FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3134

DATE FILMED 10/27/93 CAMERA NO. 2

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MUR 3134

October 3, 1990

Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Commissioners:

The undersigned today file this complaint alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), 2 U.S.C. 431 et seq., and the Federal Election Commission ("FEC" or the "Commission") regulations, 11 C.F.R. 100.1 et seq., by Bob Williams, Bob Williams for Congress and Washington '92 (hereinafter collectively referred to as "Respondents").

Respondents have violated the Act by accepting illegal contributions, failing to report receipt of contributions, failing to register and report as a political committee, failing to designate an affiliated committee, soliciting funds without an appropriate disclaimer, and by using corporate funds and excessive contributions in connection with a federal election.

The FEC must act immediately to stop these violations.

THE FACTS

Bob Williams is a candidate for the United States Congress in the 3rd District of Washington State. He has designated the Bob Williams for Congress Committee (the "Federal Committee") as his principal campaign committee in connection with this congressional race.

Washington '92 (the "State Committee") is a non-federal organization registered under the Washington State campaign finance law as a "nonpartisan" political committee. According to the State Committee's most recent filings with Washington State, its chairman is Bob Williams and its vice-chair is Lynn Harsh. The Federal Committee's most recent filings with the FEC named Lynn Harsh as the campaign manager for the Federal Committee. [It has been reported in the press that subsequent to the Federal Committee's most recent FEC filing, Lynn Harsh has been replaced as campaign manager but remains with the campaign as field director.]

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The State Committee was formed in 1989 by Mr. Williams following his unsuccessful bid for governor. It attempted to qualify a tax limitation measure for the November 1990 ballot, but failed to gather a sufficient number of signatures. The State Committee raised over $90,000 in contributions in 1989 and, as of September 10, had raised close to $40,000 in 1990. Contributions to the State Committee include funds from the Boeing Corporation and Georgia Pacific Corporation, as well as from a substantial number of individuals who have also contributed to the Federal Committee.

Besides their common contributors, other ties between the Federal Committee and the State Committee demonstrate the close alliance between the two organizations. Not only are Mr. Williams and Ms. Harsh "major players" in both organizations, but the two committees have also shared the services of several consultants. Richard Frias, John Wright and Barbara Wuerth have each worked for both the State and Federal Committees. In its most recent filing, the State Committee's debt schedule showed that monies are still owed to Mr. Frias and Ms. Harsh. Relevant pages of the State Committee's filings with Washington State are attached as Exhibit 1.

The close ties between the two organizations are further evidenced by the fact that Mr. Wright's consulting services to the State Committee were apparently paid in part by the Federal Committee. The Federal Committee's most recent FEC report listed a debt owed to it by the State Committee of $3,290 for consulting services provided by John Wright. In responding to a prior Request For Additional Information from the FEC regarding the debt, the Federal Committee described the obligation as "the debt owed the [F]ederal [C]ommittee by the related non[-]federal committee."

Other instances of a close connection between the State and Federal Committees abound. For example, the Federal Committee has also reported receiving a $475 in-kind contribution for "phone services and copying" from the State Committee.

Among its activities, the State Committee publishes a monthly newsletter. In its January issue, an article attributed to Mr. Williams discusses his congressional candidacy and his campaign plans. On page 7 of the January edition, Williams notes, "I have basic convictions that will not change in my bid for Congress any more than they changed in the gubernatorial campaign... I will campaign in an honest and straight forward manner, as I always have." A

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copy of page 7 the January edition of the newsletter is attached as Exhibit 2.

The February issue of the State Committee's newsletter also contains references to Williams' congressional campaign. On page 2 of that issue is an item entitled "BOB'S CALENDAR", which contains a listing of over ten events at which "BOB" is scheduled to appear. Those events included Lincoln Day appearances in various counties around the state and congressional district. Two additional events were scheduled on February 24 and 25, 1990 with Bo Calloway. As becomes evident in the March issue of the newsletter, Bo Calloway was in Washington State to make campaign appearances on behalf of Williams' Congressional campaign. The Lincoln Day appearances, in all likelihood, were also campaign appearances. A copy of the February issue of the newsletter is attached as Exhibit 3.

In the March issue of the newsletter, which is attached as Exhibit 4, the references to the Congressional campaign continued and, in fact, became more blatant. In an article which began on the front page of the newsletter entitled "A Note from Bob Williams," the following appeared:

> And, of course, you know I am running for Congress so our days have been full. I have had the recent opportunity of meeting with President and Mrs. Bush and Vice President and Mrs. Quayle concerning my Congressional campaign. Congressmen Guy Vander Jagt and Bob Dornan also spent some time with me and members of my campaign in February. Former Congressman Bo Calloway spent two days in the district at month's end. Quite a great entourage of some of our nation's best leaders! I felt honored to listen to their words of wisdom.
>
> But, it all comes down to basics . . . finding good people who will help us organize at the grass-roots level, getting my message out and raising money. Those are the same basic ingredients that go into any successful campaign and it's what WASHINGTON '92 is all about. While I'm on the topic, several individuals have asked me, "Bob, who do I send money to . . . WASHINGTON '92 or your Congressional Campaign?" The choice is really up to you because we know you can't contribute to every cause or every person.

* * * * * * * *

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So, please keep supporting WASHINGTON '92 and if your budget allows, my Congressional campaign certainly needs all the help it can get too. Whatever you decide, please accept my sincere gratitude.

DISCUSSION

The Commission addressed issues remarkably similar to those raised by the above-mentioned activities in Advisory Opinion 1990-5, 1 Fed. Election Camp. Fin. Guide (CCH) 5982. In that case, Margaret Mueller published a nonpartisan newsletter on issues of importance to her and other similarly minded individuals. In her Advisory Opinion Request, she asked whether it would be proper to continue publishing the newsletter, with articles referring to her campaign and to issues of concern to her in her campaign, while she was a candidate for federal office. The FEC concluded that she could not continue to publish the newsletter under those circumstances without having the costs of publishing considered a contribution to her campaign.

The Commission noted the many Advisory Opinions where it has considered whether particular activities involving a federal candidate or communications involving a federal candidate resulted in a contribution to the candidate. The test the Commission has consistently applied to make this determination is whether the activity or communication involves:

(1) the solicitation of contributions to the candidate's campaign; or

(2) the express advocacy of the nomination or election of the candidate.

The State Committee's newsletters clearly solicit contributions to Williams' congressional campaign and advocate his election. See Advisory Opinion 1990-5 and opinions cited therein.

In the case of Mrs. Mueller's newsletter, the Commission found a contribution would result where an issue contained "direct or indirect reference . . . to the candidacy, campaign or qualifications for public office of you or your opponent . . ." It is clear that there are direct references to Mr. Williams' candidacy and his campaign in the State Committee's newsletters.

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In valuing the contribution attributed to Mrs. Mueller's newsletter, the Commission specifically rejected the alternative of allocating only the particular portions of the newsletter that were campaign-related, but instead adopted the standard that:

> Any campaign-related content within a particular edition would render expenses of publishing that edition a campaign expenditure.

(Emphasis added; footnote omitted.)

The application of the law set out in this Advisory Opinion to the actions of the Respondents makes it clear that a series of violations of the Act have been committed by them.

1. Illegal Contributions In-Kind

The costs of publishing the January, February and March issues of the State Committee's newsletter clearly must be considered as expenditures by the State Committee and as contributions in-kind to the Federal Committee.

The amounts spent by the State Committee for costs associated with publishing the newsletter (printing, postage, etc...) are far in excess of the $1,000 per election contribution limit provided under the Act. The State Committee has made, and Mr. Williams and the Federal Committee have accepted, illegal contributions in-kind in violation of the federal campaign laws.

2. Failure to Report Contributions

The Federal Committee reports an in-kind contribution from the State Committee of $475 for "phone services and copying," but there are no other reported receipts from the State Committee which would reflect the costs of publishing the newsletter. Mr. Williams and the Federal Committee have failed to disclose the contributions from the State Committee to his campaign in violation of 2 U.S.C. 434.

3. Failure to Designate Affiliated Committee

Mr. Williams cannot argue that the contributions were lawful because they came from a "related" or affiliated committee. Mr. Williams is required to designate on his Statement of Candidacy (FEC Form 2), or in another writing, all affiliated committees authorized to raise or spend funds

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on his behalf. As of the date of this complaint, no such designation had been filed.

4. Failure to Register and Report

Whether or not the State Committee is affiliated with the Federal Committee, it has received contributions and made expenditures in connection with a federal election in excess of $1,000. It is therefore, required to register with the FEC and report its financial activities on regular disclosure reports. As of the date of this complaint, no such registration or reporting obligations have been fulfilled.

5. Use of Corporate or Other Illegal Funds

Under federal law, 2 U.S.C. 441b, corporations are prohibited from making direct or indirect contributions or expenditures in connection with a federal election. The State Committee has accepted corporate funds. The State Committee and Mr. Williams have violated 2 U.S.C. 441b by using corporate funds to pay expenses in connection with Mr. Williams' Congressional campaign.

In addition, each of the above-mentioned editions of the newsletter contained a solicitation of funds for the State Committee which asks for contributions of up to $1,200 from a single contributor. If any of the contributors have made $1,200 contributions, the Respondents have violated the $1,000 per election contribution limit, by using those excessive contributions to pay expenses in connection with Mr. Williams' congressional campaign.

Many of the contributors to the State Committee are also contributors to the Federal Committee. If such dual contributors have contributed aggregate amounts in excess of $1,000 to the two committees, the Respondents have again violated the $1,000 per election contribution limit by using such excessive contributions to pay expenses in connection with Mr. Williams' congressional campaign.

6. No Disclaimer

Federal law requires that any communication which advocates the election of a clearly identified candidate or solicits contributions for that candidate contain a statement as to who paid for the communication and, if it is paid for by someone other than the candidate's principal campaign committee or other authorized committee, the disclaimer must also state whether it has been authorized by the candidate's campaign. 2 U.S.C. 441d.

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The newsletters in question clearly solicited funds and advocate the election of Bob Williams. Each edition contained a disclaimer stating that it was paid for by Washington '92, but did not contain a statement of authorization by the Williams campaign (nor any statement that it had not been authorized), in express violation of the Act.

CONCLUSION

The violations of federal election laws detailed in here are serious. Bob Williams has been conducting campaign activities through an entity which can accept funds unlawful under federal law and which has neither registered nor filed reports required under federal law. The result is that the public is unaware of the true extent of the activities and financial support of Bob Williams' congressional campaign. Mr. Williams is benefitting from excessive contributions made both to the State Committee and to the Federal Committee.

By hiding federal campaign activities in a non-federal committee, Mr. Williams has systematically violated the federal campaign laws. The undersigned requests that the FEC act immediately to prevent the State Committee from continuing its support of the federal campaign unless it registers and files the required disclosure reports. The undersigned further request that FEC take whatever action it deems appropriate to penalize the Respondents for the illegal activities they have undertaken to date.

The undersigned have not had access to any of the newsletters published by the State Committee after March. The pattern of violations demonstrated in the January through March editions suggest continuing violations in subsequent editions. The FEC should investigate all issues of the newsletter, both before and after those attached to this Complaint. Any campaign-related content in those issues will result in additional illegal contributions.

In addition, the Commission's holding in Advisory Opinion 1990-5 was handed down on April 27, 1990. If Respondents have undertaken any activity contrary to that Opinion since that time, the Commission should consider whether such activity should be treated by the Commission as a knowing and willful violation of the Act and the full measure of penalties available to the Commission in those circumstances should be applied.

Respectfully submitted,

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SUBSCRIBED AND SWORN TO BEFORE ME
this day of October, 1990

Shirley G. McKinnie
Notary Public
My Commission Expires:
5-15-92

Speaker Joseph E. King
Washington State
House of Representatives

SUBSCRIBED AND SWORN TO BEFORE ME
this day of October, 1990

Rep. Mike Kreidler

Notary Public
My Commission Expires:

SUBSCRIBED AND SWORN TO BEFORE ME
this day of October, 1990

Rep. Karen Fraser

Notary Public
My Commission Expires:

SUBSCRIBED AND SWORN TO BEFORE ME
this day of October, 1990

Kim Putnam, Esq.

Notary Public
My Commission Expires:

SUBSCRIBED AND SWORN TO BEFORE ME
this day of October, 1990

Gayer Dominick, Esq.

Notary Public
My Commission Expires:

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SUBSCRIBED AND SWORN TO BEFORE ME
this day of October, 1990

Notary Public
My Commission Expires:

Speaker Joseph E. King
Washington State
House of Representatives

SUBSCRIBED AND SWORN TO BEFORE ME
this 4th day of October, 1990

Marilyn Dotelo
Notary Public
My Commission Expires:
5-28-91

Sen. Mike Kreidler

SUBSCRIBED AND SWORN TO BEFORE ME
this 3 day of October, 1990

Joena Harold
Notary Public
My Commission Expires:
5-10 93

Rep. Karen Fraser

SUBSCRIBED AND SWORN TO BEFORE ME
this 2 day of October, 1990

Patricia DeDoyna
Notary Public
My Commission Expires:
May 23rd 1992

Kim Putnam, Esq.

SUBSCRIBED AND SWORN TO BEFORE ME
this 4th day of October, 1990

Marilyn Dotelo
Notary Public
My Commission Expires:
5-28-91

Gayer Dominick, Esq.

93040981587

SUBSCRIBED AND SWORN TO BEFORE ME
this 4th day of October, 1990

Donna DeJarnatt

Notary Public
My Commission Expires:
5-19-93

Joseph E. King
Third Floor
Legislative Building
Olympia, Washington 98504

Mike Kreidler
425 John Cherberg Building
Olympia, Washington 98504

Karen Fraser
6710 Sierra Drive, S.E.
Lacey, Washington 98503

Kim Putnam
915 Legion Way, S.E.
Olympia, Washington 98501

Gayer Dominick
2400 Evergreen Park Dr, S.W.
Olympia, Washington 98502

Donna DeJarnatt
7401 Willow Grove Road
Longview, Washington 98632

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EXHIBIT 1

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SUMMARY, FULL REPORT
RECEIPTS AND EXPENDITURE

C-4

RECEIVED
SEP 11 1990
Public Disclosure Commission

Washington 92
P.O. Box 7704
Olympia County Thurston Zip 98507

RECEIPTS

1. Previous total cash and in kind contributions (From line 8, last C-4) (If beginning a new campaign or calendar year, see instruction booklet) — 39,442.15
2. Cash received (From line 1, Schedule A) — 2,681.00
3. In kind contributions received (From line 1, Schedule B)
4. Total cash and in kind contributions received this period (Line 2 plus 3) — 2,681.00
5. Loan principal repayments made (From line 2, Schedule D) — ( )
6. Corrections (From line 1 or 2, Schedule C) — Show + or (-)
7. Net adjustments this period (Combine lines 5 & 6) — Show + or (-)
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) — 42,123.15
9. Total pledge payments due (From line 2, Schedule E) — 1,490.00

EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4) (If beginning a new campaign or calendar year, see instruction booklet) — 38,562.73
11. Total cash expenditures (From line 4, Schedule A or line 5 Schedule A-1) — 1,971.27
12. In kind expenditures (goods & services) (From line 1, Schedule B)
13. Total cash and in kind expenditures made this period (Line 11 plus line 12) — 1,971.27
14. Loan principal repayments made (From line 2, Schedule D) — ( )
15. Corrections (From line 2 or 3, Schedule C) — Show + or (-)
16. Net adjustments this period (Combine lines 14 & 15) — Show + or (-)
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) — 40,534.00

CANDIDATES

Please complete

| | Won | Lost | Withdrawn | Name not on ballot |
|---|---|---|---|---|
| Primary election | ☐ | ☐ | ☐ | ☐ |
| General election | ☐ | ☐ | ☐ | ☐ |

CASH SUMMARY

18. Cash on hand (Line 8 minus line 17) (Line 18 should equal your checkbook balance) — 1,589.15
19. Liabilities (Total of loans and debts owed) — ( 6,350.00)
20. Balance (Surplus or deficit) (Line 18 minus line 19) — ( 4,760.85)

CERTIFICATION: I certify that the information herein and on accompanying schedules and graphs is true to the best of my knowledge.

Candidate's Signature — Date
Treasurer's Signature (If a political committee) — Date 9/10/90

See instructions on reverse

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4 PC

# CASH RECEIPTS AND EXPENDITURES

SCHEDULE A to C4

Committee or candidate name (the full name shown on line 1a of C1)

Washington 92

1. CASH RECEIPTS (All receipts which have been reported on C3 (all cash deposit slips since last C4 report was submitted)

| Date of deposit | Amount | Date of deposit | Amount | Date of deposit | Amount | Total deposits |
|---|---|---|---|---|---|---|
| 8/1/90 | 470.00 | 8/31/90 | 824.00 | | | |
| 8/7/90 | 716.00 | | | | | |
| 8/21/90 | 671.00 | | | | | |

1. TOTAL CASH RECEIPTS — Enter also on line 9 of C4: 2,681.

2. CASH EXPENDITURES (List all expenses since last C4 report was filed)

a. Total expenditures each $50 or less not itemized below (including petty cash)

b. Payments and reimbursement to candidate or committee officials. Attach a sheet listing each payment, the person paid, the original vendor and the purpose of the expenditure. Attach a copy of each receipt or invoice

EXPENDITURES OVER $50.00 ITEMIZE EACH BELOW

| Date paid | Name and address of recipient or vendor paid | | Purpose of expenditure | Amount |
|---|---|---|---|---|
| 8/6/90 | U.S. Sprint | P.O. Box 92243 Phoenix, AZ 85072 | Telephone Service | 146. |
| 8/23/90 | " | " | " " | 156. |
| 8/6/90 | U.S. West | P.O. Box 11035 Seattle, WA 98114 | " " | 217. |
| 8/23/90 | M.C.I. | P.O. Box 52212 Phoenix, AZ 85072 | " " | 21.4 |
| 8/6/90 | Empire Office Equipment | P.O. Box 3714 Lacey, WA 98503 | Photo-copier Rental | 213. |
| 8/15/90 | U.S. Postmaster | Olympia, WA 98501 | P.O. Box Rental | 39.0 |
| 8/23/90 | " | " | B.R.E. replenishment | 100.0 |
| 8/16/90 | Teen-Aid | N. 1320 Calispel Spokane, WA 99201 | Postage | 167.0 |
| 8/16/90 | " | " | Newsletter - printing & mailing service | 500.1 |
| 8/16/90 | Tuesdays | 1611 Legion Way SE Olympia, WA 98501 | Rent (August) | 399.0 |
| 8/31/90 | Puget Sound Bank | P.O. Box 11500 Tacoma, WA 98411 | Bank Service Charge | 9.5 |

Check here ☐ if additional sheets are attached

Total from attached pages

2. TOTAL CASH EXPENDITURES — Enter also on line 11 of C4: 1,971.27

FEC Form C4A (Rev. 1-88)

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# IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS

**SCHEDULE B to C4**

Washington 92

1 IN KIND CONTRIBUTIONS RECEIVED (goods, services, discounts, etc.)

| Date received | Contributor's name and address | Description of contribution | Fair market value | Total given by this person during campaign or year |
|---|---|---|---|---|
| | | | | |
| | | TOTAL (Enter also on line 5 and line 12 of C4) | | |

2 PLEDGES RECEIVED BUT NOT YET PAID List each pledge of $100.00 or more

| Date you were notified of pledge | Name and address of person making pledge (including organizations) | Amount | Total given by this person during campaign or year |
|---|---|---|---|
| | Outstanding Pledges | 1,490.00 | Previously Reported |
| | New Pledges | Ø | |
| | TOTAL (Include new pledges above and all other outstanding pledges) (Enter also on line 8 of C4) | 1,490.00 | |

3 ORDERS PLACED, DEBTS, OBLIGATIONS, ESTIMATED EXPENDITURES (Including loans. Report loans on Schedule L.)

a. List each debt, obligation or estimated expenditure which is more than $200.00.
b. List each debt, obligation or estimated expenditure which is more than $50.00 and has been outstanding for over 30 days.

| Expenditure date | Vendor's/Recipient's name and address | Amount owed | Purpose of expenditure |
|---|---|---|---|
| | Richard Frias 4041 Rechet Court SE Olympia, WA 98501 | 5,250.00 | |
| | Lynn Harsh 1611 Legion Way Olympia, WA 98501 | 1,100.00 | |
| | TOTAL (Include in line 10 of C4) | 6,350.00 | |

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EXHIBIT 2

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## Important Note:

While each of us certainly has room for improvement and change, a person who doesn't have basic unchangeable convictions and values shouldn't be a candidate for any office.

I have basic convictions that will not change in my bid for Congress anymore than they changed in the gubernatorial campaign. One of those includes my firm belief that all innocent life must be protected regardless of age -- from preborn to the elderly.

Many things will be printed and stated about Bob Williams in the next 11 months. Please remember that though I believe in compromise whenever it is necessary for practical reasons, my personally held convictions do not fall in the "compromise" category.

I will campaign in an honest and straightforward manner as I always have. Creating jobs, lowering taxes, strengthening the criminal justice system, cutting government waste . . . these have been my hallmarks and my primary focus will continue to be on what unites us . . . not what divides us.

*Bob Williams*

*View from Olympia continued from page 2*

where the conviction or charge occurred. That is not tough enough. Sex offenders should not be released unless evidence exists that the individual is no longer a threat to the public.

2) The Governor should order county prosecutors to review all the sex offender plea bargains made over the past five years and advise local law enforcement and the State Patrol of sex offenders who are currently free in their communities. All currently released sex offenders should be examined and any deemed a threat to the public should be taken off the streets.

3) The best deterrent is swift and sure punishment. Therefore the Governor, Legislators and courts need to establish a "fast track" court process, and for every individual convicted of a violent sex offense the court should order:

a) First offense - minimum 15 year sentence
b) Second offense - minimum 30 year sentence
c) Third offense - death penalty or life sentence with no possibility of parole.

4) It should be mandatory that every person convicted of a violent crime who is determined to be "predatory" by an appropriate authority as defined by current law, or whose behavioral history indicates the probability of continued violent behavior, wear an electronic monitoring device and have his or her movements intensively monitored when released to the community.

5) The Governor needs to appoint an ombudsman to insure existing laws are enforced and that individuals in the criminal justice system are held accountable for their actions. This measure alone will protect the public from much of the violent crimes being committed. The Legislature can always enact tougher laws, but unless the court system is held accountable for their decisions, tougher laws will be meaningless.

## The Buck Starts Here

Happy New Year from WASHINGTON '92! In 1989 our state saw the birth of something like a small miracle. With the founding of WASHINGTON '92, a true grassroots oriented volunteer movement for political action was born in Washington.

This is not an organization supported by powerful special-interest groups or wealthy corporations. This is not an organization that supports or opposes a single cause or issue.

This is an organization made up of dedicated citizen-activists -- ordinary Washington people -- united by a variety of common concerns, common principles and common goals.

You are one of the more than 1,200 dedicated citizens who have helped make WASHINGTON '92 one of the largest organizations for political action in our state.

Because of you, we've made significant progress in our short existence.

We've had definite impact upon the legislative process during the 1989 Legislative Session. We've put on informative political action training seminars for volunteers throughout the state. We've educated voters and spoken out on many of the issues that confront us.

And we've had our share of election successes too!

*continued on page 8*

EXHIBIT 3

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# WASHINGTON '92

*Letters of Correspondence*

## SPI CRIES WOLF

### Unable to document "Official facts"

Recently, Judith Billings, Superintendent of Public Instruction, requested legislation and funding for "at risk" children's programs. She stated that nearly 36% of school-age children are at risk of education failure.

That percentage seemed extremely high, so I inquired about the definition of "at risk". Supt. Billings provided the following sources for her 36% figure. According to the SPI, children are at risk when they are:

- Of a minority racial or linguistic group: Black, Indian, Asian, Pacific Islander, Hispanic origin.
- In a family with below-poverty-level income.
- In a female-headed, single-parent family.
- Physically handicapped or disabled.

Frankly, her yardstick set me back on my heels. These are very inappropriate sexist/racist definitions which dramatically overstate the "at-risk" student population. Nearly everybody has been lumped into the same pot, yet many children from minority families and from female-headed, single-parent families do quite well in school.

But even if we disagreed in our definitions and inclusions, the Superintendent's office is unable to document which "at-risk" programs work and which do not.

Surprisingly, the SPI was not aware of the nationally recognized HIPPY program in Arkansas. HIPPY provides in-home services to help improve parenting skills of at-risk students' parents and also better prepares these students for school. Not only is this program cost effective, but it also improves the parent-child relationship and parenting skills.

The SPI has testified in favor of Head Start, a program designed years ago specifically for "at-risk" preschool children. They say Head Start is highly cost effective yet have no studies to support that statement. In fact, no such studies exist. When questioned over the serious mismanagement in

*continued on page 5*

## A note from Bob Williams

January has been an eventful month. Some of your Thurston and Lewis County friends have spent a few days bailing water out of their living rooms and businesses.

And others have spent a few days bailing themselves out of trouble when the credit card bills arrived from Christmas shopping.

On this end, I moved my office to Olympia during January in order to be involved more closely with the 1990 Legislative Session. The first month has been hectic and crammed full of numerous pieces of legislation.

Decisions which seriously impact our lives are made in Olympia on a daily basis. Some of your Legislators keep you in mind when they render judgments. Others are far removed from the day-to-day reality in which we live.

I hope you'll do two things after reading this newsletter. First, make a

*continued on page 2*

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*INSIDE*

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*Bob, continued from page 1*

commitment to become personally acquainted and involved with your Legislator. A good Legislator will become even better when surrounded by good citizens like our WASHINGTON '92 folks.

Secondly, help us replace irresponsible elected officials with individuals committed to truly serving people, not some personal special-interest agenda.

Thank you for your continued support. With your help we are making a difference.

Cordially,

Bob

Bob Williams

Note: Bill & Harriet Sinclair of Shelton lost their son this past month when his boat capsized in the Gulf of California. Our prayers and deepest sympathy are extended to them.

# BOB'S CALENDAR

Feb. 8 - Bob's Birthday
Feb. 10 - Lincoln Day events in Mason, Pierce and King Counties.
Feb. 12-Lincoln Day/Thurston County
Feb. 13 -Lincoln Day/Lewis County
Feb. 17 - " /Grays Harbor County
Feb. 22 * - " Columbia County, with a visit to Walla Walla and Tri-Cities
Feb. 23 - " /Cowlitz/Wahkiakum
Feb. 24 - Portland Business Brunch with Bo Calloway
Feb. 24, - Lincoln Day/Clark County
Feb. 25 - Lewis County Brunch, 1:00 - 3:00pm, Thurston County Dinner with Bo Calloway at 6:30 pm
Mar. 2 - **Quarterly Review**
* Activities this date are tentative.

# A Letter From Lynn

Slightly more than one year ago, John and Candis Wright decided to join the WASHINGTON '92 team. Their decision was out-of-the-ordinary since John would be taking a pay cut and losing all employee medical benefits.

Simply put, the Wrights decided to make financial sacrifices early in life to ensure a stable future for their children. They felt WASHINGTON '92 was a vehicle in which responsible leaders could be recruited and elected to all levels of government, thus better protecting present and future generations.

John and Candis are an unusual couple that remind me of the young pioneer families from generations past. While most of the Wright's peers are pursuing instant gratification, John and Candis are slowly and steadily planning for the future. They have traded "yuppiedom" for a chance to leave fingerprints on history.

When all of us teamed up last year, the Wrights were a family of three. Now, Courtney, their 18 month old daughter is about to be joined by a new brother or sister. And if you haven't had a baby lately, the pricetag of bringing that little bundle into the world will shock you. It did me. After all, I was born for five bucks on an Air Force base.

1990 medical costs hover around $3,800 for mother & child. Incredible!

Anyway, we want to help John and Candis. Frankly, WASHINGTON '92 would be lost without them. John is the glue which keeps this place together and Candis is the glue keeping John intact. They're indispensable in our way of thinking.

So, we're having a baby shower for the Wrights. You are all invited to my house on **Thursday, February 22nd** for this event. We will start at **7:00pm** and of course lots of great munchies will be provided. I'll even make a vegetable platter for those of you watching your weight or arteries.

Perhaps some of you cannot come. Please write a little note and also enclose what you would have spent on a gift. A special envelope has been included. We'll read your note and hang your gift on the "Stork's Fee Tree." It will go toward paying for this new child.

I know there must be other young families like the Wrights. In fact, some of you reading this newsletter are much like them. But while there may be others, their numbers are few and we want to extend practical help along with our thanks.

Hope to see you on the 22nd. If you can come please call our office and we'll give you directions. Until next month,

Lynn H.

Lynn Harsh

# THE VIEW FROM OLYMPIA

Washington lawmakers are beginning their fourth week of the 1990 legislative session. This was predicted to be a mostly uneventful 60 day session, but boy, were those predictions wrong! In fact, each day has been intense and frantic.

We have not been able to keep up with the pace. Our staff is small, enabling us to attend a few selected hearings and monitor only several dozen of the over 1,000 bills introduced. Here is a brief summary of some proposed legislation we consider critical to watch and act upon.

H.B. = House Bill S.B. = Senate Bill

**H.B. 2379 - Educational Choice**

This is a plan which would allow parents to enroll their children in the public school of their choice, thus removing current district boundary restrictions. We strongly support this bill though it is receiving lukewarm Republican support. This bill recently passed favorably out of the House Education Committee and will be brought to the floor for a full House vote. We suggest you call your Representatives and ask them to vote YES.

**S.B. 6476 - Alternative Certification Bill**

A proposal to allow competent, qualified individuals (i.e. retirees) to teach without certification under the supervision of a mentor teacher. This bill had a favorable hearing, but no vote was taken and it may be in jeopardy. We support this bill and ask that you call the Senate Education Committee and recommend a YES vote.

**H.B. 2432 - Unemployment Compensation and Labor Disputes** Will allow employees involved in labor disputes to receive unemployment benefits. This bill is in House Rules and is likely to pass. We oppose it. If you agree, please call the House Rules Committee and voice your objection.

**Small Business Employees Insurance Benefits - No Bill # Yet**

This proposal establishes insurance pools which would enable small business owners to offer health insurance to employees at a very low cost. We think this is an excellent idea and will keep you posted.

**S.B. 6332 - Castration of Sex Offenders**

Reduces the sentence of convicted sex offenders who volunteer to undergo surgical castration. This bill is one of three proposed dealing with castration. Studies give conflicting evidence concerning castration. You will have to use your own judgement. Currently, this bill is in Senate Rules.

**S.B. 6273 - AIDS Education in Public Schools** Gives school districts exclusive authority to adopt AIDS curriculum, defines abstinence and lists items to be included in AIDS education. A public hearing was held and the Senate Health Care Committee is expected to vote on it soon. We support this bill and urge you to call the Senate Health Care Committee requesting a YES vote.

**H.B. 2601 - Teen Pregnancy Program**

Provides 2.5 million for 6 communities to establish health centers for teens and their "partners" Just another way to fund the dispensing of contraceptives and abortion referrals in our Junior High and High Schools. We urge a NO vote though it looks likely to pass. Please call the House Health Care Committee and ask them to vote NO.

**H.B. 2384 - Community Protection Bill** (concerning sexual predators) This is a multi-faceted bill addressing the grave problems our state is facing with sexual predators. It heads the right direction but is not strong enough. (See more on Sexual Predator Bill.) However, a vote YES would be a beginning. H.B. 2384 passed the Senate and moved to the House. Call your Legislator.

*The View, continued from page 3*

**Supplemental Budget -**

Our state expects to have a $611 million surplus by June 30, 1991. Usually, this money is used for emergencies or one-time capital outlays. Unfortunately, it appears more than half of this money will be used to hire new state employees and to expand existing services. This creates a new, future tax burden for taxpayers. Please call the Ways and Means Committees in both the House and Senate and ask them to put 1/3 of the funds in reserve, 1/3 in a tax cut and 1/3 on emergency, one-time expenditures.

**Note on Sexual Predators Bill**

This bill relies upon convicted sexual predators contacting local authorities when they are released. We don't think they are going to do this. Prison authorities should do the notifying.

Washington '92 also believes that no sexual predator should be released until they have successfully completed a treatment program and are "cured". If no "cure" exists, sexual predators should never be released.

And, it won't do any good to make new laws when we don't enforce the ones we have now. Judges and prosecutors must be held accountable for their decisions. All plea bargains related to sexual offenders now on the streets should be reviewed.

**Legislative Hotline** 1-800-562-[illegible]

You may call this number to leave a message for up to 7 specific Legislators or to leave a message for an entire Committee.

**WASHINGTON '92 Daily Legislative** [illegible]pdate (206) 352-0233, for the latest information on a variety of pertinent legislation.

# WASHINGTON '92 CAMPAIGN SCHOOL

**MARCH 2 - 3**

- [illegible]
- Money & Spending Plan
- Data Management
- Fundraising
- Election Day Activities - Get Out The Vote

Location: 1611 Legion Way S.E., Olympia

Time: Friday - 3:00 P.M. to 10:00 P.M.

Saturday - 8:00 A.M. to 2:00 P.M.

Cost: $50.00 per person - includes workbook and 3 meals

- FREE for Washington '92 Founders
- Half-price - $25.00 for Washington '92 Sustaining Supporters
- Limited scholarships available [illegible] sional District Campaign for residents of NW Washington

Faculty: Bob Williams, Richard Fenn, John Wright, [illegible] Harsh. Several legislators will also serve as Guest Faculty as their schedules permit.

*Who should attend? Potential candidates, Campaign Managers, Campaign Staff or Campaign Volunteers.*

Washington '92

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*SPI, continue from page 1*

the Seattle Head Start program, Superintendent Billings said, "I have not been involved in the Seattle Head Start situation and do not know of the progress they have made in complying with the monitoring problem."

Problems as serious as the Seattle Head Start program demand the active involvement of the SPI. No studies documenting the effectiveness of Head Start programs in Washington State were found at the SPI office.

For years we have been told that classroom sizes should be reduced to better meet student needs. The argument has been made that smaller classes would be particularly beneficial for "at-risk" students.

Recent state budget increases provided funds to reduce K-3 class size and increase certified staff from 53 to 55 per 1,000. Yet the SPI office cannot provide information on how many districts actually used the authorized funds to reduce class size; cannot provide data on how many additional classrooms will be needed to handle the reduced class size; and cannot provide studies which show that a lower class size results in better student performance.

**Wildly throwing numbers around, failing to obtain critical information or using inaccurate information is irresponsible.**

Certainly, I do not blame Judith Billings for all the current problems surrounding our educational system. She inherited more than one albatross.

However, every number on a data sheet represents a living child; a child deserving of the best education possible. Wildly throwing numbers around, failing to obtain critical information or using inaccurate information is irresponsible. Our children suffer, taxpayers become suspicious and teachers get frustrated.

The SPI is asking for more money for programs, teachers are asking for more money for salaries and taxpayers are asking for results.

Trade-offs must be made. Taxpayers cannot ask schools to provide solutions for all of society's ills and schools must be willing to meet specific objectives and standards. Right now everybody feels like they are getting peanuts instead of apples.

Bob Williams

# Dire Straits

(The Sequel)

Last month a member of our staff,
Discovered we'd make quite a gaffe,
For there in headlines boldly strutted
A misspelled word, "Oh, drats!" we muttered.
"How did this happen?" we did query,
I guess it meant we all were weary,
Twelve hundred apologies this one makes,
We've finally straightened our dire straits.
Now, many mentioned this snafu,
But so far no machine's come through.
We need someone inclined and able
To put a FAX upon our table. (The Poet-aster Duo)

# Legislative Hotline

**1-800-562-6000**

*You may call this number to leave a message for up to 7 specific Legislators or to leave a message for an entire Committee.*



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## 1990 Campaign Update

Every issue of the Washington '92 Newsletter contains our "Goals" statement. Notice that three of our six goals concern State House and Senate races in 1990 and 1992. (See below)

To that end, we have been very busy talking to potential candidates, recruiting campaign teams and conducting Campaign Schools. And we're assisting another organization in an extensive Voter Identification program.

Our commitment will be limited to 10 races. Presently, we have narrowed our focus to 17 districts of which 5 are certain to land in the top 10. In some cases, incumbents appear not to be running for another term, but we won't really know until this legislative session concludes.

Several new legislators have been appointed this year to fill vacancies. These freshmen have never been tested through a campaign process. Certainly, we are looking at those seats.

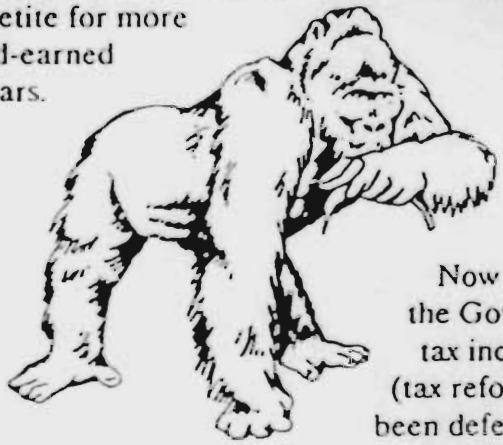
And, of course, there are always legislators who ignore and misjudge their constituents. They have allen into the "endangered species" category and we will monitor those districts carefully.

Listing specific names and districts is premature and counter-productive since most legislators receive this newsletter. But, we are working closely with allied interests, coordinating whenever possible, in order to elect responsible conservatives throughout the state.

During our Quarterly Review on March 2, the list of targeted districts and potential candidates will be discussed. If there are races or candidates you think we should know about, please write now.

## State spending reform

In reviewing 1989, we are reminded of the hundreds of hours and thousands of dollars we spent fighting proposed tax increases. Of course, 1989 was not particularly unusual in that regard. For years, small groups have sprung up all over our state to combat government's insatiable appetite for more of our hard-earned dollars.



Now that the Governor's tax increase (tax reform) has been defeated, and now that the "Children's Initiative" was exposed as a tax increase initiative and was defeated . . . the line to get a piece of the budget "surplus" is growing longer and longer.

Certain special interest groups and some legislators have become very skilled at cloaking their tax-increase packages in clothing befitting Snow White. And many in the media truly believe more of our individual paychecks must go to government to meet human needs. The combined forces of well-financed, special interest groups and much of the state's electronic and print media have produced a 1,000 lb. tax-loving gorilla. The average taxpayer, having little time to monitor the daily activities of Olympia's lawmakers and special inter-

## WASHINGTON '92 GOALS

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To obtain a common sense majority in the State House of Representatives by 1992.
To elect at least 10 new common sense State House members in 1990.
To elect a common sense Governor in 1992.
To elect common sense county/city officials, & school board members in 13 high-priority target areas.
To stop negative or damaging legislation while advancing positive, responsible agendas for the following five areas:
Law Enforcement . . . Families . . . Education . . . Taxes & Government Spending . . . Jobs.

est groups is mercilessly battered.

Washington '92 believes that a more permanent taxpayer safeguard is long overdue. We don't think taxpayers should be the constant victims of those whose full time job description requires them to find new and palatable ways to increase our tax burden.

Washington citizens need Constitutional protection to guard against unreasonable tax increases. But lawmakers are not about to impose such limits on themselves. They have refused to consider putting taxpayer protective language into our state's Constitution.

So, once again, citizens need to speak directly to their elected officials in a clear, concise manner. We need to convince lawmakers of the wisdom of Constitutionally protecting their most valuable resource, taxpayers.

Washington '92 began quiet negotiations and "behind the scenes" work last year on a project to accomplish reasonable taxpayer protections. Get ready . . . it's coming! We need one more month of "quietness", but read the numbers below and prepare for some excitement in the very near future.

Remember 98%-2%-60%

**98%** WASHINGTON '92 recommends: Written into the Constitution must be language specifying that the Legislature may spend only 98% of its forecasted revenue. This provides SPENDING CONTROL.

**2%** WASHINGTON '92 recommends: Written into the Constitution must be language specifying that the Legislature shall put aside 2% of its forecasted revenue for a "rainy day" fund. Upon exceeding a 5% level, the excess would be returned to the voters in the form of a tax cut or rebate. This would provide EMERGENCY RESERVES.

**60%** WASHINGTON '92 recommends: Written into the Constitution must be language which prohibits the Legislature from raising or increasing the revenue base (which means increase the percentage of money collected from you) without a 60% vote of the Legislature. This provides REVENUE LIMITATIONS.

## THE BUCK STARTS HERE

**"Good grief, doesn't he ever get tired of asking for money?"**

I'm sure some of you must occasionally wonder about that. And the answer is . . . Sure I do. But I don't let that stop me.

And I'll tell you why.

In the pages of this Newsletter, you find information you'll read nowhere else, In the pages of this Newsletter, you get advance word of people, events and decisions that affect your daily life. In the pages of this Newsletter, you find ways to have a positive effect upon the political decisions that affect the environment in which you bring up your family or conduct your business and financial affairs.

So, I keep on asking you for help (or haranguing if you like) because I believe that YOU, our subscribers and supporters are our best salespeople.

You know better than anyone else just how valuable and informative the WASHINGTON '92 Newsletter is.

*Continued on page 8*



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*The Buck, continued from page 7*

In this issue alone you will find information about an important new effort to reform government spending, the 98%-2%-60% Spending Control Plan. You will find an expose' of how your tax dollars that have been allocated by the Legislature to help "at-risk" students are being "reallocated" and "redirected" by this state's unelected, unresponsive educational Bureaucracy. You will find a discussion of our 1990 election plans, with emphasis upon 10 targeted races for seats in the State House of Representatives.

**All this you will find and more!**

But to inform our readers . . . to investigate the hidden corridors of political power . . . to recruit the candidates and train the campaign personnel . . . **will take money!**

So here we are again . . . another appeal for financial contributions. But if you believe in our work and our goals, then you won't mind taking a few short minutes to read this brief request for funds.

It's a new year, and if you haven't already renewed your commitment as a **FOUNDER, SUSTAINER** or **SUPPORTER** of **WASHINGTON '92**, please do so now.

If in the past you've made smaller contributions, please consider "upgrading" to become a **WASHINGTON '92 FOUNDER, SUSTAINER** or **SUPPORTER.**

If you intend to subscribe to our Newsletter at the new **$18** annual rate, please consider adding a few dollars to that amount to help us continue our important work.

And if you're reading a friend's copy of this Newsletter, or have received a complimentary copy, then please consider joining the nearly 1,300 dedicated Washingtonians who already subscribe and contribute to WASHINGTON '92.

So, please fill out the coupon you see below and return it to us today! You'll feel better about it, and I won't have to feel bad about asking you for money for another **whole month!**

RICHARD FRIAS
Finance Director

**Return this form with your check or money order made payable to: WASHINGTON '92**

Let's get started! Please count on me as a:

[ ] FOUNDER ($1,200 annually) [ ] SUSTAINER ($288 annually) [ ] SUPPORTER ($144 annually)

Bob, I wish to make my contribution payments on the following basis:

| | FOUNDER | SUSTAINER | SUPPORTER |
|---|---|---|---|
| [ ] A one-time annual payment of : | $1,200 | $288 | $144 |
| [ ] For quarterly payments, each of: | $300 | $72 | $36 |
| [ ] Twelve monthly payments, each of: | $100 | $24 | $12 |

[ ] I'm sorry Bob, but I cannot presently contribute at the levels listed above. However, I am enclosing my special contribution of $ _____ for your important work. I understand that for the first $18 of my donation, I will receive a subscription to the WASHINGTON '92 Newsletter which is scheduled to be published each month

Please Print

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# WASHINGTON '92

*Letters of Correspondence*

## Taxpayer Protection Act

## 98% - 2% - 60%

What is spending reform? Is it instituting a new taxing structure? Is it raising taxes so we can fund more programs without going into debt? Is it finding fancy new ways of providing economic forecasts?

No! True spending reform is simple. State budgeting and bookkeeping procedures must mirror the practices of any sound business or efficient household. The principles are uncomplicated. Save a small percentage of income for emergencies, don't spend your reserve unless it is an emergency, and never spend more than you have.

But somehow, state government can't seem to operate prudently. They continue to spend every dime available and then some.

Repeatedly, particular legislators -- including Bob -- and a variety of concerned citizens have asked the legislature to reform its out-of-control spending habits. They can't seem to find a way to do this.

So, WASHINGTON '92 and 28 other business coalitions have joined forces and formed the Coalition for Taxpayer Protection. We filed an initiative with the Secretary of State and will print petitions as soon as funds allow.

Our goal is to man 40 key post office locations around the state on April 16th, Tax Day! Over 120,000 people will mail their income taxes that day. This, in combination with small business associations collecting signatures all around the state, should enable us to gather the necessary 180,000 signatures in 10 days or less. We will make Initiative history and our drive will be short and sweet. Just what the doctor ordered for busy people like us.

*continued on page*

## A note from Bob Williams

February was an exciting, busy month. Jane and I had the opportunity to see many of you as we traveled to numerous Lincoln Day events in Thurston, Lewis, King, Pierce, Grays Harbor, Cowlitz and Clark Counties.

Some of you have stopped in to see us at our WASHINGTON '92 office. You saw what a busy place we have here, particularly this past month. Legislative proposals were flying around so fast that we literally couldn't keep up with the pace. We have included a summary of the 1990 session, though it is not complete since they are now in special session.

Six of WASHINGTON '92's members and some of their campaign staff have attended our two day Campaign Schools. Many of our attendees will also be hard-working campaign volunteers. We thank everyone who attended but, particularly those of you who have made

*continued on page* 2

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*INSIDE*

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Liberal (noun) Page 6
In memory of Glyn Chandler Page 6
Questionnaire results Page 7
A word about the Buck Page 7

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*Note from Bob, continued from page*
the commitment to be a candidate.

And of course, you know I am running for Congress so our days have been full. I had the recent opportunity of meeting with President and Mrs. Bush and Vice President and Mrs. Quayle concerning my Congressional Campaign. Congressmen Guy Vander Jagt and Bob Dornan also spent some time with me and members of my campaign team in February. Former Congressman Bo Calloway spent two days in the district at month's end. Quite a great entourage of some of our nation's best leaders! I felt honored to listen to their words of wisdom.

But, it all comes down to the basics . . . finding good people who will help us organize at the grassroots level, getting my message out and raising money. Those are the same basic ingredients that go into any successful campaign and it's what WASHINGTON '92 is all about.

While I'm on the topic, several individuals have asked me, "Bob, who do I send money to . . . WASHINGTON '92 or your Congressional Campaign?" The choice is really up to you because we know you can't contribute to every cause or every person.

Frankly, WASHINGTON '92 needs to continue in good economic health because our goals move the state toward long term solutions. In fact, the front page story, "98% - 2% - 60%" discusses a critical issue I tried to address for years as a State Representative. If WASHINGTON '92 can successfully change state spending practices, that alone will be worth every penny you have invested in us.

So, please keep supporting WASHINGTON '92 and if your budget allows, my Congressional Campaign certainly needs all the help it can get too. What

*continued next column*

For 12 years, Bob has endeavored to get rid of costly and unnecessary boards and commissions. As background information, in 1977 the Legislature passed a Sunset Act designed to get rid of defunct or useless boards and commissions. Thirteen years later, only 28 boards have been eliminated and dozens of new ones have been created.

Since Gardner's 1986 State-of-the-State speech, 24 new boards have been created each with their own staffs, stationery and other expenses.

There are now 431 boards and commissions with 5,440 members. The Olympia newspaper recently said, "Two of the greatest threats to good government are advisory boards and consultants. Both are inserted between those who govern and the governed, and both serve to dilute and obscure the lines of responsibility."

We couldn't agree more.

*continued from previous column*
ever you decide, please accept my sincere gratitude.

Now, on a personal note, our three boys have also had quite a busy month. Mike, who is now 12, just received his orange belt in Karate. Kevin, 18 is a hardworking freshman at South Puget Sound College and Rob, 22, is a senior at the University of Washington. Rob was just elected President of Alpha Kappa Psi.

Since our campaign territory is so much smaller this time, Jane will be able to travel with me more often. Between school, home and campaign activities, she never has a dull moment.

Jane's birthday is this month. It was on her birthday, 24 years ago, that I asked her to marry me. She sure didn't know what she was in for!

Time is flying by. So much has happened this past year. We'll continue to do our very best to keep up and keep you informed. Thank you for your faithful support.

Cordially,

Bob Williams

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# THE VIEW FROM OLYMPIA

On March 8th, Governor Gardner ordered the Legislature into a special 30 day special session. Beginning at 10:00 a.m. Friday, March 9th, lawmakers began trying to resolve their remaining differences.

Here are the major items left unsettled:

**Supplemental Operating Budget:** The Senate/House Conference Committee will decide how to spend the 725 million dollar budget surplus. The Senate wants the majority to go toward one-time expenditures such as books and equipment. The House plans to allot the surplus for teacher salaries and welfare grant increases. We think half the money should be rebated back to taxpayers but, without that alternative, we support the Senate's one-time expenditures.

**Open Enrollment:** House Bill 2379 passed the House and is scheduled for a public hearing as we go to print. This bill would give parents the option of sending their children to a school outside their district. The Governor supports this bill but, it goes before a skeptical Senate. WASHINGTON '92 favors HB 2379.

**Growth Management:** House Bill 2929 is in a conference committee. The House would require Washington's largest counties and cities to adopt land-use plans; it would require developers to pay fees for impact studies and would prohibit vesting. The Senate amended HB 2929 to include all 39 counties but, they did not like other elements of the House plan such as the developer fees or vesting restrictions. WASHINGTON '92 considers this Speaker King's "I wanna be governor" bill. We understand the necessity of dealing with growth related problems, particularly in Central Puget Sound. However, we think the House bill is punitive legislation and doesn't properly address the problem.

**Environment:** At this writing, Senate Bill 6799 and House Bill 2729 will both still be viable pieces of potential legislation dealing with wetlands. If Gardner signs the Supplemental Capital Budget passed on March 8th, $53 million dollars in bond money will be used to acquire wildlife habitat and recreational land. House Bill 2729 is considered the toughest bill which would mandate an inventory and rating system of wetlands. It would create a buffer zone around wetlands and

*continued next column*

would institute a local government permit system for regulating use.

## *Other Legislation*

**Capital Budget:** A $266.5 million dollar capital budget passed on March 8th. Provides $3 million dollars for the U.S. Olympic Academy (in Olympia), $120 million to build new prisons, expand existing facilities and to begin double-decking inmates.

**HB 1557:** Collective bargaining rights for State Employees looks dead at this writing.

**Transportation:**

Gas Tax - A 5-cent increase in gas tax passed. We will see a 4-cent increase April 1 and another cent one year later.

**Motor Vehicle Tax** - Increases two-tenths of a percent.

**Truck Weight Fees** - A 40% increase in fees - This will cost the average trucker about $1,500 more per year.

**Ferry System** - Current temporary allocation of a tenth of 1 percent of the motor vehicle excise tax for ferry system becomes permanent.

**County/City** - Provides millions for construction and maintenance. Provides bond money to renovate Seattle's First Avenue South Bridge, construction of Division Street complex in Spokane and improvement of Highway 18. Eliminates tolls on Spokane's Maple Street bridge and the Hood Canal bridge.

*continued on page*

*View from Olympia, from page 3*

And, provision of between $3 to $5 million dollars for the Governor's new jet. The taxpayers are leasing this puppy with an option to buy!

**Senate Bill 6332** - Castration of Sex Offenders - died.

**House Bill 2601** - Teen Pregnancy Program - passed the House, died in the Senate.

**House Bill 2384** - Community Protection Bill - passed.

**House Bill 2432** - Unemployment Compensation and Labor Disputes - looks like it's dead but the Special Session could change this.

**Senate Bill 6610** - At-Risk-Youth - looks like this will pass into law!

### Pessimistic Optimist

Facts About Achieving Your Goal

Out of 100 people. . .

23 people don't know what they want;

67 people know, but don't know how to get it;

10 know what they want and how to get it but.

8 are unwilling to pay the price leaving only

2 who will reach their goal!

Washington '92

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# A Letter From Lynn

Sometimes I wonder how my grandmother did it. She and Grandpa homesteaded on 200 high desert acres in eastern Oregon. She gave birth to all 7 of her children without the benefits of modern medicine or a hospital. They lost two of those children.

In the early years, Grandpa and Grandma raised their family in an 800 square foot home. The interior walls were mostly a cardboard type material but Grandmother pasted up pictures from the catalog and hung pressed flowers on those walls.

Silver Creek, which ran year-round, bordered the property's westside and supplied water and fish.

Grandpa was an entrepreneur of sorts. He started one of the first sawmills in eastern Oregon. It wasn't a big operation but, it provided finished lumber to other homesteaders for miles around. And, as Grandpa's ranch and mill become more prosperous, he built a "proper home" for his family using wood from his mill.

My earliest childhood memories are of that home. Until I was in grade school, Grandma and Grandpa still had a "crank" telephone, a wood stove in the kitchen (next to the small electric) and a wringer washing machine. (I tried to straighten my curly hair in that machine once.)

As an adult, I revisited my grandparent's home. It seemed old and small. But, as I stood next to the garden patch, it hit me. This was a big piece of my heritage. These good people - my outspoken, efficient, handsome, English Grandma and my quiet, salt-of-the-earth, hardworking, Irish Grandpa - these people gave me a future. Their spirit and perseverance in the face of great adversity bought the life I have today.

I wonder, will we be as willing to invest our lives in principles or ideals bearing lasting value? Will we hand our children more than just keys to a car or a credit card? How can we reinstill in today's youth the fine character qualities of steadfastness, hard work, a grateful heart and an entrepreneurial spirit?

Those of us who work together at **WASHINGTON '92** carry the desire to invest our time and energy in things of lasting value. It is the unspoken motivation behind the visible projects and events.

**WASHINGTON '92** supporters are unique individuals but, together we are weaving a beautiful piece of tapestry with lasting principles and values.

Sincerely,

Lynn H.

Lynn Harsh

# WASHINGTON '92 GOALS

To retain and advance a philosophical, conservative majority in the State Senate in 1990/92.
To obtain a common sense majority in the State House of Representatives by 1992.
To elect at least 10 new common sense State House members in 1990.
To elect a common sense Governor in 1992.
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To stop negative or damaging legislation while advancing positive, responsible agendas for the following five areas:
*Law Enforcement . . . Families . . . Education . . . Taxes & Government Spending . . . Jobs.*

---

*Taxpayer protection, continued from page 1*

Will you help us? We need one or more of the following:

- 3 or 4 people to "work" every major post office in shifts -- from 3:00pm to midnight on April 16th.
- Money to print petitions. $50 dollars will print 2,500 petitions.
- Contributions toward paying for an advertisement in your newspaper to be printed on April 16th.

This is WASHINGTON '92's most critical project for the next 6 weeks and we need your involvement.

**98%** The Legislature may spend only 98% of its forecasted revenue. This provides SPENDING CONTROL.

**2%** Written into the Constitution must be language specifying that the Legislature shall put aside 2% of its forecasted revenue for a "rainy day" fund. Upon exceeding a 5% level, the excess would be returned to the general fund. This would provide EMERGENCY RESERVES.

**60%** Written into the Constitution must be language which prohibits the Legislature from raising or increasing the revenue base (which means increasing the percentage of money collected from you) without a 60% vote of the Legislature. This provides REVENUE LIMITATIONS.

## Looking for a few extra dollars in your budget?

**Be a part of the 1990 Taxpayer Protection Act. Sure to be one of the decade's wisest investments, the Taxpayer Protection Act won't leave your pockets empty.**

**First, when enacted into law it won't cost the taxpayers a dime!**

**Second, the Legislature will be forced to save 2% of it's forecasted revenues in a "rainy day" fund.**

**And third, the tax-and-spenders won't be able to raise existing taxes or create new taxes -- of any kind -- without a 60% vote of the entire Legislature.**

**You can help the 1990 Taxpayer Protection Act be a success . . . and make room in your budget at the same time.**

**We are looking for people who are willing to gather signatures at post offices around the state on April 16th.**

**Are you a business owner? Why not circulate a few petitions around your employees and customers?**

**For more information, call the WASHINGTON '92 office today. (206) 352-1842.**

**Contributions gladly accepted to pay for petition printing costs.**

Tax'em High Tax'emHighTax'emHigh

# Tax'em High

*and other expensive names*

A Seattle radio station recently asked listeners for their suggestions on a name for the Governor's *new* jet. At a mere $3 - $5 Million dollars, the Governor will be able to take out a new lease on time that the taxpayer will only be able to catch a fleeting glimpse of.

Below are some of the names listeners suggested.

- Flying Roadfund
- Booth Goose
- Tax Guzzler
- Highway to Heaven
- Air Tax-ee
- Plane Pain
- Tax Farce One
- Fly-by-night
- Pothole
- Lameduck
- Booth's Bombshell

Of course, no plane is complete without an I.D. number, three of which were suggested:

I-5 or I-405 or I-90

Tax'em High Tax'emHighTax'emHigh

# 'Lib(-ə)-rəl (noun)

A recent analysis by the National Journal ranked Democrat delegations from each state based on their 1989 voting histories. It may come as no surprise to learn that Washington's Democrat delegation (of six) was ranked as third most liberal in the country, behind Maine and California.

In the Senate, Teddy Kennedy, D-Massachusetts, the standard by which liberalism is often measured, paled with a ranking of 12th most liberal. Ahead of him was Washington's Brock Adams who was ranked the 4th most liberal member.

Ratings completed by the National Journal assessed how liberal (or conservative as the case may be) each representative or senator was in relation to their respective colleagues, based on 47 key votes in the Senate and 56 in the House.

Votes were classified in three areas: Economics, Social and Foreign Policy.

Here are the ratings as reported by the National Journal:

Senate Member is more liberal than . . . percent of Senate on . . . issues

| | *Economic* | *Social* | *Foreign* |
|---|---|---|---|
| Brock Adams | 0 | 16 | 0 |
| Slade Gorton | 67 | 59 | 71 |

House Member is more conservative than . . . percent of House on . . . issues

| | *Economic* | *Social* | *Foreign* |
|---|---|---|---|
| John Miller | 68 | 34 | 55 |
| Al Swift | 26 | 23 | 22 |
| Jolene Unsoeld | 0 | 14 | 0 |
| Sid Morrison | 72 | 42 | 67 |
| Norm Dicks | 28 | 9 | 39 |
| Jim McDermott | 0 | 0 | 13 |
| Rod Chandler | 81 | 53 | 62 |

## *In Memory of . . .*

One of our strong supporters and a dear friend, Rep. Glyn Chandler, passed away on February 28th. Bob and Jane attended his memorial service in Moses Lake and were deeply moved to hear the heartfelt expressions of love and appreciation for this legislator who always looked out for the poor farmers and the common folk.

Three of Glyn's children shared loving memories of their dad and gave moving testimonies of the impact of Glyn's deep faith in God.

Our love, prayers and deepest sympathy are extended to Fran and the Chandler children.

# Questionnaire results

Two months ago we included a survey questionnaire in our newsletter. We asked you to rank, in order of priority, the most critical issues facing us today.

The response was triple the amount expected. Thank you.

Here are the top seven out of twelve that you ranked:

*83% State Spending Control*

*70% Tougher Criminal Penalties*

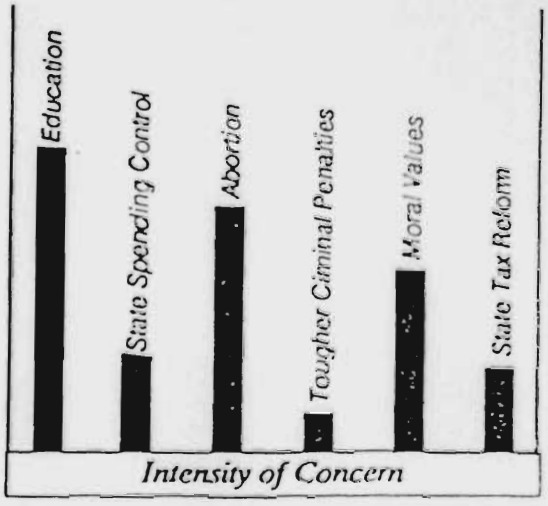
*57% Abortion*

*56% Education*

*46% Moral Values*

*41% State Tax Reform*

*Identified Areas of Concern*




# THE BUCK STARTS HERE

March is an exciting time in baseball and in politics. During March all things are possible and everyone's a winner.

In baseball Spring Training the pitchers will all win 20 games, the batters will all hit .300 . . . and the Mariners will win the Pennant!

In politics the candidates are already announcing and the campaigns are getting under way. And they are all winners too . . . for now!

But the sad truth is that the Mariners just might not finish in first! And of all the candidates announcing for their party's Primary Elections, at least half of them will ultimately lose.

That doesn't mean they're not good candidates with dedicated supporters, good positions on the issues and good governing skills.

It just means that they are not yet good **campaigners**.

What is needed for any winning effort are well-prepared candidates, with well-trained staff people, who are adequately funding. Candidates and their staff people, just like baseball teams have to go through "Spring Training" to become good campaigners.

And who provides this "Spring Training"? **WASHINGTON '92**!

Politics has been called America's greatest spectator sport . . . and eveyone's an "expert". But **WASHINGTON '92** is more "expert" than most.

**WASHINGTON '92** has the expertise to provide the necessary training and support resources. **WASHINGTON '92** has the proven ability to make the critical difference between winning and losing.

**WASHINGTON '92** is already putting on Campaign Seminars throughout the state that provide thorough instruction on every aspect of politics, so dedicated conservative candidates can campaign effectively and win!

*continued on page 8*



9 3 0 4 0 9 8 1 6 1 2

*The Buck, continued from page 7*

Seminars have already been held in Spokane and Yakima, and Olympia. But if WASHINGTON '92 is to continue providing these valuable services to qualified candidates and key staff people, then WASHINGTON '92 must be able to maintain a steady income flow.

So please make sure your "Season Tickets" are all paid for. And make sure your very own Team will be able to take the field with the best pitchers and heaviest hitters in the state.

If you have a pledge amount outstanding, please send it in today!

If you find you can afford to increase your pledge amount or even make a special one-time gift, please do so today!

If you are reading this Newsletter for the first time and have just decided to join us, please send in your nominal $18 annual subscription fee today, and consider adding a few dollars more just to help out.

And we are always looking for new subscribers. So if you can suggest the name of a few friends who have not yet joined us, please let us know and we'll send them a complimentary introductory issue of our Newsletter in your name.

Your reply coupon is just below my letter. Fill it out, tear it off, and send it back to us today in the enclosed postage-paid envelope with your check made payable to WASHINGTON '92 a "Winning Season." Our "World Series" comes in November, not October. But with your help the candidates and causes we support will win the "Pennant" . . . and WASHINGTON '92 will be the state's "Most Valuable Player!"

RICHARD JOHN FRIAS
Finance Director

**Return this form with your check or money order made payable to: WASHINGTON '92**

Let's get started! Please count on me as a:

[ ] FOUNDER ($1,200 annually) [ ] SUSTAINER ($288 annually) [ ] SUPPORTER ($144 annually)

Bob, I wish to make my contribution payments on the following basis:

| | FOUNDER | SUSTAINER | SUPPORTER |
|---|---|---|---|
| [ ] A one-time annual payment of : | $1,200 | $288 | $144 |
| [ ] Four quarterly payments, each of: | $300 | $72 | $36 |
| [ ] Twelve monthly payments, each of: | $100 | $24 | $12 |

[ ] I'm sorry Bob, but I cannot presently contribute at the levels listed above. However, I am enclosing my special contribution of $ _____ for your important work. I understand that for the first $18 of my donation, I will receive a subscription to the WASHINGTON '92 Newsletter which is scheduled to be published each month.

Please Print

First & Last Name ( ) Area Code Home Phone

Address City Zip Code

☐ This is an address change



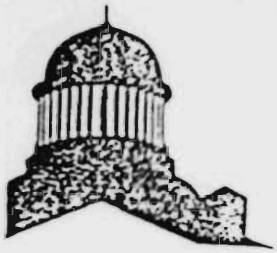
Paid for by WASHINGTON '92, P.O. Box 7704, Olympia, WA 98507



9304098163

# POLITICS . . . A Cost of Doing Business

Session is over . . . Join other citizens and business owners for a Session de-brief - campaign preview . . . Find out first hand what your Legislators think about your issues. Bring a spouse . . . a peer . . . a person concerned about profits . . . private enterprise . . . politics.



Help Washington '92 pass the word along. Legislators from the respective Districts have been invited. After the main meeting, we'll also talk about the 1990 proposition to mandate government spending reform and help you -- whether you're a business owner or everyday taxpayer -- keep your hard-earned dollars where they belong -- in your pocket, not the State treasury.

Remember,

**All politics is local . . . Now is the time . . . IT'S UP TO YOU!**

Listed meetings sponsored by business associations across the state. This announcement is paid for and brought to you as a public service by Washington '92, P.O. Box 7704, Olympia, 98507, (206) 352-1842. Not affiliated with any participating organization

*Calendar of Meeting Locations* — *Leg. Dist.*

*(All meetings occur from 5:00pm-7:00pm – Admission $5.00, no-host refreshments will be provided. RSVP to 352-1842.)*

| | | |
|---|---|---|
| March 20, Shelton | Frank-Lin's Beef & Grog<br>SE 843 Highway 3 | 35 |
| March 22, Tumwater<br>Olympia | Tyee Hotel<br>500 Tyee Drive | 20,22 |
| March 27, Port Angeles | Haguewoods<br>221 N Lincoln | 24 |
| March 28, Bellingham | Cassidy's<br>119 N Commercial | 40,42 |
| April 3, Auburn | Chandelles<br>333 - 15th Street NE | 31 |
| April 5, Gig Harbor | Neville's Shoreline<br>8827 N Harborview Dr. | 26 |
| April 9, Ellensburg | Best Western/Ellensburg Inn<br>1700 Canyon Road | 13 |
| April 10, Sunnyside | The Tillicum<br>410 Yakima Valley Highway | 15 |
| April 11, Spokane | Cavanaugh's Inn at the Park | 3,4,<br>5,6 |
| April 12, Prosser | The Barn Motor Inn<br>Wine Country Road | 8 |
| April 17, Des Moines | Red Lobster<br>2006 South 320th | 33 |
| April 19, Queen Anne<br>Ballard | The Swedish Club<br>1920 Dexter N | 32,36 |
| May 1, Longview<br>Kelso | Red Lion<br>510 Kelso Dr | 18,19 |
| May 3, Vancouver | Ron's Century House<br>312 E Evergreen Blvd | 17,49 |

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 11, 1990

Speaker Joseph E. King
Washington State House of
Representatives
Third Floor
Legislative Building
Olympia, WA 98504

RE: MUR 3134

Dear Mr. King:

This letter acknowledges receipt on October 5, 1990, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Honorable Bob Williams, Bob Williams for Congress, Bill Pilkey, as treasurer, and Washington '92. 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 3134. 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

93040981615

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

October 11, 1990

Donna De Jarnatt
7401 Willow Grove Road
Longview, WA 98632

RE: MUR 3134

Dear Ms. De Jarnett:

This letter acknowledges receipt on October 5, 1990, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Honorable Bob Williams, Bob Williams for Congress, Bill Pilkey, as treasurer, and Washington '92. 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 3134. 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

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

October 11, 1990

Gayer Dominick, Esq.
2400 Evergreen Park Dr., S.W.
Olympia, WA 98502

RE: MUR 3134

Dear Mr. Dominick:

This letter acknowledges receipt on October 5, 1990, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Honorable Bob Williams, Bob Williams for Congress, Bill Pilkey, as treasurer, and Washington '92. The respondents will be notified of this complaint within five days.

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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

9304098161 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 11, 1990

Kim Putnam, Esq.
915 Legion Way, S.E.
Olympia, WA 98501

RE: MUR 3134

Dear Ms. Putnam:

This letter acknowledges receipt on October 5, 1990, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Honorable Bob Williams, Bob Williams for Congress, Bill Pilkey, as treasurer, and Washington '92. The respondents will be notified of this complaint within five days.

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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

9304098161 8

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 11, 1990

Rep. Karen Fraser
6710 Sierra Drive, S.E.
Lacey, WA 98503

RE: MUR 3134

Dear Ms. Fraser:

This letter acknowledges receipt on October 5, 1990, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Honorable Bob Williams, Bob Williams for Congress, Bill Pilkey, as treasurer, and Washington '92. 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 3134. 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

9304098161 9

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

October 11, 1990

Senator Mike Kreidler
425 John Cherberg Building
Olympia WA 98504

RE: MUR 3134

Dear Senator Kreidler:

This letter acknowledges receipt on October 5, 1990, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Honorable Bob Williams, Bob Williams for Congress, Bill Pilkey, as treasurer, and Washington '92. The respondents will be notified of this complaint within five days.

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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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 11, 1990

Washington '92
Bob Williams, Chairman
P.O. Box 7704
Olympia, WA 98507

RE: MUR 3134

Dear Mr. Williams:

The Federal Election Commission received a complaint which alleges that Washington '92 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 3134. 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.

93040981621

If you have any questions, please contact Jose Rodriguez, 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

93040981622

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 11, 1990

Honorable Bob Williams
P.O. Box 552
Olympia, WA 98507

RE: MUR 3134

Dear Mr. Williams:

The Federal Election Commission received a complaint which alleges that you 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 3134. 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.

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93040981623

If you have any questions, please contact Jose Rodriguez, 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

93040981624

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 11, 1990

Bob Williams for Congress
Bill Pilkey, Treasurer
P.O. Box 552
Olympia, WA 98507

RE: MUR 3134

Dear Mr. Pilkey:

The Federal Election Commission received a complaint which alleges that Bob Williams for Congress 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 3134. 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.

9304098162 5

If you have any questions, please contact Jose Rodriguez, 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

cc: Honorable Bob Williams

93040981626

QGC 8436

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 OCT 29 AM 10: 32

**BOB WILLIAMS** for Congress

BOB WILLIAMS CONGRESS

P.O. Box 552, Olympia, WA 98507

October 25, 1990

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 OCT 29 PM 12: 44

Jose Rodriguez
Office of the General Council
Federal Elections Commission
999 E Street NW
Washington, DC 20463

re: MUR 3134

Dear Mr. Rodriguez,

Enclosed please find the Bob Williams for Congress Committee's response to MUR 3134. We have limited our response to the facts only and have not engaged in the rhetoric and misrepresentations made by those filing the complaint.

To date, our FEC reports demonstrate that we have not only complied with the Federal Election Campaign Act of 1971 but have gone even further by itemizing all contributor information for the public record.

We are always willing to give immediate attention to any matter to correct or prevent a violation of the Act -- in the letter of the law as well as the spirit of the law.

Please note that this response represents that portion of the complaint pertaining to Bob Williams for Congress and does not represent the response of Washington '92.

We will be more than happy to provide any additional information.

Sincerely,

William B Pilkey

William B. Pilkey
Treasurer

2304098162 7

Olympia Campaign Headquarters • (206) 352-0233

Paid for by BOB WILLIAMS for Congress

Contents


| | |
|---|---|
| Background on Bob Williams | Page 1 |
| Alleged "FACTS" | Page 2 |
| Alleged violations | Page 4 |
| Reply to conclusion | Page 6 |


Attached is the original complaint forwarded by the FEC.

93040981628

## BACKGROUND ON BOB WILLIAMS:

Bob Williams is a successful, former five term state legislator and a former candidate for Governor in the 1988 Washington elections. After the unsuccessful 1988 race, the Bob Williams for Governor Committee (candidate committee) terminated campaigning activities on Bob Williams' behalf, and existed for a short time thereafter to facilitate disbursement of campaign assets and the proper retirement of a few outstanding debts.

Bob Williams is currently the president of Washington '92 (a state political committee and hereinafter referred to as the "state committee") and as of March 1990 a candidate for Washington's 3rd Congressional District and whose principal federal campaign committee is the Bob Williams for Congress Committee.

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Contained herein is the response of the Bob Williams for Congress Committee to "alleged violations", "facts" and "conclusion" as contained in the complaint submitted by Congresswoman Unsoeld and the Democrat Congressional Campaign Committee.

The complaint is attached, and responses below follow the successive order as the allegations appear in the complaint:

Reply to alleged "facts":

(a) To our knowledge, there are no laws prohibiting a federal committee from purchasing services from a vendor even when the vendor sells its services to more than one customer. Referencing the instances cited under "FACTS", a federal committee may purchase services from individuals whose skills and/or business services which are germane to the success of the committee's goals.

The Unsoeld campaign employs the services of at least one staff member from Sen. Brock Adams office. There is no legal prohibition of this action.

The allegations do not make clear which law is being broken by the Bob Williams for Congress Committee's purchase of services offered by consultants whose services have also been purchased by the state committee.

We contend that no part of the Act has been violated.

(b) The allegations imply that some portion of one hundred forty thousand dollars ($140,000.00) has been illegally expended on behalf of the Bob Williams for Congress Committee. The implication is utterly and demonstratably false.

The Bob Williams for Congress Committee has not received the

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benefit of these expenditures except for as noted in paragraph (c) below.

(c) The Bob Williams for Congress Committee has previously received and reported the receipt of a contribution in-kind from the state committee in the amount of four hundred seventy five dollars ($475.00) for long distance phone calls and copying charges. No other contributions in-kind have been received from the state committee.

(d) The Bob Williams for Congress Committee is currently owed three thousand two hundred and ninety dollars ($3,290.00) by the state committee (disclosed in prior FEC documents).

The reason for the debt is as follows: Mr. Wright, who had previously been contacted by the developing Bob Williams for Congress Committee regarding his services, notified us that he was planning to terminate his services in this geographic vicinity, thus precluding any potential services on our behalf. When asked, he noted that this change was the direct result of the state committee's inability to pay for services rendered, putting Mr. Wright in a financial bind.

The Bob Williams for Congress Committee wanted to insure that Mr. Wright's services were available during the 1990 campaign.

With the consent of Mr. Wright, the Bob Williams for Congress Committee then paid the outstanding fees owed Mr. Wright by the state committee and reported the transaction to the FEC as a debt owed the Bob Williams for Congress Committee by the state committee.

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Reply to alleged "violations":

(1) Illegal contributions in-kind. The Bob Williams for Congress Committee has not blatantly, secretly or knowingly accepted illegal contributions in-kind from any source. The Bob Williams for Congress Committee has always itemized and submitted to the FEC full documentation of all contributors (cash and in-kind), even those not required to be itemized under the Act (those contributors whose aggregate year-to-date contribution limit has not exceeded the two hundred dollar threshold).

(2) Failure to report contributions. The Bob Williams for Congress Committee has not knowingly accepted illegal contributions of any nature. All contributions received have been disclosed.

(3) Failure to designate affiliated committee. To date, only the Washington State Republican Party dba WIN '90 has been authorized to do fundraising (raising funds with expenses incurred) on behalf of the Bob Williams for Congress Committee. (Letter to Clerk, US House of Representatives dated October 19, 1990 amending statement of candidacy and designating a joint fundraising committee.) There are no other authorized organizations who have done fundraising for the Bob Williams for Congress Committee.

(4) Failure to register and report. This allegation does not pertain to the Bob Williams for Congress Committee.

(5) Use of corporate or other illegal funds. No direct or indirect non-permissible funds (as defined in the CFR) have been expended by, expended on behalf of, or expended in connection with the Bob Williams for Congress Committee.

Regarding the receipt of corporate contributions: 1st Quarter (April 15) FEC report, the Bob Williams for Congress Committee reported the refund of one corporate contribution to Polly's Tender

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Loving Daycare. This refund was made as soon as the Bob Williams for Congress Committee discovered the nature of the contribution. The FEC did not notify the Bob Williams for Congress Committee of the contribution's nature. We discovered it on a routine review of our receipts which we do to insure that we are in compliance with the Act.

Regarding excessive contributions: With over 9,100 contributions made to the committee in calendar year 1990, there have been only four instances where deposited contributions were excessive (three of those identified by the FEC and one by the Bob Williams for Congress Committee.) The Bob Williams for Congress Committee, upon discovery and/or notification of such, immediately asked for and received signed letters of reattribution from the original individual contributors for each of those contributions. The Bob Williams for Congress Committee clearly does not benefit from excessive contributions.

As stated in paragraph (3) above, only WIN '90 has engaged in any fundraising activities on behalf of the Bob Williams for Congress Committee. Neither WIN '90 nor any other organization has forwarded excessive contributions to the Bob Williams for Congress Committee.

We continue to make every attempt to identify and return all non-permissible contributions.

(6) No disclaimer. This allegation does not pertain to the Bob Williams for Congress Committee.

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Reply to "conclusion":

The Bob Williams for Congress Committee has not initiated or conducted campaign activities of any nature through any committee other than the joint fundraising activities of WIN '90.

The Bob Williams for Congress Committee does not, has not and will not hide any federal activities within any organization as alleged.

In accordance with the Act and because the public has a right to know, the Bob Williams for Congress Committee discloses all of its financial activities and discloses more information than required by the Act.

The Bob Williams for Congress Committee has not violated the Act as alleged by Ms. Unsoeld and her supporters.

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DOMINICK & HEMSTAD
ATTORNEYS AT LAW
2400 EVERGREEN PARK DRIVE S.W.
OLYMPIA, WASHINGTON 98502

GAYER G. DOMINICK
RICHARD HEMSTAD

TELEPHONE
(206) 352-5202
FACSIMILE
(206) 357-3511


May 20, 1991

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

Re: MUR 3134

Dear Mr. Noble:

I am enclosing a copy of a letter I received from you dated October 11, 1990. To date I have had no notification from your office as to what, if any, action has been taken on the underlying complaint. I look forward to hearing from you in this regard.

Sincerely,

DOMINICK & HEMSTAD

Gayer Dominick

GD:jm
Enc.
bc: Jolene Unsoeld
w/enc.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 11, 1990

Gayer Dominick, Esq.
2400 Evergreen Park Dr., S.W.
Olympia, WA 98502

RE: MUR 3134

Dear Mr. Dominick:

This letter acknowledges receipt on October 5, 1990, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Honorable Bob Williams, Bob Williams for Congress, Bill Pilkey, as treasurer, and Washington '92. 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 3134. 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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 24, 1991

Gayer Dominick, Esquire
Dominick & Hemstad
2400 Evergreen Park Drive S.W.
Olympia, Washington 98502

RE: MUR 3134
Bob Williams
Bob Williams for Congress
and William B. Pilkey,
as treasurer
Washington '92 and Arthur
Wuerth, as treasurer

Dear Mr. Dominick:

This is in response to your letter dated May 20, 1991 in which you request information pertaining to the complaint you filed on October 5, 1990, with the Federal Election Commission.

The Federal Election Campaign Act of 1971, as amended ("the Act") prohibits any person from making public the fact of any notification or investigation by the Commission, prior to closing the file in the matter, unless the party being investigated has agreed in writing that the matter be made public. See 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A). Because there have been no written agreements that the matter be made public, we are not in a position to release any information at this time.

As you were informed by letter dated October 11, 1990, we will notify you as soon as the Commission takes final action on your complaint.

Sincerely,

Lawrence M. Noble
General Counsel

Jonathan Bernstein

BY: Jonathan A. Bernstein
Assistant General Counsel

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

**SENSITIVE**

FIRST GENERAL COUNSEL'S REPORT

MUR 3134
DATE COMPLAINT RECEIVED
BY OGC: 10/5/90
DATE OF NOTIFICATION TO
RESPONDENTS: 10/11/90
STAFF MEMBER: Jose Rodriguez

COMPLAINANTS: Speaker Joseph E. King, Washington State House of Representatives
Sen. Mike Kreidler
Rep. Karen Fraser
Kim Putnam
Gayer Dominick

RESPONDENTS: Bob Williams
Bob Williams for Congress and William B. Pilkey, as treasurer
Washington '92 and Arthur Wuerth, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 431(4)(A)
2 U.S.C. § 431(8)(A)(i)
2 U.S.C. § 433(a)
2 U.S.C. § 433(b)(2)
2 U.S.C. § 434(b)(2)(F)
2 U.S.C. § 441a(a)
2 U.S.C. § 441a(f)
2 U.S.C. § 441b
2 U.S.C. § 441d

11 C.F.R. § 100.5(g)(2), (4)(ii)
11 C.F.R. § 102.6
11 C.F.R. § 104.12
11 C.F.R. § 110.3(a)(1), (2)(v)
11 C.F.R. § 110.11(a)(1)(ii)

INTERNAL REPORTS CHECKED: Bob Williams for Congress

FEDERAL AGENCIES CHECKED: None

## I. GENERATION OF MATTER

This matter arises from a complaint filed with the Federal Election Commission ("the Commission"). The complaint alleges

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that federal candidate Bob Williams, Washington '92 ("the State Committee"), and Bob Williams for Congress ("the Federal Committee"), violated The Federal Election Campaign Act of 1971, as amended ("the Act").

Bob Williams was a candidate in 1990 for election to the United States House of Representatives in the 3rd Congressional District in Washington. Mr. Williams designated the Federal Committee as his principal campaign committee. The State Committee is a nonconnected committee registered in the state of Washington. Bob Williams is president of the State Committee.

The complaint alleges that the State Committee violated the Act by raising and expending funds for the purpose of influencing a federal election without registering or reporting as a political committee, making and accepting excessive contributions, accepting corporate contributions, and failing to provide an adequate disclaimer. 2 U.S.C. §§ 433(a), 434(a), 441a(a), 441a(f), 441b, and 441d. The complaint further alleges that the Federal Committee is in violation of the Act by accepting excessive and corporate contributions and failing to report in-kind contributions. 2 U.S.C. §§ 441a(f), 441b, and 434(b). Additionally, the complaint seems to assert that the Federal Committee is precluded from arguing that the contributions were lawful as coming "from a 'related' or affiliated committee" because of its failure to designate the State Committee an affiliated committee. See generally 11 C.F.R. §§ 102.6 and 110.3(c)(1) [transfer of funds between affiliated committees are not subject to the limitations of

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2 U.S.C. § 441a(a)(1) and (2)].

The complaint further suggests that the candidate Bob Williams was directly involved in the violations. Specifically, the complaint alleges that Bob Williams violated 2 U.S.C. §§ 441a(f), 434(b), and 441b, by accepting excessive in-kind contributions and failing to report same on behalf of the Federal Committee and by using corporate and excessive contributions for expenses in connection with the Federal Committee.

The Commission has received separate responses from counsel for the State and Federal Committee (Attachments I and II).

## II. FACTUAL AND LEGAL ANALYSIS

### A. The Law

A political committee under the Act is any group of persons that receives contributions or makes expenditures aggregating in excess of $1,000 per year. 2 U.S.C. § 431(4)(A). Pursuant to the Act a "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8)(A)(i). A committee qualifying as a political committee must file a statement of organization within 10 days of such qualification. 2 U.S.C. § 433(a). A political committee is required thereafter to file periodic reports of receipts and disbursements. 2 U.S.C. § 434(a).

Furthermore, it is unlawful for any candidate or political committee knowingly to accept corporate contributions. 2 U.S.C. § 441b. No person shall make contributions to a candidate's

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authorized political committee which exceed $1,000 per election, 2 U.S.C. § 441a(a)(1)(A), and no candidate or political committee may knowingly accept any excessive contributions, 2 U.S.C. § 441a(f).

All political committees established, financed, maintained, or controlled by the same group of persons are affiliated. 2 U.S.C § 441a(a)(5); 11 C.F.R. § 100.5(g)(2). The Regulations provide factors that the Commission examines to determine whether particular committees are affiliated, including the existence of common or overlapping officers or employees, use of common vendors, an active and significant participation by an organization or its agent in the formation of the other organization, and the existence of contributors common to both organizations. 11 C.F.R. § 100.5(g)(4)(ii). Political committees must disclose all affiliated political committees in their statements of organization. 2 U.S.C. § 433(b)(2). Transactions between affiliated committees are not restricted by the Act's contribution limitations, 2 U.S.C. § 441a(a)(5); 11 C.F.R. § 110.3(c)(1), and contributions received by more than one affiliated committee are considered to be received by a single committee for purpose of the contribution limitations. 11 C.F.R. § 110.3(a)(1).

Whenever any person makes an expenditure for the purpose of financing any communication which solicits any contributions through direct mail that is aimed at the general public, the communication shall contain a disclaimer stating both the person or persons who paid for the communication. Moreover,

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communications which expressly advocate the election or defeat of a clearly identified candidate shall also contain a disclaimer stating whether or not the communication is authorized by any candidate or candidate's committee. 2 U.S.C. § 441d; 11 C.F.R. § 110.11(a)(1)(ii).

**B. Application of The Law**

**1. Introduction**

This matter concerns the activities of a state committee controlled by an individual who was a federal candidate in 1990. As stated in its response, the State Committee was formed by Bob Williams in January of 1989 after his unsuccessful 1988 bid for Governor.[1] Mr. Williams is the president of the State Committee. According to the response, "[w]hen the election was over, Bob received many phone calls and letters asking him not to give up the fight -- not particularly for political office -- but the fight to make Washington a better, safer, healthier place for individuals and families to live." Attachment I, p. 3. Thus, although not structured under state law as a candidate committee, the State Committee was organized to support the ongoing political activities of Bob Williams. According to the State Committee, its activities include state level issue discussion and candidate recruitment and specifically in early 1990, activity to qualify a statewide ballot initiative.

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1. Although formed in January 1989, the State Committee was named "Washington '92," presumably because 1992 is the year of the next gubernatorial election.

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The State Committee distributed a monthly newsletter to its supporters in 1990.[2] The newsletter prominently features Bob Williams, including a front page column entitled "A note from Bob Williams," and including other articles authored by him. In content the newsletters discuss the State Committee's various political activities and issues of interest. On the last pages, the newsletters contain a solicitation for donations to the State Committee. In various editions of the newsletter from January through April of 1990, Washington '92's financial supporters are said to number 1200 - 1300 persons. Attachment III, p. 7 and Attachment IV, p. 8.

Bob Williams became a candidate for the House of Representatives in January of 1990, and based on references in the Washington '92 newsletter to his congressional campaign, the complaint alleges that Washington '92 in fact promoted Mr. Williams' federal candidacy.

**2. Affiliation of Washington '92 and Bob Williams for Congress**

The initial issue raised by the complaint is that of affiliation. A candidate's state campaign committee and his federal principal campaign committee are considered to be affiliated. See generally Advisory Opinions ("AOs") 1984-46 and 1987-12 (committees controlled by the same persons for campaign

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2. In response to the complaint, Washington '92 stated that it was attaching "copies of all 1990 editions" of the newsletter. Included with its response were newsletters covering only January 1990 through July/August 1990. Thus, it is possible that no additional newsletters were distributed during the latter part of 1990. The original newsletters produced are 8 page, printed color pamphlets.

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related purposes are deemed affiliated under the Act). Here, the State Committee is not designated as a candidate committee under state law, but as described below, it appears to exist primarily to promote Bob Williams. Thus, the State Committee's overriding function of promoting the candidate evidences that the two committees are controlled by Mr. Williams for his own campaign related purposes, and, therefore, are affiliated.[3] In addition to the evidence of common control of the committees, a review of the complaint's uncontested factual allegations in light of the Act's and Regulations' affiliation criteria, further support this conclusion. The complaint points, among other things, to a commonality of personnel, vendors, and contributors among the two Committees, as well as Mr. Williams' significant role in the formation of the State Committee.[4]

The complaint notes that Bob Williams and Lynn Harsh are "major players" in both committees. Specifically, Mr. Williams and Ms. Harsh assertedly are chairman and vice chairman, respectively, of the State Committee (The Federal Committee's response lists them as president and executive director, respectively, of the State Committee). Mr. Williams is also the candidate connected with the Federal Committee while Ms. Harsh served as both the campaign manager and a field manager with the

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3. The Federal Committee in its response notes that only the Washington State Republican Party dba WIN '90 has been authorized to do fundraising on its behalf.

4. The Federal Committee in its response addresses itself to the complaint's alleged facts only to argue that they are not in themselves violative of the Act. The response does not, however, challenge the accuracy of the alleged facts.

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Federal Committee. As previously mentioned, it was in fact the candidate, Mr. Williams, who founded the State Committee following his unsuccessful bid for Governor in 1988.

Furthermore, the two committees have shared the consulting services of Richard Frias, John Wright, and Barham Wuerth. In particular, the Federal Committee paid a $3,290 debt owed to Mr. Wright by the State Committee for consulting services (this payment was reported by the Federal Committee as a debt owed it by the State Committee). In its response the Federal Committee explained that it paid this debt to insure the availability of Mr. Wright's services by allowing him to remain in the geographic area. Moreover, the two committees allegedly also share common contributors. Neither response challenges this allegation.

In addition to forming the State Committee and serving as its President, Bob Williams also helps publish the newsletter put out by the State Committee. Indeed, as noted earlier, Williams is featured prominently in every edition of the newsletter submitted by respondents. Moreover, examination of the newsletter's contents for the months of January through August, 1990, reveals that, except for an article listing liberal members of the U.S. House of Representatives which specifically notes Mr. Williams' principal opponent in the 1990 campaign (Rep. Unsoeld) as one of its most liberal members, the only federal candidate mentioned in the publication is Mr. Williams.

The complaint contends that the Federal Committee's failure

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to designate the State Committee as an affiliated committee now precludes a finding of affiliation between the two. The Commission, however, is not bound by this description if upon examination it appears that two committees are affiliated within the meaning of the Act. Consequently, because of Bob Williams' significant involvement in the formation of the State Committee; because of that Committee's self-described purpose as providing a vehicle for continued support of Mr. Williams; and considering as well the other factors described above, the Federal and State Committee appear to be affiliated.[5] Accordingly, the following analysis is premised on the two committees' affiliation.

**1. Liability of The State Committee**

The complaint cites the State Committee's fundraising and expenditures in connection with the publication of its newsletter, entitled Washington '92, as evidence of federal election influencing activity. Included in the publication were several articles either written by or referring to Bob Williams. The complaint alleges that these articles served as in-kind

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5. The State Committee points out in its response that Mr. Wright on two separate occasions contacted the Commission's Information Services Division regarding the Act's applicability. Mr. Wright assertedly was informed that the State Committee could legally make contributions to the Federal Committee so long as it could prove that it maintained in its bank account sufficient permissible funds to cover any such contributions and that it need not register as a federal committee so long as it did not exceed $1,000 in contributions. Mr. Wright was assertedly further informed that the State Committee was a "non-connected" committee as concerned the Commission. It was explained that the term was an "in-house" term used to describe a garden variety committee not meeting any of the other descriptions of federal committees in the Regulations. It should be noted that this informal characterization of the State Committee does not preclude a finding of affiliation.

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contributions by the State Committee to the Federal Committee as they served to promote Bob Williams' federal candidacy. Consequently, the publication of these articles allegedly served to confer political committee status on the State Committee.

The complaint points to the State Committee's costs in publishing the newsletter as suggesting that it has surpassed Section 431(4)(A)'s $1,000 contribution and expenditure thresholds triggering political committee status, and Section 441a(a)(1)(A)'s $1,000 limitation on contributions to a candidate's political committee, rendering the contributions excessive. The complaint notes that in neither case have disclosures been made as required by the Act. The complaint further notes that as a political committee the State Committee accepted both excessive and corporate contributions, in violation of the Act.

The articles at issue appeared in the January, February, and March 1990 issues of the newsletter. Examined separately, these articles demonstrate the validity of the complaint's contention concerning the State Committee's status as a federal political committee.

Appearing in the January 1990 issue of the newsletter under the heading "Important Note" was an article written by Bob Williams wherein he appears to be discussing his position on issues as well as his moral qualifications to be a federal candidate (Attachment III). Having concluded that "a person who doesn't have basic unchangeable convictions and values shouldn't be a candidate for <u>any</u> office," (emphasis in original)

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Bob Williams relates his possession of "basic convictions that will not change in my bid for Congress," including his "firm belief that all innocent life must be protected regardless of age -- from pre-born to the elderly." Attachment III, p. 7. Warning that many things will be said about him in the coming months, Williams continues: "I will campaign in an honest and straightforward manner as I always have. Creating jobs, lowering taxes, strengthening the criminal justice system, cutting government waste ... these have been my hallmarks and my primary focus will continue to be what unites us ... not what divides us. (ellipses in original)" Id.

A second article written by Mr. Williams, this one a "Note from Bob Williams" column, appeared in the March 1990 edition of the newsletter (Attachment V). In this article Mr. Williams updates the reader on the progress of both his campaign's activities and Washington '92's activities. Mr. Williams refers to his congressional campaign and recounts recent campaign meetings and appearances with Republican Party leaders.[6] The article then emphasizes the need for "good people who will help

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6. The full paragraph reads as follows:

> And of course, you know I am running for Congress so our days have been full. I had the recent opportunity of meeting with President and Mrs. Bush and Vice President and Mrs. Quayle concerning my Congressional Campaign. Congressmen Guy Vander Jagt and Bob Dornan also spent some time with me and members of my campaign team in February. Former Congressman Bo Calloway spent two days in the district at month's end. Quite a great entourage of some of our nation's best leaders! I felt honored to listen to their words of wisdom.

Attachment V, p. 2.

us organize at the grassroots level, getting my message out and raising money. Those are the same basic ingredients that go into any successful campaign and it's what Washington '92 is all about." (emphasis original). Attachment V, p. 2. Apparently addressing readers' concerns regarding contributions, Mr. Williams writes of the needs of both the State Committee and the Congressional Campaign, i.e. the Federal Committee, in furtherance of their respective projects concluding that the choice of to whom to contribute "is really up to you because we know you can't contribute to every cause or every person." Upon reiterating the need to support the State Committee Mr. Williams continues: "if your budget allows, my Congressional Campaign certainly needs all the help it can get too." Id.

A third reference to Mr. Williams can be found in the February 1990 edition of the newsletter (Attachment IV). The issue featured a calendar of events for Mr. Williams' local appearances entitled "Bob's Calendar." Scheduled were numerous events between the months of February and March 1990, including certain Lincoln Day appearances. See Attachment IV, p. 2.

Upon reviewing the articles, it becomes evident that the newsletter serves to promote the candidacy of Bob Williams by providing a medium for dissemination of not only the candidate's messages but also his appeals for both financial and political support. The January 1990 article is clearly an effort on the part of the candidate to generate support for his congressional race, and to inform voters of what they may expect from him on the issues as both a candidate and elected official. Likewise,

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the March 1990 article promotes Mr. Williams as a candidate, and solicits organizational support as well as contributions for the congressional campaign. The fact that the contribution solicitation was not solely for the Williams campaign but also for the State Committee in no way mitigates the nature of the activity. Further, the calendar of events serves no purpose other than to advertise Mr. Williams' appearances in connection with his campaign. Thus, the communications serve to influence a federal election by promoting Bob Williams for federal office.

As noted earlier, Washington '92 produced additional 1990 newsletters besides those included with the complaint. The May newsletter again refers to Mr. Williams's congressional campaign, in the fundraising article at the back of the newsletter: "As you know, WASHINGTON '92 President Bob Williams and Executive Director Lynn Harsh are currently on 'leave of absence' of sorts making certain Bob is Washington's next new Congressman. But WASHINGTON '92 continues to pursue its short-term agenda and long-range goals with their supervision." Attachment VII, p. 7. In a vigorous solicitation of funds for Washington '92, the article goes on to state:

> I realize many of you are also contributing to Bob's campaign. Sometimes, it's hard to determine where limited resources should be placed. But believe me, Bob could have closed these doors and asked each of you to give every cent toward his Congressional Campaign. He could have, but he didn't... because his heart is in making sure solid, common-sense citizens all across our state get elected to statewide office.

Id. at 8. The newsletter dated July/August 1990 (the last issue provided), contains a front page "Note from Bob" discussing his

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campaign and exhorting the reader to vote in the upcoming primary election. The article laments the modern means necessary "to elect us to public office;" cites named local fairs and parades which "keep candidates like me, sane;" praises the people the candidate has met at such events; and concludes "Remember to vote on September 18th." Attachment IX, pp. 1 and 5.[7]

The remaining two issues, for April and June 1990, do not appear to contain explicit references to the candidate's campaign, but both have articles by Bob Williams about issues that became visible subjects of his campaign. The April newsletter contains an article discussing the "spotted owl" controversy, i.e. a recommendation that northwest lumber harvests be curtailed to preserve the habitat of the spotted owl. This article concludes "I want to be an advocate for jobs. I believe we need to balance our environmental needs with people needs." Attachment VI, p. 5. The June Washington '92 newsletter contains an article by the candidate starting on the front page entitled "Franking privileges in full swing." This article points out that "Congress quickly passed, and our Congresswoman voted for, an additional $25 million for their mail...," and attacks the frank and other "Congressional perks" as "a virtual re-election political machine." Attachment VIII,

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7. The fundraising portion of this newsletter is signed by Bob Williams, Lynn Harsh, and John Wright. It states in part: "Summer months are always difficult to weather, financially speaking. And of course, most of us have our eyes and our wallets fastened on someone's upcoming campaign." Attachment IX, p. 6.

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pp. 1 and 6. Newspaper articles in the summer of 1990 show that both these subjects were addressed by Mr. Williams as part of his campaign.[8]

As noted in the complaint, the conclusion that these newsletters served to promote the election of Mr. Williams is buttressed by the Commission's reasoning in AO 1990-5. This opinion concerned a candidate who sought to continue publication, during the election, of a newsletter both founded and financed by her. The contents of the publication were to be limited to state and local issues during the election period. The Commission opined that a contribution would result to the campaign from the publication of the newsletter if: direct or indirect reference is made to the candidacy, campaign or qualifications for public office of the candidate or the candidate's opponent; articles or editorials are published referring to the candidate's views on public policy issues raised in the campaign, whether written by the candidate or anyone else; or distribution of the publication is expanded significantly in any manner suggesting its utilization as a

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8. In May and June of 1990, the Seattle Times reported that Mr. Williams repeatedly raised the spotted owl subject as a campaign issue. E.g., "Proposed Logging Bans Assailed by Williams," Seattle Times, 5/12/90, page A9; "State GOP Stops Short Asking for Abortion Ban," Seattle Times, 6/17/90, page B1. Moreover, according to an August 12, 1990 Op-Ed piece, "[w]hile campaigning across Southwest Washington's 3rd Congressional District, Republican Bob Williams is, among other things, urging reform of Congress' habit of spending millions of dollars on self-serving mailings sent by members of Congress to the folks back home. Nothing much new there. It's basic campaign grist for almost any challenger running against an incumbent." Seattle Times, 8/12/90, page A18.

campaign communication.

In reaching this conclusion, the Commission noted its past determinations that activity of this nature would result in a contribution if the activity involved the solicitation, making or accepting of contributions to the candidate's campaign or communications expressly advocating the nomination, election or defeat of any candidate.[9] Quoting AO 1988-22, the Commission further noted the "presumption that the financing of a communication to the general public, not within the 'press exemption,' that discusses or mentions a candidate in an election-related context and is undertaken in coordination with the candidate or his campaign is 'for the purpose of influencing a federal election.'"[10] AO 1990-5, 2 Fed. Election Camp. Fin. Guide [CCH] ¶ 5982, at p. 11,612. See also AO 1983-12. The Commission also determined that where the candidate is significantly involved in the newsletter the costs will not be allocable, rendering the amount of the contribution the total cost for publication of the edition. AO 1990-5 at 7.

Like the candidate in the opinion, Bob Williams both formed and controls the publication of the newsletter. In several issues, the articles clearly identify the candidate, discuss

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9. The Commission noted its past indications that the absence of these two factors would not preclude a determination that the activity is campaign related.

10. The press exemption is inapplicable to any periodical publication owned or controlled by any political party, political committee, or candidate. See 2 U.S.C. § 431(9)(B)(i). Hence, the exemption is inapplicable in this case as it appears that both Bob Williams and the Federal Committee exercise control over the publication.

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both the candidate's qualifications for office and his views on issues raised in the campaign, lists the candidate's schedule of appearances, and solicit contributions and other assistance. In summary, the articles are clearly both election related and made in coordination with the candidate and his campaign. Thus, consistent with the Commission's reasoning in AO 1990-5 and prior related AO's, it may be determined that the State Committee has acted to influence a federal election.

In its response the State Committee notes making a $475 "in-kind contribution" to the Federal Committee. According to the Federal Committee's reports, this involved the provision of phone and copying services to the Federal Committee on March 25, 1990. This expenditure on behalf of the Federal Committee is aggregable towards the Act's $1,000 threshold for triggering political committee status. Consequently, as the costs associated with the publication of the newsletters, when combined with the State Committee's prior $475 expenditure, may be in excess of $1,000, the State Committee may have triggered political committee status under the Act. See 2 U.S.C. § 431(4)(A).

The State Committee in its response contends that it has not violated the Act, denying all allegations that its activities as regards the newsletter involved the "express advocacy" of Bob Williams' candidacy. Instead, the State Committee argues that those articles served simply to address the needs and concerns of its supporters. Referencing the several articles mentioned in the complaint, the response makes

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several points in support of this contention. In reference to the article that appeared in the January 1990 issue of the newsletter the response asserts that it was not expressly advocating Bob Williams' candidacy, but rather, simply addressing supporters' voiced concerns regarding any possible impact that Mr. Williams' potential bid for Congress may have on his convictions.

Likewise, the article appearing in the March 1990 issue was said to be a response to confusion on the part of subscribers as to where to send their donations to support Bob Williams' potential bid for Congress.[11] Supporters were mistakenly sending contributions meant for the candidate to the State Committee. Upon finding such errors, the State Committee forwarded those clearly identified contributions to the Federal Committee.[12] Thus, the response contends, the article served to simply clarify the confusion by making it clear that there were in fact two separate organizations and did not serve as a solicitation for contributions to the federal campaign.

Regarding "Bob's Calendar" which appeared in the February

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11. The response asserts that the January and February articles appeared prior to Mr. Williams' formal announcement of candidacy, while he was still "testing the waters." The Federal Committee's disclosure reports contradict this assertion, evidencing that Mr. Williams triggered candidate status in January of 1990 and filed a statement of candidacy on January 26, 1990.

12. The State Committee notes that any contributions which were earmarked for the Candidate were never deposited in its accounts, but forwarded to the Candidate, and any contributions deposited but later found to be intended for the Candidate were refunded to the contributor.

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1990 issue, the response contends that it was only attempting to inform Washington '92 supporters of when Mr. Williams was going to make appearances in their geographic areas. These appearances included official Republican events scheduled prior to Bob Williams becoming a candidate and state-wide Lincoln Day events as had been scheduled in the previous year. The response concedes, however, that though the events were scheduled statewide, Bob Williams curtailed his appearances to only those events within his Congressional District. The response cites the increase in momentum regarding Mr. Williams' forthcoming declaration of candidacy as the cause for the candidate's failure to attend all the scheduled appearances.[13] The response lastly states that the State Committee did not do any fundraising on behalf of the forthcoming Federal Committee.

The State Committee's arguments are not persuasive. While the response offers alternative purposes for the inclusion of the articles at issue, it fails to demonstrate that the articles were not for the purpose of influencing a federal election. Furthermore, the response's arguments seem to be premised on the assumption that express advocacy of the candidate is a requisite

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13. Referring to the last page of the complaint's evidence section (a schedule of statewide meetings concerning state economic and political issues sponsored by state business associations) and noting that it is nowhere mentioned in the body of the complaint, the response assumes that it is included as evidence of the State Committee's scheduling of campaign stops for the candidate. In response to this assumed allegation, the response notes that these meetings were unrelated to Mr. Williams' campaign and that Mr. Williams did not attend any of them. It is presently unclear why this piece of evidence was included with the complaint.

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to the Act's application. The Act defines a political committee as any group of persons making contributions or expenditures aggregating in excess of $1,000 for the purpose of influencing a federal election. 2 U.S.C. § 431(4)(A), (8)(A)(i). This statutory language in conjuncture with the Commission's reasoning in AOs 1990-5, 1988-22, and 1983-12, demonstrates that public communications undertaken in coordination with a candidate or his campaign which mention the candidate in an election-related context are sufficient to invoke the Act, regardless of whether they contain express advocacy of the candidate, as they are for the purpose of influencing federal elections.

As the preceding discussion demonstrates, the State Committee's activities served to influence a federal election. As such, the State Committee may have triggered political committee status subjecting it to all applicable limitations and reporting requirements under the Act. It has not, however, registered or filed reports of receipts and disbursements with the Commission. Accordingly, this Office recommends that the Commission find reason to believe the State Committee and its treasurer violated 2 U.S.C. §§ 433(a) and 434(a).[14]

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14. The Act provides that candidates may designate authorized committees in addition to their principal campaign committees, 2 U.S.C. § 432(e)(1), and that such designations shall be in writing and filed with the principal campaign committee. Id.; see also 2 U.S.C. § 431(6). Because the Commission has previously interpreted these provisions to preclude a finding that a committee is an authorized committee absent a written designation by the candidate, it appears the State Committee is a political committee affiliated with Bob Williams for Congress, but is not an

The complaint further alleges that the State Committee has violated the Act by surpassing Section 441a(a)(1)(A)'s $1,000 limitation on contributions to a candidate's political committee, rendering the contributions excessive. This allegation is based on the presumption that the two Committees are not affiliated for purposes of the Act. As an affiliated committee, however, transactions between the State Committee and the Federal Committee are not restricted by the Act's contribution limitations. 11 C.F.R. § 110.3(c)(1). Accordingly, this Office recommends that the Commission find no reason to believe the State Committee and its treasurer violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the affiliated Federal Committee.

The complaint next notes that the State Committee accepted corporate contributions subsequent to having triggered federal political committee status, in violation of the Act. Records substantiate this assertion. Specifically, schedules provided by the State Committee disclose the receipt of over one thousand dollars in corporate contributions between January and March 1990, a period during which the State Committee was engaged in federal electioneering. See Attachment I, pp. 13 and 15. Thus, this Office recommends that the Commission find reason to believe the State Committee and its treasurer violated 2 U.S.C. § 441b.

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(Footnote 14 continued from previous page)
authorized committee for Mr. Williams' congressional campaign.

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federal electioneering. Thus, there is reason to believe the State Committee and its treasurer violated 2 U.S.C. § 441b.

Affiliated committees share a common contribution limit. See MUR 2132. While most political committees may receive contributions of up to $5,000, principal campaign committees of a candidate are, however, precluded from receiving contributions in excess of $1,000. Consequently, the two committees must share the lower, $1,000, contribution limit.[16] The unchallenged allegation is that the two committees have common contributors and, therefore, the State Committee may have accepted individual contributions in excess of the Act's $1,000 limit on contributions to affiliated political committees. Therefore, there is reason to believe the State Committee and its treasurer violated 2 U.S.C. § 441a(f).

In addition, the complaint alleges that the State Committee is in further violation of the Act as a result of its failure to provide for an adequate disclaimer as accompaniment to the communications. Pursuant to Section 441d of the Act, a disclaimer must be provided with any communication which expressly advocates the election or defeat of a clearly identified candidate or solicits contributions from the general public. For such communications, the required disclaimer must

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16. This conclusion is buttressed by section 110.1(h) of the Regulations, which provides that persons may not contribute to a candidate's campaign committee with respect to a particular election and also to another political committee which supports that candidate if they give with the knowledge that a substantial portion of their donation to the latter committee will be expended on behalf of the candidate.

and state whether the communication is authorized by any candidate or candidate's committee. 2 U.S.C. § 441d(a); see 11 C.F.R. § 110.11(a)(1).[16] To be "express advocacy" under the Act, speech must, when read as a whole and with limited reference to external events, be susceptible of no other reasonable interpretation than as an exhortation to vote for or against a specific candidate. FEC v. Furgatch, 807 F.2d 857 (9th Cir.), cert. denied, 484 U.S. 850 (1987).

There is no question that the articles at issue clearly identify the candidate as they refer to Mr. Williams by name. See 2 U.S.C. § 431(18)(A). Additionally, irrespective of the State Committee's arguments, it does appear that the January and March 1990 newsletters either expressly advocated Mr. Williams' election or solicited contributions to his congressional campaign.[17] As previously demonstrated, the January 1990 article discusses, in an election context, both the candidate's posture on issues of concern to the electorate and his moral convictions. The clear import of the article's language is to encourage readers to vote for Mr. Williams' based on both his moral and political qualifications. The March 1990 article not only promotes Mr. Williams' campaign and asks for organizational

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16. Under section 110.11(a)(1)(iv)(A) of the regulations, solicitations on behalf of an unauthorized committee must identify who paid for the communication but need not include an authorization statement. In this matter, however, the solicitation complained of was for contributions to a candidate rather than to an unauthorized committee. Therefore, a full disclaimer under section 441d(a) would be required.

17. This Office does not contend that the February 1990 article, with nothing more, contains express advocacy.

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support, but also solicits financial contributions to advance his candidacy. Thus, the March 1990 article solicits contributions to the candidate's campaign and the January 1990 article is "susceptible of no other reasonable interpretation but as an exhortation to vote for a specific candidate," i.e. Mr. Williams. FEC v. Furgatch, 807 F.2d 857, 864 (9th Cir.), cert. denied, 484 U.S. 850 (1987).

Consequently, the State Committee was required to provide as accompaniment to its January and March 1990 communications disclaimers containing authorization statements.[18] While the accompanying disclaimers did state that the communications were "Paid for by Washington '92", i.e. the State Committee, they failed to state whether the communications were authorized by any candidate or candidate's committee. See Attachments III, p. 8, and V, p. 8. For this reason, this Office recommends that the Commission find reason to believe the State Committee and its treasurer violated 2 U.S.C. § 441d.

2. Liability of The Federal Committee

The complaint alleges that the Federal Committee accepted excessive contributions as the costs associated with the publication of the articles at issue exceed the Act's limitations. See 2 U.S.C. § 441a(a)(1)(A). The complaint also alleges that the Federal Committee failed to report these in-kind contributions as required under Section 434(b).

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18. Because of the clear election advocacy in the May and July/August newsletters, see pages 13 and 14, supra, full disclaimers should have been included with these communications as well.

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Bob Williams for Congress in its response also denies that the activities engaged in by the State Committee served to advocate Bob Williams' candidacy. Focusing on the allegations advanced in the complaint, the response categorically denies having violated the Act. The response, however, fails to address the legal and factual issues arising from the allegations, noting in a conclusive manner instead that it is in full compliance with the Act. As with the allegations involving the State Committee, these present allegations are premised upon the assumption that the two committees are not affiliated. As, previously discussed, it appears that the two committees are affiliated. Consequently, irrespective of the complaint's assertion, amounts spent on behalf of the Federal Committee by the State Committee are not subject to limitation under the Act. Therefore, this Office recommends that the Commission find no reason to believe the Federal Committee and its treasurer violated 2 U.S.C. § 441a(f) by accepting excessive in-kind contributions from the State Committee.

The Federal Committee, however, while able to accept unlimited in-kind spending by the State Committee, must still designate the State Committee as an affiliated committee in its statement of organization. 2 U.S.C. § 433(b)(2); 11 C.F.R. § 102.2(b)(1)(i). There is no indication that the Federal Committee has complied with this requirement. Accordingly, this Office recommends that the Commission find reason to believe the Federal Committee and its treasurer violated 2 U.S.C. § 433(b). Notwithstanding the complaint's assertion, it does not appear

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that the Federal Committee was required to report and itemize the receipt, in-kind, of the amounts spent on its behalf by its affiliate, the State Committee.[19] Accordingly, this Office recommends that the Commission find no reason to believe the Federal Committee and its treasurer violated 2 U.S.C. § 434(b).

The complaint also alleges that impermissible funds have been used in connection with Bob Williams' federal campaign, because the State Committee's federal activities were financed by such contributions. As just discussed, it appears that the Federal Committee need not report receipt of amounts spent on its behalf by an affiliated committee. Accordingly, though the State Committee may have violated the Act by acceptance of prohibited or excessive funds, this Office recommends that the Commission find no reason to believe the Federal Committee violated 2 U.S.C. §§ 441a(f) or 441b by indirectly accepting impermissible funds through the State Committee's spending on its behalf.

The complaint further alleges that dual contributions to the two committees from a like source are aggregable towards the Federal Committee's contribution limit. As an affiliated committee, contributions to the State Committee from

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19. The Act requires political committees to disclose and itemize transfers from affiliated committees, 2 U.S.C. § 434(b)(2)(F) and 434(b)(3)(D), but as discussed above, the amounts involved were spent on behalf of the Federal Committee and not directly transferred to it. Further, 2 U.S.C. § 434(b)(2) and 434(b)(3)(B) provide for the reporting of contributions from political committees, including all in-kind contributions, 11 C.F.R. § 104.13(a), but these reporting provisions do not appear to apply to transactions between affiliated committees.

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contributors common to both committees are aggregable towards a single contribution limit. See 11 C.F.R. § 110.3(a)(1). As previously discussed, the unchallenged allegation is that the two committees have common contributors. Therefore, this Office recommends that the Commission find reason to believe the Federal Committee and its treasurer violated 2 U.S.C. 441a(f) by accepting contributions which are excessive in the aggregate.

3. Liability of The Candidate

The complaint alleges that Bob Williams, the candidate, violated the Act by accepting excessive contributions on behalf of the Federal Committee and failing to report the same and by using corporate contributions for expenses in connection with the Federal Committee. Because the two committees are affiliated, Mr. Williams could have accepted no excessive contributions from the State Committee. Moreover, the complaint provides no basis from which to conclude that Mr. Williams was responsible for the Federal Committee's reporting obligations, even if the Federal Committee were obliged to report these transactions. Finally, there is no indication that Bob Williams was directly involved in the Federal Committee's acceptance of excessive aggregate contributions or that he used corporate contributions in connection with the Federal Committee's expenses. Accordingly, this Office recommends that the Commission find no reason to believe Bob Williams violated 2 U.S.C. §§ 441a(f), 434(b), and 441b.

C. Conclusion

In conclusion, the activities engaged in by the State

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Committee in connection with the publication of its newsletter are within the Commission's jurisdiction. Therefore, on the basis of the available information and pursuant to the preceding discussion, this Office recommends that the Commission find reason to believe the State Committee and Arthur Wuerth, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a), 441a(f), 441b, and 441d. This Office also recommends that the Commission find no reason to believe the State Committee and Arthur Wuerth, as treasurer, violated 2 U.S.C. § 441a(a) by making excessive in-kind contributions.

This Office further recommends that the Commission find reason to believe the Federal Committee and William B. Pilkey. as treasurer, violated 2 U.S.C. §§ 433(b) and 441a(f). This Office recommends that the Commission find no reason to believe the Federal Committee and William B. Pilkey, as treasurer, violated 2 U.S.C. § 434(b), § 441b and § 441a(f) in connection with amounts spent on its behalf by the State Committee.

This Office lastly recommends that the Commission find no reason to believe Bob Williams violated 2 U.S.C. §§ 434(b), 441a(f) and 441b.

Investigation of this matter will involve the issuance of written interrogatories and requests for production of documents directed at the named respondents. This Office will make further recommendations should compulsory process prove necessary.

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## III. RECOMMENDATIONS

1. Find reason to believe that Washington '92 and Arthur Wuerth, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a), 441a(f), 441b, and 441d.

2. Find no reason to believe that Washington '92 and Arthur Wuerth, as treasurer, violated 2 U.S.C. § 441a(a).

3. Find reason to believe that Bob Williams for Congress and William B. Pilkey, as treasurer, violated 2 U.S.C. §§ 433(b) and 441a(f).

4. Find no reason to believe Bob Williams for Congress and William B. Pilkey, as treasurer, violated 2 U.S.C. § 441b.

5. Find no reason to believe Bob Williams for Congress and William B. Pilkey, as treasurer, violated 2 U.S.C. § 434(b) and 441a(f) by accepting unreported excessive in-kind contributions from Washington '92.

6. Find no reason to believe that Bob Williams violated 2 U.S.C. §§ 434(b), 441a(f), and 441b.

7. Approve the attached factual and legal analysis.

8. Approve the appropriate letters.

8/23/91
Date

Lawrence M. Noble
General Counsel

Attachments

I. Washington '92's response
II. Bob Williams for Congress' response
III. January 1990 issue of newsletter
IV. February 1990 issue of newsletter
V. March 1990 issue of newsletter
VI. April 1990 issue of newsletter
VII. May 1990 issue of newsletter
VIII. June 1990 issue of newsletter
IX. July/August 1990 issue of newsletter
X. Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/ DONNA ROACH DR
COMMISSION SECRETARY

DATE: AUGUST 28, 1991

SUBJECT: MUR 3134 - FIRST GENERAL COUNSEL'S REPORT DATED AUGUST 23, 1991.

The above-captioned document was circulated to the Commission on MONDAY, AUGUST 26, 1991 4:00 P.M.

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

| | |
|---|---|
| Commissioner Aikens | |
| Commissioner Elliott | XXX |
| Commissioner Josefiak | XXX |
| Commissioner McDonald | |
| Commissioner McGarry | |
| Commissioner Thomas | |

This matter will be placed on the meeting agenda for TUESDAY, SEPTEMBER 17, 1991.

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

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BEFORE THE FEDERAL ELECTION COMMISSION

| | | |
|---|---|---|
| In the Matter of | ) | |
| | ) | MUR 3134 |
| Bob Williams; | ) | |
| Bob Williams for Congress and | ) | |
| William B. Pilkey, as treasurer; | ) | |
| Washington '92 and Arthur Wuerth, | ) | |
| as treasurer. | ) | |

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on October 29, 1991, do hereby certify that the Commission took the following actions in MUR 3134:

1. Failed in a vote of 3-3 to pass a motion to approve the recommendations contained in the General Counsel's report dated August 23, 1991.

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

2. Decided by a vote of 4-2 to take the following actions in MUR 3134:

   A. Find reason to believe that Washington '92 and Arthur Wuerth, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a), 441a(f), 441b, and 441d.

(continued)

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B. Find no reason to believe that Washington '92 and Arthur Wuerth, as treasurer, violated 2 U.S.C. § 441a(a).

C. Find reason to believe that Bob Williams for Congress and William B. Pilkey, as treasurer, violated 2 U.S.C. §§ 433(b) and 441a(f).

D. Find no reason to believe Bob Williams for Congress and William B. Pilkey, as treasurer, violated 2 U.S.C. § 441b.

E. Find no reason to believe Bob Williams for Congress and William B. Pilkey, as treasurer, violated 2 U.S.C. §§ 434(b) and 441a(f) by accepting unreported excessive in-kind contributions from Washington '92.

F. Find no reason to believe that Bob Williams violated 2 U.S.C. §§ 434(b), 441a(f), and 441b.

G. Approve the factual and legal analysis recommended in the General Counsel's report dated August 23, 1991

H. Send appropriate letters pursuant to the above noted actions.

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

Attest

10-31-91
Date

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

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91 NOV -8 AM 9:50

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 8, 1991

**MEMORANDUM**

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

**SENSITIVE**

SUBJECT: MUR 3134 - Supplemental Recommendation
Bob Williams

On October 29, 1991, the Commission found no reason to believe Bob Williams violated any provision of the Act. The First General Counsel's Report in this matter, dated August 23, 1991, however, inadvertently omitted a recommendation that the Commission close the file as concerns Mr. Williams. Consequently, the Office of the General Counsel now recommends that the Commission close the file as concerns Bob Williams.

Staff Assigned: Jose M. Rodriguez

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )
)
Bob Williams. ) MUR 3134

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 13, 1991, the Commission decided by a vote of 6-0 to close the file as concerns Bob Williams, as recommended in the General Counsel's Memorandum dated November 8, 1991.

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

Attest:

11-13-91
Date

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

Received in the Secretariat: Fri., Nov. 8, 1991 9:50 a.m.
Circulated to the Commission: Fri., Nov. 8, 1991 12:00 p.m.
Deadline for vote: Wed., Nov. 13, 1991 4:00 p.m.

dr

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 12, 1991

William B. Pilkey, Treasurer
Bob Williams for Congress
7223 - 20th Ave. SE
Olympia, WA 98503

RE: MUR 3134
Bob Williams for Congress
and William B. Pilkey,
as treasurer

Dear Mr. Pilkey:

On October 11, 1990, the Federal Election Commission notified Bob Williams for Congress ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on October 29, 1991, found that there is reason to believe the Committee and you, as treasurer, violated 2 U.S.C. §§ 433(b) and 441a(f), provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, 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 within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

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

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

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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.

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.

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 have any questions, please contact Jose M. Rodriguez, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosures
Designation of Counsel Form
Factual & Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 12, 1991

Honorable Bob Williams
P.O. Box 552
Olympia, WA 98507

RE: MUR 3134
Bob Williams

Dear Mr. Williams:

On October 11, 1990, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On October 29, 1991, the Commission found, on the basis of the information in the complaint, that there is no reason to believe you violated 2 U.S.C. §§ 434(b), 441a(f), and 441b. Accordingly, on November 13, 1991, the Commission closed its file in this matter as it pertains to you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 12, 1991

Arthur Wuerth, Treasurer
Washington, '92
P.O. Box 7704
Olympia, WA 98507

RE: MUR 3134
Washington '92 and
Arthur Wuerth, as treasurer

Dear Mr. Wuerth:

On October 11, 1990, the Federal Election Commission notified Washington '92 ("Committee") 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 the Committee at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on October 29, 1991, found that there is reason to believe the Committee and you, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a), 441a(f), 441b, and 441d, provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, 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 enclosed questions within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

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

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

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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.

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.

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 have any questions, please contact Jose M. Rodriguez, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

John Warren McGarry

John Warren McGarry
Chairman

Enclosures
Questions
Designation of Counsel Form
Factual & Legal Analysis

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )
)
) MUR 3134

**INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS**

TO: Arthur Wuerth, Treasurer
Washington '92
P.O. Box 7704
Olympia, WA 98507

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within fifteen days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C. 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

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## INSTRUCTIONS

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

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

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

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

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

Unless otherwise indicated, the discovery request shall refer to the time period from November 1, 1989 to December 1, 1990.

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

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## DEFINITIONS

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

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

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

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

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

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

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

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MUR 3134
Questions to Washington '92

With regard to the newsletter entitled "Washington '92" published and distributed by you, please answer the following questions.

1. Please identify the individual or individuals involved in its preparation and dissemination. Describe in full each person's participation in the preparation and dissemination of the newsletter.

2. State the total number of editions of the newsletter published. Please provide copies of all stated editions not previously produced to the Commission, including the September 1990 edition.

3. Please state the total number of copies of the newsletter published for each edition, as well as the number of copies disseminated and the manner in which disseminated.

4. To whom was the newsletter disseminated? If mailed to names on a mailing list, identify the list by its name and owner.

5. Regarding the costs and proceeds associated with the newsletter,

   a) list all costs associated with each edition of the newsletter, including, but not limited to, overhead, salaries, list rental, printing, mailing services, and postage. For each cost, include the amount, nature of good or service, date paid, and payee.

   b) list the total number and amount of contributions generated from each edition of the newsletter.

6. Please produce all invoices, checks (front and back), check registers, and check authorization forms relating to costs associated with publication and distribution of the newsletter. Please also produce all drafts and proofs of the newsletter.

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7. Please identify all other communications publicly distributed by Washington '92 which make mention of, or in any way refer to, Bob Williams and produce copies of each such communication.

8. Identify each individual who provided any information used in the preparation of the responses to these questions and for each person, describe for which question the information was used.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Bob Williams
Bob Williams for Congress
and William B. Pilkey,
as treasurer
Washington '92 and Arthur Wuerth,
as treasurer

MUR: 3134

I. GENERATION OF MATTER

This matter arises from a complaint filed with the Federal Election Commission ("the Commission"). The complaint alleges that federal candidate Bob Williams, Washington '92 ("the State Committee"), and Bob Williams for Congress ("the Federal Committee"), violated The Federal Election Campaign Act of 1971, as amended ("the Act").

Bob Williams was a candidate in 1990 for election to the United States House of Representatives in the 3rd Congressional District in Washington. Mr. Williams designated the Federal Committee as his principal campaign committee. The State Committee is a nonconnected committee registered in the state of Washington. Bob Williams is president of the State Committee.

The complaint alleges that the State Committee violated the Act by raising and expending funds for the purpose of influencing a federal election without registering or reporting as a political committee, making and accepting excessive contributions, accepting corporate contributions, and failing to provide an adequate disclaimer. 2 U.S.C. §§ 433(a), 434(a), 441a(a), 441a(f), 441b, and 441d. The complaint further alleges

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that the Federal Committee is in violation of the Act by accepting excessive and corporate contributions and failing to report in-kind contributions. 2 U.S.C. §§ 441a(f), 441b, and 434(b). Additionally, the complaint seems to assert that the Federal Committee is precluded from arguing that the contributions were lawful as coming "from a 'related' or affiliated committee" because of its failure to designate the State Committee an affiliated committee. See generally 11 C.F.R. §§ 102.6 and 110.3(c)(1) [transfer of funds between affiliated committees are not subject to the limitations of 2 U.S.C. § 441a(a)(1) and (2)].

The complaint further suggests that the candidate Bob Williams was directly involved in the violations. Specifically, the complaint alleges that Bob Williams violated 2 U.S.C. §§ 441a(f), 434(b), and 441b, by accepting excessive in-kind contributions and failing to report same on behalf of the Federal Committee and by using corporate and excessive contributions for expenses in connection with the Federal Committee.

The Commission has received separate responses from counsel for the State and Federal Committee.

## II. FACTUAL AND LEGAL ANALYSIS

### A. The Law

A political committee under the Act is any group of persons that receives contributions or makes expenditures aggregating in excess of $1,000 per year. 2 U.S.C. § 431(4)(A). Pursuant to the Act a "contribution" includes any gift, subscription, loan,

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advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8)(A)(i). A committee qualifying as a political committee must file a statement of organization within 10 days of such qualification. 2 U.S.C. § 433(a). A political committee is required thereafter to file periodic reports of receipts and disbursements. 2 U.S.C. § 434(a).

Furthermore, it is unlawful for any candidate or political committee knowingly to accept corporate contributions. 2 U.S.C. § 441b. No person shall make contributions to a candidate's authorized political committee which exceed $1,000 per election, 2 U.S.C. § 441a(a)(1)(A), and no candidate or political committee may knowingly accept any excessive contributions, 2 U.S.C. § 441a(f).

All political committees established, financed, maintained, or controlled by the same group of persons are affiliated. 2 U.S.C § 441a(a)(5); 11 C.F.R. § 100.5(g)(2). The Regulations provide factors that the Commission examines to determine whether particular committees are affiliated, including the existence of common or overlapping officers or employees, use of common vendors, an active and significant participation by an organization or its agent in the formation of the other organization, and the existence of contributors common to both organizations. 11 C.F.R. § 100.5(g)(4)(ii). Political committees must disclose all affiliated political committees in their statements of organization. 2 U.S.C. § 433(b)(2). Transactions between affiliated committees are not restricted by

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the Act's contribution limitations, 2 U.S.C. § 441a(a)(5); 11 C.F.R. § 110.3(c)(1), and contributions received by more than one affiliated committee are considered to be received by a single committee for purpose of the contribution limitations. 11 C.F.R. § 110.3(a)(1).

Whenever any person makes an expenditure for the purpose of financing any communication which solicits any contributions through direct mail that is aimed at the general public, the communication shall contain a disclaimer stating both the person or persons who paid for the communication. Moreover, communications which expressly advocate the election or defeat of a clearly identified candidate shall also contain a disclaimer stating whether or not the communication is authorized by any candidate or candidate's committee. 2 U.S.C. § 441d; 11 C.F.R. § 110.11(a)(1)(ii).

**B. Application of The Law**

**1. Introduction**

This matter concerns the activities of a state committee controlled by an individual who was a federal candidate in 1990. As stated in its response, the State Committee was formed by Bob Williams in January of 1989 after his unsuccessful 1988 bid for Governor.[1] Mr. Williams is the president of the State Committee. According to the response, "[w]hen the election was over, Bob received many phone calls and letters asking him not

1. Although formed in January 1989, the State Committee was named "Washington '92," presumably because 1992 is the year of the next gubernatorial election.

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to give up the fight -- not particularly for political office -- but the fight to make Washington a better, safer, healthier place for individuals and families to live." Washington '92's Response at 3. Thus, although not structured under state law as a candidate committee, the State Committee was organized to support the ongoing political activities of Bob Williams. According to the State Committee, its activities include state level issue discussion and candidate recruitment and specifically in early 1990, activity to qualify a statewide ballot initiative.

The State Committee distributed a monthly newsletter to its supporters in 1990.[2] The newsletter prominently features Bob Williams, including a front page column entitled "A note from Bob Williams," and including other articles authored by him. In content the newsletters discuss the State Committee's various political activities and issues of interest. On the last pages, the newsletters contain a solicitation for donations to the State Committee. In various editions of the newsletter from January through April of 1990, Washington '92's financial supporters are said to number 1200 - 1300 persons. Attachment I, p. 7 and Attachment II, p. 8.

Bob Williams became a candidate for the House of

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2. In response to the complaint, Washington '92 stated that it was attaching "copies of all 1990 editions" of the newsletter. Included with its response were newsletters covering only January 1990 through July/August 1990. Thus, it is possible that no additional newsletters were distributed during the latter part of 1990. The original newsletters produced are 8 page, printed color pamphlets.

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Representatives in January of 1990, and based on references in the Washington '92 newsletter to his congressional campaign, the complaint alleges that Washington '92 in fact promoted Mr. Williams' federal candidacy.

2. Affiliation of Washington '92 and Bob Williams for Congress

The initial issue raised by the complaint is that of affiliation. A candidate's state campaign committee and his federal principal campaign committee are considered to be affiliated. See generally Advisory Opinions ("AOs") 1984-46 and 1987-12 (committees controlled by the same persons for campaign related purposes are deemed affiliated under the Act). Here, the State Committee is not designated as a candidate committee under state law, but as described below, it appears to exist primarily to promote Bob Williams. Thus, State Committee's overriding function of promoting the candidate evidences that the two committees are controlled by Mr. Williams for his own campaign related purposes, and, therefore, are affiliated.[3] In addition to the evidence of common control of the committees, a review of the complaint's uncontested factual allegations in light of the Act's and Regulations' affiliation criteria, further support this conclusion. The complaint points, among other things, to a commonality of personnel, vendors, and contributors among the two Committees, as well as Mr. Williams'

3. The Federal Committee in its response notes that only the Washington State Republican Party dba WIN '90 has been authorized to do fundraising on its behalf.

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significant role in the formation of the State Committee.[4]

The complaint notes that Bob Williams and Lynn Harsh are "major players" in both committees. Specifically, Mr. Williams and Ms. Harsh assertedly are chairman and vice chairman, respectively, of the State Committee (The Federal Committee's response lists them as president and executive director, respectively, of the State Committee). Mr. Williams is also the candidate connected with the Federal Committee while Ms. Harsh served as both the campaign manager and a field manager with the Federal Committee. As previously mentioned, it was in fact the candidate, Mr. Williams, who founded the State Committee following his unsuccessful bid for Governor in 1988.

Furthermore, the two committees have shared the consulting services of Richard Frias, John Wright, and Barham Wuerth. In particular, the Federal Committee paid a $3,290 debt owed to Mr. Wright by the State Committee for consulting services (this payment was reported by the Federal Committee as a debt owed it by the State Committee). In its response the Federal Committee explained that it paid this debt to insure the availability of Mr. Wright's services by allowing him to remain in the geographic area. Moreover, the two committees allegedly also share common contributors. Neither response challenges this allegation.

In addition to forming the State Committee and serving as

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4. The Federal Committee in its response addresses itself to the complaint's alleged facts only to argue that they are not in themselves violative of the Act. The response does not, however, challenge the accuracy of the alleged facts.

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its President, Bob Williams also helps publish the newsletter put out by the State Committee. Indeed, as noted earlier, Williams is featured prominently in every edition of the newsletter submitted by respondents. Moreover, examination of the newsletter's contents for the months of January through August, 1990, reveals that, except for an article listing liberal members of the U.S. House of Representatives which specifically notes Mr. Williams' principal opponent in the 1990 campaign (Rep. Unsoeld) as one of its most liberal members, the only federal candidate mentioned in the publication is Mr. Williams.

The complaint contends that the Federal Committee's failure to designate the State Committee as an affiliated committee now precludes a finding of affiliation between the two. The Commission, however, is not bound by this description if upon examination it appears that two committees are affiliated within the meaning of the Act. Consequently, because of Bob Williams' significant involvement in the formation of the State Committee; because of that Committee's self-described purpose as providing a vehicle for continued support of Mr. Williams; and considering as well the other factors described above, the Federal and State Committee appear to be affiliated.[5] Accordingly, the following

5. The State Committee points out in its response that Mr. Wright on two separate occasions contacted the Commission's Information Services Division regarding the Act's applicability. Mr. Wright assertedly was informed that the State Committee could legally make contributions to the Federal Committee so long as it could prove that it maintained in its bank account sufficient permissible funds to cover any such contributions and that it need not register as a federal committee so long as it

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analysis is premised on the two committees' affiliation.

1. **Liability of The State Committee**

The complaint cites the State Committee's fundraising and expenditures in connection with the publication of its newsletter, entitled Washington '92, as evidence of federal election influencing activity. Included in the publication were several articles either written by or referring to Bob Williams. The complaint alleges that these articles served as in-kind contributions by the State Committee to the Federal Committee as they served to promote Bob Williams' federal candidacy. Consequently, the publication of these articles allegedly served to confer political committee status on the State Committee.

The complaint points to the State Committee's costs in publishing the newsletter as suggesting that it has surpassed Section 431(4)(A)'s $1,000 contribution and expenditure thresholds triggering political committee status, and Section 441a(a)(1)(A)'s $1,000 limitation on contributions to a candidate's political committee, rendering the contributions excessive. The complaint notes that in neither case have disclosures been made as required by the Act. The complaint further notes that as a political committee the State Committee

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(Footnote 5 continued from previous page)
did not exceed $1,000 in contributions. Mr. Wright was assertedly further informed that the State Committee was a "non-connected" committee as concerned the Commission. It was explained that the term was an "in-house" term used to describe a garden variety committee not meeting any of the other descriptions of federal committees in the Regulations. It should be noted that this informal characterization of the State Committee does not preclude a finding of affiliation.

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accepted both excessive and corporate contributions, in violation of the Act.

The articles at issue appeared in the January, February, and March 1990 issues of the newsletter. Examined separately, these articles demonstrate the validity of the complaint's contention concerning the State Committee's status as a federal political committee.

Appearing in the January 1990 issue of the newsletter under the heading "Important Note" was an article written by Bob Williams wherein he appears to be discussing his position on issues as well as his moral qualifications to be a federal candidate (Attachment I). Having concluded that "a person who doesn't have basic unchangeable convictions and values shouldn't be a candidate for <u>any</u> office," (emphasis in original) Bob Williams relates his possession of "basic convictions that will not change in my bid for Congress," including his "firm belief that all innocent life must be protected regardless of age -- from pre-born to the elderly." Attachment I, p. 7. Warning that many things will be said about him in the coming months, Williams continues: "I will campaign in an honest and straightforward manner as I always have. Creating jobs, lowering taxes, strengthening the criminal justice system, cutting government waste ... these have been my hallmarks and my primary focus will continue to be what unites us ... not what divides us. (ellipses in original)" <u>Id</u>.

A second article written by Mr. Williams, this one a "Note from Bob Williams" column, appeared in the March 1990 edition of

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the newsletter (Attachment III). In this article Mr. Williams updates the reader on the progress of both his campaign's activities and Washington '92's activities. Mr. Williams refers to his congressional campaign and recounts recent campaign meetings and appearances with Republican Party leaders.[6] The article then emphasizes the need for "good people who will help us organize at the grassroots level, getting my message out and raising money. Those are the same basic ingredients that go into any successful campaign and it's what Washington '92 is all about." (emphasis original). Attachment III, p. 2. Apparently addressing readers' concerns regarding contributions, Mr. Williams writes of the needs of both the State Committee and the Congressional Campaign, i.e. the Federal Committee, in furtherance of their respective projects concluding that the choice of to whom to contribute "is really up to you because we know you can't contribute to every cause or every person." Upon reiterating the need to support the State Committee Mr. Williams continues: "if your budget allows, my Congressional Campaign certainly needs all the help it can get too." Id.

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6. The full paragraph reads as follows:

> And of course, you know I am running for Congress so our days have been full. I had the recent opportunity of meeting with President and Mrs. Bush and Vice President and Mrs. Quayle concerning my Congressional Campaign. Congressmen Guy Vander Jagt and Bob Dornan also spent some time with me and members of my campaign team in February. Former Congressman Bo Calloway spent two days in the district at month's end. Quite a great entourage of some of our nation's best leaders! I felt honored to listen to their words of wisdom.

Attachment III, p. 2.

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A third reference to Mr. Williams can be found in the February 1990 edition of the newsletter (Attachment II). The issue featured a calendar of events for Mr. Williams' local appearances entitled "Bob's Calendar." Scheduled were numerous events between the months of February and March 1990, including certain Lincoln Day appearances. See Attachment II, p. 2.

Upon reviewing the articles, it becomes evident that the newsletter serves to promote the candidacy of Bob Williams by providing a medium for dissemination of not only the candidate's messages but also his appeals for both financial and political support. The January 1990 article is clearly an effort on the part of the candidate to generate support for his congressional race, and to inform voters of what they may expect from him on the issues as both a candidate and elected official. Likewise, the March 1990 article promotes Mr. Williams as a candidate, and solicits organizational support as well as contributions for the congressional campaign. The fact that the contribution solicitation was not solely for the Williams campaign but also for the State Committee in no way mitigates the nature of the activity. Further, the calendar of events serves no purpose other than to advertise Mr. Williams' appearances in connection with his campaign. Thus, the communications serve to influence a federal election by promoting Bob Williams for federal office.

As noted earlier, Washington '92 produced additional 1990 newsletters besides those included with the complaint. The May newsletter again refers to Mr. Williams' congressional campaign, in the fundraising article at the back of the newsletter: "As

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you know, WASHINGTON '92 President Bob Williams and Executive Director Lynn Harsh are currently on 'leave of absence' of sorts making certain Bob is Washington's next new Congressman. But WASHINGTON '92 continues to pursue its short-term agenda and long-range goals with their supervision." Attachment V, p. 7. In a vigorous solicitation of funds for Washington '92, the article goes on to state:

> I realize many of you are also contributing to Bob's campaign. Sometimes, it's hard to determine where limited resources should be placed. But believe me, Bob could have closed these doors and asked each of you to give every cent toward his Congressional Campaign. He could have, but he didn't... because his heart is in making sure solid, common-sense citizens all across our state get elected to statewide office.

Id. at 8. The newsletter dated July/August 1990 (the last issue provided), contains a front page "Note from Bob" discussing his campaign and exhorting the reader to vote in the upcoming primary election. The article laments the modern means necessary "to elect us to public office;" cites named local fairs and parades which "keep candidates like me, sane;" praises the people the candidate has met at such events; and concludes "Remember to vote on September 18th." Attachment VII, pp. 1 and 5.[7]

The remaining two issues, for April and June 1990, do not appear to contain explicit references to the candidate's

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7. The fundraising portion of this newsletter is signed by Bob Williams, Lynn Harsh, and John Wright. It states in part: "Summer months are always difficult to weather, financially speaking. And of course, most of us have our eyes and our wallets fastened on someone's upcoming campaign." Attachment VII, p. 6.

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campaign, but both have articles by Bob Williams about issues that became visible subjects of his campaign. The April newsletter contains an article discussing the "spotted owl" controversy, i.e. a recommendation that northwest lumber harvests be curtailed to preserve the habitat of the spotted owl. This article concludes "I want to be an advocate for jobs. I believe we need to balance our environmental needs with people needs." Attachment IV, p. 5. The June Washington '92 newsletter contains an article by the candidate starting on the front page entitled "Franking privileges in full swing." This article points out that "Congress quickly passed, and our Congresswoman voted for, an additional $25 million for their mail...," and attacks the frank and other "Congressional perks" as "a virtual re-election political machine." Attachment VI, pp. 1 and 6. Newspaper articles in the summer of 1990 show that both these subjects were addressed by Mr. Williams as part of his campaign.[8]

As noted in the complaint, the conclusion that these newsletters served to promote the election of Mr. Williams is

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8. In May and June of 1990, the Seattle Times reported that Mr. Williams repeatedly raised the spotted owl subject as a campaign issue. E.g., "Proposed Logging Bans Assailed by Williams," Seattle Times, 5/12/90, page A9; "State GOP Stops Short Asking for Abortion Ban," Seattle Times, 6/17/90, page B1. Moreover, according to an August 12, 1990 Op-Ed piece, "[w]hill campaigning across Southwest Washington's 3rd Congressional District, Republican Bob Williams is, among other things, urging reform of Congress' habit of spending millions of dollars on self-serving mailings sent by members of Congress to the folks back home. Nothing much new there. It's basic campaign grist for almost any challenger running against an incumbent." Seattle Times, 8/12/90, page A18.

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buttressed by the Commission's reasoning in AO 1990-5. This opinion concerned a candidate who sought to continue publication, during the election, of a newsletter both founded and financed by her. The contents of the publication were to be limited to state and local issues during the election period. The Commission opined that a contribution would result to the campaign from the publication of the newsletter if: direct or indirect reference is made to the candidacy, campaign or qualifications for public office of the candidate or the candidate's opponent; articles or editorials are published referring to the candidate's views on public policy issues raised in the campaign, whether written by the candidate or anyone else; or distribution of the publication is expanded significantly in any manner suggesting its utilization as a campaign communication.

In reaching this conclusion, the Commission noted its past determinations that activity of this nature would result in a contribution if the activity involved the solicitation, making or accepting of contributions to the candidate's campaign or communications expressly advocating the nomination, election or defeat of any candidate.[9] Quoting AO 1988-22, the Commission further noted the "presumption that the financing of a communication to the general public, not within the 'press exemption,' that discusses or mentions a candidate in an

9. The Commission noted its past indications that the absence of these two factors would not preclude a determination that the activity is campaign related.

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election-related context and is undertaken in coordination with the candidate or his campaign is 'for the purpose of influencing a federal election.'"[10] AO 1990-5, 2 Fed. Election Camp. Fin. Guide [CCH] ¶ 5982, at p. 11,612. See also AO 1983-12. The Commission also determined that where the candidate is significantly involved in the newsletter the costs will not be allocable, rendering the amount of the contribution the total cost for publication of the edition. AO 1990-5 at 7.

Like the candidate in the opinion, Bob Williams both formed and controls the publication of the newsletter. In several issues, the articles clearly identify the candidate, discuss both the candidate's qualifications for office and his views on issues raised in the campaign, lists the candidate's schedule of appearances, and solicit contributions and other assistance. In summary, the articles are clearly both election related and made in coordination with the candidate and his campaign. Thus, consistent with the Commission's reasoning in AO 1990-5 and prior related AO's, it may be determined that the State Committee has acted to influence a federal election.

In its response the State Committee notes making a $475 "in-kind contribution" to the Federal Committee. According to the Federal Committee's reports, this involved the provision of phone and copying services to the Federal Committee on March 25,

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10. The press exemption is inapplicable to any periodical publication owned or controlled by any political party, political committee, or candidate. See 2 U.S.C. § 431(9)(B)(i). Hence, the exemption is inapplicable in this case as it appears that both Bob Williams and the Federal Committee exercise control over the publication.

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1990. This expenditure on behalf of the Federal Committee is aggregable towards the Act's $1,000 threshold for triggering political committee status. Consequently, as the costs associated with the publication of the newsletters, when combined with the State Committee's prior $475 expenditure, may be in excess of $1,000, the State Committee may have triggered political committee status under the Act. See 2 U.S.C. § 431(4)(A).

The State Committee in its response contends that it has not violated the Act, denying all allegations that its activities as regards the newsletter involved the "express advocacy" of Bob Williams' candidacy. Instead, the State Committee argues that those articles served simply to address the needs and concerns of its supporters. Referencing the several articles mentioned in the complaint, the response makes several points in support of this contention. In reference to the article that appeared in the January 1990 issue of the newsletter the response asserts that it was not expressly advocating Bob Williams' candidacy, but rather, simply addressing supporters' voiced concerns regarding any possible impact that Mr. Williams' potential bid for Congress may have on his convictions.

Likewise, the article appearing in the March 1990 issue was said to be a response to confusion on the part of subscribers as to where to send their donations to support Bob Williams'

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potential bid for Congress.[11] Supporters were mistakenly sending contributions meant for the candidate to the State Committee. Upon finding such errors, the State Committee forwarded those clearly identified contributions to the Federal Committee.[12] Thus, the response contends, the article served to simply clarify the confusion by making it clear that there were in fact two separate organizations and did not serve as a solicitation for contributions to the federal campaign.

Regarding "Bob's Calendar" which appeared in the February 1990 issue, the response contends that it was only attempting to inform Washington '92 supporters of when Mr. Williams was going to make appearances in their geographic areas. These appearances included official Republican events scheduled prior to Bob Williams becoming a candidate and state-wide Lincoln Day events as had been scheduled in the previous year. The response concedes, however, that though the events were scheduled statewide, Bob Williams curtailed his appearances to only those events within his Congressional District. The response cites the increase in momentum regarding Mr. Williams' forthcoming

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11. The response asserts that the January and February articles appeared prior to Mr. Williams' formal announcement of candidacy, while he was still "testing the waters." The Federal Committee's disclosure reports contradict this assertion, evidencing that Mr. Williams triggered candidate status in January of 1990 and filed a statement of candidacy on January 26, 1990.

12. The State Committee notes that any contributions which were earmarked for the Candidate were never deposited in its accounts, but forwarded to the Candidate, and any contributions deposited but later found to be intended for the Candidate were refunded to the contributor.

declaration of candidacy as the cause for the candidate's failure to attend all the scheduled appearances.[13] The response lastly states that the State Committee did not do any fundraising on behalf of the forthcoming Federal Committee.

The State Committee's arguments are not persuasive. While the response offers alternative purposes for the inclusion of the articles at issue, it fails to demonstrate that the articles were not for the purpose of influencing a federal election. Furthermore, the response's arguments seem to be premised on the assumption that express advocacy of the candidate is a requisite to the Act's application. While express advocacy does appear to be an applicable standard in determining when an independent expenditure by a corporation or labor union is prohibited by the Act, see FEC V. Massachusetts Citizens for Life, Inc., 479 U.S. 238, 249 (1986)("[A]n expenditure must constitute 'express advocacy' in order to be subject to the prohibition of § 441b."),[14] the Act defines a political committee as any group of persons making contributions or expenditures aggregating in

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13. Referring to the last page of the complaint's evidence section (a schedule of statewide meetings concerning state economic and political issues sponsored by state business associations) and noting that it is nowhere mentioned in the body of the complaint, the response assumes that it is included as evidence of the State Committee's scheduling of campaign stops for the candidate. In response to this assumed allegation, the response notes that these meetings were unrelated to Mr. Williams' campaign and that Mr. Williams did not attend any of them. It is presently unclear why this piece of evidence was included with the complaint.

14. Recently the Supreme Court denied the Commission's petition for a writ of certiorari to review this portion of the MCFL decision in FEC v. Faucher, 928 F.2d 468 (1st Cir. 1991).

excess of $1,000 "for the purpose of influencing a federal election." (Emphasis added) 2 U.S.C. § 431(4)(A), (8)(A)(i). Moreover, activities coordinated with the candidate are generally for the purpose of influencing a federal election. See Buckley v. Valeo, 424 U.S. 1 (1976)(Expenditures of a candidate or a political committee controlled by a candidate are, by definition, campaign related). The above statutory language in conjunction with the Commission's reasoning in AOs 1990-5, 1988-22, and 1983-12, and the Supreme Court's opinion in Buckley demonstrates that public communications undertaken in coordination with a candidate or his campaign which mention the candidate in an election-related context are sufficient to invoke the Act, regardless of whether they contain express advocacy of the candidate, as they are for the purpose of influencing federal elections.

As the preceding discussion demonstrates, the State Committee's activities served to influence a federal election. As such, the State Committee may have triggered political committee status subjecting it to all applicable limitations and reporting requirements under the Act. It has not, however, registered or filed reports of receipts and disbursements with the Commission. Accordingly, there is reason to believe the State Committee and its treasurer violated 2 U.S.C. §§ 433(a)

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and 434(a).[15]

The complaint further alleges that the State Committee has violated the Act by surpassing Section 441a(a)(1)(A)'s $1,000 limitation on contributions to a candidate's political committee, rendering the contributions excessive. This allegation is based on the presumption that the two Committees are not affiliated for purposes of the Act. As an affiliated committee, however, transactions between the State Committee and the Federal Committee are not restricted by the Act's contribution limitations. 11 C.F.R. § 110.3(c)(1). Accordingly, there is no reason to believe the State Committee and its treasurer violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the affiliated Federal Committee.

The complaint next notes that the State Committee accepted corporate contributions subsequent to having triggered federal political committee status, in violation of the Act. Records substantiate this assertion. Specifically, schedules provided by the State Committee disclose the receipt of over one thousand dollars in corporate contributions between January and March 1990, a period during which the State Committee was engaged in

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15. The Act provides that candidates may designate authorized committees in addition to their principal campaign committees, 2 U.S.C. § 432(e)(1), and that such designations shall be in writing and filed with the principal campaign committee. Id.; see also 2 U.S.C. § 431(6). Because the Commission has previously interpreted these provisions to preclude a finding that a committee is an authorized committee absent a written designation by the candidate, it appears the State Committee is a political committee affiliated with Bob Williams for Congress, but is not an authorized committee for Mr. Williams' congressional campaign.

federal electioneering. Thus, there is reason to believe the State Committee and its treasurer violated 2 U.S.C. § 441b.

Affiliated committees share a common contribution limit. See MUR 2132. While most political committees may receive contributions of up to $5,000, principal campaign committees of a candidate are, however, precluded from receiving contributions in excess of $1,000. Consequently, the two committees must share the lower, $1,000, contribution limit.[16] The unchallenged allegation is that the two committees have common contributors and, therefore, the State Committee may have accepted individual contributions in excess of the Act's $1,000 limit on contributions to affiliated political committees. Therefore, there is reason to believe the State Committee and its treasurer violated 2 U.S.C. § 441a(f).

In addition, the complaint alleges that the State Committee is in further violation of the Act as a result of its failure to provide for an adequate disclaimer as accompaniment to the communications. Pursuant to Section 441d of the Act, a disclaimer must be provided with any communication which expressly advocates the election or defeat of a clearly identified candidate or solicits contributions from the general public. For such communications, the required disclaimer must

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16. This conclusion is buttressed by section 110.1(h) of the Regulations, which provides that persons may not contribute to a candidate's campaign committee with respect to a particular election and also to another political committee which supports that candidate if they give with the knowledge that a substantial portion of their donation to the latter committee will be expended on behalf of the candidate.

identify the person or persons who paid for the communication and state whether the communication is authorized by any candidate or candidate's committee. 2 U.S.C. § 441d(a); see 11 C.F.R. § 110.11(a)(1).[17] To be "express advocacy" under the Act, speech must, when read as a whole and with limited reference to external events, be susceptible of no other reasonable interpretation than as an exhortation to vote for or against a specific candidate. FEC v. Furgatch, 807 F.2d 857 (9th Cir.), cert. denied, 484 U.S. 850 (1987).

There is no question that the articles at issue clearly identify the candidate as they refer to Mr. Williams by name. See 2 U.S.C. § 431(18)(A). Additionally, irrespective of the State Committee's arguments, it does appear that some of the newsletters either expressly advocated Mr. Williams' election or solicited contributions to his congressional campaign and were, consequently, required to contain disclaimers containing authorizations statements.[18]

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17. Under section 110.11(a)(1)(iv)(A) of the regulations, solicitations on behalf of an unauthorized committee must identify who paid for the communication but need not include an authorization statement. In this matter, however, the solicitation complained of was for contributions to a candidate rather than to an unauthorized committee. Therefore, a full disclaimer under section 441d(a) would be required.

18. The Office of the General Counsel determined that the January, March, May, and July/August editions of the newsletter contained express advocacy of Mr. Williams' election or solicitation of contributions to his campaign, while the February, April, and June editions did not.

A majority of the Commission agreed that the articles appearing in the March and July/August editions of the newsletter contained express advocacy of Mr. Williams' election or solicitations to his campaign and the articles appearing in the February, April, and June editions did not. The Commission,

While the accompanying disclaimers did state that the communications were "Paid for by Washington '92", i.e. the State Committee, they failed to state whether the communications were authorized by any candidate or candidate's committee. For this reason, there is reason to believe the State Committee and its treasurer violated 2 U.S.C. § 441d.

2. Liability of The Federal Committee

The complaint alleges that the Federal Committee accepted excessive contributions as the costs associated with the publication of the articles at issue exceed the Act's limitations. See 2 U.S.C. § 441a(a)(1)(A). The complaint also alleges that the Federal Committee failed to report these in-kind contributions as required under Section 434(b).

Bob Williams for Congress in its response also denies that the activities engaged in by the State Committee served to advocate Bob Williams' candidacy. Focusing on the allegations advanced in the complaint, the response categorically denies having violated the Act. The response, however, fails to address the legal and factual issues arising from the allegations, noting in a conclusive manner instead that it is in full compliance with the Act. As with the allegations involving the State Committee, these present allegations are premised upon the assumption that the two committees are not affiliated. As

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(Footnote 18 continued from previous page)
however, could not reach agreement that the articles appearing in the January and May editions contained express advocacy or a solicitation. For discussion of the contents of the articles at issue, see pages 10-14, supra.

previously discussed, its appears that the two committees are affiliated. Consequently, irrespective of the complaint's assertion, amounts spent on behalf of the Federal Committee by the State Committee are not subject to limitation under the Act. Therefore, there is no reason to believe the Federal Committee and its treasurer violated 2 U.S.C. § 441a(f) by accepting excessive in-kind contributions from the State Committee.

The Federal Committee, however, while able to accept unlimited in-kind spending by the State Committee, must still designate the State Committee as an affiliated committee in its statement of organization. 2 U.S.C. § 433(b)(2); 11 C.F.R. § 102.2(b)(1)(i). There is no indication that the Federal Committee has complied with this requirement. Accordingly, there is reason to believe the Federal Committee and its treasurer violated 2 U.S.C. § 433(b). Notwithstanding the complaint's assertion, it does not appear that the Federal Committee was required to report and itemize the receipt, in-kind, of the amounts spent on its behalf by its affiliate, the State Committee.[19] Accordingly, there is no reason to believe the Federal Committee and its treasurer violated 2 U.S.C. § 434(b).

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19. The Act requires political committees to disclose and itemize transfers from affiliated committees, 2 U.S.C. § 434(b)(2)(F) and 434(b)(3)(D), but as discussed above, the amounts involved were spent on behalf of the Federal Committee and not directly transferred to it. Further, 2 U.S.C. § 434(b)(2) and 434(b)(3)(B) provide for the reporting of contributions from political committees, including all in-kind contributions, 11 C.F.R. § 104.13(a), but these reporting provisions do not appear to apply to transactions between affiliated committees.

The complaint also alleges that impermissible funds have been used in connection with Bob Williams' federal campaign, because the State Committee's federal activities were financed by such contributions. As just discussed, it appears that the Federal Committee need not acknowledge receipt of amounts spent on its behalf by an affiliated committee. Accordingly, though the State Committee may have violated the Act by acceptance of prohibited or excessive funds, there is no reason to believe the Federal Committee violated 2 U.S.C. §§ 441a(f) or 441b by indirectly accepting impermissible funds through the State Committee's spending on its behalf.

The complaint further alleges that dual contributions to the two committees from a like source are aggregable towards the Federal Committee's contribution limit. As an affiliated committee, contributions to the State Committee from contributors common to both committees are aggregable towards a single contribution limit. See 11 C.F.R. § 110.3(a)(1). As previously discussed, the unchallenged allegation is that the two committees have common contributors. Therefore, there is reason to believe the Federal Committee and its treasurer violated 2 U.S.C. 441a(f) by accepting contributions which are excessive in the aggregate.

3. Liability of The Candidate

The complaint alleges that Bob Williams, the candidate, violated the Act by accepting excessive contributions on behalf of the Federal Committee and failing to report the same and by using corporate contributions for expenses in connection with

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the Federal Committee. Because the two committees are affiliated, Mr. Williams could have accepted no excessive contributions from the State Committee. Moreover, the complaint provides no basis from which to conclude that Mr. Williams was responsible for the Federal Committee's reporting obligations, even if the Federal Committee were obliged to report these transactions. Finally, there is no indication that Bob Williams was directly involved in the Federal Committee's acceptance of excessive aggregate contributions or that he used corporate contributions in connection with the Federal Committee's expenses. Accordingly, there is no reason to believe Bob Williams violated 2 U.S.C. §§ 441a(f), 434(b), and 441b.

C. Conclusion

In conclusion, the activities engaged in by the State Committee in connection with the publication of its newsletter are within the Commission's jurisdiction. Therefore, on the basis of the available information and pursuant to the preceding discussion, there is reason to believe the State Committee and Arthur Wuerth, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a), 441a(f), 441b, and 441d. There is, however, no reason to believe the State Committee and Arthur Wuerth, as treasurer, violated 2 U.S.C. § 441a(a) by making excessive in-kind contributions.

There is also reason to believe the Federal Committee and William B. Pilkey. as treasurer, violated 2 U.S.C. §§ 433(b) and 441a(f). There is, however, no reason to believe the Federal Committee and William B. Pilkey, as treasurer, violated 2 U.S.C.

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§ 434(b), § 441b or § 441a(f) in connection with amounts spent on its behalf by the State Committee.

There is lastly no reason to believe Bob Williams violated 2 U.S.C. §§ 434(b), 441a(f) or 441b.

Attachments

I. January 1990 issue of newsletter
II. February 1990 issue of newsletter
III. March 1990 issue of newsletter
IV. April 1990 issue of newsletter
V. May 1990 issue of newsletter
VI. June 1990 issue of newsletter
VII. July/August 1990 issue of newsletter

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ObC 3957

**BOB WILLIAMS** for Congress

P.O. Box 552, Olympia, WA 98507

December 23, 1991

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 JAN -3 AM 10: 39

Federal Elections Commission
Washington, D.C. 20403

Gentlemen:

Re: MUR 3134
Bob Williams for Congress
& William B. Pilkey,
Treasurer

On December 17, I received your letter regarding your October 29 decision.

I read the complete file several times and am not sure what questions you want me to answer.

I am not an attorney -- just a volunteer who helped Bob Williams on his campaign.

I can tell you that the Bob Williams for Congress Committee did not accept corporate contributions and any excessive contributions were communicated to you and were refunded. We fully reported all our in-kind contributions.

Washington '92 at no time was affiliated with the Bob Williams for Congress Committee.

What points do you want me to respond to?

Sincerely,

William B. Pilkey

William B. Pilkey,
Treasurer

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
92 JAN -3 AM 9: 57

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Olympia Campaign Headquarters • (206) 352-0233

Paid for by BOB WILLIAMS for Congress

# WASHINGTON '92

December 23, 1991

RECEIVED
FEDERAL ELECTION COMMISSION
92 JAN 13 AM 10: 19

Federal Elections Commission
Washington, D.C. 20463

Gentlemen:

Re: MUR 3134
Washington '92
Arthur Wuerth,
Treasurer

On December 16th, I received your letter regarding your October 29th decision.

Please send me a copy of 2 USC 433(a), 434(a), 441(a), 441(b) and 441(d) so I can determine what to respond to.

Washington '92 is not and has never been a federal committee and is not and has never been in a federal campaign.

We have fully complied with all the requirements of the Washington State Public Disclosure Commission and have complied with both the spirit and intent of the law. Please state the law that gives the FEC jurisdiction over a state committee that was not involved in Federal Elections.

You are incorrect in trying to link Washington '92 to the Bob Williams for Congress Committee.

It appears that most of your arguments are based upon the false assumption that Washington '92 was organized to support the ongoing political activities of Bob Williams. It wasn't.

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 JAN 14 AM 11: 23

Washington '92 was organized with a specific four-year mission. In our organizing document, written in December of 1988, the following goals were listed:

**WASHINGTON '92 GOALS**

* To elect a common-sense Governor in 1992.

* To assist in obtaining a common-sense majority in the State House of Representatives by 1992.

P.O. Box 7704, Olympia, WA 98507 • Olympia Office (206) 352-1842

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* To assist in electing at least 10 new common-sense State House members in 1990.

* To assist in electing common-sense county and city officials and schools board members in 13 high-priority target areas.

* To stop negative or damaging legislation while advancing positive responsible agendas for the following issue areas:
  Law Enforcement . . . Families . . . Education
  Taxes/Government Spending . . . Jobs.

**TIMELINE**

1989: Assist in County, City & School Board races in 13 target areas.
Assist in retaining King County Exec.

1990: Assist in winning 10 State House seats.
Help protect and advance State Senate majority.

1991: Preparation for election of new Governor.
Assist in County, City & School Board races in 13 target areas.

1992: Election of new Governor.
Assist in winning a majority in the State House of Representatives.
Help protect and advance State Senate Majority.

Advancing positive issues agendas while combatting negative agendas.

**NOTE: There is nothing in these objectives regarding Bob Williams.**

As soon as I receive a copy of the laws you are referring to, I will draft a response.

Please understand that I am a volunteer Treasurer for Washington '92 and my full-time job is in South Bend, WA -- 71 miles from Washington '92. Therefore, I will need 30 days to prepare any response as I am only able to work on this during weekend time.

Sincerely,

Arthur Wuerth

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 16, 1992

Arthur Wuerth, Treasurer
Washington '92
P.O. Box 7704
Olympia, WA 98507

RE: MUR 3134
Washington '92 and
Arthur Wuerth, as treasurer

Dear Mr. Wuerth:

This is in response to your letter dated December 23, 1991, which we received on January 13, 1992. Enclosed is a compilation of federal campaign finance laws including the provisions referred to in the Factual & Legal Analysis in this matter. Your letter also requsted an extension of 30 days to respond to the Commission's questions and document requests. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on January 30, 1992.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Jose M. Rodriguez (pc)
Jose M. Rodriguez
Attorney

Enclosure

93040981713

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 31, 1992

William B. Pilkey, Treasurer
Bob Williams for Congress
7223 - 20th Ave. SE
Olympia, WA 98503

RE: MUR 3134
Bob Williams for Congress
and William B. Pilkey, as
treasurer

Dear Mr. Pilkey:

This is in response to your letter dated December 23, 1991, which we received on January 3, 1992. Presently, you and the committee have the opportunity to respond to the factual and legal findings contained in the factual and legal analysis provided you with the reason to believe notification. Please note that there is no requirement that you so respond. Rather, you are being provided an opportunity to demonstrate that no action should be taken against the committee and you, as treasurer.

To facilitate future communications, please provide this Office with a telephone number at which you can be reached during regular business hours.

Should you have any further questions, please contact me at (202) 219-3690.

Sincerely

Jose M. Rodriguez
Attorney

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OGC 4308

# WASHINGTON '92

92 FEB -4 PM 4:15
RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

January 29, 1992

Mr. John Warren McGarry, Chairman
Federal Election Commission
Washington, D.C. 20763

RE: MUR 3134
Bob Williams

Dear Mr. McGarry,

In December, I received notification that the FEC had closed the file on the false allegations against me. I was happy that the FEC, had seen through these false charges.

But shortly thereafter, I found that one of your staff was still pursuing the false charges against Washington '92 and the Bob Williams for Congress Committee. Your staff did not send me a copy of these documents.

As I read the staff analysis by Jose Rodriguez I became distressed to see that an office of the U.S. Government could generate such and unconstitutional analysis.

The FEC has violated the Constitution, particularly the Bill of Rights. False charges have been made against individuals - (Arthur Wuerth and Bill Pilkey) without forwarding a copy of the applicable laws. Your staff refused to answer our questions during the past 14 months and then submitted a document full of legal language and demanded a reply in 14 days!

Arthur Wuerth is a volunteer treasurer from Washington '92. He works 71 miles from our office and can only look at records on the weekend.

Additionally, FEC lacks jurisdiction over Mr. Wuerth. Washington '92 was not a candidate committee and was not involved in any Federal elections.

Both Democrats and Republicans from Washington State laughed at these charges when they were leveled. Everyone recognized it for what it was -- an attempt to slow down my campaign momentum and to divert attention away from my opponents switch on a major issue. Her switch on this issue took place one day after the press conference on these false allegations.

Washington '92 was well recognized as a Washington State grassroots organization and was never viewed by its supporters or even by the media as a candidate committee.

If I am innocent -- which I am -- and if the FEC has agreed and closed its file on me, than Arthur Wuerth and Bill Pilkey must also be innocent.

If Washington '92 was not a candidate committee -- which it wasn't -- and if it was not involved in federal election -- which it wasn't -- than you have no jurisdiction over it.

I am disturbed that we twice received advice from your staff which we followed -- in which we were told that Washington '92 was not under FEC jurisdiction. Now your counsel appears to overlook this advice. If we cannot trust your staffs advice where do we turn to get FEC information.

I am respectfully requesting the Commission close the file on the entire allegation.

Cordially,

Bob Williams

Bob Williams

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P.O. Box 7704, Olympia, WA 98507 • Olympia Office (206) 352-1842

# WASHINGTON '92

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 FEB -4 PM 4:25

January 29, 1992

Mr. John Warren McGarry, Chairman
Federal Election Commission
Washington, D.C. 20463

RE: MUR 3154
Washington, '92
Lynn Harsh
Consultant

Dear Mr. McGarry,

Thank you for sending me the federal laws referred to in your December 12 letter.

I am answering for Arthur Wuerth since he was not and is not involved in the policy decisions of Washington '92.

After examining the law, I believe your staff has make a serious mistake. I am not an attorney and I have had a difficult time understanding the incorrect assumptions and conclusions made by Mr. Jose Rodriguez. He appears to have drawn conclusions from those false assumptions. His conclusion is based upon unsupported allegations.

The law is clear. Washington '92 has not violated the federal law and is not a federal committee. The FEC lacks jurisdiction over Washington '92. We are a state committee only and are governed by the state law in Washington.

Summary of applicable laws

1) 2 USC 433(a) Does not apply to Washington '92. Washington '92 was not an authorized campaign committee under 2 USC 433(a). Washington '92 is a state committee not a federal committee and is governed by the Washington State Public Disclosure laws. It is not a candidate committee. Washington '92 has complied with the spirit and intent of the state PDC laws.

Nothing in 2 USC 433(A) applies to Washington '92.

2) 2 USC 434(a) Does not apply to Washington '92. Washington '92 had nothing to do with a federal election.

3) 2 USC 441a(f) Washington '92 is not a federal committee and therefore 2 USC 441a(f) does not apply. We have fully complied with the Washington State PDC laws.

4) Section 4416 does not apply. Washington '92 was not involved in a federal election. In addition the corporate contributions which we received were especially earmarked for the state initiatives that Washington '92 was working on. They are fully explained in the newsletter.

5) Section 441d does not apply. Washington '92 made no "expenditure for the purpose of financing communication expressly advocating the election or defeat of a clearly identified candidate."

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We have always attempted to comply with the spirit and intent of the Washington State laws.

When these allegations first surfaced in our state, no one took them seriously because the Unsoeld campaign (Bob's opponent) was in serious trouble. One of the attorneys pressing the charges was from the National Democratic Congressional Committee. The media guessed that Unsoeld needed a diversion since the day after these false charges were leveled, she switched her position on gun control.

The charges were so outrageous - even to the media - that no major news outlet reported it!

You might also note, that our volunteer-oriented state grassroots organization was $8,580 in debt (Jan. 1990) making a jump into a Congressional race illogical.

It appears to me that your staff has violated 437g.

Neither Arthur Wuerth or any staff member of Washington '92 were notified prior to your vote on October 29 as the law provides in 437g(1). We were not even given a copy of the law upon which these false charges are based until January 21, 1992!!

Washington '92 responded to this complaint in a timely manner and we heard nothing back from the FEC for 14 months! We made several calls to staff to see if they needed additional information, but we were never given any information on the case.

Washington '92 staff called the FEC twice to make sure what they were doing was not even in perceived violation and were twice told by your staff that our activities were not subject to FEC laws! Your council appears to have ignored that critical fact. If truth and intentions are worth anything, we are telling the truth and we did all we could to comply with the intention of the FEC laws.

In regard to the specific question on page 4;

1. The following individuals participated in writing newsletters during the period of November 1, 1989 to December 1, 1990:

Lynn Harsh - writer and editor
Bob Williams - writer
John Wright - typist, maintained mailing list
Rich Frias - writer

The newsletter was printed by Capitol City Press until May 1990 and by Teen Aid from June 1990 to the present time.

2. During the period of November 1, 1989 to December 1, 1990, 11 issues were published, 1989: Nov., Dec.; 1990: Jan., Feb., March, April, May, June, July, Aug., Sept./Nov., and Dec. Note; Sept./Nov., and Dec. were after the election. Nov. and Dec. 1989 were before Bob formed an exploratory committee. **The only issues published while Bob was an actual candidate were April, May, June, July/Aug. -- 4 issues.**

3. Newsletters were mailed to our statewide list; between 1400 - 1500 per month.

4. The newsletter was mailed to members of Washington '92 statewide. At times copies were given to legislators. Washington '92 is the owner of the list.

5. Washington '92 is a small organization and we do not maintain the cost detail you requested. Most of the work on the newsletter is by volunteers. The newsletter as you can see from the enclosed editions did not relate to Bob Williams' campaign for Congress.

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6. We have no way to determine how much money came in from the newsletter. People join Washington '92 and receive a newsletter. We can tell you that we didn't get enough income to cover our expenses and were not able to pay all our bills.

7. We have no rough drafts or proofs of the newsletter. We do it all "in-house" on a computer. It would take an extraordinary amount of time to search for the records you requested. We ask for your reconsideration.

8. The only other letter we can find in our file is a January 19, 1990 fundraising letter. The letter again shows intent of Washington '92 and it was not about federal elections.

9. Lynn Harsh, Bob Williams, and John Wright drafted responses. Arthur Wuerth is a volunteer treasurer and only does the PDC report for Washington '92.

Summary -

What appears to be missing in the staff analysis is the Constitutional right of free press which Washington '92 exercised in good faith. The intent was to fully comply with the spirit and intent of the PDC laws.

The Washington State Constitution guarantees free press. The material printed is not outside the right guaranteed by the U.S. and Washington State Constitutions.

When Bob decided to run, Washington '92 called the FEC to see how to proceed because Washington '92's mission did not change when Bob became a candidate. The intent was to fully comply with the FEC and PDC.

We acted in good faith based on what we were told by your own staff. The FEC staff never mentioned the advisory opinion quoted in your December 14, factual and legal analysis. How were we supposed to know about this?

Rebuttal of staff analysis

1. False conclusion (page 5)

"Although not structured under state law as a candidate committee, the State Committee was organized to support the ongoing political activities of Bob Williams". That is a incorrect statement by staff that has no factual basis.

Washington '92 was not structured to support the ongoing political activities of Bob Williams. The committee was structured in 1989 with the following goals:

- To assist in electing at least 10 new common-sense State House members in 1990.
- To assist in obtaining a common-sense majority in the State House of Representatives by 1992.
- To assist in retaining and advancing control of the State Senate in 1990 and 1992.
- To elect a common-sense Governor in 1992.
- To assist in electing common-sense county and city officials and school board members in 13 high-priority target areas.
- To stop negative or damaging legislation while advancing positive, responsible agendas for the following areas:
  - Law Enforcement
  - Families
  - Education
  - Taxes/Government Spending
  - Jobs.

**Nothing in these goals refers to Bob Williams.**

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2. Incomplete conclusion (page 5)

"The State Committee distributed a monthly newsletter to its supporters in 1990. Washington '92 distributed a monthly newsletter not only in 1990, but also in 1989 and 1991. The newsletter focus was and is on articles that relate to the goals of Washington '92, not federal elections.

3. Washington '92's overriding function was not primarily to promote Bob Williams. Even a casual review of the newsletters, shows clear evidence that promoting Bob's campaign was not the purpose of Washington '92. Thus your staff's conclusion is invalid and Washington '92 and Bob Williams for Congress are not related.

4. On page 6 your staff states a review of the complaints uncontested factual allegation support this conclusion. What "factual allegation". The allegations were not factual and are not supported by evidence.

**For 17 months prior to Bob's Congressional Campaign, Washington '92 published a statewide newsletter. Twelve months after the campaign was over we continue to publish our newsletter. It is apparent, Bob's previous Congressional Campaign has little to do with Washington '92!**

3. False Conclusion (page 6)

1) "A candidate's state campaign committee and his federal principle campaign committee are considered to be affiliated." Washington '92 was not Bob's state campaign committee. You can verify that with the PDC. Further, FEC has already closed the file on Bob Williams and found the charges false. If the charges against Bob were false, (which they are) they are also false regarding Arthur Wuerth. He had nothing to do with the newsletters!

There is no factual basis to the statement on page 6. "Thus, state committee's overriding function of promoting the candidate evidence that the two committees are controlled by Mr. Williams".

What is the basis for staff's inaccurate statements? A casual review of the newsletter will show this to be totally incorrect. The FEC has already found no case against Mr. Williams.

4. Page 8

Once again staff makes the same error and falsely states that Washington '92's self-described purpose is to provide a vehicle for continued support of Bob. This is not true. Every issue of the newsletter published the goals of Washington '92.

Note: The Footnote on Page 5 is correct and staff overlooked it. Washington '92 by fact and in practice did everything it could to draw a line between the two organizations.

5. Page 9, Liability of the State Committee

The fact that Bob Williams was a candidate for Congress does not prevent him from writing a column in an unrelated newsletter. Furthermore, the First Amendment guarantees Mr. Williams freedom of speech. The Washington '92 newsletter did not promote the candidacy of Bob Williams.

There is no FEC requirement for a non-related state committee to make any disclosure to the FEC. Your staff confirmed this -- see note 5 on page 8. Washington '92 did not accept excessive contributions.

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The January, February and March 1990 issues were presented and distributed before Bob Williams was even a candidate. Bob officially declared on March 28,1990. The article in the January, February and March issues of the newsletter do not demonstrate the validity on Washington '92 status as a federal political committee. Your staff has taken these conclusion out of context. They were to be read within the context of the entire newsletter.

In the January Newsletter Bob Williams' column referred to education and crime -- two of the top issues in the upcoming 1990 state legislative session. On page 2 & 7 the newsletter refers to crime. On page 3 the newsletter is a question on state not federal issues.

On Page 5 Washington '92's goals were clearly outlined. Page 6 outlined the large contributions to Initiative 102 (Washington '92 helped lead the effort against it). Page 7 is the fund raising appeal -- note: there is no request for money for Bob Williams -- but instead to push the Washington '92 agenda.

Note: Bob Williams' comments on page 7 were not the highlight of the newsletter, but merely a column to update Washington '92, readers on Bob's intentions. Staff appears to have distorted Bob's comment.

February 1990 issue.

Bob's Column refers to the legislative session. Bob was working as a researcher for a Bellevue, Washington think tank. Notice the highlight of the newsletter is the focus on education at the state level (page 1).

Bob's calendar indicated events in varying parts of the state that were related to his potential Congress issue. They weren't even in his district. Notice my article on page 2 referred to staff and not Congress.

Pages 3 & 4 refer to state legislature issues.

Pages 6 & 7 refer to state spending reform.

March Newsletter.

The feature article on pages 1 & 4 refer to the Taxpayer Protection Act - a major focus of Washington '92 in 1990.

Bob's column in the March newsletter clearly drove a distinction between his Congressional campaign (no address given) and Washington '92. Bob highlighted the major focus of Washington '92 on state spending reform. Pages 3 & 4 are updates on state legislative issues.

Page 6 is merely an update from the National Journal on Federal Voting Record (a public record).

Washington '92 newsletters did not promote the candidacy of Bob Williams. They promoted the major objectives of Washington '92.

The January 1990 article is clearly not an effort to generate support for Bob's Congressional race. If it had been it would have been on page 1. It is merely an attempt by Bob to let Washington '92 members know what he was doing. There is no request for money and no address to send contributions to.

The March 1990 article does not promote Bob as a candidate. It is an update and tries to explain both efforts in a response to members' questions. Nothing is wrong with telling people what you are doing.

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Staff jumps to conclusions on the calendar of events. The purpose of the calendar of events was to show where Bob would be. How does a speech in Columbia county -- on the other side of the state and in a different Congressional district -- promote Bob as a candidate for Congress? Bob traveled the state pushing our spending reform plan (98% - 2% - 60%).

Staff states that Washington '92 arguments are not precise. Well, we are not lawyers, but we are telling the truth, and we are communicating in the best manner possible. Washington '92's efforts in 1990 were devoted to pushing its objectives. It is a staff opinion that Washington '92 failed to demonstrate that the articles were not for the purpose of influencing - federal elections. We know factually they were not. We know the purpose involved - the motives and the intent. At no time did anyone ever consider using Washington '92 to help in the campaign other than the in-kind contribution of $475.

There was no connection between the Bob Williams for Congress and Washington '92. Further the commission has dismissed all the charges against Bob Williams. If Bob Williams is not guilty -- and he isn't -- who then did the alleged connection between Bob Williams for Congress and Washington '92.

In summary, Washington '92 has complied with all state laws regarding state political organizations. As treasurer Arthur Wuerth, stressed that Washington '92 comply with the spirit and intent of our state's laws. Washington '92 has a good three-year track record.

The only corporate contributions Washington '92 received were for their effort specifically on behalf of the taxpayer prevention act and childrens tax initiative (I - 102). the state committee was not engaged in Federal elections between January and March 1990.

The corporate contribution were solicited for specific initiatives and were spent for that purpose.

Enclosed are copies of our newsletters.

I request that the committee close the file on this entire allegation.

If you need additional information please contact me at Washington '92 (206)352-1842.

Also, please advise me of any hearings on this issue **before** they occur!

Sincerely,

Lynn Harsh

Lynn Harsh

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5,000 BWG Donors 1/19/90

# WASHINGTON '92

92 FEB -4 PM 4:15
RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

Dear Friend:

WASHINGTON '92 is beginning its second year of existence.

Our first year -- as is so for most new organizations -- was a tough one. We had the usual start-up problems: identifying our goals . . . prioritizing those goals . . . working to accomplish those goals.

We had our share of successes and our share of setbacks. But while there is a lot left to do, we have been more successful than anyone ever thought possible.

Unlike many organizations working for political change, ours is an organization not just of words and rhetoric, but of action!

Therefore, we have prepared a comprehensive "Action Agenda" for the 1990 State Legislative Session.

We intend to focus on four topics: Violent Crime . . . Protecting our Children and Preserving the Family . . . Government Spending Reform . . . and Education.

First -- Violent Crime.

WASHINGTON '92 has carefully reviewed the report to the Governor from the Task Force on Community Protection, which deals with our state laws regarding sexual and violent offenders. We have also reviewed the report submitted by the Attorney General.

Several excellent recommendations were made regarding three subjects: Offender Control and Treatment; Victim Services; and Community Protection.

We intend to strongly lobby the Legislature to implement many of those recommendations, particularly those regarding the protection of victims' rights, and the treatment of confirmed sexual "predators" and habitual criminal offenders.

While this is a good start, it doesn't go far enough! So we intend to present some of our own recommendations to provide further protection to the community . . . our children and our elderly in particular.

Second -- Protecting our Children and Preserving the Family.

As you probably know, WASHINGTON '92 was instrumental in the defeat of Initiative 102, the ill-conceived and mis-named "Children's Initiative."

Now we are "pro-children" . . . but we are "anti-unnecessary Tax Hike." And that's what Initiative 102 really was -- an unnecessary Tax Hike!

(please turn this page)

93040981722

Paid for by WASHINGTON '92, P.O. Box 7704, Olympia, WA 98507

So we make no apologies for being "anti-Initiative 102." And we make no apologies for being "pro-children" and "pro-Family."

According to the Department of Social and Health Services' own records, the most successful DSHS programs are those in-home services -- like Foster Care and Family Reconciliation Services -- that help keep families intact!

In fact, the 1989 Legislative Session provided a 23% increase for those very programs and services. Yet those are the very programs that are being short-changed and neglected!

And why?

All too often, after people like you and organizations like ours have expressed their support for these programs . . . after the Legislature has allocated the necessary money . . . after the Governor has signed the Budget Bill into law . . . Departmental Bureaucrats "reallocate" those taxpayers' dollars to other programs and activities -- including more staff positions and more employee benefits!

When I was growing up, we didn't call such underhanded activity "reallocation of resources" . . . we called it just plain "dishonest!"

WASHINGTON '92 believes every penny of our tax dollars allocated by the Legislature to directly help needy children and keep families intact should be used for that purpose!

Third -- Government Spending Reform.

When we talk about reforming government spending, we aren't trying to hide a Tax Hike "wolf" in Tax Reform "sheep's clothing."

Instead, we want to make state government more even-handed and fair in the way it taxes you and more efficient and effective in the way it spends your tax dollars.

So for a long time WASHINGTON '92 has supported the passage of the 98%-2%-60% Spending Control Plan. Briefly, it means amending the State Constitution to include language specifying three vital checks against runaway government spending:

* The Legislature may spend only 98% of its forecasted revenue. This mandates responsible SPENDING CONTROL.

* The Legislature shall put aside 2% of its forecasted revenue into a "rainy day" fund. Upon exceeding a 5% level, the excess would be returned to the taxpayers in the form of a tax cut or rebate. This prudently creates an EMERGENCY RESERVE.

* The Legislature would be prohibited from raising or increasing the "revenue base" (taxes) without a 60% vote of the Legislature. This provides for tax relief through "REVENUE" LIMITATION.

Fourth -- Education.

WASHINGTON '92 supports in principle the need to decentralize education; thereby giving individual teachers, principals and parents more control over the education of our children.

In this Legislative Session, we are aggressively pursuing the concept of parental choice in education, and the use of Block Grants and transportation subsidies to give all schools an equal footing in providing educational excellence for every child in Washington.

We have decided upon an important, positive, ambitious agenda for the 1990 State Legislative Session. And we will be aggressively supporting our positions each and every day of the 60-day Session.

We will lobby individual legislators. We will testify before the Committees. We will identify and work with allied groups supporting our agenda. We will hold informational news conferences. We will inform our grassroots supporters and motivate them to action through our monthly Newsletter and through a 24-hour Legislative Update telephone "Hot-Line"

**We will do all this and more!**

But we have headed into this Session with more critical priorities than we have money to fulfill. For you see, accomplishing all we did in 1989 meant spending nearly all of WASHINGTON '92's financial resources.

**Unfortunately, the need does not stop . . . the work must go on!**

While legislative matters now occupy a majority of our time, the important behind-the-scenes work of recruiting candidates and training campaign teams must continue.

So I hope you will give careful consideration to joining over 1,200 of our neighbors who, through their generous donations to WASHINGTON '92, have helped make us one of the largest organizations for political action in our state.

Now some of our friends who are helping us financially have been able to spare only a few dollars from their limited funds, and we are most grateful for their support. But many hundreds of our friends have been able to afford contributions in the $25, $35 or even $50 range.

And a few hundred generous supporters are donating enough money to WASHINGTON '92 to become SUPPORTERS (a commitment of at least $144 each year), or SUSTAINERS (an annual commitment of at least $288), or even FOUNDERS (a yearly commitment of $1,200 or more to our efforts).

Please join with these many good folk and make a contribution of your own to support our vital work and many important projects.

(please turn this page)

9304098172

I have no idea what you think you can afford right now. So, on the coupon at the end of this letter, please select the support level at which you are most comfortable; make your check payable to WASHINGTON '92; and send it to us along with the coupon in the enclosed envelope.

Now remember, all our contributors will be provided with a private 24-hour telephone "Hot-Line" to monitor daily progress on every important Legislative Bill we will "track."

And also remember, the first $18 of your contribution will entitle you to a full year's subscription to the WASHINGTON '92 monthly Newsletter!

Again, please accept my thanks for your dedication to the goals and principles that led to the creation of WASHINGTON '92. Together, we will make positive changes for Washington's future.

With sincere thanks for your past support,

Bob

BOB WILLIAMS, Chairman
WASHINGTON '92

P.S. The 1990 elections are now less than ten months away. Once again WASHINGTON '92 will stand ready to provide effective support to many fine candidates and outstanding causes. And we need you to stand ready with us! Please respond today!

- - - - - - - - - - - - - - - - - - - - (detach here) - - - - - - - - - - - - - - -

TO: BOB WILLIAMS, Chairman -- WASHINGTON '92

[ ] Bob, I want to help too! I am enclosing my special contribution of

$_____ for the important work of WASHINGTON '92. I understand that I will receive a year's subscription to the WASHINGTON '92 monthly Newsletter for the first $18 of my donation.

* * * * *

[ ] Bob, I can afford to help a little bit more. Please enroll me as a

WASHINGTON '92 [ ] FOUNDER ($1,200 annually) [ ] SUSTAINER ($288 annually)

[ ] SUPPORTER ($144 annually)

I wish to make my contribution payments on the following basis:

| | FOUNDER | SUSTAINER | SUPPORTER |
|---|---|---|---|
| [ ] A one-time annual payment of: | ___ $1,200 | ___ $288 | ___ $144 |
| [ ] Four quarterly payments, each of: | ___ $300 | ___ $72 | ___ $36 |
| [ ] Twelve monthly payments, each of: | ___ $100 | ___ $24 | ___ $12 |

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DUE TO THEIR BULK, THE ATTACHED NEWSLETTERS, SUBMITTED WITH THIS RESPONSE HAVE BEEN DELETED. HOWEVER, THEY ARE AVAILABLE UPON REQUEST.

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OGC 4598

# WASHINGTON '92

MUR 3134

March 30, 1992

92 APR -3 PM 3:12

Mr. Jose Rodriguez
Federal Election Commission
Washington, D.C. 20463

Dear Mr. Rodriguez,

Per our conversation on March 26, 1992, I am formally requesting an extension until April 30, 1992 to respond to your request for further information. We would like to have an attorney review the entire file and he will be unable to accomodate us until April 16th.

Thank you for your consideration of this request

Sincerely,

Lynn Harsh

Lynn Harsh

LH/jm

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RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM
Apr 3 9 54 AM '92

P.O. Box 7704, Olympia, WA 98507 • Olympia Office (206) 352-1842

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 6, 1992

Lynn Harsh
Washington '92
P.O. Box 7704
Olympia, WA 98507

RE: MUR 3134
Washington '92 and
Arthur Wuerth, as treasurer

Dear Ms. Harsh:

This is in response to your letter dated March 30, 1992, which we received on April 3, 1992, requesting an extension until April 30, 1992, to respond to the Commission's notification. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on April 30, 1992.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Jose M. Rodriguez
Attorney

93040981728

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 16, 1992

Lynn Harsh
Washington '92
P.O. Box 7704
Olympia, WA 98507

RE: MUR 3134
Washington '92 and
Arthur Wuerth, as treasurer

Dear Ms. Harsh:

On February 7, 1992, we spoke concerning your submission of certain Washington '92 documents originally requested with our notification letter of December 12, 1991. During this conversation you informed me that because the requested documents were difficult to retrieve you required three weeks to respond. I informed you the three week response period would be satisfactory. Consequently, your response was due by the end of February 1992.

Having received no response, and after a previous attempt at contacting you, I again spoke with you concerning this matter on March 20, 1992. At that time you informed that Washington '92 was considering retaining counsel in this matter. I informed you that the Commission needed either your submission or an executed designation of counsel form immediately. On April 3, 1992, you responded by letter dated March 30, 1992, noting that Washington '92 had decided to have counsel review the matter and requesting an extension until April 30, 1992, in which to respond. By letter dated April 6, 1992, this latest extension request was also granted. Accordingly, your response initially due January 1, 1992, was now due on April 30, 1992. This date, however, also expired without a forthcoming response. Subsequently we have had several conversations concerning the requested documentation. In our most recent conversation, May 5, 1992, you informed me that the attorney entrusted to review the matter would be submitting the documents "shortly." Again, no such response has been forthcoming.

As is plainly clear, the response is long overdue. Please be advised that the Commission has authority to issue subpoenas to respondents in its investigations. We would, however, like to obtain the Committee's cooperation through informal means, to obviate the need for the Commission to consider subpoenaing Washington '92's compliance with our production request. Accordingly, please submit the requested documentation within five days of this letter.

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Should you have any questions, please contact me at (202) 219-3690.

Sincerely

Jose M. Rodriguez
Attorney

93040981730

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 22, 1992

William B. Pilkey, Treasurer
Bob Williams for Congress
7223 - 20th Ave. SE
Olympia, WA 98503

RE: MUR 3134
Bob Williams for Congress
and William B. Pilkey,
as treasurer

Dear Mr. Pilkey:

On December 12, 1991, you were notified that the Federal Election Commission found reason to believe that Bob Williams for Congress and you, as treasurer, violated 2 U.S.C. §§ 433(b) and 441a(f). On December 23, 1991, you responded to our notification. Your response summarily addressed the issues in the matter and inquired as to which other points needed to be addressed. On January 31, 1992, you were informed that while a substantive response was not required, you were being provided the opportunity to address the specific issues discussed in the Factual and Legal Analysis provided to you with the Commission's initial notification. No further response has been forthcoming from you. While not required, it is important that we hear from you before proceeding to the next step in the enforcement process. Accordingly, please contact me at (202) 219-3690 immediately upon receipt of this letter.

Moreover, on February 3, 1992, you submitted a Year End Termination Report. Please be advised that committees such as yours involved in ongoing enforcement matters may not terminate until the matter is resolved as to them. Therefore, at such time as all questions concerning your filing are settled you will be formally advised of the Commission's rejection of your request.

Sincerely,

Jose M. Rodriguez
Attorney

cc: Reports Analysis Division

93040981731

MUR # 3134

ADDITIONAL DOCUMENTS WILL BE ADDED TO THIS FILE AS THEY BECOME AVAILABLE. PLEASE CHECK FOR ADDITIONAL MICROFILM LOCATIONS.

93040981732

FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

THIS IS THE END OF MUR #3134

Date Filmed 10/27/93 Camera No.--- 2

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

✓ Microfilm

Public Rcds

Press

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 3134.

12/10/93

9304354247 1

**THE READER IS REFERRED TO ADDITIONAL MICROFILM LOCATIONS**

**FOR THE FOLLOWING DOCUMENTS PERTINENT TO THIS CASE**

1. Memo, General Counsel to the Commission, dated September 22, 1992, Subject: Priority System Report. See Reel 354, pages 1590-94.

2. Memo, General Counsel to the Commission, dated April 14, 1993, Subject: Enforcement Priority System. See Reel 354, pages 1595-1620.

3. Certification of Commission vote, dated April 28, 1993. See Reel 354, pages 1621-22.

4. General Counsel's Report, In the Matter of Enforcement Priority, dated December 3, 1993. See Reel 354, pages 1623-1740.

5. Certification of Commission vote, dated December 9, 1993. See Reel 354, pages 1741-1746.

93043542472

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 1 0 1991

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

Kim Putman, Esq.
915 Legion Way, S.E.
Olympia, WA 98501

RE: MUR 3134

Dear Ms. Putman:

On October 5, 1990, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). On October 29, 1991, the Commission found reason to believe that Washington '92 and Arthur Wuerth, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a), 441a(f), 441b, and 441d; and Bob Williams for Congress and William B. Pilkey, as treasurer, violated 2 U.S.C. §§ 433(b) and 441a(f).

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Washington '92 and Arthur Wuerth, as treasurer, and Bob Williams for Congress and William B. Pilkey, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Jose M. Rodriguez
Attorney

Attachment
Narrative

Date the Commission voted to close the File: DEC 0 9 1991

9 3 0 4 3 5 4 2 4 7 3

MUR 3134
Bob Williams for Congress

This matter was initiated by a complaint alleging that Washington 92' (a state political committee associated with the federal candidate) triggered federal committee status by including articles in its newsletter which mentioned the candidate, but did not register or report with the Commission. It was also alleged that the Committee made and accepted excessive contributions, accepted corporate contributions, and failed to include appropriate disclaimers on its newsletters that mentioned the federal campaign. Respondents contended that the articles did not promote the candidate's election. The Commission made reason to believe findings based on the allegations.

The case, however, had little or no impact on the process, failed to indicate any serious intent by Respondents to violate the Act, and did not involve substantial funds.

9304354247 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 1993

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

Donna De Jarnatt
7401 Willow Grove Road
Longview, WA 98632

RE: MUR 3134

Dear Ms. De Jarnatt:

On October 5, 1990, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). On October 29, 1991, the Commission found reason to believe that Washington '92 and Arthur Wuerth, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a), 441a(f), 441b, and 441d; and Bob Williams for Congress and William B. Pilkey, as treasurer, violated 2 U.S.C. §§ 433(b) and 441a(f).

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Washington '92 and Arthur Wuerth, as treasurer, and Bob Williams for Congress and William B. Pilkey, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter. This matter will become part of the public record within 30 days.

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Sincerely,

Jose M. Rodriguez
Attorney

Attachment
Narrative

Date the Commission voted to close the file: DEC 09 1993

93043542475

MUR 3134
Bob Williams for Congress

This matter was initiated by a complaint alleging that Washington 92' (a state political committee associated with the federal candidate) triggered federal committee status by including articles in its newsletter which mentioned the candidate, but did not register or report with the Commission. It was also alleged that the Committee made and accepted excessive contributions, accepted corporate contributions, and failed to include appropriate disclaimers on its newsletters that mentioned the federal campaign. Respondents contended that the articles did not promote the candidate's election. The Commission made reason to believe findings based on the allegations.

The case, however, had little or no impact on the process, failed to indicate any serious intent by Respondents to violate the Act, and did not involve substantial funds.

9304354247 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 1993

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

Gayer Dominick, Esq.
2400 Evergreen Park Dr., S.W.
Olympia, WA 98502

RE: MUR 3134

Dear Mr. Dominick:

On October 5, 1990, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). On October 29, 1991, the Commission found reason to believe that Washington '92 and Arthur Wuerth, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a), 441a(f), 441b, and 441d; and Bob Williams for Congress and William B. Pilkey, as treasurer, violated 2 U.S.C. §§ 433(b) and 441a(f).

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Washington '92 and Arthur Wuerth, as treasurer, and Bob Williams for Congress and William B. Pilkey, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Jose M. Rodriguez
Attorney

Attachment
Narrative

Date the Commission voted to close the file: DEC 09 1993

9304354247 7

MUR 3134
Bob Williams for Congress

This matter was initiated by a complaint alleging that Washington 92' (a state political committee associated with the federal candidate) triggered federal committee status by including articles in its newsletter which mentioned the candidate, but did not register or report with the Commission. It was also alleged that the Committee made and accepted excessive contributions, accepted corporate contributions, and failed to include appropriate disclaimers on its newsletters that mentioned the federal campaign. Respondents contended that the articles did not promote the candidate's election. The Commission made reason to believe findings based on the allegations.

The case, however, had little or no impact on the process, failed to indicate any serious intent by Respondents to violate the Act, and did not involve substantial funds.

9304354247 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 1993

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Senator Mike Kreidler
425 John Cherberg Building
Olympia, WA 98504

RE: MUR 3134

Dear Senator Kreidler:

On October 5, 1990, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). On October 29, 1991, the Commission found reason to believe that Washington '92 and Arthur Wuerth, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a), 441a(f), 441b, and 441d; and Bob Williams for Congress and William B. Pilkey, as treasurer, violated 2 U.S.C. §§ 433(b) and 441a(f).

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Washington '92 and Arthur Wuerth, as treasurer, and Bob Williams for Congress and William B. Pilkey, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Jose M. Rodriguez
Attorney

Attachment
Narrative

Date the Commission voted to close the file: DEC 09 1993

93043542479

MUR 3134
Bob Williams for Congress

This matter was initiated by a complaint alleging that Washington 92' (a state political committee associated with the federal candidate) triggered federal committee status by including articles in its newsletter which mentioned the candidate, but did not register or report with the Commission. It was also alleged that the Committee made and accepted excessive contributions, accepted corporate contributions, and failed to include appropriate disclaimers on its newsletters that mentioned the federal campaign. Respondents contended that the articles did not promote the candidate's election. The Commission made reason to believe findings based on the allegations.

The case, however, had little or no impact on the process, failed to indicate any serious intent by Respondents to violate the Act, and did not involve substantial funds.

9304354248 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 1993

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

Rep. Karen Fraser
6710 Sierra Drive, S.E.
Lacey, WA 98503

RE: MUR 3134

Dear Ms. Fraser:

On October 5, 1990, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). On October 29, 1991, the Commission found reason to believe that Washington '92 and Arthur Wuerth, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a), 441a(f), 441b, and 441d; and Bob Williams for Congress and William B. Pilkey, as treasurer, violated 2 U.S.C. §§ 433(b) and 441a(f).

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Washington '92 and Arthur Wuerth, as treasurer, and Bob Williams for Congress and William B. Pilkey, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

J. R.

Jose M. Rodriguez
Attorney

Attachment
Narrative

Date the Commission voted to close the file: DEC 09 1993

9304354248 1

MUR 3134
Bob Williams for Congress

This matter was initiated by a complaint alleging that Washington 92' (a state political committee associated with the federal candidate) triggered federal committee status by including articles in its newsletter which mentioned the candidate, but did not register or report with the Commission. It was also alleged that the Committee made and accepted excessive contributions, accepted corporate contributions, and failed to include appropriate disclaimers on its newsletters that mentioned the federal campaign. Respondents contended that the articles did not promote the candidate's election. The Commission made reason to believe findings based on the allegations.

The case, however, had little or no impact on the process, failed to indicate any serious intent by Respondents to violate the Act, and did not involve substantial funds.

9304354242482

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 1993

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

Speaker Joseph E. King
Washington State House
of Representatives
Third Floor
Legislative Building
Olympia, WA 98504

RE: MUR 3134

Dear Speaker King:

On October 5, 1990, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). On October 29, 1991, the Commission found reason to believe that Washington '92 and Arthur Wuerth, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a), 441a(f), 441b, and 441d; and Bob Williams for Congress and William B. Pilkey, as treasurer, violated 2 U.S.C. §§ 433(b) and 441a(f).

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Washington '92 and Arthur Wuerth, as treasurer, and Bob Williams for Congress and William B. Pilkey, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter. This matter will become part of the public record within 30 days.

93043542433

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Jose M. Rodriguez
Attorney

Attachment
Narrative

Date the Commission voted to close the file: DEC 09 1993

9304354224884

MUR 3134
Bob Williams for Congress

This matter was initiated by a complaint alleging that Washington 92' (a state political committee associated with the federal candidate) triggered federal committee status by including articles in its newsletter which mentioned the candidate, but did not register or report with the Commission. It was also alleged that the Committee made and accepted excessive contributions, accepted corporate contributions, and failed to include appropriate disclaimers on its newsletters that mentioned the federal campaign. Respondents contended that the articles did not promote the candidate's election. The Commission made reason to believe findings based on the allegations.

The case, however, had little or no impact on the process, failed to indicate any serious intent by Respondents to violate the Act, and did not involve substantial funds.

9304354248 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 1993

William B. Pilkey, Treasurer
Bob Williams for Congress
7223 - 20th Ave., S.E.
Olympia, WA 98507

RE: MUR 3134

Dear Mr. Pilkey:

On December 11, 1991, you were notified that the Federal Election Commission had found reason to believe Bob Williams for Congress and you, as treasurer, violated 2 U.S.C. §§ 433(b) and 441a(f). On January 3, 1992, you submitted a response to the Commission's reason to believe findings.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Bob Williams for Congress and you, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter.

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

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Jose M. Rodriguez
Attorney

Attachment
Narrative

DEC 09 1993

Date the Commission voted to close the file: _____

93043542486

MUR 3134
Bob Williams for Congress

This matter was initiated by a complaint alleging that Washington 92' (a state political committee associated with the federal candidate) triggered federal committee status by including articles in its newsletter which mentioned the candidate, but did not register or report with the Commission. It was also alleged that the Committee made and accepted excessive contributions, accepted corporate contributions, and failed to include appropriate disclaimers on its newsletters that mentioned the federal campaign. Respondents contended that the articles did not promote the candidate's election. The Commission made reason to believe findings based on the allegations.

The case, however, had little or no impact on the process, failed to indicate any serious intent by Respondents to violate the Act, and did not involve substantial funds.

9304354248 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 1993

Arthur Wuerth, Treasurer
Washington '92
P.O. Box 7704
Olympia, WA 98507

RE: MUR 3134

Dear Mr. Wuerth:

On December 11, 1991, you were notified that the Federal Election Commission had found reason to believe Washington '92 and you, as treasurer, violated 2 U.S.C. §§ 433(b), 434(a), 441a(f), 441b, and 441d. On January 13, 1992, you submitted a response to the Commission's reason to believe findings.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Washington '92 and you, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter.

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

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Jose M. Rodriguez
Attorney

Attachment
Narrative

Date the Commission voted to close the file: DEC 09 1993

93043542488

MUR 3134
Bob Williams for Congress

This matter was initiated by a complaint alleging that Washington 92' (a state political committee associated with the federal candidate) triggered federal committee status by including articles in its newsletter which mentioned the candidate, but did not register or report with the Commission. It was also alleged that the Committee made and accepted excessive contributions, accepted corporate contributions, and failed to include appropriate disclaimers on its newsletters that mentioned the federal campaign. Respondents contended that the articles did not promote the candidate's election. The Commission made reason to believe findings based on the allegations.

The case, however, had little or no impact on the process, failed to indicate any serious intent by Respondents to violate the Act, and did not involve substantial funds.

93043542489

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 1993

Honorable Bob Williams
P.O. Box 552
Olympia, WA 98507

RE: MUR 3134

Dear Mr. Williams:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public.

Although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Jose M. Rodriguez
Attorney

9304354249 0