



FEDERAL ELECTION COMMISSION

WASHINGTON DC 20463

THIS IS THE BEGINNING OF MUR # 4483

DATE FILMED 3/1/88 CAMERA NO. 2

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September 26, 1996

MUR 4483

VIA HAND DELIVERY

Honorable Lee Ann Elliott  
Chairman  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: **Complaint Against the Nebraska Democratic State Central Committee  
and the "Nebraskans for Nelson Committee", Michael A. Shrier,  
Treasurer**

Dear Madam Chairman:

Pursuant to the authority found at 2 U.S.C. §437g(a)(4)(A), I file this formal complaint with the Federal Election Commission (the "Commission"). This complaint alleges a series of knowing and willful violations of the Federal Election Campaign Act of 1971, as amended, (the "Act") by the Democrat State Party of Nebraska with respect to the November, 1996 election for United States Senator from Nebraska. I respectfully request that the Commission move forward to investigate this complaint, as is provided for at 2 U.S.C. §437g(a)(2). The complaint, on information and belief, alleges knowing and willful violations of 2 U.S.C. §§441b(a), 441d(a)(2), 434b and 11 C.F.R. §110.4(d) and §110.11(a)(2) involving the unlawful financing of television advertisements by the Respondent State Central Committee in connection with the general election campaign of Ben Nelson, the Democrat nominee for election to the United States Senate.

**FACTS:** On or about April 26, 1996, the Respondent State Central Committee contracted with the Philadelphia, Pennsylvania media firm of Shorr & Associates, Inc. to prepare one or more advertisements and to purchase time on television stations throughout Nebraska, including stations WOWT (NBC), KETV (ABC) and KMTV (CBS) in Omaha, Nebraska for the purpose of airing one or more political advertisements in opposition to the candidacy of Republican candidate for election to the United States Senate, Chuck Hagel (see Exhibit 1). These advertisements, referred to, on information and belief, as "Deceptive Negative Ads" and "Coming Home or Going Home?" are contained in the video tape which is attached as Exhibit 2.

The advertisements which are the subject of this complaint utilize a common theme or text which discusses in the most vague way, the fact that Republican candidate Chuck Hagel once resided in the State of Virginia. Not only do the texts of the advertisements fail to focus on any identified legislative

initiative pending before the U.S. Congress or the Nebraska State legislature, the texts are widely focused on the generic, non-policy issue of where candidate Chuck Hagel once lived. In addition, candidate Chuck Hagel was not, at any time during the airing of these advertisements, a member of any legislative body, either federal, state, or local. Lastly, while the second advertisement ("Coming Home or Going Home?") contains explicit references to the pending election for United States Senate, both advertisements make clear reference to Chuck Hagel as a Republican electoral candidate.

Upon information and belief, the Respondents coordinated their state-wide media strategy in opposition to candidate Chuck Hagel. In fact, the media firm of Shorr & Associates, Inc. was also retained by the Respondent Nelson Committee, on or about April 26, 1996, to prepare advertisements and purchase time on Nebraska television stations in order to air additional advertisements which opposed the candidacy of candidate Chuck Hagel (see Exhibit 3).

Pursuant to 47 C.F.R. §73.1943, television stations are required by the Federal Communications Commission to maintain, for public inspection, a copy of "buy" orders for political advertising carried on that station. When contacted directly and asked to produce a copy of the "buy" order for the advertisements aired by the Respondent State Central Committee, the stations refused to comply with this request for the stated reason that the stations considered these advertisements to be "issue advertising", not political advertising.

As a matter of state law, Nebraska allows unlimited contributions to be made to a state party committee by individuals and by corporations (see "Exhibit 4").

On May 2, 1996, a non-federal political committee operated and controlled by Ben Nelson, the "Governor's Council", transferred \$60,000.00 to the Respondent State Central Committee. On May 3, 1996, the same non-federal committee transferred an additional \$74,500.00 to the Respondent State Central Committee (see "Exhibit 5"). Upon information and belief, Respondent State Party Committee paid for the \$103,290.00 cost of the advertisements at issue in this complaint by making a number of exempt "administrative expense" disbursements to Shorr & Associates, Inc. using excessive individual and corporate funds, which it received as transfers from the "Governor's Council."

For several years, the issue of Ben Nelson's ultimate use of the excess contributions in the account of the "Governor's Council" has been a matter of press speculation in Nebraska. News articles such as "'Governor May Lose Part of His War Chest" (*Lincoln Journal Star*, July 9, 1995), "Rule Could Block Funds in Senate Bid" (*Grand Island Independent*, July 10, 1996) and "Nelson Hopes to Use Funds in Hand" (*Omaha World-Herald*, September 8, 1995) evidence the fact that Respondent Nelson Committee was seeking an opportunity to utilize the non-federal funds contained in the accounts of the "Governor's Council" in connection with candidate Nelson's election to the U.S. Senate (see "Exhibit 6").

In each of the above cited news articles about the use of the non-federal funds in the accounts of the "Governor's Council", spokespersons for the Commission were quoted, by name, as indicating that a Commission regulation adopted in 1993 specifically barred the transfer of these funds to the principal campaign committee of candidate Nelson. In each of these news articles, spokesmen for Ben Nelson

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indicated the existence of a concerted effort by Respondents to evade the clear meaning of the Commission's 1993 regulation:

"Nelson has looked at the legal issues and concluded 'there are certain ways that both funds could be used in a bid for federal office,' gubernatorial spokeswoman Dara Troutman said." (*Lincoln Star Journal*, July 9, 1995)

"Steve Burns, chairman of the Governor's Council and legal counsel to the Democratic party said using the funds as...predicted [via a transfer to the state party committee] was only one of several options. 'It is our determination that there is a way those funds can be converted into federal monies' at least in part, Burns said, declining to say how." (*Lincoln Star Journal*, July 9, 1995)

"The legal counsel of the Nebraska Democratic Party said Thursday that there is a multi-step process that can be used to put most of those funds legally into Nelson's Senate campaign coffers. 'They're just wrong' Steve Burns, a Lincoln attorney, said of the Republican officials [review of Commission regulations]. 'I'm very confident a significant portion of those funds can find their way into the federal campaign and I expect they will.'" (*Omaha World-Herald*, September 8, 1995)

Upon information and belief, Respondents have coordinated a systematic effort to "convert" excessive personal and corporate contributions from a non-federal account for the benefit of the Respondent Nelson Committee through a series of transfers from the "Governor's Council to the Respondent State Central Committee and subsequent disbursements to Shorr & Associates, Inc. for preparation and airing of the advertisements at issue in this complaint.

**THE LAW:** The law with respect to advertisements of this nature is well settled. Expenditures or disbursements made by the Respondent in connection with a federal election, such as the November, 1996 election for United States Senator from Nebraska, are regulated and limited by the Act. The law requires that the Respondent State Central Committee must treat the preparation and placement costs of the advertisements at issue in this complaint as either a "coordinated expenditure" on behalf of the Nelson Committee or as a "administrative expense", pursuant to 11 C.F.R. §106.5(a)(2).

Whether this expenditure by the Respondent State Central Committee is to be treated as an "administrative expense" (the funding for such an expense being appropriately allocated, according to the formula previously established by the Commission, between the Respondent's federal and non-federal accounts) or as a "coordinated expenditure" will turn on (a) the exact text of the advertisement, (b) the geographic "placement" of the media "buy" to air the advertisement, and (c) if the advertisement is prepared and aired in coordination with the benefiting federal campaign.

2 9 3 0 4 3 3 7 5 4 3 7

**LEGAL ANALYSIS:** Upon information and belief, the Respondent State Central Committee has not deemed this media "buy" to be a "coordinated expenditure", but rather considers the "buy" to be an exempt state party "administrative" expense. This supposition is supported by the Respondent State Central Committee's June 30, 1996 "Report of Receipts and Disbursements" wherein said Respondent accounts for the disbursements made to Shorr & Associates, Inc. with respect to these advertisements as "administrative" disbursements paid for with both federal and non-federal funds (see "Exhibit 1").

This supposition is further supported by the response of the Nebraska television stations who were asked to produce the "buy" orders for these advertisements. The response of the stations to this request was that 47 C.F.R. 73.1943 was not applicable to so-called non-political "issue advertising" and that these particular advertisements were considered to be "issue advertising."

With respect to the advertisements at issue in this complaint, the law requires that the production and placement costs associated with these advertisements be posted to the Respondent State Central Committee's "coordinated" contribution limit because (a) the text of these advertisements fails to employ the required "call to action" for the viewer to urge an identified officeholder and candidate to take an action on a legislative matter pending before his or her legislative body, (b) the state-wide placement of these advertisements strongly suggests that Respondent State Central Committee's purpose in sponsoring the advertisements was solely to "inform" viewers in Nebraska that candidate Hagel once lived in Virginia, a topic that is not a policy issue upon which the viewer can address his or her views to candidate Hagel and expect candidate Hagel to take any official action, and (c) of the obvious coordination between Respondents in the placement of these advertisements.

a. **Message:** As outlined in Advisory Opinion 1995-25, the Commission has previously taken the position that in order for so-called "issue advertising" to fall outside the definition of a "contribution" or "expenditure" and thus be deemed an "administrative expense" or an expense aimed at a "generic voter drive" (pursuant to 11 C.F.R. §106.5(b)(2)), the text of the advertisement must meet a series of defined tests, including (1) if the text mentions any federal candidate, that there is no "express advocacy" of the candidate's election or defeat, nor can there be any reference to any "electioneering message" or reference to a federal election, (2) if there is a specific "call to action" in the text, that the "call to action" will urge the viewer to contact the federal candidate **urging support for, or defeat of, a particular piece of legislation**, and (3) the production and placement costs of the "issue advertising" must be allocated, pursuant to the Commission's formula, between a party committee's federal and non-federal accounts.

With respect to the advertisements at issue in this complaint, the text does not meet the stated requirements laid out by the Commission in AO 1995-25 regarding both the absence of any "express advocacy" and the nature of the "call to action" contained in the issue advertisement. In the advertisements placed by the Respondent State Central Committee, there is "express advocacy" of opposition to the candidacy of Chuck Hagel and no "call to action" on any public policy issue. There is no "call to action" because said Respondent knew full well that candidate Hagel, an Omaha

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businessman, held no public office nor did he have any constituents among the viewers of the advertisements.

b. Placement: The viewers of this state-wide advertisement are not constituents of candidate Hagel and are therefore unable to respond to any "call to action" with respect to candidate Hagel.

c. Coordination with the Nelson Campaign: In placing these advertisements, the Respondent State Central Committee employed a Philadelphia-based media house, the firm of Shorr & Associates, Inc. This is the same media firm currently employed by Respondent Nelson Committee to prepare and place advertising on its own behalf. This fact alone presents prima facia evidence of "coordination" between the Respondents in this matter.

STATUTORY VIOLATIONS Because the Respondent State Central Committee erroneously thought this advertisement to be an exempt issue advertisement, said Respondent had to pay for the production and placement costs associated with this advertisement using the federal/non-federal allocation formula previously established by the Commission for "administrative expenses." As the Commission knows, by operation of state law said Respondent is allowed to accept both excessive personal and corporate contributions for its non-federal account. Since these advertisements do not meet all of the tests for an exempt "issue advertisement" outlined in AO 1995-25, said Respondent's use of excessive personal and/or corporate contributions for the payment any of the costs associated with this advertisement is a specific violation of 2 U.S.C. §441b(a).

Further, because the law deems this media "buy" to be a "coordinated expenditure" on behalf of the Respondent Nelson Committee, the Respondent State Central Committee is in violation of the Commission's regulation with respect to the proper disclaimer to be used by a party committee for a "coordinated" political advertisement, 2 U.S.C. §441d(a)(2). "Coordinated" party expenditures must carry a Commission approved "disclaimer" identifying the sponsor of the advertisement, the benefiting federal committee and indicating that there has been coordination between the sponsoring party committee and the benefiting federal campaign (see 11 C.F.R. §110.11(a)(2)).

Further, because the law deems the disbursements made to produce and air these advertisements to be "coordinated expenditures" on behalf of the Respondent Nelson Committee, the Respondent State Central Committee must reflect these expenditures (including the actual costs associated with the production of these advertisements) on its reports to the Commission, pursuant to 2 U.S.C. 434b, and treat the costs of these advertisements (a total of \$103,290.00) as part of the party committee coordinated contribution limit in Nebraska.

Lastly, because evidence in the public record supports the conclusion that the "Governor's Council", a non-federal account controlled by candidate Nelson, was engaged in transferring non-federal funds to Respondent State Central Committee at the exact time Respondent State Central Committee was disbursing funds to Shorr & Associates, Incorporated to pay for advertisements which were intended

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to directly benefit and support the Respondent Nelson Committee with respect to a federal election. Respondents are in violation of 2 U.S.C. §441b(a) and 11 C.F.R. §110.4(d).

**CONCLUSION:** Given the violations of the Act described above, I urge the Commission to (1) find that the Respondents and their Treasurers knowing and willfully violated 2 U.S.C. §§441b(a), 441d(a)(2), and 11 C.F.R. §110.4(d) and §110.11(a)(2) regarding the financing of the so-called "Deceptive Negative Ads" and "Coming Home or Going Home?" advertisements on television stations throughout Nebraska; (2) find that the Respondents and their Treasurers will knowingly and willfully violate 2 U.S.C. §434b should they fail to adequately report the "coordinated expenditures" that were made in connection with the preparation and placement of this advertisement; (3) impose appropriate penalties for such violations; and (4) order the Respondents to withdraw these advertisements and terminate all present and future television "buys" in support of these advertisements.

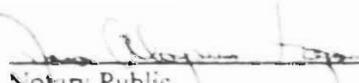
Respectfully,



Craig M. Engle, Esq.  
General Counsel  
National Republican Senatorial Committee  
Ronald Reagan Republican Center  
425 Second Street, N.E.  
Washington, DC 20002

Exhibits Attached

Subscribed and sworn to  
before me this 26 day  
of September, 1996



Notary Public

My Commission expires Nov 30, 2000

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# REPORT OF RECEIPTS AND DISBURSEMENTS

For Other Than An Authorized Committee  
(Summary Page)

1

TYPE OF REPORT

1. NAME OF COMMITTEE (in full) <b>Nebraska Democratic State Central Committee</b>		2. FEC IDENTIFICATION NUMBER <b>C00003988</b>	
ADDRESS (number and street) <input type="checkbox"/> Check if different than previously reported <b>715 South 14th</b>		3. <input type="checkbox"/> This committee has qualified as a multicandidate committee. (see FEC FORM 1M)	
CITY, STATE and ZIP CODE <b>Lincoln, NE 68508</b>			

## 4. TYPE OF REPORT

- (a)  April 15 Quarterly Report
- July 15 Quarterly Report
- October 15 Quarterly Report
- January 31 Year End Report
- July 31 Mid Year Report (Non-election Year Only)
- Termination Report

FILED

JUL 15 1996

- Monthly Report Due On:
- |                                      |                                       |                                      |
|--------------------------------------|---------------------------------------|--------------------------------------|
| <input type="checkbox"/> February 20 | <input type="checkbox"/> June 20      | <input type="checkbox"/> October 20  |
| <input type="checkbox"/> March 20    | <input type="checkbox"/> July 20      | <input type="checkbox"/> November 20 |
| <input type="checkbox"/> April 20    | <input type="checkbox"/> August 20    | <input type="checkbox"/> December 20 |
| <input type="checkbox"/> May 20      | <input type="checkbox"/> September 20 | <input type="checkbox"/> January 31  |
- Twelfth day report preceding \_\_\_\_\_ (Type of Election)  
election on \_\_\_\_\_ in the State of \_\_\_\_\_
- Thirtieth day report following the General Election on \_\_\_\_\_  
in the State of \_\_\_\_\_

SECRETARY OF STATE  
By \_\_\_\_\_

(b) Is this Report an Amendment?  YES  NO

## SUMMARY

5. Covering Period <u>4/1/96</u> through <u>6/30/96</u>	COLUMN A This Period	COLUMN B Calendar Year-to-Date
6 (a) Cash on Hand January 1, 19 <u>96</u>		\$ 892.76
(b) Cash on Hand at Beginning of Reporting Period	\$ 4677.40	
(c) Total Receipts (from Line 19)	\$ 254,429.72	\$ 315,719.93
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	\$ 259,107.12	\$ 316,612.69
7 Total Disbursements (from Line 30)	\$ 271,036.09	\$ 328,603.66
8 Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	\$ 11,990.97	\$ 11,990.97
9 Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	\$ 0	For further information contact: Federal Election Commission 999 E Street, NW Washington, DC 20463 Toll Free 800-424-9530 Local 202-219-3420
10 Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	\$ 0	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer  
**TRICIA A. BRUNING, Asst. Treasurer**

Signature of Treasurer: *Tricia A. Bruning* Date: **7/15/96**

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

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NAME OF COMMITTEE

NEBRASKA Democratic State Central Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
LTL D P.O. Box 81672 LINCOLN, NE 68501	phone	4/15	960.39	480.19	480.20
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: \$ 63001.66 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Ne. Dept. of Revenue P.O. Box 94818 LINCOLN, NE 68509	State payroll taxes	4/15	778.63	389.31	389.32
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: \$ 63780.29 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Ne. Dept. of LABOR P.O. Box 94600 LINCOLN, NE 68509	Unempl Insur.	4/15	84.79	42.40	42.39
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: \$ 63865.08 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
J. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
UNION BANK / I.R.S. P.O. Box 6155 LINCOLN, NE 68506	payroll taxes	4/19	219.50	109.75	109.75
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: \$ 64084.58 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
E. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Shorr & Assoc. Inc. 1831 Chestnut St. Ste. 602 Philadelphia, PA 19103	Media	4/26	50000.00	16102.50	33897.50 (See Sch. B)
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: \$ 114084.58 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
F. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Bishops Business Equip P.O. Box 31235 OMAHA, NE 68132	equip.	4/26	185.92	92.96	92.96
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE/VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: \$ 114270.50 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
UB TOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			52229.23	17217.11	35012.12

TOTAL THIS PERIOD (last page for each line only) (Fed. share to 21 a 1 and non-Fed. share to 21 a 4)

TOTAL THIS PERIOD FOR THE JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PERIOD

DISBURSEMENT SCHEDULE H4  
(effective 1/1/91)

NT FEDERAL/NON-FEDERAL  
ACTIVITY SCHEDULE

PAGE	OF
7	22
FOR LINE 21a	

NAME OF COMMITTEE

NEBRASKA Democratic State Central Committee

A FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Imperial Palace 27th & Vine St Lincoln, NE 68508	office supplies	5/6	13.55	6.77	6.78
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: \$ 117645.71 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
B FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Shorr & Assoc. Inc. 1831 Chestnut St. 602 Philadelphia, PA 19103	Media	5/2	16275.00	8137.50	8137.50
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: \$ 133928.71 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
C FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
AT&T PO Box 27-680 Kansas City, MO 64180	phone	5/3	1088.49	544.24	544.24
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: \$ 135009.19 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
D FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
First Bank PO Box 1424 Minneapolis, MN 55480	travel sec/exec	5/3	1373.32	686.66	686.66
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: \$ 136382.51 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
E FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Shorr & Assoc. Inc. 1831 Chestnut St. 602 Philadelphia, PA 19103	Media	5/6	37015.00	18507.50	18507.50
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: \$ 173397.51 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
F FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Union Bank / I.R.S. PO Box 6155 Lincoln, NE 68506	payroll taxes	5/8	1017.26	508.63	508.63
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE VOTER DRIVE <input type="checkbox"/> FUNDRAISING <input type="checkbox"/> EXEMPT EVENT YEAR-TO-DATE: \$ 174414.77 <input type="checkbox"/> DIRECT CANDIDATE SUPPORT					
JUST TOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE			56782.61	28391.30	28391.31

TOTAL THIS PERIOD (last page for each line only) (Fed. share to 21 a) and non-Fed. share to 21 a ii) .....

CHEDULE B

ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the Detailed Summary Page

PAGE 11 OF 1  
FOR LINE NUMBER 29

Information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial uses, other than using the name and address of any political committee to solicit contributions from such committee

NAME OF COMMITTEE (In Full)

NEBRASKA Democratic State Central Committee

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Shore & Assoc. Inc. 1831 Chestnut St. Ste 602 Philadelphia, PA 19103	Media: Non-Federal Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) 1996	4-26	17795.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page (optional)

17795.00

TOTAL This Period (last page this line number only)

17795.00

**NEBRASKA DEMOCRATIC STATE CENTRAL COMMITTEE**

*Text Of*

**ADVERTISEMENT #1  
"Deceptive Negative Ads"**

*Text Of*

**ADVERTISEMENT #2  
"Coming Home or Going Home"**

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VISUAL

Words:

Chuck Hagel and Nebraska  
Republican Party Insiders are  
responsible for the deceptive  
negative ads against Ben  
Nelson.

Paid for by the Nebraska  
Democratic Party

Picture of Chuck Hagel and  
words: Hagel has deceived us  
about his own record

Picture of Virginia and words:  
Hagel even considered running  
for Governor of Virginia in  
1993.

Words: Now he thinks he can  
just walk in and run for  
Senator from Nebraska?

AUDIO

Chuck Hagel and Nebraska  
Republican Party Insiders are  
responsible for the deceptive  
negative ads against Ben  
Nelson.

But we shouldn't be surprised  
because Hagel has deceived us  
about his own record.

For almost all of the last 20  
years Hagel has lived in  
Virginia.

Hagel even considered running  
for Governor of Virginia in  
1993.

Now he thinks he can just walk  
in and run for Senator from  
Nebraska.

That's not the way things work  
here.

Nebraska deserves better.

Paid for by the Nebraska  
Democratic Party

93043375115

DRAFT #1

COPY

Shorr & Associates 1996

CLIENT: Nebraska Democratic Party  
PROJECT: 128 TV Spot

DATE: May 7, 1996  
TITLE: "Suburbs"

**VIDEO**

Actor sits in kitchen reading newspaper. He looks up and speaks into camera.

**AUDIO**

MAN: I've been reading about this Chuck Hagel fella...

So Hagel lives seventeen of the last twenty years in Virginia, right in the Washington, DC suburbs.

Now he moves back to Nebraska, and runs for the U.S. Senate.

But here's what I don't get.

If Hagel wins for the U.S. Senate, he gets a job where most of the time, he'll be living back in Virginia again.

Makes you wonder.

Is Chuck Hagel coming home or going home?

9-9-0-4 3 9 7 5-4 1-7

39511  
C-2573

3 68

# REPORT OF RECEIPTS AND DISBURSEMENTS

For An Authorized Committee  
(Summary Page)

SECRETARY OF THE SENATE  
PUBLIC AFFAIRS

95 JUL 19 AM 11:32

USE FEC MAILING LABEL  
OR  
TYPE OR PRINT

1. NAME OF COMMITTEE (in full) Nebraskans For Nelson		2. FEC IDENTIFICATION NUMBER C00306712
ADDRESS (number and street) <input checked="" type="checkbox"/> Check if different than previously reported. 2912 South 84th Street, Suite B		
CITY, STATE and ZIP CODE Omaha, Nebraska 68124	STATE/DISTRICT NE Senate	3. IS THIS REPORT AN AMENDMENT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

## 4. TYPE OF REPORT

- April 15 Quarterly Report
- July 15 Quarterly Report
- October 15 Quarterly Report
- January 31 Year End Report
- July 31 Mid-Year Report (Non-election Year Only)
- 12-Day Pre-Election Report for the \_\_\_\_\_ (Type of Election) election on \_\_\_\_\_ in the State of \_\_\_\_\_
- 30-Day Post-Election Report for the \_\_\_\_\_ (Type of Election) election on \_\_\_\_\_ in the State of \_\_\_\_\_
- Termination Report

This report contains activity for  Primary Election  General Election  Special Election  Runoff Election

## SUMMARY

5. Covering Period	COLUMN A This Period	COLUMN B Calendar Year-to-Date
4/25/96 through 6/30/96		
6. Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (from Line 11(e))	416648.49	778885.70
(b) Total Contribution Refunds (from Line 20(d))	1525.00	1525.00
(c) Net Contributions (other than loans) (subtract Line 6(b) from 6(a))	415123.49	777360.70
7. Net Operating Expenditures		
(a) Total Operating Expenditures (from Line 17)	196740.09	349710.09
(b) Total Offsets to Operating Expenditures (from Line 14)		
(c) Net Operating Expenditures (subtract Line 7(b) from 7(a))	196740.09	349710.09
8. Cash on Hand at Close of Reporting Period (from Line 27)	783974.87	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)		
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)		

For further information contact:  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463  
Toll Free 800-424-9530  
Local 202-219-3420

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer Michael A. Shrier	Date July 15, 1996
Signature of Treasurer <i>Michael A. Shrier</i>	

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

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FEC FORM 3  
(revised 4/87)

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**SCHEDULE B**

**ITEMIZED DISBURSEMENTS**

Use separate schedule(s) for each category of the Detailed Summary page

PAGE OF  
FOR LINE NUMBER  
17

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes other than using the name and address of any political committee to solicit contributions

**NAME OF COMMITTEE (In Full)**

Nebraskans For Nelson

A Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month day year)	Amount of Each Receipt This Period
SHORR & ASSOCIATES 1831 CHESTNUT STREET, STE 602 Philadelphia PA 19103	T.V. ADVERTISING Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	04/26/96	\$51,400.00
B Full Name, Mailing Address and ZIP Code FIRST NAT'L BANK 114 & W DODGE RD Omaha NE 68154	Purpose of Disbursement BANK CHARGES Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	04/30/96	\$3.00
C Full Name, Mailing Address and ZIP Code ASSETS CONSULTING 110 S EAST BROAD STREET Falls Church VA 22046	Purpose of Disbursement CONSULTANT Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/01/96	\$3,000.00
D Full Name, Mailing Address and ZIP Code CHRIS THOMPSON 4508 S 46TH ST Lincoln NE 68516	Purpose of Disbursement REIMBURSEMENT Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/01/96	\$12.95
E Full Name, Mailing Address and ZIP Code COOPER & SECREST ASSOCIATES 228 SOUTH WASHINGTON ST, STE 330 Alexandria VA 22314	Purpose of Disbursement CONSULTANTS Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/01/96	\$8,000.00
F Full Name, Mailing Address and ZIP Code FREDERICK SQ. LTD PARTNERSHIP 2954 S 84 ST Omaha NE 68124-3213	Purpose of Disbursement RENT Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/01/96	\$3,150.00
G Full Name, Mailing Address and ZIP Code GOLDENROD PRINTING 329 S 11 STREET Lincoln NE 68508	Purpose of Disbursement PRINTING Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/01/96	\$3,669.73
H Full Name, Mailing Address and ZIP Code GOVERNOR'S RESIDENCE 1425 H STREET Lincoln NE 68508	Purpose of Disbursement EVENT FOOD Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/01/96	\$150.00
I Full Name, Mailing Address and ZIP Code LANDSLIDE SOFTWARE 611 PENNSYLVANIA AVE SE Washington, DC 20003	Purpose of Disbursement COMPUTER SUPPLIES Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/01/96	\$2,520.00

SUBTOTAL of Receipts This Page (optional)..... \$71,905.68

TOTAL This Period (last page this line number only).....

**SCHEDULE B**

**ITEMIZED DISBURSEMENTS**

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions

**NAME OF COMMITTEE (In Full)**

Nebraskans For Nelson

9304337153

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month day year)	Amount of Each Receipt This Period
LDDS WORLD COM P.O. BOX 96022 Charlotte NC 28296-0022	TELEPHONE CHARGES Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/01/96	\$226.70
LDDS WORLD COM P.O. BOX 96022 Charlotte NC 28296-0022	TELEPHONE CHARGES Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/01/96	\$194.64
LINCOLN TELEPHONE BOX 81249 Lincoln NE 68501-1249	TELEPHONE CHARGES Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/01/96	\$115.20
MCCULLOUGH & ASSOCIATES 1300 G STREET, SUITE 310 Lincoln NE 68508	CONSULTANT Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/01/96	\$1,773.75
MR & MRS JAMES CAVANAUGH 1905 HARNEY ST, #710 Omaha NE 68102	EVENT EXPENSE CONTRIBUTION IN-KIND Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/01/96	\$1,000.00
PAUL LANDOW 21045 TIMBER LANE CIRCLE Elkhorn NE 68022	TELEPHONE CHARGES Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/01/96	\$440.38
SHORR & ASSOCIATES 1831 CHESTNUT STREET, STE 602 Philadelphia PA 19103	T.V. ADVERTISING Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/01/96	\$58,200.00
CINCO DE MAYO FIESTA N SARAH CRAWFORD, 3020 N 76 ST Omaha NE 68134	ENTRY FEES Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/02/96	\$50.00
AT&T P.O. BOX 52602 Phoenix AZ 85072-2602	PHONE EQUIPMENT Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	05/06/96	\$1,365.25

SUBTOTAL of Receipts This Page (optional)..... \$63,255.90

TOTAL This Period (last page this line number only).....

# Campaign Finance Law 96

A Summary of State  
Campaign Finance Laws  
With Quick Reference Charts

4



of a ballot question [1]. An "in-kind contribution" is a contribution other than money [2].

7 3 1 5 3  
A "contribution" includes (1) the purchase of tickets or payment of an attendance fee for events such as dinners, luncheons, rallies, testimonials, and similar fundraising events; (2) an individual's own money or property other than the individual's homestead used on behalf of his or her candidacy; and (3) the granting of discounts or rebates by broadcast media and newspapers not extended on an equal basis to all candidates for the same office [3].

A contribution does *not* include (1) an offer or tender of a contribution if expressly and unconditionally rejected or returned; (2) volunteer personal services provided without compensation or payment of costs incurred of less than \$250 in a calendar year by an individual for personal travel expenses if the costs are voluntarily incurred without any understanding or agreement that the costs will be directly or indirectly repaid; (3) amounts received pursuant to a pledge or promise to the extent that the amounts were previously reported as a contribution; and (4) food and beverages not exceeding \$50 in value during a calendar year that are donated by an individual and are not reimbursed [4].

**B. Receipt and Disposition of Contributions by a Committee.** A contribution may not be accepted and an expenditure may not be made by a committee required to file a statement of organization until the statement has been filed and a committee treasurer appointed [5]. A contribution received by an individual acting on behalf of a committee must be reported promptly to the committee's treasurer not later than 5 days before the closing date of any campaign statement required to be filed by the committee or immediately if the contribution is received less than 5 days before the closing date [6].

A contribution received by a candidate or an agent of a candidate is considered to have been received by the candidate committee. A contribution is considered received by a committee when it is received by the committee treasurer or a designated agent of the treasurer even if the contribution is not deposited in the official depository by the reporting deadline. A contribution received by a committee must not be commingled with any funds of an agent of the committee or any other person except for funds received or disbursed by a separate segregated political fund for the purpose of supporting or opposing candidates and committees in elections in other states and candidates for federal office, including independent expenditures made in such elections (see Section 11.11, *infra*) [7].

**C. Attribution of Contributions on Behalf of or to a Candidate or Committee.** A contribution by a person made on behalf of or to a candidate or committee, including contributions that are in any way earmarked or otherwise directed to the candidate or committee through an intermediary or agent, are considered to be a contribution from the originating person to the candidate or committee [8].

**D. Disposition and Reporting of Earmarked Contributions.** Earmarked contributions are permitted if the requirements for forwarding the contribution to

## I. INTRODUCTION

Nebraska requires candidate committees, political party committees, ballot question committees, and independent committees to register with the Nebraska accountability and disclosure commission by filing a statement of organization if over \$2,000 is raised, received, or spent in any calendar-year period. A registered committee must file pre-election and post-election campaign statements for each election in which it is active and, in years in which election-related statements are not required, annual campaign statements.

Persons, other than committees, that make independent expenditures of over \$100 must file independent-expenditure reports. Corporations, labor organizations, and industry, trade, and professional associations may make expenditures and provide personal services without becoming a committee, but must file an expenditure report. Such organizations may not solicit or receive contributions unless they establish a separate segregated political fund, from which expenditures to candidates and committees and independent expenditures may be made.

There are no limits on the amount of contributions that may be made by any contributor to a candidate or committee; however, candidates for statewide and legislative offices may not accept contributions during the calendar year of an election from independent committees, businesses (including corporations), unions, industry, trade, or professional associations, and political parties that in the aggregate exceed the statutorily designated maximum amount.

The Campaign Finance Limitation Act provides public financing, beginning with elections in 1996, for qualifying candidates for governor, lieutenant governor, state treasurer, secretary of state, attorney general, auditor of public accounts, the legislature, the public service commission, the board of regents of the university of Nebraska, and the state board of education who agree to limit campaign spending. A taxpayer may designate \$2 from any income tax refund due as a contribution to the campaign finance limitation cash fund.

The Nebraska accountability and disclosure commission is responsible for administering the Political Accountability and Disclosure Act and the Campaign Finance Limitation Act.

## II. CONTRIBUTION AND SOLICITATION LIMITATIONS

**A. Definition of Contribution.** A "contribution" is a payment, gift, subscription, assessment, expenditure, contract, payment for services, dues, advance, forbearance, loan, donation, pledge, or promise of money or anything of ascertainable monetary value to a person that is made for the purpose of influencing the nomination or election of a candidate or for the qualification, passage, or defeat

the recipient and disclosure and reporting of the contribution are observed [9].

"Earmarked" means a designation, instruction, or encumbrance, including those that are direct or indirect, express or implied, or oral or written, that results in any part of a contribution or expenditure, including any in-kind expenditure made in exchange for a contribution, being made to or expended on behalf of a candidate or a committee [10].

An intermediary or agent, other than a committee, that receives an earmarked contribution must forward the earmarked contribution to the recipient candidate or committee within 10 days of receipt of the contribution. An intermediary or agent is required to disclose to the recipient of the contribution the name and address of the intermediary or agent and the name and address of the actual source of the contribution [11].

Any intermediary or agent, other than a registered committee, must file a report of the earmarked contribution with the Nebraska accountability and disclosure commission and the election commissioner or, if there is no election commissioner, with the clerk of the county of residence of the candidate or the county of the headquarters of the committee within 10 days of receipt of the contribution. A registered committee that is an intermediary or agent must file a report of the earmarked contribution by the date the next campaign statement is required to be filed [12].

Except as provided above, a contribution may not be made by one person to another person with the agreement or arrangement that the committee receiving the contribution will then transfer that contribution to a particular candidate committee [13].

**E. Contribution by a Candidate Committee to Another Candidate Committee.** A candidate committee may not make a contribution to or an independent expenditure in behalf of another candidate committee, except that a candidate committee may make a contribution to another candidate committee for a fundraising event of the other candidate committee [14].

**F. Contributions to and by a Corporation, Labor Organization, or Industry, Trade, or Professional Association.** A corporation, labor organization, or industry, trade, or professional association may not receive contributions unless it establishes and administers a separate segregated political fund, which may be utilized only in the manner provided by the Political Accountability and Disclosure Act [15]. A single separate segregated fund may be established by each corporation, labor organization, and industry, trade, or professional association [16].

A corporation, labor organization, or industry, trade, or professional association that has established and administers a separate segregated political fund may not make "expenditures" to the fund; however, it may make expenditures and provide personal services for the establishment and administration of the fund [17].

**G. Maximum Contributions Accepted by Candidates for Statewide and Legislative Offices.** Effective January 1, 1995, candidates for the following offices may not accept contributions during the calendar year of an election from independent committees, businesses (including corporations), unions, industry, trade, or professional associations, and political parties that in the aggregate exceed the maximum designated amount: (1) governor--\$750,000, (2) lieutenant governor, state treasurer, secretary of state, attorney general, or auditor of public accounts--\$75,000, and (3) legislature, public service commission, board of regents of the university of Nebraska, or state board of education--\$25,000 [18].

**H. Contributions to and Expenditures by a Separate Segregated Political Fund.** A separate segregated political fund may be established and administered by a corporation, labor organization, or industry, trade, or professional association only for the purpose of receiving the contributions and making the expenditures authorized for such a fund [19]. The fund is considered to be an independent committee and is subject to all the provisions applicable to independent committees. The corporation, labor organization, or industry, trade, or professional association that established and administers the fund must make the required reports and filings for the fund [20].

All contributions to and expenditures from the fund must be limited to money or anything of ascertainable value obtained through voluntary contributions of the employees, officers, directors, stockholders, or members of the corporation (including a nonprofit corporation), labor organization, or industry, trade, or professional association and their affiliates under which the fund was established [21].

No contribution may be received or expenditure made from the fund if it was obtained or made by using or threatening to use job discrimination or financial reprisals [22].

Only expenditures to candidates and committees and independent expenditures may be made from a fund established by a corporation, labor organization, or industry, trade, or professional association, except that the separate segregated political fund may receive and disburse funds for the purpose of supporting or opposing candidates and committees in other states and candidates for federal offices and making independent expenditures in such elections if the receipts and disbursements are made in conformity with the applicable Nebraska solicitation provisions and the corporation, labor organization, or industry, trade, or professional association that established and administers the fund complies with the laws of the jurisdiction in which the receipts or disbursements are made [23].

The expenses for the establishment and administration of a separate segregated political fund of a corporation, labor organization, or industry, trade, or professional association may be paid from its separate segregated fund [24].

**I. Acceptance and Expenditure of Anonymous Contributions.** A person may not accept or expend an anonymous contribution. An anonymous contribution received by a person may not knowingly be deposited, but must be given to a tax-

2 3 11 1 2 3 7 5 1 5 1  
exempt charitable organization. The charitable organization receiving the contribution must provide the person with a receipt, and the person must then give a copy of the receipt to the Nebraska accountability and disclosure commission [25].

A contribution of \$50 or less that is received as the result of a fundraising event, from the sale of political merchandise, or from membership fees, dues, or subscriptions to an independent committee for political purposes is *not* considered to be an anonymous contribution; however, a person making such a contribution that is \$50 or more must furnish the recipient with the donor's name and address and the total amount contributed [26].

**J. Contributions in the Legal Name of the Contributor.** A contribution must not be made, directly or indirectly, by any person in a name other than the name by which that person is identified for legal purposes [27].

**K. Receipt of Contributions of \$100 or More.** No person may receive a contribution from a person other than a committee unless, for the purposes of the recipient person's recordkeeping and reporting requirements, the contribution is accompanied by the name and address of each person who contributed more than \$100 to the contribution [28].

**L. Contributions or Expenditures in Cash.** A contribution or expenditure of more than \$50 may not be made or accepted in cash. A contribution or expenditure of more than \$50, other than an in-kind contribution or expenditure, must be made by a written instrument containing the names of the payor and the payee [29].

**M. Political Communications at Public Expense.** A political newsletter or other campaign mass mailing may not be sent at public expense by or on behalf of any elected official after that person has announced his or her candidacy for any office [30].

**N. Limitations on Loans to Candidate Committees.** A candidate committee may not accept more than \$15,000 prior to or during the first 30 days after the formation of the candidate committee. After the 30-day post-formation period and until the end of the term of office to which the candidate sought nomination or election, the candidate committee may not accept loans in an aggregate amount of more than 50% of the contributions of money, other than the proceeds of loans, that the candidate committee has received during such period as of the date of the receipt of the proceeds of the loan. A candidate committee is prohibited from paying interest, fees, gratuities, or other sums in consideration of a loan, advance, or other extension of credit to the candidate committee by the candidate, a member of the candidate's immediate family, or an business with which the candidate is associated [31].

**O. Prohibition of Contributions to and Independent Expenditures for State Office Candidates by Lottery Contractors.** A lottery contractor awarded a major

procurement by the lottery division may not make a contribution to or an independent expenditure for a candidate for state elective office during the term of the contract or for three years following the most recent award or renewal of the contract. A contribution or independent expenditure is prohibited if made by the lottery contractor, an officer of the contractor, a separate segregated political fund established and administered by the contractor, or anyone acting on behalf of the contractor, office, or fund [32].

No person, including a candidate or candidate committee, may receive a prohibited contribution from a lottery contractor. Upon being notified of the violation by the Nebraska accountability and disclosure commission, the person must transfer a sum equal to the amount of the prohibited contribution to a tax-exempt charitable institution [33].

### III. EXPENDITURE LIMITATIONS

**A. Definition of Expenditure.** An "expenditure" is a payment, donation, loan, pledge, or promise of payment of money or anything of ascertainable monetary value for goods, materials, services, or facilities in assistance of or in opposition to the nomination or election of a candidate or the qualification, passage, or defeat of a ballot question [34]. An "in-kind expenditure" is an expenditure other than money [35]. An "expenditure" includes a contribution or transfer of anything of ascertainable monetary value for the purpose of influencing the nomination or election of any candidate or the qualification, passage, or defeat of a ballot question [36].

The term "expenditure" does *not* include:

- (1) An offer or tender of an expenditure if expressly and unconditionally rejected or returned.
- (2) An amount paid pursuant to a pledge or promise to the extent the amount was previously reported as an expenditure.
- (3) An expenditure for communication by a person strictly with the person's paid members or shareholders.
- (4) An expenditure for communication on a subject or issue if the communication does not support or oppose a ballot issue or candidate by name or clear inference.
- (5) An expenditure by a broadcasting station, newspaper, magazine, or other periodical or publication for any news story, commentary, or editorial in support of or in opposition to a candidate for elective office or a ballot question in the regular course of publication or broadcasting.
- (6) An expenditure for non-partisan voter registration activities.

The last exclusion does not apply if a candidate or group of candidates sponsors, finances, or is identified by name with the activity. The exclusion does apply to an activity performed by an election commissioner or other registration official who is identified by name with the activity (pursuant to Chapter 32, Article 2) [37].

**B. Expenditures by a Committee.** An expenditure may not be made by a committee that has not filed a statement of organization and does not have a treasurer. An expenditure may not be made by a committee without the authorization of the treasurer or the assistant treasurer. Expenditures made by a candidate or an agent of a candidate are considered to have been made by the candidate committee [38]. A committee, other than a political party committee, may not expend or transfer funds except to make an expenditure. Any committee may (1) make expenditures or transfer funds for the payment of installation and use of telephone and telefax machines located in an officeholder's public office and used by the officeholder and (2) invest funds in investments authorized by state law for the state investment officer [39].

A committee may not expend or transfer funds for the purchase or payment of:

- (1) Clothes or medical or dental expense of a candidate or the members of the candidate's immediate family.
- (2) Installment payments for an automobile owned by a candidate.
- (3) Mortgage or rental payments for a permanent residence of a candidate.
- (4) The satisfaction of personal debts, including installment payments on personal loans, except campaign loans that are required to be reported.
- (5) Personal services, including the services of a lawyer or accountant, except campaign services that are required to be reported in a campaign statement.
- (6) Office supplies, staff, or furnishings for the public office for which an individual is a candidate for nomination or election except as expressly authorized by the Political Accountability and Disclosure Act [40].

Proposed rules concerning permitted and prohibited expenditure or uses of campaign funds by candidate committees have been prepared by the Nebraska accountability and disclosure commission and are awaiting final approval by the governor [41].

**C. Expenditure by an Agent or Independent Contractor of a Committee.** An expenditure may not be made, other than for overhead or normal operating expenses, by an agent or an independent contractor, including an advertising agency, on behalf of or for the benefit of a person unless the expenditure is reported by the committee as if the expenditure were made directly by the committee or unless the agent or independent contractor files a report of an independent expenditure. The agent or independent contractor must make known to the com-

mittee all information required to be reported by the committee [42].

**D. Expenditures by a Corporation, Labor Organization, or Industry, Trade, or Professional Association.** A corporation, labor organization, or industry, trade, or professional association, whether organized under the laws of Nebraska or another state or country and doing business in Nebraska, may make expenditures and provide personal services without becoming a committee [43]. If a corporation, labor organization, or industry, trade, or professional association has established and administers a separate segregated political fund, it is prohibited from making an expenditure to the fund, but may make expenditures and provide personal services for the establishment and administration of the fund [44].

#### IV. REPORTING REQUIREMENTS

##### A. Committee Statement of Organization

**1. Committees Required to File a Statement of Organization.** Every "committee" is required to file a statement of organization upon raising, receiving, or spending over \$2,000 in any calendar year. No contribution may be accepted or expenditure made by a committee reaching the \$2,000 threshold if it has not filed a statement of organization [45].

A "committee" is:

(1) Any combination of two or more individuals that receives contributions or makes expenditures of over \$2,000 in a calendar year for the purpose of influencing or attempting to influence the action of the voters for or against the nomination or election of one or more candidates or the qualification, passage, or defeat of one or more ballot questions.

(2) A person, which includes any candidate, business or labor organization, or other organization or group of persons acting jointly, whose primary purpose is to receive contributions or make expenditures and who receives or makes contributions or expenditures of over \$2,000 in a calendar year for the purpose of influencing or attempting to influence the action of the voters for or against the nomination or election of one or more candidates or the qualification, passage, or defeat of one or more ballot questions. An individual other than a candidate may not be considered to constitute a committee [46].

A corporation, labor organization, or industry, trade, or professional organization is not considered to be a committee if it makes expenditures or provides personal services in compliance with the Political Accountability and Disclosure Act [47].

There are four types of committees recognized under the Act: (1) a candidate committee, (2) a ballot question committee, (3) a political party committee, and (4) an independent committee, which includes a separate segregated political fund [48].

a. **Candidate Committee.** A "candidate committee" is a committee designated in a candidate's filed statement of organization as that individual's candidate committee [49]. A candidate, upon raising, receiving, or expending in excess of \$2,000 in a calendar year (excluding the fee for filing for office) must form a candidate committee, which may be a one-person committee consisting of the candidate. A person who is a candidate for more than one office must form a candidate committee for the office for which the person is a candidate upon raising, receiving, or expending in excess of \$2,000 in a calendar year (excluding the fee for filing for office) for the campaign for that office. Any two or more candidates who campaign as a slate or team for public office must form a committee upon raising, receiving, or expending jointly in any combination in excess of \$2,000 in a calendar year (excluding the fee for filing for office) [50]. A candidate committee is presumed to be under the control and direction of the candidate named in the statement of organization [51].

A "candidate" is an individual:

- (1) Who files or on behalf of whom is filed a fee, affidavit, nomination papers, or nominating petition for an elective office.
- (2) Whose nomination as a candidate for elective office by a political party caucus, committee, or convention is certified by the appropriate filing office.
- (3) Who is an officeholder who is the subject of a recall vote.
- (4) Who receives a contribution, makes an expenditure, or gives consent for another person to receive a contribution or make an expenditure with a view to bringing about the individual's nomination or election to an elective office, whether or not the specific elective office for which the individual will seek nomination or election is known at the time the contribution is received or the expenditure is made.

If eligible under law, an elected officeholder is considered to be a candidate for re-election to his or her present office for the purposes of the Act [52].

b. **Ballot Question Committee.** A "ballot question committee" is any committee acting in support of or in opposition to the qualification, passage, or defeat of a ballot question, but that does not receive contributions or make expenditures or contributions for the purpose of influencing or attempting to influence the action of the voters for or against the nomination or election of a candidate [53]. A "ballot question" is a question that is submitted or is intended to be submitted to a popular vote at an election by way of initiative, referendum, or recall or as a result of legislative action, whether or not it qualifies for the ballot [54].

c. **Political Party Committee.** A "political party committee" is a state central, district, or county committee of a political party that qualifies as a "committee" [55].

d. **Independent Committee.** An "independent committee" is a committee other than a candidate, ballot question, or political party committee [56]. A separate segregated political fund established and administered by a corporation, labor organization, or industry, trade, or professional association is considered to be an independent committee and is subject to all of the provisions of the Political Accountability and Disclosure Act. The corporation, labor organization, or industry, trade, or professional association that established and administers the fund makes the reports and filings required to be submitted by the fund as an independent committee [57].

2. **General Provisions.** A committee must have a treasurer who is a qualified elector of the state, and no contribution may be accepted or expenditure made by a committee that does not have a treasurer. A candidate may appoint himself or herself as the treasurer of the candidate committee, and when the office of candidate committee treasurer is vacant, the candidate is considered to be the treasurer until a new treasurer is appointed [58]. The committee treasurer must keep detailed accounts, records, bills, and receipts necessary to substantiate the information contained in a statement or report filed pursuant to the Political Accountability and Disclosure Act or rules promulgated by the Nebraska accountability and disclosure commission. The records of a committee must be preserved for 5 years and made available for inspection as authorized by the committee [59].

In addition, each committee must designate one account in a financial institution in the state as an official depository for the purpose of (1) depositing all contributions that it receives in the form of or that are converted to money, checks, or other negotiable instruments and (2) making all expenditures. Secondary depositories must be used for the sole purpose of depositing contributions and promptly transferring the deposits to the committee's official depository [60].

A statement of organization is to include the following information:

- (1) The name, street address, and telephone number, if any, of the committee (the committee address may be the home address of the candidate or treasurer of the committee).
- (2) The name, street address, and telephone number, if any, of each person, other than an individual, that is a member of the committee.
- (3) The full name, street address, and telephone number, if any, of the treasurer and other principal officers of the committee.
- (4) The name and address of the financial institution in which the official committee depository is located and the name and address of each financial institution in which a secondary depository is or is intended to be located.
- (5) The full name of and office sought by each candidate and a brief statement identifying the substance of each ballot question supported or opposed by the committee.

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(6) Identification of the committee as a candidate committee, ballot question committee, political party committee, or independent committee if it is identifiable as a specific type of committee.

(7) Such other information as may be required by the rules of the commission [61].

A committee must file its statement of organization with the filing official designated to receive the committee's campaign statements within 10 days after the committee is formed, which is when over \$2,000 has been raised, received, or expended in a calendar year [62]. If any of the information required in a statement of organization is changed, the change must be reported to the commission when the next campaign statement is required to be filed [63].

## B. Committee Campaign Statements

1. **General Provisions.** A committee required to file a statement of organization that supports or opposes a candidate or the qualification, passage, or defeat of a ballot question must file legibly printed or typed pre-election and post-election campaign statements of receipts and expenditures and, in years in which election-related statements are not required, annual campaign statements [64]. An "election" for which campaign statements are required includes a primary, general, special, or other election, a convention or caucus of a political party to nominate a candidate, and a recall vote [65].

The period covered by a campaign statement is the period beginning with the day after the closing date of the most recent campaign statement filed and ending with the closing date of the campaign statement due. If the committee has not previously filed a campaign statement, the period covered begins on the date the person or persons constituting the committee raised, received, or spent any money [66].

Campaign statements must be filed according to the following schedule:

(1) A first pre-election campaign statement must be filed not later than the 30th day before the election; the closing date is the 35th day before the election.

(2) A second pre-election campaign statement must be filed not later than the 10th day before the election; the closing date is the 15th day before the election.

(3) A post-election campaign statement must be filed as follows:

(1) Post-primary statement: not later than the 40th day following the primary election; the closing date is the 35th day following the election.

(2) Post-general-election statement: not later than the 60th following the general election; the closing date is December 31st of the year in which the election is held.

If all liabilities of a candidate and committee are paid before the closing date and additional contributions are not expected, the post-election campaign statement may be filed at any time after the election but before the filing deadline [67].

Additional campaign statements are required to be filed by ballot question committees whether or not petitions have or will be filed with the secretary of state:

(1) The first statement must be filed no later the last day of the calendar month in which the petition form is filed with the secretary of state; the closing date is 5 days before the filing deadline for the statement.

(2) Additional statements must be filed on the last day of each subsequent calendar month except for the calendar month during which the signed petitions must be filed with the secretary of state; the closing date is 5 days before the filing deadline for the statement.

(3) The final statement must be filed no later than 30 days after the deadline for filing petitions with the secretary of state; the closing date is 25 days after the deadline for filing the petitions [68].

If a political committee is not required to file pre-election and post-election reports during a calendar year, it must file an annual campaign statement. The annual statement is due not later than January 31st of the following year with a closing date of December 31st [69].

Every campaign statement must be filed with the Nebraska accountability and disclosure commission; however, a copy of the statement of designated filers also must be filed with a local filing office:

(1) Candidate committee--with the election commissioner or, if there is no election commissioner, then with the clerk of the county of residence of the candidate.

(2) Ballot question committee supporting or opposing a ballot question to be voted on within a single county--with the election commissioner or, if there is no election commissioner, with the clerk of the affected county.

(3) District political party committee--with the election commissioner or, if there is no election commissioner, with the clerk of the most populous county in the district.

(4) County political party committee--with the election commissioner or, if there is no election commissioner, with the clerk of the affected county [70].

2. **Campaign Statements of a Committee Other Than a Political Party Committee.** The campaign statements of a committee other than a political party

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committee must contain the following information:

(1) The committee's name, address, and telephone number and the full name, residential and business addresses, and telephone numbers of its treasurer.

(2) Under the heading "receipts," the total amount of contributions received during the period covered by the campaign statement and under the heading "expenditures," the total amount of expenditures made during the period covered by the statement. If a loan was repaid during the period covered by the statement, the amount of the repayment must be subtracted from the total amount of contributions received. Forgiveness of a loan may not be included in the totals. Payment of a loan by a third party must be recorded and reported as a contribution by the third party, but must not be included in the totals. In-kind contributions or expenditures must be listed at fair market value and reported as both contributions and expenditures.

(3) The balance of cash and cash equivalents on hand at the beginning and the end of the period covered by the statement.

(4) The full name of each *individual* from whom contributions totaling more than \$100 were received during the period covered by the report, together with the person's street address, the amount contributed, the date on which each contribution was received, and the cumulative amount contributed by the individual for the election period.

(5) The full name of each *person*, except those individuals reported under (3) above, that contributed a total of more than \$100 during the period covered by the report, together with the person's street address, the amount contributed, the date on which each contribution was received, and the cumulative amount contributed by the person for the election period.

(6) The full name of the treasurer of each committee listed as a contributor is to be included in the name of the committee.

(7) The full name and street address of each person to whom expenditures totaling more than \$100 were made, together with the date and amount of each separate expenditure to each such person during the period covered by the statement, the purpose of the expenditure, and the full name and street address of the person providing the consideration for which any expenditure was made, if different from the payee.

(8) The amount of expenditures for or against a candidate or ballot question during the period covered by the statement and the cumulative amount of expenditures for or against that candidate or ballot question for the election period. An expenditure made in support of more than one candidate or ballot question or both must be apportioned reasonably among the candidates, ballot questions, or both.

(9) The total amount of funds disbursed by a separate segregated political fund, by state, for the purpose of supporting or opposing candidates and committees in elections in other states and candidates for federal office, including independent expenditures made in such elections [71].

Any income received by a committee on an account consisting of funds or property belonging to the committee is not considered to be a contribution to the committee, but must be reported in the campaign statement as income. Any interest paid by a committee must be reported as an expenditure. A loan made or received must be set forth in a separate schedule providing the date and amount of the loan and, if the loan is repaid, the date and manner of repayment. The committee must provide the name and address of the lender and any person who is liable directly, indirectly, or contingently on each loan of more than \$100 [72].

A campaign statement must be signed by the committee treasurer and notarized. A verification statement must be part of the campaign statement and state that the treasurer used all reasonable diligence in its preparation and that, to the treasurer's knowledge the statement is true and complete [73].

**3. Campaign Statements of a Political Party Committee.** The campaign statements filed by a political party committee must contain the following information:

(1) The full name and street address of each person from whom contributions totaling more than \$100 in value were received in a calendar year, the amount, and the dates of contribution. If the contributor is a committee, the name and address of the committee and the full name and street address of the committee treasurer, together with the amount of the contribution and the date of receipt, must be provided.

(2) An itemized list of all expenditures, including in-kind contributions and expenditures and loans, made during the period covered by the statement that were contributions to a candidate committee of a candidate for elective office or a ballot question committee. Each contribution must note the name and address of the committee, the name of the candidate and the office sought, if any, and the date of the contribution.

(3) An itemized list of all expenditures, including in-kind contributions and expenditures and loans, made during the period covered by the statement that were independent expenditures in support of the qualification, passage, or defeat of a ballot question or in support of the nomination or election of a candidate for elective office or the defeat of any of the candidate's opponents. Each independent expenditure must note the name of the candidate for whose benefit the expenditure was made and the office sought by the candidate or a brief description of the ballot question for which the expenditure was made; the amount, date, and purpose of the expenditure; and the full name and address of the person to whom the expenditure was made.

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(4) The total expenditures by the committee for each candidate for elective office or ballot question in whose behalf an independent expenditure was made or a contribution was given for the election.

(5) The filer's name, address, and telephone number, if any, and the full name, residential and business addresses, and telephone numbers of the committee treasurer [74].

Any listed expenditure that was made in support of more than one candidate or ballot question or both must be apportioned reasonably among the candidates or ballot questions or both [75]. Any income received by a committee on an account consisting of property belonging to the committee is not considered to be a contribution to the committee, but must be reported in the campaign statement as income. Any interest paid by a committee must be reported as an expenditure. A loan made or received must be set forth in a separate schedule providing the date and amount of the loan and, if the loan is repaid, the date and amount of repayment. The committee must report the name and address of the lender and any person who is liable directly, indirectly, or contingently on each loan of more than \$100 [76].

A campaign statement must be signed by the committee treasurer and notarized. A verification statement must be part of the campaign statement and state that the treasurer used all reasonable diligence in its preparation and that to the treasurer's knowledge the statement is true and complete [77].

**C. Committee Report of a Large Late Contribution.** A late contribution, which is a contribution of \$500 or more received after the closing date of the last campaign statement required to be filed prior to an election, must be reported by filing with the filing officer within 5 days after its receipt the full name, street address, occupation, employer, and principal place of business of the contributor. Filing of a report of a late contribution may be by any written means of communication and need not contain an original signature. A late contribution must also be reported on subsequent campaign statements [78].

**D. Reports of Independent Expenditures.** A person other than a committee who makes an independent expenditure of more than \$100 advocating the election of a candidate, the defeat of a candidate's opponents, or the qualification, passage, or defeat of a ballot question must file a report of the independent expenditure [79]. An "independent expenditure" is an expenditure by a person that is not made at the direction of or under the control of another person and is not a contribution to a committee [80].

The report must be made on an independent expenditure report form provided by the commission and filed within 10 days with the commission and the election commissioner or, if there is no election commissioner, the clerk of the county of residence of the person. The report must include the date of the expenditure, a brief description of the nature of the expenditure, the amount, the name and address of the person to whom it was paid, the name and address of the person fil-

ing the report, and the name, address, occupation, employer, and principal place of business of each person who contributed more than \$100 to the expenditure [81].

A contribution or expenditure made by a dependent minor must be reported in the name of the minor's parent or guardian. A contribution that is controlled by or made at the direction of another person, including a parent organization, subsidiary, division, committee, department, branch, or local unit of a person, is required to be reported by the person making the contribution and is regarded as a contribution attributable to both persons [82].

**E. Reports of Expenditures and Personal Services by a Corporation, Labor Organization, or Industry, Trade, or Professional Association.** A corporation, labor organization, or industry, trade, or professional association, whether organized under the laws of Nebraska or any other state or country and doing business in the state, may make expenditures and provide personal services with respect to becoming a committee. The organization is not required to file a report of independent expenditures, but is required to file with the commission a report of expenditures made and personal services provided, unless exempted [83].

If a corporation, labor organization, or industry, trade, or professional association has established and administers a separate segregated political fund, it must file a report of expenditures and personal services with respect to expenditures made or personal services provided for the establishment and administration of the fund; however, the organization need not file such reports for expenditures made from the fund. If a corporation makes an expenditure to a separate segregated political fund that has been established and is administered by an industry, trade, or professional association of which the corporation is a member, the corporation is not required to file a report of expenditures [84].

The report must fully disclose the nature, date, and value of any expenditure, as well as the committee or candidate to whom or in whose behalf it was made. In the case of personal services, the corporation, labor organization, or industry, trade, or professional association must fully detail the nature, dates, and specifics of the personal service provided, the committee or candidate to whom or in whose behalf it was made, and the proposition in behalf of or in opposition to which it was made [85].

The report must be filed with the commission within 30 days after the end of the calendar month in which any expenditure was made or personal service provided [86].

**F. Candidate Statement of Financial Interests.** A candidate for certain state and local elective offices is required to file with the appropriate filing officers a statement of financial interests for the preceding calendar year [87].

## V. POST-ELECTION REQUIREMENTS

A. **Transfer of Funds After Termination of a Candidate Committee.** A person who, after being a candidate for office, terminates his or her candidate committee, may transfer any unexpended funds from the terminated committee to another candidate committee, a political party committee, or a tax-exempt charitable institution or return the unexpended funds to the contributor of the funds [88].

B. **Expenditure or Transfer of Funds After an Election.** A committee, including a political party committee, may make expenditures or transfer funds after any election for (1) the necessary continued operation of the campaign offices of the candidate or political committee; (2) social events primarily for the benefit of campaign workers and volunteers or constituents; (3) obtaining public input and opinion; (4) repayment of campaign loans incurred prior to election day; (5) newsletters and other communications of information, thanks, acknowledgment, or greetings or for the purpose of political organization and planning; (6) gifts of acknowledgment, including flowers and charitable contributions (except that gifts to any one natural person may not exceed \$50 in any one calendar year); (7) meals, lodging, and travel by an officeholder that are related to the officeholder's candidacy and for members of his or her immediate family when they are involved in activities related to the officeholder's candidacy; and (8) meals, lodging, and travel by an officeholder and his or her staff when involved in activities related to the duties of the public office held [89].

C. **Dissolution of a Committee.** Dissolution of a committee must be accomplished in accordance with rules promulgated by the Nebraska accountability and disclosure commission [90].

A committee may terminate or dissolve only upon filing a statement indicating the dissolution with the filing official with whom the committee's statement of organization was filed. A committee may dissolve only if it will no longer receive any contributions or make any expenditures and has no outstanding debts and obligations [91].

The committee must also file a final statement covering the period from the closing date of the last statement filed through the date of dissolution. The final statement must disclose the disposition of unexpended funds and any physical assets of the committee [92].

Unexpended funds must be transferred as provided by the Political Accountability and Disclosure Act (see Section V.B *supra*). The only persons to whom unexpended funds may be transferred are a candidate committee, a political party committee, a tax-exempt charitable institution, the Campaign Finance Limitation Act Cash Fund, the State of Nebraska or any agency thereof, the fund of any political subdivision subject to the Nebraska Budget Act, or any contributor to the extent of his or her contribution (see also Section V.A *supra*) [93].

Physical assets of a dissolving committee must be sold at a reasonable price or donated to a candidate or political party committee or to a tax-exempt charitable institution. In the case of a candidate committee, the physical assets may be retained by the candidate if the candidate's contributions to the committee exceed the reasonable value of the retained assets; otherwise, the physical assets may be purchased by the candidate [94].

Additional requirements apply to the dissolution of candidate committees for certain officeholders [95].

The Nebraska accountability and disclosure commission may commence an administrative dissolution process against a political committee on its own initiative or upon the request of the committee itself if certain criteria are met (e.g., the committee's campaign statement for the last reporting period disclosed that neither contributions nor expenditures exceeded \$2,000) [96].

## VI. PUBLIC FINANCING PROVISIONS

The Campaign Finance Limitation Act, which is effective January 1, 1995, provides public financing, beginning with elections in 1996, for qualifying candidates for governor, lieutenant governor, state treasurer, secretary of state, attorney general, auditor of public accounts, the legislature, the public service commission, the board of regents of the university of Nebraska, and the state board of education [97]. Proposed rules concerning implementation of the Campaign Finance Limitation Act have been prepared by the Nebraska accountability and disclosure commission and are awaiting final approval of the governor [98].

A campaign finance limitation cash fund is created for the use of the Nebraska accountability and disclosure commission to provide the public financing of the campaigns of qualifying candidates. The fund consists of money appropriated to it by the legislature, amounts required to be repaid to the fund by candidates who have received public financing, and taxpayer contributions from income tax refunds due [99].

To qualify for public funding, candidates must agree to limit campaign spending for the election period, which is the calendar year of the election. The expenditure limitations for candidates for each office are: (1) governor--\$1,500,000, (2) lieutenant governor, state treasurer, secretary of state, attorney general, or auditor of public accounts--\$150,000, and (3) the legislature, the public service commission, the board of regents of the university of Nebraska, or the state board of education--\$50,000. Spending for the primary election period may not exceed 50% of the limit for the entire election period [100].

Candidates desiring to receive public funds must (1) beginning January 1st of the election period, raise an amount equal to at least 25% of the spending limitation for the office from persons who are state residents (at least 65% of the qualifying amount must be received from individuals) and (2) file with the commission at the time of filing for office (a) a written declaration of intent to

abide by the spending limitations prior to raising the qualifying amount and (b) a written statement agreeing to personally act as a guarantor for the use of public funds and to be held personally liable to the state for any public funds not repaid to the state as required by law. A candidate desiring to receive public funding who qualifies for the ballot by other than filing must file the written declaration and statement with the commission within 5 days after qualifying for the ballot [101].

A candidate that does not file the written declaration to abide by the spending limitations must file with the commission at the time of filing for office an affidavit that constitutes the candidate's declaration of intent not to abide by the spending limitations and include a reasonable estimate of maximum expenditures for the primary election period. A candidate who qualifies for the ballot by other than filing must file the affidavit with the commission within 5 days after qualifying for the ballot. The estimate of expenditures for the primary election period may be amended up 30 days prior to the primary. If the candidate is nominated in the primary, an estimate of expenditures for the remainder of the total election period must be filed by the 40th day following the primary. This estimate may be amended up to 60 days prior to the general election [102].

A qualifying candidate may request public funding upon spending 25% of amount of the spending limitation for the election period. It is unclear as to whether public funding is available for the primary election period and how the commission is to determine whether a candidate is eligible for public funding and how much the candidate should receive. The Campaign Finance Limitation Act states that if the highest estimated maximum expenditure filed by any of the candidate's opponents who do not agree to abide by the spending limitations as of the last date to amend the estimate of expenditures is greater than the spending limitation for the office, the candidate is entitled to receive the difference from the commission as public funding [103].

## VII. TAX PROVISIONS

**A. Taxpayer Contribution from Income Tax Refund.** An individual taxpayer may designate \$2 from any income tax refund due as a contribution to the campaign finance limitation cash fund. The tax commissioner is to include on the individual income tax form, beginning with the tax form filed for the 1994 tax year, space for designation of the contribution [104].

## VIII. OFFENSES AND PENALTIES

### A. Enforcement Procedure

**1. Commission Action.** The Nebraska accountability and disclosure commission is required to make random field investigations and audits with respect to campaign statements and activity reports filed with the commission under the Political Accountability and Disclosure Act and the Campaign Finance Limitation Act. Except for audits conducted pursuant to the Campaign Finance Limitation

Act, any audit or investigation conducted of a candidate's campaign statements during a campaign must include an audit or investigation of the statements of the candidate's opponents as well. The commission may also carry out field investigations or audits with respect to any campaign statement, registration, report, or other statement filed if the commission or its executive director deems an investigation or audit to be necessary to carry out the purposes of the Political Accountability and Disclosure Act [105].

Upon a complaint signed under oath by any person, upon the recommendation of the executive director, or upon its own motion, the commission is required, by way of preliminary investigation, to investigate any alleged violation of the Act or any commission rule or regulation [106]. If a preliminary investigation fails to indicate probable cause for belief that the Act has been violated, the commission must terminate the investigation. If after a preliminary investigation it is determined by the commission that there is probable cause to believe that the Act or a rule or regulation has been violated, the commission must initiate appropriate proceedings to determine whether there has in fact been a violation [107]. Upon finding that there has been a violation, the commission may begin civil or criminal prosecution for the imposition of civil or criminal penalties provided by the Act. If the commission finds a violation, it may issue an order requiring the violator to cease and desist the violation, to file any report, statement, or other information as required, or to pay a civil penalty of not over \$1,000 for each violation [108].

**2. Attorney General and County Attorney Action.** The attorney general and the county attorney of the county in which a violation allegedly occurred have concurrent jurisdiction with the Nebraska accountability and disclosure commission to enforce the criminal provisions of the Political Accountability and Disclosure Act [109].

**3. Private Mandamus Action.** An individual who believes that a violation of the Act has occurred may, after exhausting the administrative remedies provided in the Act, bring a civil action to compel the commission to fulfill its responsibilities or may bring a civil action against a person to compel compliance with the provisions of the Act [110].

**B. Criminal Penalties.** A person who violates any of the following provisions of the Nebraska Political Accountability and Disclosure Act is guilty of a misdemeanor:

(1) The requirements for the formation and operation of a candidate committee (class IV misdemeanor).

(2) The requirements applicable to a committee treasurer (class IV misdemeanor).

(3) The requirements for the reporting of independent expenditures (class IV misdemeanor).

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(4) The requirements for contributions and expenditures of a corporation; labor organization; industry, trade, or professional association; and separate segregated political fund (class III misdemeanor).

(5) The requirement for a contribution or expenditure over \$50 to be made by written instrument (class III misdemeanor).

(6) The prohibition of acceptance or expenditure of an anonymous contribution (class III misdemeanor).

(7) The requirement for a contribution to be made in the legal name of the contributor (class III misdemeanor).

(8) The prohibition of a political mailing for an elected official at public expense (class III misdemeanor).

(9) The requirement for disclosure of information when a contribution is made through an intermediary (class III misdemeanor).

(10) The prohibition of receipt of a contribution over \$100 without contributor information (class III misdemeanor).

(11) The requirement concerning the reporting of expenditures by an agent or independent contractor of a committee (class III misdemeanor).

(12) The requirements for forwarding, disclosing, and reporting an earmarked contribution (class III misdemeanor).

(13) The restriction on a candidate committee contribution to another candidate committee (class III misdemeanor).

(14) The prohibition of filing a false statement or report (class IV felony).

(15) The prohibition of contributions to or independent expenditures for state office candidates by major lottery contractors (knowing or intentional violation is class IV felony).

(16) The prohibition of acceptance of a contribution for a state office candidate from a major lottery contractor (knowing or intentional violation is a class III misdemeanor) [111].

**C. Civil Penalties.** The penalty for violation of the limitations on loans to candidate committees is a civil penalty of not less than \$250 or more than the amount of money received by a violating candidate committee [112].

**D. Late Filing Fees.** A person who fails to file a required statement of organization must pay a late filing fee of \$10 for each day the statement remains not filed, but not more than \$300 [113]. A person who fails to report to the commis-

sion any change required in a statement of organization must pay a late filing fee of \$10 for each day the change remains unreported, but not more than \$300 [114]. A person who fails to file a required campaign statement with the commission must pay a late filing fee of \$10 for each day the statement remains not filed, but not more than \$300 [115].

The Nebraska accountability and disclosure commission, upon application for relief, may reduce the amount of a late filing fee for the late filing of a statement of organization or campaign statement upon a showing that (1) the circumstances indicate no intent to file late, (2) the person has not been required to pay late filing fees for two years prior to the time the filing was due, (3) the late filing shows that less than \$5,000 was raised, received, or expended during the reporting period, and (4) a reduction of the late fees would not frustrate the purposes of the Nebraska Political Accountability and Disclosure Act [116]. According to the Nebraska accountability and disclosure commission, it may also modify filing requirements to, in effect, provide relief from late filing fees in a particular case upon clear and convincing proof of good cause or if it finds that literal application of the law works a manifestly unreasonable hardship and that a modification would not frustrate the purposes of the Act [117].

## IX. RESPONSIBLE STATE AGENCIES

**A. Nebraska Accountability and Disclosure Commission.** The Nebraska accountability and disclosure commission is required to:

(1) Prescribe and publish rules and regulations to carry out the provisions of the Public Accountability and Disclosure Act and the Campaign Finance Limitation Act.

(2) Prescribe forms for statements and reports required to be filed and furnish the forms to persons required to file statements and reports.

(3) Prepare and publish manuals explaining the duties of all persons and other entities required to file statements and reports and setting forth recommended uniform methods of accounting and reporting for such filings.

(4) Accept and file any reasonable amount of information voluntarily supplied that exceeds the requirements of the acts.

(5) Prepare and publish summaries of statements and reports filed with the commission and special reports and technical studies to further the purposes of the acts.

(6) Review all statements and reports filed with the commission in order to ascertain whether any person has failed to file a required statement or has filed a deficient statement.

(7) Issue and publish advisory opinions on the requirements of the acts upon the request of a person or governmental body directly covered or affected.

(8) Act as the primary civil and criminal enforcement agency for violations of the Political Accountability and Disclosure Act and the rules or regulations promulgated under that Act and act concurrently with the county attorney in prosecuting violations of the Campaign Finance Limitation Act.

(9) Prepare and distribute to the appropriate local officials statements of financial interest, campaign committee organization forms, filing instructions and forms, and such other forms as the commission deems appropriate.

(10) Provide copies of statements, reports, parts of reports, advisory opinions, and public information prepared by the commission to any person on request at a reasonable cost [118].

The commission may suspend or modify any of the reporting requirements of the Act in a particular case if good cause is shown or it finds that literal application of the reporting requirements works a manifestly unreasonable hardship and if it also finds that suspension or modification will not frustrate the purposes of the Act [119].

**B. County Clerks and Election Commissioners.** The county clerk or election commissioner in each county must distribute forms prepared by the commission to any person required to file any statement or report [120]. The appropriate election commissioner or county clerk, if there is no election commissioner, is to receive from designated committees a copy of the committee's statement of organization and campaign statements filed with the commission [121].

References

1. Revised Statutes of Nebraska (hereafter RSN) § 49-1415(a)	15. RSN § 49-1469(2)(a)
2. RSN § 49-1430	16. Nebraska Accountability and Disclosure Commission, Advisory Opinion (hereafter Adv. Op.) 126 (August 3, 1990)
3. RSN § 49-1415(2)	17. RSN § 49-1469(2)(b)
4. RSN § 49-1415(1), (3)	18. RSN §§ 32-1603(1); 32-1608
5. RSN § 49-1446(3)	19. RSN § 49-1469(2)(a)
6. RSN § 49-1446(5)	20. RSN § 49-1469(2)(e)
7. RSN § 49-1446(4), (6), (7)	21. RSN § 49-1469(2)(c)
8. RSN § 49-1479.01(1)	22. RSN § 49-1469(2)(c)
9. RSN §§ 49-1479; 49-1479.01	23. RSN § 49-1469(2)(c)
10. RSN § 49-1479.01(2)	24. RSN § 49-1469(2)(c); Adv. Op. 126
11. RSN §§ 49-1475; 49-1479.01(3)	25. RSN § 49-1472(1)
12. RSN § 49-1479.01(4); Nebraska Accountability and Disclosure Commission, Candidate Brochure (1991), at 4; Nebraska Accountability and Disclosure Commission, Campaign Statement (NADC Form B-1), at 9	26. RSN § 49-1472(2)
13. RSN §§ 49-1438; 49-1479(1); 49-1479.01	27. RSN § 49-1473
14. RSN § 49-1479(2)	28. RSN § 49-1477
	29. RSN § 49-1471
	30. RSN § 49-1474
	31. RSN § 49-1446.04(1)

32. RSN § 49-1469.02	81. RSN § 49-1467(1)
33. RSN § 49-1469.03	82. RSN § 49-1468
34. RSN § 49-1419(1)	83. RSN § 49-1469(1), (2)(d)
35. RSN § 49-1430	84. RSN § 49-1469(2)(d)
36. RSN § 49-1419(2)	85. RSN § 49-1469(1)
37. RSN § 49-1419(1), (3)	86. RSN § 49-1469(1)
38. RSN § 49-1446(3), (4)	87. RSN §§ 49-1493; 49-1494
39. RSN § 49-1446.01(2), (3)	88. RSN § 49-1466
40. RSN § 49-1446.02	89. RSN § 49-1446.01(1)
41. Nebraska Accountability and Disclosure Commission Proposed Rule (hereafter Proposed Commission Rule), ch. 9 (pending as of January 23, 1996)	90. RSN § 49-1453; Nebraska Accountability and Disclosure Commission Rule (hereafter Commission Rule), ch. 4, § 003
42. RSN § 49-1478	91. RSN § 49-1453; Commission Rule, ch. 4, § 003
43. RSN § 49-1469(1)	92. Commission Rule, ch. 4, § 003
44. RSN § 49-1469(2)(a), (b)	93. Commission Rule, ch. 4, § 003
45. RSN §§ 49-1413; 49-1445; 49-1446; 49-1449	94. Commission Rule, ch. 4, § 003
46. RSN §§ 49-1413; 49-1438	95. Commission Rule, ch. 4, § 004
47. RSN §§ 49-1413; 49-1469	96. Commission Rule, ch. 4, § 005
48. RSN §§ 49-1406; 49-1410; 49-1427; 49-1441; 49-1469(c)	97. RSN §§ 32-1604(1); 32-1611
49. RSN § 49-1410	98. §§ 32-1606.01; 49-14,123(1); Proposed Commission Rule, ch. 10 (pending as of January 23, 1996)
50. RSN § 49-1445	99. RSN § 32-1610
51. RSN § 49-1410	100. RSN §§ 32-1603(1); 32-1604(2)
52. RSN § 49-1409	101. RSN §§ 32-1604(3); 32-1605
53. RSN § 49-1406	102. RSN §§ 32-1603(2); 32-1604(4); 49-1419
54. RSN § 49-1405	103. RSN § 32-1605(1)
55. RSN § 49-1441	104. RSN § 77-27,119.04
56. RSN § 49-1427	105. RSN § 49-14,122
57. RSN § 49-1469(2)(e)	106. RSN § 49-14,124
58. RSN § 49-1446(1), (3)	107. RSN § 49-14,125
59. RSN § 49-1417	108. RSN § 49-14,126
60. RSN § 49-1446(2)	109. RSN § 49-14,133
61. RSN § 49-1450	110. RSN § 49-14,127
62. RSN §§ 49-1413; 49-1449	111. RSN §§ 49-1446(8); 49-1447; 49-1467(2); 49-1469(3); 49-1469.02; 49-1469.03(1); 49-1471; 49-1472; 49-1473; 49-1474(1); 49-1475; 49-1477; 49-1478; 49-1479(3); 49-14,134
63. RSN § 49-1451	112. RSN § 49-1446.04(2)
64. RSN §§ 49-1413; 49-1454; 49-1459; 49-1461; 49-1462	113. RSN § 49-1449
65. RSN § 49-1416	114. RSN § 49-1451
66. RSN §§ 49-1454; 49-1462	115. RSN §§ 49-1461; 49-1463
67. RSN § 49-1459	116. RSN § 49-1463.01
68. RSN §§ 49-1461; 32-704.02	117. RSN § 49-14,129; letter from Dannie Trautwein, Executive Director of the Nebraska Accountability and Disclosure Commission, to James A. Palmer (March 8, 1990)
69. RSN § 49-1462	118. RSN §§ 49-1448; 49-14,123; 49-14,123.01
70. RSN § 49-1464	119. RSN § 49-14,129
71. RSN §§ 32-1603; 49-1455	120. RSN § 49-14,139
72. RSN § 49-1456	121. RSN §§ 49-1445; 49-1464
73. RSN § 49-1465(1)	
74. RSN § 49-1457(1)-(3)	
75. RSN § 49-1457(4)	
76. RSN § 49-1456	
77. RSN § 49-1465(1)	
78. RSN § 49-1438	
79. RSN § 49-1467(1)	
80. RSN § 49-1428	

**NEBRASKA  
ACCOUNTABILITY AND  
DISCLOSURE COMMISSION**  
11th Floor, State Capitol  
P.O. Box 95066  
Lincoln, Nebraska 68509  
(402) 471-2522

**CAMPAIGN  
STATEMENT  
INDEPENDENT  
COMMITTEES**  
NADC FORM B-4

POSTMARK DATE: Hand-delivered  
MICROFILM NUMBER: 7-100-100  
OFFICE USE ONLY  
55 JUN 26 AM 11:17

BEFORE COMPLETING THIS FORM  
READ THE FILING REQUIREMENTS  
ON PAGES 2(a) & (b)

- All political committees must file periodic Campaign Statements (See Filing Requirements on pages 2(a) and (b)).
- Attach all schedules (A-D) and type or print all information.
- Late filing fee for filing this statement after the date it is due is \$10 for each day the statement remains unfiled, not to exceed \$300.
- Persons who fail to file this report or otherwise do not comply with the reporting provisions of the law are subject to penalties.

ITEM 1 NAME OF COMMITTEE AND COMMITTEE TREASURER  Check here if any information in Item 1 is new

Committee: Governors Council Telephone No. (402) 474-1513  
Address: 3400 O Street Lincoln NE 68503  
STREET ADDRESS OR RURAL ROUTE CITY STATE ZIP CODE  
Treasurer: Constance Burkey, Assistant Treasurer  
Home Address: 3030 S 27th St Lincoln NE 68502 Home Telephone No. (402) 423-7920  
STREET ADDRESS OR RURAL ROUTE CITY STATE ZIP CODE  
Business Address: \_\_\_\_\_ Business Telephone No. ( )  
STREET ADDRESS OR RURAL ROUTE CITY STATE ZIP CODE

ITEM 2 DATE OF ELECTION FOR WHICH STATEMENT IS FILED: 5 MONTH 96 YEAR

ITEM 3 NATURE OF FILING AND REPORTING PERIOD

<b>Primary Election Campaign Statements</b> <input type="checkbox"/> Thirty days before election <input type="checkbox"/> Ten days before election <input checked="" type="checkbox"/> Forty days after election	<b>General Election Campaign Statements</b> <input type="checkbox"/> Thirty days before election <input type="checkbox"/> Ten days before election <input type="checkbox"/> Sixty days after election	<b>Other Campaign Statements</b> <input type="checkbox"/> Amended Statement for _____ <input type="checkbox"/> Annual Statement due January 31 <input type="checkbox"/> Final Statement — Attach Form A-2 Statement of Dissolution
---	--	--

THIS STATEMENT COVERS A PERIOD FROM 4 MONTH 30 DAY 96 YEAR TO 6 MONTH 17 DAY 96 YEAR

ITEM 4 NATURE OF COMMITTEE

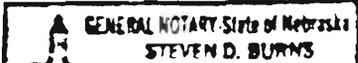
Independent Committee  Separate Segregated Political Fund

ITEM 5 VERIFICATION (This item must be completed before filing will be accepted.)

STATE OF NEBRASKA  
COUNTY OF Lancaster  
I, Constance Burkey upon oath, state that I have used all reasonable diligence in the preparation of this Campaign Statement, and to my knowledge it is true, correct and complete.  
NAME OF TREASURER

Constance Burkey  
SIGNATURE

Subscribed and sworn to before me this 22 day of June 1996

(SEAL)  GENERAL NOTARY, State of Nebraska  
STEVEN D. BURNS

[Signature]  
NOTARY PUBLIC

93043375481

Schedule B - Disbursements from a Disbursement totaling more than \$100 less than the reporting period which is not all services reported on Sections of this Schedule. If the person providing the goods or services which any disbursement was made is different from the payee, list the person's name and address in addition to that of the payee.

Name, Street Address, Rural Route, City and State of Payee	Purpose of Cash Disbursement (Be: Disbursement)	Date of Cash Disbursement	Amount
Nebraska Democratic State Central Committee- 715 So. 14th St. Lincoln NE 68508	Political Contribution to Party	5-2-96 5-3-96	60,000.00 74,500.00
Union Bank + Trust Co. P.O. Box 6155 Lincoln NE 68506	Net early withdrawal Penalty	5-3-96	445.72

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# Journal-Star

Lincoln

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112 PAGES

7955

CITY FINAL \$1.75

6

## Governor may lose part of his war chest \$600,000 on the line in Nelson Senate bid

BY FRED KNAPP  
Lincoln Journal-Star

Despite an impressive treasury of contributions, Gov. Ben Nelson apparently faces restrictions on using more than \$800,000 previously given by supporters if he decides to run for the U.S. Senate.

There are ways a Nelson campaign could benefit from at least some of the money, a supporter of the Democratic governor said. But the impact would be diluted, a Nebraska Republican official said.

At first glance, the matter might seem to interest only political insiders. But since access to funds is one factor affecting who gets elected to Congress, the implications could affect all Nebraskans.

After easily winning reelection last year, Nelson had more than \$175,000 left in his gubernatorial campaign fund, and more than \$460,000 in the Governor's Council, a fund that makes political contributions and supports activities connected with the governorship that are not paid for by the state, such as trips for Nelson and his wife, Diane, to attend certain conferences.

By comparison to the funds Nelson can tap, Republican Senate hopeful Chuck Hagel, an Omaha businessman, hopes to raise \$250,000 by the end of June, while Attorney General Don Stenberg, another GOP prospect, was shooting for \$50,000.



Ben Nelson

Both of Nelson's funds contain corporate donations, which state law allows but federal law prohibits Senate candidates from accepting.

Political party poopers could be penalized. Page 1E.

Ultimately, the two major candidates in next year's Senate race could wind up spending \$3.5 million to \$4 million apiece, estimates Andy Abboud, executive director of the Nebraska Republican Party.

In light of that, Abboud said \$800,000 could give a candidate a leg up initially, while in the long run, "it would be a help, but not a significant help."

Both of Nelson's funds contain corporate donations, which state law allows but federal law prohibits Senate candidates from accepting. Both funds also contain contributions from individuals exceeding the \$1,000 per donor per election. That is permissible under state law but is beyond the federal legal limit.

Because of those factors, it appears neither fund could be used directly to support a Nelson for Senate campaign, according to Kelly Huff and Ian Sturton, spokesmen for the Federal Election Commission. They cite an FEC rule, effective in 1983, prohibiting transfers of assets from state campaign committees, and suggest

Please see NELSON on page 8A

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UNCLASIFIED

# Nelson/Money may go untapped due to law

Continued from page 1A

that transfers from the Governor's Council would be prohibited as well.

That's not to say that the funds couldn't be used at all. Nelson has looked at the legal issues and concluded "there are certain ways that both funds could be used in a bid for federal office," gubernatorial spokeswoman Dara Troutman said.

However, she said, "Gov. Nelson doesn't intend to debate use of the funds, nor outline the legal issue, until he decides if and when to run for federal office." Nelson has said he would decide by Labor Day.

Despite Nelson's reticence about discussing the funds, Abboud ventured a prediction for how Nelson supporters could handle the money. "They'll dump it into the state party for the victory operation," he said.

Such operations, run by both major parties, include activities such as get-out-the-vote efforts, phone banks, and mass mailings designed to benefit the parties' candidates as a group. So, while Nelson could still benefit, the effect is "pretty diluted" compared to direct campaign spending, Abboud said. Moreover, FEC rules require that money spent in such efforts be matched by money raised in conformity with stricter federal standards.

Steve Burns, chairman of the Governor's Council and legal counsel to the Democratic Party, said using the funds as Abboud predicted was only one of several options. "It is our determination that there is a way those funds can be converted into federal monies," at least in part, Burns said,

declining to say how.

Burns also said the Governor's Council could support other candidates, and a new rule being adopted by the Accountability and Disclosure Commission will make it easier to contribute campaign funds to state parties.

The funds could also be returned to the people who donated them and they could give them back in a new form, as long as they were not pressured to do so, former Nebraska Democratic Party Executive Director Deane Finnegan said. According to Nancy Ives of the National Republican Senatorial Committee, the reimbursement and redonation option applies only to contributions from individuals, not corporations.

One question raised by all this potential fund stuffing is whether the stricter federal rules result in cleaner elections. Although, for example, direct corporate and union donations are prohibited, political action committees that collect donations from both corporate officials and union members are an important source of federal campaign funds.

The FEC's Sturton said the idea was to keep corporate wealth, for example, out of campaigns. But Finnegan said the distinction between that and PAC money may not make a difference.

"I don't know that a corporate head giving me \$1,000 is any worse than a corporation giving me \$1,000," Finnegan said. "I think the amount of influence is there either way."

"There's a reason people give you money. Maybe they just believe in you," she said.

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# Rule could block funds in Senate bid

LINCOLN (AP) — Gov. Ben Nelson is expected to decide by Labor Day if he will run for the U.S. Senate, but there already are questions about how he would use \$635,000 on hand from previous campaign efforts.

After his re-election last fall, Nelson had more than \$175,000 left in his gubernatorial campaign fund and more than \$460,000 in the Governor's Council. The council makes contributions and pays for some activities that are not paid for by the state, such as trips by Nelson and his wife, Diane.

Both funds contain corporate donations, which is allowed by state law. Federal law, however, prohibits Senate candidates from accepting such donations. Both funds also contain contributions from individuals exceeding \$1,000 per donor per election, which is allowed by the state but is over the federal limit.

It appears neither fund could be used directly to support a Senate campaign by Democrat Nelson, said Kelly Huff and Ian Sturton, spokesmen for the Federal Election Commission.

A 1993 commission rule prohibits the transfer of assets from state campaign committees to federal campaign committees. The spokesmen suggested that transfers from the Governor's Council also would be prohibited.

Nelson has concluded "there are certain ways that both funds could be used in a bid for federal office," gubernatorial spokeswoman Dara Troutman said last week.

But "Gov. Nelson doesn't intend to debate use of the funds, nor outline the legal issue, until he decides if and when to run for federal office," Troutman said.

The money would be significant in a Senate bid. By comparison, Republican hopeful Chuck Hagel of Omaha hoped to raise \$250,000 by the end of last month. Attorney General Don Stenberg, who also wants the GOP nomination, sought \$50,000.

Andy Abboud, executive director of the Nebraska Republican Party, said the final two Senate candidates in next year's race could spend up to \$4 million each. He said money like the \$635,000 in Nelson's two funds would give him an early advantage.

The money could be returned to the people who donated and they could donate in a new form as long as they were not pressured to do so, former state Democratic Party Executive Director Deane Finnegan said.

Nancy Ives of the National Republican Senatorial Committee said the re-donating applies only to contributions from individu-



Nelson

## State moves toward new campaign

LINCOLN (AP) — New rules proposed for Nebraska politicians are simple clarifications, according to the state Accountability and Disclosure Commission. A pair of politicians aren't so sure.

Most of the rules, which must be reviewed by the attorney general and approved by the governor, spell out commission interpretations of campaign laws.

"I don't know that there's a lot that's really new," Executive Director Dannie Trautwein said.

But restrictions on the purchase of tickets to another candidate's fund-raiser are new. Penalties can include a short jail term or a \$500 fine.

"I think it's overreach," Sen. David Landis of Lincoln said.

"You're making guilty people out of people that are very innocent," Secretary of State Scott Moore said.

Both politicians said they would be penalized if they bought tickets to a fund-raiser but didn't go. The rule leaves the commission "sitting as a police person over the schedules people make," Landis said last week.

The Nebraska law that bans contributions from one campaign committee to another allows an exception for buying tickets to fund-raisers, Trautwein said. The new rules would require a politician, family member of a politician or a campaign worker to attend the event if tickets were purchased with campaign funds.

The new rules also would restrict campaign funds used to pay for meals. If the meals are related to holding public office, rather than related to a candidacy, an individual can receive no more than \$50 worth a year.

The commission last year questioned Landis' use of more than \$1,800 in campaign funds for lunches in 1992 when he was not running for office. The meals included some for staff and family members.

Landis said the expenditures fell within permitted uses of such funds. The commission took no action against

# Omaha World-Herald

SEPTEMBER 8, 1995  
OMAHA, NEBRASKA

## Nelson Hopes to Use Funds in Hand

BY HENRY J. CONDES  
WORLD-HERALD STAFF WRITER

Lincoln — For Ben Nelson's campaign for Senate, it's the \$636,598 question.

Will he now use the money left from his campaigns for governor to help him get elected to the U.S. Senate?

Nebraska's governor did not rule it out during an interview Thursday after he formally announced his intention to run for Senate in 1996.

"Whatever's within the law," he said.

Republican officials said Thursday that they didn't see any way those funds could be transferred from a state campaign fund to a federal campaign committee. Federal Election Commission rules directly prohibit such a transfer, the Republicans said.

Any attempt by Nelson to use the money "will be met by a challenge," said Gordon Hensley, communications director for the National Republican Senatorial Committee in Washington.

The legal counsel of the Nebraska Democratic Party said Thursday that there is a multistep process that can be used to put most of those funds legally into Nelson's Senate campaign coffers.

"They're just wrong," Steve Burns, a Lincoln attorney, said of the Republican

officials. "I'm very confident a significant portion of those funds can find their way into the federal campaign and I expect they will."

One of the money sources at issue is the \$175,618 Nelson has left from his 1994 campaign committee. In addition, the Governor's Council, an independent political committee that can make expenditures on behalf of the governor, has \$460,989. It is controlled by Burns and Omaha attorney Mike Fahey.

Access to most of those funds would more than make up for the late start Nelson will be getting in Senate fund raising compared to his Republican opponents. Omaha businessman Chuck Hagel two months ago had reported raising \$284,000 for his bid. Attorney General Don Stenberg reported \$54,000.

At the root of the dispute is the difference in the types of campaign contributions allowed in state and federal campaigns.

Federal election law specifically prohibits contributions from corporations or unions in federal races. Federal law also limits contributions from an individual to \$1,000 per election. Nebraska law on state elections has no such prohibitions.

Because of the corporate contribu-

tions, Nelson's state funds are "tainted" and can't be used in a federal campaign, said Chuck Sigerson, chairman of the Nebraska Republican Party.

"That corporate money and personal money are in a big pile all commingled together," he said. "You can't unbundle it."

Sigerson said the only way he could see Nelson using the funds to benefit his campaign would be to give them to the State Democratic Party. The party could use the funds for voter registration, get-out-the-vote drives and other party activities that would have an indirect benefit for Nelson's campaign, Sigerson said.

Burns would not disclose how, but he said there is a way that most of the dollars in the two funds can be used directly by Nelson's campaign.

"Apparently they (Republicans) haven't figured it out yet, which is fine and dandy," he said. "I hope that's how they spend all their time in this election. It's not going to be a secret. It will be aboveboard and straightforward."



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

October 3, 1996

Craig M. Engle, Esq.  
General Counsel  
National Republican Senatorial Committee  
Ronald Reagan Republican Center  
425 Second Street, NE  
Washington, DC 20002

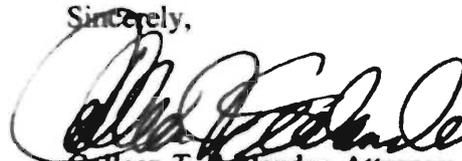
RE: MUR 4483

Dear Mr. Engle:

This letter acknowledges receipt on September 26, 1996, of the complaint you filed alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) 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 4483. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosure  
Procedures

93043975470



FEDERAL ELECTION COMMISSION

Washington, DC 20463

October 3, 1996

Gerald F. Grant, Treasurer  
Nebraska Democratic State Central Committee (Federal Account)  
715 South 14th Street  
Lincoln, NE 68508

RE: MUR 4483

Dear Mr. Grant:

The Federal Election Commission received a complaint which indicates that the Nebraska Democratic State Central Committee (Federal Account) 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 4483. 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 Nebraska Democratic State Central Committee (Federal Account) 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.

93043975471

If you have any questions, please contact Erik Morrison at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosures

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

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**FEDERAL ELECTION COMMISSION**

Washington, DC 20463

October 3, 1996

Gerry Finnegan, Treasurer  
Nebraska Democratic State Central Committee (State Account)  
715 South 14th Street  
Lincoln, NE 68508

RE: MUR 4483

Dear Mr. Finnegan:

The Federal Election Commission received a complaint which indicates that the Nebraska Democratic State Central Committee (State Account) 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 4483. Please refer to this number in all future correspondence.

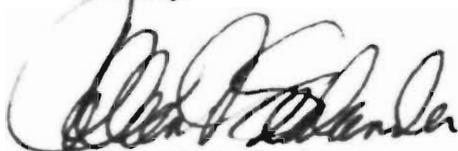
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Nebraska Democratic State Central Committee (State Account) and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's 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.

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If you have any questions, please contact Erik Morrison at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosures

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

9 3 0 4 3 3 7 5 4 7 4



FEDERAL ELECTION COMMISSION

Washington, DC 20463

October 3, 1996

Michael Shrier, Treasurer  
Nebraskans for Nelson  
2912 South 84th Street  
Omaha, NE 68124

RE: MUR 4483

Dear Mr. Shrier:

The Federal Election Commission received a complaint which indicates that Nebraskans for Nelson 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 4483. 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 Nebraskans for Nelson 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.

93043375475

If you have any questions, please contact Erik Morrison at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosures

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

cc: Benjamin Nelson (No Tape Enclosed)

9 3 0 4 3 8 7 5 4 7 6



FEDERAL ELECTION COMMISSION

Washington, DC 20463

October 3, 1996

Constance Burkey, Treasurer  
Governors Council  
3400 O Street  
Lincoln, NE 68503

RE: MUR 4483

Dear Ms. Burkey:

The Federal Election Commission received a complaint which indicates that the Governors Council 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 4483. Please refer to this number in all future correspondence.

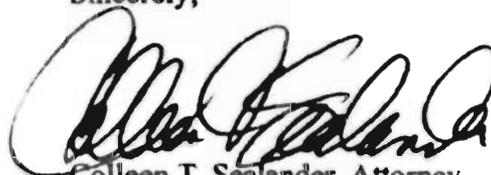
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Governors Council and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, 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.

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93043375477

If you have any questions, please contact Erik Morrison at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosures

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

2 3 0 4 3 3 7 5 4 7 3



FEDERAL ELECTION COMMISSION

Washington, DC 20463

October 3, 1996

Steve Burns, Chairman  
Governors Council  
3400 O Street  
Lincoln, NE 68503

RE: MUR 4483

Dear Mr. Burns:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4483. 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.

93043875472

If you have any questions, please contact Erik Morrison at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander, Attorney  
Central Enforcement Docket

Enclosures

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

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A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
Oct 11 12 55 PM '96

October 8, 1996

Mailed and Telecopied on the above date

Ms. Colleen T. Sealander, Attorney  
Central Enforcement Docket  
Federal Election Commission  
999 E Street NW  
Washington, D.C. 20463

RE: MUR 4483

Dear Ms. Sealander:

I am in receipt of your October 3, 1996 correspondence addressed to the Governor's Council suggesting that it is a Respondent in a complaint filed with the Commission. I am perplexed. The complaint enclosed is not against the Governor's Council and you have cited no statutory or regulatory provision that would involve a violation by the Governor's Council. The respondents named in the complaint are the "Nebraska Democratic State Central Committee and the 'Nebraskans for Nelson Committee.'"

I have read the complaint and as it relates to the Governor's Council there are numerous inaccuracies, half truths and simply incorrect suppositions. For one, the Governor's Council is not, and never has been, controlled by E. Benjamin Nelson. You should further note that the newspaper articles quoting me are incomplete and taken out of context. I do not read newspapers. They have proven to be a completely unreliable source of fact based information. My conclusion is once again established.

Before responding to a complaint, I believe the Governor's Council is entitled to know the nature of the complaint against it (rather than the nature of the complaint against others). Therefore, if you could please provide a copy of the complaint against the Governor's Council, we will be happy to provide appropriate response.

In view of the inadequate information we have been provided at this time, we do not wish the matter to be made public.

Yours Truly,  
FOR THE FIRM

Steven D. Burns

SDB:sb

86\council\seal1008.nsb

- Steven D. Burns
- James D. McFarland
- Brad Roth
- Jeffrey S. Schmidt

9304

3400 "O" Street  
P.O. Box 30355  
Lincoln, NE 68503-0355  
402-474-1515  
FAX 402-474-6072



A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

October 8, 1996

Mailed and Telecopied on the above date

Ms. Colleen T. Sealander, Attorney  
Central Enforcement Docket  
Federal Election Commission  
999 E Street NW  
Washington, D.C. 20463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
OCT 15 3 35 PM '96

RE: MUR 4483

Dear Ms. Sealander:

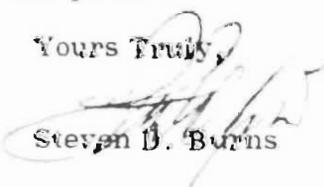
I am now in receipt of a second letter from you dated October 3, 1996 addressed to Constance Burkey, treasurer of the Governor's Council. After reading this new letter and the letter addressed to me, it now appears that you are now suggesting that the Governor's Council, Mrs. Burkey and myself are all Respondents in a complaint filed with the Commission. I did not understand that from the letter I received yesterday directed to me as Chairman. My earlier fax to you was based on my misunderstanding that the letter addressed to me as Chairman of the Governor's Council was alleging a claim against the Governor's Council.

The letter to Mrs. Burkey encloses the same complaint as the letter to me. The enclosed complaint is not against the Governor's Council, Mrs. Burkey, or me and you have cited no statutory or regulatory provision that would involve a violation by any of us. The respondents named in the complaint are the "Nebraska Democratic State Central Committee and the 'Nebraskans for Nelson Committee.'"

As I mentioned in my earlier correspondence of this date, before responding to a complaint, I believe the Governor's Council and I are entitled to know the nature of the complaint against us (rather than the nature of the complaint against others). Therefore, if you could please provide a copy of the complaint against the Governor's Council and me, we will be happy to provide appropriate response.

In view of the inadequate information I have been provided at this time, I do not wish the matter to be made public.

Yours Truly,

  
Steven D. Burns

SDB:sb

96\council\seal1008b.nsb

- 2  
Steven D. Burns
- James D. McFarland
- 7  
Brad Roth
- Jeffrey S. Schmidt

9304

3400 "O" Street  
P.O. Box 30533  
Lincoln, NE 68508-0533  
402-474-1513  
FAX 402-474-6072

October 8, 1996

Mrs. Constance Burkey  
3030 S. 27th Street  
Lincoln, Nebraska

Mailed and Telecopied on the above date

Ms. Colleen T. Sealander, Attorney  
Central Enforcement Docket  
Federal Election Commission  
999 E Street NW  
Washington, D.C. 20463

RE: MUR 4483

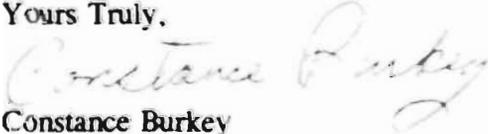
Dear Ms. Sealander:

I am in receipt of a letter from you dated October 3, 1996 addressed to Constance Burkey, Treasurer of the Governor's Council stating that I am a Respondent in a complaint filed with the Commission. The enclosed complaint is not against me and you have cited no statutory or regulatory provision that would involve a violation by me, so far as I know. The respondents named in the complaint are the "Nebraska Democratic State Central Committee and the 'Nebraskans for Nelson Committee.'"

Before responding to a complaint, I believe I am entitled to know the nature of the complaint against me (rather than the nature of the complaint against others). Therefore, if you could please provide a copy of the complaint against the me, I will certainly provide a response.

In view of the inadequate information I have been provided at this time, I do not wish the matter to be made public.

Yours Truly,

  
Constance Burkey

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ATTORNEYS AT LAW

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
Oct 15 3 35 PM '96

October 9, 1996

Ms. Colleen T. Sealander, Attorney  
Central Enforcement Docket  
Federal Election Commission  
999 E Street NW  
Washington, D.C. 20463

3  
Steven D. Burns  
James D. McFarland  
7  
Brad Roth  
3  
Jeffrey S. Schmidt

RE: MUR 4483

Dear Ms. Sealander:

Pursuant to our telephone conversation of this date, on behalf of the Governor's Council, Connie Burkey, its assistant treasurer and me, I request that we be provided an extension of time to October 30, 1996, within which to respond to the information we have been provided. Connie Burkey is out of the state until Monday, October 14, 1996, and I will be in New Jersey from October 14 through 19, 1996, taking depositions.

As I understand from our conversation, the Federal Election Commission is not intending to provide any further information to us. A separate complaint has not been filed against either the Council, Mrs. Burkey, or me.

Thank you for your consideration on the extension of time.

Yours Truly,  
FOR THE FIRM

Steven D. Burns

SDB:sb  
F:\j\m\c\1\seal1109.nep



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 22, 1996

Steven D. Burns, Esq.  
Burns & Associates  
3400 O Street  
P.O. Box 30333  
Lincoln, N.E. 68503-0333

RE: MUR 4483

Dear Mr. Burns:

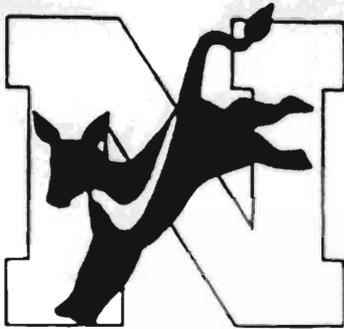
This is in response to your letter dated October 9, 1996 which we received on October 15, 1996 requesting an extension to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on October 30, 1996.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Erik Morrison, Paralegal  
Central Enforcement Docket

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# Nebraska Democrats

715 South 14th Street ★ Lincoln, Nebraska 68508  
(402) 475-4584 ★ 800-742-0025 ★ FAX (402) 475-4639

20 October 1996

Ms. Colleen T. Sealander, Attorney  
Central Enforcement Docket  
Federal Election Commission  
999 E Street, NW  
Washington, D.C. 20463

RE: MUR 4483

Dear Ms. Sealander:

On or about October 7, 1996, the Nebraska Democratic Party received a copy of the complaint filed with the F.E.C. by Craig Engle, General Counsel of the National Republican Senatorial Campaign Committee. The complaint is referenced as MUR 4483.

I am Legal Counsel for the Nebraska Democratic Party and have been designated by Deb Hardin Quirk, Chairman of the Nebraska Democratic Party, as Counsel in this matter. Gerry Finnegan, the Treasurer for the Nebraska Democratic Party AKA the Nebraska Democratic State Central Committee has already signed a Designation of Counsel form designating me as Counsel.

Mr. Engle's complaint is essentially the same as the Complaint filed by Andy Abboud, Executive Director of the Nebraska Republican Party at MUR 4372, with a new twist for a new press opportunity.

You may contact me at: Margaret Ann Badura, 3815 Davenport Street, Omaha, NE 68131, Direct Phone: 402 444-7935, Home Phone: 402 558-2931, FAX 402 475-4639. Please send an additional copy of all correspondence to Deb Hardin Quirk at the State Party address, which is 715 South 14th Street, Lincoln, NE 68508.

As Legal Counsel in this matter, I respectfully move for a 20 day continuance beyond the 15 day response date outlined in the "Description of Preliminary Procedures". The continuance is necessary in order to further research the facts and issues. In addition, I have had several cases in my regular legal practice that have required my time and attention.

I look forward to working with you.

Sincerely,

*Margaret Ann Badura*

Margaret Ann Badura  
Legal Counsel

OCT 23 2 32 PM '96

FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

9 3 0 4 3 9 7 5 4 3 6

**KENNEDY, HOLLAND, DELACY & SVOBODA**

ATTORNEYS AT LAW

KENNEDY HOLLAND BUILDING  
10304 REGENCY PARKWAY DRIVE  
OMAHA, NEBRASKA 68114-3743  
FACSIMILE (402) 397-7824  
(402) 397-0203

RAYMOND E. WALDEN  
MARK E. NOVOTNY  
DONALD L. KRFTNER, JR.  
DAVID J. SCHMITT  
WILLIAM R. BETTLES  
CORAL L. HEBBION  
JENNIFER W. JERRAM  
MATTHEW B. SUNNING  
JAMES W. ANDROSE II  
MICHAEL S. DEBAN  
WILLIAM J. BIANCO  
FREDERICK T. HARRIS

OF COUNSEL  
FRANK J. BARRETT

October 28, 1996

R. A. SKOCHDOPOLE  
THOMAS R. BURKE  
C. E. HEAREY, JR.  
LYMAN L. LARSEN  
WILLIAM T. OAKES  
WILLIAM H. LANSON, JR.  
JEFFREY D. TOBERER  
ROBERT J. MURRAY  
ROBERT F. CRAIG  
JON S. REID  
DANIEL P. CHESIRE  
WILLIAM R. JOHNSON  
NEIL B. DANBERG, JR.  
MICHAEL J. DUGAN  
PATRICIA A. ZIEG  
DIANE C. SONDERGORN  
FRANK M. SCHEPERS  
STEVEN D. JOHNSON  
KAREN M. SHULER  
PATRICK O. VIFOND

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
OCT 29 6 08 PM '96

Colleen T. Sealander, Attorney  
Central Enforcement Docket  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

VIA FACSIMILE: (202) 219-3923

RE: MUR 4483

Dear Ms. Sealander:

We have just been asked by Governor Ben Nelson to serve as his counsel in this matter. Robert A. Skochdopole will serve in that capacity.

We are responding to the complaint as referenced above.

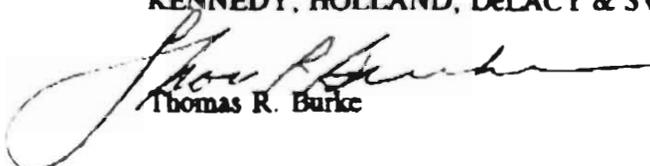
Mr. Skochdopole will return to the office on November 2, 1996, and will begin his review of the complaint and research the facts and issues involved at that time. We respectfully move for a continuance of the formal response date to a date certain to wit: November 18, 1996.

A Statement of Designation of Counsel is attached.

Thank you for your consideration of this matter.

Respectfully submitted,

KENNEDY, HOLLAND, DeLACY & SVOBODA

  
Thomas R. Burke

TRB/jve

cc: Governor Ben Nelson  
Margaret Ann Badura

93043375437

**STATEMENT OF DESIGNATION OF COUNSEL**

MUR 6483

NAME OF COUNSEL: Robert A. Stockdopole

FIRM: KENNEDY, HOLLAND, DELACY & SVOBODA

ADDRESS: 10306 Regency Parkway Drive  
Omaha, NE 68114

TELEPHONE: (402 ) 397-0203

FAX: (402 ) 397-7824

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.

10-29-96  
Date

*E. Benjamin Nelson*  
Signature

RESPONDENT'S NAME: E. Benjamin Nelson  
Candidate for Senate

ADDRESS: 2912 S. 84th Street, Ste B  
Omaha, NE 68124

TELEPHONE: HOME ( )

BUSINESS (402 ) 343-1006

9-3 0 4 3 9 7 5 1 3 8



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 6, 1996

Robert A. Skochdopole, Esq.  
Thomas R. Burke, Esq.  
Kennedy, Holland, DeLacy & Svoboda  
Kennedy Holland Building  
10306 Regency Parkway Drive  
Omaha, NE 68114-3743

RE: MUR 4483  
Nebraskans for Nelson, Michael  
Shrier, Treasurer

Dear Messrs Burke and Skochdopole:

This is in response to your letter dated October 28, 1996 which we received on October 29, 1996 requesting an extension to respond to the complaint filed in the above-noted 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 November 18, 1996.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Erik Morrison, Paralegal  
Central Enforcement Docket

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ATTORNEYS AT LAW

October 29, 1996

NOV 1 3 05 PM '96

FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Ms. Colleen T. Sealander  
Attorney at Law  
Central Enforcement Docket  
Federal Election Commission  
999 "E" Street NW  
Washington, D.C. 20463

RE: MUR 4483

Dear Ms. Sealander:

You have requested a response from me regarding the "Complaint against the Nebraska Democratic State Central Committee and the "Nebraskans for Nelson Committee", Michael A. Shrier, Treasurer", even though I have not been named as a respondent in the complaint. While it is not particularly clear, it appears that the element which is applicable to me is the paragraph found on page 3 of the complaint which reads,

"Upon information and belief, respondents have coordinated a systematic effort to "convert" excessive personal and corporate contributions from a non-federal account for the benefit of the Respondent Nelson Committee through a series of transfers from the "Governor's Council" to the Respondent Central Committee and subsequent disbursements to Shorr and Associates, Inc. for preparation and erring of the advertisements at issue in this complaint."

Based on this assumption, I will proceed.

Background

The Governor's Council is an independent committee under the laws of the State of Nebraska. Michael Fehey and I are the persons in control of the disposition of all funds received by the Governor's Council Committee (the World Herald article recognized this). Over the years, the committee has paid for activities of the Governor of the State of Nebraska and his wife which are not covered by state funds. The Governor's Council also assisted in retiring the campaign debt by Governor Nelson resulting from his first gubernatorial election, and has made significant contributions to a number of state and local candidates.

Under Nebraska law, the Governor's Council is permitted to receive both individual and corporate funds. Any independent political committee, may make expenditures on behalf of any candidate or ballot issue it chooses. Governor Nelson has submitted to the Governor's Council requests for payment or reimbursement of expenses resulting from his involvement in the National Governors' Association, regional governors' organizations, and other similar activities for which there is no state funding made available to him. These requests have not uniformly been granted. Even

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- 6 Steven D. Burns

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- 4 James D. McFarland

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- 7 Brad Roth

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- 3 Jeffrey S. Schmidt

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3400 "O" Street  
P.O. Box 30333  
Lincoln, NE 68503-0333  
402/474-1513  
FAX: 402/474-6072



A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

though these transactions are not of a political nature, the Governor's Council has uniformly disclosed all of its contributions and expenditures.

In the late fall of 1994, the Governors Council explored alternatives available for additional uses of the funds ranging from gifts to charitable organizations to the possibility of activity in the federal arena. During the late fall of 1994 and early 1995, alternatives were researched. Communication was had with the Federal Election Commission. None of these issues were limited to means of assisting only Governor Nelson in his political efforts.

Based on the research done at the time and in an effort to mesh both state and Federal law together, in the area you are now questioning, it appeared that there were, in fact, two methods of becoming involved in a federal campaign. We determined that prior to pursuing either of these alternatives, we would seek an advisory opinion. Since neither option was pursued, no opinion was requested. One involved dissolution of the Governor's Council (required by State law in order to refund money to donors) and refunding of money to those who had contributed coupled with an effort to seek an exchange of that money for a contribution to a specific federal candidate. The other involved registering the Governor's Council as a federal qualifying committee, which would involve some sort of an accounting process to determine which of the funds in the committee could be utilized in a federal campaign and which could not. It was recognized that in neither event could all of the Governor's Council funds find their way into a federal campaign.

The Newspapers

When it became apparent that Senator Exon would not run for re-election and that Ben Nelson might run for the Senate seat, I received calls from several reporters on the subject of what money might be available to the Ben Nelson should he choose to run for the U.S. Senate. I felt, and continue to feel that the questions of how funds might be used was covered by attorney client privilege and so advised the reporters. Neither I, nor anyone else associated with the Governor's Council has ever described funds of the Governor's Council as being, belonging to, or under the control of Ben Nelson. I am not responsible for the accuracy (or lack thereof) of newspapers. As Mr. Jewell has recently depicted, the media is a terrible source of reliable information. Reporting that Governor's Council funds were Nelson's funds was done in spite of specific statements to the contrary by me and does not reflect the truth or any conversation any reporter has had with me or anyone else associated with the Governor's Council. You will note that in the first paragraph of the second column of the Omaha World Herald article, it points out "the Governor's Council, . . . is controlled by Burns and Omaha attorney Mike Fahey." Mr. Fahey is not an attorney, but otherwise the quotation is accurate.

The article by Henry Cordes quotes me as saying "They're just wrong." This comment was made in response to a question of what I thought about the view point of some Republicans that there is no legal way in which money in the Governor's Council could be used in a Federal campaign. As was pointed out in the earlier two articles, others had suggested a number of ways that could happen. We felt our contact with the FEC had revealed

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- 2 Steven D. Burns

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- 4 James D. McFarland

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- 7 Brad Roth

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- 3 Jeffrey S. Schmidt

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A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

other ways. And it appears that even the FEC official quoted in the Journal Star indicated "That's not to say that the funds couldn't be used at all."

After carefully reading the articles attached to the complaint, I fail to see an issue to which we should respond. The newspaper articles are accurate to the extent that I told reporters that the Governor's Council had researched the prospect of becoming involved in federal campaigns. I did not indicate any method, plan or even intention to do anything with Governor's Council funds. We had made no decision at that time and told any reporter who asked that we had made no decision. Others apparently engaged in speculation and rumination, but not Connie Burkey, the Governor's Council, or me.

In mid to late April, 1996, representatives of the Nebraska State Democratic Party made inquiry of the Governor's Council as to whether it would be willing to make a significant contribution to the Party. The State Democratic Party clearly knew that the source of the funds was a state qualified independent committee with combined individual and corporate contributions and it was our expectation that the committee would utilize the funds lawfully. I do not know what was done with the funds after the contribution was made by the Governor's Council. No one from the Governor's Council participated in the decision of what to do with the money contributed. The advertisements upon which the complaint is based were not previewed or approved by the Governor's Council, Connie Burkey, Mike Fahey, or me; nor did we seek to do so.

The only involvement that Ms. Burkey has had in this is to sign the reports filed with the Nebraska Accountability and Disclosure Commission and to countersign checks or transfers which I authorized. She participate in no other way in the facts described in the complaint.

If I can be of further assistance in your investigation, please do not hesitate to contact me.

Yours Truly,

Steven D. Burns

SDB:bb  
cc: Mike Fahey  
Constance Burkey

95-236 (Steven Council) Seal 1029.nzb

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- 6 Steven D. Burns

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- 5 James D. McFarland

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- 3 Brad Roth

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- 3 Jeffrey S. Schmidt

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Nov 13 12:07 PM '96

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of: ) MUR # 4483  
)  
The Nebraska Democratic Party ) Response to FEC Complaint  
) Filed By  
) National Republican Senatorial  
) Campaign Committee

NATURE OF THE MATTER

On or about September 23, 1996, the National Republican Senatorial Campaign Committee (RSCC) filed a complaint with the Federal Election Commission (FEC) alleging that the Nebraska Democratic Party (NDP) violated the Federal Election Commission Act (FECA) regarding paid political advertisements. The RSCC Complaint involves the same situation and facts previously complained of by the Nebraska Republican Party (NRP) at MUR #4372.

The fact that this Complaint filed by the RSCC was accompanied by a news release to Nebraska media outlets in order to create a negative news story about Governor Nelson and/or the Nebraska Democratic Party makes this Complaint disingenuous at best, and a fraud on the FEC at worst.

The RSCC's claims are without merit and should be dismissed.

FACTUAL BACKGROUND AND THE LAW

The allegations raised by the RSCC have already been addressed at MUR #4372, the Nebraska Democratic Party's Response to the FEC Complaint Filed by the Nebraska Republican Party, a copy of which is attached and incorporated herein by reference.

CONCLUSION

Based on the facts and evidence, the Nebraska Democratic Party respectfully requests that the Commissioners of the Federal Election Commission dismiss the RSCC's Complaint. The Nebraska Democratic Party has acted within the parameters of the FECA and the FEC's Advisory Opinion of 1995.

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Respectfully Submitted,

Margaret Ann Badura

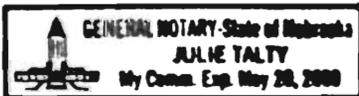
Margaret Ann Badura  
Legal Counsel,  
Nebraska Democratic Party  
Nebraska Democratic State  
Central Committee  
Gerry Finnegan, Treasurer

3815 Davenport Street  
Omaha, NE 68131

(402) 558-2931

Subscribed and sworn before me on this 12<sup>th</sup> day of November,  
1996.

Julie Talty



93043375494



Exhibit B is a copy of the NDP ad entitled "Boxer". "Boxer" addresses the NRP's negative radio ads regarding crime and Don Stenberg's responsibility with respect to those ads. Mr. Stenberg, as Nebraska's Attorney General, is a state office holder. As Attorney General, Mr. Stenberg is the state's chief prosecuting attorney. The text of the ad addresses juvenile crime, Governor Nelson's assistance with crime fighting tools for local law enforcement, and enforcement of the death penalty--all state issues. The NDP accordingly financed this ad with funds from the NDP's state [nonfederal] account.

Exhibit A is a copy of the NDP ad entitled "Queen". "Queen" addressed the NRP'S deceptive and negative ads against Ben Nelson as well as Chuck Hagel's responsibility for those ads as a leading Republican in the state, and an aspiring Senate candidate. The ad does not call for his defeat, because the NDP did not seek the election or defeat of either one of the Republican candidates, including Mr. Hagel who was then competing for the Republican nomination. The concern of the NDP ad lay with the tactics of the Republican Party, not with the fortunes of the Republican candidates for their party's nomination to the Senate. Already, by the date of this ad, the Omaha World Herald had stated that the GOP's actions in running the 'Tax Ad' attacking Ben Nelson were "libelous both expressly and by implication." Mr. Hagel is identified with Republican Party policies and positions, and is indeed accountable along with other Republican leaders for allegations in the NRP's paid advertising.

#### THE LAW

The Republican advertisement attacking Governor Nelson made no mention of his federal candidacy, or the pending election to the Senate. The text of the ad concerned with the Governor's record on crime focused on issues allegedly relevant to public evaluation of his performance as Governor. Consequently, the Nebraska Democratic Party responded to the ad in the same vein--as a defense of a Nebraska Governor on Nebraska issues. In view of the focus of the Republican ad, the Party properly included within the response commentary on the record on law enforcement of the responsible Republican state official, Attorney General Stenberg.

Like the Republican Party, the NDP financed this exchange regarding a state official's performance on state issues on a 100% nonfederal basis. The 441a(d) limits are not implicated by these ads.

Nor does the advertisement citing the political history of Hagel implicate those limits. Rather, that ad was designed to undermine the credibility of the Republican attacks on Nelson's stewardship of the state. The ad avoided express advocacy of Hagel's candidacy (at the time he was in a competitive Republican primary), but sought to discredit the Republican ad campaign as a whole, to the detriment of the Republican party and all of its candidates. While Hagel is not a federal or state official, he is widely known to the public and press as a Republican, and now as candidate for the Senate. To the extent that the NRP's ads appealed to concerns by Nebraskans about Nebraska crime and

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tax rates, it was appropriate in the NDP's view to point out that Mr. Hagel, as a member of the Republican ranks, was a "carpetbagger"--someone with only recent and weak ties to the state. The financing of the advertisement was allocated between the NDP's federal and nonfederal accounts, in accordance with Advisory Opinion 1995-25, in keeping with the purpose of the ad to strengthen Democratic loyalties across-the-board, and to counter the aggressive Republican attacks on Nelson.

#### CONCLUSION

Based on the facts and evidence, the Nebraska Democratic Party respectfully requests that the Commissioners of the Federal Election Commission dismiss the Nebraska Republican Party's Complaint. The Nebraska Democratic Party has acted within the parameters of the FECA and the FEC's Advisory Opinion of 1995.

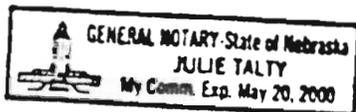
Respectfully Submitted,

Margaret Ann Badura

Margaret Ann Badura  
Legal Counsel,  
Nebraska Democratic Party  
Nebraska Democratic State Central  
Committee  
Gerry Finnegan, Treasurer

3815 Davenport Street  
Omaha, NE 68131  
(402) 558-2931

Subscribed and sworn before me on this 9th day of July, 1996.



NEBRASKA DEMOCRATIC PARTY  
MAR 2, 1996  
T.V. AD - "BOXER"  
30 sec.

VIDEO

White type on a black screen:  
Don Stanberg is responsible  
for the negative radio ads  
against Ben Nelson.

Type on screen: One ad tries  
to criticize Ben Nelson on the  
issue of crime.

Headline: "Stanberg Says Nelson  
Crime Bill Hits The Mark"

Film footage of teenagers  
robbing convenience store

Film footage of high-tech  
fingerprint lab.

Film footage of Ben walking  
with a cop and a man in a suit  
at a prison.

SUPER logo: Governor Ben Nelson.  
He's fighting for a safer Nebraska

AUDIO

ANNCR: Don Stanberg is  
responsible for the  
negative radio ads  
against Ben Nelson.

One ad tries to criticize  
Ben Nelson on the issue  
of crime.

C'mon

Ben Nelson is tough on  
crime and Don Stanberg  
knows it!

Ben Nelson has pushed to  
build the state's first  
maximum security prison  
for juveniles.

He's given law  
enforcement the tools  
they need to fight back.

And Ben Nelson has voted  
to enforce every death  
penalty and life sentence  
he's reviewed.

Governor Ben Nelson.  
He's fighting for a safer  
Nebraska.

93043875423  
Exhibit B

NEBRASKA DEMOCRATIC PARTY  
MAY 2, 1996  
T.V. - Ad "QUEER"  
18 SEC.

VIDEO

White type on a black screen:  
Chuck Hagel and Republican  
Party insiders are responsible  
for the negative ads against  
Ben Nelson.

Freeze frame of Hagel's ad of  
him in car. Type over still:  
Hagel has been deceiving us  
about his own record.

Map of Virginia on screen.  
Type over still: For almost  
the last twenty years, Hagel  
has lived in Virginia.  
Source: Official Virginia Records

Map stays up. Type on screen:  
Hagel even considered running  
for Governor of Virginia in  
1993.  
Source: Omaha World-Herald

Type on screen: Now he thinks  
he can just walk in and run for  
U.S. Senator from Nebraska?

Type on screen: Nebraska deserves  
better.

AUDIO

ANNCR: Chuck Hagel and  
Republican Party insiders  
are responsible for the  
deceptive, negative ads  
against Ben Nelson.

But we shouldn't be  
surprised. Because Hagel  
has deceived us about his  
about his own record.

For almost all of the  
last twenty years, Hagel  
has lived in Virginia.

Hagel even considered  
running for Governor of  
Virginia in 1993.

Now he thinks he can just  
walk in and run for U.S.  
Senator from Nebraska?

That's not the way things  
work here.

22043973122  
Exhibit A

**KENNEDY, HOLLAND, DELACY & SVOBODA**

**ATTORNEYS AT LAW**

KENNEDY HOLLAND BUILDING

10306 REGENCY PARKWAY DRIVE

OMAHA, NEBRASKA 68114-3743

FACSIMILE (402) 397-7824

(402) 397-0203

PATRICK G. VIPOND  
MARK E. NOVOTNY  
RAYMOND E. WALDEN  
DONALD L. ERFTMIER, JR.  
DAVID J. SCHMITT  
WILLIAM R. SETTLES  
CONAL L. HESSIEN  
JENNIFER W. JERRAM  
MATTHEW G. DUNNING  
JAMES W. AMBROSE II  
MICHAEL S. DEGAN  
WILLIAM J. BIANCO  
FREDERICK T. HARRIS

OF COUNSEL

FRANK J. BARRETT

\*ALSO ADMITTED IN IOWA

R. A. SKOCHDOPOLE  
THOMAS R. BURKE  
C. E. HEANEY, JR.  
LYMAN L. LARSEN  
WILLIAM T. OAKES  
WILLIAM M. LAMSON, JR.  
JEFFREY D. TOBERER  
ROBERT J. MURRAY  
ROBERT F. CRAIG  
JON S. REID  
DANIEL P. CHESIRE  
WILLIAM R. JOHNSON  
NEIL B. DANBERG, JR.  
MICHAEL J. DUGAN  
PATRICIA A. ZIEG  
DIANE C. SONDEREGGER  
FRANK M. SCHEPERS  
STEVEN D. JOHNSON  
KAREN M. SHULER

November 11, 1996

Mr. Erik Morrison  
Office of the General Counsel  
Federal Election Commission  
999 E. Street, NW  
Washington, D.C. 20463

RE: MUR 4483

Dear Erik:

Enclosed please find the original Statement of Designation of Counsel for Nebraskans for Nelson Committee and Michael A. Shrier, Treasurer, a copy of which was faxed to you November 11, 1996.

If you have any questions, I would be pleased to oblige.

Sincerely,

KENNEDY, HOLLAND, DeLACY & SVOBODA



R. A. Skochdopole

RAS/jve

Enclosure

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
NOV 14 12 23 PM '96

9 8 0 4 3 8 7 5 5 0 2

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4483

NAME OF COUNSEL: Robert A. Skochdopole

FIRM: KENNEDY, HOLLAND, DeLACY & SVOBODA

ADDRESS: 10306 Regency Parkway Drive  
Omaha, NE 68114

TELEPHONE: (402) 397-0203

FAX: (402) 397-7824

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.

11/07/96  
Date

Michael Shrier  
Signature

RESPONDENT'S NAME: Nebraskans for Nelson Committee and  
Michael A. Shrier, Treasurer

ADDRESS: 2912 S. 84th Street, Ste B  
Omaha, NE 68124

TELEPHONE: HOME( ) \_\_\_\_\_

BUSINESS( 402 ) 343-1006

Nov 14 12:13 PM '96

OFFICE OF  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

23043875501

**KENNEDY, HOLLAND, DELACY & SVOBODA**

**ATTORNEYS AT LAW**

KENNEDY HOLLAND BUILDING

10306 REGENCY PARKWAY DRIVE

OMAHA, NEBRASKA 68114-3743

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WILLIAM R. SETTLES  
CONAL L. HESSON  
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MATTHEW G. DUNNING  
JAMES W. AMBROSE II  
MICHAEL S. DEGAN  
WILLIAM J. BIANCO  
FREDERICK T. HARRIS

OF COUNSEL

FRANK J. BARRETT

ALSO ADMITTED IN IOWA

R. A. SKOCHDOPOLE  
THOMAS R. BURKE  
C. E. HEANEY, JR.  
LYMAN L. LARSEN  
WILLIAM T. OAKES  
WILLIAM M. LAMSON, JR.  
JEFFREY D. TOBERER  
ROBERT J. MURRAY  
ROBERT F. CRAIG  
JON S. REID  
DANIEL P. CHESIRE  
WILLIAM R. JOHNSON  
NEIL B. DANBERG, JR.  
MICHAEL J. DUGAN  
PATRICIA A. ZIEG  
DIANE C. SONDEREGGER  
FRANK M. SCHEPERS  
STEVEN D. JOHNSON  
KAREN M. SHULER

November 15, 1996

VIA FED EX

Ms. Colleen T. Sealander, Attorney  
Central Enforcement Docket  
Federal Election Commission  
999 E. Street, NW  
Washington, DC 20463

RE: MUR 4483

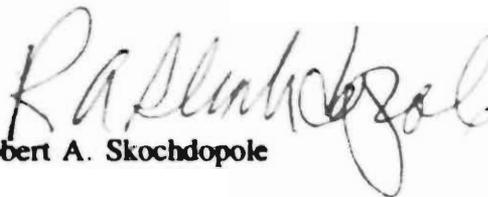
Dear Ms. Sealander:

I am enclosing herewith the Response to the FEC Complaint of the Nebraska Senatorial Campaign Committee by the Nebraskans for Nelson Committee and Michael A. Shrier, Treasurer.

If you have any questions in regard to the above I would be pleased to respond.

Yours very truly,

KENNEDY, HOLLAND, DeLACY & SVOBODA

  
Robert A. Skochdopole

RAS/jve

Enclosure

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
NOV 18 2 54 PM '96

93043875502

BEFORE THE FEDERAL ELECTION COMMISSION

Nov 18 2 54 PM '96

In RE: The FEC Complaint	)	
filed by the National Republican	)	MUR 4483
Senatorial Campaign Committee	)	
against the Nebraska Democratic	)	
State Central Committee,	)	RESPONSE OF NEBRASKANS
the "Nebraskans for Nelson	)	FOR NELSON COMMITTEE AND
Committee, and Michael A. Shrier,	)	MICHAEL A. SHRIER,
Treasurer".	)	TREASURER
	)	
	)	

NATURE OF COMPLAINT

On or about September 26, 1996, the National Republican Senatorial Campaign Committee (NRSC) filed a complaint with the Federal Election Commission alleging that the Nebraskans for Nelson Committee and Michael A. Shrier, Treasurer, amongst others, violated certain section of the Federal Election Commission Act (FECA) regarding the use of funds for certain paid political advertisements. It is the belief of the Respondent that this complaint involves the same set of facts previously complained of by the Nebraska Republican Party on or about May 28, 1996, in MUR 4372.

FACTUAL BACKGROUND

The NRSC has filed a series of similar complaints regarding issue advertisements recently run by the various state Democratic Parties around the Country. They have alleged that certain advertisements financed by the State Democratic Party violates the Federal Election Campaign Act of 1971, 2 U.S.C. §§ 431 et seq.

ARGUMENT

It is the position of the Respondents that because the advertisements in question did not expressly advocate the election or defeat of a clearly identified candidate they were properly treated as administrative expenses of the party. The NRSC alleges that the respondents coordinated a systematic effort to convert excessive personal and corporate contributions from a non federal account for the benefit of the respondent. These allegations are purportedly supported by a series of quotes from news articles which, by themselves, do not constitute reliable evidence in any tribunal.

The NRSC further alleges that because the advertisements complained of were placed by the Nebraska Democratic State Central Committee with the firm of Shorr and Associates, Inc., a

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Philadelphia - based medica house, which was the same media firm that was later employed by the Nebraskans for Nelson Committee is fact enough to establish "prima facia evidence of coordination" between the respondents in this matter. It would seem to respondent that this is a tribute to the efficacy of the advertising firm of Shorr and Associates, Inc. rather than any prima facia evidence of coordination between respondents.

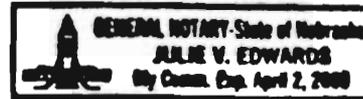
Neither the Nebraskans for Nelson Committee nor Michael A. Shrier, Treasurer, have authorized the use of or used any funds in a manner violative of the provisions of the Federal Election Campaign Act of 1971, 2 U.S.C. §§ 431 et seq. and therefore respectfully request that the above entitled complaint be dismissed.

Nebraskans for Nelson Committee  
and Michael A. Shrier, Treasurer

By: R.A. Skochdopole  
R.A. skochdopole, Their Attorney  
KENNEDY, HOLLAND, DeLACY & SVOBODA  
10306 Regency Parkway Drive  
Omaha, NE 68114  
(402) 397-0203

Subscribed and sworn to before me on this 15th day of  
November, 1996.

Julie V. Edwards  
Notary Public



93043875504

**STATEMENT OF DESIGNATION OF COUNSEL**

FEDERAL ELECTORAL COMMISSION MAIL ROOM

MUR 4483

NAME OF COUNSEL: Margaret Ann Badura

Nov 25 1 03 PM '96

FIRM: \_\_\_\_\_

ADDRESS: 3815 Davenport Street

Omaha, NE 68131

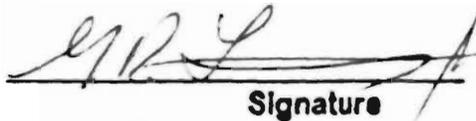
TELEPHONE: ( 402 ) 444-7935 or (h) ( 402 ) 558-2931

FAX: ( 402 ) 475-4639

NOV 25 3 04 PM '96  
RECEIVED  
FEDERAL ELECTORAL COMMISSION  
OFFICE OF GENERAL

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.

11/15/96  
Date

  
Signature

Gerry Finnegan, Treasurer  
Nebraska Democratic State Central Committee AKA  
Nebraska Democratic Party  
State Account

RESPONDENT'S NAME: Nebraska Democratic State Central Committee  
Nebraska Democratic Party  
State Account

ADDRESS: 715 South 14th Street

Lincoln, NE 68508

TELEPHONE: HOME ( 402 ) 475-2146

BUSINESS ( 402 ) 477-3739

The Nebraska Democratic State Central Committee and the Nebraska Democratic Party are interchangeable names for the same entity.

9304387505

**STATEMENT OF DESIGNATION OF COUNSEL**

MUR 4483

NAME OF COUNSEL: Margaret Ann Badura

FIRM: \_\_\_\_\_

ADDRESS: 3815 Davenport Street

Omaha, NE 68131

TELEPHONE: ( 402 ) 444-7935 or (h) ( 402 ) 558-2931

FAX: ( 402 ) 475-4639

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.

11/15/96  
Date

  
Signature

Gerry Finnegan, Treasurer  
Nebraska Democratic State Central Committee  
Nebraska Democratic Party  
Federal Account

RESPONDENT'S NAME: Nebraska Democratic State Central Committee AKA  
Nebraska Democratic Party  
Federal Account

ADDRESS: 715 South 14th Street

Lincoln, NE 68508

TELEPHONE: HOME ( 402 ) 475-2146

BUSINESS ( 402 ) 477-3739

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9304397503

**STATEMENT OF DESIGNATION OF COUNSEL**

MUR 4483

NAME OF COUNSEL: Margaret Ann Sadura

FIRM: \_\_\_\_\_

ADDRESS: 3815 Davenport Street  
Omaha, NE 68131

TELEPHONE: ( 402 ) 444-7935 or (h) ( 402 ) 558-2931

FAX: ( 402 ) 475-4639

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.

11/15/96  
Date

  
Signature  
Gerry Finnegan, as Treasurer

RESPONDENT'S NAME: Nebraska Democratic State Central Committee AKA  
Nebraska Democratic Party

ADDRESS: 715 South 14th Street  
Lincoln, NE 68508

TELEPHONE: HOME ( 402 ) 475-2146

BUSINESS ( 402 ) 477-3739

The Nebraska Democratic State Central Committee and the Nebraska Democratic Party are interchangeable names for the same entity.

93043975507

BEFORE THE FEDERAL ELECTION COMMISSION

FEB 17 3 27 PM '03

In the Matter of

)  
)  
)  
)  
)

CASE CLOSURES UNDER  
ENFORCEMENT PRIORITY

GENERAL COUNSEL'S REPORT

I. INTRODUCTION.

The cases listed below have been identified as either stale or of low priority based upon evaluation under the Enforcement Priority System (EPS). This report is submitted to recommend that the Commission no longer pursue these cases.

II. CASES RECOMMENDED FOR CLOSURE.

A. **Cases Not Warranting Further Action Relative to Other Cases Pending Before the Commission**

EPS was created to identify pending cases which, due to the length of their pendency in inactive status or the lower priority of the issues raised in the matters relative to others presently pending before the Commission, do not warrant further expenditure of resources. Central Enforcement Docket (CED) evaluates each incoming matter using Commission-approved criteria which results in a numerical rating of each case

Closing cases permits the

Commission to focus its limited resources on more important cases presently

93043875503

pending before it. Based upon this review, we have identified 16 cases that do not warrant further action relative to other pending matters.<sup>1</sup> The attachment to this report contains summaries of each case, the EPS rating, and the factors leading to assignment of a low priority and recommendation not to further pursue the matter.

### B. Stale Cases

Effective enforcement relies upon the timely pursuit of complaints and referrals to ensure compliance with the law. Investigations concerning activity more remote in time usually require a greater commitment of resources, primarily due to the fact that the evidence of such activity becomes more difficult to develop as it ages. Focusing investigative efforts on more recent and more significant activity also has a more positive effect on the electoral process and the regulated community. In recognition of this fact, EPS provides us with the means to identify those cases which remained unassigned for a significant period due to a lack of staff resources for effective investigation. The utility of commencing an investigation declines as these cases age, until they reach a point when activation of a case would not be an efficient use of the Commission's resources.

<sup>1</sup> These cases are MUR 4631 (Pivot/M. Clure), MUR 4661 (Cox and Amplicon, Inc.), MUR 4667 (Specter & Greenwood), MUR 4668 (Schakowsky for Congress), MUR 4672 (Friends of John O'Toole), MUR 4673 (Papan for Assembly), MUR 4676 (Vermont County Democratic Committee), MUR 4677 (Patrick Kennedy), MUR 4681 (Jack Block), MUR 4683 (Janice Schakowsky for Congress), MUR 4684 (Spartanburg County Republicans), MUR 4694 (Jan Schakowsky for Congress), MUR 4695 (Schakowsky for Congress), MUR 4696 (Janice Schakowsky for Congress), MUR 4703 (Dumont Institute / Robert M. Gre), and Pre-MUR 356 (Pritzker for Congress).

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We have identified cases which have remained on the Central Enforcement Docket for a sufficient period of time to render them stale. We recommend 27 of these cases be closed.<sup>3</sup> Nine of these cases were part of the so-called "Major 96" cases that have not been able to be activated due to a lack of resources to effectively pursue them in a timely fashion.<sup>4</sup> Since the time period rendering them stale has now passed, we recommend their closure at this time.

We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective February 24, 1998. Closing

<sup>3</sup> These cases are: MUR 4350 (Republican Party of Minnesota); MUR 4355 (Aqua-Leisure Industries, Inc.); MUR 4372 (Nebraska Democratic Party); MUR 4394 (Americans for Term Limits); MUR 4472 (Committee to Elect Winston); MUR 4483 (Nebraska Democratic State Central Committee); MUR 4504 (NH Democratic State Party Committee); MUR 4507 (People for Boschritz); MUR 4509 (Wellstone for Senate); MUR 4565 (Bell for Congress); MUR 4570 (Congresswoman Andrea Seastrand); MUR 4571 (Subert for Congress Committee); MUR 4572 (Friends of Dick B. Durbin); MUR 4575 (Dana Corrington); MUR 4585 (Hughes for Congress Committee); MUR 4589 (Congressman Bart Gordon); MUR 4592 (Iowa Public Television); MUR 4593 (Public Interest Institute); MUR 4599 (Bruce W. Hupmayer); MUR 4601 (Christian Nation of Oklahoma); MUR 4602 (WFSB-TV Channel 3); MUR 4604 (Dana Corrington); MUR 4605 (Christian Coalition); Pre-MUR 346 (Coalition of Politically Active Christians); RAD 96NF-09 (O'Sullivan for Congress); RAD 96L-12 (Alaska Democratic Party); and RAD 97NF-02 (Zien for Congress).

<sup>4</sup> These cases are: MUR 4350 (Republican Party of Minnesota); MUR 4372 (Nebraska Democratic Party); MUR 4394 (Americans for Term Limits); MUR 4472 (Committee to Elect Winston); MUR 4483 (Nebraska Democratic State Central Committee); MUR 4504 (NH Democratic State Party Committee); MUR 4507 (People for Boschritz); MUR 4509 (Wellstone for Senate); and MUR 4565 (Bell for Congress).

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these cases as of this date will permit CED and the Legal Review Team the necessary time to prepare closing letters and case files for the public record.

III. RECOMMENDATIONS.

A. Decline to open a MUR, close the file effective February 24, 1998, and approve the appropriate letters in the following matters:

- 1. RAD 96NF-09
- 2. RAD 96L-12
- 3. RAD 97NF-02
- 4. Pre-MUR 346
- 5. Pre-MUR 356

B. Take no action, close the file effective March 2, 1998, and approve the appropriate letters in the following matters:

- 1. MUR 4350
- 2. MUR 4355
- 3. MUR 4372
- 4. MUR 4394
- 5. MUR 4472
- 6. MUR 4483
- 7. MUR 4504
- 8. MUR 4507
- 9. MUR 4509
- 10. MUR 4565
- 11. MUR 4570
- 12. MUR 4571
- 13. MUR 4572
- 14. MUR 4575
- 15. MUR 4585
- 16. MUR 4589
- 17. MUR 4592
- 18. MUR 4593
- 19. MUR 4599
- 20. MUR 4601
- 21. MUR 4602
- 22. MUR 4604
- 23. MUR 4605
- 24. MUR 4631
- 25. MUR 4661
- 26. MUR 4667
- 27. MUR 4668
- 28. MUR 4672
- 29. MUR 4673
- 30. MUR 4676
- 31. MUR 4677
- 32. MUR 4681
- 33. MUR 4683
- 34. MUR 4684
- 35. MUR 4694
- 36. MUR 4695
- 37. MUR 4696
- 38. MUR 4703

93043875511

2/24/98  
Date

Lawrence M. Noble  
Lawrence M. Noble  
General Counsel



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

MEMORANDUM

TO LAWRENCE M NOBLE  
GENERAL COUNSEL

FROM MARJORIE W EMMONS/LISA R. DAVIS  
COMMISSION SECRETARY

DATE FEBRUARY 19, 1998

SUBJECT Case Closures Under Enforcement Priority. General  
Counsel's Report dated February 11, 1998.

The above-captioned document was circulated to the Commission  
on Thursday, February 12, 1998

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

Commissioner Aikens	—
Commissioner Elliott	—
Commissioner McDonald	<u>XXX</u>
Commissioner McGarry	—
Commissioner Thomas	<u>XXX</u>

This matter will be placed on the meeting agenda for

Tuesday, February 24, 1998

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

AGENDA DOCUMENT NO. X98-13

93043875512

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) Agenda Document  
Case Closures Under ) No. X98-13  
Enforcement Priority )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on February 24, 1998, do hereby certify that the Commission took the following actions with respect to Agenda Document No. X98-13:

1. Failed in a vote of 3-2 to pass a motion to approve the General Counsel's recommendations, subject to amendment of the closing date in recommendation A to read March 2, 1998, and subject to deletion of those cases listed in footnote 4 on Page 3 of the staff report.

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

2. Decided by a vote of 5-0 to
- A. Decline to open a MUR, close the file effective March 2, 1998, and approve the appropriate letters in the following matters:
- |                |                |
|----------------|----------------|
| 1. RAD 96NF-09 | 4. Pre-MUR 346 |
| 2. RAD 96L-12  | 5. Pre-MUR 356 |
| 3. RAD 97NF-02 |                |

(continued)

93043375513

B. Take no action, close the file effective March 2, 1998, and approve the appropriate letters in the following matters:

1. MUR 4350	20. MUR 4601
2. MUR 4355	21. MUR 4602
3. MUR 4372	22. MUR 4604
4. MUR 4394	23. MUR 4605
5. MUR 4472	24. MUR 4631
6. MUR 4483	25. MUR 4661
7. MUR 4504	26. MUR 4667
8. MUR 4507	27. MUR 4668
9. MUR 4509	28. MUR 4672
10. MUR 4565	29. MUR 4673
11. MUR 4570	30. MUR 4676
12. MUR 4571	31. MUR 4677
13. MUR 4572	32. MUR 4681
14. MUR 4575	33. MUR 4683
15. MUR 4585	34. MUR 4684
16. MUR 4589	35. MUR 4694
17. MUR 4592	36. MUR 4695
18. MUR 4593	37. MUR 4696
19. MUR 4599	38. MUR 4703

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

Attest:

2-25-98

Date

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

93043875514



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 2, 1998

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Craig M. Engle, Esq.  
General Counsel  
National Republican Senatorial Committee  
Ronald Reagan Republican Center  
425 Second Street, NE  
Washington, DC 20002

RE: MUR 4483

Dear Mr. Engle

On September 26, 1996, 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 exercised its prosecutorial discretion to take no action in the matter. -This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 2, 1998. 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. § 437(g)(a)(8).

Sincerely,

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

93043373515



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 2, 1998

Steven D. Burns, Chairman  
Governors Council  
3400 O Street  
Lincoln, NE 68503

RE: MUR 4483

Dear Mr. Burns:

On October 3, 1996, 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 exercised its prosecutorial discretion to take no action against you. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 2, 1998.

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 Jennifer H. Boyt on our toll-free number, (800) 424-9530. Our local number is (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Andrew Turley".

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

93043873516



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 2, 1998

Margaret Ann Badura, Esq.  
3815 Davenport Street  
Omaha, NE 68131

RE: MUR 4483  
Nebraska Democratic State Central Committee AKA  
Nebraska Democratic Party State Account and Gerry  
Finnegan, Treasurer

Dear Ms. Badura:

On October 3, 1996, the Federal Election Commission notified your clients 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 exercised its prosecutorial discretion to take no action against your clients. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 2, 1998.

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 Jennifer H. Boyd on our toll-free number, (800)-424-9530. Our local number is (202) 694-1650.

Sincerely,

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

03043975517



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 2, 1998

Gerald F. Grant, Treasurer  
Nebraska Democratic State Central Committee (Federal Account)  
715 South 14th Street  
Lincoln, NE 68508

RE: MUR 4483

Dear Mr. Grant:

On October 3, 1996, 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 exercised its prosecutorial discretion to take no action against you. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 2, 1998.

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 Jennifer H. Boyd on our toll-free number, (800) 424-9530. Our local number is (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Andrew Turley".

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20461

March 2, 1998

Robert A. Skochdopole, Esq.  
KENNEDY, HOLLAND, DeLACY & SVOBODA  
10306 Regency Parkway Drive  
Omaha, NE 68114

RE: MUR 4483  
Nebraskans for Nelson Committee and Michael A.  
Shrier, Treasurer

Dear Mr. Skochdopole:

On October 3, 1996, the Federal Election Commission notified your clients 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 exercised its prosecutorial discretion to take no action against your clients. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 2, 1998.

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 Jennifer H. Boyd on our toll-free number, (800)-424-9530. Our local number is (202) 694-1650.

Sincerely,

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

98043875519



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 2, 1998

Constance Burkey, Treasurer  
Governor's Council  
3400 O Street  
Lincoln, NE 68503

RE: MUR 4483

Dear Mrs. Burkey:

On October 3, 1996, 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 exercised its prosecutorial discretion to take no action against the Governor's Council and you, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 2, 1998.

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 Jennifer H. Boyt on our toll-free number, (800)-424-9530. Our local number is (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Andrew Turley".

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4483

DATE FILMED 3/11/98 CAMERA NO. 2

CAMERAMAN EES

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