# :0540000030: 1208692849#

9 1 0 0 8 2 2 6 8 9

**CHECK MUST BE ENDORSED BEFORE DEPOSITED**  
In accordance with the terms and conditions stated below I authorize my bank to charge my account each month in an amount equal to one-half of the face amount of this check and to transfer such amount to the Republican Presidential Task Force.

**- TO PROCESS THIS CHECK THE FOLLOWING INFORMATION IS NEEDED -**

ENDORSE CHECK HERE      YOUR SIGNATURE      DATE

FOR DEPOSIT ONLY TO THIS BANK ACCOUNT: \_\_\_\_\_  
YOUR BANK ACCOUNT NUMBER \_\_\_\_\_

PLEASE COMPLETE THE SIGNATURE, DATE AND BANK ACCOUNT NUMBER SPACES ABOVE.

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Patent Pending  
AGREEMENT

THE REPUBLICAN PRESIDENTIAL TASK FORCE HAS ADVANCED ME MONEY TO TRY CANDIDATE ESCROW FUNDING "FREE" FOR TWO MONTHS. I UNDERSTAND THAT I MAY CANCEL THE AUTHORIZATION TO CHARGE MY ACCOUNT AT ANY TIME AFTER THE INITIAL TWO MONTHS BY SIMPLY CALLING THE TASK FORCE AT 1-800-877-6772 OR BY GIVING MY BANK NOTICE OF TERMINATION OF THIS AUTHORIZATION PURSUANT TO THE REQUIREMENTS OF THE ELECTRONIC FUND TRANSFER ACT.

A RECORD OF EACH DEBIT WILL BE INCLUDED IN MY MONTHLY BANK SUMMARY AND THAT RECORD WILL SERVE AS MY RECEIPT. I MAY CONTACT THE REPUBLICAN PRESIDENTIAL TASK FORCE REGARDING ANY DISPUTE AND THE TASK FORCE UNCONDITIONALLY GUARANTEES THAT ALL REFUND REQUESTS WILL BE IMMEDIATELY HONORED.

CONTROLLED BY FEDERAL RESERVE BOARD OF GOVERNORS REG. CC

21040322690

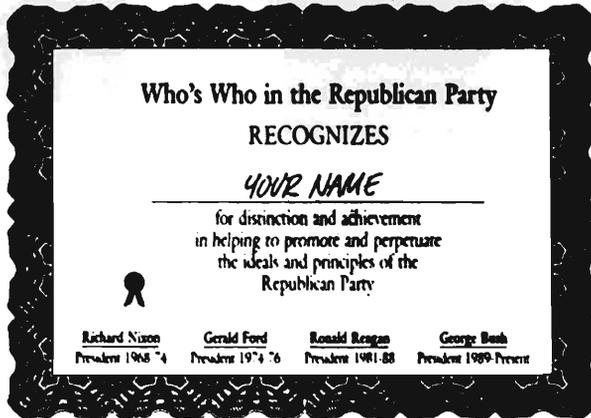
91040522691

# Who's Who in the Republican Party

A chronicle attesting to the Achievements of the Republican Party's most influential, active, and loyal supporters.

To officially induct you into Who's Who in the Republican Party you will be sent a Certificate of Registration which will be notarized and appropriate for framing.

*Replica*



It will be a lasting record accessed and relied upon by commentators, media personalities, news makers, writers, elected officials and the entire Republican Establishment.

Inclusion in the Charter Issue of Who's Who in the Republican Party is a Once in a Lifetime Opportunity and there is no cost or obligation to any person so selected.

*"It's An Honor without Equal"*

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KEMP ★  
 RONALD REAGAN ★ GEORGE BUSH ★ BO  
 STROM THURMOND ★ JOHN HEINZ ★  
 RODNEY SMITH ★ JAMES DANFORTH Q  
 ZABET  
 BURC  
 NIXON  
 HARLE  
 ETE W  
 ★ JAN  
 N QU  
 CLAU  
 JOHN S  
 DAN COATS ★ PETE duPONT ★ SUSAN  
 E GORTON ★ HOWARD BAKER ★ STEVE  
 ARLEN SPECTER ★ TOM TAUKE ★ CONN  
 MARK HATFIELD ★ PAT SAIKI ★ DON NI  
 CONRAD BURNS ★ MARGE ROUKEMA ★  
 GRAMM ★ BOB MICHEL ★ BARRY GOLD  
 ★ JERRY FORD ★ LYNN MARTIN ★ BOB  
 ★ BOB KASTEN ★

★

## Who's Who in the Republican Party

★

21040322692



**GEORGE HERBERT WALKER BUSH**

President of the United States 1989-Present

*Sample Biography Abbreviated*

**Born:** Milton, Massachusetts June 12, 1924  
**Parents:** Prescott and Dorothy Walker Bush  
**Married:** Barbara Pierce January 6, 1945  
**Children:** George, John (Jeb), Neil, Marvin, and Dorothy  
**Education:** High School: Andover Academy;  
College: Yale University  
**Military Service:** U.S. Navy - Distinguished Flying Cross  
**Career:** 1976-1977 Director of the Central Intelligence Agency  
1981-1988 Vice President of the United States  
**Hobbies:** Fishing and Horseshoes



**GERALD RUDOLPH FORD**

President of the United States 1974-1976

*Sample Biography Abbreviated*

**Born:** July 14, 1913 in Omaha, Nebraska  
**Parents:** Leslie and Dorothy Gardner King, adopted father Gerald Ford Sr.  
**Married:** Elizabeth Bloomer on October 15, 1948  
**Children:** Michael, John, Steven, and Susan  
**Education:** High School, South High, College, University of Michigan B.A. 1935, Yale University LLB 1941  
**Military:** U.S. Navy in WW II  
**Career:** 1965-1974 Republican Leader U.S. House of Representatives  
1974 Vice President of the United States  
**Hobbies:** Skiing and golf



**RONALD WILSON REAGAN**

President of the United States 1981-1988

*Sample Biography Abbreviated*

**Born:** Tampico, Illinois February 6, 1911  
**Parents:** John and Nelle Wilson Reagan  
**Married:** Nancy Davis March 4, 1952  
**Children:** Maureen, Michael, Ronald Jr., and Patricia (Patty)  
**Education:** High School: Dixon Northside;  
College: Eureka College  
**Military Service:** U.S. Army  
**Career:** 1947-1960 President Screen Actors Guild  
1966-1974 Governor of California  
**Hobbies:** Riding and Ranching



**RICHARD MILHOUS NIXON**

President of the United States 1968-1974

*Sample Biography Abbreviated*

**Born:** January 9, 1913 in Yorba Linda, California  
**Parents:** Francis and Hannah Milhous Nixon  
**Married:** Thelma Catherine Ryan on June 21, 1940  
**Children:** Patricia and Julie  
**Education:** High School, Whittier High, College, Whittier College 1934, Duke University LLB 1937  
**Military:** U.S. Navy in WW II  
**Career:** 1950-1952 United States Senate  
1953-1961 Vice President of the United States  
**Hobbies:** Golf and reading



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

FEDERAL ELECTION COMMISSION  
SECRETARY

90 AUG 30 AM 11:11

**SENSITIVE**

August 30, 1990

**MEMORANDUM**

**TO:** The Commission  
**FROM:** Lawrence M. Noble  
General Counsel  
**BY:** Lois G. Lerner *LL*  
Associate General Counsel

**SUBJECT:** MUR 3098  
Request for Documents

By letter dated August 20, 1990, counsel for respondents the National Republican Senatorial Committee ("NRSC") and James L. Hagen, as treasurer, requested that the Commission provide a copy of the documents contained in Pre-MUR 229. See Attachment 1. Pre-MUR 229 was merged with MUR 3051 to form the current MUR 3098, pursuant to the Commission's finding of July 31, 1990 that there was reason to believe the respondents had violated 2 U.S.C. § 434(b).

Prior to the merger of these matters, respondents had not received any of the materials contained in the Pre-MUR 229 file. Pre-MUR 229 involved a referral to the General Counsel from the Federal Trade Commission, dated April 13, 1990, concerning the very same solicitation by the NRSC. The Federal Trade Commission had received a complaint regarding this solicitation from the Consumer Protection Division of the Massachusetts Attorney General's Office.

The Office of the General Counsel recommends that the Commission grant the requested documents since they involve the same solicitation and because the matters have now been merged into one MUR.

**RECOMMENDATIONS**

1. Grant the requested documents to the respondents.
2. Approve the appropriate letter.

**Attachments**

1. Request for Documents

91040322693

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
National Republican Senatorial ) MUR 3098  
Committee and James L. Hagen, )  
as treasurer - Request for )  
Documents. )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on September 18, 1990, the Commission decided by a vote of 6-0 to take the following actions in MUR 3098:

1. Grant the requested documents to the National Republican Senatorial Committee and James L. Hagen, as treasurer.
2. Approve the letter, as recommended in the General Counsel's memorandum dated August 30, 1990.

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

Attest:

9-18-90  
Date

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

Received in the Secretariat: Thurs. August 30, 1990 11:11 a.m.  
Circulated to the Commission: Thurs. August 30, 1990 4:00 p.m.  
Deadline for vote: Thurs. Sept. 20, 1990 4:00 p.m.

dr

21040322694



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 24, 1990

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

RE: MUR 3098  
National Republican  
Senatorial Committee and  
James L. Hagen, as  
treasurer

Dear Mr. Baran:

By way of a letter dated August 20, 1990, the National Republican Senatorial Committee and James L. Hagen, as treasurer, requested that the Commission provide a copy of the referral from the Federal Trade Commission designated as Pre-MUR 229. This Pre-MUR was merged with MUR 3051 to form the current MUR 3098, pursuant to the Commission's finding of July 31, 1990 that there was reason to believe the respondents had violated 2 U.S.C. § 434(b).

The Commission has considered your request, and on September 18, 1990, voted to provide your clients with the requested documents. Enclosed please find a copy of the file materials which constituted Pre-MUR 229. If you have any questions, please contact John Canfield, the attorney assigned to this matter, at (202)376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosures

21040322695

90 SEP -6 PM 4:49



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**SENSITIVE**

September 6, 1990

**MEMORANDUM**

**TO:** The Commission

**FROM:** Lawrence M. Noble  
General Counsel

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

**SUBJECT:** MUR 3098 - National Republican Senatorial Committee  
and James L. Hagen, as treasurer

On April 19, 1990, James M. Beck of Philadelphia, Pennsylvania, filed a complaint with the Commission alleging that the National Republican Senatorial Committee ("NRSC") and James L. Hagen, as treasurer, violated the Act. Specifically, the complaint alleges that a fundraising program called Candidate Escrow Funding, which is a project of the Republican Presidential Task Force, violates the Act by making contributions in the name of another, misreporting such contributions, making excessive contributions from the NRSC to the candidates, NRSC's receipt of excessive contributions, and the making of excessive expenditures by the NRSC on behalf of its senatorial candidates. Both Candidate Escrow Funding and the Republican Presidential Task Force are fundraising projects of the NRSC.

The solicitation by the NRSC involves the use of \$25 checks made payable to the recipient. By endorsing the check in the prescribed manner, the recipient authorizes his or her bank to make automatic monthly transfers of \$12.50 to the NRSC until such authorization is revoked. All funds raised in this manner are deposited into NRSC accounts and are reported as contributions to the NRSC.

On July 31, 1990, the Commission found reason to believe that the NRSC and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b), because the NRSC should be reporting the first two transfers of \$12.50 (representing the initial \$25 outlay per check) as offsets to operating expenditures rather than contributions. The Commission found no reason to believe that the NRSC had violated § 441a, since all such funds raised are deposited into NRSC accounts. The Commission also found no reason to believe that the NRSC violated § 441f in that there is no contribution being made to a third party by one party in the name of another in this situation.

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**INJUNCTIVE RELIEF**

By way of a supplement filed on August 31, 1990, Complainant Beck now seeks injunctive relief to stop the NRSC from continuing to operate this fundraising program. Beck filed supplemental information which shows that the NRSC, through its Candidate Escrow Funding program, is still soliciting contributions as recently as August 6, 1990. See Attachment 1. The Commission is empowered to initiate such a civil action if it is unable to correct or prevent a violation of the Act. See 2 U.S.C. § 437d(a)(6) and § 437g(a)(6). However, in the situation at hand, the Commission has already determined that there is no reason to believe that the NRSC has violated § 441a or § 441f. The Commission did find reason to believe that the NRSC violated § 434(b), but this represents a technical reporting violation rather than the solicitation itself violating the Act. Thus, this Office does not recommend that injunctive relief be taken at this time.

**RECOMMENDATIONS**

1. Do not seek injunctive action at this time.
2. Approve the appropriate letters advising the complainant and respondents of the Commission's decision not to undertake injunctive action at this time.

**Attachment**

1. Complaint supplement

**Staff assigned: John Canfield**

21040622697

BEFORE THE  
FEDERAL ELECTION COMMISSION

---

JAMES M. BECK,

Complainant,

v.

REPUBLICAN PRESIDENTIAL TASK  
FORCE, "CANDIDATE ESCROW FUNDING",  
and NATIONAL REPUBLICAN  
SENATORIAL COMMITTEE,

Respondents.

---

MUR No. 3051

**ADDITIONAL INFORMATION SUPPLEMENTING  
ADMINISTRATIVE COMPLAINT**

---

25. On information and belief, at least as of August 6, 1990, and presumably through the present, respondents have been continuing to engage in the deceptive and illegal fundraising tactics that are detailed in the Administrative Complaint. See Exhibit "E".

WHEREFORE, Complainant James M. Beck, requests, in addition to the relief sought in the Administrative Complaint,

ATTACHMENT 1

91040322698

that respondents be immediately restrained from engaging in further deceptive and illegal solicitation activity.

*[Handwritten Signature]*  
JAMES M. BECK  
(215) 729-7842

Dated: August 29, 1990

Sworn to and Subscribed  
before me this *29<sup>th</sup>* day  
of *August*, 1990.

*[Handwritten Signature]*  
\_\_\_\_\_  
Notary Public

NOTARIAL SEAL  
LORETTA OHL, Notary Public  
City of Philadelphia, Phila. County  
My Commission Expires Aug. 17, 1994

91040322699

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 3098  
National Republican Senatorial )  
Committee and James L. Hagen, )  
as treasurer. )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on September 20, 1990, the Commission decided by a vote of 5-0 to take the following actions in MUR 3098:

1. Do not seek injunctive action at this time, as recommended in the General Counsel's memorandum dated September 6, 1990.
2. Approve the letters advising the complainant and respondents of the Commission's decision not to undertake injunctive action at this time, as recommended in the General Counsel's memorandum dated September 6, 1990.

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

Attest:

9-20-90

Date

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

Received in the Secretariat: Thursday, Sept. 6, 1990 4:49 p.m.  
Circulated to the Commission: Friday, Sept. 7, 1990 12:00 p.m.  
Deadline for vote: Thursday, Sept. 20, 1990 4:00 p.m.

dh

21040322700



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 27, 1990

James M. Beck  
4714 Windsor Avenue  
Philadelphia, PA 19143-3517

RE: MUR 3098  
National Republican  
Senatorial Committee and  
James L. Hagen, as  
treasurer

Dear Mr. Beck:

On August 31, 1990, the Federal Election Commission received your letter alleging that the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated the Federal Election Campaign Act of 1971, as amended.

Your letter seeks injunctive relief to prevent the National Republican Senatorial Committee from continuing its solicitation. At this time there is insufficient evidence to warrant the Commission's seeking such relief.

If you have any questions, please contact me at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

91040322701



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 27, 1990

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

RE: MUR 3098  
National Republican  
Senatorial Committee and  
James L. Hagen, as  
treasurer

Dear Mr. Baran:

On September 6, 1990, the Federal Election Commission notified you of a complaint alleging that the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated certain sections of the Federal Campaign Act of 1971, as amended. A copy of the complaint was forwarded to you at that time.

The Complainant seeks injunctive relief to prevent the National Republican Senatorial Committee from continuing its solicitation. Please be advised that the Commission is not commencing any action for injunctive relief at this time.

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

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

21040322702



FEDERAL ELECTION COMMISSION

WASHINGTON DC 20463

October 17, 1990

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

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

RE: MUR 3098  
National Republican  
Senatorial Committee and  
James L. Hagen,  
as treasurer

Dear Mr. Baran:

On July 31, 1990, the Federal Election Commission found that there is reason to believe that your client, the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed the basis of the Commission's finding, as well as an interrogatory directed to your client, were sent to you on August 7, 1990. Any factual or legal materials which you believe to be relevant to the Commission's consideration of this matter, as well as a response to the Commission's interrogatory, were to have been submitted to the Commission within 15 days of your receipt of those materials. To date, no such response has been received by the Commission on behalf of your client.

Additionally, you requested that the Commission provide you with a copy of the file materials in Pre-MUR 229, concerning a referral from the Federal Trade Commission involving your client which was merged with MUR 3051 to form the current MUR 3098. The Commission approved your request and copies of these materials were forwarded to you on September 24, 1990.

Please submit any factual or legal materials that you believe to be relevant to the Commission's consideration of this matter, along with a response to the Commission's interrogatory,

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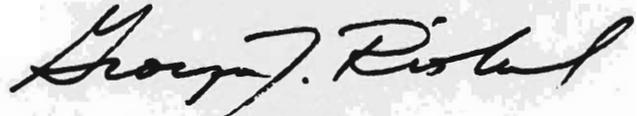
MUR 3098  
Page Two

to the General Counsel's Office within 15 days of receipt of this letter. Also, if you are interested in pursuing pre-probable cause conciliation, you should so request in writing.

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

Sincerely,

Lawrence M. Noble  
General Counsel



BY: George F. Rishel  
Assistant General Counsel

21040322704

8497

WILEY, REIN & FIELDING **NOV 1 PM 4:02**

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

November 1, 1990

JAN WITOLD BARAN  
(202) 429-7330

FACSIMILE  
(202) 429-7049  
TELEX 248349 WYRN UR

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

Attn: John Canfield, Esq.

Re: MUR 3098 (National Republican  
Senatorial Committee and James  
L. Hagen, as Treasurer)

Dear Mr. Noble:

I am in receipt of your letter of October 17, 1990 regarding Matter Under Review ("MUR") 3098. As with Chairman Elliott's letter of August 7, 1990, we have transmitted this letter directly to our client. We have been informed that the information responsive to the Commission's interrogatory will be available for submission to the Commission by November 12, 1990.

Sincerely,

  
Jan Witold Baran

cc: William B. Canfield, III  
James L. Hagen

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# WILEY, REIN & FIELDING

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

JAN WITOLD BARAN  
(202) 429-7330

November 13, 1990

FACSIMILE  
(202) 429-7049  
TELEX 248349 WYRN UR

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

ATTN: Jeffrey D. Long

Re: MUR 3098 (formerly MUR 3051)

Dear Mr. Noble:

Please find enclosed the Affidavit of James L. Hagen, Treasurer of the National Republican Senatorial Committee ("NRSC"), in response to the Commission's Interrogatory included in the Commission's letter of August 7, 1990 notifying the NRSC that the Commission had found reason to believe that the NRSC violated 2 U.S.C. § 434(b) in Matter Under Review 3098.

The Commission's Reason to Believe finding relates to the NRSC's reporting of the first \$25 in receipts through the electronic funds transfer ("EFT") program as "contributions" instead of as "offsets to operating expenditures." In response to this finding, the NRSC has taken corrective action by amending its April and July Quarterly reports to reflect the Commission's categorization of these receipts. See Affidavit of James L. Hagen attached hereto. The NRSC's reports of activity subsequent to June 30, 1990 fully conform with the Commission's decision. See id.

The Commission should take note that the NRSC's initial reporting of the receipts as contributions required greater disclosure than what the Commission has now required. More contributions were itemized than is now necessary under the Commission's Analysis. The effect of the NRSC's initial treatment of the first two installments of \$12.50 as contributions was that (for limitation purposes) it could receive \$25.00 less in contributions than under the

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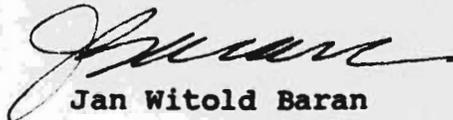
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FEDERAL ELECTION COMMISSION  
OFFICE OF THE GENERAL COUNSEL  
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Lawrence M. Noble, Esq.  
November 13, 1990  
Page 2

Commission's treatment of these receipts as offsets to operating expenditures.

Accordingly, all Reports filed by the NRSC are now in full compliance with the Commission's requirements, as enunciated in its letter of August 7, 1990.

Sincerely,



Jan Witold Baran

rpb  
cc: William B. Canfield, III, Esq.  
Mr. James L. Hagen

21040322707

BEFORE THE FEDERAL ELECTION COMMISSION

City of Washington            )  
                                  )  
District of Columbia         )           MUR 3098  
                                          )           (formerly MUR 3051)

AFFIDAVIT OF JAMES L. HAGEN

JAMES L. HAGEN, first being duly sworn, deposes and says:

1. I am James L. Hagen. As Treasurer of the National Republican Senatorial Committee ("NRSC"), I have primary responsibility for maintaining the records of contributions to and expenditures of the NRSC. I also have responsibility for filing disclosure reports with the Federal Election Commission ("FEC" or "Commission") pursuant to the Federal Election Campaign Act of 1971, as amended. I am familiar with the fundraising program involving the use of electronic funds transfers ("EFT") which is the subject of FEC Matter Under Review 3098 (formerly MUR 3051).

2. Pursuant to the Commission's letter of August 7, 1990, notifying the NRSC of a reason to believe finding against it and requesting information involving how much money the NRSC has received in the first two installments of the EFT program from its inception through August 7, 1990, I have examined the records of the NRSC and compiled the following information:

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a. The first receipts of the NRSC's EFT program were received in January, 1990.

b. Between January 1, 1990 and March 31, 1990, the NRSC received \$39,411.00 representing the first two monthly payments from contributors to the NRSC's EFT program. This amount was initially identified in the NRSC's 1990 April Quarterly Report as contributions to the NRSC. Of this amount, \$3,824.50 was itemized, and \$35,586.50 was unitemized.

c. Between April 1, 1990 and June 30, 1990, the NRSC received \$140,514.00 representing the first two monthly payments from contributors to the NRSC's EFT program. This amount was identified in the NRSC's 1990 July Quarterly Report as contributions to the NRSC. Of this amount, \$15,729.00 was itemized, and \$124,785.00 was unitemized.

d. Between July 1, 1990 and August 7, 1990, the NRSC received \$15,280.00 representing the first two monthly payments from contributors in the NRSC's EFT program. However, prior to reporting this amount on the NRSC's Disclosure Reports, I became aware that the Factual and Legal Analysis approved by the Commission in this Matter determined that these funds should be classified as offsets to operating expenditures. Accordingly, this amount was reported as an offset to operating expenditures in the NRSC's 1990 third quarter FEC report, and not as contributions.

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e. Finally, in light of the Commission's reason to believe finding in this Matter, the NRSC has amended its April and July Quarterly Reports to classify these monies representing the first two installments through the EFT program, previously reported as contributions, as offsets to operating expenditures and have been reported accordingly.

The above is true and correct to the best of my knowledge.

James L. Hagen  
James L. Hagen

13 Sworn and subscribed to by the said James L. Hagen this day of November, 1990.

Louise C. Stulver  
Notary Public

My Commission Expires: July 14 1992

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**WILEY, REIN & FIELDING**

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

JAN WITOLD BARAN  
(202) 429-7330

**November 28, 1990**

FACSIMILE  
(202) 429-7049  
TELEX 248349 WYRN

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
NOV 28 PM 4:45

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

Attn: John Canfield, Esq.

Re: MUR 3098 (formerly MUR 3051)

Dear Mr. Noble:

Pursuant to conversations with your Office subsequent to the receipt of the National Republican Senatorial Committee's November 13, 1990 Response to the Commission's Interrogatory in Matter Under Review 3098, the National Republican Senatorial Committee (NRSC) and James L. Hagen, as Treasurer, hereby request that the Federal Election Commission now vote to take no further action in this matter. Such a decision is warranted for the following reasons.

The use of the program which is the subject of this MUR and the revenues it generated were unique for the NRSC, as well as for the Federal Election Commission. Because there were no FEC rulings on reporting this method of fundraising, the NRSC reviewed its options carefully to determine how to report the first two monthly installments of receipts of the EFT program. The basis of the NRSC's decision to treat the funds received as "contributions" was twofold. First, the NRSC receipts were subject to the contribution limits of the Act. See 2 U.S.C. § 441a. Second, they were subject to itemized reporting, providing maximum disclosure of these receipts. Accordingly, the first two installments from each contributor were treated as contributions to the NRSC.

For reasons not totally clear, the Commission has decided that these receipts should be treated as "offsets to operating expenditures." The result of that determination is that these receipts are not subject to the individual contribution limits and need not be itemized. However, in

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WILEY, REIN & FIELDING

Lawrence M. Noble, Esq.  
November 28, 1990  
Page 2

order to comply with the Commission's decision, the NRSC has reported these receipts subsequent to June 30, 1990, as offsets to its operating expenses and has amended its reports for the first six months of the EFT program to reflect the Commission's determination.

While we do not disagree with the Commission's decision, this is not the type of case that should require further action. The NRSC is now in full compliance with the Commission's interpretation of the Act. Therefore, we request that the Commission vote to take no further action in this matter.

Sincerely,



Jan Witold Baran  
Counsel, National Republican  
Senatorial Committee and  
James L. Hagen, as Treasurer

cc: William B. Canfield, III  
James L. Hagen

21040322712

90 DEC -7 PM 3:03

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 3098  
National Republican Senatorial )  
Committee and James L. Hagen, )  
as treasurer )

**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter arose from a complaint filed by James M. Beck in which he alleged that solicitations by the National Republican Senatorial Committee ("NRSC") involving the use of \$25 checks and electronic funds transfers violated the Act.

On July 31, 1990, the Commission found reason to believe that the NRSC and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b); and found no reason to believe that the NRSC violated 2 U.S.C. § 441a or § 441f. The Commission approved and sent interrogatories to the NRSC concerning the amount of money raised through the solicitation in question.

The Commission also approved the merging of Pre-MUR 229 into this MUR since both matters involved the same solicitation. The NRSC, through its counsel, requested that the Commission provide it with copies of documents contained in the Pre-MUR 229 file. The Commission approved this request on September 18, 1990.

The complainant, James M. Beck, filed a supplemental request that the Commission grant injunctive relief to prohibit the NRSC from conducting any further such solicitations, pending

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the outcome of this MUR. The Commission denied this request for injunctive relief on September 20, 1990.

On November 13, 1990, the NRSC filed its response to the Commission's findings, including an affidavit from its treasurer, James L. Hagen. See Attachment 1. The NRSC did not request pre-probable cause conciliation. On November 28, 1990, the NRSC and its treasurer submitted a request to this Office that the Commission take no further action in this matter. See Attachment 2.

II. ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that all reports filed under Section 434 of the Act shall disclose the total amount of all receipts in various categories, including one for rebates, refunds, and other offsets to operating expenditures. 2 U.S.C. § 434(b)(2)(I).

The solicitation in question by the NRSC involves the use of \$25 checks and electronic funds transfers by the Republican Presidential Task Force, a fundraising program of the NRSC. In this solicitation, the NRSC sends a \$25 check to a potential contributor. By endorsing and depositing the \$25 check into his or her account, the recipient authorizes the NRSC to make an electronic withdrawal of \$12.50 per month from that account until the individual gives notice to terminate the withdrawals. The funds are deposited into the general accounts of the NRSC.

The monthly \$12.50 amounts were being reported by the NRSC on its reports as contributions. However, the Commission found that the first two payments of \$12.50, representing the initial

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\$25 check sent to the individual, should be reported as offsets to operating expenditures. This is because the first \$25 received back by the NRSC represents the initial \$25 sent out through the solicitation program. The NRSC is actually getting its own funds back with these first two payments totaling \$25. Because these funds were being reported as contributions rather than offsets to operating expenditures, the Commission found reason to believe that the NRSC and its treasurer were violating 2 U.S.C. § 434(b).

In order to determine how much money the NRSC had received from each contributor which constituted the first two monthly payments of this electronic funds transfer program, an interrogatory was submitted to the NRSC. This program was started in January of 1990. In his affidavit, NRSC treasurer James Hagen states that the NRSC received \$179,925 from January 1 through June 30, 1990, representing the first two monthly payments from contributors in the Republican Presidential Task Force's electronic funds transfer program. These funds were reported as contributions on the NRSC's Quarterly Reports in April and July of 1990. Hagen further states in his affidavit that the NRSC began properly reporting these funds as offsets to operating expenditures on the October 1990 Quarterly Report, in light of the Commission's findings in this matter.

The response filed by the NRSC and the affidavit filed by Mr. Hagen both indicate that the NRSC is now in compliance with the Commission's finding that these funds should be reported as offsets to operating expenditures. They also state that the NRSC

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has amended its April and July 1990 Quarterly Reports to reflect the Commission's findings. Reports filed subsequent to June 30, 1990, are in compliance with the Commission's decision.

The NRSC has now asked the Commission to take no further action in this matter. In its request, the NRSC states that because there were no prior Commission rulings regarding the reporting of this type of fundraising, the NRSC reviewed its options carefully to determine how best to report the first two monthly installments of the receipts from this electronic funds transfer program. The NRSC opted to report the initial \$25 as contributions for two reasons: first, the funds would be subject to the contribution limits of the Act; and second, the funds would be subject to itemized reporting, thus providing maximum disclosure of the receipts.

The NRSC states that the result of the Commission's finding that these funds should be reported as offsets rather than contributions is that these funds are no longer subject to individual contribution limits and need not be itemized, as they were when they were being reported as contributions. Nevertheless, the NRSC maintains that because it is now in compliance with the Commission's decision and has amended its earlier reports, the Commission should take no further action against it.

While it is true that the NRSC is now in compliance with the Commission's findings regarding its reporting of these funds, and it has amended its two prior reports, the fact remains that the NRSC misreported \$179,925 over a six month period in 1990.

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Although the first \$25 received from each contributor in this program is no longer subject to individual contribution limits since it is now being reported as an offset, the previous practice of reporting the funds as contributions disguised the true nature of the money. These funds should have been reported as offsets because this was simply a case of the NRSC getting its own \$25 back. The NRSC states that it carefully reviewed its options on how to report these funds before implementing this solicitation; however, the NRSC was free to request an Advisory Opinion to resolve the matter since there were no prior rulings on the reporting of this type of money.

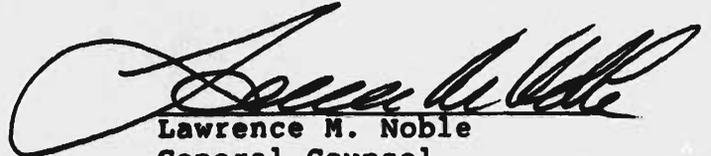
The NRSC misreported \$179,925 as contributions from January through June, 1990. The funds should have been reported as offsets to operating expenditures. The misreporting of these funds is a violation of 2 U.S.C. § 434(b). The NRSC states in its request of November 28, 1990, that it does not disagree with the Commission's decision. For this reason, the General Counsel recommends that the Commission deny the NRSC's request that it take no further action in this matter. If the Commission adopts this recommendation, the NRSC will be given an opportunity to request pre-probable cause conciliation. If it does not do so, then this Office will proceed with the next stage of the enforcement process.

### III. RECOMMENDATIONS

1. Deny the request of the National Republican Senatorial Committee and James L. Hagen, as treasurer, to take no further action with regard to a violation of 2 U.S.C. § 434(b).

2. Approve the appropriate letter.

12/7/90  
Date

  
Lawrence M. Noble  
General Counsel

**Attachments**

1. NRSC response dated November 13, 1990
2. NRSC request for no further action dated November 28, 1990

**Staff assigned: John Canfield**

91040322718



FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20461

MEMORANDUM

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

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

DATE: DECEMBER 12, 1990

SUBJECT: MUR 3098 - GENERAL COUNSEL'S REPORT  
DATED DECEMBER 7, 1990.

The above-captioned document was circulated to the Commission on MONDAY, DECEMBER 10, 1990 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>                    </u>
Commissioner Josefiak	<u>                    </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, DECEMBER 18, 1990.

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

91040322719

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 3098  
National Republican Senatorial Committee)  
and James L. Hagen, as treasurer. )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on December 18, 1990, do hereby certify that the Commission decided by a vote of 5-1 to reject the recommendations contained in the General Counsel's report dated December 7, 1990, and instead take no further action and close the file in MUR 3098.

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

Attest:

12-26-90  
Date

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

21040322720



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

December 27, 1990

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

**CLOSED**

James M. Beck  
4714 Windsor Avenue  
Philadelphia, PA 19143-3517

RE: MUR 3098  
National Republican  
Senatorial Committee

Dear Mr. Beck:

This is in reference to the complaint you filed with the Federal Election Commission on April 19, 1990, concerning solicitations by the National Republican Senatorial Committee involving the use of \$25 checks.

Based on that complaint, on July 31, 1990, the Commission found that there was reason to believe the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434, a provision of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation of this matter. However, after considering the circumstances of this matter, the Commission determined to take no further action against the National Republican Senatorial Committee, and closed the file in this matter on December 18, 1990. A Statement of Reasons for the Commission's actions will follow.

This matter will become part of the public record within 30 days. The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

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

Sincerely,

Lawrence M. Noble  
General Counsel

91040322721



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

December 27, 1990

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Michael C. McCarney  
Associate Director  
Bureau of Consumer Protection  
Federal Trade Commission  
Washington, D.C. 20580

RE: MUR 3098  
(formerly Pre-MUR 229)  
National Republican  
Senatorial Committee

Dear Mr. McCarney:

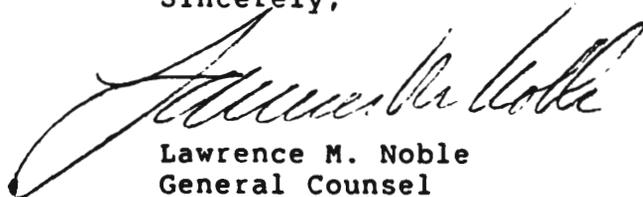
This is in reference to the referral you made to the Federal Election Commission on April 13, 1990, concerning solicitations by the Republican Presidential Task Force (a fundraising program operated by the National Republican Senatorial Committee) involving the use of \$25 checks and monthly electronic transfers of funds.

Based on that complaint, on July 31, 1990, the Commission found that there was reason to believe that the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b), a provision of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation of this matter. However, after considering the circumstances of this matter, the Commission determined to take no further action against the National Republican Senatorial Committee, and closed the file in this matter on December 18, 1990. A Statement of Reasons for the Commission's actions will follow.

This matter will become part of the public record within 30 days. The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

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

Sincerely,



Lawrence M. Noble  
General Counsel

21040322722



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 27, 1990

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Carol K. Dietz, Esquire  
Assistant Attorney General  
Consumer Protection Division  
131 Tremont Street  
Boston, Massachusetts 02111

RE: MUR 3098  
(formerly Pre-MUR 229)  
National Republican  
Senatorial Committee

Dear Ms. Dietz:

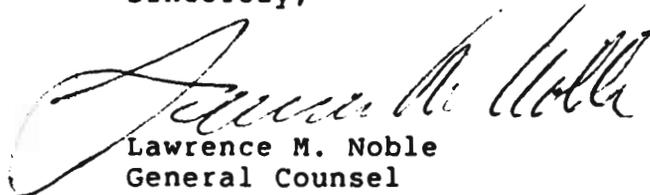
This is in reference to the referral you made to the Federal Trade Commission on March 28, 1990, concerning solicitations by the Republican Presidential Task Force (a fundraising program operated by the National Republican Senatorial Committee) involving the use of \$25 checks and monthly electronic transfers of funds.

Based on that complaint, on July 31, 1990, the Commission found that there was reason to believe that the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b), a provision of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation of this matter. However, after considering the circumstances of this matter, the Commission determined to take no further action against the National Republican Senatorial Committee, and closed the file in this matter on December 18, 1990. A Statement of Reasons for the Commission's actions will follow.

This matter will become part of the public record within 30 days. The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

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

Sincerely,

  
Lawrence M. Noble  
General Counsel

91040322723



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 27, 1990

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

RE: MUR 3098  
National Republican Senatorial  
Committee

Dear Mr. Baran:

On August 7, 1990, you were notified that the Federal Election Commission found reason to believe that your clients, the National Republican Senatorial Committee and James L. Hagen, as treasurer, violated 2 U.S.C. § 434(b). On November 13, 1990, you submitted a response on behalf of your clients to the Commission's reason to believe finding.

After considering the circumstances of this matter, the Commission determined on December 18, 1990, to take no further action against the National Republican Senatorial Committee and James L. Hagen, as treasurer, and closed the file. A Statement of Reasons for the Commission's actions will follow.

The file will be made part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The Commission reminds you that reporting the initial \$25 received from participants in this solicitation as contributions rather than as offsets to operating expenditures appears to be a violation of 2 U.S.C. § 434(b). Your clients should continue to take steps to insure that this activity does not occur in the future.

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

Sincerely,

Lawrence M. Noble  
General Counsel

21040322724



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3098 <sup>MAR 91 E)</sup> W. 3051 - PRR MAR 229

DATE FILMED 2/2/91 CAMERA NO. 4

CAMERAMAN AS

91040322725



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

THE FOLLOWING DOCUMENTATION IS ADDED TO  
THE PUBLIC RECORD IN CLOSED MUR 3098 .

21040830325



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 18, 1991

**CLOSED**

Carol K. Dietz, Esquire  
Assistant Attorney General  
Consumer Protection Division  
131 Tremont Street  
Boston, Massachusetts 02111

RE: MUR 3098  
National Republican Senatorial  
Committee and James L. Hagen,  
as treasurer

Dear Ms. Dietz:

On December 27, 1990, you were notified that the Federal Election Commission determined to take no further action against the National Republican Senatorial Committee and James L. Hagen, as treasurer, and closed the file in the above-referenced matter.

Enclosed please find copies of two General Counsel's Reports and a Statement of Reasons which reflect the Commission's findings.

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

Sincerely,

*Lawrence M. Noble (LMN)*  
Lawrence M. Noble  
General Counsel

Enclosures

1. General Counsel's Reports (2)
2. Statement of Reasons

21040330326



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 18, 1991

Michael C. McCarney, Esquire  
Associate Director  
Bureau of Consumer Protection  
Federal Trade Commission  
Washington, D.C. 20580

RE: MUR 3098  
National Republican Senatorial  
Committee and James L. Hagen,  
as treasurer

Dear Mr. McCarney:

On December 27, 1990, you were notified that the Federal Election Commission determined to take no further action against the National Republican Senatorial Committee and James L. Hagen, as treasurer, and closed the file in the above-referenced matter.

Enclosed please find copies of two General Counsel's Reports and a Statement of Reasons which reflect the Commission's findings.

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

Sincerely,

  
Lawrence M. Noble  
General Counsel

Enclosures

1. General Counsel's Reports (2)
2. Statement of Reasons

21540330327



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 18, 1991

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

RE: MUR 3098  
National Republican Senatorial  
Committee and James L. Hagen,  
as treasurer

Dear Mr. Baran:

On December 27, 1990, you were notified that the Federal Election Commission determined to take no further action against the National Republican Senatorial Committee and James L. Hagen, as treasurer, and closed the file in the above-referenced matter.

Enclosed please find copies of two General Counsel's Reports and a Statement of Reasons which reflect the Commission's findings.

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

Sincerely,

*Lawrence M. Noble (7/2)*  
Lawrence M. Noble  
General Counsel

Enclosures

1. General Counsel's Reports (2)
2. Statement of Reasons

21040830328



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 18, 1991

James M. Beck  
4714 Windsor Avenue  
Philadelphia, PA 19143-3517

RE: MUR 3098  
National Republican Senatorial  
Committee and James L. Hagen,  
as treasurer

Dear Mr. Beck:

On December 27, 1990, you were notified that the Federal Election Commission determined to take no further action against the National Republican Senatorial Committee and James L. Hagen, as treasurer, and closed the file in the above-referenced matter.

Enclosed please find copies of two General Counsel's Reports and a Statement of Reasons which reflect the Commission's findings.

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

Sincerely,

Lawrence M. Noble  
General Counsel

Enclosures

1. General Counsel's Reports (2)
2. Statement of Reasons

21040830329

MISSION

January 3, 1991



Tashjian  
State  
Capitol  
Hartford, Connecticut 06106

**CLOSED**

ATTENTION: Don Meikle

RE: MUR 3098  
National Republican  
Senatorial Committee

Dear Ms. Tashjian:

This is to follow up your letter of August 17, 1990, inquiring about a fundraising program conducted by the Republican Presidential Task Force involving the mailing of \$25 dollar checks and the use of automatic monthly electronic transfers of funds.

These solicitations were actually a fundraising program operated by the National Republican Senatorial Committee ("NRSC"). Based on a complaint filed in April, 1990, the Commission found reason to believe that the NRSC violated 2 U.S.C. § 434(b), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), and instituted an investigation of this matter. However, after considering the circumstances of this matter, the Commission determined to take no further action against the National Republican Senatorial Committee, and closed the file in this matter on December 18, 1990.

Enclosed for your review are copies of the First General Counsel's Report, dated July 23, 1990, and the subsequent General Counsel's Report, dated December 10, 1990. These reports will hopefully provide you with the legal and factual analysis the Commission used in making its findings with regard to the NRSC's solicitation.



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 3, 1991

**CLOSED**

Ms. Julia H. Tashjian  
Secretary of State  
State Capitol  
Hartford, Connecticut 06106

ATTENTION: Don Meikle

RE: MUR 3098  
National Republican  
Senatorial Committee

Dear Ms. Tashjian:

This is to follow up your letter of August 17, 1990, inquiring about a fundraising program conducted by the Republican Presidential Task Force involving the mailing of \$25 dollar checks and the use of automatic monthly electronic transfers of funds.

These solicitations were actually a fundraising program operated by the National Republican Senatorial Committee ("NRSC"). Based on a complaint filed in April, 1990, the Commission found reason to believe that the NRSC violated 2 U.S.C. § 434(b), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), and instituted an investigation of this matter. However, after considering the circumstances of this matter, the Commission determined to take no further action against the National Republican Senatorial Committee, and closed the file in this matter on December 18, 1990.

Enclosed for your review are copies of the First General Counsel's Report, dated July 23, 1990, and the subsequent General Counsel's Report, dated December 10, 1990. These reports will hopefully provide you with the legal and factual analysis the Commission used in making its findings with regard to the NRSC's solicitation.

710 A 9104 083 0330

MUR 3098  
Page Two

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

Sincerely,

Lawrence M. Noble  
General Counsel



BY: Lois G. Lerner  
Associate General Counsel

Enclosures

21040830331