



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

THIS IS THE BEGINNING OF MJR # 3653

DATE FILMED 10/29/93 CAMERA NO. 2

CAMERAMAN MC

93040992135

National Republican Senatorial Committee

OGC# 6724

SENATOR PHIL GRAMM
CHAIRMAN

October 15, 1992

JEB HENSARLING
EXECUTIVE DIRECTOR

92 OCT 15 11 22 AM '92

Mrs. Joan Aikens
Chairman
Federal Elections Commission
999 E Street, N.W.
Washington D.C. 20463

MUR 3653

Dear Madame Chairman:

This letter constitutes a formal complaint pursuant to 2 U.S.C. 437 g(a) of the Federal Election Campaign Act (the "Act") and sets forth reasons to believe that a violation of the Act and Federal Election Commission (the "Commission") regulations have been committed by the Steve Lewis for the U.S. Senate committee (the "Lewis Campaign"), a political committee registered with the Commission.

As the Commission well knows, under the law all personal contributions that are earmarked for a particular candidate are deemed contributions from the contributor to the candidate. 11 C.F.R. 110.6(a). This precludes both the candidate and the contributor from evading the limits the Act imposes on the amount any person may contribute to a federal campaign. Based upon the evidence set forth below, the National Republican Senatorial Committee (the "NRSC") believes that the Lewis Campaign has violated these legal provisions and has accepted excessive contributions from individual donors.

The Democratic Senatorial Campaign Committee (the "DSCC") has repeatedly and openly solicited contributions from persons who wish to avoid federal contribution limitations.

1. In the memo attached as Exhibit 1, the DSCC states that its "tally" program is specifically designed for a senate campaign's maxed-out and high-dollar contributors. The memo represents that through its tally option, an individual can conduit large contributions to particular candidates through the DSCC.

2. In the solicitation attached as Exhibit 2, Senate candidate Steve Lewis asked his contributors to channel contributions through the DSCC stating: "A \$500 contribution per person is suggested....which will be tallied by the DSCC to help defeat Don Nickles. Contributions to the DSCC won't show up on our reports to the Federal

93040992136

RONALD REAGAN REPUBLICAN CENTER
425 SECOND STREET N.E. • WASHINGTON, D.C. 20002 • (202) 675-6000

PAID FOR AND AUTHORIZED BY THE NATIONAL REPUBLICAN SENATORIAL COMMITTEE

Election Commission and don't count against your contribution limits to my campaign."

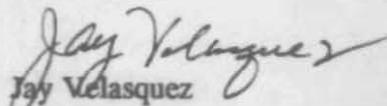
As the Commission well knows, under 11 C.F.R. 110.6, this is not the case because any contribution made to the DSCC designated for a "clearly identified candidate" will count against the contributor's \$1000 per election limit to that candidate.

The above-referenced documents show that the Lewis Campaign engaged in an earlier version of the scheme recently implemented by the DSCC designed to circumvent federal contribution limits. It is also reasonable to believe that the Lewis Campaign is still participating in the DSCC's "tally" program.

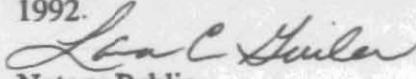
The NRSC believes that this attempt to launder contributions and evade the law must be condemned. Accordingly, I ask that the Commission's Office of General Counsel expeditiously review this complaint and take appropriate action with regard to these apparent violations of the Act.

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

Respectfully


Jay Velasquez
Legal Counsel
on behalf of the
NRSC

Sworn to and subscribed
before me this 5th day of October,
1992.


Notary Public

Lisa C. Guiler
Notary Public, District of Columbia
My Commission Expires July 14, 1997

93040992137



Democratic Senatorial Campaign Committee

430 South Capitol Street, S.E., Washington, D.C. 20003 • (202) 224-2447

The Democratic Senatorial Campaign Committee

THE TALLY OPTION

Chairman

Charles S. Robb, VA

Ex-Officio

George Mitchell, ME

Program Chairman

John D. Rockefeller IV, WV
National Finance Council

Richard Bryson, NV

Majority Trust

Bob Graham, FL

Leadership Circle

David Pryor, AR

Business Roundtable

Paul Simon, IL

Labor Council

Full Committee

Lloyd Bentsen, TX

Joseph Biden, DE

Bill Bradley, NJ

John Breaux, LA

Alan Cranston, CA

Thomas Daschle, SD

Christopher Dodd, CT

Wyche Fowler, GA

Albert Gore, TN

Daniel Inouye, HI

Bennett Johnston, LA

Edward Kennedy, MA

Robert Kerry, NE

John Kerry, MA

Herbert Kohl, WI

Frank Lautenberg, NJ

Joseph Lieberman, CT

Howard Matusbaum, OH

Berbara Mikulski, MD

Sam Nunn, GA

Donald Riegle, MI

Jim Sasser, TN

Paul Wellstone, MN

WHAT ROLE DOES THE DSCC PLAY?

Funding Democratic Senate Nominees

The primary function of the Democratic Senatorial Campaign Committee is to provide funding for Democratic Senate candidates in their quest for the U.S. Senate. The Finance Staff of the DSCC raises funds which are allocated to targeted Democratic Senate races based on the campaign's need and winability. These funds provide nominees with an invaluable source of additional funding which helps them keep their competitive edge. The DSCC accepts PAC and individual contributions through a variety of means and donor categories; it cannot accept corporate funds.

WHY GIVE TO THE DSCC?

Under FEC regulations, an individual may contribute a maximum of \$2000 to a Senate candidate. (\$1000 in the primary and another \$1000 to a general campaign fund). However, an individual may contribute up to \$20,000 annually to a political party organization like the DSCC. PAC's may contribute a maximum of \$15,000 annually to the DSCC. The Committee in turn allocates those funds to Democratic Senate candidates who are up for election in the current cycle. An individual (or PAC) is able to make the maximum legal contribution to assist Democratic Senate candidates financially by contributing to the DSCC.

WHAT DOES "TALLY" MEAN?

When contributing to the DSCC, a donor may request that his or her contribution be "tallied" to the Democratic Senate candidate(s) of their choice. This is a way for a donor to indicate their candidate preference(s) on how they would like their DSCC contribution distributed. Financial support to Senate candidates is determined by the Senators who comprise the Allocation Committee of the DSCC. A candidate's "tallied" contributions are a key criterion considered in the Committee's allocation decisions.

HOW DO I JOIN THE DSCC SO I CAN "TALLY"?

The DSCC has many donor categories and levels of participation for PAC's and individuals with corresponding benefits for each donor group. All contributions to the DSCC at any donor level may be tallied to specific candidates by the donor.

Paid for and authorized by the Democratic Senatorial Campaign Committee • Contributions are not tax-deductible



Democratic Senatorial Campaign Committee

430 South Capitol Street, S.E., Washington, D.C. 20003 • (202) 224-2447

August 12, 1992

TO: SENATE AA'S & CAMPAIGN FINANCE DIRECTORS

FROM: STEVE RICCHETTI

RE: SPECIAL DSCC CAMPAIGN UPDATE & HI-DONOR
TALLY PROGRAM W/SENATE COCKTAILS, DINNER &
BREAKFAST SEPTEMBER 9 & 10

Please join the DSCC for a special program that will be of great benefit to your Senate campaign.

The program is designed for high dollar & max-out contributors to 1992 Senate campaigns.

On Wednesday afternoon September 9, the DSCC will host a campaign conference covering the latest information on the 1992 Senate races. Guest speakers will conduct the sessions.

That evening, donors and contributors will be invited to a special evening of cocktails at the McLean home of Senator & Mrs. Ted Kennedy (6:30 - 8:00 pm) followed by dinner at the home of Senator & Mrs. Charles S. Robb. The following morning, guests will be invited to breakfast at the home of Senator & Mrs. Jay Rockefeller.

The program is specifically designed to encourage max-out and high-dollar contributors to tally \$10,000 or more (per couple) in new money to their preferred Democratic Senate candidate(s).

This is an ideal opportunity for you to cultivate your high dollar prospects and encourage them to support their candidate(s) through the DSCC's tally system.

I encourage you to invite your donors to this special series of events. Please call Stephanie Cooper if you need additional information at (202) 224-2447. Due to space limitations, please RSVP no later than September 1, 1992.

Chairman
Charles S. Robb, VA

Ex-Officio
George Mitchell, ME

Program Chairmen
John D. Rockefeller IV, WV
National Finance Council

Richard Bryson, NV
Majority Trust

Bob Graham, FL
Leadership Circle

David Pryor, AR
Business Roundtable

Paul Simon, IL
Labor Council

Full Committee
Lloyd Benson, TX
Joseph Biden, DE
Bill Bradley, NJ
John Breaux, LA
Alan Cranston, CA
Thomas Daschle, SD
Christopher Dodd, CT
Wyche Fowler, GA
Albert Gore, TN
Daniel Inouye, HI
Bennett Johnston, LA
Edward Kennedy, MA
Robert Kerry, NE
John Kerry, MA
Humbert Kohl, WI
Frank Lautenberg, NJ
Joseph Lieberman, CT
Howard Metzenbaum, OH
Barbara Mikulski, MD
Sam Nunn, GA
Donald Riegle, MI
Jim Sasser, TN
Paul Wellstone, MN

Steve
LEWIS
U. S. SENATE

March 27, 1992

[REDACTED]

On Monday, April 13 U.S. Senator David Boren will be joined by Governor David Walters, and State Democratic Party chair Pete White in hosting a noon luncheon for the Democratic Senatorial Campaign Committee at the Waterford Hotel in Oklahoma City. I hope you will come.

My campaign for the U.S. Senate is already off to a great start. I have campaigned in over 65 counties. As a result of our fundraising efforts we have raised approximately \$400,000, and our latest polling shows that Don Nickles is not as strong as conventional wisdom indicates (see poll memo enclosed).

Still, we have a long campaign ahead, so I am writing today to ask for your support, not for my campaign directly, but for the Democratic Senatorial Campaign Committee.

The DSCC is allowed by law to spend almost \$275,000 on behalf of Oklahoma's Democratic Senate nominee in the general election, but they need our help to raise the money.

A \$500 contribution per person is suggested for the Waterford luncheon, which will be tallied by the DSCC to help defeat Don Nickles.

Contributions to the DSCC won't show up on our reports to the Federal Election Commission and don't count against your contribution limits to my campaign. However, each individual is limited to \$20,000 per year in contributions to the DSCC.

I hope that you will be able to attend. Even if you cannot attend I hope that you will take a minute to send a contribution in the enclosed envelope. Please make your check payable to the Democratic Senatorial Campaign Committee.

Thank you for your support. Please contact Trey Rogers in my office with any questions.

Yours truly,


Steve Lewis

Steve Lewis for U.S. Senate

4221 South I-35 Frontage Road / P.O. Box 94815 / Oklahoma City, OK 73143 / 405 677-8353 / Fax: 405 672-4958



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 21, 1992

Jay Velasquez, Esquire
National Republican Senatorial Committee
425 Second Street, NE
Washington, DC 20002

RE: MUR 3653

Dear Mr. Velasquez:

This letter acknowledges receipt on October 15, 1992, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Steve Lewis for U.S. Senate, and Thomas M. Rogers, III, as treasurer and the Democratic Senatorial Campaign Committee and Thomas J. Lehner, 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 3653. 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.

Sincerely,

Teresa A. Hennessy
Teresa A. Hennessy
Assistant General Counsel

Enclosure
Procedures

93040992141



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 21, 1992

Thomas M. Rogers, III, Treasurer
Steve Lewis for U.S. Senate
P.O. Box 94815
Oklahoma City, OK 73143

RE: MUR 3653

Dear Mr. Rogers:

The Federal Election Commission received a complaint which indicates that Steve Lewis for U.S. Senate ("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 3653. 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.

93040992142

Thomas M. Rogers, III, Treasurer
Steve Lewis for U.S. Senate
Page 2

If you have any questions, please contact Mary P. Mastorbattista, the attorney assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Teresa A. Hennessy

Teresa A. Hennessy
Assistant General Counsel

Enclosures

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

93040992143



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 21, 1992

Thomas J. Lehner, Treasurer
Democratic Senatorial Campaign Committee
430 South Capitol Street, SE
Washington, DC 20003

RE: MUR 3653

Dear Mr. Lehner:

The Federal Election Commission received a complaint which indicates that the Democratic Senatorial Campaign 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 3653. 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.

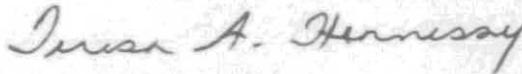
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed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

93040992144

Thomas J. Lehner, Treasurer
Democratic Senatorial Campaign Committee
Page 2

If you have any questions, please contact Mary P. Mastrobattista, the attorney assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Teresa A. Hennessy
Assistant General Counsel

Enclosures

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

cc: Stephen Charles Lewis

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PERKINS COIE

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

October 23, 1992

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

92 OCT 23 11 44 AM

Re: MUR 3653
Democratic Senatorial Campaign Committee

Dear Ms. Mastrobattista:

Enclosed is a designation of counsel for the Democratic Senatorial Campaign Committee in the above-referenced Matter Under Review.

For the reasons stated in our letter dated October 7, 1992, we request an extension of time to respond to the complaint until November 9.

If you have any questions or need additional information, please contact one of the undersigned.

Very truly yours,

Robert F. Bauer
Judith L. Corley
Counsel to Respondents

JLC:jlc

93040992146

[04005-0001/DA922960.055]

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3653

NAME OF COUNSEL: Robert F. Bauer and Judith Corley, Perkins Coie

ADDRESS: 607 14th Street, NW, Suite 800
Washington, DC 20005

TELEPHONE: (202) 628-6600

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.

10/22/92
Date

Thomas F. Schum
Signature

RESPONDENT'S NAME: Democratic Senatorial Campaign Committee

ADDRESS: 430 South Capitol Street, SE
Washington, DC 20003

TELEPHONE: HOME (_____) _____
BUSINESS (202) 224-2447

93040992147



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

October 27, 1992

Robert F. Bauer, Esq.
Perkins Coie
607 14th Street, N.W.
Washington, D.C. 20005-2011

RE: MUR 3653
Democratic Senatorial Campaign
Committee and Thomas J. Lehner,
as treasurer

Dear Mr. Bauer:

This is in response to your letter dated October 23, 1992, which we received that same day requesting an extension until November 9, 1992, to respond to the complaint filed against your clients in MUR 3653. 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 November 9, 1992.

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

Sincerely,

Mary P. Mastrobattista

Mary P. Mastrobattista
Attorney

93040992148

National Republican Senatorial Committee

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIN COPY ROOM

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SENATOR PHIL GRAMM
CHAIRMAN

JEB HENSARLING
EXECUTIVE DIRECTOR

October 29, 1992

Teresa A. Hennessy, Esq.
Assistant to General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: MUR 3653

Dear Ms. Hennessy:

The attached copy of an October 29, 1992 article from The Albany Times Union newspaper is submitted as additional information in MUR 3653.

The article states how certain contributors made contributions to the DSCC with the expectation that the DSCC would "tally" the funds and give those funds to a designated candidate.

The complaint which is the subject of MUR 3653 involved this same scheme of tallying contributions for a clearly identified candidate for federal office. It is reasonable to assume that contributors to the DSCC from Oklahoma fully understood how the tally scheme was to work as did the New York contributors interviewed by The Albany Times Union.

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

Respectfully,
Jay Velasquez
Jay Velasquez
Legal Counsel
on behalf of the NRSC

Sworn to and subscribed
before me this 29 day of October, 1992.

Lana C. Guiler
Notary Public

Lana C. Guiler
Notary Public, District of Columbia
My Commission Expires July 14, 1997

Lana C. Guiler
Notary Public, District of Columbia
My Commission Expires July 14, 1997

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COMMISSION
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Donors acknowledge Abrams got indirect contributions

By TOM PRECIOUS

Capital Bureau

ALBANY — Contributors to Robert Abrams' Senate campaign acknowledged that they gave to a Democratic committee in Washington with the understanding that their money would be funneled back to Abrams, a practice Republicans insist violates federal campaign laws.

The contributors, all of whom had already given Abrams the legal limit of \$1,000 for the general election, donated up to \$20,000 to the Democratic Senatorial Campaign Committee with either the understanding or expectation that their money would then be sent to Abrams. Abrams has spent much of his time trying to raise campaign funds, and had far less cash to spend than his opponent, Sen. Alfonse D'Amato.

"It was simply a way I could support, more completely, Bob's efforts."

Fred Hochberg
president of Lillian Vernon company

In two cases, donors said they gave money to the committee upon advice from the Abrams' campaign.

Abrams' fund-raising methods have been "100 percent straightforward, 100 percent legal and 100 percent appropriate," said campaign manager John Burke.

Federal law prohibits a national committee like the Democratic Senatorial Campaign Committee from earmarking funds for a specific candidate using donations from maxed-out contributors because that allows them to sidestep the \$1,000 limit. Republicans have filed complaints with the Federal Election Commission against the campaign committee and five Democratic Senate candidates, including Abrams, charging them with violating donation limits in that manner.

"It was simply a way I could support, more completely, Bob's efforts," said Fred Hochberg, president of Lillian Vernon, a Westchester County-based mail order catalog company. Hochberg, already a maxed-out Abrams contributor, gave \$4,000 to the campaign committee 14 days after Abrams' Sept. 15 primary win.



Robert Abrams

Asked why he expected that his contribution would go to Abrams, Hochberg said he was "told that you can give to Abrams and to the (campaign committee) and ask that they can tally that money for a particular candidate."

Hochberg said he was informed of
Please see ABRAMS A-12

93040992150

ABRAMS: Donors gave money indirectly

the practice in conversations with representatives of Abrams' campaign and the Democratic National Committee. "They said I could leave it to the (senatorial campaign committee's) discretion or 'tally it.' That's the term they used."

"You simply tell them to tally it for Bob Abrams ... or any particular race you want the funds to be used for," Hochberg said.

Another maxed-out Abrams donor, Ronald Stanton, gave the committee \$20,000 — the legal limit — just a week after the September primary. "I gave with the full expectation that the money would go to help (Abrams)," said Stanton, chief executive officer of Transamonia Co., a chemical shipping and trading firm in Manhattan.

Asked how he had that expectation, Stanton said, "Well, I've been involved in other campaigns and that's just the way things seem to work." He said he did not specifically ask the committee to earmark his \$20,000 to Abrams, but it is clear that the committee knows he supports Abrams. "I think it was a given," he said, declining to elaborate.

A third maxed-out Abrams contributor, who spoke on the condition that his name not be used, said he gave to the committee with the specific understanding that his donation would be used to help Abrams.

"I was advised by the Abrams people," the donor said. The committee knew the donor was an Abrams backer because he wrote the check out to the Democratic Senatorial Campaign Committee, then handed it over to the Abrams campaign, which in turn mailed his check and others to the Washington

committee — a procedure Abrams fund-raisers have already acknowledged they use.

It is common for maxed-out contributors to give to a party committee with the possibility that the committee will in turn help the candidate they support. However, a spokesman for the Federal Election Commission said federal law prohibits maxed-out contributors from telling the committee to spend their donation on their candidate.

Under a federal formula, Abrams is eligible for about \$1.5 million in Senate campaign committee money, which can be spent by the committee to pay for such things as advertising and polling. The committee also can give \$17,500 directly to Abrams, and has already done so.

Since the primary, according to federal records, more than \$450,000 was given to the committee by Abrams' deep-pocket backers. The committee, in turn, gave Abrams about \$700,000.

Abrams officials said no "earmarking" of funds was conducted. They said the committee keeps track of a donor's address and preferred candidate but no one can specifically tell the committee how to spend its money. Chief among considerations is how close a race is and whether the Democratic candidate can win, Burke said.

"Of course potential contributors were told a number of ways they could help Bob," Burke said. "Contributors were certainly told the DSCC was keeping a tally and they were going to tally their money. But if a maxed-out contributor says, 'Here's my money, I only want it to go to Abrams and no one else,' the DSCC will return their check. If a

contributor says, 'Here's my check I'll chalk it up to the tally for the Abrams race,' that's absolutely legal."

Fred Eiland, the Federal Election Commission spokesman, would not comment on the legality of the practice. "If someone brings a complaint ... then the six commissioners would look at it and make a determination," he said.

Earlier this month, citing a *Times Union* article that first revealed that the Abrams campaign was trying to persuade maxed-out donors to give to the Senate campaign committee, D'Amato accused Abrams of running "a money-laundering operation."

Other leading Abrams donors said they had no guarantee that their contribution to the committee would end up with Abrams. "I assumed that the (committee) is going to be helpful to all Senate candidates, including Bob. It is my hope and expectation that they will use some of those funds for Bob," said Steven Kumble, chairman of Lincolnshire Management, a Manhattan investment firm, who gave the committee \$7,500 on Sept. 30.

Another Abrams backer, Eileen Welzer of Florham Park, N.J., gave \$2,500 to the committee. When asked why she gave to both, she said, "You'll have to talk to my husband. He is the one that does the contributing."

Both candidates have faced scrutiny for their fund-raising practices. The latest revelations come after D'Amato has already been criticizing Attorney General Abrams for taking donations from lawyers who do business before the attorney general's office.

Steve
LEWIS
U. S. S E N A T E

November 9, 1992

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

Re: MUR 3653 - Steve Lewis for U.S. Senate

Dear Ms. Mastrobattista:

This letter constitutes the response of Steve Lewis for U.S. Senate ("Committee") to the Complaint filed with the Federal Election Commission ("Commission") and identified with the Matter Under Review listed above, of which notice was received on October 26, 1992. This letter responds to the issues raised in that MUR.

The Complaint alleges that the Committee has violated federal campaign law by accepting excessive contributions from individual donors by earmarking funds through the Democratic Senatorial Campaign Committee ("DSCC"). Based on the following evidence, it will be clear that the Committee has not violated federal campaign laws and that the Complaint should be dismissed by the Commission.

In addition to the DSCC arguments, we wish to add the following:

1) The Committee had a clear understanding from the DSCC, through written and oral communication, that monies credited to the Committee's "Tally Sheet" would not be earmarked specifically for expenditure on the Committees behalf, and that the "Tally Sheet" is only one of several criteria on which allocations would be based. Please see Exhibit 1 (enclosed) which clearly communicates that position.

Steve Lewis for U.S. Senate

4221 South I-35 Frontage Road / P.O. Box 94815 / Oklahoma City, OK 73143 / 405-677-8355 / Fax: 405-672-4955
1717 E. Skelly Drive / Tulsa, Oklahoma 74105 / 918-747-7007 / Fax: 918-747-3182

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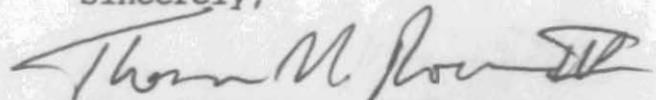
Mary P. Mastrobattista
November 9, 1992
Page Two

2) Over the course of the campaign the Committee received 441a(d) allocations of more than four times the total showed on the Committee's "Tally Sheet" for the Lewis Campaign. Clearly the DSCC considers criteria other than "Tally Sheet" in allocating 441a(d) monies.

Based on the foregoing, the Committee asks that this Complaint be dismissed with no further action by the Commission. The Complaint was motivated purely by partisan political goals and proves no violation of federal campaign laws or the Commission's regulations.

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

Sincerely,



Thomas M. Rogers, III
Treasurer
Steve Lewis for U.S. Senate

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Democratic Senatorial Campaign Committee

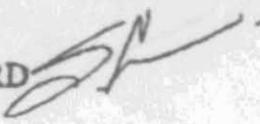
430 South Capitol Street, S.E., Washington D.C. 20003 • (202) 224-2447

EXHIBIT 1

Chairman
Charles S. Robb, VA

MEMO:

TO: TREY ROGERS

FROM: SHARI CRAWFORD 

DATE: OCTOBER 4, 1991

RE: TALLY

The DSCC tally sheet system was started in order to involve candidates in raising money which the DSCC then funds coordinated expenditures on behalf of all Democratic senate nominees. The following notes provide some detail about the system.

* It is preferable but not required that money to be tallied be accompanied with a letter from the donor or from the Senator or candidate indicating the amount to be tallied and the name of the Senator or candidate to receive credit. The checks themselves MUST be made out to the Democratic Senatorial Campaign Committee or DSCC.

* You should explain in detail that "credit" does not mean "earmarking." The donor's contribution may NOT be subject to any restriction that it be spent on behalf of a particular candidate. (Money sent to the DSCC for Lewis tally will not be given directly back to Lewis. It instead goes into a general fund. It will, however, be recorded on the Lewis Tally Sheet which is one of the criteria on which the DSCC considers allocations.)

* It is very important that donors do NOT write their tally credit on the actual checks. Include a note or letter from the contributor or yourself.

* When discussing tally with contributors only use the words "tally" and "credit". Words to avoid are... "designate", "for Steve Lewis", and "earmark"; please be extremely careful in tally credit wording.

If you've got any questions please give me a call. 

93040992154

MUR # 3653

ADDITIONAL DOCUMENTS WILL BE ADDED TO THIS FILE AS THEY
BECOME AVAILABLE. PLEASE CHECK FOR ADDITIONAL MICROFILM
LOCATIONS.

93040992155



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

THIS IS THE End of MUR# 3653

DATE FILMED 10/29/93 CAMERA NO. 2

CAMERAMAN MC

93040992156



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

Microfilm
 Public Rcds
 Press

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 3653.

12/10/93

23043543404

**THE READER IS REFERRED TO ADDITIONAL MICROFILM LOCATIONS
FOR THE FOLLOWING DOCUMENTS PERTINENT TO THIS CASE**

1. Memo, General Counsel to the Commission, dated September 22, 1992, Subject: Priority System Report. See Reel 354, pages 1590-94.
2. Memo, General Counsel to the Commission, dated April 14, 1993, Subject: Enforcement Priority System. See Reel 354, pages 1595-1620.
3. Certification of Commission vote, dated April 28, 1993. See Reel 354, pages 1621-22.
4. General Counsel's Report, In the Matter of Enforcement Priority, dated December 3, 1993. See Reel 354, pages 1623-1740.
5. Certification of Commission vote, dated December 9, 1993. See Reel 354, pages 1741-1746.

23043543405



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

DEC 10 1993

Jay Velasquez, Esquire
National Republican Senatorial
Committee
425 Second Street, N.E.
Washington, D.C. 20002

RE: MUR 3653

Dear Mr. Velasquez:

On October 15, 1992, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Steve Lewis for U.S. Senate and Thomas M. Rogers, III, as treasurer, and the Democratic Senatorial Campaign Committee and Thomas J. Lehner, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter. This matter will become part of the public record within 30 days.

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

Sincerely,

Karen W. White

Karen W. White

Attachment
Narrative

Date the Commission voted to close the file: DEC 09 1993

23043543406

MUR 3653
STEVE LEWIS FOR SENATE

The National Republican Senatorial Committee in its complaint challenged the Democratic Senatorial Campaign Committee's ("DSCC") tally program, which allegedly targeted contributions to the DSCC from individual contributors who had "maxed-out" to 1992 senate campaigns. According to the complaint, individuals who contributed to the DSCC could "tally" their contributions to the Steve Lewis for Senate Committee. The complaint alleged that through the tally program, individual contributors were able to "conduit" excessive contributions to the Steve Lewis for Senate Committee through the DSCC. In response to the complaint, the respondents denied that the contributions were earmarked contributions. The DSCC stated that it had an express policy against accepting earmarked contributions. The respondents contended that the tally program was an informal accounting process established to keep track of the amount of money raised for the DSCC by a particular candidate. The respondents further contended that the amount of money raised for the DSCC by a particular candidate was one of several factors considered by the DSCC when making coordinated expenditures.

This matter does not involve substantial amounts of money.

23043543407



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 1992

Thomas M. Rogers, III, Treasurer
Steve Lewis for U.S. Senate
P.O. Box 94815
Oklahoma City, OK 73143

RE: MUR 3653

Dear Mr. Rogers:

On October 21, 1992, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Steve Lewis for U.S. Senate and you, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

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

Sincerely,

Karen W. White

Karen W. White

Attachment
Narrative

Date the Commission voted to close the file: DEC 09 1992

23043543408

MUR 3653
STEVE LEWIS FOR SENATE

The National Republican Senatorial Committee in its complaint challenged the Democratic Senatorial Campaign Committee's ("DSCC") tally program, which allegedly targeted contributions to the DSCC from individual contributors who had "maxed-out" to 1992 senate campaigns. According to the complaint, individuals who contributed to the DSCC could "tally" their contributions to the Steve Lewis for Senate Committee. The complaint alleged that through the tally program, individual contributors were able to "conduit" excessive contributions to the Steve Lewis for Senate Committee through the DSCC. In response to the complaint, the respondents denied that the contributions were earmarked contributions. The DSCC stated that it had an express policy against accepting earmarked contributions. The respondents contended that the tally program was an informal accounting process established to keep track of the amount of money raised for the DSCC by a particular candidate. The respondents further contended that the amount of money raised for the DSCC by a particular candidate was one of several factors considered by the DSCC when making coordinated expenditures.

This matter does not involve substantial amounts of money.

93043543409



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 1993

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

RE: MUR 3653
Democratic Senatorial Campaign
Committee and Thomas J.
Lehner, as treasurer

Dear Mr. Bauer:

On October 21, 1992, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the Democratic Senatorial Campaign Committee and Thomas J. Lehner, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

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

Sincerely,
Karen W. White
Karen W. White

Attachment
Narrative

Date the Commission voted to close the file: _____

DEC 9 1993

23043543410

MUR 3653

STEVE LEWIS FOR SENATE

The National Republican Senatorial Committee in its complaint challenged the Democratic Senatorial Campaign Committee's ("DSCC") tally program, which allegedly targeted contributions to the DSCC from individual contributors who had "maxed-out" to 1992 senate campaigns. According to the complaint, individuals who contributed to the DSCC could "tally" their contributions to the Steve Lewis for Senate Committee. The complaint alleged that through the tally program, individual contributors were able to "conduit" excessive contributions to the Steve Lewis for Senate Committee through the DSCC. In response to the complaint, the respondents denied that the contributions were earmarked contributions. The DSCC stated that it had an express policy against accepting earmarked contributions. The respondents contended that the tally program was an informal accounting process established to keep track of the amount of money raised for the DSCC by a particular candidate. The respondents further contended that the amount of money raised for the DSCC by a particular candidate was one of several factors considered by the DSCC when making coordinated expenditures.

This matter does not involve substantial amounts of money.

23043543411