



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

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MUR 4586

3006c Ooltewah-Ringgold Rd.
Ooltewah, TN 37363
November 15, 1996

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E street NW
Washington, DC 20463

Re: Complaint against Congressman Zach Wamp;
Friends of Zach Wamp, L. Dan Johnson as
Treasurer and J. Wayne Cropp as Chairman; and Gene
McKissic;

Dear Mr. Noble:

This letter constitutes a complaint against Representative Zach Wamp; Friends of Zach Wamp (the "Committee") and L. Dan Johnson as Treasurer and J. Wayne Cropp as Chairman and Gene McKissic dba the "Informer" (collectively "Respondents") alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), 2 U.S.C. 431 et seq., and related regulations of the Federal Election Commission ("FEC"), 11 C.F.R. 110.1 et seq.

Many, but not all, of the facts and circumstances raised here have been raised in the complaint of Will T. Cheek, Chairman of the Tennessee Democratic Party (the "Cheek Complaint") which is incorporated herein by reference. The purpose of this complaint is to further clarify and refine the Cheek Complaint with factual information which has recently become available and also to expand the scope of the Cheek Complaint to include additional matters not previously raised by the Tennessee Democratic Party but germane to these proceedings.

Certain matters alluded to here have also been referred by the Tennessee Democratic Party to the House Commission on

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Congressional Mailing Standards ("Franking Commission") for investigation and remedial action pertaining to matters within the jurisdiction of that body. The undersigned has also submitted a supplementary affidavit to the Franking Commission which is appended hereto as Exhibit A.

The "Swap Out" with Gene McKissic dba The Informer

It is undisputed that Congressman Wamp's office caused two targeted newsletters to be printed and mass distributed in the Third Congressional District during August of 1996. It is also undisputed that the newsletters in question were prepared at government expense and bear Mr. Wamp's frank.

The newsletters were targeted at senior citizens (Exhibit B) and African-Americans (Exhibit C), groups with whom Mr. Wamp was widely thought to be politically vulnerable. The newsletters contain photographs of Mr. Wamp and staff members, the seal of the House of Representatives and are designated "Official Business". The precise number of newsletters printed and mass distributed is not available from publicly accessible documents but is known to involve at least 6,453 copies of the African-American piece and presumably a comparable number of the senior citizen piece.

On September 1, 1996 airing of the Knoxville, Tennessee television show "Insider's Journal" Mr. Wamp repeatedly denied making unsolicited mass mailings of the pieces in question (using an erroneous definition of "unsolicited") and further denied any mailing of the African American piece. Knowing that several specimens of the African-American piece had been received by individuals in a mass mailing, the Jolly campaign made a Freedom of Information Act request to the House Post Office to determine the extent of the mailing. The response from that office showed that Mr. Wamp's office had not been charged with franking expense during July and August. See Exhibit D.

When called upon to explain how the African American piece was mailed Mr. Wamp indicated that local vendors had been used to "save tax dollars". See Chattanooga Times article dated October 12, 1996, Exhibit E). After a publicly televised debate on October 14, 1996 where Mr. Wamp declined to answer questions about the mailing on camera, Mr. Wamp disclosed that one of the vendors in question was Gene McKissic, publisher of a newsletter with African-American distribution called the "Informer".

The Jolly campaign later learned that a local Chattanooga firm, Postmark Business Services had printed both newsletters at government expense, but claimed no involvement in the mailing. It is suspected, but not established that a third vendor was engaged in addressing and/or mailing the senior citizen piece. It is not known whether the names of correspondents with the office of Congressman Wamp were provided to the "Friends of Zach

Wamp" or to a vendor to that Committee, although the Congressman states on the "Insider's Journal" TV show that the newsletters were provided to people who had written to his office.

Mr. Gene McKissic was contacted by the Jolly campaign on the afternoon of October 15. McKissic denied "mailing" the newsletters but acknowledged that he had provided Mr. Wamp with addresses of African-Americans in the Third Congressional District. When directly asked whether he had sold his mailing list McKissic replied that he had "swapped out". Notwithstanding the requirement that mailing lists obtained by the office of a member of Congress must be generally available on the same terms to other entities (See Ethics Manual, Ch. 8 @ p.230), Mr. McKissic declined to reveal the terms of the "swap" making it impossible to determine whether the mailing list would have been available on the same terms.

Subsequently, the Jolly campaign learned that Mr. McKissic had provided address labels for the newsletter and prepared the mailing, but had not paid the postage or completed appropriate paperwork when the newsletters were mailed from the Cleveland, Tennessee post office on a date uncertain.

The October issue of the "Informer" contained a full page advertisement for the Wamp campaign, bearing the legend "Paid for by Friends of Zach Wamp". The ad is a "family portrait" featuring Mr. Wamp, spouse and children which was identical to the closing of several Wamp television ads. (Exhibit F). It was not something which could have come from anyone other than the Committee.

Neither the September 30 FEC report, nor the subsequent "twelve day report" showed an expenditure by the campaign for the full page ad, or a debt to the "Informer". Under the circumstances that the improper use of the frank had become a dominant issue of the campaign, it must be assumed that Mr. Johnson, in his capacity as Treasurer was fully aware of the franking controversy as that issue developed in press conferences, news stories and television appearances on August 15, August 25, September 1, October 12, October 14, October 15 and subsequently.

Victor Miller, a reporter for the Chattanooga Free Press advised the Jolly campaign in the week preceding the general election that the Wamp campaign had denied placing an ad in the "Informer" as part of an improper "swapping out". Only when confronted with an actual copy of the ad less than a week before the election did the Wamp campaign offer the explanation to Mr. Miller that the campaign check in payment for that ad was cut after the 12-day report was filed. Apparently the editorial staff of the Chattanooga Free Press did not find these events newsworthy, in that there was no public reporting of these facts.

In Chattanooga, like other markets, the uniform practice is that political ads are paid in advance. In this case payment in advance would have been due when the copy was provided, presumably in August or early September. At the very least, an obligation to pay would have been created as of the time of placement of the ad and delivery of camera-ready art.

The timing and appearance of a check dated after the 12 day report for an ad that must have been negotiated in August or September suggests that Mr. Wamp's campaign is belatedly trying to create a paper trail to obscure facts which are untenable, namely that in obtaining the services of Mr. McKissic there was an impermissible mixing of the interests of Congressman Wamp and his re-election Committee.

If, in arranging for the addressing of the African-American newsletters as a vendor for the office of Congressman Wamp, a deal was struck in which the Committee received a "complimentary" full page ad, that ad becomes a taxpayer-funded contribution to the Wamp campaign, notwithstanding its impropriety. The combination of the timing and appearance of the ad in the Informer, the content of Mr. Wamp's FEC reports and the documented false statements of Mr. Wamp on broadcast television make it important to determine whether there has been a knowing and wilful false or concealing statement on Mr. Wamp's FEC reports as contemplated by 5 U.S.C app.6, §104 and 18 U.S.C. §1001.

The Offer of "Benefit" to PAC's for "Defunding" an Opponent

Congressman Zach Wamp professes not to accept contributions from Political Action Committees (PACs). Nevertheless, on June 15, 1996 J. Wayne Cropp, Chairman of "Friends of Zach Wamp" mailed a solicitation letter to an unknown number of PAC directors seeking to "defund" the Jolly campaign. See Exhibit G. The letter expressly states:

"I am writing to suggest that your organization... can benefit from Congressman Wamp's effective leadership without making any contributions to any candidates for the House of Representatives in the Third District of Tennessee" (emphasis in original).

With the implied promise of friendship for "no funding" commitments from PAC directors, the Committee is seeking to impact PAC contribution decisions, something that has great value to both Mr. Wamp and an opponent. Since fund raising is significantly easier for an incumbent than a challenger, actions which make challenger contributions more difficult have a direct and tangible benefit to an incumbent.

It is conceded that there may be valuation questions involved in reporting negative commitments, i.e. a commitment not

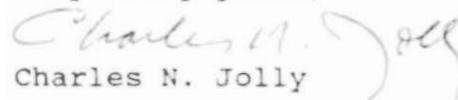
to contribute to an opponent. Nevertheless the entire fabric of the election laws is predicated on full disclosure even where that disclosure relies on estimated value. The fact is that a potential \$1000 PAC contribution may be twice as valuable to a challenger as to an incumbent, even though the absolute number of dollars is unchanged. Moreover, the whole theory of disclosure allows an informed public to objectively measure office holder performance against funding support. This becomes impossible when favors are solicited in the shadows and neither the parties nor the consideration are disclosed.

Most PACs have ascertainable giving patterns: eg. \$1000 for an incumbent representative, \$2500 for a senate challenger, etc. In the instant circumstance, it is apparent that the Committee received something of value from each individual PAC director accepting Mr. Cropp's offer which should have been reported as an "in kind" contribution, valued at an estimated "fair market value" in accordance with the normal pattern of PAC contributions for the organization in question.

That there were at least some "no funding" commitments is appropriate is evidenced by an attachment to Mr. Cropp's letter of June 15. See Exhibit H. BAYPAC Director Ron Docksai (on the letterhead of Bayer Corporation) clearly speaks for one PAC which was making no contributions to "any" candidates in the Tennessee Third District. Other candidates for disclosure can only come from Congressman Wamp and Friends of Zach Wamp, because only they know how extensive the solicitation and responses were. At a minimum, each PAC director accepting Mr. Cropp's offer should be identified as making an "in-kind" contribution.

In light of the facts and circumstances developed here and in the Cheek complaint, I urge the Commission to expedite its investigation of these matters and to impose penalties appropriate to the gravity of the offenses described.

Very truly yours,


Charles N. Jolly

cc: Will T. Cheek

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STATE OF TENNESSEE:
:
COUNTY OF HAMILTON:

Before me, a Notary Public of the state and county aforesaid, personally appeared Charles N. Jolly, to me known (or proved to me on the basis of satisfactory evidence) to be the person described in and who executed the foregoing instrument, and acknowledged that he/she executed the same as his/her free act and deed.

WITNESS my hand and seal, at office in Hamilton County, Tennessee, this 15th day of November, 1996.

Vicki C. Kilgore
Notary Public

My Commission Expires July 26, 2000

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EXHIBIT A

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HOUSE COMMISSION ON CONGRESSIONAL MAILING STANDARDS

WILL T. CHEEK, Chairman
Tennessee Democratic Party
Complainant

v.

CONGRESSMAN ZACH WAMP
Respondent

AFFIDAVIT

The affiant, first being duly sworn, testifies as follows:

1. I am Charles N. Jolly, residing at 3006c Ooltewah-Ringgold Rd., Ooltewah, Tennessee 37363.
2. In 1996, I was the nominee of the Democratic Party in the Third Congressional District of Tennessee opposing Congressman Zach Wamp, the nominee of the Republican Party.
3. During the 1996 Congressional election campaign I became aware of certain facts and circumstances which indicated that Congressman Wamp had committed serious violations of the franking laws and the rules of the House of Representatives.
4. After bringing the facts and circumstances to the attention of the Tennessee Democratic Party, Chairman Will T. Cheek filed the underlying complaint, on the 24th of October, 1996.
5. The date of the Congressional primary election in Tennessee in 1996 was August 1. With the general election date of November 5, the observance of the 90 day moratorium on franked mail the period for lawful mailing of franked mail in Tennessee was limited to the period between August 1 and 7

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6. Individual supporters of the Jolly campaign began to report the receipt of an unsolicited mailing piece in mid-August. The first piece to appear was intended for senior citizens. A second unsolicited piece appeared a few days later which was targeted at African-Americans. Senior citizens and African-Americans represent two areas where Mr. Wamp was considered most vulnerable in the elective process. It was undisputed that both pieces were produced at government expense.

7. Noting that Mr. Wamp was a co-sponsor of HR 1755 (the Castle franking reform bill) the Jolly campaign held a press conference on August 15, pointing up the hypocrisy implicit in the use of franked mail in the manner described.

8. Mr. Wamp's response to the Jolly press conference was to cite the pre-clearance of the text by the congressional franking office and to deny that there had been an unsolicited mass mailing.

9. Shortly thereafter I taped the "Insider's Journal" television show in Knoxville, Tennessee which subsequently aired on August 25 again raising the franking issue.

10. Mr. Wamp appeared on the same program one week later. It was clear that Mr. Wamp had seen or reviewed my appearance, because he mentioned to the panel that he had not been adequately credited by me for his sparse use of the frank in comparison with others in the Tennessee delegation. In response to repeated questions Mr. Wamp denied that the mailing to senior citizens was unsolicited (using a definition for "unsolicited" which is not supportable) but also flatly denying at least 4 times that the African-American piece had been mailed. There was no recognition that mass distributions of officially produced documents during the 90 day blackout period are also prohibited.

11. Knowing factually that the African-American pieces had been mailed the Jolly campaign filed a Freedom of Information Act request with the House of Representatives Post Office. The response to that request failed to identify a mailing or franking expenditure which would account for the mailings in question.

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12. In the course of campaigning in rural areas of the Third District, bulk quantities of the senior citizen piece were seen in senior centers and nursing homes. Similarly, bulk quantities of the African-American pieces were seen in African-American businesses and stores.

13. Only when confronted by the press after a public debate in Bradley County on October 14 when Mr. Wamp declined to comment on the franked mail issue on camera did Mr. Wamp reveal that a local vendor, Gene McKissic dba the "Informer" (a newsletter) was involved in mailing some 700 pieces. Later that evening, Mr. Wamp's office called the press to correct the figure to 6,453 pieces. Mr. Wamp's office declined to identify other vendors who may have been involved.

14. Mr. McKissic advised me on the afternoon of October 15 that he had not "mailed" the newsletter, but he had provided the addresses for African-Americans in Hamilton, Marion and Bradley counties. He further admitted that the addressees included residents of Anderson county. In response to my question he said that Mr. Wamp had not purchased the addresses but that he had "swapped out". He declined to give details of the "swap".

15. Subsequently the Jolly campaign learned that Mr. McKissic has an outstanding federal tax lien covering three years of back taxes and an extensive arrest record including felony convictions.

16. Also subsequently, the Jolly campaign learned that the African-American piece had been mailed from the Cleveland, Tennessee Post Office under circumstances where no postage was charged either against Mr. Wamp's franking budget or otherwise.

17. At about the same time it was learned that both the African-American and senior citizen pieces were printed locally by Postmark, Inc. a Chattanooga vendor located on South Broad Street. Postmark has denied to me any responsibility for mailing the pieces or paying postage. They also declined to identify the quantities of each piece printed without the consent of the Congressman's office which was not forthcoming. Postmark acknowledged payment for the printing work "by government check".

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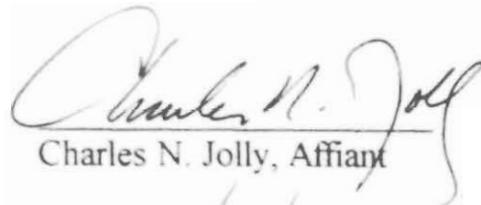
18. Given the nature of Mr. McKissic's business, the Jolly campaign surmised that the "swap out" might well involve advertising in the Informer. A check of back issues showed that the issue dated October 1996 which appeared in the third district in late September and early October contained a full page ad at page 15 "Paid for by Friends of Zach Wamp". Notwithstanding the universal requirement that political ads for placement be accompanied by payment in full, **no debt or disbursement to the Informer was disclosed in Mr. Wamp's FEC report for the period ending September 30 or the subsequent 12 day report on October 16.**

19. When Victor Miller of the Chattanooga Free Press first made inquiry about a "swap" for an advertisement in the Informer, he was advised that the Wamp campaign did not place an ad. Only when confronted with the ad and the absence of a disbursement did the Wamp campaign advise Mr. Miller that a check had been cut, on the day **after** the 12 day FEC report was filed.

20. In what can only be explained as editorial complicity (Mr. Wamp was endorsed by the Chattanooga Free Press) none of the facts concerning the "swapped" Informer ad, the co-mingling of the interests of the re-elect committee with the official office, or the absence of any postage charge was reported publicly.

21. I am aware of no public disclosure of any other vendor identities who may have had an involvement in the mailing of the documents in question and at this juncture it is not at all clear who may have mailed the senior citizen piece or whether postage was paid or charged against Mr. Wamp's franking account.

FURTHER YOUR AFFIANT SAYETH NOT.


Charles N. Jolly, Affiant

11/11/96
Date

STATE OF TENNESSEE:

COUNTY OF HAMILTON:

Before me, Vicki C. Kilgore, a notary public of the state and county aforesaid, personally appeared Charles N. Jolly, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained.

WITNESS my hand and seal at office in Chattanooga, Tennessee, this 11th day of November, 1996.


Notary Public

My Commission Expires: July 26, 2000

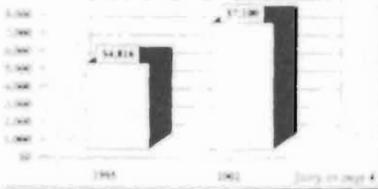
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EXHIBIT B

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Medicare Myths and Medicare Facts

Medicare Spending Per Beneficiary will increase 50% Under Balanced Budget



Congressman ZACH WAMP

Working for Seniors



Wamp gets Award From Veterans

Story on page 3



CONGRESSMAN OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20543

Dear Friend,

I strongly believe that anyone who is in public office should put the very highest priority on focusing on the needs of two groups in our society: senior citizens and our children. Senior citizens have spent their entire lives working for their families and saving for their retirement. And the present generation of seniors is even more deserving because it endured the Depression, World War II and the Korean War to build the free and prosperous nation the generation inherited.

That legacy makes it especially important that responsible public officials stand by and protect seniors as they move from their working years into retirement where they can be vulnerable if "responsible" government leaders do not carefully guard their interests. We should make sure that our seniors' right to good, affordable medical care is always protected. We also need to make sure that pensions and Social Security are kept safe.

But there is also a lot of help seniors can get from their federal agencies. That is why I maintain two offices in the 1st District to help why people from my office make regular trips into all corners of the district and personal way is one of the most rewarding and important parts of my job. To make sure that you can contact my office easily, we have included the addresses and phone numbers of my offices on the last page of this newsletter.

To give you an idea of how we can help you, we have included a few letters from people we have been able to assist. Please do not hesitate to call us anytime we can help you. That is why we are here.

Thank you for the opportunity to represent you.

Warmest regards

Zach Wamp

Zach Wamp
Member of Congress

WAMP GAINS 'SENIOR FRIENDLY' LABEL

Congressman Zach Wamp has been labeled "senior friendly" by a non partisan group representing senior citizens from across the nation.

The 60 Plus Association, which has over 425,000 members, made its decision based on Congressman Wamp's votes and other work for seniors during the 104th Congress. The 60 Plus Association cited Wamp's strong support for legislation to preserve and protect Medicare and to save it from impending bank-



The 60 Plus Association has honored Congressman Wamp as a "Senior Friendly" lawmaker. From left are Roger Zion, honorary chairman of the 60 Plus Association, Congressman Wamp and Jim Martin, president of the 60 Plus Association.

ruptcy. The plan Congressman Wamp supports would increase funding from \$4,800 per beneficiary to \$7,100 by the year 2002.

"Clearly Congressman Wamp is a champion of seniors' rights," said Jim Martin, president of 60 Plus. "He is a deserving recipient of our 'Senior Friendly' designation."

Martin said that other than supporting efforts to preserve and protect Medicare, Congressman Wamp's most important vote was the one he cast in favor of a bill increasing the amount of money seniors can earn each year before they begin to lose

See story page 3



Kenneth F. Luckmann MD

"I recently traveled to Russia to bring a 13-year-old girl and her mother to the United States to repair a lower leg prosthesis, a procedure which required surgery. The young lady is very brave but was having a very tough time because other children ridiculed her because of her disability. During my flight to Russia, I learned that the young girl's Visa to travel to America had been denied for reasons that are still unknown to me. I immediately contacted Congressman Wamp, and with his assistance was able to get a Visa approved for the girl and her mother. The surgery went well and she was able to return to Russia. This would not have been possible had it not been for the prompt and caring

attention I received from Congressman Wamp. Thank you."

—Kenneth F. Luckmann MD

I want to take this opportunity to thank you for the considerable effort expended on behalf of the Roane County Military Memorial Honor Guard, an all-volunteer organization to provide the promised military honors for deceased veterans in the area. After several months of frustration while attempting to get blank ammunition for the ceremonial rifles (your office accepted the challenge to expedite the shipment of the ammunition. Without the help we would be selling Bang by now.



Robert E. Morris, MD
US Army Retiree

—Robert E. Morris

"Thank you for your expert help in expediting the issuance of new passports for my wife and me. The new documents arrived in the nick of time. Your immediate and effective response in our time of crisis reflects well. We are most grateful."

Stephen Kaplan

I want to thank you and your staff as to your prompt professional response to my requests. My problems with the Internal Revenue Service have been resolved to my satisfaction.



Howard Wansley

—Howard Wansley

LET'S FIX IT NOW

Everybody knows that there are good ways and bad ways to deal with problems.

The good way is to get on top of a potential problem before it has a chance to become a crisis. If your hand is cut, you clean the wound, put a bandage on it and let it heal. You don't wait around to let infection set in, spread, and possibly cost you an amputated hand — or even your life. If the roof is leaking, you get it fixed. You don't wait until it falls in and destroys your house.

That's pretty basic common sense — but not in Washington. In Washington, politicians would rather point the finger than roll up their sleeves and pitch in. Too many of our national leaders are sticking their heads in the sand about a potential problem that we can easily fix now but that will cause us real problems if we waste time and delay.

The problem is that the Medicare Trust Fund is going broke — and it's going broke even faster than expected last year. The predictions are coming — not from those of us in Congress — but from the Medicare Trustees, including three members of President Clinton's cabinet.

Last year they warned that the Trust Fund would become broke in the year 2002 unless we acted. Congress passed a plan to deal with the problem and to protect and preserve Medicare. But unfortunately, President Clinton vetoed the plan.

Another year has passed, and the problem has only gotten worse. This year the Trustees predict the Trust Fund will have a deficit \$7.6 billion greater than predicted last year.

We stand ready to work with the president to deal with the situation NOW. Our plan lets per person Medicare spending increase nearly 50 percent between now and the year 2002. But it slows the rate of growth in Medicare spending and cracks down on waste, fraud and abuse.

If we deal with the problem now, there is no need for fear.

As a great president — Franklin D. Roosevelt — said, "the only thing we have to fear is fear itself." We shouldn't be distracted by those who want to play politics with this important program. We need to act.

WE'LL PROTECT YOUR PENSION

One of the most important next steps for American seniors is to get their pensions. And we've taken a big step to make sure that senior citizens' pensions are kept safe.

And Congress has done several things to make sure that seniors' pensions are fully secure and protected.

The House has with my support passed legislation to make sure that companies that put money into pension plans for their workers cannot take any steps to get out of their plans that would take away the money that I sup-



port. I have also made sure that pension plans that are not protected by the pension reform law that Congress passed more than 20 years ago to correct abuses in the pension system. The law to protect workers in pension plans was a good idea then, and it's a good idea now. We shouldn't fool with it. And we will continue to do whatever is necessary to keep your pension safe from the dreamers and the schemers.

STAND BY OUR VETERANS

I have sponsored legislation to help take care of our vets.



Standing in front of the Tennessee Vietnam Memorial, Congressman Warty discusses veterans' issues with members of the Vietnam Veterans of America Chapter 203 of Chattanooga. From left are Jack Miller, Claude Richardson, president, Dan Taylor, Congressman Warty, Dan Lewis, Harry Jackson, Larry Thomas, chapter vice and Terry Sparks.

Medicare to reimburse the Department of Defense for medical care provided to military retirees. Funding that helps to make medical care more easily available to military retirees.

I also co-sponsored a bill to give Medicare-eligible retirees and their spouses the option of enrolling in the Federal Employees Health Benefit Program.

VETERANS FOR GOOD GOVERNMENT



The Veterans for Good Government giving Congressman Wamp an award of appreciation for voting for veterans' efforts and for common sense government and for working in a non-partisan manner for veterans.

From left are Mike Hair, U.S. Marine Corps veteran; Shawn Tilley, a retired sergeant; Congressman Wamp; and Ralph Wilson, a World War II veteran of the 82nd Airborne division.

SENIOR FRIENDLY CONT...

Social Security benefits. The bill would gradually increase the maximum amount from \$11,520 to \$30,000 annually. The bill, HR 1215, also includes a capital gains tax cut, an increase in the estate tax exemption from \$600,000 to \$750,000 and many other "senior friendly" items, Martin said.

"HR 1215 alone qualifies Congressman Wamp as a major friend of seniors, their children and grandchildren, in effect all Americans, regardless of age," Martin said.

Former Congressman Roger Zion of Indiana also praised Wamp. "Zach Wamp is owed a debt of gratitude by seniors," Zion said.

Sixty Plus is a non partisan seniors' advocacy group with a free enterprise, less government, less taxes approach to seniors' issues.



WE'VE BEEN WORKING HARD FOR SENIORS

There is a lot of work to be done to make Washington more "Senior Friendly."

Right now we are working on a provision entitled the "Medicare Preservation Act" which would preserve and protect Medicare from bankruptcy while increasing spending per beneficiary by nearly 50 percent. Although President Clinton vetoed the bill last year, we will continue to demand that Washington take steps to protect this vital program.

But we have been doing much more than that. Here is a list of some of our other efforts:

- Passed the Senior Citizen Right to Work

Act, which gradually raises the amount a senior can earn without losing Social Security benefits to \$30,000 annually.

- Passed the Crimes Against Children and



Congressman Wamp tells Sally Stanford of Roane County about the work the Congress has done for seniors.

Elderly Persons Act, which increases the punishment for federal crimes committed against senior citizens, children and the disabled.

- Passed the Housing for Older Persons Act, which protects seniors-only communities from discrimination lawsuits and makes it easier to develop seniors-only communities.

- The president vetoed our effort to expand Medicare's coverage of breast cancer treatment and our attempt to provide tax incentives for long-term care insurance, but we will continue to support these important efforts.

THIS IS NO TIME TO FRIGHTEN SENIORS

The only time we have to fear is fear itself.

— President Franklin D. Roosevelt, Inaugural Address, 1933

For today's seniors these words are not history. They lived these words.

The words were uttered by President Roosevelt when he took office in March 1933 at the depths of the Great Depression. One of the great things about President Roosevelt was that he won office and led the nation through the Depression and World War II by projecting hope and optimism to millions of Americans who had plenty of reason to feel hopeless and afraid.

How different was President Roosevelt's approach from the way some of today's leaders choose to conduct themselves. They try to gain points for themselves by spreading fear among

seniors by telling outright falsehoods about our efforts to protect and preserve Medicare.

They say our plans would "devastate" and "cut" Medicare when they know very well that nothing could be further from the truth.

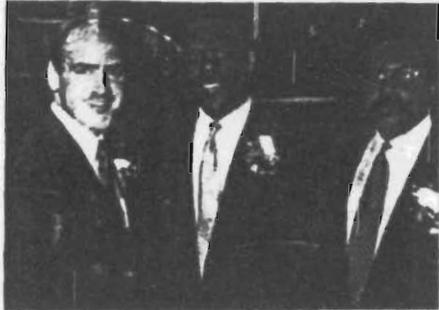
Newspapers like the Chattanooga Free Press and The Washington Post have sharply criticized these "Mediscare" tactics. The Post said "there isn't any evidence" that seniors are about to lose their Medicare. It used the word "irresponsible" to describe the tactics of those who are opposing what we are trying to do.

cont on pg. 4

EXHIBIT C

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The Urban League



From left are Congressman Wamp, Congressman Watt, and Warren Logan, President of the Chattanooga Urban League.

The Urban League wanted former football great J.C. Watts, a newly elected Congressman from Oklahoma, as the keynote speaker for their annual dinner last December. Congressman Wamp brought him in to meet and challenge hundreds of dinner guests in the 3rd District. "We need to take back our social responsibilities," Watts said. "I think we should start a second Civil Rights movement, but this time it's got to be about economic opportunity for all."

AFFIRMATIVE ACTION



Congressman Zach Wamp spoke on Affirmative Action during a speech at a Leadership Chattanooga Awards Luncheon in August 1995. Instead of ducking the issue, he spoke out, saying "don't ask this Member of Congress to back off one inch from civil rights, equal opportunity, equal access to money or social justice."

COMMUNITY HELP

When Access-Med Plus needed help, they turned to Congressman Zach Wamp. Access-Med Plus is a minority-owned firm that serves Tennessee's - the TennCare program. Access-Med Plus needed a little extra time to meet the requirements of the TennCare program, but some

state officials didn't want to wait. Wamp worked with state Finance Commissioner Bob Corker to make sure that people in the community continue to receive TennCare benefits through Access-Med Plus.

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WASHINGTON OFFICE
425 Cannon Office Building
Washington, D.C. 20515
202) 225-3271

Congress of the United States
House of Representatives
Washington, D.C. 20515
Official Business

Zach Wamp

CHATTANOOGA DISTRICT OFFICE
6100 Building, Eastgate Center
Suite 3400
5700 Brainerd Rd.
Chattanooga, TN 37411-5510
423) 894-7400



OAK RIDGE DISTRICT OFFICE
Suite 100 Federal Bldg.
200 Administration Rd.
Oak Ridge, TN 37830
423) 576-1976



CONGRESSIONAL OFFICE STAFF:



News from Congressman ZACH WAMP

MINORITY BUSINESS GETS A BOOST:



Story on page 3

CHURCH BURNINGS:

WESTSIDE PROJECT



HISTORY IN THE MAKING:

BUILDING PARTNERSHIPS:

COMMUNITY HELP:

CHATTANOOGA SUMMIT:

Finally, ACTION on Chattanooga Creek

By Congressman Zach Wamp

It's been a long time coming.

After years of talk and studies but NO action, those of us who want progress in cleaning up Chattanooga Creek have received some news to make us cheer.

Last fall, the federal government started getting real about cleaning up Chattanooga Creek when the Environmental Protection Agency put the creek on its list of Superfund sites to be cleaned up. And in June the news got even better. Chattanooga Creek moved up to the number two priority clean-up site for the whole nation!

While those of us who want the creek cleaned up can't afford to rest yet, the news is good. And EPA hopes to begin the cleanup this year.

All this tells us that the EPA has finally - officially - recognized what a mess the creek is. It may have taken EPA a long time to figure that out. But it sure is not news to anybody in the Alton Park and South Chattanooga Communities.

A lot of the thanks for getting this job done should go to the members of Stop Pollution Now. We owe special thanks to Mr. Milton Jackson, president of STOP. Shortly before EPA finally acted

I invited Mr. Jackson to Washington to testify before Congress about Chattanooga Creek. Everybody who heard him was impressed by the power of his testimony.

Now it's time to roll up our sleeves and get the EPA to come up with a plan to clean up the creek. The federal government is especially responsible because it actually had a big part in wrecking the creek. During World War II, Chattanooga Coke and Chemical was leased by the War Department and dumped much of the nasty coal tar that now lines the bottom of the creek. It's only fair that the federal government should share in the cost of cleaning up the mess it helped to make.

Did you know that General Ulysses Grant wrote about the creek when he was in Chattanooga fighting the Civil War 153 years ago? Gen. Grant wrote about soldiers bathing in the creek to clean up. (Can you imagine that?)

Won't it be great what people are writing about it that way again? Won't it be great when the Chattanooga Creek is something the whole community can enjoy once more?

LISTENING TO THE PEOPLE

Congressman Zach Wamp appointed last year to the House Minority Latin Task Force, has co-sponsored a bill that takes a new approach to helping low-income residents of urban and rural neighborhoods across the country - at Alton Park in Chattanooga's inner city.

The Community Renewal Project was developed by listening to the people who actually live in the communities instead of having Washington bureaucrats design the plan. "If you want to know what a community needs, you ought to hear



Continued on page 2

Congressman Wamp and a taxi driver discuss transportation issues.

COTHRAN NOMINATED FOR JFK AWARD



Portraits from left to right are: Mr. Cothran, Congressman Zach Wamp, Chattanooga Mayor Gene Roberts

Congressman Zach Wamp nominated the late Chattanooga Police Chief Ralph Cothran — the first black man ever to head the Chattanooga Police Department — to receive the John F. Kennedy Profile in Courage Award.

"Chief Cothran's career was built on years of professionalism, hard work and integrity," Congressman Wamp said. "The fact that Chief Cothran's record led to his appointment as the first black police chief in Chattanooga teaches the lesson that perseverance and merit do pay off, a lesson all young people need at this crucial time."

Cothran, who was loved, admired and respected

throughout the community, died on Nov. 2, 1995, ending a career of more than 30 years of service to his city and his country.

Chief Cothran was a major force for progress and positive change in the community, Wamp said. "When Ralph Cothran — fresh out of the U.S. Air Force — joined the Chattanooga Police Department in 1964, a black officer could not even arrest a white person. The black officer had to call a white officer to make the arrest. But Ralph Cothran knew change was coming, and he was determined to help make it happen.

"Part of the change was the Civil Rights revolution that happened in the 1960s. But Ralph Cothran's rise in the Chattanooga Police Department happened because of one thing, Ralph Cothran himself. He had courage. He worked hard. He had the trust of everybody. He never gave up. In only about 10 years, Mr. Cothran had risen so far in the department that he was actually commanding some of the very same white officers whom he used to have to call to make arrests for him.

"By the end of his career, Ralph Cothran ran the entire Chattanooga Police Department and was respected and admired everywhere. That says some good things about how Chattanooga and our country have changed for the better. But mostly it is a tribute to Ralph Cothran, the man."

WAMP NAMES AFRICAN-AMERICAN ADVISORY GROUP

Congressman Zach Wamp has appointed business leaders and citizen activists to lead his African-American Advisory Committee.

Committee members meet quarterly and have traveled to Washington, D.C., to meet with top leaders of the U.S. House.

"It's very important to me to hear from African-



Americans," he said. "I am honored that this fine group of outstanding citizens has agreed to work with me to help me keep in touch with the Black community."

MEMBERS OF THE AAAC

Disciplines	Represented Group	Disciplines	TN Managed Care Network
Greg Beck	Community Action Alliance	Lee Henderson	Chair, African American Museum
Ella Bryant	Community Leader	Johnny Holloway	Operations, J&J
E. Lee Cameron	TN Managed Care Network	Carolee Jones	CEO, Enterprise, Inc.
Erma Choate	Community Leader	Gerald Mason	Kurje Day Care
Marie Clark	Exp. Mgr. of TN Managed Care	Cliff McDaniel	T. T. McDaniel Company
John Edwards	Chattanooga Courier	James Miller	First Tennessee Bank
Elizabeth Gibson	Chattanooga City School	Nevin Muhammad	Nation of Islam
Yvonne Hillman	Chattanooga City Council	Bernie Spivey	Al Jones Agency/Allstate Insurance
Fred Hutchison	Foreman	Sherrin Ward	Eranger Medical Center

CONGRESSIONAL OFFICE STAFF

With five years of Congressional experience, Beverly Mauldin, our Chattanooga Office Manager, is an expert at handling the needs of the 3rd District residents. She serves as a valuable trouble shooter on a whole range of important issues.



Andrea Mulkey and Beverly Mauldin

Staff Assistant, Andrea Mulkey, began as an unpaid intern and quickly worked herself into a full-time job! Business Manager Ruth Morris oversees the operations and finances for all three Congressional offices and manages the state-of-the-art computer system the office uses to serve the more than 500,000 residents of the 3rd District. Joe Samuel, our Senior Legislative Assistant, advises the Congressman on complex defense, science and energy issues and counsels the Congressman on votes dealing with these and other issues.



Joe Samuel and Ruth Morris

Listening...

Continued from page 1

from the people who live there," Wamp said.

The Community Renewal Plan, which will create 100 Renewal Communities across the nation, will work this way:

- State and local governments would be encouraged to waive unnecessary rules and licensing requirements for people who live in Renewal Communities.
- The plan sets up scholarships to let families in Community Renewal Areas send their children to the school THEY choose.
- The new law would allow 75 percent tax credits for donations of up to \$200 that go to charities helping primarily the poor. That change would encourage more people to help low-income Americans through private charities.
- Church-related groups could get vouchers to help people overcome social problems like drug addiction and alcoholism.

Let's put the Community to work solving The Community's problems!!!

WESTSIDE PROJECT

The new "take charge" Executive Director of the Westside Project, Daphne Sloan, came to the Washington office in March to update Congressman Wamp. Residents of the Westside took control of their destiny, determined to bring about radical change. Ms. Sloan came to Chattanooga with the highest credentials to oversee the model community, which includes a health care facility and job training center.

CHURCH BURNING

C

A first-class judge, a historic appointment

Congressman Zach Wamp strongly supported the successful effort to make Curtis Collier a federal judge in Chattanooga, making Collier the first African American appointed as federal judge in East Tennessee.

"A federal judge is one of the most important people in the justice system. Federal judges are on the front lines of the fight to make our country a better place," Wamp said in supporting Judge Collier. "In Chattanooga — like other places across the country — I was a federal judge who ordered an end to the old segregated school system. Today federal judges are the first line of defense in the battle to make sure that people are treated fairly on the job and in the community. It's also up to federal judges to run trials and to sentence criminals, including the drug dealers that make all too many of our streets dangerous."

Speaking to the Senate Judiciary Committee as it considered Collier's nomination, Wamp said, "We in East Tennessee know him well. Our streets — like our law enforcement — are more honest and our city governments are more honest because Curtis Collier has worked hard and well as a federal prosecutor."



Judge Collier, Mrs. Collier, Congressman Wamp and the Collier's son, Christian, stand with them in the Washington Congressional office just before Judge Collier's confirmation hearing.

"I know Curtis Collier by more than just reputation. Our children attend the same public schools in Chattanooga, and I got to know him as a fellow parent. We served on some of the same community activities. Judge Collier is a man the whole community can be proud of."

UNDOING RACISM:

CHATTANOOGA SUMMIT:



BUILDING PARTNERSHIPS

Meeting with Oak University President Dr. Henry Binder, Congressman Zach Wamp voiced his strong support for an innovative plan called the "Minority Alliance Proposal." Under it, historically black colleges and universities would work with the U.S. Department of Energy to protect communities from

hazardous materials and to make sure that hazardous materials are transported safely.

Fisk University, Tennessee State University and Lane College will work in partnership with the Oak Ridge National Laboratory and The University of Tennessee.

In a letter to U.S. Energy Secretary Hazel O'Leary, Wamp said, "I strongly support this proposal because of its potential for far-reaching benefits to the department, taxpayers and those involved in the alliance proposal."

A VERY REWARDING DAY: Minority Business Gets a Boost

is "one of the most important parts of the job of a business that is serving the concerns of communities here in Washington."

When Mike Stewart, an up-and-coming minority business owner in Chattanooga gave the keynote address at the government contracting summit sponsored by the House Transportation

Committee, he was the president of World Trade Center of Chattanooga. His company works for the Chattanooga Area Council of Governments (CARTA). He is also a contractor to overhaul cars for Vista Rapid Transit Authority. He is an aggressive businessman that is



Zach Wamp with Chattanooga area businessman Mike Stewart.

Mr. Stewart is not satisfied with that. He wants to grow his business.

Stewart told the committee the major contracts that tend to go to a few industries go in with firms that are "restricted to traditional in-service scope of services." But Stewart said he hopes to see the rules changed so companies like his can become major players.

EXHIBIT D

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FINANCE



October 1, 1996

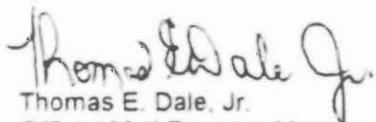
Steve Pazmino
Campaign Manager
Chuck Jolly for Congress
PO Box 25366
Chattanooga, TN 37422

Dear Mr. Pazmino

This is in response to your Freedom of Information request dated September 9, 1996, regarding use of the Congressional franking privilege. The only records of volumes mailed by members of the House of Representatives are those mailings presented in quantity with mailing statements to the Postal Service. In addition, no information is available as to description of the mail pieces or number of pieces by ZIP Code.

The enclosed information is for quantity mailings by Congressman Zach Wamp for 1995 and 1996 through August 31, the latest data available. Congressman Wamp was not a member of Congress in 1994.

If you have any questions on this information please contact me at (202) 268-3332.


Thomas E. Dale, Jr.
Official Mail Program Manager
Post Office Accounting

Enclosures

98940855369

Permit Report For Selected Accounts

ACCOUNT: 53825

January 1, 1996 - August 31, 1996

HONORABLE ZACH WAMP

U S HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515-4207

PERMIT MAIL ACTIVITY

<u>Reference ID Number</u>	<u>Mailing Date</u>	<u>No. of Pieces</u>	<u>Cost</u>	<u>Adjustments</u>
105000-96-223.00/08	2/13/96	346	78.73	
105000-96-254.00/13	2/23/96	213	48.83	
105000-96-284.00/05	3/15/96	1,864	325.00	
105000-96-308.00/18	3/29/96	498	86.88	
105000-96-324.00/16	4/9/96	329	75.74	
105000-96-330.00/37	4/12/96	1,911	334.17	
105000-96-390.00/08	5/14/96	372	85.19	
105000-96-392.00/06	5/16/96	444	78.22	
105000-96-439.00/27	6/11/96	268	63.12	
105000-96-440.00/31	6/12/96	237	52.13	
Total Permit Costs:			\$1,228.01	\$0.00

980478553/0

Permit Report For Selected Accounts

ACCOUNT: 53825

January 1, 1995 - December 31, 1995

HONORABLE ZACH WAMP

U S HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515-4207

PERMIT MAIL ACTIVITY

<u>Reference ID Number</u>	<u>Mailing Date</u>	<u>No. of Pieces</u>	<u>Cost</u>	<u>Adjustments</u>
105000-95-412.00/11	3/17/95	1,016	259.65	
105000-95-446.00/19	3/29/95	445	218.72	
105000-95-569.00/07	5/18/95	51,453	7,398.80	
105000-95-767.00/11	8/21/95	1,096	202.58	
105000-96-030.00/04	9/15/95	40,352	6,052.80	
105000-96-031.00/09	9/16/95	114,951	17,740.49	
105000-96-100.00/29	10/27/95	1,167	280.80	
105000-96-087.00/36	10/30/95	441	100.85	
Total Permit Costs:			\$32,234.69	\$0.00

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EXHIBIT E

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Jolly charges, Wamp denies misuse of mailing privileges

By Chuck Jolly

Chuck Jolly said Friday that U.S. Rep. Zach Wamp has abused the taxpayer-funded mailing privileges for members of Congress.

Wamp said his Democratic opponent's assertions are based on misinformation.

Jolly focused on two newsletters: one aimed at senior citizens in the 3rd Congressional District and one for African-Americans.

On a tape of a Knoxville TV talk show, Jolly showed Wamp saying the newsletters were not part of an unsolicited mass mailing for his campaign. They were printed and approved, he said, by the congressional office that oversees free mailing to send to anyone contact-

ing his Washington office about issues involving senior citizens or African-Americans.

But Jolly said 3rd District constituents have told him they received the mailings without contacting Wamp's office. He admitted "less than a dozen" have made such complaints and "in many cases, it is people who are involved in the Jolly campaign."

Still, Jolly said, it is obvious Wamp used Washington staff, whose salary is paid by taxpayers, instead of campaign workers and funds, to prepare the mailings. And it is obvious, he said, they were mass mailed as campaign literature.

"We know he abused (mailing privileges) but we don't know how

much," Jolly said.

Wamp said the newsletters were approved by the bipartisan Commission on Congressional Mailing Standards, the body that oversees House member's franking (free-mail) privileges. Some were mailed locally, he said, to save tax dollars.

Wamp noted he is the only Tennessee representative to sign on as a sponsor of a bill that would eliminate all mass mailings in an election year.

Jolly said Wamp's mailings were "hypocritical and very inappropriate," violating the spirit of the bill which failed to pass the House. They were "election targeted newsletters," Jolly said, and called on Wamp to reimburse the cost.

EXHIBIT F

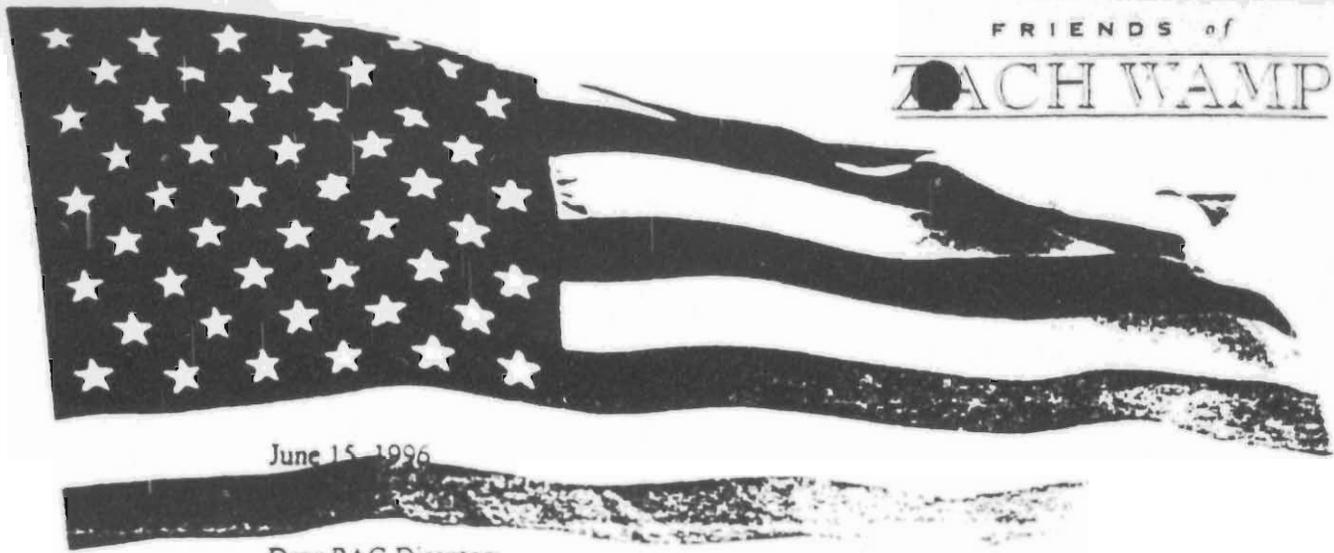
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EXHIBIT G

0 8 7 4 7 8 5 5 3 / 6



FRIENDS of
ZACH WAMP

June 15, 1996

Dear PAC Director:

The Friends of Zach Wamp want to share with you the enclosed letter from Mr. Ron Docksai, a leader of the Bayer Corporation Political Action Committee. We believe it speaks well of Third District Congressman Zach Wamp and his effective leadership in Washington. Through a core set of values that mirror those of the American people, a career as a small businessman, and a tireless work ethic, Zach is recognized as one of the rising stars in Congress. The people of our District, both Democrat and Republican, have responded in enthusiastic fashion. In late spring, polling showed Zach's re-election numbers to be among the very best in the entire country with a job approval rating of 60 percent.

Zach has not accepted money from Political Action Committees. It is a personal philosophy he adopted when he first ran for office in 1990 and maintains today. In the 1994 election cycle, he raised more than \$650,000 in individual contributions. This year, Zach has raised more than \$460,000 in individual contributions. At the last FEC filing, the most raised by any Democrat running in this Congressional District was \$30,000.

I am writing to suggest that your organization, just like the Bayer Corporation, can benefit from Congressman Wamp's effective leadership without making any contributions to any candidates for the House of Representatives in the Third District of Tennessee.

Thank you for allowing the Friends of Zach Wamp to share this letter with you. Please do not hesitate to call if you have any questions.

Sincerely,

J. Wayne Cropp
J. Wayne Cropp
Chairman



Post Office Box 34104
Chattanooga, Tennessee 37422

Office 423-865-1596
Facsimile 423-865-0033

Printed by the House of Zach Wamp, 3, Post Office, Tennessee

304-855-377

EXHIBIT H

9 8 7 4 7 8 5 5 3 / 8

Ronald F. Docksal, Ph.D.
Vice President
Federal Government Relations

May 17, 1996

The Honorable Zach Wamp
U.S. Member of Congress
423 Cannon House Office Building
Washington, D.C. 20515-4203

Dear Congressman Wamp:

On behalf of your many friends in Bayer Corporation, I thank you again for your conscientious and steady legislative leadership on behalf of the public policy issues which critically affect research intensive industry. Your championship of "the rights of the patient" thoughtfully parallel Bayer's *Vision and Values* as a creed for responsible citizenship.

As you know, the employees who voluntarily comprise our company's political action committee (BAYPAC) were among the earliest supporters of Senators Bill Frist and Fred Thompson. We are proud of their continuing legislative work on *FDA Reform* as well as *Regulatory Reform*; and we recognize that dovetailing their legislative stewardship is your own tireless work in the House, referring specifically to your leadership on the Subcommittees on *Basic Research*; *Energy and Environment*; and *Water Resources and Environment*. It all goes to improve the quality of life in our American community, and we are proud of you for it.

Although I recently learned that you do not accept PAC contributions, I nevertheless share a copy of this *thank you note* with my fellow BAYPAC Directors; particularly our chairman, as well as President of *Bayer Corp. Fibers, Organics and Rubber Division*, Dr. Richard L. White. We thank you; your excellent Chief of Staff, Helen Hardin; and your diligent legislative staff.

Respectfully,



Ron Docksal

cc: Dr. Richard L. White, BAYPAC

Bayer Corporation
1101 Pennsylvania Avenue, N.W.
Suite 515
Washington, D.C. 20004
Phone: 202 737-8900
Fax: 202 737-8909

98043855379



FEDERAL ELECTION COMMISSION
Washington, DC 20463

November 26, 1996

Charles N. Jolly
3006c Ooltewah-Ringgold Road
Ooltewah, TN 37363

RE: MUR 4586

Dear Mr. Jolly:

This letter acknowledges receipt on November 19, 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 4586. 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,

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

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Enclosure
Procedures

98047855310



FEDERAL ELECTION COMMISSION
Washington, DC 20463

November 26, 1996

The Honorable Zach Wamp
2044 Maria Cove Drive
Hixson, TN 37343

RE: MUR 4586

Dear Mr. Wamp:

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 4586. 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.

93047855331

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

Sincerely,



F. Andrew Furley
Supervisory Attorney
Central Enforcement Docket

Enclosures

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

9 8 7 4 3 8 5 5 3 3 2



FEDERAL ELECTION COMMISSION
Washington, DC 20463

November 26, 1996

L. Dan Johnson, Treasurer
Friends of Zach Wamp
PO Box 24804
Chattanooga, TN 37421-2970

RE: MUR 4586

Dear Mr. Johnson:

The Federal Election Commission received a complaint which indicates that the Friends of Zach Wamp ("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 4586. 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.

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

Sincerely,



F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Enclosures

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

9 8 0 4 3 8 5 5 3 4



FEDERAL ELECTION COMMISSION

Washington, DC 20463

November 26, 1996

J. Wayne Cropp, Chairman
Friends of Zach Wamp
PO Box 214804
Chattanooga, TN 37421-2970

RE: MUR 4586

Dear Mr. Cropp:

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 4586. 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.

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

Sincerely,



F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Enclosures

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

9 8 0 4 3 8 5 5 3 3 6



FEDERAL ELECTION COMMISSION
Washington, DC 20463

November 26, 1996

Gene McKissic
255 East Street SE
Cleveland, TN 37311-2826

RE: MUR 4586

Dear Mr. McKissic:

The Federal Election Commission received a complaint which indicates that you and The Informer, Inc. 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 4586. 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 and The Informer, Inc. in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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

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

Sincerely,



F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Enclosures

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

9 8 7 4 3 8 5 5 3 3 8



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 25, 1996

Yogesh K. Gandhi
4 Bates Boulevard
Orinda, CA 94563

RE: MUR 4530

Dear Mr. Gandhi:

This is in response to your letter dated November 15, 1996, which we received on November 19, 1996, requesting a 2 month extension of to respond to the complaint filed in the above-noted matter.

Considering the Federal Election Commission's responsibilities to act expeditiously in the conduct of investigations, the Office of the General Counsel cannot grant your full request, but can only agree to a 30 day extension. Accordingly, the response is due by close of business on December 16, 1996.

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

Sincerely,

Alva E. Smith, Paralegal
Central Enforcement Docket

9 8 0 4 7 8 5 5 3 9

December 11, 1996

DEC 15 10 05 AM '96
FEDERAL ELECTION COMMISSION
OFFICE OF REGIONAL COUNCILS

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W., Room 657
Washington, D.C. 20463

Re: MUR 4586

Dear Mr. Noble:

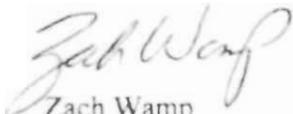
This letter constitutes our answer to the Complaint filed with the Federal Election Commission ("FEC"), which has been assigned MUR 4586. The complaint was filed by Charles N. Jolly, nominee for the Democratic Party in the Third Congressional District of Tennessee. Mr. Jolly lost by a large margin in his bid for the U.S. House of Representatives.

This answer and the enclosed response address the substantive issues raised by the Complainant. A similar Complaint was filed with the Commission on Mailing Standards of the U.S. House of Representatives, and was dismissed on November 22, 1996 (See Exhibit 1 in the enclosed materials.)

I request that the Commission dismiss this FEC Complaint, since the Complainant makes only unsubstantiated allegations and does not provide any evidence that a violation of the Federal Election Campaign Act of 1971 (as amended) has occurred. What was a campaign tactic, of making wild and unsubstantiated charges, has now become an act of "sour grapes".

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

Sincerely,



Zach Wamp
For the Friends of
Zach Wamp Campaign

98043855370

FEDERAL ELECTION COMMISSION

Charles N. Jolly,)	<u>ANSWER</u>
Complainant,)	
)	
Will T. Cheek,)	
Complainant,)	
)	MUR 4586
vs.)	
)	
Zach Wamp,)	
Respondent.)	

Respondent Zach Wamp, answering Federal Election Commission Complaint MUR 4586, filed by Charles N. Jolly (the "Jolly Complaint"), states the following:

A Complaint filed by Complainant Will T. Cheek ("Cheek Complaint"), MUR 4550, was answered by Respondent in correspondence of November 26, 1996. Complainant Jolly incorporates the Cheek Complaint, by reference, into his Complaint. Respondent refers the Commission to Respondent's answer of November 26, 1996, in response to the "Cheek Complaint."

The Cheek and Jolly Complaints concern two Congressional newsletters, which were produced and distributed solely at government expense. The newsletters contained only matters of official business. During production, the newsletters were submitted at least three times to the Committee on Congressional Mailing Standards, and written staff advisories were issued stating that each was frankable under House Rules. The newsletters were distributed during the time set by House Rules: after August 1, 1996, and on or before August 7, 1996.

Except as admitted herein, Respondent denies the allegations contained in the Jolly Complaint. Complainant Jolly has offered no proof of the allegations of impropriety or wrongdoing by the Respondent or his Campaign. The Jolly Complaint contains numerous falsehoods and inaccuracies.

The nature of the violation alleged by Complainant Jolly concerning the Congressional newsletters is found on the fourth page of the Complaint. Therein, Complainant Jolly alleges, "If ... a deal was struck in which the Committee received a 'complimentary' full page ad, that ad becomes a tax-payer funded contribution to the Wamp campaign, notwithstanding its impropriety." Respondent answers this alleged violation herein, but inasmuch as Complainant Jolly takes several pages to vent his anger and frustration, Respondent finds no reason to address point-by-point the innuendo, hearsay, speculation, supposition, misstatements and inaccuracies contained within the Complaint. The Commission on Congressional Mailing Standards has already addressed similar alleged violations and determined that the Complaint before the Commission on Congressional Mailing Standards was without merit. Accordingly, the

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Complaint filed before the Commission on Congressional Mailing Standards was dismissed on November 22, 1996. (See Exhibit 1).

In response to Complainant Jolly's allegations, Respondent replies that he has no knowledge of any statements made by Gene McKissic to Complainant Jolly, or the Jolly Campaign. Respondent does not know the nature of any conversations between Mr. McKissic and the Jolly Campaign, the extent to which Mr. McKissic may have been badgered into a misstatement by the Jolly Campaign, whether the Jolly Campaign, or Jolly supporters, may have paid Mr. McKissic to make false or misleading statements, or the extent to which the Jolly Campaign may be misrepresenting the nature of any alleged conversations between Mr. McKissic and the Jolly Campaign. Suffice it to say that Complainant Jolly provides no evidence of a "swap out" or wrongdoing by Respondent or his Campaign. In fact, the evidence is to the contrary.

The Congressional transaction with *The Tennessee Informer* was a straight commercial transaction, in which Mr. McKissic agreed, and was paid, to distribute the Congressional newsletters to certain constituents within the Third Congressional District, during the time periods required by House Rules. No lists or addresses were provided to, or exchanged with, the Respondent, the Congressional Office, or his Campaign. Mr. McKissic billed the Congressional Office for his services and was paid by the House Finance Office. The newsletters were sent in a separate mailing from any other publication. Additionally, the newsletters were mailed within the dates prescribed by House Rules, as demonstrated by the dismissal of a similar Complaint filed before the Commission on Congressional Mailing Standards (See Exhibit 1). Inasmuch as the underlying premise of Complainant Jolly's petition is false, the violations, impropriety, and wrongdoing alleged by Complainant Jolly fail to state a basis for a violation of FEC rules and requirements (and accordingly, fail to state a claim against Respondent or his Campaign).

Respondent denies that a deal was struck, or that there was any arrangement, in which the Wamp Campaign (Friends of Zach Wamp Campaign) received a "complimentary" full page ad. A Wamp Campaign ad was published in *The Tennessee Informer* in October and November newsletters. These advertisements in two separate editions of *The Tennessee Informer* were but two of the many newspaper advertisements published on behalf of the Wamp Campaign, in numerous newspapers and journals. This business transaction was separate from any action or activity of the Congressional Office. The October advertisement in *The Tennessee Informer* was paid as invoiced. Payment for \$80.00 was made on October 1, 1996. Upon receipt of a subsequent invoice for October, a payment of \$220.00 was made on October 24, 1996. These payments were reflected in the FEC Report of December 4, 1996 (See Exhibit 2). An invoice for the November advertisement was received by the Wamp Campaign on November 7, 1996, and was paid on December 3, 1996. This payment will be included in the FEC Report which will be filed in January 1997 in accordance with FEC rules. All payments to *The Tennessee Informer* and all other media have been made and reported in accordance with FEC requirements. In response to Complainant Jolly's allegations, Respondent specifically denies that there has been any " . . . knowing, willful, false or concealing statement on Mr. Wamp's FEC Reports."

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Complainant Jolly raises the issue of the Knoxville, Tennessee television show, "Insider's Journal." Rules pertinent to the printing and mailing of Congressional newsletters were revised in 1995. In accordance with House Rules, the Members' Representational Allowance ("MRA") pays both the printing and the mailing of Congressional newsletters. There is a limit on the amount of MRA funds that may be used for Congressional mail, but the separate accounts for mail, clerk hire and official expenses were merged in 1995. Therefore, Respondent acknowledges that, unknown to him at the time of the television show, Respondent's statement that "... the Franking budget allowed the printing of it (the newsletter) but not the mailing of it," was technically incorrect. In full compliance with House Rules, both the printing and mailing of the newsletters were paid with Congressional funds.

Complainant Jolly filed an Affidavit before the House Commission on Congressional Mailing Standards, November 11, 1996. The Complaint, alleging errors and wrongdoing by Respondent's Congressional office concerning the facts stated in the Affidavit, was apparently filed with the Commission on Congressional Mailing Standards by Complainant Jolly. While the Affidavit was made an exhibit to the Jolly Complaint in this matter, it was not incorporated into this complaint. The Commission on Congressional Mailing Standards has determined that the Complaint filed by Will T. Cheek, Chairman, Tennessee Democratic Party, which was supported by the Jolly Affidavit of November 11, 1996, was without merit, and dismissed said Cheek Complaint on November 22, 1996 (See Exhibit 1). Therefore, the matters having been dismissed by the House Commission on Congressional Mailing Standards will not be addressed herein.

Turning now to the second aspect of Complainant Jolly's allegations, Respondent answers that Complainant Jolly has failed to state a violation of the FEC requirements. Respondent denies that he or his Campaign violated any FEC requirements concerning the Wamp Campaign's correspondence of June 15, 1996.

Complainant Jolly provides an obviously distorted, inaccurate interpretation of the June 15, 1996, correspondence in his attempt to identify some type of "negative commitment" from PAC directors. Complainant Jolly's oxymoron is nonsensical and states no basis for a violation of FEC requirements. The sheer silliness of Complainant Jolly's proposition that PACs (or persons) who decide not to give to either candidate in a campaign somehow provide something of value to the incumbent is ludicrous, and demonstrates the desperation, vengeance, and frustration of the Complainant. Of course, Complainant Jolly totally ignores the fact that the correspondence from BAYPAC Director Ron Doeski, which Complainant attempts to use to demonstrate some type of FEC violation, makes no mention of any alleged "negative commitment" to Congressman Wamp or his Campaign.

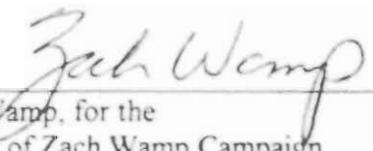
Respondent denies that he or his Campaign violated Federal Election Commission requirements in any respect. Accordingly, on behalf of Respondent and his Campaign, Respondent respectfully requests that the Federal Election Commission dismiss the FEC Complaint.

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The unsubstantiated allegations made by Complainant Jolly were repeatedly raised by the Complainant during the campaign, and such campaign techniques were rejected by the voters. Respondent respectfully requests that the FEC also reject these charges.

Signed at Chattanooga, Tennessee

This 13 day of December, 1996


Zach Wamp, for the
Friends of Zach Wamp Campaign

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Congress of the United States House of Representatives

COMMISSION ON
CONGRESSIONAL MAILING STANDARDS

140 CANNON HOUSE OFFICE BUILDING
PHONE: (202) 225-9337
FAX: (202) 226-0047

Washington, DC 20515-6250

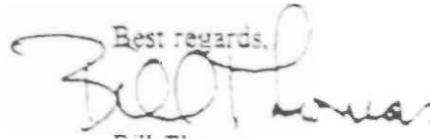
November 22, 1996

Congressman Zach Wamp
U.S. House of Representatives
403 Cannon
Washington, D.C. 20515

Dear Congressman Wamp

The House Commission on Congressional Mailing Standards, by a vote of 5-0, dismissed the complaint in the matter of Will Cheek vs. Honorable Zach Wamp, M.C., on the grounds that there is no substantial reason to believe that a violation has occurred as alleged in the complaint.

The Commission dismissed the complaint under Section 3 of the Act of December 13, 1973 (87 Stat. 743, Public Law 93-191) and Rule 3 of the Commission on Congressional Mailing Standards. The written decision is as follows.

Best regards,

Bill Thomas
Chairman

98043855395

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 from such committee.

NAME OF COMMITTEE (in Full) FEC ID No. C00300681

03041855376

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
GENE L. ROGERS 1205 CONSTITUTION DR. CHATTANOOGA, TN 37405	SUPPLIES	10/29/96	70.41
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General		
OAK RIDGE CHRONICLE OAK RIDGE, TN 37830	AD	10/22/96	990.00
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General		
THE TENNESSEE INFORMER 255 EAST STREET CLEVELAND, TN 37311	AD	10/24/96	220.00
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General		
THE POLK COUNTY NEWS P.O. BOX 129 BENTON, TN 37307	AD	10/22/96	228.97
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General		
CHERRY COMMUNICATIONS 227 NORTH BRONOUGH ST. TALLAHASSEE, FL 32301	GOTV PHONES	10/17/96	12000.00
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	11/4/96	2562.30
		11/4/96	5319.78
	Other (specify)		
MUSI-COM PRODUCTIONS 3480 BRAINERD ROAD CHATTANOOGA, TN 37411	PRODUCTION COSTS	10/24/96	694.00
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	11/8/96	190.00
		11/14/96	90.00
	Other (specify)		
TRACK 29 18 MARKET ST. CHATTANOOGA, TN 37402	T-SHIRTS, ETC.	10/28/96	1584.39
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	11/6/96	685.89
		Other (specify)	
TONY DALFONSO 3703-42 OLDE COLONY TRAIL KNOXVILLE, TN 37923	REIMB POSTAGE	10/28/96	500.00
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General		
TONY DALFONSO SAME AS ABOVE	SALARY	10/31/96	1644.00
	Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	11/6/96	307.83
		Other (specify)	

SUBTOTAL of Disbursements This Page (optional)	27087.57
TOTAL This Period (last page this line number only)	EXHIBIT 2

December 20, 1996

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W., Room 657
Washington, D.C. 20463

Dec 27 9 49 AM '96

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Re: MUR 4586

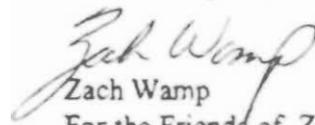
Dear Mr. Noble:

This letter constitutes an amendment to our Answer to the Complaint filed with the Federal Election Commission ("FEC"), which has been assigned MUR 4586. This amendment provides additional clarification regarding the matters addressed herein.

Again, I request that the Commission dismiss the FEC Complaint, since the Complainant makes only unsubstantiated allegations and does not provide any evidence that a violation of the Federal Election Campaign Act of 1971 (as amended) has occurred.

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

Warmest regards,



Zach Wamp
For the Friends of Zach
Wamp Campaign

9804385397

Federal Election Commission

Charles N. Jolly, Complainant,)	<u>ANSWER</u>
)	
Will T. Cheek, Complainant,)	
)	
vs.)	MUR 4586
)	
Zach Wamp, Respondent.)	

Respondent Zach Wamp, answering the Federal Election Commission Complaint, MUR 4586, filed by Charles N. Jolly (the "Complainant"), states the following, as an amendment, and further elaboration of our Answer of December 13, 1996:

In the third full paragraph at page 2, it states as follows, in pertinent part:

Payment for \$80.00 was made on October 1, 1996. Upon receipt of a subsequent invoice for October, a payment of \$220.00 was made on October 24, 1996. These payments were reflected in the FEC Report of December 4, 1996 (See Exhibit 2).

Actually, the October 1, 1996 payment to the *Tennessee Informer* in the amount of \$80.00 was reported in the Pre-Election Report (for the period through October 16, 1996), which was filed on October 21, 1996. The amount was included on Schedule B, page 4, item F (Summary of Disbursements of \$200.00 or Less). Payment was made in accordance with FEC Rules, and was properly reported on the appropriate FEC Report, as required.

Signed at Chattanooga, Tennessee
This 20 day of December, 1996.


Zach Wamp, For the Friends of Wamp Campaign

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J. Wayne Cropp

4171 Gann Store Road
Hixson, TN 37343

REC'D
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

DEC 30 3 05 PM '96

Office Direct Line
(423) 752-0556

Home Telephone
(423) 870-4870

December 24, 1996

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W., Room 657
Washington, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: MUR 4586

Dear Mr. Noble:

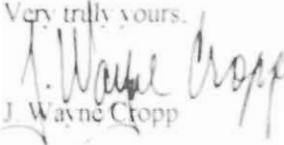
Enclosed please find a copy of my Answer to the Complaint filed with the Federal Election Commission ("FEC"), designated as MUR 4586. The Complaint was filed by Chuck Jolly, formerly a candidate for the U.S. House of Representatives, Third Congressional District, Tennessee.

While the letter of correspondence from F. Andrew Turley is dated November 26, 1996, the postmark was dated December 10, 1996. Apparently, the Complaint was addressed to me individually, as Chairman of the Friends of Zach Wamp Campaign. However, since this Complaint was not mailed to me at my business address or my home address, I did not receive it until December 13, 1996. The correspondence from the FEC, bearing the date of November 26, 1996, states that I have 15 days from the date of receipt of this letter to respond.

This correspondence, with attached response, addresses the allegations in the Complaint (MUR 4586) related specifically to my alleged involvement in these matters. It is my understanding that Congressman Zach Wamp has responded previously to this Complaint (MUR 4586) for himself, and for the Campaign. Since there is already a response for the Campaign, I will be responding individually, since an individual copy of the FEC correspondence and Complaint was addressed to me by the FEC.

I request that the Commission dismiss this FEC Complaint, since the Complaint states no basis for a violation of the Federal Election Campaign Act of 1971 (as amended).

If I can be of assistance in any way, please let me know.

Very truly yours,

J. Wayne Cropp

Enclosure - Answer (MUR 4586)

cc F. Andrew Turley
Supervisory Attorney
Federal Election Commission
999 E Street, N W
Washington, D.C. 20463

89135319

Federal Election Commission

Charles N. Jolly,
Complainant,

ANSWER

vs

MUR 4586

J. Wayne Cropp,
Respondent

I, J. Wayne Cropp, answer the Federal Election Commission Complaint, MUR 4586, filed by Charles N. Jolly ("Complainant Jolly"), individually, and in my capacity as Chairman of the Friends of Zach Wamp Campaign (the "Wamp Campaign") as follows

I had no involvement in, and therefore no knowledge concerning, the matters alleged in the portion of the Complaint referred to as "The 'Swap Out' with Gene Mckissic, d/b/a *The Informer*."

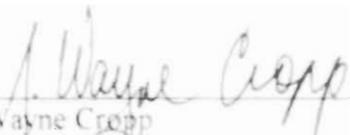
With regard to the matters concerning the issue referred to by Complainant Jolly as "The Offer of 'Benefit' to PAC's for 'Defunding' an Opponent," provided below is my response:

Complainant Jolly seeks to concoct some type of scenario which he alleges is a violation of the Federal Election Commission ("FEC") rules. However, Complainant Jolly acknowledges "problems" with his own Complaint in the scenario he has devised (e.g., "It is conceded that there may be valuation questions . . ."). The Complaint fails to state a basis for a violation of FEC rules, and I deny that I violated FEC requirements.

I might add that it is a sad commentary about Complainant Jolly, and the American political system, when a candidate believes that he is "owed" a contribution by special interest political action committees ("PACs"). Rather than have the system abused in the manner pursued by Complainant Jolly, Congressman Wamp should be recognized for his courage in this political climate, of refusing PAC contributions. Congressman Wamp is to be commended for his stand in refusing the corrupting influence of special interest PAC contributions, which are often given without merit, and only for the influence which they can buy.

Given that Complainant Jolly has failed to state a claim upon which relief can be granted, or a basis for a violation of FEC rules, I request that the Commission dismiss this matter forthwith.

Signed at Chattanooga, Tennessee
This 24th day of December, 1996



J. Wayne Cropp

3033540

STATE OF TENNESSEE
COUNTY OF HAMILTON

Before me, a Notary Public of the State and County aforesaid, personally appeared J. Wayne Cropp, to me known (or proved to me on the basis of satisfactory evidence) to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

WITNESS my hand and seal, at office in Hamilton County, Tennessee, this 24th day of December, 1996


Notary Public

My Commission Expires: 1/30/99

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of _____)
)
)
)

ENFORCEMENT PRIORITY

May 10 10 00 AM '97

SENSITIVE

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.

This is the first Enforcement Priority Report that reflects the impact of the 1996 election cycle cases on the Commission's enforcement workload. We have identified _____ cases that are stale _____ which are recommended for dismissal at this time. This is the highest number of cases identified as stale in a single report, and the highest number of stale cases recommended for closure at one time, since the inception of EPS in 1993.

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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 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, resulting in a numerical rating for 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 cases that do not warrant further action relative to other pending matters.³ Attachment I 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

³ These cases are:

RAD 97L-10 (*Citizens for Randy Borow*); RAD 97L-16 (*Republican State Central Committee of South Dakota*); Pre-MUR 347 (*Producers Lloyds Insurance Company*); Pre-MUR 348 (*Peoples National Bank of Commerce*); Pre-MUR 349 (*Trump Plaza*); Pre-MUR 350 (*Citibank, N.A.*); Pre-MUR 355 (*Feingold Senate Committee*); MUR 4494 (*Georgianna Lincoln*);

MUR 4586 (*Friends of Zach Wamp*); MUR 4590 (*Oklahoma Education Association*); MUR 4600 (*San Diego Police Officers Assoc*); MUR 4612 (*Teresa Doggett for Congress*); MUR 4615 (*Catholic Democrats for Christian Values*); MUR 4616 (*American Legislative Exchange Council*); MUR 4620 (*Eastern Connecticut Chamber of Commerce*); MUR 4622 (*Telles for Mayor*); MUR 4628 (*Gutknecht for Congress*); MUR 4629 (*Janice Schakowsky*); MUR 4636 (*IBEW Local 505*); MUR 4637 (*Dettman for Congress*); MUR 4639 (*Larson for Congress*); MUR 4641 (*Becker for Congress*); MUR 4644 (*Detroit City Council*); MUR 4651 (*Mike Ryan*); MUR 4653 (*Pritzker for Congress*); MUR 4656 (*H. Carroll for Congress*); and MUR 4657 (*Buchanan for President*).

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means to identify those cases which, though earning a higher rating when received, 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.

We have identified cases that have remained on the Central Enforcement Docket for a sufficient period of time to render them stale. We are recommending the closure of cases based on staleness.⁶

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⁶ These cases are: MUR 4283 (*Chenoweth for Congress*); MUR 4341 (*Juan Soliz for Congress*); MUR 4402 (*U.S. Representative Helen Chenoweth*); MUR 4435 (*Lincoln for Congress*); MUR 4439 (*UAW*); MUR 4442 (*Lipinski for Congress*); MUR 4444 (*Roberts for Congress*); MUR 4445 (*Randy Tate for Congress*); MUR 4446 (*Clinton/Gore '96 Primary*); MUR 4447 (*Random House, Inc.*); MUR 4449 (*Clinton Administration*); MUR 4453 (*Mike Ward for Congress*); MUR 4454 (*Ralph Nader*); MUR 4459 (*Clinton/Gore '96*); MUR 4474 (*Salva for Senate*); MUR 4477 (*BBDO-New York*); MUR 4481 (*Diamond Bar Caucus*); MUR 4485 (*Perot '92 Petition Committee*); MUR 4486 (*Bunda for Congress*); MUR 4495 (*Pennsylvania PACE for Federal Elections*); MUR 4496 (*Norwood for Congress*); MUR 4497 (*Pease for Congress*); MUR 4510 (*Stabenow for Congress*); MUR 4511 (*Bob Coffin for Congress*); MUR 4514 (*Friends for Franks*); MUR 4515 (*Clinton Investigative Commission*); MUR 4521 (*WMAI 630 AM*); MUR 4525 (*Senator Larry Pressler*); MUR 4527 (*Brennan for Senate*); MUR 4536 (*Signature Properties, Inc.*); MUR 4540 (*Tim Johnson for SD*); MUR 4542 (*Dan Frisa for Congress*); MUR 4552 (*Charles W. Norwood*); MUR 4554 (*John Byron for Congress*); MUR 4556 (*Jim Wiggins for Congress*); MUR 4561 (*Jay Hoffman for Congress*); MUR 4564 (*National Republican Congressional Committee*); MUR 4567 (*DNC Services Corp.*); MUR 4569 (*McGovern Committee*); RAD 96L-11 (*New York Republican County Committee*); Pre-MUR 343 (*NRSC*); and Pre-MUR 312 (*Joseph Demio*). The Demio case involves fundraising related to former Congresswoman Mary Rose Oakar's 1992 congressional campaign. It was held as a courtesy to the Department of Justice pending resolution of a parallel criminal matter in the District Court for the District of Columbia. Mr. Demio recently entered into a plea agreement with the Department of Justice (on which we were not consulted) in which he agreed, among other things, to waive the statute of limitations regarding civil violations of the FECA. Considering the age of the case and activity, the fact that DOJ has not formally referred this matter to us, and the Commission's continuing resource constraints, dismissal is the appropriate disposition of this matter.

We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective November 17, 1997. Closing 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 November 17, 1997, and approve the appropriate letters in the following matters:

- | | | |
|------------|-------------|-------------|
| RAD 96L-11 | Pre-MUR 312 | Pre-MUR 349 |
| | Pre-MUR 343 | Pre-MUR 350 |
| RAD 97L-10 | Pre-MUR 347 | Pre-MUR 355 |
| RAD 97L-16 | Pre-MUR 348 | |

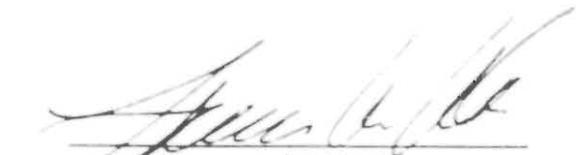
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B. Take no action, close the file effective November 17, 1997, and approve the appropriate letters in the following matters:

- | | | |
|----------|----------|----------|
| MUR 4283 | MUR 4495 | |
| MUR 4341 | MUR 4496 | MUR 4569 |
| MUR 4402 | MUR 4497 | MUR 4586 |
| MUR 4435 | MUR 4510 | MUR 4590 |
| MUR 4439 | MUR 4511 | MUR 4600 |
| MUR 4442 | MUR 4514 | MUR 4612 |
| MUR 4444 | MUR 4515 | MUR 4615 |
| MUR 4445 | | MUR 4616 |
| MUR 4446 | MUR 4521 | MUR 4620 |
| MUR 4447 | MUR 4525 | MUR 4622 |
| MUR 4449 | MUR 4527 | MUR 4628 |
| MUR 4453 | MUR 4536 | MUR 4629 |
| MUR 4454 | MUR 4540 | MUR 4636 |
| MUR 4459 | MUR 4542 | MUR 4637 |
| MUR 4474 | MUR 4552 | MUR 4639 |
| MUR 4477 | MUR 4554 | MUR 4641 |
| MUR 4481 | MUR 4556 | MUR 4644 |
| MUR 4485 | MUR 4561 | MUR 4651 |
| MUR 4486 | | MUR 4653 |
| | MUR 4564 | MUR 4656 |
| MUR 4494 | MUR 4567 | MUR 4657 |

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Date 7/97


Lawrence M. Noble
General Counsel

Federal Election Commission
Certification: Agenda Document
No. X97-77
December 2, 1997

Page 2

11.	MUR	4449	36.	MUR	4556
12.	MUR	4453	37.	MUR	4561
13.	MUR	4454	38.	MUR	4564
14.	MUR	4459	39.	MUR	4567
15.	MUR	4474	40.	MUR	4569
16.	MUR	4477	41.	MUR	4586
17.	MUR	4481	42.	MUR	4590
18.	MUR	4485	43.	MUR	4600
19.	MUR	4486	44.	MUR	4612
20.	MUR	4494	45.	MUR	4615
21.	MUR	4495	46.	MUR	4616
22.	MUR	4496	47.	MUR	4620
23.	MUR	4497	48.	MUR	4622
24.	MUR	4510	49.	MUR	4628
25.	MUR	4511	50.	MUR	4629
26.	MUR	4514	51.	MUR	4636
27.	MUR	4515	52.	MUR	4637
28.	MUR	4521	53.	MUR	4639
29.	MUR	4525	54.	MUR	4641
30.	MUR	4527	55.	MUR	4644
31.	MUR	4536	56.	MUR	4651
32.	MUR	4540	57.	MUR	4653
33.	MUR	4542	58.	MUR	4656
34.	MUR	4552	59.	MUR	4657
35.	MUR	4554			

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

Attest:

12-4-97
Date

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

98047855408



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 15, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Charles N. Jolly
3006c Ooltewah-Ringgold Road
Ooltewah, TN 37363

RE: MUR 4586

Dear Mr. Jolly:

On November 19, 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 December 15, 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 Furley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

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MUR 4586
FRIENDS OF ZACH WAMP

Charles Jolly, formerly a candidate for the US House of Representatives, filed this complaint to further clarify the complaint filed by Will Cheek (MUR 4550). He alleges that Congressman Wamp's office printed and distributed two newsletters that were prepared at government expense and bears the Congressman's frank. Mr. Jolly further alleges that local vendors were used to help mail the newsletters. For instance, Gene McKissic, publisher of a newsletter called *The Informer*, provided the Congressman with his mailing list, labels, and prepared the mailing. One issue of *The Informer* contained a complimentary full page advertisement for the Congressman's campaign. The Congressman's disclosure reports did not show an expenditure for the advertisement until after the 12 Day Pre-General Report was filed. Mr. Jolly finally alleges that the June 15, 1996, letter from Wayne Cropp, Chairman of Friends of Zack Wamp, to PAC directors, urges PACs not to make contributions to the Jolly campaign ("defunding" the Jolly campaign) which resulted in making in-kind contributions to Wamp's campaign.

In response to the complaint, Congressman Wamp states that the newsletters were produced and distributed at government expense, and contained only matters of official business. He further states that, in accordance with House rules, the newsletters were submitted to the Committee on Congressional Mailing Standards. He maintains that written staff advisories were issued finding each newsletter frankable under House rules and distributed during the time set by those rules. He asserts that no campaign funds were used for the newsletters and the Wamp Committee was not involved in their compilation or distribution. The congressman further advises that *The Tennessee Informer* was one of many newspapers in which his campaign purchased advertising, the expenditures for which were properly reported. Finally, the respondent states he did not intend to "defund" the Jolly campaign by his letter to PAC Directors. He asserts that the letter simply suggest that PACs could benefit from Congressman Wamp's leadership without making contributions to candidates

There appears to be no serious intent to violate the FECA and this matter is less significant relative to other matters pending before the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 15, 1997

The Honorable Zach Wamp
2004 Maria Cove Drive
Hixson, TN 37343

RE: MUR 4586

Dear Mr. Wamp:

On November 26, 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 you. See attached narrative. Accordingly, the Commission closed its file in this matter on December 15, 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 Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

F. Andrew Tarley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

9 8 0 4 3 8 5 5 4 1 1

MUR 4586

FRIENDS OF ZACH WAMP

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 15, 1997

The Honorable Zach Wamp
US House of Representatives
423 Cannon House Office Building
Washington, D.C. 20515-4203

RE: MUR 4586

Dear Mr. Wamp:

On November 26, 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 you. See attached narrative. Accordingly, the Commission closed its file in this matter on December 15, 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 Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

F. Andrew Tuttle
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

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MUR 4586
FRIENDS OF ZACH WAMP

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 15, 1997

L. Dan Johnson, Treasurer
Friends of Zach Wamp
651 East Fourth Street, Suite 200
Chattanooga, TN 37403

RE: MUR 4586

Dear Mr. Johnson:

On November 26, 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 Zach Wamp and you, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter on December 15, 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.

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Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

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MUR 4586
FRIENDS OF ZACH WAMP

Charles Jolly, formerly a candidate for the US House of Representatives, filed this complaint to further clarify the complaint filed by Will Cheek (MUR 4550). He alleges that Congressman Wamp's office printed and distributed two newsletters that were prepared at government expense and bears the Congressman's frank. Mr. Jolly further alleges that local vendors were used to help mail the newsletters. For instance, Gene McKissic, publisher of a newsletter called *The Informer*, provided the Congressman with his mailing list, labels, and prepared the mailing. One issue of *The Informer* contained a complimentary full page advertisement for the Congressman's campaign. The Congressman's disclosure reports did not show an expenditure for the advertisement until after the 12 Day Pre-General Report was filed. Mr. Jolly finally alleges that the June 15, 1996, letter from Wayne Cropp, Chairman of Friends of Zack Wamp, to PAC directors, urges PACs not to make contributions to the Jolly campaign ("defunding" the Jolly campaign) which resulted in making in-kind contributions to Wamp's campaign.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 15, 1997

J. Wayne Cropp, Chairman
Friends of Zach Wamp
651 East Fourth Street, Suite 200
Chattanooga, TN 37403

RE: MUR 4586

Dear Mr. Cropp:

On November 26, 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 you. See attached narrative. Accordingly, the Commission closed its file in this matter on December 15, 1997.

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Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

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MUR 4586
FRIENDS OF ZACH WAMP

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 15, 1997

Gene McKissic
255 East Street, S.E.
Cleveland, TN 37311-2826

RE: MUR 4586

Dear Mr. McKissic:

On November 26, 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 The Informer, Inc. and you. See attached narrative. Accordingly, the Commission closed its file in this matter on December 15, 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.

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Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

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MUR 4586
FRIENDS OF ZACH WAMP

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4586
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