



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF RUL # 3419

DATE FILMED 7/10/92 CAMERA NO. 4

CAMERAMAN E.E.S.

92040905114

00C 2378

RECEIVED
FEDERAL ELECTION COMMISSION
MAIN COPY ROOM

91 SEP -2 AM 10:22

John Libby
29 Exeter Road
Hampton, NH 03842
(603) 926-7780 (H)
(603) 669-7717 (O)

MUR 3419

August 26, 1991

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
91 SEP -3 PM 3:56

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

To Whom it May Concern:

I am writing to you to express my grave concern and alarm at the July 31, 1991 filing of the New Hampshire Democratic State Committee to your agency.

I have serious questions about this filing in light of the fact that the Democratic State Committee and the Executive Committee, of which I am a member of both, have not received Treasurer's Reports or any kind of financial statement for more than six (6) months.

I hereby request that you investigate the following regarding the New Hampshire Democratic State Committee's filing of July 31, 1991:

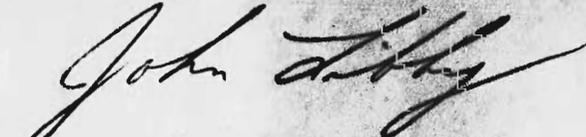
- A \$38,699.51 negative balance listed on line 8 of FEC Form 3X with no accounting of the source of funds contained in the filing.
- Incomplete addresses for some of the disbursements.
- No contributors are listed for numerous Party fundraisers.

22040905115

- A debt due the FEC for previous late filing fines is unlisted.
- No claims of Federal shares on fundraising events which promoted Federal candidates.
- An unitemized amount of \$1,555.71 under expense reimbursements.
- Incomplete and/or inaccurate explanations of disbursements relative to employment taxes.
- No FEC identification numbers listed on the filing.

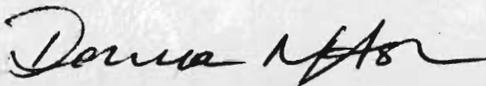
Thank you in advance for your cooperation.

Sincerely,



John Libby, Chairman
Rockingham County Democratic
Committee

Signed and sworn to me, Donna M. Ash, Notary Public, on 8/28/91



My Commission Expires July 17, 1996

22040905116



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 6, 1991

John Libby, Chairman
Rockingham County
Democratic Committee
29 Exeter Road
Hampton, NH 03842

RE: MUR 3419

Dear Mr. Libby:

This letter acknowledges receipt on September 3, 1991, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by the New Hampshire Democratic State Committee and Robert H. Walsh, Esq., as treasurer. The respondents will be notified of this complaint within five days.

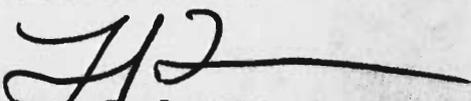
You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 3419. 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) 219-3410.

Sincerely,

Lawrence M. Noble
General Counsel

BY:


Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

92040905117



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 6, 1991

Robert M. Walsh, Esq., Treasurer
New Hampshire Democratic State Committee
150 N. Main Street
Concord, NH 03301

RE: MUR 3419

Dear Mr. Walsh:

The Federal Election Commission received a complaint which alleges that the New Hampshire Democratic State Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3419. 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 Committee and you as treasurer, 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.

92040905118

If you have any questions, please contact Jeffrey Long, the staff member assigned to this matter, at (202) 219-3690. 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

92040905119

BACKUS, MEYER & SOLOMON

ATTORNEYS AT LAW

116 LOWELL STREET

P. O. Box 510

MANCHESTER, N. H. 03105

(603) 688-7272

91 SEP 23 AM 9:34

RECEIVED
FEDERAL ELECTION COMMISSION
MAIN COPY ROOM

ROBERT A. BACKUS
JON MEYER*
STEVEN A. SOLOMON
MICHAEL E. IPAVEC
S. J. BRANCH
JENNIFER ROOD**

TELECOPIER
(603) 688-0780

ALSO ADMITTED
*TO MASSACHUSETTS BAR
**TO MAINE BAR

September 16, 1991

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

Attention: Lois G. Lerner,
Associate General Counsel

Re: Federal Election Commission/
The New Hampshire Democratic State Committee/
John Libby
MUR 3419

Dear Ms. Lerner:

Enclosed please find an appearance on behalf of The New Hampshire Democratic State Committee regarding a complaint made by John Libby.

Very truly yours,

Robert A. Backus

RAB:jsr

Enclosure

cc: Robert Bauer, Esquire
John Libby

92040905120

91 SEP 23 AM 11:35

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF FEDERAL COUNSEL

STATEMENT OF DESIGNATION OF COUNSEL

NOR 3419

NAME OF COUNSEL: Robert A. Backus

ADDRESS: 116 Lowell Street

P.O. Box 516

Manchester, NH 03105

TELEPHONE: (603) 668-7272

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.

Sept. 16, 1991
Date

Chris J. Chaisson
Signature

RESPONDENT'S NAME: The New Hampshire Democratic State Committee

ADDRESS: 20 North Main Street

Concord, NH 03301

HOME PHONE: 603 669-0007

BUSINESS PHONE: (603) 225-6899

92040905121

91 SEP 30 PM 2:23

JOHN LIBBY
29 EXETER ROAD
HAMPTON, NH 03842

September 26, 1991

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

Attention: Lois G. Lerner
Associate General Counsel

Re: Federal Election Commission/
The New Hampshire Democratic State Committee/
John Libby
MUR 3419

Dear Ms. Lerner:

I am writing to you to inform you of a series of facts that I have recently learned. I have included supporting documentation of these facts that I have come into possession of. These facts are relative to my complaint dated August 26, 1991.

On February 27, 1991, Chairman Chris Spirou of the New Hampshire Democratic Party informed the Partys' Executive Committee that an audit of the Partys' finances had been commenced by the firm of Brayman, Teel & Co. of Nashua, N.H. An annual audit is required by binding Party resolution.

On June 23, 1991, Mr. Spirou again stated in a memorandum to the entire Democratic State Committee that Brayman, Teel & Co. "are in the process of conducting the audit."

On September 12, 1991, Brayman, Teel & Co. informed the Democratic State Committee that no such audit had ever been performed. On September 23, 1991, I telephoned Brayman, Teel & Co and spoke with Mr. Ronald Houle who is handling the account of the N.H. Democratic State Committee. Mr. Houle told me that "no audit has been commissioned by the New Hampshire Democratic State Committee."

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FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
91 SEP 30 PM 3:41

Ms. Lerner, page two
September 26, 1991

This revelation is very alarming to me since, as a member of the Partys' Executive Committee, I, along with all of the other members, had been told for seven months that an audit was being conducted. The only conclusion that I can reach is that we have been deceived by the leadership of the Party about the existence of an audit for the purpose of concealing financial information and activities from the membership of the Party.

I therefore request that you add this letter and the enclosed information to what I have previously submitted to you and please investigate these matters as well.

Thank you very much.

Sincerely,

John Libby

John Libby,
Chairman,
Rockingham County Democratic Committee

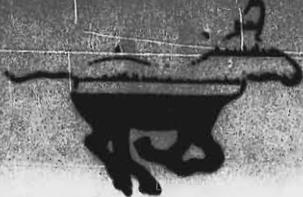
Signed and sworn to me on this 27th day of September, 1991

Donna M. Ash

My Commission Expires July 17, 1996

92040905123





New Hampshire Democratic Party

Chris Spirou, Chairman

MEMORANDUM

TO: State Committee Members
FROM: Chris Spirou, Chairman
DATE: June 23, 1991
RE: State of the Party

This is a brief memo to outline the tasks we have undertaken and the accomplishments we have achieved since February 17, 1991.

In my acceptance speech I said that I wanted to rebuild the New Hampshire Democratic Party and involve as many people as possible in party activities. The first step we took was to organize the Unity Day '91 Convention. In preparation for Unity Day '91 we increased the existing list of names available at the State Party headquarters from approximately 4,500 to approximately 12,000 names. More than 750 people showed up during the course of Unity Day to express their support of the party and to hear Rhode Island State Representative Patrick Kennedy's remarks.

Unity Day '91 was not designed to be a fundraising activity. It was more of a fun get together to put us in the spirit of unity and purpose for the future. Unity Day was extremely successful in involving many former activists and new activists in the party.

In order to support the operations of the Party we planned the Jefferson-Jackson Dinner with the keynote speaker, United States Senate Majority Leader George Mitchell. The Jefferson-Jackson Dinner on May 17, 1991 was a complete success with more than 450 dinner guests and more than 100 guests at the pre-dinner cocktail fundraising party. The tickets to the dinner were sold virtually at cost, the fundraising was done through the cocktail party.

While both of these events were being planned and executed we brought on a full-time Executive Director, a full-time Office Administrator, three part-time Project Coordinators and two summer college Interns.

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State of the Party
June 23, 1991

With the assistance of a large cadre of volunteers we have compiled a computer list of more than 15,000 names of people who have contributed to Democratic campaigns, the Democratic Party or have been active in Democratic politics. We are continuing to update that list daily.

From our list of known Democrats we are running a tele-marketing fundraising program through Share Systems of Cambridge, MA.

The Democratic National Committee is also doing a direct mail fundraising solicitation in New Hampshire on our behalf which will also be followed up by telephone calls using the National Committee's contributor lists.

At the same time we are negotiating with outside vendors for the creation of a voter registration file. Providing we can raise the funds needed we will begin the creation of the voter registration file on or about September 1, 1991 when the voter registration purge is completed in all of the City and Town Halls across the State. At that point we will buy the purged lists and add enhancements such as telephone numbers, age, sex, voting history, congressional district, state senate district, state representative district and any other pertinent information available. We anticipate using a portion of this list for the municipal elections in the Cities this fall. The entire voter registration file for the towns should be ready prior to the end of the year.

We have relocated the State Party office from the approximately 700 square foot one room retail space at 120 North Main Street to an approximately 3500 square foot office space at 150 North Main Street. We have installed a 36 square foot exterior sign and we have a large meeting room with the capacity to handle 30-40 people. You are encouraged to use the office and use the meeting room. We still need some more furnishings for the conference room. If you have any special memorabilia to be displayed we will be pleased to have them. We would also like to start a lending library in the conference room. If you have any political books or magazines that you can donate to the lending library please drop them off at our office.

To date we have received significant financial contributions from Congressman Dick Swett, Congressman Tom Lantos, Senator Jay Rockefeller, Congressman Dick Gephardt, and from the Teamsters Local in New Hampshire.

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State of the Party
June 23, 1991

We have planned several events between now and the presidential primary which is scheduled for February 18, 1992. On July 10, 1991 at 7:00 p.m. a group of College-age Democrats will be meeting at the Manchester City Democratic Committee Office, 922 Elm Street in Manchester. You should have a memo in your packet regarding this meeting.

On July 28, 1991 we have planned a fundraising brunch at the Lantern Restaurant in Manchester from 11-1 and from 1-5 we will hold a Democratic picnic at the MacIntyre Ski Area in Manchester. Admission will be \$10 per person to the picnic. Senator Lieberman of Connecticut will be our distinguished guest at the brunch and the picnic.

On October 5, 1991 we have scheduled a mid-term convention, most likely at the New Hampshire College campus in Manchester.

On December 8, 1991 we have scheduled a holiday event.

In January, 1992 we plan to hold a presidential forum or forums. We are currently talking with representatives of Dartmouth College and representatives of all the major New England news outlets with respect to the presidential forum or forums in January.

Friday, February 14, 1992 we have set aside for the "100 Club" dinner.

And finally we have retained the accounting firm of Brayman, Teel and Company to review audit the financial records of the Democratic Party as far back as records are available. They are in the process of conducting the audit. When the audit is completed we will have financial statements on a regular basis for the State Committee.

We have a new computer system with some state of the art programming and a laser printer as part of our office. After the meeting you are all welcome to come over and see our new office space.

92040905126



New Hampshire Democratic Party

Chris Spirou, Chairman

New Hampshire Democratic Party
Executive Committee Meeting
June 13, 1991

Minutes of the Meeting

A Meeting of the New Hampshire Democratic Executive Committee convened at the New Hampshire Democratic Party office, 150 North Main Street, Concord, New Hampshire at 7:10 p.m. on Thursday, June 13, 1991.

Members Present

- Chris Spirou, Chairman
- Anita Freedman, Secretary
- Robert Walsh, Treasurer
- George Bruno, National Committeeman
- Mary Chambers, House Democratic Leader
- Lou D'Allesandro, Executive Committee Member
- Burton Cohen, Executive Committee Member
- Elaine Krasker, Executive Committee Member
- Richard Molan, Executive Committee Member
- Rick Trombly, Executive Committee Member
- Jim DePecol, Cheshire County Chair
- Robert Crowley, Grafton County Chair
- Raymond Buckley, Hillsborough County Chair
- Katherine Rogers, Merrimack County Chair
- John Libby, Rockingham County Chair
- David Watters, Strafford County Chair
- Donald Manning, Hillsborough County
- Jane Murray, Belknap County
- Judy Reardon, President Democratic Women in NH

Chairman's Report

Opening statement

Chairman Spirou informed the Executive Committee that at Noon time on this date there was no furniture and no carpeting in this office. Our new office with the associated equipment will assist us in being competitive.

150 North Main Street, Concord, NH 03301 • Phone 603-225-6899 • FAX 603-225-6797

printed on recycled paper

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Executive Committee Meeting
June 13, 1991
Page 2

Thanks to the staff and especially Representative Raymond Buckley the JJ Dinner was a tremendous success. Thanks to all who assisted and especially the champions, Anita Freedman and Elaine Krasker.

The office has received fifteen to twenty people walking in off the street announcing that they are Democrats and they would like to volunteer and be a part of the team effort.

Special recognition to Chairman Kathi Rogers for her valuable assistance to the Democratic Party and her expertise with the computer and creating our list of names.

We are proud to have with us this summer Liane Prudhomme a Senior at Syracuse University as an intern and Tara Brennan, a Senior at Salve Regina University in Rhode Island as an intern.

We have received letters from all over the State from people who reluctantly came to the Jefferson-Jackson Dinner and later paid the price we requested for the cocktail party (\$250) because they were pleased at what they saw and the spirit of the dinner that night.

According to a recent poll we have found that Channel 9 is the dominant political discussion making media in the State. The Union Leader ranked sixth. The Boston Globe is third and Channel 4 is second.

I have had several discussions with the management and news director at Channel 9 to get them to become more responsive to the Democratic point of view. They are starting to see the destruction they are doing to the Democratic Party by having one-sided news. In the near future you should notice some change from a purely Republican station. The Union Leader is a Republican institution and I don't foresee any change. I am convinced that unless we level the playing field with the news media, we can work day and night and we will still lose the war. After several meetings Channel Nine has been responsive. We will continue to monitor them.

Upcoming Events

- June 30 Lyme Democratic Picnic
- July 10 College Democrats will meet at the Manchester City
 Committee Office at 7:00 p.m.

92040905128

July 27 Belknap County sunset cruise on Lake Winnepesaukee.
\$20 per person, \$35 per couple.
Senator Tom Harkin from Iowa will be a guest on
that cruise.

July 28 A Sunday Brunch at the Lantern Restaurant in
Manchester, \$50 per person. In the afternoon we
will have a Democratic Picnic at the McIntyre Ski
Area in Manchester, \$10 per person, under 14 free.

September We will hold caucuses to elect delegates for the
Mid-Term Convention. We will meet again to
finalize the caucuses to select and appoint
delegates to the convention.

October 5 Mid-Term Convention.

December 8 Holiday get-together.

January 19 1992 Presidential debate possibly at Dartmouth College.

The Democratic Party will be the dominant
determining factor on the Presidential debates in
this state. We can do it in conjunction with other
institutions, but the institutions will not be
allowed to dominate our affiliation with the
debates.

February 14 1992 Tentatively scheduled "100 Club" Dinner.

February 18 1992 Tentatively scheduled primary election. (if this
date changes the "100 Club" Dinner will also
change.)

✓ We are conducting an audit of our finances. As soon as the
audit is available we will have complete financial reports.

United States House of Representatives Majority Leader,
Richard Gephardt, Congressman Tom Lantos, Congressman Dick Swett,
Senator Jay Rockefeller and the Teamsters Union have made
significant contributions to our State Party. Lots of other people
have made generous contributions.

92040905129

BRAYMAN, TEEL & COMPANY
Certified Public Accountants

To the Members of
New Hampshire Democratic State Committee
Concord, New Hampshire

We have compiled the accompanying balance sheet of New Hampshire Democratic State Committee as of July 31, 1991, and the related statements of revenue, expenses, changes in fund balances, and statements of cash flows for the periods January 1, 1991 to February 17, 1991, and the period February 18, 1991 to July 31, 1991 in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

September 12, 1991

Brayman, Teel & Company

-1-

92040905130



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 29, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert A. Backus, Esquire
Backus, Meyer & Solomon
116 Lowell Street
P.O. Box 516
Manchester, New Hampshire 03105

RE: MUR 3419
New Hampshire Democratic State
Committee and Robert M. Walsh,
Esq., as treasurer

Dear Mr. Backus:

The Federal Election Commission received a complaint that alleges that the New Hampshire Democratic State Committee and Robert M. Walsh, Esq., as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). On September 6, 1991, the Commission mailed copies of the complaint to your clients. A designation of counsel form was received from you on September 23, 1991. You have not responded to the complaint; therefore, another copy is enclosed. We have numbered this matter MUR 3419. 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.

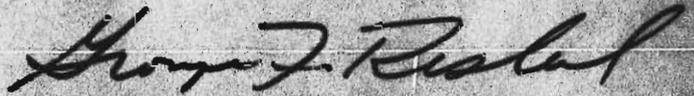
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Robert A. Backus, Esquire
Page 2

If you have any questions, please contact Jeffrey Long, the staff member assigned to this matter at (202) 219-3690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



BY: George F. Rishel
Assistant General Counsel

Enclosures

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

92040905132

BACKUS, MEYER & SOLOMON

ATTORNEYS AT LAW
116 LOWELL STREET

P. O. Box 516
MANCHESTER, N. H. 03105
(603) 688-7272

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91 NOV 12 AM 10:28

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(603) 688-0730

ALSO ADMITTED
*TO MASSACHUSETTS BAR
**TO MAINE BAR

ROBERT A. BACKUS
JON MEYER*
STEVEN A. SOLOMON
MICHAEL E. IPAYEC
B. J. BRANCH
JENNIFER ROOD**

November 5, 1991

George F. Rishel
Assistant General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Re: Federal Election Commission/
The New Hampshire Democratic State Committee
John Libby
MUR 3419 (Date: 9/26/91)

Dear Mr. Rishel:

I am replying to your letter of October 29, 1991, and enclosing with a copy of a letter of this date, to the attention of Mr. Long, regarding some of the matters you raised in your letter. Again, I need to apologize for the unduly long time in replying to this matter.

With regard to the most recent letter from Mr. Libby, I would simply like to advise you, and the Commission, that in fact the accounting firm Mr. Libby mentions did prepare a review of the party's books, which was presented to the Party's Executive Committee.

Although the party Chairman Spirou had described the work to be done by the accountants as an "audit" it turns out that the accountants felt that the term audit was inappropriate, and described the reports which they prepared as a compilation, described as "presenting in the form of a financial statement's information as the representation of management."

In any event, it is not my understanding that the choice of the form of the accountant's reports presented to The New Hampshire

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PERMANENT RECORD

George F. Rishel
Assistant General Counsel
Page 2
November 5, 1991

State Democratic Committee for its own purposes is a matter that raises any issue under the Federal Election Campaign Act of 1971.

Very truly yours,



Robert A. Backus

RAB:jsr

cc: Robert Bauer, Esquire
John Libby

P. S. Since this is regarding the same matter under review, we assume that our prior appearance will be adequate.

92040905134

BACKUS, MEYER & SOLOMON

ATTORNEYS AT LAW

116 LOWELL STREET

P. O. Box 516

MANCHESTER, N. H. 03105

(603) 666-7272

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91 NOV 12 AM 10:23

TELECOPIER
(603) 666-0730

ALSO ADMITTED
*TO MASSACHUSETTS BAR
**TO MAINE BAR

ROBERT A. BACKUS
JON MEYER*
STEVEN A. SOLOMON
MICHAEL E. IRAVEC
B. J. BRANCH
JENNIFER ROOD**

November 7, 1991

Lois G. Lerner,
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Attention: Jeffrey Long

Re: Federal Election Commission/
The New Hampshire Democratic State Committee
John Libby
MUR 3419

Dear Mr. Long:

I am replying to your letter of September 6, advising the treasurer of the New Hampshire Democratic State Committee of a complaint filed by means of a letter dated August 26, 1991 by John Libby, a disgruntled former member of our State Committee. I know you now have our designation of the undersigned as counsel in regard to this matter. By separate letter, I am going to reply to your notice of October 29, 1991, which I know concerns the same matter under review.

I respectfully suggest that the matters raised by Mr. Libby are without merit and do not warrant any formal action by the Commission, for the reasons I will set out.

1. Mr. Libby's basic complaint is that the New Hampshire State Democratic Committee's July 31, 1991 filing shows a \$38,699.51 negative balance. We understand that the method of reporting was incorrect, and that the \$38,699.51 figure should not have been shown as cash on hand, bracketed. This balance was a result of the required federal allocation of the Committee's operating expenses for the six months ended June 30, 1991. Our treasurer is in the process of preparing an amended report. It is my understanding that due to an unfamiliarity with the extremely complex and constantly changing FEC Rules and Regulations, an accounting deficit occurred when we proportionately allocated administrative expenses, paid out of our State Account, against

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91 NOV 12 PM 3:35

RECEIVED
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OFFICE OF GENERAL COUNSEL

Lois G. Lerner,
Associate General Counsel
Page 2
November 7, 1991

the Federal Account without providing appropriate income in the Federal Account to cover the appearance of expenses. It is my understanding that Mr. Walsh has been working on a revised report which is about to be filed.

2. Mr. Libby's second complaint is that there are incomplete addresses for some of the disbursements. Some of the six missing addresses are for national providers, such as AT&T, whose whereabouts are generally known. However, further addresses will be provided.

3. Mr. Libby's third complaint is that no contributors are listed for numerous party fund-raisers. I am advised that the only funds raised for our Federal Account, as distinguished from funds raised for our State Account, are duly listed. (See paragraph 5, below).

4. Mr. Libby is once again badly mistaken or acting maliciously when he complains the debt due the FEC for previous late filings is unlisted. The debt was paid in full during this reporting period, and was listed.

5. Mr. Libby's next complaint is that "no claims of federal shares and fund-raising events which promoted federal candidates" [sic] were listed. Since we are not in an election cycle and since we only require money to pay operating expenses, all money raised during this period with the exception of the contributions reported in our filing were deposited in our State Account. (See page 1 of Schedule A of the July 31, 1991 report.)

6. Mr. Libby's next complaint is a small number of expenditures shown as reimbursements to employees. These were expenses for administrative purposes paid out by employees which were reimbursed.

7. Mr. Libby's next complaint concerns inaccurate or incomplete explanations of disbursements relative to employment taxes. Since employment taxes are self-explanatory, we do not understand this complaint.

8. Mr. Libby's last and only substantive complaint is that no FEC identification number was listed on the filing. He is correct. Identification numbers will be appropriately furnished in the future, and we apologize to Mr. Libby for any inconvenience he suffered by not having our FEC number on the filing. For all

92040905136

RECEIVED NOV 10 1991

Lois G. Lerner,
Associate General Counsel
Page 3
November 7, 1991

of these reasons there is not cause for the Commission to pursue
any formal action.

Very truly yours,


Robert A. Backus

RAB:jsr

cc: Robert Bauer, Esquire
John Libby

92040905137



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MAY 27 11:20

SENSITIVE

May 27, 1992

JUN 2 1992

MEMORANDUM

EXECUTIVE SESSION

TO: The Commission

FROM: Lawrence M. Noble
General Counsel *[Signature]*
Lois G. Lerner *[Signature]*
Associate General Counsel

SUBJECT: Matters Under Review and Exercise of
Prosecutorial Discretion

I. BACKGROUND

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

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

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PAGES 2-6 AND 8-32 DO NOT PERTAIN TO THESE RESPONDENTS.

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4) **NUR 3419 (E) - New Hampshire State Democratic Committee and Robert M. Walsh, as treasurer (Opened 9-3-91)**

A complaint was filed with the Commission enumerating specific alleged violations by the New Hampshire State Democratic Committee ("NHSDC"). Several of the allegations were based on minor infractions or inaccurate facts which constitute no violation. These allegations include: a missing FEC identification number on the committee's 1991 Mid-Year Report; inaccurate allegations that the committee did not report debts and payments of an FEC civil penalty, although all civil penalty payments from the federal account were reported; and, allegations that the committee didn't "fully explain" reported payments for employment taxes, although it clearly stated the purpose of the disbursement, as required by the Act.

The Complainant also made allegations which are clearly outside the jurisdiction of the Commission, involving the committee's supposed promise to provide members with a report of its annual audit.

Finally, the remaining allegations concern matters which have been or are currently being addressed through the RAD process. A RAD analyst has told this Office that the committee has been responsive to the RFAIs sent regarding these issues. These allegations include: allocation of federal shares; unitemized reimbursements; and, incomplete addresses on disbursements.

Because many of these issues are being satisfactorily handled through the RAD process, and the remaining are without merit or minor infractions (i.e. missing FEC identification number), this Office believes that expending further time and resources on this matter would duplicate efforts and is imprudent in light of the backlog of other enforcement matters. Therefore, the General Counsel's Office recommends that the Commission take no further action and close the file in this matter.

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III. RECOMMENDATIONS

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

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

- 3.

4. Approve the appropriate letters containing admonishment language.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Matters Under Review and Exercise) Agenda Document
of Prosecutorial Discretion) 8X92-43

CERTIFICATION

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

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

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

(continued)

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

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

Attest:

6-4-92
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 30, 1992

John Libby
29 Exeter Road
Hampton, NH 03842

RE: MUR 3419

Dear Mr. Libby:

This is in reference to the complaint you filed with the Federal Election Commission (the "Commission"), which was received on September 3, 1991, and the supplemental materials received on September 30, 1991, concerning the New Hampshire Democratic State Committee and Robert M. Walsh, as treasurer. After considering all the circumstances of the matter, and in the exercise of its prosecutorial discretion, the Commission determined on June 2, 1992, to take no further action in this matter and closed the file.

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. The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

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

Sincerely,

Tonda M. Mott
Attorney

Enclosure
General Counsel's Report

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 30, 1992

CLOSED

Robert A. Backus, Esq.
116 Lowell Street
P.O. Box 516
Manchester, NH 03105

RE: MUR 3419

Dear Mr. Backus:

On September 6, 1991, your clients, the New Hampshire Democratic State Committee and Robert M. Walsh, as treasurer, were notified that the Federal Election Commission ("the Commission") had received a complaint alleging that they may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). On November 12, 1991, the Commission received your response to the complaint.

After considering all the circumstances of the matter, and in the exercise of its prosecutorial discretion, the Commission determined on June 2, 1992, to take no further action against your clients and closed the file. The Commission reminds your clients, however, that inaccurate or incomplete reporting or allocation may be a violation of the Act. They should take immediate steps to insure that this activity does not occur in the future.

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,

Tonda M. Mott
Attorney

Enclosure
General Counsel's Report

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF RUR # 3419

DATE FILMED 7/10/72 CAMERA NO. 4

CAMERA MAN E.S.S.

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