



FEDERAL ELECTION COMMISSION  
WASHINGTON D C 20461

THIS IS THE BEGINNING OF MUR # 3159

DATE FILMED 8-5-93 CAMERA NO. 4

CAMERAMAN JMH

93040952886



# NEVADA REPUBLICAN PARTY

Post Office Box 28322 • Las Vegas, Nevada 89126-2322

OGC 8101

**Kenneth J. Sawyer**  
State Chairman

October 5, 1990

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

Dear Mr. Noble:

This letter is a complaint filed on behalf of the Nevada Republican Party pursuant to 2 U.S.C. §437(a)(1). The Nevada Republican Party alleges, upon information and belief, that Congressman Jim Bilbray, Governor Bob Miller, and the Friends for Miller Committee, Mike Kern, Treasurer, have violated the Federal Election Campaign Act of 1971, as amended.

The Nevada Republican Party alleges that the respondents have violated and continue to violate the provisions of 2 U.S.C. §441b, which prohibits the use of corporate contributions or expenditures in connection with a federal election. Specifically, the Respondents and others have scheduled a political carnival for Friday, October 5, 1990. Radio and newspaper advertisements for this event have appeared, indicating that the event is hosted by Governor Bob Miller, Senators Harry Reid and Richard Bryan, and Congressman Jim Bilbray. The advertisements appeared on Monday, October 2, 1990 in the Las Vegas Review Journal, on October 2 at approximately 8:15 a.m. on KXTZ Radio and numerous times on October 2, 3 and 4 on KNEWS Radio. Copies of the newspaper advertisements and a recording of the radio advertisements accompanies this complaint.

The radio advertisements for the days of October 2 and 3 contained no notice regarding the identity of the entity paying for the advertisement. The newspaper advertisements indicated that they were paid for by Friends of Miller, Mike Kern, Treasurer. It appears that the advertisements were paid for from campaign funds of Governor Bob Miller.

Nevada law permits the receipt and expenditure of corporate funds, and other funds not raised under the limitations of the Federal Election Campaign Act, in connection with the gubernatorial election. NEVADA REVISED STATUTES, Chapter 294A §294A.005 through 294A.080.

90 OCT -9 AM 10:39

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

90 OCT -9 PM 4:01

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

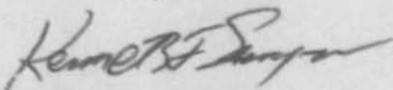
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To the best of complainants information and belief, Friends for Miller, Governor Miller's campaign depository, has received corporate and other funds not raised in compliance with the Federal Election Campaign Act. It is their further information and belief that such funds were used in connection with a federal election, specifically, that portion of the advertisement expenses allocable to Congressman Jim Bilbray.

As a result, complainants allege that the Friends for Miller Committee has made unlawful expenditures, and the Congressman Jim Bilbray Committee has received unlawful contributions in connection with the advertisements for the October 5, 1990 political carnival.

The Nevada Republican Party requests that appropriate review and action be undertaken.

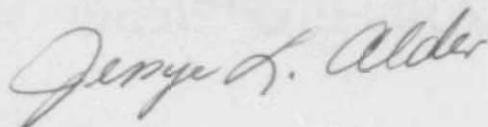
Sincerely,



Kenneth J. Sawyer  
Chairman  
Nevada Republican Party

KJS/cn

Signed this 5th Day of October, 1990.



93040952888

93040952889

**FREE**



**A Free Carnival  
Evening Of Family,  
Food, Fun, Games, &  
Voter Registration**

**Hosted by: Governor Bob Miller, Senators Harry Reid, Richard Bryan,  
and Congressman James Bilbray**



**FRIDAY OCT. 5, 6-9 PM  
HACIENDA CONVENTION CENTER**





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 17, 1990

Kenneth J. Sawyer  
Chairman  
Nevada Republican Party  
614 W. Charleston Blvd.  
Las Vegas, NV 89102

Dear Mr. Sawyer:

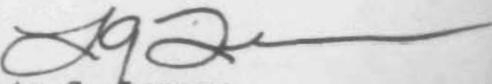
This is to acknowledge receipt on October 9, 1990, of your letter dated October 5, 1990. The Federal Election Campaign Act of 1971, as amended ("the Act") and Commission Regulations require that the contents of a complaint be sworn to and signed in the presence of a notary public and notarized. Your letter was not properly sworn to.

You must swear before a notary that the contents of your complaint are true to the best of your knowledge and the notary must represent as part of the jurat that such swearing occurred. A statement by the notary that the complaint was sworn to and subscribed before him/her will be sufficient. We are sorry for the inconvenience that these requirements may cause you, but we are not statutorily empowered to proceed with the handling of a compliance action unless all the statutory requirements are fulfilled. See 2 U.S.C. § 437g.

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

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

cc: Respondent

93040952890



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 17, 1990

Mike Kerns, Treasurer  
Friends for Miller Committee  
State of Nevada  
Capital Complex  
Executive Chamber  
Carson City, NV 89710

Dear Mr. Kerns:

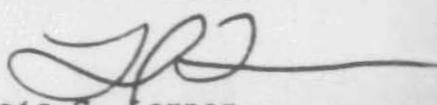
On October 9, 1990, the Federal Election Commission received a letter alleging that Friends for Miller Committee ~~and~~ you, as treasurer, violated sections of the Federal Election Campaign Act of 1971, as amended. As indicated from the copy ~~of~~ the enclosed letter addressed to the complainant, those allegations do not meet certain specified requirements for the proper filing of a complaint. Thus, no action will be taken ~~on~~ this matter unless the allegations are refiled meeting the requirements for a properly filed complaint. If the matter ~~is~~ refiled, you will be notified at that time.

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

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

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

Enclosures

Copy of Improper Complaint  
Copy of letter to the Complainant

93040952891



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 17, 1990

Governor Bob Miller  
State of Nevada  
Capital Complex  
Executive Chamber  
Carson City, NV 89710

Dear Governor Miller:

On October 9, 1990, the Federal Election Commission received a letter alleging that you violated sections of the Federal Election Campaign Act of 1971, as amended. As indicated from the copy of the enclosed letter addressed to the complainant, those allegations do not meet certain specified requirements for the proper filing of a complaint. Thus, no action will be taken on this matter unless the allegations are refiled meeting the requirements for a properly filed complaint. If the matter is refiled, you will be notified at that time.

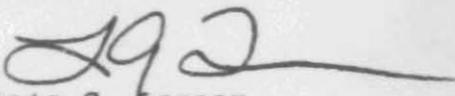
This matter will remain confidential for 15 days to allow for the correction of the defects. If the defects are not corrected and the allegations are not refiled, no additional notification will be provided and the file will be closed.

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

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

  
Lois G. Lerner  
Associate General Counsel

Enclosures

Copy of Improper Complaint  
Copy of letter to the Complainant

93040952892



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 17, 1990

Jim Bilbray  
2296 E Desert Inn Road #44  
Las Vegas, NV 89109

Dear Mr. Bilbray:

On October 9, 1990, the Federal Election Commission received a letter alleging that you violated sections of the Federal Election Campaign Act of 1971, as amended. As indicated from the copy of the enclosed letter addressed to the complainant, those allegations do not meet certain specified requirements for the proper filing of a complaint. Thus, no action will be taken on this matter unless the allegations are refiled meeting the requirements for a properly filed complaint. If the matter is refiled, you will be notified at that time.

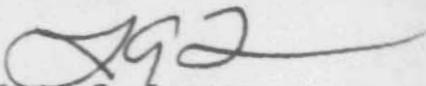
This matter will remain confidential for 15 days to allow for the correction of the defects. If the defects are not corrected and the allegations are not refiled, no additional notification will be provided and the file will be closed.

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

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

  
LOIS G. Lerner  
Associate General Counsel

Enclosures

Copy of Improper Complaint  
Copy of letter to the Complainant

93040952893

06-87492



# NEVADA REPUBLICAN PARTY

Post Office Box 28322 • Las Vegas, Nevada 89126-2322

MUR 3159  
**HAND DELIVERED**

90 NOV - 1 AM 11:09

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

**Kenneth J. Sawyer**  
State Chairman

October 31, 1990

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

Dear Mr. Noble:

This letter is a complaint filed on behalf of the Nevada Republican Party pursuant to 2 U.S.C. §437(a)(1). The Nevada Republican Party alleges, upon information and belief, that Congressman Jim Bilbray, Governor Bob Miller, and the Friends for Miller Committee, Mike Kern, Treasurer, have violated the Federal Election Campaign Act of 1971, as amended.

90 NOV - 1 PM 1:00  
RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

The Nevada Republican Party alleges that the respondents have violated and continue to violate the provisions of 2 U.S.C. §441b, which prohibits the use of corporate contributions or expenditures in connection with a federal election. Specifically, the Respondents and others scheduled and held a political carnival on Friday October 5, 1990 at the Hacienda Hotel in Las Vegas, Nevada. Radio and newspaper advertisements for this event appeared indicating that the event was hosted by Governor Bob Miller, Senators Harry Reid and Richard Bryan, and Congressman Jim Bilbray. The advertisements appeared on Monday October 2, 1990 in the Las Vegas Review Journal and on October 2, 3 and 4, 1990 on KNEWS Radio. Copies of the newspaper advertisements and a recording of the radio advertisement were sent to you in my letter dated October 5, 1990.

The radio advertisements for the days of October 2 and 3, 1990 contained no notice regarding the identity of the entity paying for the advertisement. The newspaper advertisements indicated that they were paid for by "Friends of Miller, Mike Kern, Treasurer." It appears that the advertisements were paid for from campaign funds of Governor Bob Miller. It also appears, through statements

93040952894





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 8, 1990

Kenneth J. Sawyer  
Chairman  
Nevada Republican Party  
P.O. Box 28322  
Las Vegas, NV 89126-2322

RE: MUR 3159

Dear Mr. Sawyer:

This letter acknowledges receipt on November 1, 1990, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by James H. Bilbray, Bilbray for Congress, Robert Goldberg CPA, as treasurer, Harry Mason Reid, Friends for Harry Reid, Paul Eisenberg, as treasurer, Richard H. Bryan, Friends for Bryan, Michael Kern, as treasurer, Governor Bob Miller, Friends for Miller, Michael Kern, as treasurer and the Hacienda Hotel. 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 3159. 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

93040952896



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

November 8, 1990

Bilbray for Congress  
Robert Goldberg CPA, as treasurer  
3069 Conquista Court  
Las Vegas, NV 89119

RE: MUR 3159

Dear Mr. Goldberg:

The Federal Election Commission received a complaint which alleges that Bilbray 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 3159. 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.

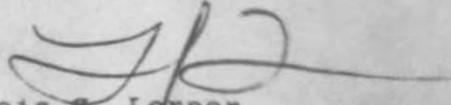
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed 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.

93040952897

If you have any questions, please contact Xavier McDonnell, the attorney 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
4. Audio Tape

cc: James H. Bilbray  
2296 E. Desert Inn Road #44  
Las Vegas, NV 89109

93040952898



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 8, 1990

Friends for Harry Reid  
Paul Eisenberg, as treasurer  
116 Princeton  
Las Vegas, NV 89107

RE: MUR 3159

Dear Mr. Eisenberg:

The Federal Election Commission received a complaint which alleges that Friends for Harry Reid 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 3159. 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.

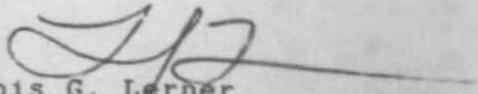
93040952899

If you have any questions, please contact Xavier McDonnell, the attorney 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
4. Audio Tape

cc: Harry Mason Reid  
1326 Kirby Road  
McLean, VA 22101

93040952900



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 8, 1990

Friends for Bryan  
Michael Kern, as treasurer  
600 East Chaleston Blvd.  
Las Vegas, NV 89104

RE: MUR 3159

Dear Mr. Kern:

The Federal Election Commission received a complaint which alleges that Friends for Bryan 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 3159. 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.

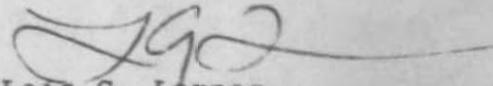
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed 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.

93040952901

If you have any questions, please contact Xavier McDonnell, the attorney 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
4. Audio Tape

cc: Richard Bryan  
364 Russell Senate Office Building  
Washington, D.C. 20510

93040952902



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 8, 1990

Hacienda Hotel  
c/o Thomas Peacock, General Manager  
3950 Las Vegas Blvd. South  
Las Vegas, NV 89119

RE: MUR 3159

Dear Mr. Peacock:

The Federal Election Commission received a complaint which alleges that the Hacienda Hotel 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 3159. 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 the Hotel in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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

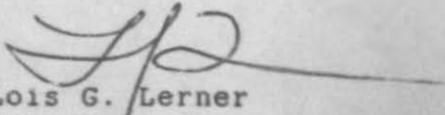
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If you have any questions, please contact Xavier McDonnell, the attorney assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

  
Lois G. Lerner  
Associate General Counsel

Enclosures

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

93040952904



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 8, 1990

Friends for Miller  
Michael Kern, as treasurer  
527 Lander Street  
Reno, NV 89509

RE: MUR 3159

Dear Mr. Kern:

The Federal Election Commission received a complaint which alleges that Friends for Miller 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 3159. 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.

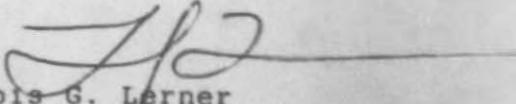
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed 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.

93040952905

If you have any questions, please contact Xavier McDonnell, the attorney 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
4. Audio Tape

cc: Govenor Bob Miller  
Capital Building  
Carson City, NV 89710

93040952906

OGC 8755



November 27, 1990

90 NOV 28 PM 2:50

FEDERAL ELECTION COMMISSION

*[Handwritten initials]*

90 NOV 28 PM 3:10

RECEIVED  
FEDERAL ELECTION COMMISSION

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

Re: MUR 3159

Dear Mr. McDonald:

Pursuant to our conversations this week, it is requested that the Bilbray for Congress Committee be given to and including December 7, 1990, to respond to the above-referenced complaint.

The reason for the request for extension, as previously explained to you, is that I did not receive the complaint and cover letter until Wednesday, November 21, 1990. I had heard a report prior to that time that a complaint had been filed, and I contacted your office on Tuesday, November 20, 1990, at which time you faxed the complaint. It is my information that Congressman Bilbray still has not received his copy of the complaint.

To adequately prepare an answer, an extension to December 7, 1990, is respectfully requested. Thank you for your consideration of this matter.

Sincerely,

Robert Goldberg, Treasurer  
Bilbray for Congress Committee

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 29, 1990

Robert Goldberg, Treasurer  
Bilbray for Congress Committee  
P.O. Box 1406  
Las Vegas, Nevada 89125

RE: MUR 3159  
Bilbray for Congress  
Committee, and Robert  
Goldberg, as treasurer

Dear Mr. Goldberg:

This is in response to your letter dated November 27, 1990, requesting an extension up to and including December 7, 1990, to respond to the complaint in MUR 3159. After considering the circumstances presented in your letter, I have granted the requested extension.

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

Sincerely

A handwritten signature in cursive script, appearing to read "Lisa E. Klein".

Lisa E. Klein  
Assistant General Counsel

cc: James H. Bilbray  
2296 E. Desert Inn Road #44  
Las Vegas, NV 89109

93040952908

06C8812

# JONES, WALDO, HOLBROOK & Mc DONOUGH

A PROFESSIONAL CORPORATION

## ATTORNEYS AND COUNSELORS

DONALD B. HOLBROOK  
 CALVIN L. RAMPTON  
 W. ROBERT WRIGHT  
 RANDON W. WILSON  
 RONALD J. DICKY  
 K. S. CORNABY  
 JAMES S. LOWRIE  
 RONNY L. CUTSHALL  
 CHRISTOPHER L. BURTON  
 WILLIAM B. BOHLING  
 PHILIP PALMER M'GUIGAN  
 D. MILES HOLMAN  
 JOHN W. PALMER  
 CRAIG R. MARIGER  
 DAVID B. LEE \*  
 BARRY D. WOOD \*  
 TIMOTHY B. ANDERSON  
 JOHN R. MORRIS  
 SUZANNE WEST  
 ELIZABETH M. HASLAM  
 G. RAND BEACHAM  
 RANDALL N. SKANCHY  
 BRUCE E. BABCOCK  
 DAVID R. MONEY  
 GEORGE W. PRATT  
 JAMES W. STEWART  
 MERLYN H. STRAILMAN \*  
 LESLIE A. LEWIS

RICHARD H. WAYS DORF \*  
 PAUL M. HARNAN  
 SUE VOGEL  
 TIMOTHY C. HOUPPT  
 CLAUDE E. ZOBELL \*\*  
 ROBERT G. PRUITT, III  
 WILLIAM C. GIBBS  
 RONALD D. MAINES \*  
 ROBERT A. GOODMAN  
 JAMES W. BURCH  
 KEVEN M. ROWE  
 MICHAEL PATRICK O'BRIEN  
 SHARON E. SONNENREICH  
 ANDREW H. STONE  
 JAMES W. PETERS  
 CURTIS R. WARD  
 JEROME ROMERO  
 MICHAEL R. SHAW  
 MITZI R. COLLINS  
 GREGORY CROPPER  
 BARRY G. LAWRENCE  
 MICHAEL J. KELLEY  
 DIANE ABEGGLEN  
 JEFFREY N. WALKER  
 JOHN C. STRINGHAM  
 DENO G. HIMONAS  
 ALICE L. WHITACRE

SHEEKS & RAWLINS 1875  
 RAWLINS & CRITCHLOW 1891  
 RAWLINS, THURMAN, WEDGEWOOD & HURD 1897  
 RAWLINS, RAY & RAWLINS 1907  
 INGEBRETSEN, RAY & RAWLINS 1929  
 & CHRISTENSEN 1941  
 INGEBRETSEN, RAY, RAWLINS & JONES 1948  
 RAY, RAWLINS, JONES & HENDERSON 1949

SALT LAKE CITY OFFICE  
 1500 FIRST INTERSTATE PLAZA  
 170 SOUTH MAIN STREET  
 SALT LAKE CITY, UTAH 84101  
 TELEPHONE (801) 528-3200  
 FACSIMILE (801) 328-0537

WASHINGTON, D.C. OFFICE  
 SUITE 900  
 2300 M STREET, N.W.  
 WASHINGTON, D.C. 20037  
 TELEPHONE (202) 296-5950  
 FACSIMILE (202) 293-2509

ST. GEORGE OFFICE  
 THE TABERNAACLE TOWER BLDG.  
 249 EAST TABERNAACLE  
 ST. GEORGE, UTAH 84770  
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 FACSIMILE (801) 628-5225

PARK CITY OFFICE  
 347 MAIN STREET  
 P. O. BOX 4065  
 PARK CITY, UTAH 84080  
 TELEPHONE (801) 643-8740

November 29, 1990

OF COUNSEL  
 SIDNEY G. BAUCOM  
 LARRY C. HOLMAN  
 ROGER J. MCDONOUGH  
 ALDEN B. TUELLER

\* ADMITTED AND RESIDENT IN WASHINGTON, D.C.  
 † REGISTERED PATENT ATTORNEY  
 ‡ ADMITTED IN VIRGINIA  
 ‡ LEAVE OF ABSENCE  
 † ADMITTED IN NEVADA

IN REPLY REFER TO  
 Washington, D.C.  
 RECEIVED  
 FEDERAL ELECTION COMMISSION  
 OFFICE OF LEGAL COUNSEL  
 30 NOV 30 AM 3:50

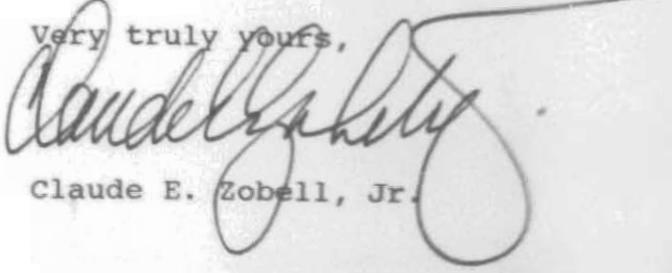
Mr. Xavier McDonald  
 Office of the General Counsel  
 Federal Election Commission  
 Washington, D.C. 20463

Re: MUR 3159

Dear Mr. McDonald:

I am enclosing the response we have prepared on behalf of the Friends for Harry Reid Committee and Paul Eisenberg, its treasurer. You will note that I have included a statement from Janice Miller, the Committee's vice-treasurer, verifying the statements made in the answer. Her statement is a copy of a FAX. I will provide the original upon receipt from Ms. Miller.

Please call if you have any questions.

Very truly yours,  
  
 Claude E. Zobell, Jr.

93040952909

OGC 8811

# JONES, WALDO, HOLBROOK & McDONOUGH

A PROFESSIONAL CORPORATION

## ATTORNEYS AND COUNSELORS

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JAMES S. LOWRIE	WILLIAM C. GIBBS
RONNY L. CUTSHALL	RONALD D. MAINES*
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TIMOTHY B. ANDERSON	JEROME ROMERO
JOHN R. MORRIS	MICHAEL R. SHAW
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ELIZABETH M. HASLAM	GREGORY CROPPER
G. RAND BEACHAM	BARRY G. LAWRENCE
RANDALL N. SKANCHY	MICHAEL J. KELLEY
BRUCE E. BABCOCK	DIANE ABEGGLEN
DAVID R. HONEY	JEFFREY N. WALKER
GEORGE W. PRATT	JOHN C. STRINGHAM
JAMES W. STEWART	DENO G. HIMONAS
MERLYN M. STRAILMAN*	ALICE L. WHITACRE
LESLIE A. LEWIS	

SHEETS & RAWLINS	1875
RAWLINS & CRITCHLOW	1891
RAWLINS, THURMAN, WEDGEWOOD & HURO	1897
RAWLINS, RAY & RAWLINS	1907
INGEBRETSEN, RAY & RAWLINS	1929
INGEBRETSEN, RAY, RAWLINS & CHRISTENSEN	1941
INGEBRETSEN, RAY, RAWLINS & JONES	1948
RAY, RAWLINS, JONES & HENDERSON	1949

November 29, 1990

OF COUNSEL  
SIDNEY G. SAUCOM  
LARRY C. HOLMAN  
ROGER J. McDONOUGH  
ALDEN B. TUELLER

\* ADMITTED AND RESIDENT IN WASHINGTON, D.C.  
† REGISTERED PATENT ATTORNEY  
‡ ADMITTED IN VIRGINIA  
§ LEAVE OF ABSENCE  
¶ ADMITTED IN NEVADA

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**PARK CITY OFFICE**  
347 MAIN STREET  
P.O. BOX 4085  
PARK CITY, UTAH 84060  
TELEPHONE (801) 645-8749

IN REPLY REFER TO:

Washington, D.C.

Federal Election Commission  
Lawrence M. Noble  
General Counsel  
Lois G. Lerner  
Associate General Counsel  
Washington, D.C. 20463

Re: MUR 3159

Dear Mr. Noble and Ms. Lerner:

This letter responds to your letter of November 8, 1990, addressed to Paul Eisenberg, in which you indicate: "The Federal Election Commission received a complaint which alleges that Friends for Harry Reid and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ('the Act')." You enclosed a letter from Kenneth G. Sawyer, Chairman of the Nevada Republican Party, which stated, inter alia: "The Nevada Republican Party alleges, upon information and belief, that Congressman Jim Bilbray, Governor Bob Miller, and the Friends for Miller Committee, Mike Kern, Treasurer, have violated the Federal Election Campaign Act of 1971, as amended."

On behalf of Friends for Harry Reid and Paul Eisenberg, its treasurer, I respectfully submit that no action on this complaint is warranted for the following reasons:

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 NOV 30 AM 3:50

01625604056

November 29, 1990  
Federal Election Commission  
Mr. Lawrence M. Noble  
Ms. Lois G. Lerner  
page 2

**I. THE COMPLAINT RECEIVED BY THE COMMISSION FROM THE NEVADA REPUBLICAN PARTY DOES NOT CONTAIN ALLEGATIONS AGAINST FRIENDS FOR HARRY REID, OR AGAINST PAUL EISENBERG, ITS TREASURER.**

The complaining letter from the Nevada Republican Party makes allegations against the Miller and Bilbray campaigns, but does not include Friends for Harry Reid nor Paul Eisenberg as respondents. The letter sent by the Commission incorrectly states that a complaint had been filed making allegations against Friends for Harry Reid, and Paul Eisenberg, its treasurer. Such was not the case. The only mention of Senator Reid in the complaining letter is included in the second paragraph and indicates that the event in question was to be hosted by Governor Bob Miller, Senators Harry Reid and Richard Bryan, and Congressman Jim Bilbray. The Republican Party has not complained that the inclusion of Senator Reid in the advertisement was a violation of the Act.

**II. SENATOR REID'S NAME WAS USED IN PROMOTIONAL MATERIALS FOR A POLITICAL FUNCTION WITHOUT HIS KNOWLEDGE OR PERMISSION.**

The function that is the basis for the complaint from the Nevada Republican Party was arranged by the state Democratic Party and the Miller for Governor campaign, in an effort to promote the Governor's candidacy and the candidacies of others running for state and local office on the Democratic ticket. Senator Reid was not informed that his name would be used in advertising for such events, and did not specifically authorize its use.

Senator Reid's name was included in the advertisement as a "host" of the event, much in the same manner as one would list "honorary chairmen" for a charitable event. It was obviously used to indicate that Senator Reid supported the event to be held, and not to confer a campaign benefit upon him.

Senator Reid remained in Washington over the October 5 weekend and did not attend the event in question, which was held in Las Vegas, Nevada.

93040952911

November 29, 1990  
Federal Election Commission  
Mr. Lawrence M. Noble  
Ms. Lois G. Lerner  
page 3

**III. FRIENDS FOR HARRY REID RECEIVED NO CAMPAIGN CONTRIBUTION OR BENEFIT FROM THE FUNCTION OR ITS PUBLICITY**

2 U.S.C. §441(b)(a) provides, in relevant part:

It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any corporation whatever, or any labor organization, to make a contribution or expenditure in connection with any election at which president and vice presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to, Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section, or any officer or any director of any corporation or any national bank or any officer of any labor organization to consent to any contribution or expenditure by the corporation, national bank, or labor organization, as the case may be, prohibited by this section.

This section prohibits contributions in connection with a Federal election. To find a violation of this section, the Commission would have to determine that the inclusion of Senator Reid's name as a "host" in an advertisement for a political function held more than two years before he may next stand for election was an in-kind contribution to him for that election. The substantial amount of time between the event in question and any publicity concerning it, and the next election in which Senator Reid may be involved conclusively evidences no intent on the part of the organizers to make any kind of contribution at all to the Reid campaign. The organizers were, in fact, seeking Senator Reid's support rather than trying to provide campaign support to him. Were it possible to somehow construe the inclusion of a

93040952912

November 29, 1990  
Federal Election Commission  
Mr. Lawrence M. Noble  
Ms. Lois G. Lerner  
page 4

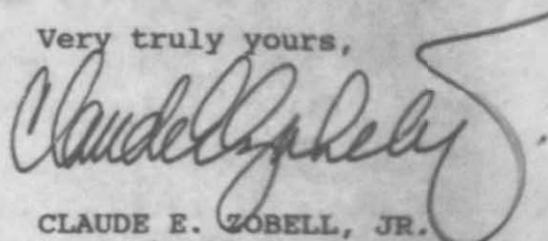
candidate's name as an honorary "host" of an event as having some type of campaign benefit, in Senator Reid's case the time gap between the publicity received and his next possible election campaign would completely negate the benefit.

#### IV. CONCLUSION

Although the letter from the Commission states the contrary, the complaint that forms the basis of this action did not include allegations against Friends for Harry Reid or Paul Eisenberg, its treasurer. Senator Reid had not authorized the use of his name in the advertising for the event, and was not aware that it was to be so used. The use of his name as a "host" was included to indicate his support for the event, and not to confer a campaign benefit upon him. Finally, the event was designed as a political rally for the State Democratic Party and the Miller Gubernatorial campaign, and not as a campaign event for Senator Reid. No campaign benefit was conferred upon Senator Reid through use of his name in advertising as a "host" of the event.

Please let me know if we can provide any additional information.

Very truly yours,



CLAUDE E. ZOBELL, JR.  
for Friends for Harry Reid, and  
Paul Eisenberg, its treasurer.

93040952913

06-8823

# JONES, WALDO, HOLBROOK & Mc DONOUGH

A PROFESSIONAL CORPORATION

## ATTORNEYS AND COUNSELORS

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JAMES W. STEWART	DENO G. HIMONAS
MERILYN M. STRAILMAN*§	ALICE L. WHITACRE
LESLIE A. LEWIS	

SHEERS & RAWLINS	1075
RAWLINS & CRITCHLOW	1091
RAWLINS, THURMAN, WEDGEWOOD & HURD	1097
RAWLINS, RAY & RAWLINS	1007
INGEBRETSEN, RAY & RAWLINS	1029
INGEBRETSEN, RAY, RAWLINS & CHRISTENSEN	1041
INGEBRETSEN, RAY, RAWLINS & JONES	1048
RAY, RAWLINS, JONES & HENDERSON	1049

SALT LAKE CITY OFFICE  
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 170 SOUTH MAIN STREET  
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 FACSIMILE (801) 628-5225

PARK CITY OFFICE  
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 PARK CITY, UTAH 84080  
 TELEPHONE (801) 643-8748

IN REPLY REFER TO:

Washington, D.C.

OF COUNSEL  
 SIDNEY G. BAUCOM  
 LARRY C. HOLMAN  
 ROGER J. MCDONOUGH  
 ALDEN B. TUELLER

\* ADMITTED AND RESIDENT IN WASHINGTON, D.C.  
 † REGISTERED PATENT ATTORNEY  
 ‡ ADMITTED IN VIRGINIA  
 § LEAVE OF ABSENCE  
 ¶ ADMITTED IN NEVADA

93040952914

Mr. Xavier McDonald  
 Office of the General Counsel  
 Federal Election Commission  
 Washington, D.C. 20463

Re: MUR 3159

Dear Mr. McDonald:

Please find enclosed the original of the notarized letter from Janice Miller, Vice-Treasurer of Friends for Harry Reid. I had attached a facsimile copy of this letter to the answer that I sent in last week.

Please call if you have any questions.

Very truly yours,

*Claude E. Zobell, Jr.*  
 Claude E. Zobell, Jr.

90 DEC -4 AM 9:05

RECEIVED  
 FEDERAL ELECTION COMMISSION  
 OFFICE OF GENERAL COUNSEL  
 90 DEC -4 AM 10:54

FRIENDS FOR HARRY REID  
116 PRINCETON  
LAS VEGAS, NEVADA 89107

November 29, 1990

Federal Election Commission  
Mr. Lawrence M. Noble  
General Counsel  
Ms. Lois G. Lerner  
Associate General Counsel  
Washington, D.C. 20463

Dear Mr. Noble and Ms. Lerner:

I have received and examined the answer to the FEC complaint prepared by Mr. Claude E. Zobell, of the law firm of Jones, Waldo, Holbrook & McDonough and attest that the statements made therein are true to the best of my knowledge. Mr. Zobell is authorized by Friends for Harry Reid, Paul Eisenberg, Treasurer, to file the answer on our behalf.

Sincerely,

*Janice Miller*

Janice Miller  
Vice-Treasurer  
Friends for Harry Reid

STATE OF NEVADA        )  
                                  )        ss.  
COUNTY OF CLARK        )

On the 29th day of November, 1990, Janice Miller personally appeared before me and executed this document in my presence.

*Dianna DeBeau*  
\_\_\_\_\_  
NOTARY PUBLIC



DIANNA DeBEAU  
Notary Public - State of Nevada  
CLARK COUNTY  
My Appointment Expires July 9, 1992

93040952915

OGC 8934

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

BILBRAY FOR CONGRESS COMMITTEE  
Robert Goldberg, Treasurer  
3069 Conquista Court  
Las Vegas, NV 89119

90 DEC 11 AM 10:53

December 7, 1990

Lois G. Lerner  
Assoc. General Counsel  
Federal Election Commission  
Washington, D.C. 20463

RE: MUR 3159

Dear Ms. Lerner:

This letter is in response to yours of November 8, 1990, in which you state that the FEC has received a complaint from the Republican Party of Nevada, signed by Kenneth Sawyer, Chairman. The complaint alleges that Congressman Jim Bilbray, Governor Robert Miller, and the Friends for Miller Committee, Mike Kern Treasurer, may have violated the FEC Campaign Act of 1971 as amended.

The complaint specifically states that the respondents, and others, scheduled and held a political carnival on Friday, October 5, 1990, at the Hacienda Hotel and that radio and newspaper advertisements for the event appeared indicating the event was hosted by Governor Robert Miller, Senators Harry Reid, and Richard Bryan and Congressman Jim Bilbray.

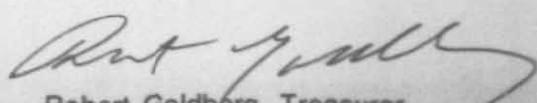
The political carnival which forms the basis of the complaint, from the Republican Party of Nevada, was arranged and put on by the Nevada State Democratic Party and the Miller for Governor Campaign. The purpose of this carnival was to promote the candidacy of Governor Miller and other Democratic candidates running for state and local office.

Congressman Bilbray was never made aware, at any time, that his name would be used in any advertisement either in print or on radio to promote this political carnival. Congressman Bilbray never authorized the use of his name in any of these advertisements.

Congressman Jim Bilbray's name was listed in the advertisements as a "host" of the event; much like an honorary chairman for a charitable event. The most that could be construed of this unauthorized use of Congressman Bilbray's name, would be that he supported the event, and it certainly did not confer on Congressman Bilbray a campaign benefit. It should also be noted that Congressman Bilbray did not attend the event and in fact was in Washington, D.C. attending to congressional affairs at the time of the function.

If you need further information, please contact me at 702/736-7136.

Sincerely,



Robert Goldberg, Treasurer  
Bilbray for Congress Committee

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 DEC 11 PM 3:43

93040952916

86C 8967

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

RAGGIO, WOOSTER & LINDELL, LTD. 90 DEC 13 AM 10:43  
*Attorneys and Counselors at Law*

WILLIAM J. RAGGIO  
CLINTON E. WOOSTER  
MICHAEL P. LINDELL  
RANDAL R. MUNN  
SHARON G. IMMERMANN  
OF COUNSEL:  
LESLIE A. RAGGIO

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TELECOPIER (702) 389-6534

December 12, 1990

Federal Election Commission  
Lawrence M. Noble  
General Counsel  
Lois G. Lerner  
Associate General Counsel  
Washington, D.C. 20463

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 DEC 13 PM 3:38

RE: MUR 3159

Dear Mr. Noble and Ms. Lerner:

This firm serves as general counsel for the Hacienda Operating Limited Partnership, a Nevada limited partnership, dba the Hacienda Resort Hotel and Casino in Las Vegas, Nevada. I am responding to your letter of November 8, 1990 regarding the above-referenced complaint by the Chairman for the Nevada Republican Party.

The Hacienda Hotel's involvement in this political event was extremely limited. The acting Governor, Bob Miller, personally contacted Mr. Paul W. Lowden who is Chairman of the Board of Sahara Resorts, a Nevada corporation which is a parent entity of the Hacienda Hotel. Acting Governor Miller asked Mr. Lowden if he would provide space for the political gathering on October 5, 1990, and if the refreshments consisting of hot dogs, popcorn, soft drinks, etc would be provided. Mr. Lowden agreed on behalf of the Hacienda Hotel to provide the space and the food for Acting Governor Miller.

At no time in this process did Acting Governor Miller or anyone else request anything from Mr. Lowden or the Hacienda Hotel relating to any candidate or office holder other than Acting Governor Miller. In addition, neither Mr. Lowden nor the

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RAGGIO, WOOSTER & LINDELL, LTD.

*Attorneys and Counselors at Law*

Federal Election Commission

December 11, 1990

Page 2

Hacienda Hotel had anything whatsoever to do with any radio, newspaper or other advertising of this event for Acting Governor Miller. Until he saw the newspaper advertisement attached to Mr. Sawyer's letter of October 31, 1990, Mr. Lowden was not even aware the publicity surrounding the event indicated that Senators Reid and Bryan and Congressman Bilbray were involved in the gathering, leave alone listed as "Hosts."

I note that in Mr. Sawyer's letter there is no allegation that the Hacienda Hotel made any in kind contribution to Senators Reid and Bryan or Congressman Bilbray, or that any of the Hacienda Hotel's in-kind contributions to Acting Governor Miller was in any way directed or intended to benefit anyone other than Acting Governor Miller and/or his campaign staff.

Mr. Lowden and his wife personally made contributions to Congressman Bilbray's campaign. That was, of course, a private contribution and was totally unconnected with the Hacienda Hotel and all other business operations of Mr. Lowden.

In conclusion, we do not believe Mr. Sawyer's complaint makes any allegation of wrongdoing by the Hacienda Hotel as a result of its in-kind contribution to Acting Governor Miller. If by some inference Mr. Sawyer's complaint is perceived as making an allegation against the Hacienda Hotel, we believe the facts clearly indicate that the Hacienda Hotel made absolutely no contribution to any federal election campaign, but rather its contribution was to Acting Governor Miller and completely lawful under Nevada and Federal law. Finally, if Acting Governor Miller and/or his campaign staff bestowed or transferred some or all of the Hacienda Hotel's in-kind contribution to a federal election campaign, such activities were certainly unknown and unauthorized by the Hacienda Hotel and the facts of any such possible activities will have to be obtained from Acting Governor Miller and his campaign staff or some other source.

93040952913

RAGGIO, WOOSTER & LINDELL, LTD.

*Attorneys and Counselors at Law*

Federal Election Commission

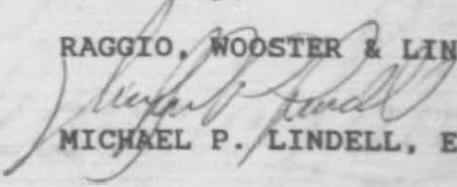
December 11, 1990

Page 3

If we can provide any additional information, please let me know. We will be more than happy to cooperate with your office and the Commission to the extent we have knowledge of the facts involved.

Sincerely,

RAGGIO, WOOSTER & LINDELL, LTD.

  
MICHAEL P. LINDELL, ESQ.

MPL:sn

cc: Paul W. Lowden  
Thomas M. Peacock

93040952919

RAGGIO, WOOSTER & LINDELL, LTD.  
*Attorneys and Counselors at Law*

90 DEC 13 AM 10:43

WILLIAM J. RAGGIO  
CLINTON E. WOOSTER  
MICHAEL P. LINDELL  
RANDAL R. MUNN  
SHARON G. IMMERMANN  
OF COUNSEL:  
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RENO, NEVADA 89506  
TELEPHONE (702) 329-6232  
TELECOPIER (702) 329-8534

December 12, 1990

Xavier McDonald  
Office of the General Counsel  
Federal Election Commission  
Washington, DC 20463

VIA FEDERAL EXPRESS

RE: MUR 3159

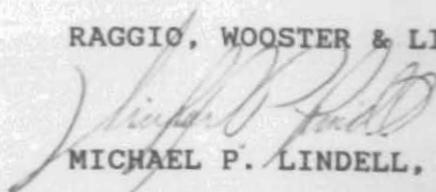
Dear Mr. McDonald:

Our firm serves as general counsel for the Hacienda Operating Limited Partnership, a Nevada limited partnership, dba Hacienda Resort Hotel and Casino in Las Vegas, Nevada. It was originally my understanding that Senator Reid's office was going to respond to the above-referenced complaint, including the Hacienda Hotel. I learned yesterday that was not correct.

In any event, I would like this opportunity to respond to Ms. Lerner's letter of November 8, 1990. Attached hereto is our response.

Sincerely,

RAGGIO, WOOSTER & LINDELL, LTD.

  
MICHAEL P. LINDELL, ESQ.

MPL:sn  
Encl.

cc: Paul W. Lowden  
Thomas M. Peacock

93040952920

FRIENDS FOR BRYAN  
600 East Charleston Boulevard  
Las Vegas, Nevada 89104

06C 9933  
RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOMS

91 JAN 28 PM 1:16

CERTIFIED/RETURN RECEIPT REQUESTED

MUR 3159

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
91 JAN 28 PM 4:02

January 23, 1991

Mr. Noble, General Counsel  
Ms. Lerner, Associate General  
Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Dear Mr. Nobel and Ms. Lerner:

This is in response to your letter in which you stated: "The Federal Election Commission received a complaint which alleges that Friends for Bryan and you, as treasurer, may have violated the Federal Campaign Act of 1971.....A copy of the complaint is enclosed." I am replying to your letter on behalf of Friends for Bryan.

First, Senator Richard Bryan has asked me to request that you provide a letter to him clarifying a misstatement in your earlier letter that a complaint was received from the Nevada Republican Party alleging a violation by Friends for Bryan. You will note in the complaint, a copy of which was provided to Friends for Bryan by your office, that the Nevada Republican Party complaint states: "The Nevada Republican Party alleges, upon information and belief, that Congressman Jim Bilbray, Governor Bob Miller, and the Friends for Miller Committee, Mike Kern, Treasurer, have violated the Federal Election Campaign Act of 1971, as amended." There was, in fact, no complaint filed against Friends for Bryan, and we would like that so stated in your second letter.

In accordance with FEC authority, we understand that you may request information from any party you feel may be associated with a filed complaint, and that you used the authority to request information from Friends for Bryan. Under that context, Friends for Bryan would like to state that no action should be taken to include Friends for Brian in the filed complaint due to the following reasons:

- I. NO ALLEGATIONS HAVE BEEN MADE BY THE NEVADA REPUBLICAN PARTY THAT THEY BELIEVE FRIENDS FOR BRYAN HAS VIOLATED ANY FEDERAL ELECTION LAWS. THE OMISSION OF FRIENDS FOR BRYAN FROM THEIR FILED COMPLAINT SHOULD STAND AS SOLID EVIDENCE THAT THEY DO NOT BELIEVE ANY VIOLATION OCCURRED.

93040952921

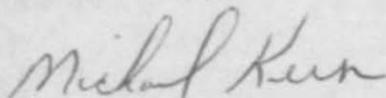
Mr. Noble, General Counsel  
Ms. Lerner, Associate General  
Counsel  
Federal Election Commission  
Washington, D.C.

January 23, 1991

- 93040952922
- II. FRIENDS FOR BRYAN PLAYED NO ROLE IN THE SPONSORSHIP, DID NOT BENEFIT FROM, AND DID NOT CONTRIBUTE TO THIS EVENT. SENATOR RICHARD BRYAN WAS NOT A CANDIDATE FOR ELECTION.
- III. SENATOR RICHARD BRYAN WAS LISTED AS A HOST IN HIS ROLE AS A DEMOCRATIC ELECTED OFFICIAL, AND AS A UNITED STATES SENATOR. SENATOR BRYAN IS LISTED AS AN HONORARY "HOST" OF NUMEROUS CHARITABLE, POLITICAL AND CIVIC EVENTS IN HIS ROLE AS A PUBLIC OFFICIAL. THE PURPOSE IS NOT TO BENEFIT SENATOR BRYAN, BUT TO CAPITALIZE ON HIS SPONSORSHIP AS A PUBLIC/ELECTED OFFICIAL. NOTE THE ENCLOSED INVITATIONS FROM VARIOUS ORGANIZATIONS LISTING SENATOR BRYAN IN THIS HONORARY ROLE.

Yours truly,

Friends for Bryan



Michael W. Kern  
Treasurer

MWK:mll

cc: Senator Bryan

POWER STAR BOND  
SOUTHWEST CO. U.S.A.  
25% COTTON FIBER

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SENATOR HARRY REID  
SENATOR RICHARD BRYAN  
CONGRESSMAN BARBARA VUCANOVICH  
CONGRESSMAN JAMES BILBRAY  
PRESENT  
ACADEMY  
INFORMATION  
NIGHT  
1990



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Dear Friends:

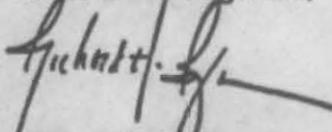
I would like to invite you to a Forum I am holding on an important issue: Medigap insurance. Medicare supplemental insurance has become a valuable asset for many older Nevadans. We will discuss many of the issues involved in purchasing this insurance, including costs, benefits, and possible pitfalls. We will also review federal legislation that will help ensure that you, the Medigap consumer, are protected.

Health insurance costs are too high for you to miss this Forum that will help you learn to choose the right Medigap policy for your situation. Please join me and your neighbors on Wednesday, August 15 from 10:00 to 11:30 a.m. at the Katherine Center. Refreshments will be provided.

August 15, 1990  
Senior Forum  
Katherine Center  
Multipurpose Room  
580 East St. Louis  
Las Vegas, Nevada 89104  
10:00 a.m. to 11:30 a.m.

I look forward to meeting with you.

With best regards,



Richard H. Bryan  
United States Senator

*April 21st*

# Nevada Wilderness Ceremony

†  
 The Friends of Nevada's Wilderness *(community environmental group - not just org)*  
 Senator Harry Reid, Senator Richard Bryan  
 Congressman James Bilbray  
 and  
 The Forest Supervisors  
 of the Toiyabe and Humboldt National Forests  
 request the honor of your presence  
 at the  
 Nevada Wilderness Dedication  
 and Barbecue  
 Saturday, April 21, 1990  
 in Kyle Canyon  
 Mount Charleston, Nevada

Ceremony commencing at 1:00 p.m. with free barbecue following,  
 both at the location shown on the enclosed map.

R.S.V.P (702) 384-1890 / 4777122  
 by April 18

P. O. Box 19777  
 Las Vegas, NV 89132

NON-PROFIT ORG.  
 BULK RATE  
 U.S. POSTAGE  
**PAID**  
 Las Vegas, NV 777  
 Permit No. 777

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2nd Annual  
Nevada  
Productivity  
Conference  
and  
U.S. Senate  
Productivity  
Awards

Presented by  
Senator Harry Reid  
Senator Richard Bryan

April 11, 1990

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

**SENSITIVE**

**FIRST GENERAL COUNSEL'S REPORT**

MUR #3159  
DATE COMPLAINT RECEIVED  
BY OGC: November 1, 1990  
DATE OF NOTIFICATION TO  
RESPONDENTS: November 8, 1990  
STAFF MEMBER: Xavier K. McDonnell

COMPLAINANTS: Nevada Republican Party and  
Kenneth J. Sawyer, as Chairman

RESPONDENTS: Bilbray for Congress Committee and  
Robert Goldberg, as treasurer;  
Friends for Bryan and  
Michael W. Kern, as treasurer;  
Hacienda Hotel/Sahara Resorts and  
Paul W. Lowden, as Chairman;  
Friends of Miller, and  
Michael W. Kern, as treasurer  
Nevada State Democratic Committee and  
Debbie Todd Johnson, as treasurer;  
Friends for Harry Reid and  
Paul Eisenberg, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 441b(a)  
11 C.F.R. § 102.5  
11 C.F.R. § 102.6  
11 C.F.R. § 106.1

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

**I. GENERATION OF MATTER**

In a complaint filed with the Commission, the Nevada  
Republican Party and Kenneth J. Sawyer, Chairman ("Complainants")  
have alleged that the Bilbray for Congress Committee (the "Bilbray  
Committee"), the authorized Committee of Congressman Jim Bilbray,  
and Robert Goldberg, as treasurer; and Friends of Miller (the

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"Miller Committee",) the authorized Committee of Nevada Governor Bob Miller and Michael W. Kern, as treasurer, have violated 2 U.S.C. § 441b(a) by making prohibited expenditures and accepting prohibited contributions. Responses have been submitted from all respondents except the Miller Committee. See Attachments 2-5.

## II. FACTUAL AND LEGAL ANALYSIS

### A. Background

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The complaint arises from the Respondents' alleged involvement in a political party/carnival held at the Hacienda Hotel (the "Hotel") in Las Vegas, Nevada on October 5, 1990. The carnival was advertised in the Las Vegas Review Journal and on radio station KNEWS, and the ads for the event indicated that it was hosted by Governor Bob Miller, Senators Harry Reid and Richard Bryan and Congressman Jim Bilbray.<sup>1</sup> Copies of the advertisements have been submitted with the complaint. See Attachment 1. The newspaper advertisement announced "A Real Political Party!" for "Free," "A Carnival Evening of Family Fun, Food, Games and Voter Registration." The newspaper ad disclosed that it was paid for by Friends for Miller, Mike Kern, treasurer. See Attachment 1 at page 3. The advertisements for the event appeared in the Las Vegas Review Journal on October 2, 1990, and on radio station KNEWS on October 2-4, 1990. According to the complaint, the radio advertisements which aired on October 2

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1. Bob Miller was a Democratic gubernatorial candidate in Nevada in 1990. Congressman James Bilbray was a Democratic federal candidate in Nevada during 1990. Neither Senators Bryan nor Reid was a candidate for election in 1990.

and 3, 1990, did not indicate who paid for the communication.<sup>2</sup>

The Complainants note that Nevada election law permits the receipt and expenditure of corporate contributions and contributions which are in excess of the limitations of the Federal Election Campaign Act of 1971, as amended (the "Act".) Attachment 1 at pages 1-2. The Complainants assert that it is their belief that funds prohibited by the Act had been accepted by the Miller Committee and were then used to pay for the advertisements for the political carnival. Therefore, according to the complaint, the portion of the costs of the ads allocable to Jim Bilbray, a federal candidate, were paid with prohibited funds, in violation of 2 U.S.C. § 441b(a). As a result, the Complainants assert that Congressman Bilbray knowingly accepted an unlawful contribution from the Miller Committee, in violation of 2 U.S.C. § 441b(a). See Attachment 1 at page 2.

The complaint indicates that the costs associated with the

2. The radio advertisement contained essentially the same information as the newspaper, but offered more details about the event. Below is the script for the radio advertisements:

With election day fast approaching, isn't it about time you had a real political party? Well you can find a real political party on Friday October 5th from 6-9 p.m. at the Hacienda Hotel Convention Center. This real political party is a free carnival evening of family, food, fun, games and voter registration. It's hosted by Governor Bob Miller, Senators Harry Reid and Richard Bryan, and Congressman James Bilbray. There will be carnival booths, refreshments, rides, live entertainment and no speeches. Best of all, the entire evening is open to the public free of charge. Its about time someone had a real political party like this! So don't forget! 6-9 p.m., Friday October 5th at the Hacienda Hotel Convention Center on the Strip, south of Tropicana. A Real political party! Free Carnival fun! Hot dogs, nachos, ice cream, peanuts, popcorn and entertainment for the whole family. For more information, please call 796-1990.

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carnival itself were an in-kind contribution from the Hacienda Hotel to the Miller Committee. In addition, the complaint and the newspaper and radio ads provided with the complaint also indicate that Senators Bryan and Reid hosted the event which is the subject of this complaint. See Attachment 1 at page 3. This information raised questions about the role of other Federal officials and their authorized committees in the political carnival, namely the role of the Friends for Bryan ("Bryan Committee"), the authorized Committee of Senator Richard Bryan and Michael W. Kern, as treasurer; Friends for Harry Reid ("Reid Committee",) the authorized Committee of Senator Harry Reid and Paul Eisenberg, as treasurer; as well as the role of the Hacienda Resort Hotel/Sahara Resorts and Paul Lowden, Chairman.

In its response, the Hacienda Hotel acknowledges that it contributed the use of its facilities and contributed food for the political carnival, but it asserts that it agreed only to make the corporate contribution to then Acting Governor Bob Miller, which is permitted under Nevada law, that at no time did anyone request anything from the corporation relating to any other candidate, and that the Hotel had nothing to do with the radio and newspaper advertisements which announced the carnival. Attachment 3 at pages 1-2. In their responses to the complaint, the Bilbray, Bryan and Reid Committees have indicated that they were merely "honorary" hosts of the carnival. Senator Bryan's response indicates he had no role in sponsoring the event, and Congressman Bilbray and Senator Reid also indicate they did not authorize the use of their names within the radio and newspaper ads, and that

the political carnival was an effort to promote state and local candidates. See Attachments 2; Attachment 4 at page 2; Attachment 5 at page 4. All three of the federal "hosts" of the event also denied that the carnival conferred a benefit upon their campaigns or that they attended the event, with Senators Bryan and Reid also pointing out that they were not even up for election in 1990. See Attachment 2; Attachment 4 at pages 1 and 2; Attachment 5 at pages 2 and 4.<sup>3</sup>

**B. Applicable Law**

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Under the Act, it is unlawful for any corporation to make a contribution or expenditure in connection with any federal election, and it is unlawful for any candidate, political committee or other person to knowingly accept or receive any such a contribution. 2 U.S.C. § 441b(a). The term "contribution" means any gift, loan, advance, 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); 11 C.F.R. § 100.7(a)(1). Similarly, the term "expenditure" is defined to include any purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(9)(A); 11 C.F.R. § 100.8(a)(1). With respect to corporations and labor unions, a contribution or expenditure is

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3. Moreover, certain of the responses indicated that the Nevada State Democratic Committee ("State Committee",) and Debbie Todd Johnson, as treasurer, co-hosted the political event. Attachment 2; Attachment 5 at page 2. Therefore, as set forth below, this Office is recommending that the State Committee be made an internally generated respondent.

defined as "any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services, or anything of value ... to any candidate, campaign committee or political party or organization, in connection with any" federal election.

2 U.S.C. § 441b(b)(2).

Expenditures made by any person in cooperation, consultation or concert with a candidate, his or her authorized committee or agents are considered contributions made to such candidate.

2 U.S.C. § 441a(a)(7)(B)(i). The Commission has stated that

expenditures made by a state political party for voter

registration and get-out-the vote drives, even though not

expressly made on behalf of candidates for Federal office, should

be allocated between the two classes of candidates, state and

federal, in the same manner as other general party building

activities. See A.O. 1978-10 citing 11 C.F.R. § 106.1 (1977),<sup>4</sup>

The Commission has also concluded that expenditures made by a

state political party for the purpose of identifying and

motivating persons to support a political party's gubernatorial

nominee made during a year in which federal elections were to be

held would also be for the additional purpose of influencing

federal elections, and therefore must be allocated on a reasonable

4. Expenditures for registration and get-out-the-vote drives of a political committee need not be attributed to individual candidates, unless they are made on behalf of "clearly identified candidates." 11 C.F.R. § 106.1(c)(2) (1977).

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basis. A.O. 1978-50 citing 11 C.F.R. § 106.1 (1977).<sup>5</sup>

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The payment by a candidate, for nomination or election to any public office (including state or local office) or authorized committee of a candidate, of the costs of campaign materials which include information on or reference to any other candidate and which are used in connection with volunteer activities (including pins, bumper stickers, handbills, brochures, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, billboards, direct mail, or similar types of general public communication or political advertising) are not considered "contributions" provided that such payments are made from contributions subject to the limitations and prohibitions of the Act. 2 U.S.C. § 431(8)(B)(xi).

The payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which the committee is organized is not considered a "contribution" or an "expenditure" under the Act, except for costs incurred to display such listings through general public advertising. 2 U.S.C. § 431(8)(B)(v); 2 U.S.C. § 431(9)(B)(iv). The payment by a State or local committee of a

5. The Commission has recently revised its regulations for allocating expenditures between federal and non-federal activities and accounts. See 11 C.F.R. §§ 106.1(e) and 106.5. The revised regulations went into effect January 1, 1991, which is after the occurrence of the activities which gave rise to the instant complaint.

political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party are not considered "contributions" or "expenditures" under the Act provided: (1) such payments are not for the cost of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising; (2) such payments are made from contributions subject to the limitations and prohibitions of the Act; and (3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates. 2 U.S.C. § 431(8)(B)(x); 2 U.S.C. § 431(9)(B)(viii).

The Commission's regulations require that party committees and other political committees allocate administrative expenses on a reasonable basis between their federal and non-federal accounts. 11 C.F.R. § 106.1(e). Expenditures made in connection with federal elections, whether made by political committees or organizations which are not political committees, must be made with funds which are permissible under the Act in accordance 11 C.F.R. § 102.5.

C. Analysis

The response from the Hacienda Hotel indicates that Paul W. Lowden, Chairman of the Board of Sahara Resorts, the parent company which owns the Hotel, made an in-kind contribution to then Acting Governor Bob Miller at his request, by providing space in

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the Hotel as well as food and refreshments, for the event. See Attachment 3. The ads announcing the free event indicate that one of the purposes of the carnival was to register voters, and according to certain responses, another purpose of the carnival was to promote Democratic state and local candidates. See Attachment 2 and Attachment 5 at page 2.

As noted above, the costs for voter-registration and get-out-the-vote activities during years in which federal elections are held, are, in part, for the purpose of influencing federal elections. See A.O. 1978-10 and A.O. 1978-50. Two Democratic federal candidates, Jim Bilbray and Jane Wisdom, ran for election in 1990 in Nevada within the time frame in which the political carnival was held. Therefore, the federal portion of the costs associated with the carnival was required to be paid for with permissible funds. 2 U.S.C. § 441b; 11 C.F.R. § 102.5.<sup>6</sup>

At this point the total cost of the event, including the cost of the Hotel space, the food, refreshments, rides, advertisements and other related expenses is unknown. In addition, it is unclear what types of voter registration and/or get-out-the-vote activities transpired at the event. Similarly, the information

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6. It does not appear that the ads would be exempt under the Act's "coattails" provision because they were disseminated by newspaper and radio. See 2 U.S.C. § 431(B)(8)(xi). Although it is unclear whether posters or other campaign materials for the purpose of influencing federal elections were distributed or displayed at the carnival as part of the Respondents' "party building" activities, we note that in order to be exempt from the definition of "contribution" and "expenditure" under the Act, one of the requirements is that such materials be paid for with funds raised permissibly under the Act. See 2 U.S.C. § 431(8)(B)(x); 2 U.S.C. § 431(9)(B)(viii).

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presently available is insufficient to assess what portion of the costs associated with the event were allocable to federal activity. From the information at hand, however, it is clear that the Miller Committee, which apparently accepts contributions prohibited by the Act and which accepted an in-kind corporate contribution in connection with the event, co-hosted the political carnival and paid at least some of the costs for the ad announcing the free event.<sup>7</sup> It also appears that the State Committee co-hosted the political carnival, although it is not clear whether that Committee paid the federal portion of the total costs associated with the event with federally permissible funds. See Attachment 1; Attachment 2; Attachment 4 at page 2.<sup>8</sup> Therefore, although the role of each the apparent "hosts" of the event is unknown, from the evidence at hand it appears that the Miller Committee made a prohibited contribution in connection with federal activities to the State Committee, in violation of Section 441b(a). In addition, it appears that the State Committee knowingly accepted the prohibited contribution, in violation of

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7. With regard to the Complainants' suggestion that the radio ads did not identify who paid for them, we note that these ads did not appear to "expressly advocate" the election or defeat of any clearly identified candidate, and thus the Act's disclaimer provision does not appear to be applicable.

8. The State Committee's reports disclose that during November of 1990, approximately one month after the carnival, it disbursed \$16,000 for "Administrative & Operating Expenses" to its "Combined Account." See Attachment 6. However, it is unclear whether the reported expenses are related to the political carnival. From a review of the Committee's reports, the \$16,000 payment appears to be its usual operating expenses. Moreover, as the Miller Committee has not responded to the complaint, it is unclear whether that Committee received payment from the State Committee.

2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5. Accordingly, the Office of the General Counsel recommends that the Commission find reason to believe that Friends for Miller and Michael Kern, as treasurer, violated 2 U.S.C. § 441b(a), and that the Nevada State Democratic Committee and Debbie Todd Johnson, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a).<sup>9</sup>

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With respect to the alleged receipt of an in-kind corporate contribution by the candidate committees, the Bilbray Committee contends that Congressman Bilbray, who was up for election in November of 1990, "was never made aware, at any time, that his name would be used in any advertisements either in print or in radio to promote this political carnival." Attachment 2. The Bilbray Committee also asserts that the Congressman's name was listed "like an honorary chairman of a charitable event," and that the listing conferred no benefit upon the Bilbray campaign. Attachment 2. With respect to the political carnival itself, the response indicates that Jim Bilbray did not attend the event in Las Vegas, but remained in Washington, D.C. and attended to his congressional affairs.

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9. We note that if the Miller Committee defrayed a share of the federal portion of the costs for the event, such amount may have also been in excess of the limitations of the Act, and thus the Miller Committee may have violated 2 U.S.C. § 441a(a) and the State Committee may have violated 2 U.S.C. § 441a(f). However, at this time, this Office makes no recommendation with regard to this issue pending receipt of a response from the Miller Committee. Similarly, with respect to the role of the Hacienda Hotel in the event, it appears that the Hotel only made the in-kind corporate contribution to then Acting Governor Miller. Therefore, the Office of the General Counsel recommends that, at this time, the Commission take no action against the Hacienda Operating Limited Partnership, D/B/A. Hacienda Resort Hotel, Sahara Resorts, and Paul W. Lowden, as Chairman.

The radio and newspaper advertisements had also indicated that Senators Bryan and Reid were hosts of the political carnival. The Bryan and Reid Committee both indicate that the Senators were not up for election in 1990, and that they received no benefit from the ads. Attachment 4 at pages 1-2; Attachment 5 at pages 2-4. The Senators also assert that were merely listed as hosts of the carnival "much like an honorary Chairman for a charitable event." Attachment 4 at page 2.

The Reid Committee indicates that the Senator did not specifically authorize the use of his name in the advertisements, that he was not informed that his name would be used, and that the Senator did not attend the event. Attachment 5 at page 2. The response filed on behalf of Senator Bryan does not indicate whether the use of the Senator's name in the carnival ad was authorized. Attachment 4. However, the treasurer of the Bryan Committee is also the treasurer of the Miller Committee, the Committee which appears to have paid for the ads, which suggests that the Bryan Committee's treasurer may have at least had knowledge that the Senator's name was used in the ad.

Although from their responses it does not appear that Senators Bryan or Reid, or Congressman Bilbray attended the political carnival, it is unclear whether any activities undertaken at the carnival may have involved their campaigns. Therefore, pending the receipt of further information about the activities which occurred at the event, the Office of the General Counsel recommends that the Commission take no action at this time with respect to the Bilbray Committee and Robert Goldberg, as

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treasurer, Friends for Harry Reid, and Paul Eisenberg, as treasurer, and Friends for Bryan, and Michael W. Kern, as treasurer.

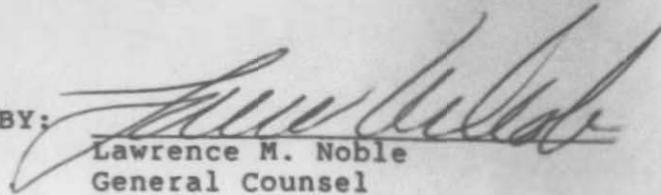
**III. RECOMMENDATIONS**

1. Find reason to believe that Friends for Miller and Michael Kern, as treasurer, violated 2 U.S.C. § 441b(a).
2. Find reason to believe that the Nevada State Democratic Committee and Debbie Todd Johnson, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a).
3. Take no action against the Bilbray for Congress Committee and Robert Goldberg, as treasurer; Friends for Bryan and Michael W. Kern, as treasurer; Friends for Harry Reid and Paul Eisenberg, as treasurer; the Hacienda Hotel/Hacienda Operating limited Partnership/Sahara Resorts and Paul W. Lowden, as Chairman.
4. Approve the attached Factual and Legal Analyses, and appropriate letters.

Date

12/20/91

BY:

  
Lawrence M. Noble  
General Counsel

**Attachments**

1. Complaint
2. Response from Bilbray Committee
3. Response from Hacienda Hotel
4. Response from Bryan Committee
5. Response from Reid Committee
6. State Committee's Disclosure reports
7. Factual and Legal Analyses

93040952939



FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20461

MEMORANDUM

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

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

DATE: DECEMBER 23, 1991

SUBJECT: MUR 3159 - FIRST GENERAL COUNSEL'S REPORT  
DATED DECEMBER 20, 1991.

The above-captioned document was circulated to the  
Commission on MONDAY, DECEMBER 23, 1991 at 11:00 A.M.

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

Commissioner Aikens \_\_\_\_\_  
Commissioner Elliott XXX  
Commissioner Josefiak \_\_\_\_\_  
Commissioner McDonald \_\_\_\_\_  
Commissioner McGarry \_\_\_\_\_  
Commissioner Thomas \_\_\_\_\_

This matter will be placed on the meeting agenda  
for TUESDAY, JANUARY 7, 1991.

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

93040952940

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 3159  
Bilbray for Congress Committee and )  
Robert Goldberg, as treasurer; )  
Friends for Bryan and )  
Michael W. Kern, as treasurer; )  
Hacienda Hotel/Sahara Resorts and )  
Paul W. Lowden, as Chairman; )  
Friends of Miller, and )  
Michael W. Kern, as treasurer; )  
Nevada State Democratic Committee and )  
Debbie Todd Johnson, as treasurer; )  
Friends for Harry Reid and )  
Paul Eisenberg, as treasurer. )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on January 14, 1992, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions in MUR 3159:

1. Find reason to believe that Friends for Miller and Michael Kern, as treasurer, violated 2 U.S.C. § 441b(a).
2. Find reason to believe that the Nevada State Democratic Committee and Debbie Todd Johnson, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a).

(continued)

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3. Take no action against the Bilbray for Congress Committee and Robert Goldberg, as treasurer; Friends for Bryan and Michael W. Kern, as treasurer; Friends for Harry Reid and Paul Eisenberg, as treasurer; the Hacienda Hotel/Hacienda Operating Limited Partnership/Sahara Resorts and Paul W. Lowden, as Chairman.
  
4. Approve the Factual and Legal Analyses and appropriate letters as recommended in the General Counsel's report dated December 20, 1991.

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

Attest:

1-16-92  
Date

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 30, 1992

Michael Kern, Treasurer  
Friends for Miller  
527 Lander Street  
Reno, NV 89509

RE: MUR 3159  
Friends for Miller and  
Michael Kern, as treasurer

Dear Mr. Kern:

On November 8, 1990, the Federal Election Commission notified Friends for Miller (the "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, the Commission, on January 14, 1992, found that there is reason to believe that the Committee and you, as treasurer, violated 2 U.S.C. § 441b, a provision 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 and requested documents, within 30 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.

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MUR 3159  
Michael Kern, Treasurer  
Page 2

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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

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 Xavier K. McDonnell, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

*Joan D. Aikens*

Joan D. Aikens  
Chairman

Enclosures  
Factual & Legal Analysis  
Questions and Document Requests  
Procedures  
Designation of Counsel Form

cc: Governor Bob Miller  
Capital Buidling Carson City  
NV 89710

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)  
) MUR 3159  
)

INTERROGATORIES AND REQUEST  
FOR PRODUCTION OF DOCUMENTS

TO: Michael Kern  
Friends for Miller  
527 Lender Street  
Reno, NV 89509

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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 30 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.

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.

MUR 3159  
Friends for Miller,  
and Michael Kern, as treasurer  
Page 2

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

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

Unless otherwise indicated, the discovery request shall refer to the time period from January 1990 until the present.

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.

#### 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,

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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.

#### QUESTIONS AND DOCUMENT REQUESTS

1. State whether any officers, employees or volunteers of the Friends for Miller Committee ("Miller Committee") were involved in or played any role in the planning and execution of the political carnival ("political carnival" or the "event") held at the Hacienda Hotel (the "Hotel") on October 5, 1990. If the answer is in the affirmative:

- a. Describe the Miller Committee's role in the political carnival.
- b. Identify all individuals and organizations involved in hosting or co-hosting the political carnival.

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c. State whether the Nevada Democratic State Committee ("State Committee") was involved in the event. If the answer is in the affirmative, describe the State Committee's role in the event.

2. State whether the Miller Committee or the State Committee purchased and/or distributed any campaign materials in connection with the political carnival, including, but not limited to pins, posters, party tabloids, handbills, yard signs, printed slate cards or sample ballots. If the answer is in the affirmative:

a. Produce a copy of each campaign material distributed or purchased.

b. State the costs associated with such materials and identify who paid for them.

3. State whether the Miller Committee was involved in any voter registration or get-out-the-vote activities in connection with the political carnival. If the answer is in the affirmative, briefly describe the nature and type of such activities. In addition, state the costs of such activities.

4. State the total costs incurred by the Committee with respect to the event, including the costs for the newspaper and radio advertisements which announced the event. Indicate whether any other committees paid any of the costs for such advertisements, and provide the amounts each Committee paid.

5. If any of the costs associated with the political carnival were a contribution from the Hacienda Hotel, state the value of the contribution, and indicate whether the contribution was reported to the Nevada Secretary of State or a state election agency.

6. State the portion of the total costs of the event allocable to federal activity. Provide the method by which the Committee determined the amount allocable to federal activity. Include a breakdown of the federal portion of the costs for each activity and all campaign materials.

7. State whether the Miller Committee made any arrangement(s) or agreement(s) with the State Committee, or any other committee, with respect to the political carnival. If so, describe the nature of such arrangement(s) or agreement(s).

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Friends for Miller and  
Michael Kern, as treasurer  
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8. State whether the State Committee paid or reimbursed the Miller Committee for any of the costs associated with the political carnival. If so, provide the amount of those costs and document all payments made.

9. State whether the Committee had any communications, written or oral, with the State Committee or any agent of that Committee regarding the political carnival held at the Hacienda Hotel. If the answer is in the affirmative:

- a. Summarize the substance of those communications.
- b. Identify all persons involved with such communications.

10. State whether the Miller Committee had any communications, written or oral, with the Hacienda Hotel, or any agent or employee of the Hotel, with respect to the event. If the answer is in the affirmative:

- a. Summarize the substance of those communications.
- b. Identify all persons involved with such communications.

11. State whether the Committee paid or reimbursed the Hacienda Hotel for the costs associated with the political carnival. If so, provide the amount which the Committee paid the Hotel.

12. State whether, with respect to the political carnival, the Miller Committee had any communications, written or oral, with any federal candidates and/or officeholders or staff or employees of committees of federal candidates or officeholders, including the committees of Congressman James Bilbray, Senators Harry Reid or Richard Bryan. If so:

- a. Summarize the substance of such communications.
- b. Identify the persons involved in such communications.

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Friends for Miller and  
Michael Kern, as treasurer  
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c. State whether such persons or committees were involved in the planning or execution of the political carnival.

d. State whether such persons or committees were involved in the production, purchasing, approval or distribution of campaign materials used in connection with the political carnival.

e. State whether such persons were in attendance at the political carnival.

13. Identify and produce all documents relating to the October 5, 1990, political carnival at the Hacienda Hotel, including but not limited to advertisements, agreements, campaign materials, correspondence, records, reports and receipts as well as all documents used in answering or referenced within these interrogatories.

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FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

MUR 3159

Respondents: Friends for Miller, and  
Michael W. Kern, as treasurer

I. GENERATION OF MATTER

In a complaint filed with the Commission, the Nevada Republican Party and Kenneth J. Sawyer, Chairman ("Complainants") have alleged that Friends for Miller (the "Miller Committee",) the authorized Committee of Nevada Governor Bob Miller and Michael W. Kern, as treasurer (the "Respondents"), have violated 2 U.S.C. § 441b(a) by making prohibited expenditures and accepting prohibited contributions. The Miller Committee did not respond to the complaint.

II. FACTUAL AND LEGAL ANALYSIS

A. Background

The complaint arises from the Respondents' alleged involvement in a political party/carnival held at the Hacienda Hotel (the "Hotel") in Las Vegas, Nevada on October 5, 1990. The carnival was advertised in the Las Vegas Review Journal and on radio station KNEWS, and the ads for the event indicated that it was hosted by Governor Bob Miller, Senators Harry Reid and Richard Bryan and Congressman Jim Bilbray. Copies of the advertisements were submitted with the complaint. The newspaper advertisement announced "A Real Political Party!" for "Free," "A Carnival Evening of Family Fun, Food, Games and Voter

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Registration." The newspaper ad disclosed that it was paid for by Friends for Miller, Mike Kern, treasurer. The advertisements for the event appeared in the Las Vegas Review Journal on October 2, 1990, and on radio station KNEWS on October 2-4, 1990. According to the complaint, the radio advertisements which aired on October 2 and 3, 1990, did not indicate who paid for the communication.<sup>1</sup>

The Complainants note that Nevada election law permits the receipt and expenditure of corporate contributions and contributions which are in excess of the limitations of the Federal Election Campaign Act of 1971, as amended (the "Act".) The Complainants assert that it is their belief that funds prohibited by the Act had been accepted by the Miller Committee and were then used to pay for the advertisements for the political carnival. Therefore, according to the complaint, the portion of the costs of the ads allocable to Jim Bilbray, a federal

1. The radio advertisement contained essentially the same information as the newspaper, but offered more details about the event. Below is the script for the radio advertisements:

With election day fast approaching, isn't it about time you had a real political party? Well you can find a real political party on Friday October 5th from 6-9 p.m. at the Hacienda Hotel Convention Center. This real political party is a free carnival evening of family food, fun, games and voter registration. It's hosted by Governor Bob Miller, Senators Harry Reid and Richard Bryan, and Congressman James Bilbray. There will be carnival booths, refreshments, rides, live entertainment and no speeches. Best of all, the entire evening is open to the public free of charge. Its about time someone had a real political party like this so don't forget! 6-9 p.m., Friday October 5th at the Hacienda Hotel Convention Center on the Strip, south of Tropicana. A Real political party! Free Carnival fun! Hot dogs, nachos, ice cream, peanuts, popcorn and entertainment for the whole family. For more information, please call 796-1990.

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candidate, were paid with prohibited funds, in violation of 2 U.S.C. § 441b(a).

The complaint indicates that the costs associated with the carnival itself were an in-kind contribution from the Hacienda Hotel to the Miller Committee. The Hacienda Hotel acknowledges that it contributed the use of its facilities and contributed food for the political carnival, but it asserts that it agreed only to make the corporate contribution to then Acting Governor Bob Miller, which is permitted under Nevada law; that at no time did anyone request anything from the corporation relating to any other candidate, and that the Hotel had nothing to do with the radio and newspaper advertisements which announced the carnival.

**B. Applicable Law**

Under the Act, it is unlawful for any corporation to make a contribution or expenditure in connection with any federal election, and it is unlawful for any candidate, political committee or other person to knowingly accept or receive any such a contribution. 2 U.S.C. § 441b(a). The term "contribution" means any gift, loan, advance, 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); 11 C.F.R. § 100.7(a)(1). Similarly, the term "expenditure" is defined to include any purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(9)(A); 11 C.F.R. § 100.8(a)(1). With respect to corporations and labor unions, a contribution or expenditure is

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defined as "any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services, or anything of value ... to any candidate, campaign committee or political party or organization, in connection with any" federal election.

2 U.S.C. § 441b(b)(2).

Expenditures made by any person in cooperation, consultation or concert with a candidate, his or her authorized committee or agents are considered contributions made to such candidate.

2 U.S.C. § 441a(a)(7)(B)(i). The Commission has stated that expenditures made by a state political party for voter registration and get-out-the vote drives, even though not expressly made on behalf of candidates for Federal office, should be allocated between the two classes of candidates, state and federal, in the same manner as other general party building activities. See A.O. 1978-10 citing 11 C.F.R. § 106.1 (1977).<sup>2</sup> The Commission has also concluded that expenditures made by a state political party for the purpose of identifying and motivating persons to support a political party's gubernatorial nominee made during a year in which federal elections were to be held would also be for the additional purpose of influencing federal elections, and therefore must be allocated on a reasonable

2. Expenditures for registration and get-out-the-vote drives of a political committee need not be attributed to individual candidates, unless they are made on behalf of "clearly identified candidates." 11 C.F.R. § 106.1(c)(2) (1977).

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basis. A.O. 1978-50 citing 11 C.F.R. § 106.1 (1977).<sup>3</sup>

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The payment by a candidate, for nomination or election to any public office (including state or local office) or authorized committee of a candidate, of the costs of campaign materials which include information on or reference to any other candidate and which are used in connection with volunteer activities (including pins, bumper stickers, handbills, brochures, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, billboards, direct mail, or similar types of general public communication or political advertising) are not considered "contributions" provided that such payments are made from contributions subject to the limitations and prohibitions of the Act. 2 U.S.C. § 431(8)(B)(xi).

The payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which the committee is organized is not considered a "contribution" or an "expenditure" under the Act, except for costs incurred to display such listings through general public advertising. 2 U.S.C. § 431(8)(B)(v); 2 U.S.C. § 431(9)(B)(iv). The payment by a State or local committee of a

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3. The Commission has recently revised its regulations for allocating expenditures between federal and non-federal activities and accounts. See 11 C.F.R. §§ 106.1(e) and 106.5. The revised regulations went into effect January 1, 1991, which is after the occurrence of the activities which gave rise to the instant complaint.

political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party are not considered "contributions" or "expenditures" under the Act provided: (1) such payments are not for the cost of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising; (2) such payments are made from contributions subject to the limitations and prohibitions of the Act; and (3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates. 2 U.S.C. § 431(8)(B)(x); 2 U.S.C. § 431(9)(B)(viii).

The Commission's regulations require that party committees and other political committees allocate administrative expenses on a reasonable basis between their federal and non-federal accounts. 11 C.F.R. § 106.1(e). Expenditures made in connection with federal elections, whether made by political committees or organizations which are not political committees, must be made with funds which are permissible under the Act in accordance 11 C.F.R. § 102.5.

C. Analysis

The Hacienda Hotel made an in-kind contribution to then Acting Governor Bob Miller at his request, by providing space in the Hotel as well as food and refreshments, for the event. The ads announcing the free event indicate that one of the purposes of

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the carnival was to register voters, and it appears that another purpose of the carnival was to promote Democratic state and local candidates.

As noted above, the costs for voter-registration and get-out-the-vote activities during years in which federal elections are held, are, in part, for the purpose of influencing federal elections. See A.O. 1978-10 and A.O. 1978-50. Two Democratic federal candidates, Jim Bilbray and Jane Wisdom, ran for election in 1990 in Nevada within the time frame in which the political carnival was held. Therefore, the federal portion of the costs associated with the carnival was required to be paid for with permissible funds. 2 U.S.C. § 441b; 11 C.F.R. § 102.5,

At this point the total cost of the event, including the cost of the Hotel space, the food, refreshments, rides, advertisements and other related expenses is unknown. In addition, it is unclear what types of voter registration and/or get-out-the-vote activities transpired at the event. Similarly, the information presently available is insufficient to assess what portion of the costs associated with the event were allocable to federal activity. From the information at hand, however, it is clear that the Miller Committee, which apparently accepts contributions prohibited by the Act and which accepted an in-kind corporate contribution in connection with the event, co-hosted the political carnival and paid at least some of the costs for the ad announcing the free event. It also appears that the State Committee co-hosted the political carnival, although it is not clear whether that Committee paid the federal portion of the total costs

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associated with the event with federally permissible funds.

Although the role of each the apparent "hosts" of the event is unknown, from the evidence at hand it appears that the Miller Committee made a prohibited contribution in connection with federal activities to the State Committee, in violation of Section 441b(a). Accordingly, there is reason to believe that Friends for Miller and Michael Kern, as treasurer, violated 2 U.S.C. § 441b(a).

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 30, 1992

Debbie Todd Johnson, Treasurer  
Nevada Democratic State Committee  
953 E. Sahara #21  
Las Vegas, NV 89104

RE: MUR 3159  
Nevada Democratic State  
Committee, and  
Debbie Todd Johnson, as treasurer

Dear Ms. Johnson:

On January 14, 1992, the Federal Election Commission found that there is reason to believe that the Nevada Democratic State ("Committee") and you, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and Commission regulations. The Factual and Legal Analysis, which formed a basis for the Commission's findings, 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, along with answers to the enclosed questions and requested documents, to the General Counsel's Office within 30 days of your 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

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Debbie Todd Johnson, Treasurer  
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declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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

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 investigation to be made public.

For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Xavier K. McDonnell, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

*Joan D. Aikens*

Joan D. Aikens  
Chairman

**Enclosures**

Factual and Legal Analysis  
Questions and Document Request  
Procedures  
Designation of Counsel Form

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)  
) MUR 3159  
)

INTERROGATORIES AND REQUEST  
FOR PRODUCTION OF DOCUMENTS

TO: Debbie Todd Johnson, Treasurer  
Nevada Democratic State Committee  
953 E. Sahara #21  
Las Vegas, NV 89104

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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 30 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.

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.

FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

MUR 3159

Respondents: Nevada State Democratic  
Committee and  
Debbie Todd Johnson, as treasurer

I. GENERATION OF MATTER

This matter was generated by the Federal Election Commission (the "Commission") in the normal course of carrying out its supervisory responsibilities.

II. FACTUAL AND LEGAL ANALYSIS

A. Background

It appears that the Nevada Democratic State Committee (the "State Committee"), and Debbie Todd Johnson, as treasurer (the "Respondents") were hosts of a political party/carnival held at the Hacienda Hotel (the "Hotel") in Las Vegas, Nevada on October 5, 1990. The carnival was advertised in the Las Vegas Review Journal and on radio station KNEWS, and the ads for the event indicated that it was hosted by Governor Bob Miller, Senators Harry Reid and Richard Bryan and Congressman Jim Bilbray. The newspaper advertisement announced "A Real Political Party!" for "Free," "A Carnival Evening of Family Fun, Food, Games and Voter Registration." The newspaper ad disclosed that it was paid for by Friends for Miller, Mike Kern, treasurer. The advertisements for the event appeared in the Las Vegas Review Journal on October 2,

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1990, and on radio station KNEWS on October 2-4, 1990.<sup>1</sup>

Nevada election law permits the receipt and expenditure of corporate contributions and contributions which are in excess of the limitations of the Federal Election Campaign Act of 1971, as amended (the "Act"). The Friends for Miller Committee is a state committee, which evidently accepts contributions prohibited by the Act. In addition, it appears that certain costs for the carnival were an in-kind contribution from the Hacienda Hotel to the Miller Committee.

**B. Applicable Law**

Under the Act, it is unlawful for any corporation to make a contribution or expenditure in connection with any federal election, and it is unlawful for any candidate, political committee or other person to knowingly accept or receive any such a contribution. 2 U.S.C. § 441b(a). The term "contribution" means any gift, loan, advance, deposit of money or anything of

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1. The radio advertisement contained essentially the same information as the newspaper, but offered more details about the event. Below is the script for the radio advertisements:

With election day fast approaching, isn't it about time you had a real political party? Well you can find a real political party on Friday October 5th from 6-9 p.m. at the Hacienda Hotel Convention Center. This real political party is a free carnival evening of family food, fun, games and voter registration. It's hosted by Governor Bob Miller, Senators Harry Reid and Richard Bryan, and Congressman James Bilbray. There will be carnival booths, refreshments, rides, live entertainment and no speeches. Best of all, the entire evening is open to the public free of charge. Its about time someone had a real political party like this so don't forget! 6-9 p.m., Friday October 5th at the Hacienda Hotel Convention Center on the Strip, south of Tropicana. A Real political party! Free Carnival fun! Hot dogs, nachos, ice cream, peanuts, popcorn and entertainment for the whole family. For more information, please call 796-1990.

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value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8)(A); 11 C.F.R. § 100.7(a)(1). Similarly, the term "expenditure" is defined to include any purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(9)(A); 11 C.F.R. § 100.8(a)(1). With respect to corporations and labor unions, a contribution or expenditure is defined as "any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services, or anything of value ... to any candidate, campaign committee or political party or organization, in connection with any" federal election. 2 U.S.C. § 441b(b)(2).

Expenditures made by any person in cooperation, consultation or concert with a candidate, his or her authorized committee or agents are considered contributions made to such candidate. 2 U.S.C. § 441a(a)(7)(B)(i). The Commission has stated that expenditures made by a state political party for voter registration and get-out-the vote drives, even though not expressly made on behalf of candidates for Federal office, should be allocated between the two classes of candidates, state and federal, in the same manner as other general party building activities. See A.O. 1978-10 citing 11 C.F.R. § 106.1 (1977).<sup>2</sup> The Commission has also concluded that expenditures made by a

2. Expenditures for registration and get-out-the-vote drives of a political committee need not be attributed to individual candidates, unless they are made on behalf of "clearly identified candidates." 11 C.F.R. § 106.1(c)(2) (1977).

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state political party for the purpose of identifying and motivating persons to support a political party's gubernatorial nominee made during a year in which federal elections were to be held would also be for the additional purpose of influencing federal elections, and therefore must be allocated on a reasonable basis. A.O. 1978-50 citing 11 C.F.R. § 106.1 (1977).<sup>3</sup>

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The payment by a candidate, for nomination or election to any public office (including state or local office) or authorized committee of a candidate, of the costs of campaign materials which include information on or reference to any other candidate and which are used in connection with volunteer activities (including pins, bumper stickers, handbills, brochures, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, billboards, direct mail, or similar types of general public communication or political advertising) are not considered "contributions" provided that such payments are made from contributions subject to the limitations and prohibitions of the Act. 2 U.S.C. § 431(8)(B)(xi).

The payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State

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3. The Commission has recently revised its regulations for allocating expenditures between federal and non-federal activities and accounts. See 11 C.F.R. §§ 106.1(e) and 106.5. The revised regulations went into effect January 1, 1991, which is after the occurrence of the activities at issue.

in which the committee is organized is not considered a "contribution" or an "expenditure" under the Act, except for costs incurred to display such listings through general public advertising. 2 U.S.C. § 431(8)(B)(v); 2 U.S.C.

§ 431(9)(B)(iv). The payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party are not considered "contributions" or "expenditures" under the Act provided: (1) such payments are not for the cost of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising; (2) such payments are made from contributions subject to the limitations and prohibitions of the Act; and (3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates. 2 U.S.C. § 431(8)(B)(x); 2 U.S.C. § 431(9)(B)(viii).

The Commission's regulations require that party committees and other political committees allocate administrative expenses on a reasonable basis between their federal and non-federal accounts. 11 C.F.R. § 106.1(e). Expenditures made in connection with federal elections, whether made by political committees or organizations which are not political committees, must be made with funds which are permissible under the Act in accordance 11 C.F.R. § 102.5.

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C. Analysis

The Hacienda Hotel made an in-kind contribution to then Acting Governor Bob Miller at his request, by providing space in the Hotel as well as food and refreshments for the event. The ads announcing the free event indicate that one of the purposes of the carnival was to register voters, and it appears that another purpose of the carnival was to promote Democratic state and local candidates.

As noted above, the costs for voter-registration and get-out-the-vote activities during years in which federal elections are held, are, in part, for the purpose of influencing federal elections. See A.O. 1978-10 and A.O. 1978-50. Two Democratic federal candidates, Jim Bilbray and Jane Wisdom, ran for election in 1990 in Nevada within the time frame in which the political carnival was held. Therefore, the federal portion of the costs associated with the carnival was required to be paid for with permissible funds. 2 U.S.C. § 441b; 11 C.F.R. § 102.5.<sup>4</sup>

At this point the total cost of the event, including the cost of the Hotel space, the food, refreshments, rides, advertisements

4. It does not appear that the ads would be exempt under the Act's "coattails" provision because they were disseminated by newspaper and radio. See 2 U.S.C. § 431(B)(8)(xi). Although it is unclear whether posters or other campaign materials for the purpose of influencing federal elections were distributed or displayed at the carnival as part of the Respondents' "party building" activities, we note that in order to be exempt from the definition of "contribution" and "expenditure" under the Act, one of the requirements is that such materials be paid for with funds raised permissibly under the Act. See 2 U.S.C. § 431(8)(B)(x); 2 U.S.C. § 431(9)(B)(viii).

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and other related expenses is unknown. In addition, it is unclear what types of voter registration and/or get-out-the-vote activities transpired at the event. Similarly, the information presently available is insufficient to assess what portion of the costs associated with the event were allocable to federal activity. From the information at hand, however, it is clear that the Miller Committee, which apparently accepts contributions prohibited by the Act and which accepted an in-kind corporate contribution in connection with the event, co-hosted the political carnival and paid at least some of the costs for the ad announcing the free event. It also appears that the State Committee co-hosted the political carnival, although it is not clear whether that Committee paid the federal portion of the total costs associated with the event with federally permissible funds.

Although the role of each the apparent "hosts" of the event is unknown, from the evidence at hand it appears that the Miller Committee made a prohibited contribution in connection with federal activities to the State Committee. In addition, it appears that the State Committee knowingly accepted the prohibited contribution, in violation of 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5. Accordingly, there is reason to believe that the Nevada State Democratic Committee and Debbie Todd Johnson, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a).

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RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

92 FEB 26 AM 10:50

Law Offices  
of

K. Michael Leavitt  
An Association of Professional Corporations

601 East Bridger Avenue  
Las Vegas, Nevada 89101  
Telephone Number (702) 382-5111  
Fax (702) 382-2892

K. Michael Leavitt, Chartered  
Jason G. Landess, Chartered  
David J. Rivers, Chartered  
Stanley W. Perry, Chartered

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92 FEB 26 PM 3:43

February 25, 1992

VIA FACSIMILE AND FEDERAL EXPRESS

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

Re: **MUR 3159**  
**Friends for Miller and Michael Kern, Treasurer**

Dear Mr. Noble:

In accordance with a telephone conversation between the undersigned and Xavier K. McDonnell of your office, this letter constitutes request for a 20-day extension of time to respond to the above-noted matter.

It was originally anticipated that Friends for Miller and Mr. Kern would be represented by other counsel. Just today, however, that counsel indicated that he planned to respond on behalf of other parties and felt it advisable for Mr. Kern and Friends for Miller to obtain independent counsel. I was contacted in that regard at noon today.

Needless to say, I have absolutely no familiarity with this matter at the present time, and I understand that the party most familiar with the matter is currently out of the country. Accordingly, it is virtually impossible for me to make any meaningful response whatsoever on behalf of Mr. Kern and Friends for Miller.

Personnel in our office will begin making inquiry with respect to this matter immediately. However, your understanding and consideration in granting an extension would be appreciated in order to make our efforts at all meaningful.

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Lawrence Noble, General Counsel  
February 25, 1992  
Page 2

Mr. McDonnell indicated that it would be necessary for us to file a Statement of Designation of Counsel at our earliest convenience. We are taking immediate steps to have a copy of the executed Statement forwarded to us for subsequent dispatch to you.

Very truly yours,

LAW OFFICES OF  
K. MICHAEL LEAVITT



K. MICHAEL LEAVITT

KML:kk

c: Lawrence Noble (via Federal Express)  
Governor Robert J. Miller (via Federal Express)  
Xavier McDonnell (via facsimile)  
Michael Kern

93040952970



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

February 28, 1992

K. Michael Leavitt, Esquire  
601 East Bridger Avenue  
Las Vegas, Nevada 89101

RE: MUR 3159  
Friends for Miller and  
Michael Kern, as treasurer

Dear Mr. Leavitt:

This is in response to your letter dated February 25, 1992, requesting an extension of 20 days to respond to the above-captioned matter. 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 March 27, 1992.

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

Sincerely,

A handwritten signature in cursive script that reads "Xavier K. McDonnell".

Xavier K. McDonnell  
Staff Attorney

93040952971

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

92 FEB 28 AM 10:06

Law Offices  
of  
**K. Michael Leavitt**  
An Association of Professional Corporations

601 East Bridger Avenue  
Las Vegas, Nevada 89101  
Telephone Number (702) 382-5111  
Fax (702) 382-2892

K. Michael Leavitt, *Chartered*  
Jason G. Landess, *Chartered*  
David J. Rivers, *Chartered*  
Stanley W. Parry, *Chartered*

February 27, 1992

**VIA FEDERAL EXPRESS**

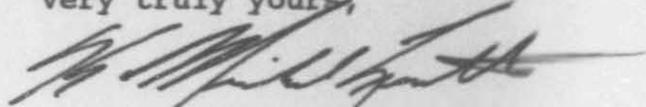
Lawrence Noble, General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: **MUR 3159**  
**Friends for Miller and Michael Kern, Treasurer**

Dear Mr. Noble:

Enclosed is the Statement of Designation of Counsel  
executed by Michael Kern.

Very truly yours,



K. MICHAEL LEAVITT

KML:kk  
Enclosure

c: Lawrence Noble (w/enc.) - via facsimile  
Xavier McDonnell (w/enc.) - via facsimile

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92 FEB 28 AM 11:21

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STATEMENT OF DESIGNATION OF COUNSEL

NUR 3159

NAME OF COUNSEL: K. Michael Leavitt

ADDRESS: 601 E. Bridger Ave.

Las Vegas, NV 89101

TELEPHONE: (702) 382-5111

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

26 February 1992  
Date

Michael W. Kern  
Signature

RESPONDENT'S NAME: Michael W. Kern

ADDRESS: Piercy Bowler Taylor & Kern

6600 W. Charleston Blvd.

Las Vegas, NV 89102

HOME PHONE: (702) 367-6095

BUSINESS PHONE: (702) 384-1120

93040952973

92 FEB 28 AM 11:21

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF FEDERAL COUNSEL

MUR 3159

# Democratic Party of Nevada

**Richard Segerblom**  
State Chair

**Virginia Cain**  
1st Vice Chair

**Dale Shute**  
2nd Vice Chair

**Debbie Todd**  
Treasurer

**Beverly Carlino**  
National Committeewoman

**Jack Schroeder**  
National Committeeman

**Vicki Hulbert**  
Executive Director

BY FAX AND MAIL

February 28, 1992

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

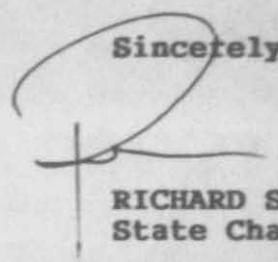
Dear Mr. McDonnell:

The Nevada Democratic State Committee and Debbie Todd Johnson, as Treasurer, request an extension of time to respond to the FEC's letter dated January 5, 1992 regarding MUR 3159. A key individual who has materials and knowledge concerning the arrangements for the political "carnival" in question in this document is out of the country for the coming week and we are therefore unable to contact her at this time.

We received your letter on February 5, 1992, and the response was due 30 days later on March 6, 1992. We request an extension of 20 days, until March 26, 1992.

Thank you for your time and attention to this matter.

Sincerely,



RICHARD SEGERBLOM  
State Chair

RS/hef

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92MAR-2 PH 3:50

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAR 5 1992  
92MAR-2 AM 10:52

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 6, 1992

Richard Segerblom, Esquire  
State Chair  
Nevada Democratic State Committee  
704 South Ninth Street  
Las Vegas, Nevada 89101

RE: MUR 3159  
Nevada Democratic State Committee  
and  
Debbie Todd Johnson, as treasurer

Dear Mr. Leavitt:

This is in response to your letter dated February 28, 1992, requesting an extension of 20 days to respond to the above-captioned matter. 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 March 26, 1992.

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

Sincerely,

A handwritten signature in cursive script that reads "Xavier K McDonnell".

Xavier K. McDonnell  
Staff Attorney

93040952975

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS  
607 FOURTEENTH STREET, N.W. • WASHINGTON, D.C. 20005-2011 • (202) 628-6600

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FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

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March 23, 1992

Xavier McDonnell  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92 MAR 23 PM 4:09

Re: 3159 - Friends of Miller and Michael Kern, as  
Treasurer

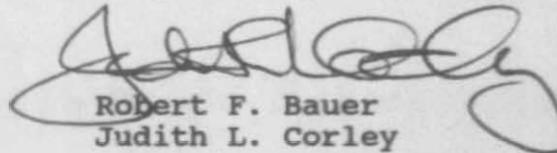
Dear Mr. McDonnell:

Please find enclosed a designation of counsel for the  
above-referenced Matter Under Review.

Our law firm was retained to represent Respondents last  
Friday, March 20, 1992. We have not yet even received all of  
the papers related to this matter from the client or their  
previous counsel. We understand that an extension of time had  
been granted to respond in this matter, we believe, until this  
Friday, March 27. We request that the Commission grant an  
additional extension of 10 days to allow us to review the  
materials, consult with the client, and prepare their  
response. Assuming the March 27 due date is correct, the  
response would be due on Monday, April 6.

We appreciate your attention to this matter. If you have  
any questions, or need additional information, please do not  
hesitate to contact the undersigned.

Very truly yours,

  
Robert F. Bauer  
Judith L. Corley  
Counsel to Respondents

93040952976

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3159  
 NAME OF COUNSEL: Robert Bauer  
Perkins Coie  
 ADDRESS: 607 14th St., N.W., Ste 800  
Washington, D.C. 20005  
 TELEPHONE: (202) 434-1602

The above-named individual is hereby designated as my  
 counsel and is authorized to receive any notifications and other  
 communications from the Commission and to act on my behalf before  
 the Commission.

3-20-92  
 Date

Michael Kern  
 Signature

RESPONDENT'S NAME: Friends for Miller and  
Michael Kern, as Treasurer  
 ADDRESS: 6600 W. Charleston Blvd, #118  
Las Vegas, Nevada 89102  
 HOME PHONE: (702) 367-6095  
 BUSINESS PHONE: (702) 384-1120

93040952977



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 25, 1992

Robert F. Bauer, Esquire  
Judith L. Corley, Esquire  
Perkins Coie  
607 Fourteenth Street, N.W.  
Washington, D.C. 20005-2011

MUR: 3159  
Friends for Miller and  
Michael Kern, as treasurer

Dear Mr. Bauer and Ms. Corley:

By letter dated March 23, 1992, you notified the Office of the General Counsel that you will be representing Friends for Miller and Michael Kern, as treasurer ("Respondents") in the above-captioned matter. You have also requested an extension of time to respond to this matter.

According to our records, the response was originally due on March 7, 1992. By letter dated February 28, 1992, this Office granted a twenty day extension to Respondents and informed their prior counsel that a response was due on March 27, 1992. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension for an additional ten days. Accordingly, your response is due by the close of business on April 6, 1992.

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

Sincerely,

A handwritten signature in cursive script that reads "Xavier K. McDonnell".

Xavier K. McDonnell  
Attorney

93040952978

RICHARD SEGERBLOM  
ATTORNEY AT LAW

704 SOUTH NINTH STREET  
LAS VEGAS, NEVADA 89101  
(702) 388-9600 • FAX (702) 385-2909

MEMBER OF THE NEVADA, CALIFORNIA & COLORADO BARS

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FEDERAL ELECTION  
COMMISSION  
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BY FAX AND MAIL

April 2, 1992

Xavier K. McDonnell  
Staff Attorney  
Federal Election Commission  
Washington, D.C. 20463

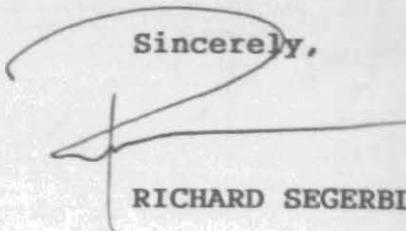
RE: MUR 3159

Dear Mr. McDonnell:

This letter will confirm our conversation earlier today in which I promised to submit the Nevada Democratic Party's response no later than Monday, April 6, 1992. I failed to provide this response by March 26, 1992, because I incorrectly assumed that Mr. Bauer would ask for an extension on behalf of the Party as well as Governor Miller.

Thank you for your continuing cooperation in this matter.

Sincerely,



RICHARD SEGERBLOM

RS/hef

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92 APR -6 AM 3:23

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# Democratic Party of Nevada

Richard Segerblom  
State Chair

April 6, 1992

Virginia Cain  
1st Vice Chair

Dale Shute  
2nd Vice Chair

Debbie Todd  
Treasurer

Beverly Carlino  
National Committeewoman

Jack Schroeder  
National Committeeman

Vicki Hulbert  
Executive Director

Xavier McDonnell, Esq.  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

RE: MUR 3159  
Nevada Democratic State Committee  
and  
Debbie Todd Johnson, as Treasurer

Dear Mr. McDonnell:

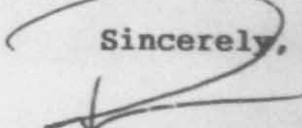
Enclosed are the responses of the Nevada Democratic Party to the Commission's interrogatories and requests for production of documents.

The event in question was sponsored by the Nevada Democratic Party with the purpose being to assist the campaigns of Governor Miller and our Democratic legislative candidates. To that end, the Party coordinated its efforts through a committee including representatives from the campaigns. The Party did sign the contract with the hotel where the event was held and did receive an in-kind contribution for the space and hot dogs which were given out.

The involvement of federal candidates was simply an attempt to utilize their names to increase attendance. While the state candidates had booths to distribute their materials no booths were occupied by federal candidates. The inadvertent use of Congressional names should not convert a state event to a federal event.

In summary, the Party may have inadvertently violated federal law, and we are willing to work with the FEC to rectify that error. The obvious and uncontrovertable purpose for the event, however, was solely to benefit our in-state candidates.

Sincerely,

  
RICHARD SEGERBLUM

RS/hef

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92 APR -8 PM 3:43

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BEFORE THE FEDERAL ELECTION COMMISSION

MUR 3159

Respondent: Democratic Party of Nevada and Debbie Todd  
Johnson, as Treasurer

RESPONSE TO INTERROGATORIES AND  
REQUESTS FOR PRODUCTION OF DOCUMENTS

The response to these interrogatories are signed by Richard Segerblom, the current Chair of the Democratic Party of Nevada. The responses are true and correct to the best of Mr. Segerblom's information and belief based on information derived from a review of documents and the recollections of various staff and former staff of the Democratic Party of Nevada.

INTERROGATORY NO. 1:

1. State whether any officers, employees or volunteers of the Democratic Party of Nevada were involved in or played any role in the planning and execution of the political carnival ("political carnival" or the "event") held at the Hacienda Hotel (the "Hotel") on October 5, 1990. If the answer is in the affirmative:

- a. Describe the Democratic Party of Nevada's role in the political carnival.
- b. Identify all individuals and organizations involved in hosting or co-hosting the political carnival.
- c. State whether the Nevada Democratic State Committee ("State Committee") was involved in the event. If the answer is in the affirmative, describe the State Committee's role in the event.

RESPONSE:

The Nevada Democratic Party was the coordinating entity for the carnival. The State Chair working with the Governor's campaign and representatives from the legislative candidates arranged the event. The involvement of the federal officeholders was merely to utilize their names to create more interest among the public.

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INTERROGATORY NO. 2:

2. State whether the Democratic Party of Nevada or the State Committee purchased and/or distributed any campaign materials in connection with the political carnival, including, but not limited to, pins, posters, party tabloids, handbills, yard signs, printed slate cards or sample ballots. If the answer is in the affirmative:

- a. Produce a copy of each campaign material distributed or purchased.
- b. State the costs associated with such materials and identify who paid for them.

RESPONSE:

The flyer for this event was printed as an in-kind contribution to the Nevada Democratic Party. It was distributed by Party volunteers and also given to the state candidates for their own volunteers to distribute. The cost of the flyer was \$460.75 as reflected on the invoice attached to these answers.

INTERROGATORY NO. 3:

3. State whether the Democratic Party of Nevada was involved in any voter registration or get-out-the-vote activities in connection with the political carnival. If the answer is in the affirmative, briefly describe the nature and type of such activities. In addition, state the costs of such activities.

RESPONSE:

The Party was solely responsible for the voter registration activities associated with the carnival. The carnival was designed to coincide with the last day to register before the general election.

INTERROGATORY NO. 4:

4. State the total costs incurred by the Committee with respect to the event, including the costs for the newspaper and radio advertisements which announced the event. Indicate whether any other committees paid any of the costs for such advertisements, and provide the amounts each Committee paid.

RESPONSE:

The Party is attempting to reconstruct the costs of the event which were donated as in-kind contributions.

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There were no expenses for advertising incurred by the Party.

INTERROGATORY NO. 5:

5. If any of the costs associated with the political carnival were a contribution from the Hacienda Hotel, state the value of the contribution, and indicate whether the contribution was reported to the Nevada Secretary of State or a state election agency.

RESPONSE:

The Party is attempting to determine the value of the Hacienda's contribution. It was not reported to the Nevada Secretary of State because Nevada law does not require such reporting.

INTERROGATORY NO. 6:

6. State the portion of the total costs of the event allocable to federal activity. Provide the method by which the Committee determined the amount allocable to federal activity. Include a breakdown of the federal portion of the costs for each activity and all campaign materials.

RESPONSE:

The Party used a 5/1 ratio for other party activities during the 1990 election cycle. No federal activity was attributed by the Party to this event.

INTERROGATORY NO. 7:

7. State whether the Democratic Party of Nevada made any arrangement(s) or agreement(s) with the Miller Committee, or any other committee, with respect to the political carnival. If so, describe the nature of such arrangement(s) or agreement(s).

RESPONSE:

As noted above, there were numerous contacts with representatives from the Governor's campaign as well as the legislative candidates. Numerous state candidates had booths at the event.

INTERROGATORY NO. 8

8. State whether the Miller Committee paid or reimbursed the Democratic Party of Nevada for any of the costs associated with the political carnival. If so,

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provide the amount of those costs and document all payments made.

RESPONSE:

The State Committee did not pay or reimburse the Miller Committee for any costs associated with the carnival.

INTERROGATORY NO. 9:

9. State whether the Democratic Party of Nevada had any communications, written or oral, with the Miller Committee or any agent of that committee regarding the political carnival held at the Hacienda Hotel. If the answer is in the affirmative:

- a. Summarize the substance of those communications.
- b. Identify all persons involved in such communications.

RESPONSE:

There were numerous oral communications between the State Party and the Miller Committee, since Governor Miller was the leading Democratic candidate.

INTERROGATORY NO. 10:

10. State whether the Democratic Party of Nevada had any communications, written or oral, with the Hacienda Hotel, or any agent or employee of the Hotel, with respect to the event. If the answer is in the affirmative:

- a. Summarize the substance of those communications.
- b. Identify all persons involved with such communications.

RESPONSE:

The arrangements for the carnival were negotiated by Judy Klein, acting on behalf of the Party.

INTERROGATORY NO. 11:

11. State whether the Committee paid or reimbursed the Hacienda Hotel for the costs associated with the political carnival. If so, provide the amount which the Committee paid the Hotel.

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RESPONSE:

No.

INTERROGATORY NO. 12:

12. State whether, with respect to the political carnival, the Democratic Party of Nevada had any communications, written or oral, with any federal candidates and/or officeholders or staff or employees of committees of federal candidates or officeholders, including the committees of Congressman James Bilbray, Senators Harry Reid or Richard Bryan. If so:

- a. Summarize the substance of such communications.
- b. Identify all persons involved in such communications.
- c. State whether such persons or committees were involved in the planning or execution of the political carnival.
- d. State whether such persons or committees were involved in the production, purchasing, approval or distribution of campaign materials used in connection with the political carnival.
- e. State whether such persons were in attendance at the political carnival.

RESPONSE:

There were staff discussions between the State Party and representatives for the Senators and the Congressman, primarily advisory in nature and to request the usage of their names. No booths for these individuals were set up nor did any of them attend the event.

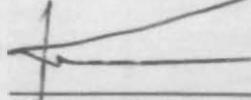
INTERROGATORY NO. 13:

13. Identify and produce all documents relating to the October 5, 1990, political carnival at the Hacienda Hotel, including but not limited to, advertisements, agreements, campaign materials, correspondence, records, reports and receipts as well as all documents used in answering or referenced within these interrogatories.

**RESPONSE:**

The Party is attempting to obtain copies of the in-kind contributions for the hotel as well as a copy of the contract with the hotel. A copy of the printing invoice is attached.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 7<sup>th</sup> day of April, 1992.



Richard Segerblom  
Chair  
Democratic Party of Nevada

93040952986

BONANZA PRINTING COMPANY  
 2412 SO. HIGHLAND  
 LAS VEGAS, NV 89102  
 (702) 382-1006

\*\*\*\*\*  
 \*\*\* INVOICE \*\*\*  
 \*\*\*\*\*

INVOICE NUMBER : 92828

===== Sold To =====

DEMOCRATIC PARTY OF NEVADA  
 953 E. SAHARA  
 LAS VEGAS, NV 89109

Invoice Date : 10/18/90  
 Date Ordered : 08/27/90  
 Delivery Date : 08/30/90  
 Our Job Number : 3623

TERMS : Net 30 Days

93040952987

ORDERED	SHIPPED	DESCRIPTION	PerM	AMOUNT
25,000	25,100	"CARNIVAL" EVENING FLYER		460.75
		IN KIND DONATION		-460.75

Sub Total : 0.00  
 Freight : 0.00  
 Sales Tax : 0.00

TOTAL AMOUNT DUE : 0.00

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS  
607 FOURTEENTH STREET, N.W. • WASHINGTON, D.C. 20005-2011 • (202) 628-6600

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COMMISSION  
MAIL ROOM

APR 8 2 27 PM '92

April 8, 1992

Xavier McDonnell  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

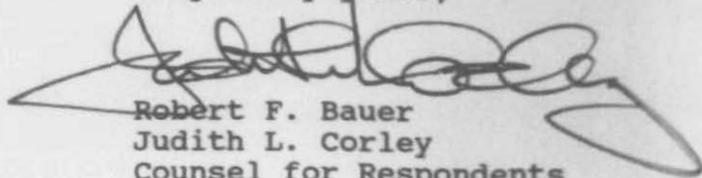
Re: MUR 3159 - Friends for Miller and Michael  
Kern, as Treasurer

Dear Mr. McDonnell:

Enclosed are the responses of the Friends for Miller  
Committee to the Commission's interrogatories and requests for  
production of documents in the above-referenced Matter Under  
Review. The Committee is aware that the requirement to  
respond is a continuing one, and may supplement the responses  
in the future.

If you have any questions or need additional information,  
please do not hesitate to contact the undersigned.

Very truly yours,



Robert F. Bauer  
Judith L. Corley  
Counsel for Respondents

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FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92 APR -9 AM 10:59

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FEDERAL ELECTION COMMISSION  
DIVISION OF GENERAL COUNSEL  
92 APR -9 AM 10:59

BEFORE THE FEDERAL ELECTION COMMISSION

MUR 3159

Respondent: Friends for Miller and Michael Kern, as Treasurer

RESPONSE TO INTERROGATORIES AND  
REQUESTS FOR PRODUCTION OF DOCUMENTS

The responses to these interrogatories are signed by Michael Kern, the current Treasurer of Friends for Miller. The responses are true and correct to the best of Mr. Kern's information and belief based on information derived from a review of documents and the recollections of various staff and former staff of Friends of Miller.

INTERROGATORY NO. 1

1. State whether any officers, employees or volunteers of the Friends of Miller Committee ("Miller Committee") were involved in or played any role in the planning and execution of the political carnival ("political carnival" or the "event") held at the Hacienda Hotel (the "Hotel") on October 5, 1990. If the answer is in the affirmative:

- a. Describe the Miller Committee's role in the political carnival.
- b. Identify all individuals and organizations involved in hosting or co-hosting the political carnival.
- c. State whether the Nevada Democratic State Committee ("State Committee") was involved in the event. If the answer is in the affirmative, describe the State Committee's role in the event.

RESPONSE

The political carnival was an activity sponsored and organized by the Nevada State Democratic Committee. The event was co-hosted by Governor Miller, among others, as a state-wide leader of the Democratic Party. It is the Miller Committee's understanding that the names of Nevada state Democratic federal officeholders were used solely in publicizing the event to ensure a large attendance. Various

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individuals who were employees or volunteers of the Miller Committee were involved in the planning and execution of the political carnival. These individuals were acting, however, as volunteers for the State Committee and not in their capacity as employees or volunteers for the Miller Committee. Governor Miller attended the carnival and volunteers from his campaign staffed a booth at the carnival on his behalf.

**INTERROGATORY NO. 2**

2. State whether the Miller Committee or the State Committee purchased and/or distributed any campaign materials in connection with the political carnival, including, but not limited to, pins, posters, party tabloids, handbills, yard signs, printed slate cards or sample ballots. If the answer is in the affirmative:

- a. Produce a copy of each campaign material distributed or purchased.
- b. State the costs associated with such materials and identify who paid for them.

**RESPONSE**

The Miller Committee did not purchase any campaign materials (as described above) in connection with the carnival. Individuals who were employees or volunteers for the Miller Committee assisted the State Committee in distributing campaign materials (fliers) in connection with the political carnival. A copy of the flier distributed that was in the Committee's files is attached to these responses.

**INTERROGATORY NO. 3**

3. State whether the Miller Committee was involved in any voter registration or get-out-the-vote activities in connection with the political carnival. If the answer is in the affirmative, briefly describe the nature and type of such activities. In addition, state the costs of such activities.

**RESPONSE**

The Miller Committee was not involved in any voter registration or get-out-the-vote activities in connection with the political carnival.

**INTERROGATORY NO. 4**

4. State the total costs incurred by the Committee with respect to the event, including the costs for the newspaper

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and radio advertisements which announced the event. Indicate whether any other committees paid any of the costs for such advertisements, and provide the amounts each Committee paid.

**RESPONSE**

The Committee did not authorize the payment of any of the costs associated with the event, including costs for newspaper and radio advertisements which announced the event. As a result of its preparation of the responses to these interrogatories, the Committee became aware that it had been billed by Governor Miller's campaign media consultant for the placement of the advertisement in the newspaper and for the placement of radio advertising. As the attached invoice shows, these costs were not identified for the Committee as related to the carnival. No one on the Miller Committee staff authorized this activity, nor knew about it at the time. The individual on the Committee staff who would have authorized the payment of such expenditures was out of the country during the period in question. If the Committee had been aware of the expenditure of funds, it would have sought reimbursement from the State Committee.

**INTERROGATORY NO. 5**

5. If any of the costs associated with the political carnival were a contribution from the Hacienda Hotel, state the value of the contribution, and indicate whether the contribution was reported to the Nevada Secretary of State or a state election agency.

**RESPONSE**

It is the Committee's understanding that the costs associated with the political carnival were provided as a contribution in-kind from the Hacienda Hotel to the Nevada Democratic State Party.

**INTERROGATORY NO. 6**

6. State the portion of the total costs of the event allocable to federal activity. Provide the method by which the Committee determined the amount allocable to federal activity. Include a breakdown of the federal portion of the costs for each activity and all campaign materials.

**RESPONSE**

The Committee has no knowledge of what portion of the total costs of the event were allocable to federal activity.

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**INTERROGATORY NO. 7**

7. State whether the Miller Committee made any arrangement(s) or agreement(s) with the State Committee, or any other committee, with respect to the political carnival. If so, describe the nature of such arrangement(s) or agreement(s).

**RESPONSE**

As noted above, the political carnival was an event sponsored by the State Committee in which Governor Miller participated. The Miller Committee allowed staff and volunteers to assist the State Committee in organizing and executing the event.

**INTERROGATORY NO. 8**

8. State whether the State Committee paid or reimbursed the Miller Committee for any of the costs associated with the political carnival. If so, provide the amount of those costs and document all payments made.

**RESPONSE**

The State Committee did not pay or reimburse the Miller Committee for any of the costs associated with the political carnival.

**INTERROGATORY NO. 9**

9. State whether the Committee had any communications, written or oral, with the State Committee or any agent of that committee regarding the political carnival held at the Hacienda Hotel. If the answer is in the affirmative:

- a. Summarize the substance of those communications.
- b. Identify all persons involved in such communications.

**RESPONSE**

As noted above, the Miller Committee allowed its employees and volunteers to assist the State Committee in planning and organizing the political carnival. Numerous communications between a variety of individuals took place during this process. The principal contact for the Miller

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Committee was Judy Klein, and the principal contact for the State Committee was Richard Segerblom. The communications dealt with the details of organizing the event.

**INTERROGATORY NO. 10**

10. State whether the Miller Committee had any communications, written or oral, with the Hacienda Hotel, or any agent or employee of the Hotel, with respect to the event. If the answer is in the affirmative:

- a. Summarize the substance of those communications.
- b. Identify all persons involved with such communications.

**RESPONSE**

Judy Klein, an employee of the Miller Committee, contacted Paul Lowden of the Hacienda Hotel to arrange for the use of the facilities in connection with the State Committee's political carnival. In contacting the Hotel, Ms. Klein was acting as volunteer of the State Committee, and not in her capacity as an employee of the Miller Committee. Ms. Klein made general arrangements for the use by the State Committee of a room at the Hotel and for catering services provided by the Hotel on behalf of the State Committee. It is the Miller Committee's understanding that subsequent to Ms. Klein's initial conversations with the Hotel, the State Committee entered into a contract with the Hotel for these services.

**INTERROGATORY NO. 11**

11. State whether the Committee paid or reimbursed the Hacienda Hotel for the costs associated with the political carnival. If so, provide the amount which the Committee paid the Hotel.

**RESPONSE**

The Miller Committee did not pay or reimburse the Hacienda Hotel for any costs associated with the political carnival.

**INTERROGATORY NO. 12**

12. State whether, with respect to the political carnival, the Miller Committee had any communications, written or oral, with any federal candidates and/or officeholders or

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staff or employees of committees of federal candidates or officeholders, including the committees of Congressman James Bilbray, Senators Harry Reid or Richard Bryan. If so:

- a. Summarize the substance of such communications.
- b. Identify all persons involved in such communications.
- c. State whether such persons or committees were involved in the planning or execution of the political carnival.
- d. State whether such persons or committees were involved in the production, purchasing, approval or distribution of campaign materials used in connection with the political carnival.
- e. State whether such persons were in attendance at the political carnival.

**RESPONSE**

As part of her volunteer services provided to the State Committee, Judy Klein and others had communications with staff or employees of federal candidates or officeholders. The conversations were principally to seek permission to use the officeholders' names in connection with the political carnival.

**INTERROGATORY NO. 13**

13. Identify and produce all documents relating to the October 5, 1990, political carnival at the Hacienda Hotel, including but not limited to, advertisements, agreements, campaign materials, correspondence, records, reports and receipts as well as all documents used in answering or referenced within these interrogatories.

**RESPONSE**

Copies of all documents relating to the political carnival in the Miller Committee's possession are attached to this response. The Committee is aware that its obligation to produce documents is a continuing one and, if additional documents are located, they will be produced for the Commission at that time.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 7<sup>th</sup> day of April, 1992.

Michael Kern  
Michael Kern  
Treasurer  
Friends of Miller

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**FREE**

**"A REAL POLITICAL PARTY"**



A Free Carnival  
Evening Of Family,  
Food, Fun, Games, &  
Voter Registration

Hosted by: Governor Bob Miller, Senators Harry Reid, Richard Bryan,  
and Congressman James Bliley



**FRIDAY OCT. 5, 6-9 PM**  
**HACIENDA CONVENTION CENTER**

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

92 APR 20 AM 5:06

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REPORT #2

BOB MILLER EXPENSE SUMMARY  
8/16/90 Through 10/17/90

1000-All Accounts  
12/26/90

Category Description	8/16/90- 10/17/90
<b>INCOME/EXPENSE</b>	
<b>INCOME</b>	
ROA	323,000.00
<b>TOTAL INCOME</b>	<b>323,000.00</b>
<b>EXPENSES</b>	
<b>CONTRACT WORK:</b>	
RADIO EXPENSE	150.00
<b>TOTAL CONTRACT WORK</b>	<b>150.00</b>
<b>Cost of Goods Sold:</b>	
ART/PHOTOS/TYPESSETTING	528.67
BILLBOARDS/SIGNS	23,645.02
DIRECT MAIL	50.00
NEWSPAPER EXPENSE	8,132.29
POSTAGE/FED EXPRESS	512.50
PONYMS/HAND CARDS	140.98
RADIO EXPENSE	3,992.00
TELEVISION EXPENSE	161,004.13
VOTER CONTACT REPORTS	32,410.00
<b>Total Cost of Goods Sold</b>	<b>231,375.59</b>
<b>TOTAL EXPENSES</b>	<b>231,525.59</b>
<b>TOTAL INCOME/EXPENSE</b>	<b>01,474.41</b>

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BOB MILLER EXPENSE SUMMARY  
8/16/90 THROUGH 10/17/90

1990-All Accounts  
12/26/90

Page 1

Date	Acct	Num	Payee	Memo	Category	Clr	Amount
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INCOME/EXPENSE

INCOME  
ROA:

9/10	01290	ROA	BOB MILLER	TV PLACEME RE_4401/MILLER		X	200,000.00
10/ 2	01290	ROA	FRIENDS OF MILL	ON ACCOUNT RE_4401/MILLER		X	100,000.00
10/11	01290	ROA	BOB MILLER	ON ACCOUNT RE_4401/MILLER		X	23,000.00

TOTAL ROA

323,000.00

TOTAL INCOME

323,000.00

EXPENSES

CONTRACT WORK:

RADIO EXPENSE

9/26	01290	2383	BANK INGRAMLEY	BOB MILLER EX_5546:6030/MIL		X	-150.00
------	-------	------	----------------	-----------------------------	--	---	---------

TOTAL RADIO EXPENSE

-150.00

TOTAL CONTRACT WORK

-150.00

COST OF Goods Sold:

ART/PHOTOS/TYPESSETTING

8/21	01290	2074	S LAZER GRAPHIX	TYPESETTING EX_5501:5070/MIL		X	-24.88
			S LAZER GRAPHIX	TYPESETTING EX_5501:5070/MIL		X	-60.00
9/14	01290	2398	S LAZER GRAPHIX	MILLER/TYP EX_5501:5070/MIL		X	-198.26
9/28	01290	2414	S LAZER GRAPHIX	TYPESETTING EX_5501:5070/MIL		X	-79.50
9/28	01290	2424	LARRY HANNA & A	INV.# 1233 EX_5501:5070/MIL		X	-55.10
10/ 5	01290	2502	S LAZER GRAPHIX	MILLER TYP EX_5501:5070/MIL		X	-48.58
10/15	01290	2583	S LAZER GRAPHIX	MILLER TYP EX_5501:5070/MIL		X	-52.50
10/15	01290	2584	S LAS VEGAS COLOR	PMT/ 1/2 T EX_5501:5070/MIL		X	-19.74
9/11	MILLER	HOUSE	GRAPHIC ART	1/2PG B&W EX_5501:5070/MIL			-42.50

TOTAL ART/PHOTOS/TYPESSETTING

-528.67

BILLBOARDS/SIGNS

9/11	01290	2262	DONREY OUTDOOR	DEPOSIT ON EX_5501:5030/MIL		X	-1,500.00
9/18	01290	2391	MEBA NATIONAL	PAPER/PROD EX_5501:5030/MIL		X	-2,167.24
9/21	01290	2354	Donrey Outdoor	after 1 EX_5501:5030/MIL		X	-7,972.93
9/28	01290	2425	LAS VEGAS COLOR	INV.#33549 EX_5501:5030/MIL		X	-59.26
9/28	01290	2431	S DONREY OUTDOOR	BILLBOARDS EX_5501:5030/MIL		X	-11,547.49

TOTAL BILLBOARDS/SIGNS

-23,546.92

DIRECT MAIL

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BOB MILLER EXPENSE SUMMARY  
8/16/90 Through 10/17/90

1990-All Accounts  
12/26/90

Page 2

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Date	Acct	Num	Payee	Memo	Category	Clr	Amount
8/22	01200	2120	U.S. POSTMASTER 2 ROLLS ST	EX_5501:5050/MIL X			-50.00
TOTAL DIRECT MAIL							-50.00
<b>NEWSPAPER EXPENSE</b>							
8/22	01200	2001	S COUNTY COURIER FULL PG	9 EX_5501:5010/MIL X			-252.94
8/22	01200	2002	S INCLINE VILLAGE 1/2 PG	SPB EX_5501:5010/MIL X			-175.47
9/10	01200	2249	SICOLE CELL ANE CO-SPONSOR	EX_5501:5010/MIL X			-100.00
9/10	01200	2251	BLOQUE LATINO A PHOTO/REG/	EX_5501:5010/MIL X			-100.00
9/10	01200	2254	S "NITE OF STARS" NITE OF ST	EX_5501:5010/MIL X			-249.04
9/13	01200	2276	S WK CAN, INC 1/2 PAGE A	EX_5501:5010/MIL X			-147.06
9/18	01200	2334	COLUMBUS DAY PA BOB MILLER	EX_5501:5010/MIL X			-100.00
9/28	01200	REFUNDS	KELLEY ROSS SHEND DNR	EX_5501:5010/MIL X			100.00
9/27	01200	2405	S REVIEW JOURNAL 3 COL X 10	EX_5501:5010/MIL X			-1,670.08
10/11	01200	2819	S BEEHIVE JR. PAGE	EX_5501:5010/MIL X			-200.00
10/17	01200	2502	BOULDER CITY NE CONGRATS.A	EX_5501:5010/MIL X			-40.00
10/17	01200	2808	S HENDERSON HOME 3 COL X 10	EX_5501:5010/MIL X			-270.88
10/17	01200	2601	S BLOQUE LATINO D 1/4 PG AD	EX_5501:5010/MIL X			-211.76
10/17	01200	2803	S RENO GAZETTE JO 3 COL X 10	EX_5501:5010/MIL X			-1,491.46
10/17	01200	2604	S NEVADA APPEAL 3 COL X 10	EX_5501:5010/MIL X			-464.63
10/17	01200	2605	S REVIEW JOURNAL 3 X 10 1/2	EX_5501:5010/MIL X			-1,092.30
10/17	01200	2608	S LATTER DAY FAMI 7 X 10 1/4	EX_5501:5010/MIL X			-252.94
TOTAL NEWSPAPER EXPENSE							-8,192.29
<b>POSTAGE/FED EXPRESS</b>							
8/21	01200	2232	S FEDERAL EXPRESS EXPRESS MA	EX_5501:5090/MIL X			-181.75
9/17	01200	2328	S AIRBORNE EXPRESS NEWSPAPER	EX_5501:5090/MIL X			-6.50
9/21	01200	2352	S FEDERAL EXPRESS MILLER EXP	EX_5501:5090/MIL X			-124.00
9/28	01200	2430	S FEDERAL EXPRESS EXPRESS MA	EX_5501:5090/MIL X			-25.50
10/ 5	01200	2490	S FEDERAL EXPRESS EXPRESS MA	EX_5501:5090/MIL X			-140.25
10/16	01200	2588	FEDERAL EXPRESS ACCT# 1140	EX_5501:5090/MIL X			-22.50
TOTAL POSTAGE/FED EXPRESS							-512.50
<b>POSTERS/HAND CARDS</b>							
10/16	01200	2554	GRAPHICS PLUS EASELS	EX_5501:5045/MIL X			-3.18
10/16	01200	2582	SHAW ADVERTISIN 24X24 SIDE	EX_5501:5045/MIL X			-137.80
TOTAL POSTERS/HAND CARDS							-140.98
<b>RADIO EXPENSE</b>							
10/ 1	01200	2436	S KFM RADIO 20:50 @ 74	EX_5501:5020/MIL X			-1,480.00
10/ 1	01200	2437	S KUDA RADIO 20:50 @ 34	EX_5501:5020/MIL X			-300.00
10/ 1	01200	2438	S KNUU RADIO 16:50 @ 33	EX_5501:5020/MIL X			-554.00
10/ 1	01200	2439	S KXTZ RADIO 16:50 @ 33	EX_5501:5020/MIL X			-508.00
10/ 1	01200	2440	S KORK RADIO 16:20 @ 52	EX_5501:5020/MIL X			-320.00

-1,480.00

BOB MILLER EXPENSE SUMMARY  
8/16/90 Through 10/17/90

1990-All Accounts  
12/26/90

Date	Acct	Num	Payee	Memo	Category	Clr	AMOUNT
<b>TOTAL RADIO EXPENSE</b>							<b>-3,062.00</b>
<b>TELEVISION EXPENSE</b>							
9/17	OIZ90	2325	ERI BRIT	PRODUCTION	EX_5501:5000/MIL X		-3,877.53
9/25	OIZ90	2357	S PRIME CABLR	640/DAY X	EX_5501:5000/MIL X		-4,480.00
9/25	OIZ90	2388	S KBLR TV 39	15 DAYS @	EX_5501:5000/MIL X		-1,600.00
9/26	OIZ90	2390	S KOLO-TV 8	TV 10/16-1	EX_5501:5000/MIL X		-13,855.00
9/26	OIZ90	2391	S KTNV-TV 13	TV BUY 10/	EX_5501:5000/MIL X		-23,500.00
9/26	OIZ90	2392	S KVVU-TV 5	TV BUY 10/	EX_5501:5000/MIL X		-1,600.00
9/26	OIZ90	2392	S KTNV-TV 13	TV BUY 9/2	EX_5501:5000/MIL X		-7,500.00
9/26	OIZ90	2394	S KOLO-TV 8	TV BUY 9/2	EX_5501:5000/MIL X		-14,725.00
9/27	OIZ90	2400	S KTNV TV-13	MILLER TV	EX_5501:5000/MIL X		-1,900.00
9/27	OIZ90	2401	S KTVN TV-2	MILLER GEN	EX_5501:5000/MIL X		-8,550.00
9/27	OIZ90	2403	S KTVN TV-2	TV BUY 9/2	EX_5501:5000/MIL X		-14,500.00
9/27	OIZ90	2404	S KVVU TV-5	TV 9/28-10	EX_5501:5000/MIL X		-5,380.00
10/ 2	OIZ90	2463	S KLAS TV-8	GENERAL BU	EX_5501:5000/MIL X		-29,925.00
10/ 2	OIZ90	2464	S KVBC TV-3	GENERAL BU	EX_5501:5000/MIL X		-15,995.00
10/ 3	OIZ90	2470	S KRLR - TV 21	GENERAL BU	EX_5501:5000/MIL X		-410.00
10/ 4	OIZ90	2473	S KRNV TV 4	General bu	EX_5501:5000/MIL X		-2,750.00
10/ 5	OIZ90	2484	S LAGUNA PRODUCTI	EXTRA TV P	EX_5501:5000/MIL X		-5,000.00
<b>TOTAL TELEVISION EXPENSE</b>							<b>-161,964.53</b>
<b>VOTER CONTACT REPORTS</b>							
9/11	OIZ90	2259	PENN & SCHOEN A SURVEY VOT	EX_5501:5056/MIL X			-10,000.00
9/18	OIZ90	2336	PENN + SCHOEN A BALANCE DU	EX_5501:5058/MIL X			-14,000.00
9/21	OIZ90	2419	PENN & SCHOEN INV. 1990-	EX_5501:5058/MIL X			-2,410.00
<b>TOTAL VOTER CONTACT REPORTS</b>							<b>-26,410.00</b>
<b>Total Cost of Goods Sold</b>							<b>-231,375.53</b>
<b>TOTAL EXPENSES</b>							<b>-231,825.53</b>
<b>TOTAL INCOME/EXPENSE</b>							<b>91,474.41</b>

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# Democratic Party of Nevada

**Richard Segerblom**  
*State Chair*

**Virginia Cain**  
*1st Vice Chair*

**Dale Shute**  
*2nd Vice Chair*

**Debbie Todd**  
*Treasurer*

**Beverly Carlino**  
*National Committeewoman*

**Jack Schroeder**  
*National Committeeman*

**Vicki Hulbert**  
*Executive Director*

April 24, 1992

**Xavier McDonnell, Esq.**  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

RE: MUR 3159  
Nevada Democratic State Committee  
and  
Debbie Todd Johnson, as Treasurer

Dear Mr. McDonnell:

This letter will supplement my previous answers to the Commission's interrogatories dated April 7, 1992

Committee members included Richard Segerblom, State Chair, Judy Klein, part-time special events coordinator for Governor Miller, Sharon Segerblom, scheduler for Governor Miller, Gary Milliken on behalf of the Senate Democratic Caucus, Gary Gray on behalf of the Assembly Democratic Caucus, Sara Besser on behalf of Senator Richard Bryan, Peter Arapis on behalf of Senator Harry Reid, Dan Geary on behalf of Congressman Jim Bilbray, Democratic Party Executive Director Vickie Hulbert, volunteers Laura Past, Laura Djakovich, Doris Femenella, Marie Ripps, Joe Quercia, and Marla Nyberg. We are currently compiling addresses and phone numbers for these individuals.

A copy of the flyer is included with this letter. To date there has been no determination of the value of the in-kind donation from the Hacienda Hotel. We estimate that the cost would have been \$5 per person, and as many as 2,500 people attended, for an estimated value of \$12,500. Because this contribution went to the Nevada Democratic Party, which has no state law reporting requirements, no value was ever placed on the in-kind contribution from the Hacienda.

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

Apr 28 11 00 AM '92

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FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

92 APR 29 AM 3:25

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Xavier McDonnell, Esq.  
April 24, 1992  
Page Two

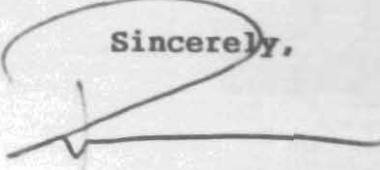
Communications between the State Party and the Miller Campaign were conducted by State Chair Richard Segerblom and Executive Director Vickie Hulbert and Miller Campaign employees Judy Klein and Sharon Segerblom. These conversations involved scheduling the event, locating the in-kind contributions, contacting the other members of the committee, distributing the flyers, and coordinating the event.

The intial contact with the Hacienda Hotel was between Judy Klein and Paul Lowden, owner of the Hacienda. A copy of the contract which was signed by Ms. Klein, not State Chair Segerblom as had been previously stated, is included with this letter. Communications between Judy and employees of the hotel took place on a regular basis, but the names of the hotel employees are unknown as they no longer work for the hotel.

The names of the Congressional Representatives who had knowledge of the event are set forth above. As has been previously stated, none of the federal candidates or officeholders appeared at the event nor did they have booths in their names.

I hope this response assists your efforts in determining an appropriate settlement of this matter. I will fax the addresses and phone numbers as soon as my secretary can develop them.

Sincerely,



RICHARD SEGERBLOM

RS/hef

Encls:

23040953002

COMMITTEE MEMBERS

Richard Segerblom  
704 South Ninth Street  
Las Vegas, NV 89101  
(702) 388-9600

Judy Klein  
c/o Schreck. Jones, Bernhard,  
Woloson & Godfrey  
600 E. Charleston Blvd.  
Las Vegas, NV 89104  
(702) 382-21-1

Sharon Segerblom  
c/o Mayor's Office  
400 E. Stewart  
Las Vegas, NV 89101  
(702) 229-6241

Gary Milliken  
3592 Villa Knolls  
Las Vegas, NV 89120  
(702) 435-7190

Gary Gray  
704 Bracken Avenue  
Las Vegas, NV 89104  
(702) 388-7788

Sara Besser  
c/o Senator Richard Bryan  
300 Las Vegas Blvd. South  
Suite 140  
Las Vegas, NV 89101  
(702) 388-6605

Peter Arapis  
c/o Senator Harry Reid  
500 S. Rancho Drive  
Suite 7  
Las Vegas, NV 89106  
(702) 388-6545

Dan Geary  
c/o Congressman James Bilbray  
1785 E. Sahara, Ste. 445  
Las Vegas, NV 89104  
(702) 792-2424

93040953003

Vickie Hulbert  
Executive Director  
Democratic Party of Nevada  
953 E. Sahara Ave., Suite 201  
Las Vegas, NV 89104  
(702) 732-3366

Laura Past  
3113 High View Drive  
Henderson, NV 89014  
(702) 451-5835

Laura Djakovich  
862 Count Wutzke Avenue  
Las Vegas, NV  
(702) 795-8052

Doris Femenella  
1813 Muchacha Drive  
Las Vegas, NV  
(702) 451-4347

Marie Ripps  
2500 Sherman Place  
Las Vegas, NV  
(702) 878-8513

Joe Quercia  
8412 Eddy Stone Avenue  
Las Vegas, NV 89117  
(702) 254-5457

Marla Nyberg  
8412 Eddy Stone Avenue  
Las Vegas, NV 89117  
(702) 254-5457

93040953004

OBC  
4634

PERKINS COIE

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATION  
607 FOURTEENTH STREET, N.W. • WASHINGTON, D.C. 20005-2011 • (202) 628-6600  
MAY 8 PM 3:12

May 8, 1992

Xavier McDonnell  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 3159 - Friends of Miller

Dear Xavier:

This is in response to your request for the names, addresses and telephone numbers of various individuals involved in the political carnival at issue in this MUR.

Two Friends of Miller Committee employees served as volunteers for the state party in conjunction with the carnival:

Judy Klein  
2600 Oakley  
Las Vegas, NV 89102  
702/382-2101 (work)

Sharon Segerblom  
1216 Park Circle  
Las Vegas, NV 89102  
702/229-6241 (work)

I understand that the State Party has already submitted to you the names of volunteers who assisted with the carnival, so we have not duplicated those names here.

The media consultant referenced in the response to the interrogatories was:

OIZ Advertising  
2290 S. Jones Blvd.  
Las Vegas, NV 89102  
702/878-9750

The Friends of Miller contact at the agency was Marilyn (they did not know her last name).

[17610-0001/DA921280.001]

93040953005

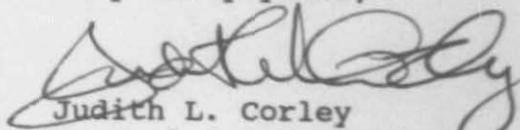
Xavier McDonnell  
May 8, 1992  
Page 2

Judy Klein was the Miller Committee's contact with the state party for purposes of the carnival and had numerous conversations with the party on matters concerning the carnival, including organizing issues, involvement of Governor Miller, arrangements for the carnival, etc. As I have noted before, while Ms. Klein was an employee of the Miller Committee and was its representative in connection with the carnival, the majority of her activities in connection with the carnival was as a volunteer to the state party.

93040953006  
With respect to the involvement in the carnival of employees or volunteers of the federal officeholders, Ms. Klein can remember only that certain individuals picked up a copy of the flier so that its content could be approved for distribution. She believes these individuals were Dan Geary for Congressman Bilbray, Peter Arapis for Senator Reid and Sharon Besser for Senator Bryan. She is not aware that any of these individuals were involved in the planning or organizing of the event, does not believe that any were involved in the distribution of materials in connection with the event. While some may have attended the event, none of the federal officeholders or their staffs were involved in any of the booths at the carnival, nor were any introduced at the event.

If you need any more information, please let me know.

Very truly yours,

  
Judith L. Corley  
Counsel for Respondents



# DEMOCRATIC PARTY OF NEVADA

BY FAX AND MAIL

May 8, 1992

Richard "Tick" Segerblom, Chairman  
Xavier McDonnell, Esq.  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

RE: MUR 3159  
Nevada Democratic State Committee  
and  
Debbie Todd Johnson, as Treasurer

Dear Mr. McDonnell:

This letter will supplement my previous responses to MUR 3159.

First, we are still in the process of having the Hacienda Hotel place a value on the in-kind contribution which the Party received. I will forward this as soon as it is prepared.

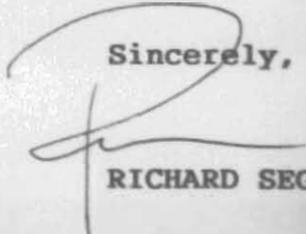
Second, to my knowledge none of the federal candidates attended the voter registration fair nor was any literature passed out on their behalf. Additionally, there was no literature passed out by the Party, and thus there was no literature which referred to our federal candidates.

Dan Geary with Congressman Bilbray's campaign was present, as was Sara Besser with Senator Bryan. No one was present from Jane Wisdom's campaign.

Finally, the hotel contact was Carrie Merriweather. Ms. Merriweather no longer works for the Hacienda

I hope this information answers the questions which you propounded to me.

Sincerely,

  
RICHARD SEGERBLOM

704 SOUTH 9TH STREET · LAS VEGAS, NEVADA 89101 · (702) 388-9600

92MAY 11 PM 3:27

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

MAY 11 12 16 PM '92

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

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0  
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3  
9



# DEMOCRATIC PARTY OF NEVADA

June 1, 1992

Richard "Tick" Segerblom, Chairman

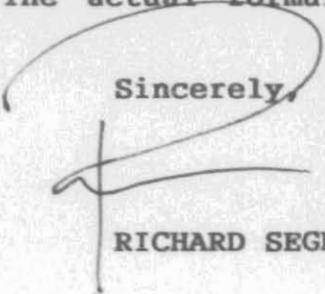
Xavier McDonnell, Esq.  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

RE: MUR 3159  
Nevada Democratic State Committee  
and  
Debbie Todd Johnson, as Treasurer

Dear Mr. McDonnell:

This letter will correct my earlier representation that the Nevada Democratic Party used a 5/1 Non-Federal/Federal split in 1990. The actual formula which we used was 6/1.

Sincerely,

  
RICHARD SEGERBLOM

RS/hef

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92 JUN -8 PM 4:49

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM  
JUN 8 10 14 AM '92

93040953008

**RICHARD SEGERBLOM**  
ATTORNEY AT LAW

704 SOUTH NINTH STREET  
LAS VEGAS, NEVADA 89101  
(702) 388-9600 • FAX (702) 385-2909

MEMBER OF THE NEVADA, CALIFORNIA & COLORADO BARS

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

JUN 8 9 34 AM '92

BY FAX AND MAIL

June 4, 1992

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF FEDERAL COMPLAINTS  
92 JUN -8 PM 4:50

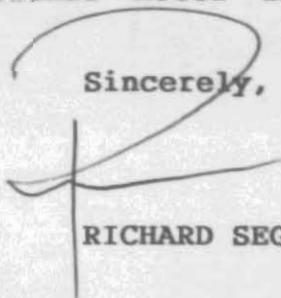
Xavier McDonnell, Esq.  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

RE: MUR 3159  
Nevada Democratic State Committee  
and  
Debbie Todd Johnson, as Treasurer

Dear Mr. McDonnell:

Enclosed is a copy of the receipt for an in-kind contribution from the Hacienda Hotel in the amount of \$12,500.00.

Sincerely,



RICHARD SEGERBLOM

RS/hef

Encl:

93040953009



RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92 JUN -8 PM 4:50

IN-KIND CONTRIBUTION

Date: October 5, 1990

Name: Hacienda Resort Hotel & Casino

Address: 3950 Las Vegas Blvd. South Las Vegas NV 89119

Occupation: \_\_\_\_\_

Employer: \_\_\_\_\_

Contribution: food & beverage at cost of \$5.00 per person for  
approximately 2,500 persons for State Democratic Party of  
Nevada function

Market Value: \$12,500.00

Amount of contribution to date: \$12,500.00  
(For Treasurer's Use Only)

Received by: \_\_\_\_\_

Contributor's Signature: Paul W. Louder

Paul W. Louder  
Chairman of the Board

93040953010



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 30, 1992

Richard Segerblom, Esquire  
State Chair  
Nevada Democratic State Committee  
704 South Ninth Street  
Las Vegas, Nevada 89101

RE: MUR 3159  
Nevada Democratic State Committee and  
Debbie Todd Johnson, as treasurer

Dear Mr. Segerblom:

This is to inform you that the Office of General Counsel is currently in the process of reviewing the responses you submitted on behalf of your clients in the above-captioned matter. As I indicated during our telephone conversation on July 7, 1992, we will be preparing an affidavit for you which contains the information set forth in your various responses. After we have completed our review of these materials and obtained the affidavit, we shall consider your clients' request to enter into pre-probable cause conciliation.

Thank you for your cooperation. If you have any questions, I can be reached at (202) 219-3400.

Sincerely

A handwritten signature in cursive script that reads "Xavier K. McDonnell".

Xavier K. McDonnell  
Attorney

93040953011



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 30, 1992

Michael P. Lindell, Esquire  
Vargus & Bartlett  
P.O. Box 281  
Reno, Nevada 89504

RE: MUR 3159  
Hacienda Hotel

Dear Mr. Lindell:

This is to confirm the substance of our telephone conversation this week pertaining to the above-captioned matter. During that call, you agreed to request that your client submit all documents within its possession which involve the political carnival held at the Hacienda Hotel on October 5, 1990.

Thank you for your cooperation in this matter. If you have any questions, please call me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script that reads "Xavier K. McDonnell".

Xavier K. McDonnell  
Attorney

93040953012

MPL 3159

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

AUG 17 10 05 AM '92

VARGAS & BARTLETT  
ATTORNEYS AT LAW  
THIRD FLOOR

201 WEST LIBERTY STREET  
POST OFFICE BOX 281

RENO, NEVADA 89504  
(702) 786-5000

FAX (702) 786-1177

GEORGE L. VARGAS 1909-1985  
JOHN C. BARTLETT 1910-1982  
JAMES R. LOGAN 1930-1984

LAS VEGAS OFFICE  
SEVENTH FLOOR  
3800 HOWARD HUGHES PARKWAY  
LAS VEGAS, NEVADA 89109  
(702) 786-7000  
FAX (702) 786-7181  
CABLE: VARGADIX

WRITER'S DIRECT DIAL NUMBER

ROBERT W. MARSHALL  
JOHN C. RENSCHAW  
ALBERT F. FAGNI  
FREDERIC R. STARICH  
H. GREGORY NASKY  
JOHN R. SANDE, III  
WILLIAM J. RAGGIO  
THOMAS F. KUMMER  
JOHN P. FOWLER  
CHRISTOPHER L. KAEMPFER  
PHILIP W. BARTLETT  
MARTHA J. ASHCRAFT  
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VONN J. JENKINS  
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JEFFREY J. WHITEHEAD  
SHARI CASSIN PATTERSON  
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PAUL J. LAL  
GEORLEN K. SPANGLER  
DEBRA B. ROBINSON  
SHERWOOD N. COOK  
ROBERT O'LETT  
MARK A. CLAYTON  
JAMES G. SANFORD  
NANETTE K. DORY  
THOMAS A. VALLAS  
DAUREAN G. SLOAN  
ANTHONY A. ZMAILA  
RANDAL R. MUNN  
STEPHEN J. SAND  
DOMINIC J. MAGLIARDI  
SALVATORE A. BASILE  
JOHN C. JEPPISEN

OF COUNSEL  
MEAD DIXON

August 12, 1992

Mr. Xavier McDonald  
Office of the General Counsel  
Federal Election Commission  
Washington, DC 20463

Dear Mr. McDonald:

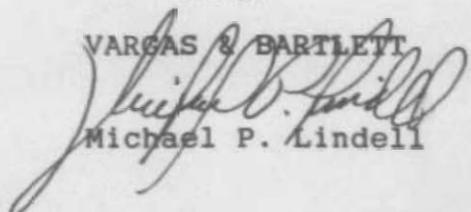
This is in response to your telephone inquiry on July 24, 1992.

There is no contract or agreement relative to the event at the Hacienda on October 5, 1990, other than that conversation between Acting Governor Miller and Mr. Lowden which I set forth in my letter to you dated December 12, 1990.

With respect to the value of the services and food provided, enclosed is a copy of a letter to Mr. Segerblom dated October 31, 1990 and a copy of the bill for the complementary services and food. Also enclosed is a copy of the Hacienda set-up sheet indicating the tables, food, etc. These are the only documents I have been able to locate relative to your inquiry.

If I can be of further assistance, please let me know.

Sincerely,

VARGAS & BARTLETT  
  
Michael P. Lindell

MPL:sn  
Encls.

93040953013

92 AUG 17 PM 3:30

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF PLANNING AND ADMINISTRATION



October 31, 1990

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92 AUG 17 PM 3:30

Mr. Richard Segerblom  
Democratic Party of Nevada  
953 East Sahara, Suite 201  
Las Vegas, Nevada 89104

RE: VOTER REGISTRATION CANDIDATE NIGHT

Dear Mr. Segerblom:

Thank you for selecting the Hacienda Hotel for the Voter  
Registration Candidate Night on October 5, 1990.

I have enclosed a copy of the bill, which was complimentary  
on behalf of the Hacienda Hotel.

Best regards,

Thomas M. Peacock  
General Manager

TMP/pk  
Enclosure

93040953014

VOTER REGISTRATION CANDIDATE NIGHT  
 Richard Segerblom  
 Democratic Party of Nevada  
 953 East Sahara, Suite 201  
 Las Vegas, NV 89104

ROOM Manador  
Arena

DATE	CODE NO.	TICKET NO.	EXPLANATION	CHARGES / CREDITS
10-5-90	171		FOOD	\$14,025.00
10-5-90	171		TEA/COFFEE	960.00
10-5-90	171		SOFT DRINKS	3,125.00
				<u>\$18,110.00</u>
			GRATUITY	200.00
			TOTAL -	<u>\$18,310.00</u>

93040953015

Image Independent Business Products • (702) 738-0040

0141119

Complimentary

By Thomas W. Pearson  
 General Manager. ERG

SEE CODES ON REVERSE SIDE

The Hotel is pleased to provide you with the best service possible. We are committed to your satisfaction and we will do everything we can to make your stay enjoyable. Thank you for choosing the Flamingo Las Vegas.

LAS VEGAS  
**FLAMINGO**  
 RESORT HOTEL & CASINO  
 3500 Las Vegas Blvd. S.  
 Las Vegas, NV 89109

<b>LA CIENDELA</b> RESORT HOTEL & CASINO LAS VEGAS, NEVADA 701-739-8911	TODAY'S DATE	SALESMAN	BOOKING D.
	NAME OF GROUP	FUNCTION DATE	
	POST AS	Friday	
	ADDRESS	Oct. 5, 90	
	Judy Smith	PHONE (HOME)	258-6374
	600 E. Charleston Blvd.	PHONE (OFFICE)	
	Las Vegas, NV 89104		
CITY LODGER#	BILLING INSTRUCTIONS		
EXPECTED COUNT	GUARANTEE COUNT	SET FOR	SET UP TIME
2,000			
SET UP REQUIREMENTS - CONV. PORTERS		MENU/EVENT	
Each candidate to set-up own booth and display materials. Porters to assist in hanging banners and signs.  Stage 12' x 32' x 24" centered on East wall of Barcelona room  15 Rounds of 10 in Madrid 1 Buffet Line on West wall of Madrid 2 - 8' tables for beverage stage near buffet line Separate round for condiments 50 - 8' tables for displays w/tablecloths 2 - 8' tables w/3 chairs each Use of forklift all day The client will use 3 Standing mics.  Room to have all banners & materials removed by client by midnite.		Nachos w/Cheese Sauce Hot Dogs Hot Dog Buns Bags of Chips Bags of Peanuts Bags of Popcorn Condiments (ketchup, mustard, mayo, relish, onions, chili)  Soda Pop - possibly dispenser Iced Tea - Coffee  Ice Cream Bars in cooler	
TIME: 8:00am	LOCATION: Matador Arena	TIME: 6pm - 9pm	LOCATION: Matador Arena
BAR SETUP		REFRESHMENT BREAKS	
<i>Kathy &amp; Russ</i>		FEDERAL RECEIVED AUG 17 17 31 COMMISION	
TIME:	LOCATION:	TIME:	LOCATION:

I understand that I am responsible for the following:

**DAMAGES:**

Client shall be responsible for any theft, loss or damage which may occur in the banquet facility where event is being held, and shall hold the Hacienda Hotel harmless thereof.

**GUARANTEE:**

A definite guarantee must be received 72 hours prior to the function. The guaranteed number is the minimum number you will be charged for even if less attend. If no guarantee is received, client will be charged for the number originally specified.

X

*[Signature]*

X

*[Signature]*

93040953016



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 21, 1992

Michael P. Lindell, Esquire  
Vargus & Bartlett  
P.O. Box 281  
Reno, Nevada 89504

RE: MUR 3159  
Hacienda Hotel

Dear Mr. Lindell:

We are in receipt of your letter dated August 12, 1992, along with the enclosed documentation provided by your client in the above-captioned matter.

Thank you for your assistance. You will be notified of any decision made by the Commission relating to your client.

Sincerely

A handwritten signature in cursive script that reads "Xavier K. McDonnell".

Xavier K. McDonnell  
Attorney

93040953017



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 31, 1992

Michael P. Lindell, Esquire  
Vargus & Bartlett  
P.O. Box 281  
Reno, Nevada 89504

RE: MUR 3159  
Hacienda Hotel

Dear Mr. Lindell:

Thank you again for submitting the documents on behalf of your clients in the above-captioned matter related to the October 5, 1990 political carnival held at the Hacienda Hotel. After reviewing those documents, we have several questions regarding the costs for the event. We would appreciate it if you could have your clients answer these questions, and return them to the Commission at your earliest convenience.

Thank you again for your cooperation. If you have any questions, please call me at (202) 219-3400.

Sincerely

Xavier K. McDonnell  
Attorney

Attachment  
Questions  
Letter/Invoice

93040953018

QUESTIONS

In your response, you have provided a letter dated October 31, 1990, from the Hacienda Hotel ("Hotel") to Richard Segerblom of the Democratic Party of Nevada, and a copy a bill/invoice for the political carnival which indicates that the total amount due was \$18,310.00. See Attachment.

1. State whether the Hotel provided employee services in connection with the political carnival. If the answer to question 1 is in the affirmative:

- a. State whether the \$18,310.00 includes the value of any wages paid to Hotel employees for services performed in connection with the carnival.
- b. If the total amount indicated does not include the value of employee services, state the cost or value for the employee services provided for the carnival.

2. State whether the \$18,310.00 includes the cost of using the Hotel's rooms/space (the "Matador," the "Arena," etc.).

3. State the amount or rate charged to other users of the Hotel's Matador and Arena rooms during the months of September and October, 1990, for events of the same or a similar duration. Indicate the factors which were considered in determining the amounts charged to users of the rooms.

4. State whether the Hotel provided entertainment, including but not limited to band, deejay, clowns, magicians, in connection with the political carnival. If the answer to question 4 is in the affirmative:

- a. Describe the type of entertainment and identify the persons or companies which provided it.
- b. State whether the \$18,310.00 includes the value/cost of any such entertainment;
- c. If the total amount indicated does not include such costs, state the value/cost of such entertainment.

5. Indicate whether the documents which you provided to the Commission, (the letter dated October 31, 1990 along with the \$18,310.00 invoice) were sent/provided to Richard Segerblom. If so, indicate when they were provided to him.

6. Please provide all documents related to the above questions, such as contracts, agreements, charts and other documents involving rental rates for the rooms in question, wages, entertainment, etc.

93040953019

PERKINS COIE

OGC 6328

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS  
607 FOURTEENTH STREET, N.W. • WASHINGTON, D.C. 20005-2011 • (202) 628-6600

September 3, 1992

Xavier McDonnell  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 3159 - Friends for Miller

Dear Mr. McDonnell:

This letter is in response to your telephone inquiry requesting clarification of who authorized the production and airing of the radio advertisements that ran in connection with the State Party's event.

I spoke to Judy Klein of Friends for Miller who gave me the following information. Marilyn, the woman at the ad agency used by Friends of Miller, has no recollection of who authorized the placements of the ads. Her responsibilities at the agency, however, are in the billing area, and not in the production of ads for clients. The woman who worked on the Miller account during the gubernatorial campaign, Carol Larsen, is no longer with the agency.

Ms. Klein offered an opinion on how the ads may have come to be paid by Friends for Miller. The Miller campaign allowed the ad agency a great deal of discretion in managing the campaign's media. While the campaign gave the agency general guidance as to budget and message, the campaign did not approve each spot produced or each buy made. Given this discretion, and the fact that the agency knew the Governor was participating in the State Party's event, it is possible that they believed that the ads produced and run at the campaign's expense were within their mandate. As with other ads, these were not provided to the campaign for approval. In fact, during the period when the ads ran, Ms. Klein, who is the staffer on the campaign who would have been consulting on media issues, was out of the country.

The campaign discovered that they had been charged for the ads only after the FEC matter prompted a more detailed inquiry into the ad agency's billings. As was stated in the

[17610-0001/DA922470.011]

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92 SEP -3 PM 4: 24

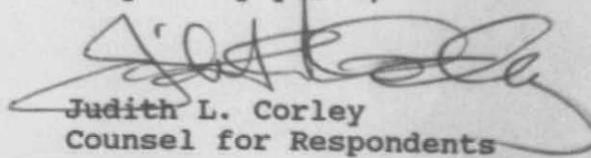
93040953020

Xavier McDonnell  
September 3, 1992  
Page 2

responses to interrogatories submitted by Respondents earlier, if the campaign had been aware that the ads were being prepared and run, it would have instructed the agency to bill the state party for the expenses involved.

If you have any questions about the foregoing or need additional information, please let me know.

Very truly yours,



Judith L. Corley  
Counsel for Respondents

93040953021

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

VARGAS & BARTLETT  
ATTORNEYS AT LAW

THIRD FLOOR  
201 WEST LIBERTY STREET  
POST OFFICE BOX 281  
RENO, NEVADA 89504  
(702) 786-5000  
FAX (702) 786-1177

SEP 24 12 57 PM '92

GEORGE L. VARGAS (1909-1985)  
JOHN C. BARTLETT (1910-1982)  
JAMES P. LUDMAN (1920-1984)

LAS VEGAS OFFICE  
SEVENTH FLOOR  
3800 HOWARD HUGHES PARKWAY  
LAS VEGAS, NEVADA 89109  
(702) 798-7000  
FAX (702) 796-7181  
CABLE: NARBADIX

WRITER'S DIRECT DIAL NUMBER

ROBERT W. MARSHALL  
JOHN C. RENSHAW  
ALBERT F. PAGNI  
FREDERIC R. STARICH  
H. GREGORY NASKY  
JOHN P. SANDE, III  
WILLIAM J. RAGGIO  
THOMAS F. KUMMER  
JOHN R. FOWLER  
CHRISTOPHER L. KAEMPFER  
PHILLIP W. BARTLETT  
MARTHA J. ASHCRAFT  
SCOTT A. GLOGOVAC  
MICHAEL A. IGLESIAS  
MICHAEL J. BONNER  
LINDA A. BOWMAN  
CLYTON E. WOOSTER  
DAVID S. MCELROY  
YONN J. JENKINS  
NICHOLAS F. FREY  
MICHAEL R. KEALY  
JOHN N. BREWER  
VON S. HEINZ  
C. THOMAS BURTON, JR.  
GERALD D. WAITE  
MICHAEL P. LINDELL

LARRY R. BIANUCCI  
PHILIP C. VAN ALSTYNE  
KAREN M. AYARBE  
ELLIOTT R. EISNER  
J. WILLIAM EBERT  
JEFFREY J. WHITEHEAD  
SHARI CASSIN PATTERSON  
REW R. GOODENOW  
PAUL J. LAL  
GEORLEN K. SPANGLER  
DEBRA B. ROBINSON  
SHERWOOD N. COOK  
ROBERT DELETT  
MARK A. CLAYTON  
JAMES G. SANFORD  
NANETTE K. DORY  
THOMAS A. VALLAS  
DAUREAN G. SLOAN  
ANTHONY A. ZMAILA  
RANDAL R. MUNN  
STEPHEN J. SAND  
DOMINIC J. MAGLIARDITI  
SALVATORE A. BASILE  
JOHN C. JEPFSEN

OF COUNSEL  
MEAD DIXON

September 21, 1992

Xavier K. McDonnell, Esq.  
FEDERAL ELECTION COMMISSION  
Washington, D.C. 20463

RE: MUR 3159 - Hacienda Hotel

Dear Mr. McDonnell:

The following are the Hacienda's responses to the questions posed in your letter of August 31, 1992:

1. Yes.
  - a. Yes.
  - b. Not applicable.
2. Yes.
3. The Matador Arena was used for 3 hours and other groups would have been charged the same if food was similarly served. The price for the food for other groups would have been the same. Without food, the room rental would have been \$1750.00.
4. No.
5. Yes, see Mr. Peacock's letter of October 31, 1990.
6. Previously provided.

Sincerely,

VARGAS & BARTLETT

Michael P. Lindell

MPL:sn  
cc: Judy Coder

93040953022

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92 SEP 24 PM 3:26



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

February 23, 1993

Richard Segerblom, Esquire  
704 South 9th Street  
Lass Vegas, Nevada 89101

RE: MUR 3159

Dear Mr. Segerblom:

This letter is a follow up to our telephone conversation on February 22, 1993, in which we discussed the above-captioned matter. During that call, you agreed to sign the enclosed affidavit and to provide a written request that the Commission enter into pre-probable cause conciliation in settlement of this matter. If you agree with the contents of the enclosed affidavit, please sign it, have it notarized and return it to the Commission, along with your written conciliation request. I have enclosed a return envelope for your convenience and a copy of Advisory Opinion 1992-33 which you requested.

Thank you for your cooperation in this matter. You will be notified of the Commission's decision about your conciliation request. If you have any questions, please call me at (202) 219-3400.

Sincerely

Xavier K. McDonnell  
Attorney

Enclosures  
Affidavit  
A.O. 1992-33  
Return Envelope

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OAC 8570

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
HRS. ROOM

MAR 8 8 58 AM '93

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 3159  
 )

AFFIDAVIT

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK  
93 MAR -8 PM 2:39

I, Richard T. Segerblom, being duly sworn, depose and say as follows:

1. I am the Chairman of the Nevada Democratic State Committee ("State Party"), and I have been Chairman since 19 .
2. On October 5, 1990, the State Party sponsored a political carnival held at the Hacienda Hotel in Las Vegas, Nevada. The carnival was open to the public and there were free games, rides, food and drinks. I attended the political carnival.
3. The use of rooms at the Hacienda Hotel, the food and drinks and other goods and services were provided free of charge to the State Party by Paul Lowden, owner of the Hacienda Hotel. The value of the free goods and services provided by the Hacienda Hotel was approximately \$18,310. In addition, the State Party received from the Bonanza Printing Company 25,000 flyers for the political carnival, valued at \$460.00. Upon information and belief, no other goods or services were received free of charge by the State Party in connection with the carnival.
4. Upon information and belief, the State Party made no payments or expenditures in connection with the political carnival held at the Hacienda Hotel on October 5, 1990.
5. Upon information and belief, voter registration activities occurred at the political carnival.
6. Two federal candidates ran for Congress in Nevada's General election held on November 6, 1990: Congressman James Bilbray and Jane Wisdom. Upon information and belief, neither the State party nor its representatives distributed any campaign materials at the carnival for or on behalf of Congressman Bilbray and/or Jane Wisdom.

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MUR 3159  
Affidavit  
Richard T. Segerblom  
Page 2

7. Although Dan Geary from the Bilbray for Congress Committee was present at the political carnival, to the best of my knowledge, Mr. Geary did not distribute any campaign materials on behalf of Congressman Bilbray or the Bilbray for Congress Committee, and no contributions were solicited or collected for Congressman Bilbray's committee.

8. Upon information and belief, federal candidate Jane Wisdom was not at the political carnival, no campaign materials were distributed for or on behalf of Jane Wisdom of her committee at the event and no contributions for Jane Wisdom or her federal campaign committee were solicited or collected.

9. In accordance with the State Party's 1990 allocation formula, one sixth of the costs of the political carnival are attributable to federal activity.

Further the affiant say not

Richard T. Segerblom

Subscribed and sworn to before me this 2nd day of March 1993.

Jennifer D. Fedinec  
Notary Public



NOTARY PUBLIC  
STATE OF NEVADA  
County of Clark  
Jennifer D. Fedinec  
My Appointment Expires July 31, 1995

93040953025

RECEIVED  
F.E.C.  
SECRETARIAT

THE FEDERAL ELECTION COMMISSION

93 JUN -4 AM 10:45

**SENSITIVE**

In the Matter of )  
 )  
Friends for Miller and )  
Michael W. Kern, as treasurer; )  
Nevada State Democratic Committee and )  
Debbie Todd Johnson, as treasurer; )  
Bilbray for Congress Committee and )  
Robert Goldberg, as treasurer; )  
Friends for Bryan and )  
Michael W. Kern, as treasurer; )  
Friends for Harry Reid and )  
Paul Eisenberg, as treasurer; and )  
Hacienda Hotel/Sahara Resorts and )  
Paul W. Lowden, as Chairman )

MUR 3159

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This complaint-generated matter involves the acceptance of in-kind corporate contributions by the Nevada Democratic State Committee (the "State Party"), and the making of prohibited expenditures by Friends for Miller (the "Miller Committee"). The transactions occurred in connection with a "political carnival" (or "event"), free to the public, held on October 5, 1990, at the Hacienda Hotel (the "Hotel") in Las Vegas, Nevada. On January 14, 1992, the Commission found reason to believe that the State Party violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a), and that the Miller Committee, the authorized committee of Nevada Governor Bob Miller, violated 2 U.S.C. § 441b(a).

Discovery confirms that the State Party accepted in-kind corporate contributions from the Hotel and a printing company in connection with the event; that the Miller Committee paid for the ads that announced the free carnival to the public; and, that a purpose of the event was to register voters for the Nevada 1990

93040953026

general elections. On the other hand, although the advertisements for the carnival indicated that it was hosted by Senators Harry Reid and Richard Bryan, and Congressman and then federal candidate James Bilbray, the information obtained through discovery indicates the federal officeholders/candidates and their committees played only a nominal role in the event. As set forth below, given the facts obtained through discovery, this Office recommends that the Commission close the file as it pertains to all respondents in this matter except the State Party and its treasurer, who have requested preprobable cause conciliation.<sup>1</sup>

II. FACTS OBTAINED THROUGH DISCOVERY

The State Party indicates that it coordinated and sponsored the political carnival attended by approximately 2,500 persons, and that it arranged the event with the Miller Committee and state and local candidates and committees. Attachment 1 at pages 1-3; Attachment 2 at pages 2, 3 and 9. The Miller Committee confirms its involvement, stating that then acting governor and gubernatorial candidate Miller "co-hosted" the carnival "as a state-wide leader of the Democratic Party," and that it allowed its staff and volunteers to assist the State Party in organizing and executing the event. Attachment 2 at pages 1 and 4.

1. At the time the Commission made its reason to believe findings in this matter, it voted to take no action against the authorized committees of Senators Reid and Bryan, and Congressman Bilbray, which indicated in their responses that the federal officeholders were included in advertisements for the event as honorary hosts but were not involved in the event and did not benefit from it. The Commission also took no action against the Hotel, which is permitted under Nevada law to contribute to state candidates and committees. See First General Counsel's Report, dated December 20, 1991, at Attachments 2, 4 and 5.

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According to the responses, the event was to "assist the campaigns of Governor Miller" and "Democratic legislative candidates." Attachment 1 at page 1. Volunteers for state and local candidates distributed campaign materials from booths at the political carnival. The response indicates that there was a booth at the political carnival for Governor Miller, and that he attended the event.

The State Party acknowledges that the Hacienda Hotel provided the food, rides, equipment, employee services and the use of its function rooms which had a value of \$18,310, and that it accepted flyers for the event valued at \$460.75 from the Bonanza Printing Company. Both the Hotel and Bonanza Printing Company are incorporated. The in-kind donations which the State Party accepted from the two corporations in connection with the carnival thus total \$18,770.75. Attachment 1 at pages 8 and 18; Attachment 3 at page 3.<sup>2</sup>

The Miller Committee acknowledges that it paid for radio and newspaper advertisements for the political carnival valued at \$5,662. Attachment 2 at pages 3, 9-12. The Miller Committee asserts, however, that it did not authorize the payment of the

---

2. In response to discovery requests, Mr. Segerblom, Chairman of the State Committee, initially estimated the value of the Hotel's donation to be \$12,500 based on a cost of \$5.00 per person for an estimated 2,500 attendees. Attachment 1 at pages 9 and 17. This Office subsequently obtained directly from the Hotel what appears to be the Hotel's original invoice, along with a copy of the "contract" for the carnival and an October 31, 1990 letter from the Hotel to Mr. Segerblom which indicates that an \$18,310 invoice was enclosed. Attachment 3 at pages 1-4. Mr. Segerblom does not dispute the validity of the \$18,310 figure, and actually adopted this valuation in his affidavit. See Attachment 1 at page 18.

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cost for the ads and that it was not aware of the advertising until receiving the Commission's discovery requests in this matter. The Miller Committee also states that if it had been aware of the purpose of the payments it would have obtained reimbursement from the State party. Id. at page 2.

9 3 0 4 0 9 5 3 0 2 9  
The investigation has established that the political carnival involved voter registration. In fact, the State Party acknowledges that the carnival was designed to coincide with the last day for Nevada residents to register to vote in the 1990 general elections. Attachment 1 at page 2. James Bilbray and Jane Wisdom were the only Democratic candidates running for election in Nevada during the time at issue, and the Party asserts that one-sixth of the costs for the carnival are attributable to federal activities and candidates. Attachment 1 at page 15.<sup>3</sup> Since the activities at the carnival included voter registration, a portion of the total costs was required to be paid for with permissible funds. See Advisory Opinions ("AO") 1978-10 and 1978-50. Discovery indicates that the federal portion of the costs related to the event was not paid from funds permissible under federal election law, in violation of Sections 441b(a) and 102.5(a).

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3. Congressman Bilbray was re-elected to Congress, but Ms. Wisdom was defeated.

With regard to the Committee's allocation, the event in question was held prior to the effective date of the current allocation rules (January 1, 1991) which set forth the requirements regarding payments for federal/nonfederal activities, and which provide in greater detail the proper method for calculating the federal portion of voter registration drives. See 11 C.F.R. §§ 106.1, 106.5.

With respect to the federal candidates and committees, the State Party asserts that it contacted representatives of the offices of Senators Bryan and Reid, and Congressman Bilbray about the carnival and that representatives for the federal officials played an "advisory role" in regard to the event. Attachment 1 at pages 5, 9-10. The State Party and Miller Committee claim they requested permission to use the officeholders' names in connection with the carnival, and assert that the names were used to increase attendance at the political carnival. Attachment 1 at pages 1 and 5; Attachment 2 at page 6.<sup>4</sup>

The State Party asserts that Senators Bryan and Reid, Congressman Bilbray and House candidate Jane Wisdom did not attend the carnival, although representatives from the offices of Senator Bryan and Congressman Bilbray did attend. Attachment 1 at page 5. Party Chairman Richard Segerblom avers there were no booths for the federal officeholders or candidates at the event, that no campaign materials were distributed on behalf of candidates Bilbray and Wisdom, and that no contributions were solicited or collected for either of their campaigns. Attachment 1 at pages 18-19.

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4. Although the information obtained through discovery shows that the involvement of federal officials was nominal, there is disagreement regarding the listings of the officeholders as hosts for the event. The responses to the complaint submitted on behalf of Senator Reid and Congressman Bilbray denied that the federal officials authorized the use of their names, while Senator Bryan's response had not addressed that point. See First General Counsel's Report, dated December 20, 1991, at Attachments 2 and 5. However, as noted above, the State Party indicates that it requested permission to use the Federal officials' names from persons representing the offices of Senators Bryan and Reid and Congressman Bilbray. Attachment 1 at pages 1, 6, 9-10.

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Thus, there is no evidence that the carnival was a campaign event for any specific federal candidate. See 11 C.F.R. § 106.1(c)(3). Rather, the references to the federal candidates and officeholders appear to have been incidental to the overall activity. Therefore, this Office recommends that the Commission close the file as it pertains to the Bilbray for Congress Committee and Robert Goldberg, as treasurer, Friends for Bryan and Michael W. Kern, as treasurer and Friends for Harry Reid and Paul Eisenberg, as treasurer.

Corporations are permitted under Nevada law to contribute to state candidates, and the Hotel has asserted that it intended to give the in-kind contribution to Governor Miller alone.<sup>5</sup> Thus, this Office recommends that the Commission close the file as it pertains to the Hacienda Hotel/Sahara Resorts and Paul W. Lowden, as Chairman.<sup>6</sup> Finally, the apparent violative amount spent by the Miller Committee on advertising the carnival is insubstantial (one sixth of \$5,662 or \$943). Accordingly, the Office of the General Counsel recommends that the Commission, consistent with its

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5. The record supports the Hotel's assertion in that it appears initial arrangements for the political carnival were made with either Governor Miller or Judy Klein (formerly Judy Smith) of the Miller Committee. The State Party and the Miller Committee claim Ms. Klein first contacted Paul Lowden about the free use of the Hotel, but the Hotel indicates that Governor Miller "personally contacted" Mr. Lowden and requested the donation. Attachment 1 at page 10; Attachment 2 at page 5; Attachment 3 at page 1, see also General Counsel's Report, dated December 20, 1991, at Attachment 3.

6. This Office makes no recommendations regarding the Bonanza Printing Company, which appears to have made a prohibited corporate contribution of one sixth of \$460.75, or \$76.79, to the State Party.

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priorities and resources, take no further action against the Miller Committee and its treasurer, and close the file as it pertains to them. See Heckler v. Chaney, 470 U.S. 821 (1986).<sup>7</sup> This leaves the State Party and treasurer, who have requested conciliation, as the only remaining respondents.

III. DISCUSSION OF PREPROBABLE CAUSE CONCILIATION

Attached for the Commission's approval is a proposed conciliation agreement with the State Party. See Attachment 4.

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IV. RECOMMENDATIONS

1. Enter into preprobable cause conciliation with the Nevada Democratic State Committee, and Debbie Todd Johnson, as

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7. This Office shall include an admonishment in the notification letter to the Miller Committee.

treasurer.

2. Approve the attached proposed conciliation agreement with the Nevada Democratic State Committee, and Debbie Todd Johnson, as treasurer.

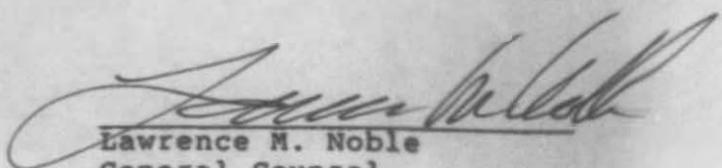
3. Take no further action against Friends for Miller and Michael W. Kern, as treasurer.

4. Close the file as it pertains to Bilbray for Congress Committee and Robert Goldberg, as treasurer, Friends for Bryan and Michael W. Kern, as treasurer, Friends for Harry Reid and Paul Eisenberg, as treasurer, Hacienda Hotel/Sahara Resorts and Paul W. Lowden, as Chairman, and Friends for Miller and Michael W. Kern, as treasurer.

5. Approve the appropriate letters.

Date

6/4/93

  
Lawrence M. Noble  
General Counsel

Attachments:

1. Responses from State Party
2. Responses from Miller Committee
3. Response from Hacienda Hotel
4. Proposed Conciliation Agreement

Staff Assigned: Xavier K. McDonnell

93040953033

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Friends for Miller and Michael W. ) MUR 3159  
Kern, as treasurer; )  
Nevada State Democratic Committee )  
and Debbie Todd Johnson, as )  
treasurer; )  
Bilbray for Congress Committee and )  
Robert Goldberg, as treasurer; )  
Friends for Bryan and Michael W. )  
Kern, as treasurer; )  
Friends for Harry Reid and Paul )  
Eisenberg, as treasurer; and )  
Hacienda Hotel/Sahara Resorts and )  
Paul W. Lowden, as Chairman. )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 10, 1993, the Commission decided by a vote of 5-0 to take the following actions in MUR 3159:

1. Enter into preprobable cause conciliation with the Nevada Democratic State Committee, and Debbie Todd Johnson, as treasurer.
2. Approve the proposed conciliation agreement with the Nevada Democratic State Committee, and Debbie Todd Johnson, as treasurer, as recommended in the General Counsel's Report dated June 4, 1993.
3. Take no further action against Friends for Miller and Michael W. Kern, as treasurer.

(continued)

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4. Close the file as it pertains to Bilbray for Congress Committee and Robert Goldberg, as treasurer, Friends for Bryan and Michael W. Kern, as treasurer, Friends for Harry Reid and Paul Eisenberg, as treasurer, Hacienda Hotel/Sahara Resorts and Paul W. Lowden, as Chairman, and Friends for Miller and Michael W. Kern, as treasurer.
5. Approve the appropriate letters, as recommended in the General Counsel's Report dated June 4, 1993.

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

Attest:

6-10-93  
Date

Marjorie W. Enright  
Marjorie W. Enright  
Secretary of the Commission

Received in the Secretariat: Fri., June 04, 1993 10:45 a.m.  
Circulated to the Commission: Mon., June 07, 1993 11:00 a.m.  
Deadline for vote: Thurs., June 10, 1993 4:00 p.m.

bjr

93040953035



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

JUNE 15, 1993

Robert Bauer, Esq.  
Judith Corley, Esq.  
Perkins Coie  
607 14th Street, N.W.  
Suite 800  
Washington, D.C. 20005

RE: MUR 3159  
Friends for Miller and  
Michael W. Kern, as treasurer

Dear Mr. Bauer and Ms. Corley:

On January 14, 1992, your clients in the above-captioned matter were notified that the Federal Election Commission found reason to believe that they violated 2 U.S.C. § 441b(a). On April 9, 1992, your clients submitted a response to the Commission's discovery requests.

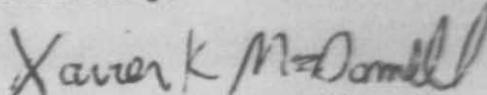
After considering the circumstances, the Commission determined, on June 10, 1993, to take no further action against your clients and closed the file as it pertains to them. The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved.

You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter. The Commission will notify you when the entire file has been closed.

The Commission reminds your clients that using impermissible funds in connection with activity involving federal elections appears to be a violation of 2 U.S.C. § 441b(a). Your clients should take immediate steps to insure that this activity does not occur in the future.

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

Sincerely,

  
Xavier K. McDonnell  
Attorney

93040953036



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

JUNE 15, 1993

Claude E. Zobell, Jr., Esq.  
Jones, Waldo, Holbrook & McDonough  
Suite 900  
2300 M Street, N.W.  
Washington, D.C. 20037

RE: MUR 3159  
Friends for Harry Reid Committee and  
Paul Eisenberg, as treasurer

Dear Mr. Zobell:

On November 8, 1990, the Federal Election Commission notified your clients in the above-captioned matter of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On January 14, 1992, the Commission voted to take no action against your clients and on June 10, 1993, the Commission closed its file in this matter as it pertains to them.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Xavier K. McDonnell  
Attorney

cc: Honorable Harry Mason Reid  
1326 Kirby Road  
McLean, Virginia 22101

93040953037



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

JUNE 15, 1993

Michael W. Kern, Treasurer  
Friends for Bryan  
6600 West Charleston Boulevard  
Suite 118  
Las Vegas, Nevada 89102

RE: MUR 3159  
Friends for Bryan and  
Michael W. Kern, as treasurer

Dear Mr. Kern:

On November 8, 1990, the Federal Election Commission notified Friends for Bryan and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On January 14, 1992, the Commission voted to take no action against the Committee and you, as treasurer, and on June 10, 1993, the Commission closed its file in this matter as it pertains to you and the Committee.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Xavier K. McDonnell  
Attorney

cc: Honorable Richard H. Bryan  
U.S. Senate  
364 Russell Office Building  
Washington, D.C. 20510

23040953038



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

JUNE 15, 1993

Robert Goldberg, Treasurer  
Bilbray for Congress Committee  
3069 Conquista Court  
Las Vegas, Nevada 89119

RE: MUR 3159  
Bilbray for Congress Committee  
and Robert Goldberg, as treasurer

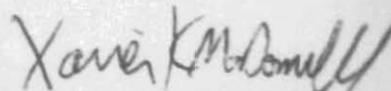
Dear Mr. Goldberg:

On November 8, 1990, the Federal Election Commission notified Bilbray 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.

On January 14, 1992, the Commission voted to take no action against you and the Committee, and on June 10, 1993, the Commission closed its file in this matter as it pertains to you and the Committee.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all other respondents involved. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

  
Xavier K. McDonnell  
Attorney

cc: Honorable James H. Bilbray  
U.S. House of Representatives  
319 Cannon Office Building  
Washington, D.C. 20515

93040953039



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

JUNE 15, 1993

Michael P. Lindell, Esq.  
Vargas & Bartlett  
201 West Liberty Street, 3rd Floor  
P.O. Box 281  
Reno, Nevada 89504

RE: MUR 3159  
Hacienda Hotel/Sahara Resorts and  
Paul W. Lowden, as Chairman

Dear Mr. Lindell:

On November 8, 1990, the Federal Election Commission notified your clients, the Hacienda Hotel/Sahara Resorts and Paul W. Lowden, as Chairman, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On January 14, 1992, the Commission voted to take no action against your clients, and on June 10, 1993, the Commission closed its file in this matter as it pertains to them.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all other respondents involved. The Commission reminds your clients that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Xavier K. McDonnell  
Attorney

93040953040



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

JUNE 15, 1993

Richard Segerblom, Chairman  
Nevada Democratic State Committee  
704 South Ninth Street  
Las Vegas, Nevada 89101

RE: MUR 3159  
Nevada Democratic State Committee  
and  
Debbie Todd Johnson, as treasurer

Dear Mr. Segerblom:

On January 14, 1992, the Federal Election Commission found reason to believe that the Nevada Democratic State Committee and Debbie Todd Johnson, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a). At your request, on June 10, 1993, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact me at (202) 219-3400.

Sincerely,

Xavier K. McDonnell  
Attorney

Enclosure  
Conciliation Agreement

93040953041



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 7, 1993

BY FAX and MAIL

Richard Segerblom, Chairman  
Nevada Democratic State Committee  
704 South Ninth Street  
Las Vegas, Nevada 89101

RE: MUR 3159  
Nevada Democratic State Committee and  
Debbie Todd Johnson, as treasurer

Dear Mr. Segerblom:

This letter is to confirm the substance of our telephone conversation on July 1, 1993, in which you indicated a response to the Commission's proposed conciliation agreement would be submitted shortly. Please note that conciliation negotiations entered into prior to a finding of probable cause to believe are limited to a maximum of 30 days. Given that the Commission entered into pre-probable cause conciliation on June 10, 1993, the 30 day period for negotiations will soon expire. Unless we receive a response from you within the 30 day period, this Office will consider these negotiations terminated and will proceed to the next stage of the enforcement process.

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

Sincerely,

*Xavier K. McDonnell*  
Xavier K. McDonnell  
Attorney

93040953042

THE FEDERAL ELECTION COMMISSION 93 JUL 14 AM 9:40

In the Matter of )  
Nevada State Democratic Committee and )  
Debbie Todd Johnson, as treasurer )

**SENSITIVE**

MUR 3159

GENERAL COUNSEL'S REPORT

I. BACKGROUND

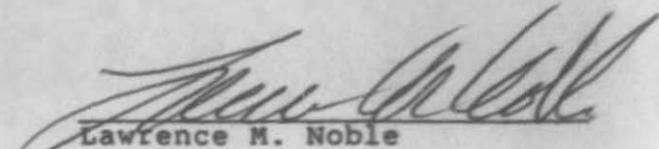
Attached for Commission approval is a signed preprobable cause conciliation agreement with the Nevada Democratic State Committee and Debbie Todd Johnson, as treasurer.<sup>1</sup> The attached agreement is identical to the one which was approved by the Commission on June 10, 1993. The civil penalty has not yet been received.

II. RECOMMENDATIONS

1. Accept the attached agreement with the Nevada Democratic State Committee and Debbie Todd Johnson, as treasurer.
2. Approve appropriate letters.
3. Close the file.

Date

7/13/93

  
Lawrence M. Noble  
General Counsel

Attachment:  
Signed Conciliation Agreement

Staff Assigned: Xavier K. McDonnell

1. The attached copy was received by facsimile on July 9, 1993. Respondent has assured this Office that the original was mailed the same day.

93040953043

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Nevada State Democratic Committee ) MUR 3159  
and Debbie Todd Johnson, as treasurer. )

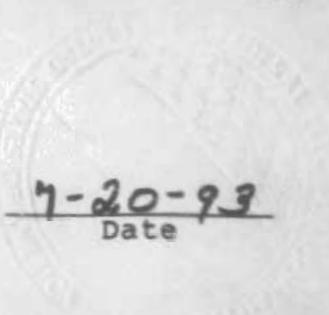
CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 19, 1993, the Commission decided by a vote of 5-0 to take the following actions in MUR 3159:

1. Accept the agreement with the Nevada Democratic State Committee and Debbie Todd Johnson, as treasurer, as recommended in the General Counsel's Report dated July 13, 1993.
2. Approve the appropriate letters, as recommended in the General Counsel's Report dated July 13, 1993.
3. Close the file.

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

Attest:



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

Received in the Secretariat: Wed., July 14, 1993 9:40 a.m.  
Circulated to the Commission: Wed., July 14, 1993 11:00 a.m.  
Deadline for vote: Mon., July 19, 1993 4:00 p.m.

bjr

93040953044



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

JULY 23, 1993

Claude E. Zobell, Jr., Esquire  
Jones, Waldo, Holbrook & McDonough  
Suite 900  
2300 M Street, N.W.  
Washington, D.C. 20037

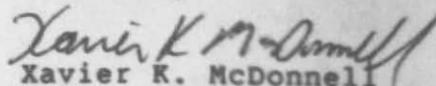
RE: MUR 3159  
Friends for Harry Reid  
and  
Paul Eisenberg, as treasurer

Dear Mr. Zobell:

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

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

Sincerely,

  
Xavier K. McDonnell  
Attorney

cc: Honorable Harry Mason Reid  
1326 Kirby Road  
McLean, VA 22101

93040953045



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

JULY 23, 1993

Robert Goldberg, Treasurer  
Bilbray for Congress Committee  
3069 Conquista Court  
Las Vegas, Nevada 89119

RE: MUR 3159

Dear Mr. Goldberg:

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

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

Sincerely,

*Xavier K. McDonnell*  
Xavier K. McDonnell  
Attorney

cc: Honorable James H. Bilbray  
U.S. House of Representatives  
319 Cannon Office Building  
Washington, D.C. 20515

93040953046



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

JULY 23, 1993

Michael P. Lindell, Esquire  
Vargas and Bartlett  
201 West Liberty Street, 3rd Floor  
P.O. Box 281  
Reno, NV 89504

RE: MUR 3159  
Hacienda Hotel/Sahara Resorts  
Paul W. Lowden, as Chairman

Dear Mr. Lindell:

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

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

Sincerely,

*Xavier K. McDonnell*  
Xavier K. McDonnell  
Attorney

93040953047



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

JULY 23, 1993

Robert Bauer, Esquire  
Judith Corley, Esquire  
Perkins Coie  
607 14th Street, N.W.  
Suite 800  
Washington, D.C. 20005

RE: MUR 3159  
Friends for Miller, and  
Michael W. Kern, as treasurer

Dear Mr. Bauer and Ms. Corley:

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

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

Sincerely,

*Xavier K. McDonnell*  
Xavier K. McDonnell  
Attorney

93040953048



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

JULY 23, 1993

Michael W. Kern, Treasurer  
Friends for Bryan  
6600 West Charleston Blvd.  
Suite 118  
Las Vegas, NV 89102

RE: MUR 3159

Dear Mr. Kern:

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

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

Sincerely,

*Xavier K. McDonnell*  
Xavier K. McDonnell  
Attorney

cc: Honorable Richard H. Bryan  
U.S. Senate  
364 Russell Office Building  
Washington, D.C. 20510

93040953049



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20461

JULY 23, 1993

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Brian McKay, Chairman  
Nevada Republican Party  
6114 W. Charleston Blvd.  
Las Vegas, NV 89102

RE: MUR 3159

Dear Mr. McKay:

This is in reference to the complaint the Nevada Republican Party filed with the Federal Election Commission on November 1, 1990, concerning a political carnival at the Hacienda Hotel on October 5, 1990.

The Commission found that there was reason to believe that the Nevada Democratic State Committee ("State Committee") and Debbie Todd Johnson, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a), and that Friends for Miller ("Miller Committee") and Michael W. Kern, as treasurer, violated 2 U.S.C. § 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended, and Commission regulations, and conducted an investigation in this matter.

On July 19, 1993, a conciliation agreement signed by the Chairman of the State Committee was accepted by the Commission. A copy of this agreement is enclosed for your information. With respect to the Miller Committee and its treasurer, after considering the circumstances in the matter, the Commission took no further action and closed the file as it pertains to them. Finally, the Commission took no action with respect to the Bilbray for Congress Committee, and Robert Goldberg, as treasurer, Friends for Bryan, and Michael W. Kern, as treasurer, Friends for Harry Reid, and Paul Eisenberg, as treasurer and the Hacienda Hotel/Sahara Resorts and Paul W. Lowden, as Chairman. The file in this matter was closed on July 19, 1993. If have any questions, please contact me at (202) 219-3400.

Sincerely,

*Xavier K. McDonnell*  
Xavier K. McDonnell  
Attorney

Enclosure  
Conciliation Agreement

93040953050



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

JULY 23, 1993

Richard Segerblom, Chairman  
Nevada Democratic State Committee  
704 South Ninth Street  
Las Vegas, Nevada 89101

RE: MUR 3159  
Nevada Democratic State Committee  
and  
Debbie Todd Johnson, as treasurer

Dear Mr. Segerblom:

On July 19, 1993, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of respondents in the above-captioned matter in settlement of violations of 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations. Accordingly, the file has been closed in this matter.

This matter will become public within 30 days. Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. Please submit with the penalty evidence of the transfer required under the conciliation agreement. If you have any questions, please contact me at (202) 219-3400.

Sincerely,

*Xavier K. McDonnell*  
Xavier K. McDonnell  
Attorney

Enclosure  
Conciliation Agreement

93040953051

DGC 9446

Jul 15 9 13 AM '74

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 Nevada Democratic State Committee )  
 and ) MUR 3159  
 Debbie Todd Johnson, as treasurer )

93 JUL 15 AM 10:24  
 FEDERAL ELECTION COMMISSION

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by the Nevada Republican Party and Kenneth J. Sawyer, as Chairman. The Federal Election Commission ("Commission") found reason to believe that Nevada Democratic State Committee ("State Party") and Debbie Todd Johnson, as treasurer ("Respondents") violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a).

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

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

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. The Nevada Democratic State Committee is a political committee within the meaning of 2 U.S.C. § 431(4)(A).

2. Debbie Todd Johnson is the treasurer of the Nevada Democratic State Committee.

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3. The State Party sponsored and coordinated a "political carnival" held at the Hacienda Hotel ("Hotel"), in Las Vegas, Nevada on October 5, 1990, the last day voters could register for the November 6, 1990 elections in Nevada. The State Party conducted a voter registration drive at the political carnival. Approximately 2,500 persons attended the event.

4. Paul Lowden, Chairman of the Board of Sahara Resorts, provided free of charge to the State Party the use of the Hacienda Hotel for the political carnival. The Hotel also donated to the State Party the food, drinks, rides, services, etc. which were offered to the public free of charge at the political carnival. At the time at issue, the Hacienda Hotel was incorporated, and was owned by Sahara Resorts, a corporation. The total value of the Hotel's contribution was approximately \$18,310. In addition, the State Party received from the Bonanza Printing Company, a corporation, 25,000 flyers which advertised the political carnival. The flyers had a value of \$460.75.

5. The Federal Election Campaign Act of 1971, as amended, (the "Act") prohibits any corporation from making a contribution or expenditure in connection with any federal election, and prohibits any candidate, political committee or other person from knowingly accepting or receiving any such contribution.

2 U.S.C. § 441b(a). With respect to corporations, a contribution or expenditure is defined as "any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services, or anything of value ... to any candidate, campaign committee or political party or organization, in connection with

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any" federal election. 2 U.S.C. § 441b(b)(2).

6. Party committees and other political committees must allocate administrative expenses on a reasonable basis between their federal and non-federal accounts. 11 C.F.R. § 106.1(e). Expenditures made by a state political party for voter registration, even though not expressly made on behalf of candidates for Federal office, must be allocated between the two classes of candidates, state and federal, in the same manner as other general party building activities. See A.O. 1978-10 citing 11 C.F.R. § 106.1 (1977). In addition, expenditures made by a state political party for the purpose of identifying and motivating persons to support a political party's gubernatorial nominee made during a year in which federal elections are held are also for the additional purpose of influencing federal elections, and therefore must be allocated on a reasonable basis. A.O. 1978-50 citing 11 C.F.R. § 106.1. (1977).

7. Expenditures made in connection with federal elections, whether made by political committees or organizations which are not political committees, must be made with funds which are permissible under the Act in accordance with 11 C.F.R. § 102.5(a) and (b).

8. Since the political carnival involved voter registration, a portion of the costs associated with the event was allocable to federal candidates, and was required to have been paid with funds deemed permissible under the Act.

9. According to the State Party, one-sixth of the Party's expenses were attributable to federal activity. The value of the

93040953054

goods and services contributed to the State party by corporations in connection with the political carnival totals \$18,770.75. Thus, one-sixth of that amount, or \$3,128, was allocable to federal activity, and should have been paid for with funds deemed permissible under the Act.

V. Respondents violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a) by knowingly accepting in-kind corporate contributions from the Hacienda Hotel and the Bonanza Printing Company in connection with the political carnival.

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of fifteen hundred and fifty dollars (\$1,550) pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. Respondents shall transfer from their federal account to their non-federal account an amount equal to the prohibited portion of the contributions which they accepted in connection with the political carnival.

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

X. Respondents shall have no more than 30 days from the

93040953055

date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

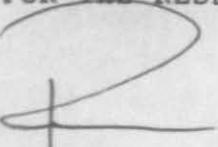
XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

  
\_\_\_\_\_  
Lawrence M. Noble  
General Counsel

7/22/93  
Date

FOR THE RESPONDENTS:

  
\_\_\_\_\_  
(Name)  
(Position)  
State Chair, Nevada  
Democratic Party

7-9-93  
Date

93040953056



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3159

DATE FILMED 8-5-93 CAMERA NO. 4

CAMERAMAN JMH

93040953057



FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

Microfilm  
 Public Rcds  
 Press

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 3159 .

8/30/93

93040954842

OGC 7622

FEDERAL ELECTION COMMISSION

93 AUG 3 3:07



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 28, 1993

**CLOSED**

TWO WAY MEMORANDUM

TO: OGC, Docket  
FROM: Philomena Brooks Accounting Technician *PB*  
SUBJECT: Account Determination for Funds Received

We recently received a check from Nevada Demo. Party, check number 1064, dated July 28, 1993, and in the amount of \$ 1,550.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Philomena Brooks Accounting Technician  
FROM: OGC, Docket *By aa*

In reference to the above check in the amount of \$ 1,550.00, the MUR number is 3159 and in the name of Nevada Democratic State Cmte.. The account into which it should be deposited is indicated below:

- Budget Clearing Account (OGC), 95F3875.16
- Civil Penalties Account, 95-1099.160
- Other: \_\_\_\_\_

Anita Alexander  
Signature

8-6-93  
Date

93040954843



RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

DEMOCRATIC PARTY OF NEVADA

Aug 5 9 14 PM '93

July 30, 1993

Richard "Tick" Segerblom, Chairman

Xavier K. McDonnell, Esq.  
Office of the General Counsel  
Federal Election Commission  
999 E. Street, N.W.  
Washington, D.C. 20463

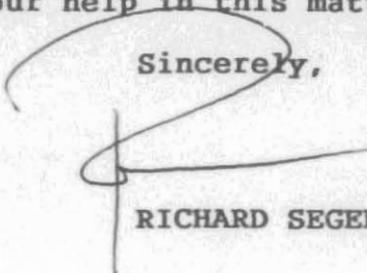
RE: MUR 3159  
Nevada Democratic State Committee  
and  
Debbie Todd Johnson, as Treasurer

Dear Mr. McDonnell:

Enclosed please find the Nevada Democratic Party's  
check to pay the civil penalty required by MUR 3159.

Thank you for your help in this matter.

Sincerely,

  
RICHARD SEGERBLOM

RS/hef

Encl:

93 AUG -6 PM 3:07

RECEIVED  
FEDERAL ELECTION COMMISSION

93040954844

NEVADA STATE DEMOCRATIC  
CENTRAL COMMITTEE

FEDERAL ACCOUNT  
704 SO. 9TH STREET  
LAS VEGAS, NV 89101

1064

94-72/1224

July 28, 19 93

PAY TO THE  
ORDER OF Federal Election Commission

\$ 1,550.00

One Thousand Five Hundred Fifty Dollars & 00/100. DOLLARS



Valley Bank of Nevada  
MEMBER FDIC  
P.O. BOX 98800 - LAS VEGAS, NEVADA 89193-8800

FOR Per FEC Concilliation Agreement

*[Handwritten Signature]*

⑈001064⑈ ⑆122400724⑆

260021971⑈

93040954845

FEDERAL ELECTION COMMISSION  
93/113-3:U



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Microfilm  
 Public Rcds  
 Press

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 3159.

12/6/93

93040962252

Oac 9869

**RICHARD SEGERBLOM  
ATTORNEY AT LAW**

704 SOUTH NINTH STREET  
LAS VEGAS, NEVADA 89101  
(702) 388-9600 • FAX (702) 385-2909

MEMBER OF THE NEVADA, CALIFORNIA & COLORADO BARS

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIN COPY ROOM

SEP 8 11 32 AM '93

BY FAX AND MAIL

September 1, 1993

Xavier K. McDonnell, Esq.  
Office of the General Counsel  
Federal Election Commission  
999 E Street N.W.  
Washington, D.C. 20463

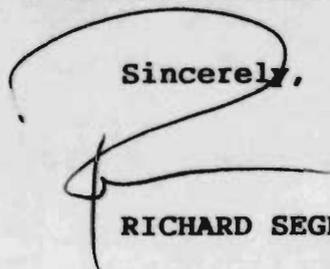
RE: MUR 3159

Dear Mr. McDonnell:

Enclosed please find documentation for the transfer of \$3,128.00 from our federal account to our non-federal account as required by MUR 3159. I have also enclosed a copy of the deposit which enabled this transfer to demonstrate that the transfer was made as soon as possible.

Thank you for your assistance and patience in this matter. If you have any question or concerns please feel free to contact me.

Sincerely,



RICHARD SEGERBLOM

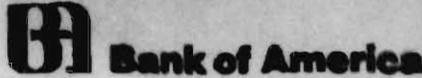
RS/hef

cc: Debbie Todd Johnson  
Virginia Cain

93040962253

RECEIVED  
FEDERAL ELECTION COMMISSION  
93 SEP -8 PM 3:31

CREDIT



Acct No. 260021201 Tran Code 21 September 1, 1993  
We Credit your account as follows: Description

Transfer from account: #260021971

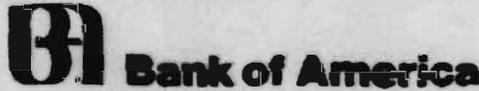
TO:

Nevada State Democratic Central Committee  
6600 W. Charleston Blvd., Suite 118  
Las Vegas, NV 89102

\$ 3,128.00  
Bank of America  
*[Signature]*  
Prepared by [Signature] Johnson Dept. No. 10  
Authorized Signature

⑆22400724⑆

DEBIT



Acct. No. 260021971 Tran Code 2332 September 1, 1993  
This is to advise you that we have this day charged your account as follows: Description

Transfer to account: #260021201

TO:

Nevada State Democratic Central Committee  
6600 W. Charleston Blvd., Suite 118  
Las Vegas, NV 89102

\$ 3,128.00  
Bank of America  
*[Signature]*  
Johnson Dept. No. 10  
Authorized Signature

⑆22400724⑆

DEMOCRATIC STATE PARTY  
VICTORY FUND

430 SOUTH CAPITOL STREET, SE.  
WASHINGTON, DC 20003

NationsBank

NationsBank of DC, N.A.  
Washington, DC 20004

1765

Aug. 24, 1993

15-122 D01

PAYED 11450000

PAY \_\_\_\_\_ DOLLARS \$1,145.00

TO THE ORDER OF Nevada State Democratic Party

Richard Segerblom  
TREASURER

⑆001765⑆ ⑆054001204⑆ 230822 3⑆

NEVADA STATE DEMOCRATIC  
CENTRAL COMMITTEE

FEDERAL ACCOUNT  
704 SO. 9TH STREET  
LAS VEGAS, NV 89101

NOTICE: DEPOSITS MAY NOT BE AVAILABLE  
FOR IMMEDIATE WITHDRAWAL.

DEPOSIT TICKET

NUMBER OF CHECKS

Please list all items on the other side  
of this ticket or attach a list.  
Enter total deposit in this box.

DATE 9/1 1993

TOTAL DEPOSIT \$1,255.00

94-72-1224



Valley Bank of Nevada  
P.O. BOX 86600 • LAS VEGAS, NEVADA 89153-8600

⑆001469⑆ ⑆122400724⑆

260021971⑆ 20

RICHARD SEGERBLOM  
ATTORNEY AT LAW

704 S. NINTH ST. 702/388-9800  
LAS VEGAS, NV 89101

637

94-1/

9-1 1993

PAY TO THE ORDER OF Democratic Party  
One Hundred and no/100 \$100.00  
DOLLAR



First Interstate Bank  
of Nevada, N.A.  
P.O. Box 98588  
Las Vegas, Nevada 89193-8588  
Serving Nevadans For 90 Years

FOR \_\_\_\_\_  
⑆006373⑆ ⑆121200019⑆0900060897⑆

JOSEPH F. OR MARCELLA C. RUNDUS  
DBA RUNDUS TRAILER SALES

702/645-2006  
7020 W. LONE MOUNTAIN RD.  
LAS VEGAS, NV 89128

1547

8-25 1993

94-1/1212

PAY TO THE ORDER OF State Central Committee  
Ten and no/100 \$10.00  
DOLLARS



First Interstate Bank  
of Nevada, N.A.  
15th & Charleston 073  
P.O. Box 98588  
Las Vegas, NV 89193-8588

FOR Ten and no/100 Senior rate Marcella C. Rundus  
552296 018056