



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4551

DATE FILMED 9-23-97 CAMERA NO. 4

CAMERAMAN JmH

9704 383 5161



★ DEMOCRATIC  
 ★ CONGRESSIONAL  
 ★ CAMPAIGN COMMITTEE

Martin Frost, TX  
 Chairman

October 30, 1996

Lawrence M. Noble, Esq.  
 Office of the General Counsel  
 Federal Election Commission  
 Sixth Floor  
 999 E. Street, N.W.  
 Washington, D.C. 20463

RECEIVED  
 FEDERAL ELECTION  
 COMMISSION  
 OFFICE OF GENERAL  
 COUNSEL  
 OCT 30 4 13 PM '96

MUR 4551

**Re: complaint Against John N. Hostettler, et al.**

Dear Mr. Noble:

The undersigned files this complaint charging violations of the Federal Election Campaign Act of 1971, as amended ("FECA"), 2 U.S.C. §§ 431 et seq. And related regulations of the Federal Election Commission ("FEC" or the "Commission"), 11 C.F.R. §§ 100.1 et seq., by Congressman John N. Hostettler and Friends of John Hostettler Committee ( the "Committee"), his principal campaign committee (collectively "Respondents").

Last minute contribution reports filed with the FEC by the Committee indicate that Congressman Hostettler has violated the FECA and FEC regulations by accepting excessive contributions. In light of the information discussed below, the undersigned asks the Commission to review the enclosed documents, conduct a thorough and independent investigation of the facts, and to pursue any and all violations of the FECA and commission regulations.

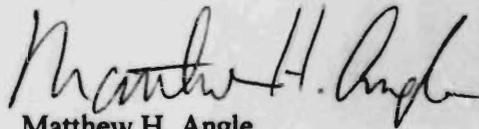
In a 48-hour, last-minute contribution report filed by the Committee, among the contributors listed are two individuals who have already given the maximum contribution to Congressman Hostettler for the general election. Warren J. Hayford, shown as contributing \$1,000 on October, 21 1996, had already been reported by the Committee as making a \$1,000 contribution for the general on June 27, 1996. Mr. C.R. Royal, Jr., reported as contributing \$1,000 also on October 21, 1996, had already been disclosed as contributing \$2,000 (\$1,000 for the primary and \$1,000 for the general) on May 23, 1996. The two contributions received on October 21st, therefore, are in excess of the limits that may be accepted for the general election. 2 U.S.C. § 441a.

97045035162

Even if these illegal contributions are eventually refunded (as the law requires), the availability of the unlawful funds during the critical pre-election period gives Congressman Hostettler an unfair advantage. This is not the first time the Congressman has accepted prohibited contributions to benefit his campaign. The Federal Election Commission has notified the Committee in the past of the prohibition on accepting excessive contributions, yet the excessive funds continue to be deposited in the Committee's account.

The available information suggests that Congressman Hostettler and Friends of Hostettler have violated the FECA and FEC regulations by accepting excessive contributions and subsequently. The FEC should investigate their actions with regard to these matters.

Respectfully Submitted,



Matthew H. Angle  
Executive Director

Subscribed and sworn to before me this 30<sup>th</sup> Day of October, 1996.

My commission expires 10/31/2000.



Notary Public



97043835163

SENT BY: G R & CO.

10-22-96 : 1:08PM : Hostettler Campaign

317 232 8793:8 2

10-21-1996 9:43AM FROM GAITHER RUTH-SARFORD 812 422 2019

P. 3

RECEIVED

56 OCT 22 PM 3:21

INDIANA COMMISSION

### 48 HOUR NOTICE OF CONTRIBUTIONS/LOANS RECEIVED

(See Reporting Rules for Instructions)

To be used to report all contributions including any amount of \$1000 or more received within 48 days of the election

NAME OF CONTRIBUTOR IN FULL  
**FRIENDS OF JOHN HOSTETTLER COMMITTEE**

ADDRESS OF CONTRIBUTOR  
**P. O. Box 3526**

CITY AND STATE  
**EVANSVILLE IN 47734-3526**

NAME OF CANDIDATE  
**JOHN HOSTETTLER**

OFFICE OF CANDIDATE  
**CONGRESS INDIANA**

Any information copied from such Reports and Statements may not be used or sold to any person for purposes of selling securities or for any other purpose other than using the name and address of any person appearing in such contributions for such purposes.

FILE NUMBER  
**C00300970**

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date Received (M, D, Y)	Amount
Otis Booth, Jr. 10877 Wilshire Blvd., Ste. 1407 Los Angeles CA 90024-4341	self Investor/Rancher	10/21/96	1,000.00
Warren J. Mayford 1500 Sheridan Apt. 10E Wilmette IL 60091	BWAY OWNER	10/21/96	1,000.00
D. R. Royal, Jr. 1420 Valley Forge Road Bloomington IN 47401	Royal Automotive CEO	10/21/96	1,000.00
Alice B. Clark 6919 Miles River Road Easton Maryland 21601	Homemaker	10/22/96	1,000.00

REPORTING PERIOD (M, D, Y) \_\_\_\_\_ DATE \_\_\_\_\_

For further information contact:  
 Federal Election Commission  
 100 E Street NW Washington, DC 20543  
 Toll Free 1-800-424-9542, Local 202-418-6400

97043835164



you SCHEDULE A

ITEMIZED RECEIPTS

0000238907

Line: 11a

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 from such committee.

NAME OF COMMITTEE  
FRIENDS OF JOHN ROSTETTLER

A. Mr. C. R. Royal, Jr.  
1420 Valley Forge Rd.  
Bloomington, IN 47401

EMPLOYER: Royal Automotive  
DATE: 04/23/96  
AMOUNT: 1,000.00

Receipt for: Primary

OCCUPATION: CEO  
Aggregate YTD: \$ 2,000.00

B. Mr. C. R. Royal, Jr.  
1420 Valley Forge Rd.  
Bloomington, IN 47401

EMPLOYER: Royal Automotive  
DATE: 04/23/96  
AMOUNT: 1,000.00

Receipt for: General

OCCUPATION: CEO  
Aggregate YTD: \$ 2,000.00

C. Mrs. Jean Royal  
1420 Valley Forge Road  
Bloomington, IN 47401

EMPLOYER:  
DATE: 04/29/96  
AMOUNT: 1,000.00

Receipt for: Primary

OCCUPATION: Housewife  
Aggregate YTD: \$ 1,000.00

D. Mr. Richard M. Scaife  
31 Mellon Bank Center  
525 Wm Penn Place, Ste 3900  
Pittsburgh, PA 15219-1708

EMPLOYER: Tribune Review  
DATE: 06/20/95  
AMOUNT: 1,000.00  
Publishing Co.

Receipt for: General

OCCUPATION: Publisher  
Aggregate YTD: \$ 1,000.00

E. Mr. William G. Schmidt  
862 S. Villa Dr.  
Evansville, IN 47714

EMPLOYER: Self  
DATE: 05/31/96  
AMOUNT: 75.00

Receipt for: General

OCCUPATION: Physician  
Aggregate YTD: \$ 325.00

F. Mr. W. J. Schroeder  
307 Union Federal Bldg.  
Evansville, IN 47708

EMPLOYER: Self  
DATE: 06/24/96  
AMOUNT: 500.00

Receipt for: General

OCCUPATION: Attorney  
Aggregate YTD: \$ 500.00

G. Mrs. Diane Selby  
5744 Cliffmore Dr.  
Newburgh, IN 47630

EMPLOYER:  
DATE: 05/31/96  
AMOUNT: 300.00

Receipt for: General

OCCUPATION: Homemaker  
Aggregate YTD: \$ 300.00

SUBTOTAL of Receipts This Page (optional) 4,875.00

TOTAL This Period (last page this line number only)

97043035165

SCHEDULE A

ITEMIZED RECEIPTS

0000238907

Line: 11a

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 from such committee.

NAME OF COMMITTEE  
FRIENDS OF JOHN HOSTETTLER

A. Mr. Oliver E. Harris  
8121 Carolwood Dr.  
Evansville, IN 47715

EMPLOYER DATE AMOUNT  
Orion Petrol Corp. 06/26/96 100.00

Receipt for: General

OCCUPATION  
Petroleum Engineer  
Aggregate YTD: \$ 300.00

B. Mr. Joseph H. Harrison  
PO Box 1287  
Evansville, IN 47706-1287

EMPLOYER DATE AMOUNT  
Attorney 05/07/96 1,000.00

Receipt for: Primary

OCCUPATION  
Bowers Harrison,  
Kent & Mill  
Aggregate YTD: \$ 1,000.00

C. Mr. Warren J. Hayford  
1500 Sheridan Apt 10L  
Wilmette, IL 60091

EMPLOYER DATE AMOUNT  
Dway 06/27/96 1,000.00

Receipt for: General

OCCUPATION  
Owner  
Aggregate YTD: \$ 1,000.00

D. John P. Hiler  
1210 E. Wayne Street  
South Bend, IN 46615

EMPLOYER DATE AMOUNT  
Hiler Industries Inc. 06/14/96 1,000.00

Receipt for: General

OCCUPATION  
CEO  
Aggregate YTD: \$ 1,000.00

E. Ms. Margaret C. Hill  
4299 N. Kinser Pike  
Bloomington, IN 47404-9496

EMPLOYER DATE AMOUNT  
Retired 06/29/96 500.00

Receipt for: General

OCCUPATION  
Aggregate YTD: \$ 1,000.00

F. Dr. Tony E. Hood  
17001 Schenk Road  
Evansville, IN 47720

EMPLOYER DATE AMOUNT  
Self 06/25/96 500.00

Receipt for: General

OCCUPATION  
Physician  
Aggregate YTD: \$ 1,500.00

G. Esther Hostettler  
305 W. Franklin  
Evansville, IN 47712

EMPLOYER DATE AMOUNT  
Retired 05/31/96 1,000.00

Receipt for: General

OCCUPATION  
Retired  
Aggregate YTD: \$ 1,000.00

SUBTOTAL of Receipts This Page (optional) 5,100.00

TOTAL This Period (last page this line number only)

97043835166



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 5, 1996

Matthew H. Angle, Executive Director  
Democratic Congressional Campaign  
Committee  
430 South Capitol Street  
Washington, DC 20003

RE: MUR 4551

Dear Mr. Angle:

This letter acknowledges receipt on October 30, 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 4551. 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

97043835167



FEDERAL ELECTION COMMISSION

Washington, DC 20463

November 5, 1996

Warren J. Hayford  
1500 Sheridan  
Apt. 10E  
Wilmette, IL 60091

RE: MUR 4551

Dear Mr. Hayford:

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 4551. Please refer to this number in all future correspondence.

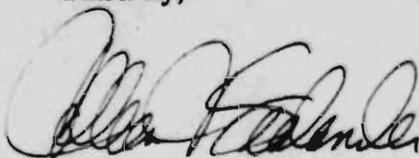
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under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

97043035160

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

97043835169



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 5, 1996

C.R. Royal, Jr.  
1420 Valley Forge Road  
Bloomington, IN 47401

RE: MUR 4551

Dear Mr. Royal:

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 4551. Please refer to this number in all future correspondence.

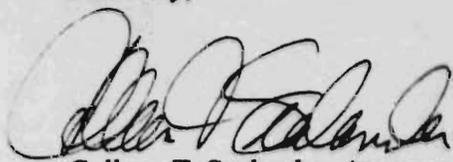
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under 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 § 437j(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.

9704303517C

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

97043835171



FEDERAL ELECTION COMMISSION

Washington, DC 20463

November 5, 1996

Timothy R. Deisher, Treasurer  
Friends of John Hostettler Committee  
PO Box 3676  
Evansville, IN 47735

RE: MUR 4551

Dear Mr. Deisher:

The Federal Election Commission received a complaint which indicates that the Friends of John Hostettler Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4551. Please refer to this number in all future correspondence.

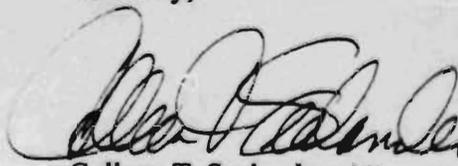
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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

97043835172

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

97043035173



FEDERAL ELECTION COMMISSION

Washington, DC 20463

November 5, 1996

Honorable John Hostettler  
8419 Rose Lane  
Wadesville, IN 47638

RE: MUR 4551

Dear Mr. Hostettler:

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 4551. Please refer to this number in all future correspondence.

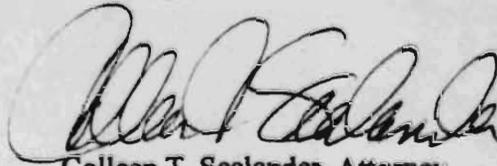
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under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

97043835174

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

97043635175

# HALL, RENDER, KILLIAN, HEATH & LYMAN

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
Attorneys at Law

Nov 19 3 46 PM '96

**Professional Corporation**

**MAIN OFFICE**  
Suite 2000, Box 68084  
One American Square  
Indianapolis, Indiana 46202  
Telephone: (317) 633-4884  
Fax: (317) 633-4878

**NORTH OFFICE**  
6402 Harcourt Road  
Suite 200  
Indianapolis, Indiana 46206  
Telephone: (317) 771-0222  
Fax: (317) 288-2948

November 19, 1996

Please Reply to Main Office

**VIA FACSIMILE**

Colleen T. Scalander  
Erik Morrison  
Federal Election Commission  
Washington, DC 20463

Re: MUR 4551 - C.R. Royal, Jr.

Dear Colleen and Erik:

We are counsel to C.R. Royal, Jr. and are in receipt of your letter of November 5, 1996. Enclosed for filing with your office is a Statement of Designation of Counsel executed by our client.

Pursuant to my telephone conversation with Erik today, by this letter we request an extension of time in which to respond to your letter of November 5, 1996 until November 29, 1996. Our client received your November 5, 1996 letter about November 6, 1996. We request an extension of the deadline in which to respond from November 21, 1996 to November 29, 1996. The reason we desire this extension is to obtain from Friends of John Hostettler Committee a copy of a retribution letter signed by C.R. Royal, Jr. and his wife, Jean L. Royal, and to review and send this letter to you with our response.

If you are willing to grant this request, please notify me at (317) 633-4884 (telephone) or fax me your notification at (317) 633-4878.

Thank you for your consideration.

Very truly yours,

HALL, RENDER, KILLIAN, HEATH & LYMAN, P.C.

*Douglas P. Long*  
Douglas P. Long

DPL/nd

Enclosure

cc: C.R. Royal, Jr. (w/enc.)

9704383176

October 30, 1996

Mr. C. R. Royal, Jr.  
1420 Valley Forge Road  
Bloomington IN 47401

Dear Mr. Royal:

Thank you for your generous contribution to Friends of John Hostettler.

The strict regulations of the Federal Election Campaign Act limit individual contributions to \$1,000 per person per election. However, it is permissible to reallocate the excess amount to your spouse. Just sign the attached forms as indicated (both you and your spouse must sign) and return it to us in the enclosed, postage-paid envelope, as soon as possible.

Should you prefer, we will refund the excess amount of your contribution to you. Please indicate your desire for a refund by signing the appropriate line on the enclosed form.

Thank you again for your generous support for John Hostettler.

Sincerely,

Nancy Guagenti, Deputy District Treasurer  
Friends of John Hostettler

Enc.

97043835177

FORM FOR REALLOCATION  
TO SPOUSE

To whom it may concern:

I hereby authorize FRIENDS OF JOHN HOSTETTLER to reallocate my contribution of \$1000 made on October 17, 1996 as follows:

\$1000 Reallocated to Spouse

Signature:



Date:

11-4-96

Signature:

Mr. C. R. Royal, Jr.  
  
Mrs. Jean Royal

Date:

11-4-96

OR

Refund the contribution to me.

Signature:

Mr. C. R. Royal, Jr.

97043035178

# STATEMENT OF DESIGNATION OF COUNSEL

MUR 4451

NAME OF COUNSEL: Douglas P. Long

FIRM: Hall, Render, Killian, Heath & Lyman, P.C.

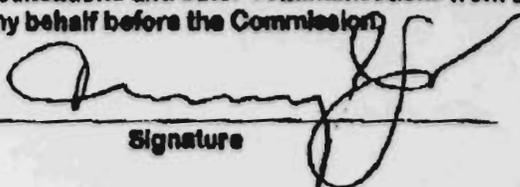
ADDRESS: One American Square, Box 82064, Suite 2000  
Indianapolis, Indiana 46282

TELEPHONE: (317) 633-4884

FAX: (317) 633-4878

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.

11/18/96  
Date

  
Signature

RESPONDENT'S NAME: C. E. Royal, Jr.

ADDRESS: 3115 South Highway 37, P.O. Box 1250  
Bloomington, Indiana 47401

TELEPHONE: HOME \_\_\_\_\_

BUSINESS (812) 339-1161

97043835179



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 20, 1996

Douglas P. Long, Esq.  
Hall, Render, Killman, Heath  
& Lyman  
One American Square  
Box 82064, Suite 2000  
Indianapolis, IN 46282

RE: MUR 4551  
C.R. Royal, Jr.

Dear Mr. Long:

This is in response to your facsimile dated November 19, 1996 which we received on that same day requesting an extension to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your facsimile, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on December 29, 1996.

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

Sincerely,

A handwritten signature in black ink that reads "Erik Morrison".

Erik Morrison, Paralegal  
Central Enforcement Docket

97043035180

HALL,  
RENDER, KILLIAN,  
HEATH & LYMAN

Attorneys at Law

Professional Corporation

MAIN OFFICE

Suite 2000, Box 82064  
One American Square  
Indianapolis, Indiana 46282  
Telephone: (317) 633-4884  
Fax: (317) 633-4878

NORTH OFFICE

8402 Harcourt Road  
Suite 820  
Indianapolis, Indiana 46260  
Telephone: (317) 871-8222  
Fax: (317) 338-3946

November 26, 1996

Please Reply to Main Office

**VIA FAX AND CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Colleen T. Sealander  
Erik Morrison  
Office of General Counsel  
Federal Election Commission  
999 E. Street NW  
Washington, DC 20463

Re: Charles R. Royal, Jr. - MUR 4551

Dear Ms. Sealander and Mr. Morrison:

We are counsel to Charles R. Royal, Jr. By this letter, we are responding to your letter to him of November 5, 1996. He received your letter on or about November 6, 1996. Pursuant to my telephone conversation with Mr. Morrison and my letter to the two of you dated November 19, 1996, we requested an extension of time in which to respond to your November 5 letter until November 29, 1996.

By this letter, we deny that our client has violated the federal election laws.

On April 23, 1996, our client, Charles R. Royal, Jr., contributed \$2,000 to Friends of John Hostettler Committee (the "Committee"). He wrote a check for \$2,000 and properly designated that \$1,000 of the contribution was to be allocated to the Primary Election and \$1,000 was to be allocated to the General Election.

On April 29, 1996, Jean L. Royal, our client's wife, contributed \$1,000 to the Committee for the Primary Election.

On October 21, 1996, our client contributed an additional \$1,000 to the Committee, not aware that by making such a contribution he could exceed the aggregate amount which he was permitted to contribute. Shortly thereafter, by letter dated October 30, 1996, he was advised by a representative of the Committee that he was not permitted to contribute the additional \$1,000 but that his wife, Jean L. Royal, could contribute an additional \$1,000 to the Committee for the General Election. On November 4, 1996, our client and Jean L. Royal both executed a reattribution document, pursuant to which Mrs. Royal contributed the additional \$1,000. This reattribution was executed and returned to the Committee well within 60 days after the date of our client's mailing of the excess \$1,000 amount to the Committee.

Colléen T. Sealander  
Erik Morrison  
November 26, 1996  
Page 2

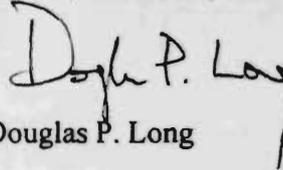
Enclosed with this letter is a copy of the Committee's letter to our client of October 30, 1996 and a copy of the reattribution document executed by our client and Mrs. Royal and returned to the Committee.

In light of these facts, pursuant to 11 CFR §§100.7 and 110.1, no violation of any federal election law has occurred. Therefore, we request that the complaint of the Democratic National Congressional Committee as it relates, if at all, to C. R. Royal, Jr. be dismissed.

If you have any questions concerning this letter, please call me.

Very truly yours,

HALL, RENDER, KILLIAN, HEATH & LYMAN, P.C.



Douglas P. Long

DPL/tld

Enclosure

cc: C. R. Royal, Jr. (w/encl.)

9704036102



JOHN HOSTETTLER

FRIENDS OF JOHN HOSTETTLER COMMITTEE  
P.O. BOX 3676  
EVANSVILLE, INDIANA 47735  
TELEPHONE (812) 422-4227 • FAX (812) 422-9089

*Restoring trust in government*

November 22, 1996

NOV 32 9 42 AM '96

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Mr. Lawrence M. Noble, Esq.  
Office of the General Counsel  
Federal Election Commission  
Sixth Floor  
999 E Street, NW  
Washington, DC 20463

RE: MUR 4551

Dear Mr. Noble:

Congressman John N. Hostettler and the Friends of John Hostettler Committee received your notice of a complaint, dated November 5, 1996, on November 12, 1996. The matter was assigned the reference code MUR 4551 and involved an accusation by the Democratic Congressional Campaign Committee. In their complaint, the DCCC alleged that John Hostettler and the committee had received two contributions from individuals in excess of the donation limit. The individuals in question are Mr. Warren J. Hayford and Mr. C.R. Royal, Jr.

As you know, a federal campaign committee has 60 days from the date of receipt to remedy an excessive contribution. 103.3(b)(3). The fact that the contributions were received during the 48 notice period is irrelevant. The 60 day time period for remedying excessive contributions applies to the 48 hour notice period. Upon receipt of the two contributions in question, our committee immediately mailed Mr. Hayford and Mr. Royal letters advising them of their right under federal law to receive a refund of the amount in excess of the contribution limit or to sign a form to redesignate the excess contribution to a spouse (see enclosed forms). This is our normal procedure in these situations.

Mr. Royal completed and returned a reallocation form which reallocated the excessive contribution to Mrs. Jean Royal. The reallocation was made on November 4, 1996, and signed by both Mr. and Mrs. Royal. Mr. Hayford has yet to return his reallocation form. I can assure you that the excess funds received from Mr. Hayford on October 21, 1996 will be either reallocated or refunded within the 60 day limit prescribed by federal law. Subsequent reports will be filed which will document the refunds and/or reattributions. Additionally, no "unfair" advantage was gained by our campaign because of these funds, as the DCCC asserts. Our committee always had sufficient cash on hand to refund the contributions. Our Committee's current cash on hand figure is \$19,502.07 as of November 21, 1996. Should a reallocation statement not be obtained within the 60 day time limit, the committee will refund the contribution to Mr. Hayford.

**HOSTETTLER**  
**FOR CONGRESS**

Further review of this frivolous complaint will reveal its true motivation: a last minute smear tactic against Congressman Hostettler. Our committee has an unblemished record of compliance with the Federal Election Commission's guidelines with regard to redesignation of excessive contributions. I request that the Commission take no action against John Hostettler or the Friends of John Hostettler Committee with respect to this politically motivated election week complaint.

Sincerely,



Timothy Deisher, Treasurer  
Friends of John Hostettler Committee

Enclosure

97043035184

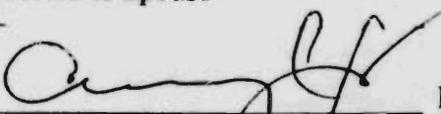
FORM FOR REALLOCATION  
TO SPOUSE

To whom it may concern:

I hereby authorize FRIENDS OF JOHN HOSTETTLER to **reallocate** my contribution of \$1000 made on October 17, 1996 as follows:

\$1000 Reallocated to Spouse

Signature: \_\_\_\_\_

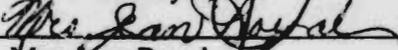


Date: \_\_\_\_\_

11-4-96

Signature: \_\_\_\_\_

Mr. C. R. Royal, Jr.



Date: \_\_\_\_\_

11-4-96

Mrs. Jean Royal

OR

Refund the contribution to me.

Signature: \_\_\_\_\_

Mr. C. R. Royal, Jr.

97043635185

# STATEMENT OF DESIGNATION OF COUNSEL

MUR 4551

William S. Kirsch, P.C.

NAME OF COUNSEL: William S. Singer

FIRM: Kirkland & Ellis

ADDRESS: 200 East Randolph Drive

Chicago, Illinois 60601

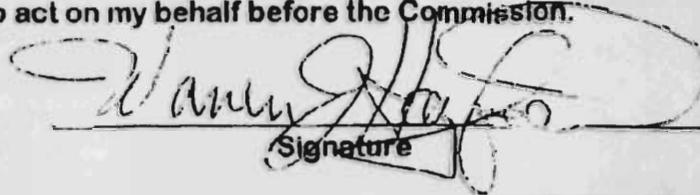
TELEPHONE: ( 312 ) 861-2000

FAX: ( 312 ) 861-2200

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.

01/22/16

Date

  
Signature

RESPONDENT'S NAME: Warren J. Hayford

ADDRESS: 560 Green Bay

Winnetka, Illinois 60093

TELEPHONE: HOME

BUSINESS ( 847 ) 501-5545

97043635186

TOTAL P.01

10010010040.0 0

### FORM FOR REALLOCATION TO SPOUSE

To whom it may concern:

I, hereby, authorize FRIENDS OF JOHN HOSTETTLER to reallocate my contribution of \$1,000.00 made on October 12, 1996 as follows:

\$1,000.00 Reallocate to Spouse

Signature:

Mr. Warren Hayford

11/30/96

Signature:

Ms. Marilyn Hayford

11/30/96

\*\*\*OR\*\*\*

Refund the contribution to me.

Signature:

Mr. Warren Hayford

Date:

97043835187

HALL,  
RENDER, KILLIAN,  
HEATH & LYMAN

Attorneys at Law

Professional Corporation

MAIN OFFICE

Suite 2000, Box 82064  
One American Square  
Indianapolis, Indiana 46282  
Telephone: (317) 633-4884  
Fax: (317) 633-4878

NORTH OFFICE

8402 Harcourt Road  
Suite 820  
Indianapolis, Indiana 46260  
Telephone: (317) 871-8222  
Fax: (317) 338-3948

December 2, 1996

Please Reply to Main Office

**VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Colleen T. Sealander  
Erik Morrison  
Office of General Counsel  
Federal Election Commission  
999 E. Street NW  
Washington, DC 20463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
Dec 10 10 20 AM '96

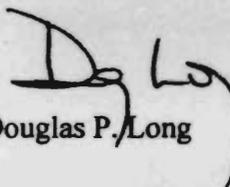
Re: Charles R. Royal, Jr. - MUR 4551

Dear Colleen and Erik:

Pursuant to Mr. Morrison's request, enclosed is the original executed copy of the Statement of Designation of Counsel, executed by our client, Charles R. Royal, Jr. I sent you this statement by fax a few days ago.

Very truly yours,

HALL, RENDER, KILLIAN, HEATH & LYMAN, P.C.

  
Douglas P. Long

DPL/tld

Enclosure

cc: C. R. Royal, Jr. (w/encl.)

# STATEMENT OF DESIGNATION OF COUNSEL

MUR 4451

NAME OF COUNSEL: Douglas P. Long

FIRM: Hall, Render, Killian, Heath & Lyman, P.C.

ADDRESS: One American Square, Box 82064, Suite 2000

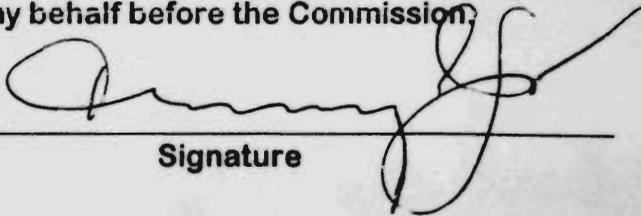
Indianapolis, Indiana 46282

TELEPHONE: ( 317 ) 633-4884

FAX: ( 317 ) 633-4878

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.

11/18/96  
Date

  
Signature

RESPONDENT'S NAME: C.R. Royal, Jr.

ADDRESS: 3115 South Highway 37, P.O. Box 1250

Bloomington, Indiana 47401

TELEPHONE: HOME

BUSINESS ( 812 ) 339-1161

97043035189

# KIRKLAND & ELLIS

PARTNERSHIPS INCLUDING PROFESSIONAL CORPORATIONS

200 East Randolph Drive  
Chicago, Illinois 60601

To Call Writer Direct:  
(312) 861-2142

312 861-2000

Facsimile:  
312 861-2200

January 15, 1997

Mr. Erik Morrison  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

Re: MUR 4551

Dear Mr. Morrison:

I am writing to you pursuant to our telephone conversation on Friday, January 10th.

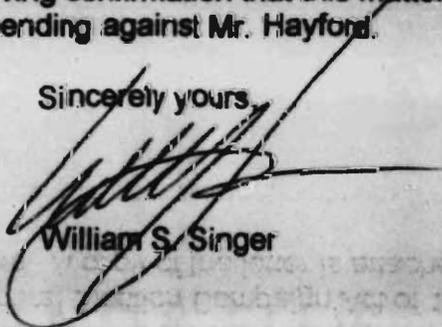
On November 5, 1996, the Federal Election Commission ("FEC") mailed a letter of a possible violation of the Federal Election Campaign Act of 1971, as amended ("the Act") to my client, Warren Hayford. A copy of the letter is attached.

On November 30th, pursuant to communications with the Friends of John Hostettler Committee, Mr. Hayford and his wife executed a Form For Reallocation To Spouse, which form was subsequently transmitted to the FEC by Friends of John Hostettler Committee, a copy of which is also attached.

Having reviewed the FEC Campaign Guide, I believe this reallocation is consistent with the rules and, therefore, as stated in our conversations, should be dispositive of this matter.

I would appreciate receiving confirmation that this matter has now been closed and that there is no violation pending against Mr. Hayford.

Sincerely yours,



William S. Singer

WSS:jb

Enclosures

cc: Warren J. Hayford  
Friends of John Hostettler Committee

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

JAN 21 10 28 AM '97

97043035190



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 5, 1996

Warren J. Hayford  
1500 Sheridan  
Apt. 10E  
Wilmette, IL 60091

RE: MUR 4551

Dear Mr. Hayford:

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 4551. Please refer to this number in all future correspondence.

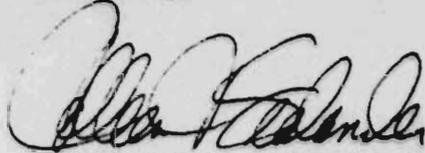
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under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

97043835191

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

97040035192

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED  
FEDERAL ELECTION COMMISSION  
SECRETARY

In the Matter of )  
)  
)  
)

AUG 14 4 20 PM '97

ENFORCEMENT PRIORITY

**SENSITIVE**

AUG 19 1997

**EXECUTIVE SESSION  
SUBMITTED LATE**

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 such cases permits the Commission to focus its limited resources on more important cases presently pending before it. Based upon this review, we have identified 34 cases which do not warrant further action relative to other pending matters.<sup>1</sup>

<sup>1</sup> These cases are: MUR 4470 (*Ward for Congress*); MUR 4478 (*Citizens for Tom Reynolds*); MUR 4492 (*Friends of Ken Poston*); MUR 4498 (*Darryl Roberts for Congress*); MUR 4506 (*The Hon. Ted Little*); MUR 4512 (*Friends of Lane Evans*); MUR 4517 (*Unknown Respondent*); MUR 4518 (*Kansans for Rathbun*); MUR 4520 (*Larry Lerner for*

97040335193

Attachment 1 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 distant in time usually require a greater commitment of resources, primarily due to the fact that the evidence of such activity becomes more remote and consequently more difficult to develop. 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 these facts, EPS also provides us with the means to identify those cases which, though earning a higher rating when received, remained unassigned due to a lack of 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.

---

Congress); MUR 4522 (*Republican Party of Bexar County*); MUR 4523 (*Cong. Andrea Seastrand*); MUR 4524 (*Danny Covington Campaign Fund Committee*); MUR 4526 (*Hoeffell for Congress*); MUR 4528 (*Pete King for Congress*); MUR 4529 (*Pete King for Congress*); MUR 4532 (*Citizen's Committee for Gilman for Congress*); MUR 4535 (*Visclosky for Congress*); MUR 4537 (*Di Nicola for Congress*); MUR 4541 (*Ross Perot*); MUR 4548 (*Blagojevich for Congress*); MUR 4550 (*Friends of Wamp for Congress*); MUR 4551 (*John N. Hostettler*); MUR 4557 (*De La Rosa for Congress*); MUR 4559 (*Bill Baker for Congress*); MUR 4560 (*George Stuart Jr. for Congress*); MUR 4562 (*Wayne E. Schile*); MUR 4566 (*Al Gore*); MUR 4574 (*Danny Covington Campaign Fund Committee*); MUR 4576 (*Volunteers for Shimkus*); MUR 4579 (*New Zion Baptist Church*); MUR 4580 (*Friends of Mitt Forbes*); MUR 4584 (*Bill Baker for Congress*); MUR 4588 (*Navarro for Congress*); and MUR 4613 (*Guy Kelley for Congress*).

2

The U.S. District Court for the District of Columbia, however, held in *Democratic Senatorial Campaign Committee v. FEC*, Civil Action No. 95-0349 (D.D.C. April 17, 1996) that 24 months was too long a time in which to hold a case in an inactive status.

9704335194

Twenty one cases have remained on the Central Enforcement Docket for a sufficient period of time to render them stale, all of which are recommended for closure in this Report.<sup>4</sup> This group includes four MURs that became stale several months ago, but were held pending criminal prosecution by the Department of Justice.<sup>5</sup> DOJ obtained convictions in the two criminal cases related to these four MURs (*U.S. v. Jay Kim* and *U.S. v. Dynamic Energy Resources*) based upon guilty pleas by the key defendants, who are also the principal respondents in our pending matters. Pursuit of civil enforcement action in view of the satisfactory results obtained in the criminal cases would not be the most effective use of the Commission's scarce resources at this time.

We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective August 29, 1997. Closing these cases as

3

<sup>4</sup> These cases are: MUR 4274 (*GOPAC*); MUR 4358 (*Miller for Senate*); MUR 4361 (*ABC-TV*); MUR 4368 (*Citizens Business Bank*); MUR 4380 (*AFGE Local 2391 PAC*); MUR 4385 (*Dial for Congress*); MUR 4386 (*Zimmer for Senate*); MUR 4396 (*ABC*); MUR 4404 (*Friends of Steve Stockman*); MUR 4410 (*39th Legislative District*); MUR 4417 (*Our Choice II*); MUR 4422 (*Desana for Congress Committee*); and Pre-MUR 336 (*Park National Bank & Trust*).

<sup>5</sup> These cases are: MUR 3796 (*Jay Kim for Congress*); MUR 3798 (*Jay Kim*); MUR 4275 (*Jay Kim*); and MUR 4356 (*Dynamic Energy Resources*). In dismissing the Jay Kim cases, we also recommend closing Pre-MUR 352, which is the transmittal of the guilty plea agreement and related documentation in the criminal case against Congressman Kim forwarded by United States Attorney's office.

97043035195

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 August 29, 1997, and approve the appropriate letters in the following matters:

Pre-MUR 336

Pre-MUR 352

B. Take no action, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:

MUR 3796	MUR 4396	MUR 4522	MUR 4559
MUR 3798	MUR 4404	MUR 4523	MUR 4560
MUR 4274	MUR 4410	MUR 4524	MUR 4562
MUR 4275	MUR 4417	MUR 4526	MUR 4566
	MUR 4422	MUR 4528	MUR 4574
MUR 4356	MUR 4470	MUR 4529	MUR 4576
MUR 4358	MUR 4478	MUR 4532	MUR 4579
MUR 4361	MUR 4492	MUR 4535	MUR 4580
MUR 4368	MUR 4498	MUR 4537	MUR 4584
	MUR 4506	MUR 4541	MUR 4588
MUR 4380	MUR 4512	MUR 4548	MUR 4613
MUR 4385	MUR 4517	MUR 4550	
MUR 4386	MUR 4518	MUR 4551	
	MUR 4520	MUR 4557	

8/14/97

Date

*Lawrence M. Noble (42)*

Lawrence M. Noble  
General Counsel

Attachment:  
Case Summaries

97043835196

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Enforcement Priority ) Agenda Document No. X97-55

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on August 19, 1997, do hereby certify that the Commission decided by a vote of 4-1 to take the following actions with respect to Agenda Document No. X97-55:

- A. Decline to open a MUR, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:
1. Pre-MUR 336.            2. Pre-MUR 352.
- B. Take no action, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:
1. MUR 3796.    2. MUR 3798.    3. MUR 4274.  
4. MUR 4275.    5. MUR 4356.    6. MUR 4358.  
7. MUR 4361.    8. MUR 4368.    9. MUR 4380.  
10. MUR 4385.    11. MUR 4386.    12. MUR 4396.  
13. MUR 4404.    14. MUR 4410.    15. MUR 4417.  
16. MUR 4422.    17. MUR 4470.    18. MUR 4478.

(continued)

97043035197

Federal Election Commission  
Certification: Enforcement Priority  
August 19, 1997

Page 2

- |               |               |               |
|---------------|---------------|---------------|
| 19. MUR 4492. | 20. MUR 4498. | 21. MUR 4506. |
| 22. MUR 4512. | 23. MUR 4517. | 24. MUR 4518. |
| 25. MUR 4520. | 26. MUR 4522. | 27. MUR 4523. |
| 28. MUR 4524. | 29. MUR 4526. | 30. MUR 4528. |
| 31. MUR 4529. | 32. MUR 4532. | 33. MUR 4535. |
| 34. MUR 4537. | 35. MUR 4541. | 36. MUR 4548. |
| 37. MUR 4550. | 38. MUR 4551. | 39. MUR 4557. |
| 40. MUR 4559. | 41. MUR 4560. | 42. MUR 4562. |
| 43. MUR 4566. | 44. MUR 4574. | 45. MUR 4576. |
| 46. MUR 4579. | 47. MUR 4580. | 48. MUR 4584. |
| 49. MUR 4588. | 50. MUR 4613. |               |

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

Attest:

8-21-97  
Date

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

97043035190



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 29, 1997

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Matthew H. Angle, Executive Director  
Democratic Congressional Campaign Committee  
430 South Capitol Street  
Washington, DC 20003

RE: MUR 4551

Dear Mr. Angle:

On October 30, 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 has determined to exercise its prosecutorial discretion and to take no action against the respondents. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997. This matter will become part of the public record within 30 days.

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

Sincerely,

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

Attachment  
Narrative

97043635199

**MUR 4551**

**JOHN N. HOSTETTLER**

Matthew H. Angle, Executive Director of the Democratic Congressional Campaign Committee (DCCC), alleges that Friends of John Hostettler Committee ("the Committee") and Representative Hostettler accepted excessive contributions for the 1996 general election from Warren J. Hayford and C.R. Royal, Jr., as demonstrated on a 48 Hour Notification filed with the FEC. Complainant is concerned about the Committee's ability to use these excessive funds during the critical pre-election period.

The Committee responds that it sent out letters notifying the contributors of the excessive contributions upon receipt, and that it is irrelevant that the two \$1,000 contributions were received during the 48 Hour Notification period. These letters advised the contributors of their right to receive a refund of the excessive amount or to sign a form to reattribute the excessive amount to a spouse. At the time of the response, the Committee had received Mr. Royal's reattribution request and expected Mr. Hayford's within the 60 day period after the contribution's receipt during which a committee can refund excessive contributions. The Committee further states Mr. Hayford's excessive contribution would be refunded if he does not contact them.

Respondent Charles R. Royal, Jr., states that he unwittingly exceeded the limit with his October 21, 1996 contribution. He confirms that the Committee notified him of the excessive contribution by letter dated October 30, 1996, and that he and his spouse reattributed the excess amount to her by letter dated November 11, 1996.

Respondent Warren J. Hayford and his spouse respond that they reattributed the October 12, 1996 excessive contribution to her on November 30, 1996.

This matter is less significant relative to other matters pending before the Commission.

970433200



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 29, 1997

Douglas P. Long, Esq.  
Hall, Render, Killian, Heath & Lyman, P.C.  
One American Square, Box 82064, Suite 2000  
Indianapolis, IN 46282

RE: MUR 4551  
C. R. Royal, Jr.

Dear Mr. Long:

On November 5, 1996, the Federal Election Commission notified your client of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against your client. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997.

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 Henry on our toll-free number, (800)-424-9530. Our local number is (202) 219-3690.

Sincerely,

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

Attachment  
Narrative

97043835201

**MUR 4551**  
**JOHN N. HOSTETTLER**

Matthew H. Angle, Executive Director of the Democratic Congressional Campaign Committee (DCCC), alleges that Friends of John Hostettler Committee ("the Committee") and Representative Hostettler accepted excessive contributions for the 1996 general election from Warren J. Hayford and C.R. Royal, Jr., as demonstrated on a 48 Hour Notification filed with the FEC. Complainant is concerned about the Committee's ability to use these excessive funds during the critical pre-election period.

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This matter is less significant relative to other matters pending before the Commission.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 29, 1997

William S. Singer, Esq.  
Kirkland & Ellis  
200 East Randolph Drive  
Chicago, IL 60601

RE: MUR 4551  
Warren J. Hayford

Dear Mr. Singer:

On November 5, 1996, the Federal Election Commission notified your client of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against your client. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997.

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 Henry on our toll-free number, (800)-424-9530. Our local number is (202) 219-3690.

Sincerely,

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

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

Attachment  
Narrative

97043835203

**MUR 4551**

**JOHN N. HOSTETTLER**

Matthew H. Angle, Executive Director of the Democratic Congressional Campaign Committee (DCCC), alleges that Friends of John Hostettler Committee ("the Committee") and Representative Hostettler accepted excessive contributions for the 1996 general election from Warren J. Hayford and C.R. Royal, Jr., as demonstrated on a 48 Hour Notification filed with the FEC. Complainant is concerned about the Committee's ability to use these excessive funds during the critical pre-election period.

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Respondent Charles R. Royal, Jr., states that he unwittingly exceeded the limit with his October 21, 1996 contribution. He confirms that the Committee notified him of the excessive contribution by letter dated October 30, 1996, and that he and his spouse reattributed the excess amount to her by letter dated November 11, 1996.

Respondent Warren J. Hayford and his spouse respond that they reattributed the October 12, 1996 excessive contribution to her on November 30, 1996.

This matter is less significant relative to other matters pending before the Commission.

970435204



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 29, 1997

Timothy Deisher, Treasurer  
Friends of John Hostettler Committee  
P.O. Box 3676  
Evansville, IN 47735

RE: MUR 4551

Dear Mr. Deisher:

On November 5, 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 has determined to exercise its prosecutorial discretion and to take no action against Friends of John Hostettler Committee and you, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997.

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 Henry on our toll-free number, (800)-424-9530. Our local number is (202) 219-3690.

Sincerely,

F. Andrew Turley  
Supervisory Attorney  
Central Enforcement Docket

Attachment  
Narrative

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**MUR 4551**

**JOHN N. HOSTETTLER**

Matthew H. Angle, Executive Director of the Democratic Congressional Campaign Committee (DCCC), alleges that Friends of John Hostettler Committee ("the Committee") and Representative Hostettler accepted excessive contributions for the 1996 general election from Warren J. Hayford and C.R. Royal, Jr., as demonstrated on a 48 Hour Notification filed with the FEC. Complainant is concerned about the Committee's ability to use these excessive funds during the critical pre-election period.

The Committee responds that it sent out letters notifying the contributors of the excessive contributions upon receipt, and that it is irrelevant that the two \$1,000 contributions were received during the 48 Hour Notification period. These letters advised the contributors of their right to receive a refund of the excessive amount or to sign a form to reattribute the excessive amount to a spouse. At the time of the response, the Committee had received Mr. Royal's reattribution request and expected Mr. Hayford's within the 60 day period after the contribution's receipt during which a committee can refund excessive contributions. The Committee further states Mr. Hayford's excessive contribution would be refunded if he does not contact them.

Respondent Charles R. Royal, Jr., states that he unwittingly exceeded the limit with his October 21, 1996 contribution. He confirms that the Committee notified him of the excessive contribution by letter dated October 30, 1996, and that he and his spouse reattributed the excess amount to her by letter dated November 11, 1996.

Respondent Warren J. Hayford and his spouse respond that they reattributed the October 12, 1996 excessive contribution to her on November 30, 1996.

This matter is less significant relative to other matters pending before the Commission.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4551

DATE FILMED 9-28-97 CAMERA NO. 4

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