



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20543

THIS IS THE END OF TMR # 459

Date Filmed 2/8/79 Camera No. --- 2

Cameraman BPC

79040100737



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

January 11, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John R. Bolton, Esquire
Covington and Burling
888 Sixteenth Street, N.W.
Washington, D.C. 20006

Re: MUR 459

Dear Mr. Bolton:

The Commission determined on January 5, 1979, to take no further action against the North Carolina Congressional Club ("NCCC") in connection with violations of 2 U.S.C. §441a. The Commission requests, however, that NCCC file an amended statement of organization to show its affiliation with the Helms for Senate Committee on November 22, 1976. This statement should be filed within ten days of receipt of this letter. Accordingly, the file has been closed in this matter.

Should you have any further questions, please contact Susan Donaldson at 523-4073.

Sincerely,

William C. Oldaker
General Counsel

79040100738

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John E. Bolton, Esquire
Covington and Burling
525 Sixteenth Street, N.W.
Washington, D.C. 20006

Re: WDC 457

Dear Mr. Bolton:

The Commission determined on _____, 1978, to take no further action against the North Carolina Congressional Club ("NCCC") in connection with violations of 2 U.S.C. 361a. The Commission requests, however, that NCCC file an amended statement of organization to show its affiliation with the House for Energy Committee on November 22, 1976. This statement should be filed within ten days of receipt of this letter. Accordingly, the file has been closed in this matter.

Should you have any further questions, please contact Susan Donaldson at 523-4973.

Sincerely,

William C. Oldaker
General Counsel

79040100739

30
1-9-79



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

January 11, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Carter Wrenn, Treasurer
Helms for Senate Committee
P. O. Box 19433
Raleigh, North Carolina 27609

Re: MUR 459

Dear Mr. Wrenn:

The Commission on January 5, 1979, determined that the Helms for Senate Committee should file an amended statement of organization to show its affiliation with the North Carolina Congressional Club which became effective on November 22, 1976. This statement should be filed within ten days of receipt of this letter. Accordingly, the Commission has closed its file in this matter.

Should you have any questions in this matter, please contact Susan Donaldson at (202) 523-4073.

Sincerely,

William C. Oldaker
General Counsel

76040100740

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
North Carolina Congressional) MUR 459
Club)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on January 5, 1979, the Commission determined by a vote of 5-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated December 20, 1978, regarding the above-captioned matter:

1. Take no further action against NCCC in connection with violations of 2 U.S.C. §441a.
2. Require NCCC and the Helms for Senate Committee to file amended statements of organization to show November 22, 1976, as their effective date of affiliation.
3. Send the letters attached to the above-named report.
4. Close the file.

Voting for this determination were Commissioners Springer, Aikens, McGarry, Thomson, and Harris.

Attest:

1/5/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Report signed:	12-26-78
Received in Office of Commission Secretary:	1- 2-79, 2:45
Circulated on 48 hour vote basis:	1- 3-79, 11:00

79040100741

January 1, 1979

MEMORANDUM TO: Marge Hanson
FROM: Klissa V. Galt
SUBJECT: NEX 459

Please have the attached General Counsel's Report on NEX 459 distributed to the Commission on a 48 hour tally basis.

Thank you.

79040100742

BEFORE THE FEDERAL ELECTION COMMISSION
December 20, 1978

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 JAN 2 P 2: 46

In the Matter of)
) MUR 459
North Carolina Congressional)
Club)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 21, 1977, the Reports Analysis Division referred the North Carolina Congressional Club ("NCCC") to the General Counsel's Office as it appeared that NCCC had contributed in excess of 2 U.S.C. §441a limits to the Helms for Senate Committee. The Commission, on December 15, 1977, found reason to believe; and on May 10, 1978, found reasonable cause to believe that NCCC had violated 2 U.S.C. §441a limits. On October 12, 1978, the Commission found reason to believe that NCCC and the Helms for Senate Committee violated 2 U.S.C. §433 for failing to register as affiliated committees in November, 1976.

II. EVIDENCE AND ANALYSIS

A. 2 U.S.C. §441a(a)(1)(A) - Excessive Contribution to the Helms for Senate Committee

The allegations against NCCC center around their contribution to the Helms for Senate Committee at the time that the two committees became affiliated. On October 12, 1978, the Commission determined, by a vote of 4-2, to accept November 22, 1976, as the effective date of affiliation between NCCC and the Helms for Senate Committee.

79040100743

Based on NCCC's disclosure reports and information which they provided in their December 1, 1978 letter to the Commission (Attachment I), NCCC possessed the following assets on November 22, 1976:

Office Supplies	500.75
Office Equipment	75.00
Office Furniture	200.00
Notes Receivable	800.00
Mailing Lists (3)	500.00
Cash on Hand	<u>749.31</u>
Total Assets on Nov. 22, 1976	\$2,825.06

In addition, NCCC had \$12,242.84 in debts and obligations on November 22, 1976. NCCC, which was registered with the Commission as a multi-candidate committee on November 22, 1976, was subject to a \$5,000 contribution limitation to any candidate or his authorized political committees by 2 U.S.C. §441a(a)(2)(A). It does not appear that NCCC violated 2 U.S.C. §441a limits on November 22, 1976.

B. 2 U.S.C. §441a(f) - Acceptance of an Excessive Contribution

In previous reports to the Commission on this matter, it has been discussed that NCCC possibly violated 2 U.S.C. §441a(f) by accepting a \$3,000 contribution from Carolyn S. Holding on January 14, 1977. This contribution exceeded the 2 U.S.C. §441a (a)(1)(A) limitation on individual contributions to a single candidate committee. NCCC stated in their July 28, 1978, letter that all excessive and improper contributions are refunded at the end of the quarter, as this contribution was refunded on April 18, 1977.

79040100744

Based on previous Commission discussion and the fact that this contribution was refunded prior to Commission notification, it appears no further action should be taken in this matter.

C. 2 U.S.C. §433(b)(2) Failure to Report Affiliation

NCCC and the Helms for Senate Committee state that they became affiliated committees on November 22, 1976. NCCC reported their affiliation on March 1, 1977, and the Helms for Senate Committee reported their affiliation on March 15, 1977. We think NCCC and the Helms for Senate Committee should be required to file amended statements of organizations with the Commission to show their actual date of affiliation.

III. RECOMMENDATION

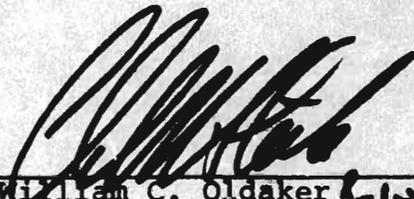
(1) Take no further action against NCCC in connection with violations of 2 U.S.C. §441a.

(2) Require NCCC and the Helms for Senate Committee to file amended statements of organization to show November 22, 1976, as their effective date of affiliation. Send attached letters.

(3) Close the file.

79040100745

26 December 1978
Date



William C. Oldaker
General Counsel

ATTACHMENTS

1. NCCC letter dated December 1, 1978
2. Proposed letter to NCCC
3. Proposed letter to Helms for Senate Committee

COVINGTON & BURLING
666 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006

Received 12-4-78

TELEPHONE
(202) 452-8000
WRITER'S DIRECT DIAL NUMBER
(202) 452-6418

TWY 710-822-0002
TELEX 88-889
CABLE COV/LING

HAND DELIVERED

December 1, 1978

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 459 (79)

Dear Mr. Oldaker:

This letter is in response to yours of October 26, 1978. Because of staff vacations following the November election, we were granted an extension of time within which to respond until December 1, 1978.

Your letter of October 26 posed two questions: (1) What was the total value of the assets held by the North Carolina Congressional Club ("NCCC") on November 22, 1976? and (2) What was the total value of the assets held by NCCC on March 1, 1977? In answering these questions, we have attempted to assign values consistent with the Federal Election Commission's definitions of "anything of value," 11 C.F.R. § 100.4(a)(1)(iii)(A), and "usual and normal charge" for goods. Id. § 100.4(a)(1)(iii)(B) (1). Responses to the two questions are as follows:

<u>Asset</u>	<u>Value on November 22, 1976</u>	<u>Value on March 1, 1977</u>
Office Supplies	\$500.75	\$1,167.23
Office Equipment	75.00	0.00
Office Furniture	200.00	364.00
Notes Receivable	800.00	0.00
Books	0.00	250.00
Mailing Lists (3)	<u>500.00</u>	<u>500.00</u>
TOTALS	\$2,075.75	\$2,281.23

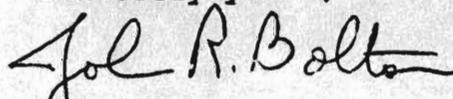
79040100746

William C. Oldaker, Esq.
December 1, 1978
Page Two

In addition, on November 22, 1976, NCCC had in its checking account a balance of \$749.31. Total debts then owed by NCCC amounted to \$23,108.41. Accordingly, as of November 22, NCCC had a negative net worth of \$20,283.35. A similar analysis of NCCC's finances as of March 22, 1977, is contained in my letter to you of July 28, 1978 (at page eight).

If you have any further questions, please feel free to get in touch with me. As we have said before, and as the foregoing discussion simply confirms yet again, there is no warrant whatever, in fact or in law, to find that NCCC has ever violated the Federal Election Campaign Act, as amended. We repeat, therefore, our request that this MUR be dismissed.

Sincerely yours,


John R. Bolton

79040100747



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John R. Bolton, Esquire
Covington and Burling
888 Sixteenth Street, N.W.
Washington, D.C. 20006

Re: MUR 459

Dear Mr. Bolton:

The Commission determined on _____, 1978, to take no further action against the North Carolina Congressional Club ("NCCC") in connection with violations of 2 U.S.C. §441a. The Commission requests, however, that NCCC file an amended statement of organization to show its affiliation with the Helms for Senate Committee on November 22, 1976. This statement should be filed within ten days of receipt of this letter. Accordingly, the file has been closed in this matter.

Should you have any further questions, please contact Susan Donaldson at 523-4073.

Sincerely,

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Carter Wrenn, Treasurer
Helms for Senate Committee
P. O. Box 19433
Raleigh, North Carolina 27609

Re: MUR 459

Dear Mr. Wrenn:

The Commission on _____, 1978, determined that the Helms for Senate Committee should file an amended statement of organization to show its affiliation with the North Carolina Congressional Club which became effective on November 22, 1976. This statement should be filed within ten days of receipt of this letter. Accordingly, the Commission has closed its file in this matter.

Should you have any questions in this matter, please contact Susan Donaldson at (202) 523-4073.

Sincerely,

William C. Oldaker
General Counsel

COVINGTON & BURLING

585 SIXTEENTH STREET, N. W.
WASHINGTON, D. C. 20008

TELEPHONE
(202) 452-6000

WRITER'S DIRECT DIAL NUMBER
(202) 452-6418

TELETYPE: 452-6208
TELEX: 45-849
CABLE: COVLING

HAND DELIVERED

December 1, 1978

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 459 (79)

Dear Mr. Oldaker:

This letter is in response to yours of October 26, 1978. Because of staff vacations following the November election, we were granted an extension of time within which to respond until December 1, 1978.

Your letter of October 26 posed two questions: (1) What was the total value of the assets held by the North Carolina Congressional Club ("NCCC") on November 22, 1976? and (2) What was the total value of the assets held by NCCC on March 1, 1977? In answering these questions, we have attempted to assign values consistent with the Federal Election Commission's definitions of "anything of value," 11 C.F.R. § 100.4(a)(1)(iii)(A), and "usual and normal charge" for goods. Id. § 100.4(a)(1)(iii)(B) (1). Responses to the two questions are as follows:

<u>Asset</u>	<u>Value on November 22, 1976</u>	<u>Value on March 1, 1977</u>
Office Supplies	\$500.75	\$1,167.23
Office Equipment	75.00	0.00
Office Furniture	200.00	364.00
Notes Receivable	800.00	0.00
Books	0.00	250.00
Mailing Lists (3)	<u>500.00</u>	<u>500.00</u>
TOTALS	\$2,075.75	\$2,281.23

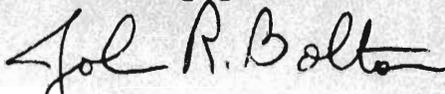
79040100750

William C. Oldaker, Esq.
December 1, 1978
Page Two

In addition, on November 22, 1976, NCCC had in its checking account a balance of \$749.31. Total debts then owed by NCCC amounted to \$23,108.41. Accordingly, as of November 22, NCCC had a negative net worth of \$20,283.35. A similar analysis of NCCC's finances as of March 22, 1977, is contained in my letter to you of July 28, 1978 (at page eight).

If you have any further questions, please feel free to get in touch with me. As we have said before, and as the foregoing discussion simply confirms yet again, there is no warrant whatever, in fact or in law, to find that NCCC has ever violated the Federal Election Campaign Act, as amended. We repeat, therefore, our request that this MUR be dismissed.

Sincerely yours,


John R. Bolton

79040100751

COVINGTON & BURLING
888 SIXTEENTH STREET, N. W.
WASHINGTON, D. C. 20006

HAND DELIVERY

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.

200011007

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
North Carolina Congressional Club) MUR 459

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 15, 1978, at an Executive Session at which a quorum was present, the Commission determined by a vote of 5-0 to approve Recommendation II of the General Counsel's Memorandum dated November 9, 1978 in the above-captioned matter, as amended at the meeting:

TO WIT:

Grant an extension until December 1, 1978 or some earlier date, for NCCC to respond to the Commission's request in the October 26, 1978, letter.

Voting for this determination were Commissioners Aikens, Harris, McGarry, Springer, and Tiernan. Commissioner Thomson was not present at the time of the vote.

Attest:

11/17/78

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

79040100753



FEDERAL ELECTION COMMISSION

1325 K STREET, N.W.
WASHINGTON, D.C. 20543

MEMORANDUM

November 9, 1978

To: The Commission
From: William C. Oldaker 
Subject: Request for Information - MUR 459

On October 12, 1978, the Commission directed the Office of General Counsel to obtain further information from the North Carolina Congressional Club ("NCCC") before continuing the conciliation process. A letter was sent to NCCC on October 26, 1978, requesting NCCC to list the value of their assets on two specific dates. (Attachment I).

John Bolton, counsel for NCCC, received the letter on October 31, 1978, and contacted the Office of General Counsel on November 8, 1978. Mr. Bolton refused to supply the information by November 13, 1978, as requested. He stated that he could have the information to the Commission by December 18, 1978.

The Office of General Counsel has prepared two recommendations for the Commission's consideration.

Recommendation I

Issue an order to obtain the information requested from NCCC in the Commission's October 26, 1978, letter. (See attached Order.)

Recommendation II

Grant an extension until December 18, or some earlier date, for NCCC to respond to the Commission's request in the October 26, 1978, letter.

Attachments

1. Letter to NCCC dated October 26, 1978
2. Proposed subpoena to be sent to NCCC

79040100754

ATTACHMENT I



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

October 26, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John R. Bolton, Esquire
Covington and Burling
888 Sixteenth Street, N.W.
Washington, D.C. 20008

Re: MUR 459 (77)

Dear Mr. Bolton:

This letter confirms our receipt of your response, dated July 28, 1978, to the Commission's determination that there was reasonable cause to believe that the North Carolina Congressional Club ("NCCC") violated 2 U.S.C. §441a when it changed its multicandidate committee status. The Commission has reviewed and discussed your arguments presented in your July 28 letter, and has voted to obtain further information from NCCC before making a further decision in this matter.

Therefore, we are requesting that you submit answers to the following questions:

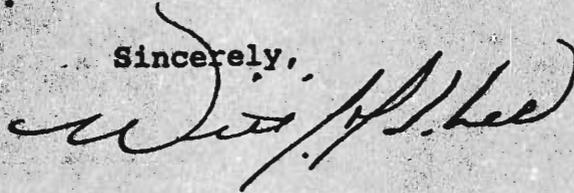
- (1) What was the total value of the assets held by NCCC on November 22, 1976?
- (2) What was the total value of the assets held by NCCC on March 1, 1977?

In providing answers to these questions please list and assign a dollar value to each asset. Assets should include office supplies, equipment and furniture, mailing lists, and other items of value.

7001010733

Your response should be submitted to the Commission within ten days of your receipt of this letter. Should you have any questions regarding this matter, please call Susan Donaldson at 523-4075.

Sincerely,



William C. Oldaker
General Counsel

79010100756

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

In the Matter of)
North Carolina Congressional Club)

Re: MUR 459

ORDER

TO: North Carolina Congressional Club
c/o John R. Bolton, Esquire
Covington and Burling
888 Sixteenth Street, N.W.
Washington, D. C.

PURSUANT to the authority set forth in Section 437d
(a) (1) of Title 2, United States Code, and in furtherance
of its investigation in the above captioned matter, the
Federal Election Commission hereby orders you to submit
written answers to the attached interrogatories. The
Answers must be submitted under oath, within ten (10) days
of your receipt of this Order, to the Federal Election
Commission, 1325 K Street, N.W., Washington, D. C. 20463,
Attention: Office of the General Counsel.

WHEREAS, the Chairman of the Federal Election Commission
has hereunto set his hand at Washington, D. C., on this,
the day of , 1978.

Joan D. Aikens
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

79040100757

INTERROGATORIES

1. What was the total value of the assets held by NCCC on November 22, 1976?
2. What was the total value of the assets held by NCCC on March 1, 1977?

In providing answers to these questions please list and assign a dollar value to each asset. Assets should include office supplies, equipment and furniture, mailing lists, and other items of value.

79040100758



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
DATE: NOVEMBER 8, 1978
SUBJECT: Interim Report - MUE 459 - dated
11-6-78; Received in Office of
Commission Secretary: 11-7-78, 7:55

The above-named document was circulated on a 24 hour no-objection basis at 11:00, November 7, 1978.

The Commission Secretary's Office has received no objections to the Interim Report as of 11:00 this date.

70040100759

November 6, 1978

MEMORANDUM TO: Marge Emmons
FROM: Zilma T. Carr
SUBJECT: MUR 459

Please have the attached Interim Report distributed
to the Commission.
Thank you.

79040100760

RECEIVED
OFFICE OF THE
COMMISSIONER

BEFORE THE FEDERAL ELECTION COMMISSION

78 NOV 7 4:55

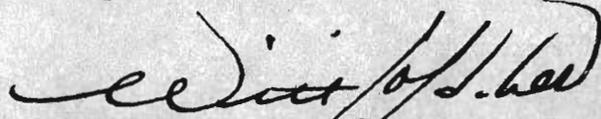
In the Matter of the)
North Carolina Congressional Club)

MR 459

INTERIM REPORT

The Commission determined on October 12, 1978, that the Office of General Counsel should request further information regarding the assets held by the North Carolina Congressional Club ("NCCC") before continuing the conciliation process in this matter. A letter was prepared and sent to NCCC on October 26, 1978. A report with recommendations will be submitted to the Commission shortly after receipt of NCCC's response.

Date: 11/6/78



William C. Oldaker
General Counsel

79040100761



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

October 26, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John R. Bolton, Esquire
Covington and Burling
888 Sixteenth Street, N.W.
Washington, D.C. 20008

Re: MUR 459(77)

Dear Mr. Bolton:

This letter confirms our receipt of your response, dated July 28, 1978, to the Commission's determination that there was reasonable cause to believe that the North Carolina Congressional Club ("NCCC") violated 2 U.S.C. §441a when it changed its multicandidate committee status. The Commission has reviewed and discussed your arguments presented in your July 28 letter, and has voted to obtain further information from NCCC before making a further decision in this matter.

Therefore, we are requesting that you submit answers to the following questions:

- (1) What was the total value of the assets held by NCCC on November 22, 1976?
- (2) What was the total value of the assets held by NCCC on March 1, 1977?

In providing answers to these questions please list and assign a dollar value to each asset. Assets should include office supplies, equipment and furniture, mailing lists, and other items of value.

Your response should be submitted to the Commission within ten days of your receipt of this letter. Should you have any questions regarding this matter, please call Susan Donaldson at 523-4075.

Sincerely,

William C. Oldaker
General Counsel

Donaldson MUR-459

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: *Donaldson MUR-459*
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
 Show to whom and date delivered c
 Show to whom, date, and address of delivery c
 RESTRICTED DELIVERY
 Show to whom and date delivered c
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
John R. Dillon, Esq.
887 Sixteenth St. NW
Wash., D. C. 20018

3. ARTICLE DESCRIPTION:
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | *475765* | |

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
d. greaves

4. DATE OF DELIVERY *OCT 31 1978* POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

★GPO: 1977-0-248-585

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
North Carolina Congressional Club)

MUR 459

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on October 12, 1978, meeting in Executive Session, the Commission took the following actions in MUR 459:

1. MOVED BY COMMISSIONER TIERNAN to approve the General Counsel's recommendation to send the letter attached to the General Counsel's September 25, 1978 report stating that the Commission has considered its arguments stated in their July 28, 1978, letter; send the conciliation agreement requesting \$1,000 in civil penalty.

The motion did not carry. The vote was as follows:

YEA (3) Commissioners Harris, Staebler, and Tiernan

NAY (3) Commissioners Aikens, Springer, and Thomson

2. MOVED BY COMMISSIONER TIERNAN to close MUR 459.

The motion did not carry. The vote was as follows:

YEA (3) Commissioners Harris, Staebler, and Tiernan

NAY (3) Commissioners Aikens, Springer, and Thomson

3. MOVED BY COMMISSIONER TIERNAN that the Commission accept November 22, 1976, as the effective date of NOCC's affiliation with the Helms for Senate Committee.

The motion carried. The vote was:

YEA (4) Commissioners Aikens, Springer, Staebler, and Tiernan

NAY (2) Commissioners Harris and Thomson

MWE

Continued on page two

79040100764

4. MOVED BY COMMISSIONER TIERNAN that the Commission find REASON TO BELIEVE that NOCC and the Helms for Senate Committee are in violation of 2 U.S.C. §433 for failing to report their affiliation in November, 1976.

The motion carried. The vote was as follows:

YEA (4) Commissioners Aikens, Springer, Staebler, and Tiernan

NAY (2) Commissioners Harris and Thomson

5. MOVED BY COMMISSIONER TIERNAN that the Commission find REASONABLE CAUSE TO BELIEVE that NOCC is in violation of 2 U.S.C. §441a(a)(1)(A) for contributing over \$1,000 to Senator Jesse Helms or his authorized political committees at the time it became affiliated with the Helms for Senate Committee.

The motion did not carry. The vote was as follows:

YEA (3) Commissioners Aikens, Staebler, and Tiernan

NAY (3) Commissioners Harris, Springer, and Thomson

6. MOVED BY COMMISSIONER TIERNAN that the Commission FIND REASON TO BELIEVE that NOCC is in violation of 2 U.S.C. §441a(f) for accepting a \$3,000 contribution from Carolyn S. Holding on January 14, 1977. The \$3000 contribution exceeds the \$1000 contribution limitation of 2 U.S.C. §441a(a)(1)(A).

The motion did not carry. The vote was as follows:

YEA (3) Commissioners Harris, Staebler, and Tiernan

NAY (2) Commissioners Springer and Thomson

ABSTAIN (1) Commissioner Aikens

MWA

Continued on page three

79040100765

7. **MOVED BY COMMISSIONER THOMSON** that the Office of the General Counsel gather information on the assets held by the NOCC in November, 1976, and in March, 1977 and report that information back to the Commission as soon as possible.

The motion carried. The vote was as follows:

YEA (4) Commissioners Aikens, Springer, Staebler, and Thomson.

NAY (2) Commissioners Harris and Tierman.

Attest:

10/13/78

Date

Marjorie W. Emons

Marjorie W. Emons
Secretary to the Commission

79040100765



BEFORE THE FEDERAL ELECTION COMMISSION

September 25, 1978

In the Matter of
North Carolina
Congressional Club

MUR 455

General Counsel's Report

I. Background

On October 21, 1977, the Disclosure Division referred the North Carolina Congressional Club (NCCC) to the General Counsel's Office as it appeared that NCCC had contributed in excess of 2 U.S.C. § 441a limits to the Helms for Senate Committee. ^{1/} The Commission, on December 15, 1977, found reason to believe, and on May 10, 1978, found reasonable cause to believe that NCCC had violated 2 U.S.C. § 441a limits.

NCCC first registered as a political committee on December 11, 1973, when it designated itself as a single candidate committee affiliated with the Helms for U. S. Senate Committee (1972 committee). Then, on November 7, 1974, NCCC gave notice that it was changing from a single

^{1/} A chronology of events relating to NCCC is attached as Attachment I.

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candidate committee to a multiple candidate committee. The change became effective on October 15, 1975. Approximately a year and a half later, on March 1, 1977, NCCC notified the Commission that it had resigned its status as a multiple candidate committee and had again become a single candidate committee affiliated with the Helms for Senate Committee (1978 committee). In response to the Commission's reason to believe notice, NCCC contended that this change had occurred on November 22, 1976, the date Senator Helms authorized the Helms for Senate Committee to serve as his principal campaign committee.

When the Commission determined on May 10, 1978 that there was reasonable cause to believe that NCCC's 1977 contributions to the Helms for Senate Committee exceeded the statutory limitations of 2 U.S.C. § 441a it made the following findings:

(1) That NCCC changed from a multiple candidate committee to a single candidate committee affiliated with the Helms for Senate Committee on March 1, 1977.

(2) That when NCCC changed from a multiple candidate committee to a single candidate committee and associated with the Helms for Senate Committee, the money and things of value it transferred to the Helms for Senate Committee were subject to the \$1,000 political

committee limitation of 2 U.S.C. § 441a(a)(1)(A), provided, however, that NCCC's aggregate contributions in 1977 to Senator Helms and his authorized political committees could not exceed \$5,000.

(3) That in January and February, 1977, NCCC made in-kind contributions to the Helms for Senate Committee of over \$4,500 by sponsoring three dinner receptions.

(4) That on March 1, 1977, NCCC transferred to the Helms for Senate Committee cash on hand of \$13,121.64, office supplies, furnishings, and other items of value which NCCC possessed.

(5) That the debts and obligations of \$14,015.25 which NCCC transferred to the Helms for Senate Committee should not be subtracted from the money and things of value to arrive at a net transfer.

A letter notifying NCCC of the Commission's reasonable cause to believe finding and a proposed conciliation agreement was mailed to the NCCC on June 12, 1978 (Attachment II). Mr. Bolton's response dated July 28, 1978, (Attachment III) contends that:

(1) The NCCC has not had a reasonable opportunity to demonstrate that no action should be taken in this matter;

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(2) The Commission's theory that March 1, 1977, is the effective date of affiliation between NCCC and the Helms for Senate Committee, has no basis;

(3) Even if the March 1, 1977, affiliation date were accepted, the Commission would have to recognize that the affiliation includes both the receipt of cash on hand and the assumption of debts; and,

(4) Certain facts dealing with NCC's loans to the Helms for Senate Committee which were considered by the Commission in reaching its reasonable cause to believe finding were incorrect.

Mr. Bolton's conclusion is that the Commission should reverse its findings of reason to believe, reasonable cause to believe, and the matter should be dismissed.

Legal Analysis

A discussion of Mr. Bolton's contentions, point by point, follows.

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(1) Opportunity to Show No Violation. 2 U.S.C.

§ 437g(a)(4) states that the Commission shall afford a person who receives notice of an alleged violation a reasonable opportunity to demonstrate that no action should be taken against such person by the Commission. The Commission notified NCCC of its reason to believe finding in a letter dated December 30, 1977. The letter included a summary of the allegations. On June 12, 1978, the Commission notified NCCC of its reasonable cause to believe finding. As the Commission did not find reasonable cause to believe until May 10, 1978, NCCC had ample opportunity to respond to the allegations. Further, two OGC staff members met with John Bolton to discuss the matter on June 27, 1978. Mr. Bolton's response, which sets forth NCC's position that it has not violated the FEC Act, is the subject of this report. As NCCC has been given every opportunity to respond to the allegations against it and as the Commission has fully considered Mr. Bolton's response, the Commission has complied with the requirements of 2 U.S.C. § 437g(a)(9).

(2) Change of Status from Multiple Candidate to Single Candidate Committee. The Commission determined

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that the effective date of NCCC's change from a multiple candidate committee to a single candidate committee was March 1, 1977. That determination was based on several facts.

(a) Neither committee reported their affiliation to the Commission until March 1, 1977.

(b) Both committees filed statements of organization between December, 1976, and February, 1977. Neither of the committees' statements listed the other committee as an affiliated organization.

(c) NCCC received a \$3,000 contribution from an individual on January 14, 1977, indicating that NCCC was still accepting contributions as if it were a multi-candidate committee. The contribution was refunded in April, 1977.

(d) On January 11, 1977, NCCC stated in a brochure that "The Congressional Club's goals today are to reelect Jesse Helms; ... and to promote the election of conservatives to national and state offices." (Emphasis added). This indicates that in its publications, NCCC was communicating to the public as if it were a multi-candidate committee supporting conservative candidates.

(e) Between January 1, 1977 and January 12, 1977 NCCC borrowed \$4,350 from the Helms for Senate

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Committee which was reported as a loan. The loans were repaid on January 14, 1977. This arms length transaction is evidence that the two committees did not view themselves as being affiliated.

NCCC's basic argument is that the Regulations state that all political committees set up by the same people are treated as a single committee, and HSC was set up by the leadership of NCCC. Therefore, the two committees were affiliated upon HSC's inception. The mere fact that NCCC people helped organize the Helms for Senate Committee is not proof that the NCCC had changed its status to a single candidate committee. Additionally, Bolton states that NCCC's acceptance of a \$3,000 contribution from an individual in January, 1977, was not evidence that NCCC still considered itself to be a multicandidate committee; rather that NCCC's procedure was to fully disclose all over-the-limit contributions on the FEC reports, and at the end of the quarter, refund all excessive contributions. It appears that NCCC did, in fact, write several refund checks on April 18, 1977. However, this does not explain why a contributor would believe that a \$3,000 contribution would be proper to a single candidate committee, or why if NCCC considered itself to be a single candidate committee it would accept

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and deposit such a contribution.

As it appears that NCCC held itself out to the public as a multicandidate committee until March 1, 1978, and did not inform the Commission of its change of status until March 1, 1978, the Commission's determination that NCCC became a single candidate committee on March 1, 1978 is correct.

(3) Contribution from NCCC to Helms for Senate Committee. NCCC reported that on the morning of March 1, 1977, it had \$13,121.64 cash on hand and \$14,015.25 debts and obligations. Mr. Bolton in his response provides documentation that the debts owed by NCCC on March 1, 1977, were paid off by May 2, 1977. NCCC argues that since these debts were not forgiven, but instead paid off within 3 months, the debts should be subtracted from the cash on hand. If this were acceptable, it would mean there was a negative transfer of cash from NCCC to the Helms for Senate Committee at the time of affiliation.

However, as argued in the General Counsel's report dated May 3, 1978, it is the opinion of the Office of General Counsel that debts and obligations should not be subtracted from the cash on hand because they are not included in the definition of a "contribution" as set out

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in 2 U.S.C. § 431(e). Debts and obligations may also be forgiven at a later date. In addition, a transfer of cash and a transfer of an equal amount of debts would not balance to zero due to the fact that cash is readily available for working capital whereas the debts may be deferred until a later date.

It should also be pointed out that NCCC transferred office supplies, furnishings, and other items of value to the Helms for Senate Committee. Although Mr. Bolton argues that the value of these articles should be de minimus, it appears that they would in fact constitute a significant contribution. The value of these items could be requested from NCCC, if necessary.

Further, the face of the reports show that NCCC spent at least \$4,630 sponsoring dinner receptions for Senator Helms in January and February, 1977. The sum total of all of these contributions appears to be well over the limits allowed by 2 U.S.C. § 441a.

(4) NCCC's Loans. The Commission did not consider NCCC's loans to the Helms' for Senate Committee in reaching its finding that a violation of 2 U.S.C. § 441a had occurred. The loans appear to be irrelevant to this issue and Mr. Bolton's discussion of them must have

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been due to a misunderstanding of the Commission's findings. The only relevancy of the loans is their evidentiary value that when they were made NCCC and the Helms for Senate Committee did not view themselves as affiliated committees. This was discussed previously.

Summary

Mr. Bolton in his response has not demonstrated that no action should be taken by the Commission in this matter. The evidence does show, however, that NCCC violated 2 U.S.C. § 441a in making excessive contributions to the Helms for Senate Committee when it changed from a multicandidate committee to a single candidate committee affiliated with the Helms for Senate Committee.

Based on the Commission's discussion of this matter on August 23, 1978, we do recommend, however, that the civil penalty be reduced from \$5,000 to \$1,000.

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Recommendation

Send the attached letter to NCCC stating that the Commission has considered its arguments stated in their July 28, 1978, letter; send conciliation agreement requesting \$1,000 in civil penalty.

DATE:

9/25/78



William C. Oldaker
General Counsel

Attachments

- I. Chronology of Events
- II. Conciliation Agreement
- III. July 28, 1978, Response from John Bolton
- IV. Letter to Bolton

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Attachment I

CHRONOLOGY OF EVENTS
NORTH CAROLINA CONGRESSIONAL CLUB - MUR 459

December 11, 1978 NCCC registered with the Secretary of the Senate as a single candidate committee affiliated with the Helms for U. S. Senate Committee (1972 Committee).

November 7, 1974 NCCC notified the Secretary of the Senate that it was changing its status from a single candidate committee to a multicandidate committee.

October 15, 1975 NCCC became a qualified multicandidate committee.

November 22, 1976 Senator Helms authorized The Helms for Senate Committee (1978 committee) to serve as his principal campaign committee.

January 1, 1977 -
January 12, 1977 NCCC borrowed \$4,350 from the Helms for Senate Committee which was reported as a loan. This indicates that the two committees did not view themselves as being affiliated.

January 12, 1977 The Helms for Senate Committee filed a statement of organization listing no affiliated committees.

January 14, 1977 NCCC accepted a \$3,000 contribution from Carolyn Holding. This indicates that NCCC was holding itself out as a multicandidate committee.

January 28, 1977 NCCC repaid Helms for Senate Committee \$4,510 for loans taken in January, 1977.

January 21, 1977
February 25, 1977
February 26, 1977 NCCC sponsored three dinners to promote Jesse Helms' 1978 campaign. These dinners represented a contribution of at least \$4,630 from NCCC to the Helms for Senate Committee.

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Chronology of Events
North Carolina Congressional Club - MUR 459
Page 2

February 15, 1977 NCCC filed a statement of organization listing no affiliated committees.

March 1, 1977 NCCC notified the FEC, by letter, that it was resigning its status as a multicandidate committee and becoming a single candidate committee affiliated with the Helms for Senate Committee. On March 1, 1977, NCCC had \$13,121.64 cash on hand, office supplies, furniture, and other items of value.

December 15, 1977 Commission found reason to believe that NCCC violated 2 U.S.C. § 441a (a) (1) (A) for contributing over \$1,000 to Senator Helms or his authorized committees when it became affiliated.

January 13, 1978 NCCC responded to the RTB notification stating that it changed its status from a multicandidate committee to a single candidate committee affiliated with the Helms for Senate Committee on November 22, 1976 instead of March 1, 1977.

May 10, 1978 The Commission found that the NCCC did not change its status from a multicandidate committee to a single candidate committee until March 1, 1978; and found reasonable cause to believe that NCCC violated 2 U.S.C. § 441a(a) (1) (A) for contributing over \$1,000 to Senator Helms or his authorized committees when it became affiliated.

June 12, 1978 Commission's RCTB finding and proposed conciliation agreement was sent to NCCC.

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Chronology of Events
North Carolina Congressional Club - MUR 459
Page 3

July 28, 1978

NCCC forwarded a brief in response to the RCTB notification and conciliation agreement.

August 23, 1978

The Commission took no action regarding the General Counsel's Report recommending:

- 1) That NCCC's request for a finding of no violation be denied; and,
- 2) that conciliation be continued seeking a civil penalty of \$1,000 rather than \$5,000.

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BEFORE THE FEDERAL ELECTION COMMISSION
September 25, 1978

In the Matter of)	
)	
North Carolina Congressional Club)	MUR 459
)	

Conciliation Agreement

This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that the North Carolina Congressional Club ("NCCC") had violated 2 U.S.C. §441a(a) by contributing over \$16,000 to the Helms for Senate Committee.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C §437g(a) (5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. Respondent enters voluntarily into this Agreement with the Commission.
4. The pertinent facts in this matter are as follows:
 - (a) Respondent, a political committee which became a qualified multi-candidate committee on October 15, 1975, publicly

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resigned its multicandidate committee status on March 1, 1977.

(b) On March 1, 1977, NCCC declared its affiliation with the Helms for Senate Committee, the principal campaign committee for Senator Helms. In addition, NCCC forwarded a letter from Senator Helms, dated March 2, 1977, confirming NCCC's affiliation with his principal campaign committee and his authorization of NCCC.

(c) At the time that NCCC decided to support only one candidate, Senator Jesse Helms, NCCC lost its multicandidate status and became a political committee, as defined by 2 U.S.C. §431 (d).

(d) On March 1, 1977, NCCC, as a political committee, became subject to 2 U.S.C. §441(a) and was limited to a \$1000 contribution to Senator Helms and his authorized political committees provided, however, that NCCC's aggregate contributions in 1977 to Senator Helms and his authorized political committees would not exceed \$5000.

(e) NCCC had \$16,406.64 on hand on March 1, 1977 the effective date of affiliation with the Helms for Senate Committee, as well as office supplies, office furniture, and other items of value. In addition, NCCC had made in-kind contributions of over \$4500 to Senator Helms and his authorized political committees in January and February, 1977.

(f) NCCC violated 2 U.S.C. §441a(a) by contributing over \$16,000 to Senator Helms and his authorized political committees when it became affiliated with the Helms for Senate Committee on March 1, 1977.

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5. Respondent will pay a civil penalty in the amount of One Thousand Dollars (\$1,000), pursuant to 2 U.S.C. §437g(a) (5) (B).

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. This Agreement is entered into in accordance with 2 U.S.C. §437g(a) (5) (A), and shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

8. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

DATE: _____

William C. Oldaker
General Counsel

NORTH CAROLINA CONGRESSIONAL CLUB

DATE: _____

BY: _____

ITS: _____

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Attachment III

FEDERAL ELECTION COMMISSION

COVINGTON & BURLING
888 SIXTEENTH STREET, N. W.
WASHINGTON, D. C. 20048

JUL 28 1978

TELEPHONE
(202) 452-6000

TELETYPE 710-622-0000
TELEX 82-553
CABLE: COVLING

WRITERS DIRECT DIAL NUMBER

July 28, 1978

(202) 452-6418

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C.

Re: MUR 459(77)

Dear Mr. Oldaker:

On June 14, 1978, I received a letter, signed by you, stating that on May 10, 1978, the Federal Election Commission (the "Commission") had found reasonable cause to believe that the North Carolina Congressional Club ("NCCC") had violated 2 U.S.C. §441a of the Federal Election Campaign Act, as amended (the "FECA"). Enclosed with your June 12 letter was a proposed conciliation agreement.

Shortly thereafter, I contacted Ms. Susan Donaldson, the Commission staff investigator assigned to this matter, to arrange a meeting to discuss the procedures to be followed and to pose questions that I had concerning various statements in your June 12 letter and in the proposed conciliation agreement. Ms. Donaldson and I ultimately agreed to meet on June 27 to enable Mr. Gary Johansen, Special Assistant to the General Counsel of your office, to attend. At the conclusion of that meeting, I asked to submit a written response to the proposed conciliation agreement by July 28. Mr. Johansen and Ms. Donaldson tentatively agreed to July 28, and that date was confirmed by a letter to me dated July 6 and signed by Associate General Counsel Charles N. Steele. This letter and its attachments are submitted pursuant to Mr. Steele's letter.

This letter is divided into three parts. In Section I, we discuss the procedural objections we have to the way this MUR has been conducted. These objections are directed to paragraph number two of the proposed conciliation agreement. In Section II, we will address several questions of law, directed principally at subparagraphs 4(e) and 4(f) of the proposed conciliation agreement. Finally, in Section III, we will

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Mr. William C. Oldaker
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Page 2

consider certain factual matters that are either misstated in the proposed conciliation agreement or the June 12 letter accompanying it, or were raised for the first time during my June 27 meeting with the Commission staff.

I

Paragraph number two of the proposed conciliation agreement, tracking the statutory language of 2 U.S.C. §437g(a)(4), states that "[r]espondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter." NCCC cannot accept such a provision. By letter dated January 13, 1978, in response to your letter to Mr. Richard W. Miller, Chairman of the NCC of December 30, 1977, I stated specifically that

"...we do not view the requests for information contained in your letter of December 30 as the statutorily required 'reasonable opportunity to demonstrate that no action should be taken' against the Congressional Club. 2 U.S.C. §437g(a)(4). You appear to share this view, since your December 30 letter does not indicate that the request for information is based on that section of the statute."

After making two other important substantive and procedural points, my January 13 letter goes on to state:

"We trust that if you disagree with this or any of the other foregoing points you will so notify us."

Neither NCC nor I ever received any indication that you or the Commission disagreed with these statements until nearly six months later when I received your June 12 letter.

Because of the Commission's failure to respond, NCCC was not presented with a more definite statement of the statutory violations it is alleged to have committed, and it was plainly not provided with certain evidence in the possession of the Commission and thought by the Commission staff to be relevant. The effect of not having access to facts in the Commission's possession and of not being informed of the legal theories under which the Commission was proceeding amounts to the creation of "secret law." This practice is

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Mr. William C. Oldaker
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properly condemned in any administrative context, but it is particularly egregious where, as here, First Amendment rights are at stake. It is procedurally unfair and highly suspect constitutionally for the Commission to proceed to the "reasonable cause to believe" stage of its enforcement procedures without confronting NCCC with the evidence deemed to support such a finding by the Commission. As we will demonstrate later, the hidden "evidence" on which the Commission relied is either inaccurate or is perfectly consistent with NCCC's position that there was no illegal "contribution" to the Helms for Senate Committee ("HSC").

In addition, the Commission has proceeded under the assumption that NCCC has the burden of disproving any adverse "facts" and the inferences that the Commission may draw from the facts. This assumption was confirmed at the June 27 meeting. Apart from the obvious impossibility of rebutting facts and inferences when the facts are never made known to a respondent, this approach is constitutionally impermissible. It is directly contrary to the standards enunciated by the Supreme Court: "Where the transcendent value of speech is involved, due process certainly requires... that the State bear the burden of persuasion to show" that NCCC has violated the FECA. Speiser v. Randall, 357 U.S. 513,526 (1958). The Supreme Court's opinion in Speiser fully demonstrates the deficiencies in the Commission's handling of this MUR:

"The vice of the present procedure is that, where particular speech falls close to the line separating the lawful and the unlawful, the possibility of mistaken factfinding--inherent in all litigation--will create the danger that the legitimate utterance will be penalized. The man who knows that he must bring forth proof and persuade another of the lawfulness of his conduct necessarily must steer far wider of the unlawful zone than if the State must bear these burdens. This is especially to be feared when the complexity of the proofs and the generality of the standards applied...provide but shifting sands on which the litigant must maintain his position. How can a claimant whose declaration is rejected possibly sustain the burden of proving the negative of these complex factual elements? In

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practical operation, therefore, this procedural device must necessarily produce a result which the State could not command directly. It can only result in a deterrence of speech which the Constitution makes free." Id.

The only proper action for the Commission at this stage is to reconsider its "reasonable cause" finding and return this proceeding to the investigative stage of the enforcement procedure. At that point, both NCCC and the Commission can more fully analyze the pertinent evidence. Only in such circumstances would NCCC be able, should the Commission not ultimately accept its position that there was no violation, to agree that it has had a reasonable opportunity to demonstrate that no action should be taken against it.

II

A. The Commission's principal legal theory appears to be that on March 1, 1978, NCCC made a contribution in excess of the applicable legal limit to HSC. With respect to NCCC's argument that the two committees were affiliated in fact well before that date, your letter of June 12 says only that the argument is not acceptable "due to the fact that neither NCCC nor the Helms for Senate Committee publicly reported their affiliation until March 1, 1978."

The just-quoted statement is not accompanied by any citation to the FECA, the Commission's regulations, or to any Commission advisory opinion. The Commission's regulations explicitly state that:

"All of the political committees set up by the same group of persons are treated as a single political committee." 11 C.F.R. § 110.3(a)(1)(ii)(E).

See also AO 1977-44. As my January 13 letter to you and the accompanying statement by Mr. Carter Wrenn, Executive Director and Treasurer of HSC, point out, NCCC and HSC plainly meet this test. Senator Helms and Messrs. Wrenn and Thomas Ellis were officers of both committees from the inception of HSC. This is not a case where HSC went "shopping" for another political committee with which to affiliate. HSC and NCCC were in effect one committee, within the

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meaning of the Commission's regulations on affiliation, from the moment HSC was properly registered with the Commission in January, 1977.

Yet your June 12 letter does not even address this issue. The Commission is, in effect, trying to have it both ways: it establishes regulations intended to govern the issue of affiliation, and then it chooses to ignore those regulations when, as here, it appears convenient to do so. This is totally unacceptable.

The legislative intent in drafting the statutory provisions from which the Commission's affiliation regulations were derived could not have been clearer. The Conference Committee Report for the FECA Amendments of 1976 stated that

"The anti-proliferation rules established by the conference substitute are intended to prevent corporations, labor organizations, or other persons or groups of persons from evading the contribution limits of the conference substitute." House Report No. 94-1057, 94th Cong., 2d Sess. 58 (1976).

As I pointed out in my January letter, careful steps were taken by HSC and NCCC to ensure that there were no contributions in their treasuries which would exceed the applicable limits on contributions to single-candidate committees. There was, therefore, no evasion of the contribution limits in this case. Accordingly, there can be no violation by NCCC here.

This point can be demonstrated by considering a hypothetical example. Assume that the persons controlling one multicandidate political committee decide to and in fact do establish a second multicandidate political committee. Assume further that these persons do not state to the Commission that the two committees are affiliated, but that the Commission later determines that they are affiliated. All contributions to and from the two committees would be treated as contributions to or from a single multicandidate committee. See AO 1976-104. In effect, the activities of the two committees would be aggregated, with one set of limits applicable to the "combined" committees. If the aggregated activities exceeded no applicable statutory limits, there would be no violation. The act of affiliation is not, therefore, a

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contribution. A fortiori, confirming an already existing affiliation also cannot be a contribution. See AO 1975-45 ("The Commission would regard committees which are controlled by the same person or group of persons as one entity.") (emphasis added), confirmed by the Commission's statement modifying certain AO's, CCH FECF Guide ¶ 9020.

Precisely the same is true here, with one added factor. The applicable limits to the affiliated NCCC and HSC are those for a single-candidate committee rather than for a multicandidate committee. There is no evidence that any single-candidate committee limitations have been exceeded. Therefore, there is no violation. Cf. AO 1977-16. The fact that notice of the affiliation was not provided until March 1, 1978, is, at most, an insignificant error in reporting.*/
 As we understand the Commission's position on reporting and disclosure requirements, such errors may be corrected by filing amended reports or statements, with no penalties attaching to the amending committee. Filing the required amendments was precisely what HSC and NCCC did on March 1.**/

The Commission has never provided any arguments which refute this analysis. Indeed, by resting its entire legal position in this matter on an alleged failure to notify the Commission in a timely fashion, the Commission has demonstrated the striking weakness of its legal theory. It has taken what is at most a trivial reporting error, corrected, after consultation with counsel and before any enforcement proceeding had been commenced, and compounded the entire matter by an interpretation of the law that runs

*/ The Commission itself is, in very large measure, responsible for whatever delay there might have been in HSC and NCCC notifying the Commission of the previously existing affiliation. As Mr. Wrenn pointed out in his statement accompanying my January 13 letter, the Commission apparently lost the document representing the first attempt to register the 1978 Helms for Senate Committee. Indeed, the Commission's own records reflect that the Commission erroneously reactivated the 1972 Helms for Senate Committee. In the midst of all this confusion at the Commission, no fault can be attributed to HSC or NCCC.

**/ The Commission accepted the 1978 Helms for Senate Committee's registration that was filed on January 13, 1977.

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July 28, 1978
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directly contrary to its own regulations. In such circumstances, there is simply no basis on which to find a statutory violation.

B. During the June 27 meeting with Commission staff, I repeated the point made in my January 13 letter that, assuming the Commission's legal theories to be correct, NCCC's outstanding debts should be subtracted from its cash on hand to determine the total amount of the "contribution" allegedly made to HSC. I was told that debts could not be subtracted from cash on hand, because "debts" were not included within the statutory definition of "contribution."*/

If the Commission's theory that affiliation did not occur until March 1, 1978, is correct, then, to be consistent, the Commission must recognize that the affiliation includes both the receipt of cash on hand and the assumption of debts owed by NCCC. Any approach other than this balance-sheet view of the affiliation would be logically unsupportable. The Commission would certainly take the view that forgiving the NCCC's outstanding debts would be a contribution from the persons to whom the debts were owed. The affiliated NCCC-HSC could not, therefore, have simply ignored the debts without risking possible corporate contributions or contributions possibly in excess of applicable limits. Nor could NCCC have terminated its status as a political committee without satisfying its obligations to its creditors. The practical result of the affiliation, even under the Commission's view, here is exactly the same as if NCCC had paid its existing debts in full and turned over to HSC the amounts remaining in its treasury. (In fact, as Mr. Wrenn's previously filed statement points out, no funds were transferred from NCCC to HSC; the cash on hand remained in NCCC's treasury.) To ignore the practical consequences is to ignore what actually happened in this case.

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*/ I was also told that even if the argument that debts should be subtracted were adopted, NCCC had the burden of showing that those debts were paid within a commercially reasonable time. Although I dispute that the burden rests with NCCC, the requisite factual showing that the debts were paid within a commercially reasonable time is made infra, at pp. 10-11.

Mr. William C. Oldaker
July 28, 1978
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Subtracting NCCC's debts on March 1 (\$14,015.25) from its cash on hand (\$16,406.64) leaves a total of \$2,391.39. This last figure is the most that NCCC could be said to have "contributed" to HSC on March 1, even if the theory that any contribution occurred on that date were sustainable, which it is not.**/

III.

In this section, we discuss certain factual matters which the Commission considered in reaching its finding that there was reasonable cause to believe NCCC had made an over-the-limit contribution.

A. Mr. Oldaker's letter of June 12, 1978, states that during January and February of 1977, NCCC made contributions to HSC in excess of \$4500. These purported contributions are then charged against the \$5,000 contribution limit which the Commission maintains was applicable to pre-March 1, 1977, transfers between the two committees.

Three loans totalling \$4,350 are reflected on the reports of the two committees for the quarter ending March 31, 1977. See HSC Schedule A for Line 18(a) at p. 1. These three loans were repaid on January 31, 1977, and the repayment is reflected on HSC Schedule B, for Line 24(a) at

*/ As of the morning of March 1, as Mr. Wrenn's January 13, 1978, statement explains, NCCC's cash on hand was only \$13,121.64. If March 1 is the date chosen by the Commission as the date of affiliation then NCCC actually contributed a deficit to HSC. Attached hereto as Exhibit A are copies of the bank-deposit slips for the March 1 deposits, all of which plainly indicate that the transactions occurred in the afternoon. While it cannot be reconstructed with certainty at this point, it is quite likely that these deposits were made after the documents confirming the HSC-NCCC affiliation had been mailed to the Commission.

**/ The proposed conciliation agreement and your letter of June 12 refer to "office supplies, furniture and other [unspecified] items of value" in NCCC's possession. In the absence of any proof whatever of the value of these items, if any, they should be deemed de minimis for purposes of this MUR.

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Mr. William C. Oldaker
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 Page 9

p. 1.*/ Accordingly, pursuant to 11 C.F.R. § 100.4(a)(1)(i), the "contribution" represented by the loans was extinguished, and NCCC was once again, even under the Commission's theory, entitled to contribute \$5,000 per election to HSC. To whatever extent, therefore, the Commission's finding of reasonable cause was based on the fact of the \$4510 in loans, the finding is completely erroneous.**/

B. During my meeting with Mr. Johansen and Ms. Donaldson on June 27, they raised for the first time the subject of a \$3,000 contribution to NCCC by Carolyn S. Holding. This contribution was said by the Commission staff to be evidence that NCCC still considered itself a multicandidate committee rather than an affiliate of HSC. The theory, as it was explained to me, was that because Mrs. Holding's contribution was in excess of the \$1,000 per-person limit applicable to a single-candidate committee, and because the \$2,000 excess was not refunded until April 18, NCCC was still "holding itself out" as a multicandidate committee.

*/ The repayment is \$160 in excess of the three reported loans. Ninety dollars of this difference was to cover two in-kind loans (of \$75 and \$15) from NCCC to HSC for postage. These two small loans were not separately reported, because they were below the threshold for itemized reporting. The remaining \$70 was an inadvertent overpayment. NCCC reimbursed HSC for the \$70 overpayment by paying several small HSC bills. These small payments were not separately reported, once again because they were below the threshold of the applicable disclosure requirements.

**/ The \$4500+ amounts are reflected on HSC's Form 3 for the quarter ending March 31, 1977, as "transfers in" to HSC and "transfers out," rather than as loans received and loans repaid. Inserting these amounts on inappropriate lines on Form 3 was an inadvertent clerical error which HSC would be prepared to correct by filing revised reports. That HSC believed the amounts in question to be loans and loan repayments is demonstrated by the entries on Schedules A and B supporting the March 21 Form 3 being denominated as loans and loan repayments rather than transfers. The "transfer in" and "out" lines were used by the committees' bookkeepers because of the reference on the Form 3 to transfers from or to affiliated committees. The Form is thus further evidence of the belief of HSC and NCCC that they were, and had been for the quarter in question, fully affiliated for all purposes.

79040100793

Mr. William C. Oldaker
 July 28, 1978
 Page 10

The facts are completely to the contrary, as the Commission's records demonstrate. HSC and NCCC have consistently adhered to the following procedures with respect to contributions that it determines are in excess of the applicable limits. When HSC prepares its quarterly reports to the Commission, a computer check is performed to ascertain whether there are any over-the-limit contributions. Such contributions are fully disclosed and are indicated in reports filed with the Commission by an asterisk. (Mrs. Holding's \$3,000 contribution was so indicated on NCCC's report for the quarter ending March 31, 1978. See Schedule A for Line 15(a), at p. 1.) The report is accompanied by a letter from Mr. Wrenn, stating that excess amounts have been refunded, and that such refunds will be appropriately reflected on the next report due to the Commission; attached to Mr. Wrenn's letter are photocopies of the refund checks. We enclose with this letter as Exhibit B, a copy of Mr. Wrenn's letter, dated April 18, 1978, affixed to which is a copy of Mrs. Holding's refund check, among others. As previously noted, these procedures have been consistently followed as to all reports due to the Commission.

The adequacy and timeliness of these HSC procedures have never been questioned or challenged by the Commission's Audit Division. It is neither reasonable nor fair at this date, over one year after the refund in question, to infer any impropriety whatever from NCCC's actions. If anything, the treatment of Mrs. Holding's contribution demonstrates graphically the careful efforts that NCCC and HSC have undertaken to remain in strict compliance with both the substantive limitations and the reporting and disclosure requirements of the FECA.

C. We have previously demonstrated the legal reasons why, even under the Commission's theory, outstanding debts of NCCC should be subtracted from assets on hand to arrive at the total "contribution" from NCCC on March 1. At my meeting with Mr. Johansen and Ms. Donaldson on June 14, they informed me that, to support the proposition that a balance-sheet approach should be followed, NCCC had the burden to present evidence demonstrating that the debts had been liquidated in a commercially reasonable time and manner.

We enclose with this letter as Exhibit C a chart listing NCCC's outstanding debts on March 1, by amount, and the dates on which those debts were paid. The payments are reflected on reports filed with the Commission, except

79040100794

Mr. William C. Oldaker
 July 28, 1978
 Page 11

possibly where the amounts were below the threshold for itemized reporting. The vast bulk of the debts were paid on or by March 18, a mere 3 weeks after the Commission's chosen date for affiliation of March 1.*/ Only one small debt was not paid by mid-April, and that was paid on May 2.

These records make it absolutely clear that HSC met NCCC's outstanding debts in a completely timely and commercially reasonable fashion. There can be no suggestion on this record, such as that advanced by the Commission staff during the June 27 meeting, that HSC gained any advantage by delaying payments of the debts owed by NCCC. Accordingly, NCCC has met the evidentiary burden of showing that its debts should be subtracted from its assets, even under the Commission's theory, to determine the total amount of its "contribution" to HSC on March 1.

D. When the \$4,510 "contribution" from NCCC to HSC is eliminated from consideration (as it properly should be), and when NCCC's liabilities are subtracted from its assets (as they properly should be), the total "contribution" on March 1 is only \$2,391.39, well below the limit applicable to NCCC. It follows, therefore, that even if the Commission totally rejects the procedural arguments advanced in Section I, and even if the Commission totally rejects the statutory argument in Section IIA that the act of affiliation cannot, as a matter of law, be deemed a contribution in these circumstances, NCCC has nonetheless not violated the FECA.**/ The

*/ By March 18, \$11,476.63, or approximately 82%, of the outstanding debt of \$14,015.25 had been paid.

**/ The same analysis applies if the Commission were to treat the affiliation in fact as of January 13, 1977, as a "contribution." On that date, NCCC's books show cash on hand in the amount of \$13,393.09, and outstanding debts of \$23,349.12. Thus, even under the Commission's theory that affiliation amounts to a "contribution," NCCC contributed to HSC a deficit of nearly \$10,000. Since NCCC could not have ceased operations with debts outstanding, NCCC was required to continue until it could extinguish its debts. As noted previously, that is precisely the practical effect of the course of action NCCC pursued.

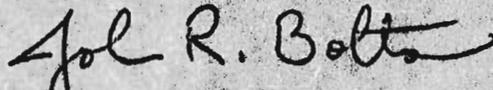
79040100795

COVINGTON & BURLING

Mr. William C. Oldaker
July 28, 1978
Page 12

appropriate course of action for the Commission is to reverse its earlier findings of reason to believe, and reasonable cause to believe, that a violation has occurred. Since there is no violation, it is quite obvious that there should be no fine. This Matter Under Review should be dismissed forthwith.

Sincerely yours,


John R. Bolton

Attachments

79040100796



HELMS for Senate Committee

P. O. BOX 1154 J, 1025 BARNETT DRIVE, RALEIGH, NORTH CAROLINA 27601

Thomas F. Ellis
Chairman

Carter Wrenn
Treasurer

April 18, 1977

Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Gentlemen:

Please note that this report includes several individuals who have contributed several times and whose totals are over the \$1,000 limit.

We discovered this on April 15, 1977 when we received our computer printout of contributors, and immediately we refunded all contributions over \$1,000 as our next report will show.

Enclosed are copies of the refund checks.

Thank you for your help and cooperation.

Sincerely,

Carter Wrenn
Treasurer

CW:e
Enclosures

79040100797

NORTH CAROLINA
CONGRESSIONAL CLUB
P. O. Box 10045
RALEIGH, N. C. 27609

1960

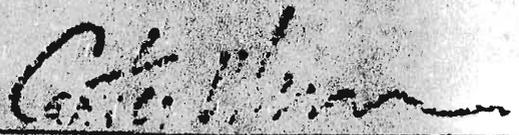
APR 11 18 19 77
CG-703
531

PAY TO THE ORDER OF Carolyn S. Holding

\$ 2,000.00

Two thousand and no/100 ----- DOLLARS

Wachovia
Wachovia Bank & Trust Company, N.A.
Raleigh, NC 27611



Contribution Refund

⑈00001960⑈ ⑆⑆0531⑈0763⑆ 6260 082190⑈

79040100798

HELIUM FOR SENATE C.

POST OFFICE BOX 18142
RALEIGH, NC 27602

538

APR 11 1977

19 77

06:30
631

PAY TO THE ORDER OF Mrs. William H. Guild

\$ 500.00

Five hundred and no/100

DOLLARS

First-Citizens The Can Do Bank

RALEIGH, N.C. 27602

FOR Contribution Refund

⑆0531⑆0030⑆ ⑆086 1132830⑆

79040100799

HELMS F. SENATE C.
POST OFFICE BOX 10740
RALEIGH, N.C. 27603

539

86-30
531

APR 11 1977

PAY TO THE
ORDER OF

Mr. John C. Illustre

\$ 500.00

Five hundred & 00/100

DOLLARS

First-Citizens The Can Do Bank
RALEIGH, N.C. 27602

FOR Contribution Refund

⑆0531⑆0030⑆ ⑆086 1132830⑆

79040100800

HELMS FOR SENATE C.

POST OFFICE BOX 1943
RALEIGH, NC 27601

537

April 11, 1977

19 77

66 30
131

PAY TO THE
ORDER OF

Mrs. M.P. Allen

100.00

One hundred and no/100

DOLLARS

First-Citizens The Cen Do Bank

First-Citizens Bank of North Carolina
Raleigh, N.C. 27602

FOR Contribution Refund

⑆0531⑆0030⑆ ⑈086 1132830⑈

79040100801

NORTH CAROLINA CONGRESSIONAL CLUB
 P. O. BOX 18848
 RALEIGH, N. C. 27609



66-763/512

DATE 3-1 1977

This deposit is accepted subject to verification and under the provisions of the uniform commercial code and the rules and regulations of this bank.

LIST ALL CHECKS ON REVERSE SIDE.

CURRENCY		
COIN		
TOTAL CHECKS FROM OTHER SIDE		
TOTAL	100	

FOR BANK'S USE
 NO. ITEM

Wachovia Bank & Trust Company, N.A.
 Raleigh, North Carolina 27602

MAR 1 - P.M.

⑆0512⑆0763⑆ 0⑆082⑆190⑆

DEPOSIT TICKET

NORTH CAROLINA CONGRESSIONAL CLUB
 P. O. BOX 18848
 RALEIGH, N. C. 27609



66-763/512

DATE 3-1 1977

This deposit is accepted subject to verification and under the provisions of the uniform commercial code and the rules and regulations of this Bank.

LIST ALL CHECKS ON REVERSE SIDE.

CURRENCY		
COIN		
TOTAL CHECKS FROM OTHER SIDE		
TOTAL	1.65	

FOR BANK'S USE
 NO. ITEM

Wachovia Bank & Trust Company, N.A.
 Raleigh, North Carolina 27602

MAR 1 - P.M.

⑆0512⑆0763⑆ 0⑆082⑆190⑆

DEPOSIT TICKET

NORTH CAROLINA CONGRESSIONAL CLUB
 P. O. BOX 18848
 RALEIGH, N. C. 27609



66-763/512

DATE 3-1 1977

This deposit is accepted subject to verification and under the provisions of the uniform commercial code and the rules and regulations of this Bank.

LIST ALL CHECKS ON REVERSE SIDE.

CURRENCY		
COIN		
TOTAL CHECKS FROM OTHER SIDE	10.50	
TOTAL	12.93	

FOR BANK'S USE
 NO. ITEM

Wachovia Bank & Trust Company, N.A.
 Raleigh, North Carolina 27602

MAR 1 - P.M.

⑆0512⑆0763⑆ 0⑆082⑆190⑆

DEPOSIT TICKET

DEPOSIT TICKET

DEPOSIT TICKET

7 9 0 4 0 1 0 0 8 0 3

PLEASE BE SURE EACH ITEM IS ENDORSED

CHECKS LIST SINGLY	DOLLARS	CENTS
1	100	00
2	100	00
3	25	00
4	25	00
5	25	00
6	100	00
7	100	00
8	100	00
9	100	00
10	100	00
11	100	00
12	100	00
13	25	00
14	25	00
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20	100	00
21	100	00
22	100	00
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37		
TOTAL		

PLEASE BE SURE EACH ITEM IS ENDORSED

CHECKS LIST SINGLY	DOLLARS	CENTS
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TOTAL	510	00

PLEASE BE SURE EACH ITEM IS ENDORSED

CHECKS LIST SINGLY	DOLLARS	CENTS
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37		
TOTAL		

PLEASE ENTER TOTAL ON THE FRONT

PLEASE ENTER TOTAL ON THE FRONT

PLEASE ENTER TOTAL ON THE FRONT

7 9 0 4 0 1 0 0 8 0 1

DEPOSIT TICKET

NORTH CAROLINA CONGRESSIONAL CLUB
P. O. BOX 18848
RALEIGH, N. C. 27609

Handwritten notes:
Wachovia
P.O. Box 18848
Raleigh, N.C.
3/1/77

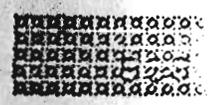
DATE 3/1 1977

This deposit is accepted subject to verification and under the provisions of the uniform commercial code and the rules and regulations of this Bank.

Wachovia Bank & Trust Company, N.A.
Raleigh, North Carolina 27602

LIST ALL CHECKS ON REVERSE SIDE

CURRENCY	<i>200.00</i>	
COIN		
TOTAL CHECKS FROM OTHER SIDE		
TOTAL	<i>1.00</i>	<i>201.00</i>



66-763/512

FOR BANK'S USE

NO. ITEMS

Handwritten: MAR 1 - 1977

⑆0512⑆⑆0763⑆ 0⑆⑆082⑆⑆190⑆⑆



Exhibit C

NCCC Accounts Payable
as of March 1, 1977

79040100805

<u>Date of Ledger Entry</u>		<u>Amount Paid</u>	<u>Date Paid</u>
<u>1977</u>			
Jan. 1	John Preston	341.90	5-2-77
1	WRAL	100.00	3-11-77
18	Tom Ellis	182.54	3-11-77 146.50 [*] /
Feb. 7	IBM	5,647.47	3-3-77 2530.56 3-17-77 3116.91
8	Health Management Services.	1,961.31	3-11-77 670.93 4-18-77 1290.38
8	State Office Equipment	128.75	4-18-77
8	Bedford Printing Company	1,170.33	3-9-77
8	Paterson Travel Service	341.00	4-18-77
8	Pitney Bowes	28.00	3-11-77
8	Southern Bell	1,557.70	3-3-77
8	United Parcel Service	17.19	3-11-77
9	Jean Duke	5.00	3-11-77
10	The Graphic Press	1,331.93	3-11-77
16	Maupin, Taylor & Ellis	387.71	3-11-77
21	Rick Miller	154.41	3-10-77

^{*}/ The \$182.54 figure contained a bookkeeping error; the March 11 payment of \$146.50 thus represented full satisfaction of the amounts owed to Mr. Ellis.

<u>Date of Ledger Entry</u>		<u>Amount Paid</u>	<u>Date Paid</u>	
21	Gray & Creech	429.86	3-11-77	223.42
			4-18-77	206.44
23	Jack Newman	80.99	3-25-77	
Mar. 1	Carolina Power Light	149.16 [*]		

79040100806

*/ The \$149.16 owed to Carolina Power, Light was later determined to be a personal (rather than a NCCC) bill, and it was deleted from NCCC's books.



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John R. Bolton, Esquire
Covington & Burling
888 16th Street, N.W.
Washington, D. C. 20006

Re: MUR 459 - North Carolina
Congressional Club

Dear Mr. Bolton:

The Commission determined on May 10, 1978, that there was reasonable cause to believe that the North Carolina Congressional Club ("NCCC") may have violated 2 U.S.C. §441a(a) by making contributions in excess of the statutory limitations to Senator Jesse Helms or the Helms for Senate Committee.

The Commission on _____, 1978, considered and rejected your position as stated in your letter of July 28, 1978, that the Commission should dismiss the matter. This determination was based on the following facts:

(1) The Commission has fully complied with the requirements of 2 U.S.C. §437g(a)(9). NCCC was notified of the Commission's reason to believe finding in a letter, dated December 30, 1977, which included a summary of the allegations. NCCC had ample opportunity to respond to these allegations as the Commission did not find reasonable cause to believe until May 10, 1978. In any event the Commission has considered your letter of July 28, 1978 in which you fully presented NCCC's position in this matter.

(2) The Commission recognizes March 1, 1977, as the date of affiliation of NCCC and the Helms for Senate Committee ("HSC") because neither NCCC nor HSC reported their affiliation to the Commission until March 1, 1977. Although both committees filed statements of organization between December, 1976, and February, 1977 neither of the statements listed affiliated organizations. NCCC received a \$3000 contribution

79040100807

from an individual on January 14, 1977 indicating that NCCC was still accepting contributions as if it were a multicandidate committee. Brochures printed by NCCC in January, 1977, "promote the election of conservatives" indicating to the public as well that NCCC was still a multicandidate committee.

(3) In determining the value of the cash transfer from NCCC to HSC, debts cannot be subtracted from cash on hand because they are not included in the definition of a "contribution" as set out in 2 U.S.C. §431(e). In addition, a transfer of cash and an equal amount of debts would not balance to a zero transfer due to the fact that cash is readily available for working capital whereas payments of debts may be deferred until a later date. There were also supplies, furnishings and other items of value which NCCC possessed on March 1, 1977.

(4) By March 1, 1977, NCCC had already contributed at least \$4,630 in in-kind contributions to HSC. The contributions were made on dinner/receptions sponsored by NCCC for Senator Helms in January and February, 1977.

For your reconsideration, we have attached another copy of the conciliation agreement that this office would offer as settlement of this matter.

If you decide to comply with the terms of this agreement, you should sign and return it to the Commission within ten days. If you have any questions, you may contact Susan Donaldson, at (202) 523-4026.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

79040100808



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John R. Bolton, Esquire
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79040100809

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Sincerely,

William C. Oldaker
General Counsel

Enclosure

79040100810



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

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RETURN RECEIPT REQUESTED

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Washington, D. C. 20006

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79040100811

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Sincerely,

William C. Oldaker
General Counsel

Enclosure

79040100812

79040100813

Jesse Helms or his authorized political committees at the time it became affiliated with the Helms for Senate Committee ("HSC"). The Commission decided that once NCCC decided to become affiliated with HSC, it became a single candidate committee which was limited to a \$1000 contribution to any candidate and his authorized political committees. A proposed conciliation agreement was forwarded to the NCCC on June 12, 1978 (Attachment I).

Mr. Bolton's response to the reasonable cause to believe notification dated July 28, 1978, (Attachment II) contends that:

(1) The NCCC has not had a reasonable opportunity to demonstrate that no action should be taken in this matter;

(2) The Commission's theory that March 1, 1977, is the effective date of affiliation between NCCC and HSC, has no basis;

(3) Even if the March 1, 1977, affiliation date were accepted, the Commission would have to recognize that the affiliation includes both the receipt of cash on hand and the assumption of debts. Mr. Bolton provided documentation showing that the debts owed by NCCC on March 1, 1977, were paid off by May 2, 1977; and

(4) Certain facts dealing with NCCC's loans to HSC which were considered by the Commission in reaching its reasonable cause to believe finding were incorrect. The Commission did not consider the loans in reaching its finding; this appears to be a misunderstanding by Bolton.

Mr. Bolton's conclusion is that the Commission should reverse its findings of reason to believe, reasonable cause to believe, and the matter should be dismissed.

79040100814

Legal Analysis

(1) 2 U.S.C. §437g(a)(4) states that the Commission shall afford a person who receives notice of an alleged violation a reasonable opportunity to demonstrate that no action should be taken against such person by the Commission. The Commission notified NCCC of its reason to believe finding in a letter dated December 30, 1977. The letter included a short summary of the allegations. On June 12, 1978, the Commission notified NCCC of its reasonable cause to believe finding. Two OGC staff members met with John Bolton to discuss the matter on June 27, 1978; and NCCC was given 30 additional days to respond to the reasonable cause to believe finding and proposed conciliation agreement. The Commission has fully complied with the requirements of 2 U.S.C. §437g(a)(9).

(2) The Commission determined on May 10, 1978, that the effective date of affiliation between NCCC and HSC was March 1, 1977. That determination was based on several facts.

(a) Neither committee reported their affiliation to the Commission until March 1, 1977.

(b) Both committees filed statements of organization between December, 1976, and February, 1977. Neither of the statements listed affiliated organizations. (NCCC states that the date of affiliation was November 22, 1976).

(c) NCCC received a \$3000 contribution from an individual on January 14, 1977, indicating that NCCC was still accepting contributions as if it were a multicandidate committee. The contribution was refunded in April, 1977.

79040100815

(d) On January 11, 1977, NCCC stated in a brochure that "The Congressional Club's goals today are to reelect Jesse Helms; ... and to promote the election of conservatives to national and state offices." It appears that NCCC was not only publicizing itself as a multicandidate committee to the Commission, but to the public as well.

NCCC's basic argument is that the Regulations state that all political committees set up by the same people are treated as a single committee, and HSC was set up by the leadership of NCCC. Therefore, the two committees were affiliated upon HSC's inception. Additionally, Bolton states that NCCC's acceptance of a \$3000 contribution from an individual in January, 1977, was not evidence that NCCC still considered itself to be a multicandidate committee; rather that NCCC's procedure was to fully disclose all over-the-limit contributions on the FEC reports, and at the end of the quarter, refund all excessive contributions. It appears that NCCC did, in fact, write several refund checks on April 18, 1977.

(3) Funds, Supplies, Furnishings and Other Items of Value Transferred At Time of Affiliation

(a) NCCC reported that on the morning of March 1, 1977, it had \$13,121.64 cash on hand and \$14,015.25 debts and obligations. Bolton argues that since these debts were not forgiven, but instead paid off within 3 months, the debts should be subtracted from the cash on hand. If this were acceptable, it would mean there was a negative transfer of \$893.61 from NCCC to HSC at the time of affiliation.

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However, as argued in the General Counsel's report dated May 3, 1978, it is the opinion of the Office of General Counsel that debts and obligations should not be subtracted from the cash on hand because they are not included in the definition of a "contribution" as set out in 2 U.S.C. §431(e); and debts and obligations may be forgiven at a later date. In addition, a transfer of cash and an equal amount of debts would not balance to a zero transfer due to the fact that cash is readily available for working capital whereas the debts may be deferred until a later date. Therefore, we believe that there was a transfer of \$13,121.64 cash from NCCC to HSC on the date of affiliation.

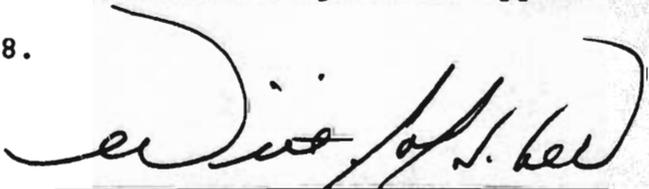
(b) There were also office supplies, furnishings, and other items of value which NCCC possessed on March 1, 1977. John Bolton argues that these items, if any, should be deemed de minimus. The value of these items could be requested from NCCC, if necessary.

(c) The face of the NCCC reports show that NCCC spent at least \$4630 sponsoring dinner/receptions for Senator Helms in January and February, 1977.

Recommendation

Send the attached letter to NCCC stating that the Commission has considered its arguments stated in their July 28, 1978, letter; and enclose another copy of the conciliation agreement approved by the Commission on June 1, 1978.

Date: 8/17/78


William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John R. Bolton, Esquire
Covington & Burling
888 16th Street, N.W.
Washington, D. C. 20006

Re: MUR 459 - North Carolina
Congressional Club

Dear Mr. Bolton:

The Commission determined on May 10, 1978, that there was reasonable cause to believe that the North Carolina Congressional Club ("NCCC") may have violated 2 U.S.C. §441a(a) by making contributions in excess of the statutory limitations to Senator Jesse Helms or the Helms for Senate Committee.

The Commission on _____, 1978, considered and rejected your position as stated in your letter of July 28, 1978, that the Commission should dismiss the matter. This determination was based on the following facts:

(1) The Commission has fully complied with the requirements of 2 U.S.C. §437g(a)(9). NCCC was notified of the Commission's reason to believe finding in a letter, dated December 30, 1977, which included a summary of the allegations. NCCC had ample opportunity to respond to these allegations as the Commission did not find reasonable cause to believe until May 10, 1978. In any event the Commission has considered your letter of July 28, 1978 in which you fully presented NCCC's position in this matter.

(2) The Commission recognizes March 1, 1977, as the date of affiliation of NCCC and the Helms for Senate Committee ("HSC") because neither NCCC nor HSC reported their affiliation to the Commission until March 1, 1977. Although both committees filed statements of organization between December, 1976, and February, 1977 neither of the statements listed affiliated organizations. NCCC received a \$3000 contribution

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from an individual on January 14, 1977 indicating that NCCC was still accepting contributions as if it were a multicandidate committee. Brochures printed by NCCC in January, 1977, "promote the election of conservatives" indicating to the public as well that NCCC was still a multicandidate committee.

(3) In determining the value of the cash transfer from NCCC to HSC, debts cannot be subtracted from cash on hand because they are not included in the definition of a "contribution" as set out in 2 U.S.C. §431(e). In addition, a transfer of cash and an equal amount of debts would not balance to a zero transfer due to the fact that cash is readily available for working capital whereas payments of debts may be deferred until a later date. There were also supplies, furnishings and other items of value which NCCC possessed on March 1, 1977.

(4) By March 1, 1977, NCCC had already contributed at least \$4,630 in in-kind contributions to HSC. The contributions were made on dinner/receptions sponsored by NCCC for Senator Helms in January and February, 1977.

For your reconsideration, we have attached another copy of the conciliation agreement that this office would offer as settlement of this matter.

If you decide to comply with the terms of this agreement, you should sign and return it to the Commission within ten days. If you have any questions, you may contact Susan Donaldson at (202) 523-4026.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

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FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *M.W.E.*

DATE: AUGUST 21, 1978

SUBJECT: MUR 459 - General Counsel's Report
dated 8-17-78
OBJECTION

The above-named document, received in the Office of Commission Secretary at 1:17 p.m., August 17, 1978, was circulated on a 48 hour vote basis at 4:00 p.m., August 17, 1978.

Commissioner Thomson submitted an objection at 3:08, August 21, 1978, thereby placing MUR 459 on the Amended Agenda for August 23, 1978.

cc: Commissioner Thomson



79040100821

August 11, 1978

MEMORANDUM TO: Mr. [Name]

FROM: Miss [Name]

SUBJECT: [Subject]

Please have the attached [document] [action] on [subject] distributed to the [committee] on a [basis].

Thank you.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
North Carolina Congressional Club) MUR 459

GENERAL COUNSEL'S REPORT

Background

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The North Carolina Congressional Club ("NCCC") registered with the Commission on December 11, 1973, as an affiliate of the Helms for U.S. Senate Committee. On November 7, 1974, NCCC registered as a multicandidate committee; it became a qualified multicandidate committee on October 15, 1975. In an amended statement of organization, submitted on March 1, 1977, NCCC "resigned" its multicandidate committee status and requested to be recognized as an affiliate of the Helms for Senate Committee.

The Disclosure Division referred this matter to the Office of General Counsel on October 21, 1977, because NCCC had \$13,121 in cash on hand on March 1, 1977, and therefore appeared to be a multicandidate committee which contributed in excess of \$5,000 to Senator Helms or the Helms for Senate Committee. In addition, NCCC sponsored three dinner/receptions on behalf of Senator Helms in January and February of 1977. The expenditures made for these dinners also appeared to be in excess of the \$5,000 limitation.

Allegations

The Commission, on May 10, 1978, found reasonable cause to believe that the North Carolina Congressional Club violated 2 U.S.C. §441a(a)(1)(A) by contributing over \$1,000 to Senator

BEFORE THE FEDERAL ELECTION COMMISSION
May 22, 1978

In the Matter of)
)
North Carolina Congressional) MUR 459
Club)

Conciliation Agreement

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This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that the North Carolina Congressional Club ("NCCC") had violated 2 U.S.C. §441a(a) by contributing over \$16,000 to the Helms for Senate Committee.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C §437g(a) (5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. Respondent enters voluntarily into this Agreement with the Commission.
4. The pertinent facts in this matter are as follows:
 - (a) Respondent, a political committee which became a qualified multi-candidate committee on October 15, 1975, publicly

resigned its multicandidate committee status on March 1, 1977.

(b) On March 1, 1977, NCCC declared its affiliation with the Helms for Senate Committee, the principal campaign committee for Senator Helms. In addition, NCCC forwarded a letter from Senator Helms, dated March 2, 1977, confirming NCCC's affiliation with his principal campaign committee and his authorization of NCCC.

(c) At the time that NCCC decided to support only one candidate, Senator Jesse Helms, NCCC lost its multicandidate status and became a political committee, as defined by 2 U.S.C. §431 (d).

(d) On March 1, 1977, NCCC, as a political committee, became subject to 2 U.S.C. §441(a) and was limited to a \$1000 contribution to Senator Helms and his authorized political committees provided, however, that NCCC's aggregate contributions in 1977 to Senator Helms and his authorized political committees would not exceed \$5000.

(e) NCCC had \$16,406.64 on hand on March 1, 1977 the effective date of affiliation with the Helms for Senate Committee, as well as office supplies, office furniture, and other items of value. In addition, NCCC had made in-kind contributions of over \$4500 to Senator Helms and his authorized political committees in January and February, 1977.

(f) NCCC violated 2 U.S.C. §441a(a) by contributing over \$16,000 to Senator Helms and his authorized political committees when it became affiliated with the Helms for Senate Committee on March 1, 1977.

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5. Respondent will pay a civil penalty in the amount of Five Thousand Dollars (\$5,000), pursuant to 2 U.S.C. §437g(a) (5) (B).

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. This Agreement is entered into in accordance with 2 U.S.C. §437g(a) (5) (A), and shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

8. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

DATE: _____

William C. Oldaker
General Counsel

NORTH CAROLINA CONGRESSIONAL CLUB

DATE: _____

BY: _____

ITS: _____

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Oldaker

COVINGTON & BURLING
888 SIXTEENTH STREET, N. W.
WASHINGTON, D. C. 20005

TELEPHONE
(202) 452-6000

WRITER'S DIRECT DIAL NUMBER

TWN: 710-122-0000
TELEX: 26-203
CABLE: COVING

July 28, 1978

(202) 452-6418

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C.

Re: MUR 459(77)

Dear Mr. Oldaker:

On June 14, 1978, I received a letter, signed by you, stating that on May 10, 1978, the Federal Election Commission (the "Commission") had found reasonable cause to believe that the North Carolina Congressional Club ("NCCC") had violated 2 U.S.C. §441a of the Federal Election Campaign Act, as amended (the "FECA"). Enclosed with your June 12 letter was a proposed conciliation agreement.

Shortly thereafter, I contacted Ms. Susan Donaldson, the Commission staff investigator assigned to this matter, to arrange a meeting to discuss the procedures to be followed and to pose questions that I had concerning various statements in your June 12 letter and in the proposed conciliation agreement. Ms. Donaldson and I ultimately agreed to meet on June 27 to enable Mr. Gary Johansen, Special Assistant to the General Counsel of your office, to attend. At the conclusion of that meeting, I asked to submit a written response to the proposed conciliation agreement by July 28. Mr. Johansen and Ms. Donaldson tentatively agreed to July 28, and that date was confirmed by a letter to me dated July 6 and signed by Associate General Counsel Charles N. Steele. This letter and its attachments are submitted pursuant to Mr. Steele's letter.

This letter is divided into three parts. In Section I, we discuss the procedural objections we have to the way this MUR has been conducted. These objections are directed to paragraph number two of the proposed conciliation agreement. In Section II, we will address several questions of law, directed principally at subparagraphs 4(e) and 4(f) of the proposed conciliation agreement. Finally, in Section III, we will

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Mr. William C. Oldaker
July 28, 1978
Page 2

consider certain factual matters that are either misstated in the proposed conciliation agreement or the June 12 letter accompanying it, or were raised for the first time during my June 27 meeting with the Commission staff.

I

Paragraph number two of the proposed conciliation agreement, tracking the statutory language of 2 U.S.C. §437g(a)(4), states that "[r]espondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter." NCCC cannot accept such a provision. By letter dated January 13, 1978, in response to your letter to Mr. Richard W. Miller, Chairman of the NCC of December 30, 1977, I stated specifically that

"...we do not view the requests for information contained in your letter of December 30 as the statutorily required 'reasonable opportunity to demonstrate that no action should be taken' against the Congressional Club. 2 U.S.C. §437g(a)(4). You appear to share this view, since your December 30 letter does not indicate that the request for information is based on that section of the statute."

After making two other important substantive and procedural points, my January 13 letter goes on to state:

"We trust that if you disagree with this or any of the other foregoing points you will so notify us."

Neither NCC nor I ever received any indication that you or the Commission disagreed with these statements until nearly six months later when I received your June 12 letter.

Because of the Commission's failure to respond, NCCC was not presented with a more definite statement of the statutory violations it is alleged to have committed, and it was plainly not provided with certain evidence in the possession of the Commission and thought by the Commission staff to be relevant. The effect of not having access to facts in the Commission's possession and of not being informed of the legal theories under which the Commission was proceeding amounts to the creation of "secret law." This practice is

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Mr. William C. Oldaker
July 28, 1978
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properly condemned in any administrative context, but it is particularly egregious where, as here, First Amendment rights are at stake. It is procedurally unfair and highly suspect constitutionally for the Commission to proceed to the "reasonable cause to believe" stage of its enforcement procedures without confronting NCCC with the evidence deemed to support such a finding by the Commission. As we will demonstrate later, the hidden "evidence" on which the Commission relied is either inaccurate or is perfectly consistent with NCCC's position that there was no illegal "contribution" to the Helms for Senate Committee ("HSC").

In addition, the Commission has proceeded under the assumption that NCCC has the burden of disproving any adverse "facts" and the inferences that the Commission may draw from the facts. This assumption was confirmed at the June 27 meeting. Apart from the obvious impossibility of rebutting facts and inferences when the facts are never made known to a respondent, this approach is constitutionally impermissible. It is directly contrary to the standards enunciated by the Supreme Court: "where the transcendent value of speech is involved, due process certainly requires... that the State bear the burden of persuasion to show" that NCCC has violated the FECA. Speiser v. Randall, 357 U.S. 513,526 (1958). The Supreme Court's opinion in Speiser fully demonstrates the deficiencies in the Commission's handling of this MUR:

"The vice of the present procedure is that, where particular speech falls close to the line separating the lawful and the unlawful, the possibility of mistaken factfinding--inherent in all litigation--will create the danger that the legitimate utterance will be penalized. The man who knows that he must bring forth proof and persuade another of the lawfulness of his conduct necessarily must steer far wider of the unlawful zone than if the State must bear these burdens. This is especially to be feared when the complexity of the proofs and the generality of the standards applied...provide but shifting sands on which the litigant must maintain his position. How can a claimant whose declaration is rejected possibly sustain the burden of proving the negative of these complex factual elements? In

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Mr. William C. Oldaker
July 28, 1978
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practical operation, therefore, this procedural device must necessarily produce a result which the State could not command directly. It can only result in a deterrence of speech which the Constitution makes free." Id.

The only proper action for the Commission at this stage is to reconsider its "reasonable cause" finding and return this proceeding to the investigative stage of the enforcement procedure. At that point, both NCCC and the Commission can more fully analyze the pertinent evidence. Only in such circumstances would NCCC be able, should the Commission not ultimately accept its position that there was no violation, to agree that it has had a reasonable opportunity to demonstrate that no action should be taken against it.

II

A. The Commission's principal legal theory appears to be that on March 1, 1978, NCCC made a contribution in excess of the applicable legal limit to HSC. With respect to NCCC's argument that the two committees were affiliated in fact well before that date, your letter of June 12 says only that the argument is not acceptable "due to the fact that neither NCCC nor the Helms for Senate Committee publicly reported their affiliation until March 1, 1978."

The just-quoted statement is not accompanied by any citation to the FECA, the Commission's regulations, or to any Commission advisory opinion. The Commission's regulations explicitly state that:

"All of the political committees set up by the same group of persons are treated as a single political committee." 11 C.F.R. § 110.3(a)(1)(ii)(E).

See also AO 1977-44. As my January 13 letter to you and the accompanying statement by Mr. Carter Wrenn, Executive Director and Treasurer of HSC, point out, NCCC and HSC plainly meet this test. Senator Helms and Messrs. Wrenn and Thomas Ellis were officers of both committees from the inception of HSC. This is not a case where HSC went "shopping" for another political committee with which to affiliate. HSC and NCCC were in effect one committee, within the

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meaning of the Commission's regulations on affiliation, from the moment HSC was properly registered with the Commission in January, 1977.

Yet your June 12 letter does not even address this issue. The Commission is, in effect, trying to have it both ways: it establishes regulations intended to govern the issue of affiliation, and then it chooses to ignore those regulations when, as here, it appears convenient to do so. This is totally unacceptable.

The legislative intent in drafting the statutory provisions from which the Commission's affiliation regulations were derived could not have been clearer. The Conference Committee Report for the FECA Amendments of 1976 stated that

"The anti-proliferation rules established by the conference substitute are intended to prevent corporations, labor organizations, or other persons or groups of persons from evading the contribution limits of the conference substitute." House Report No. 94-1057, 94th Cong., 2d Sess. 58 (1976).

As I pointed out in my January letter, careful steps were taken by HSC and NCCC to ensure that there were no contributions in their treasuries which would exceed the applicable limits on contributions to single-candidate committees. There was, therefore, no evasion of the contribution limits in this case. Accordingly, there can be no violation by NCCC here.

This point can be demonstrated by considering a hypothetical example. Assume that the persons controlling one multicandidate political committee decide to and in fact do establish a second multicandidate political committee. Assume further that these persons do not state to the Commission that the two committees are affiliated, but that the Commission later determines that they are affiliated. All contributions to and from the two committees would be treated as contributions to or from a single multicandidate committee. See AO 1976-104. In effect, the activities of the two committees would be aggregated, with one set of limits applicable to the "combined" committees. If the aggregated activities exceeded no applicable statutory limits, there would be no violation. The act of affiliation is not, therefore, a

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Mr. William C. Oldaker
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contribution. A fortiori, confirming an already existing affiliation also cannot be a contribution. See AO 1975-45 ("The Commission would regard committees which are controlled by the same person or group of persons as one entity." (emphasis added), confirmed by the Commission's statement modifying certain AO's, CCH FECF Guide ¶ 9020.

Precisely the same is true here, with one added factor. The applicable limits to the affiliated NCCC and HSC are those for a single-candidate committee rather than for a multicandidate committee. There is no evidence that any single-candidate committee limitations have been exceeded. Therefore, there is no violation. Cf. AO 1977-16. The fact that notice of the affiliation was not provided until March 1, 1978, is, at most, an insignificant error in reporting.*/
 As we understand the Commission's position on reporting and disclosure requirements, such errors may be corrected by filing amended reports or statements, with no penalties attaching to the amending committee. Filing the required amendments was precisely what HSC and NCCC did on March 1.**/

The Commission has never provided any arguments which refute this analysis. Indeed, by resting its entire legal position in this matter on an alleged failure to notify the Commission in a timely fashion, the Commission has demonstrated the striking weakness of its legal theory. It has taken what is at most a trivial reporting error, corrected, after consultation with counsel and before any enforcement proceeding had been commenced, and compounded the entire matter by an interpretation of the law that runs

*/ The Commission itself is, in very large measure, responsible for whatever delay there might have been in HSC and NCCC notifying the Commission of the previously existing affiliation. As Mr. Wrenn pointed out in his statement accompanying my January 13 letter, the Commission apparently lost the document representing the first attempt to register the 1978 Helms for Senate Committee. Indeed, the Commission's own records reflect that the Commission erroneously reactivated the 1972 Helms for Senate Committee. In the midst of all this confusion at the Commission, no fault can be attributed to HSC or NCCC.

**/ The Commission accepted the 1978 Helms for Senate Committee's registration that was filed on January 13, 1977.

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Mr. William C. Oldaker
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directly contrary to its own regulations. In such circumstances, there is simply no basis on which to find a statutory violation.

B. During the June 27 meeting with Commission staff, I repeated the point made in my January 13 letter that, assuming the Commission's legal theories to be correct, NCCC's outstanding debts should be subtracted from its cash on hand to determine the total amount of the "contribution" allegedly made to HSC. I was told that debts could not be subtracted from cash on hand, because "debts" were not included within the statutory definition of "contribution."*/

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If the Commission's theory that affiliation did not occur until March 1, 1978, is correct, then, to be consistent, the Commission must recognize that the affiliation includes both the receipt of cash on hand and the assumption of debts owed by NCCC. Any approach other than this balance-sheet view of the affiliation would be logically unsupportable. The Commission would certainly take the view that forgiving the NCCC's outstanding debts would be a contribution from the persons to whom the debts were owed. The affiliated NCCC-HSC could not, therefore, have simply ignored the debts without risking possible corporate contributions or contributions possibly in excess of applicable limits. Nor could NCCC have terminated its status as a political committee without satisfying its obligations to its creditors. The practical result of the affiliation, even under the Commission's view, here is exactly the same as if NCCC had paid its existing debts in full and turned over to HSC the amounts remaining in its treasury. (In fact, as Mr. Wrenn's previously filed statement points out, no funds were transferred from NCCC to HSC; the cash on hand remained in NCCC's treasury.) To ignore the practical consequences is to ignore what actually happened in this case.

*/ I was also told that even if the argument that debts should be subtracted were adopted, NCCC had the burden of showing that those debts were paid within a commercially reasonable time. Although I dispute that the burden rests with NCCC, the requisite factual showing that the debts were paid within a commercially reasonable time is made infra, at pp. 10-11.

Mr. William C. Oldaker
July 28, 1978
Page 8

Subtracting NCCC's debts on March 1 (\$14,015.25) from its cash on hand (\$16,406.64) leaves a total of \$2,391.39.*/ This last figure is the most that NCCC could be said to have "contributed" to HSC on March 1, even if the theory that any contribution occurred on that date were sustainable, which it is not.**/

III.

In this section, we discuss certain factual matters which the Commission considered in reaching its finding that there was reasonable cause to believe NCCC had made an over-the-limit contribution.

A. Mr. Oldaker's letter of June 12, 1978, states that during January and February of 1977, NCCC made contributions to HSC in excess of \$4500. These purported contributions are then charged against the \$5,000 contribution limit which the Commission maintains was applicable to pre-March 1, 1977, transfers between the two committees.

Three loans totalling \$4,350 are reflected on the reports of the two committees for the quarter ending March 31, 1977. See HSC Schedule A for Line 18(a) at p. 1. These three loans were repaid on January 31, 1977, and the repayment is reflected on HSC Schedule B, for Line 24(a) at

*/ As of the morning of March 1, as Mr. Wrenn's January 13, 1978, statement explains, NCCC's cash on hand was only \$13,121.64. If March 1 is the date chosen by the Commission as the date of affiliation then NCCC actually contributed a deficit to HSC. Attached hereto as Exhibit A are copies of the bank-deposit slips for the March 1 deposits, all of which plainly indicate that the transactions occurred in the afternoon. While it cannot be reconstructed with certainty at this point, it is quite likely that these deposits were made after the documents confirming the HSC-NCCC affiliation had been mailed to the Commission.

**/ The proposed conciliation agreement and your letter of June 12 refer to "office supplies, furniture and other [unspecified] items of value" in NCCC's possession. In the absence of any proof whatever of the value of these items, if any, they should be deemed de minimis for purposes of this MUR.

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Mr. William C. Oldaker
 July 28, 1978
 Page 9

p. 1.*/ Accordingly, pursuant to 11 C.F.R. § 100.4(a)(1)(i), the "contribution" represented by the loans was extinguished, and NCCC was once again, even under the Commission's theory, entitled to contribute \$5,000 per election to HSC. To whatever extent, therefore, the Commission's finding of reasonable cause was based on the fact of the \$4510 in loans, the finding is completely erroneous.**/

B. During my meeting with Mr. Johansen and Ms. Donaldson on June 27, they raised for the first time the subject of a \$3,000 contribution to NCCC by Carolyn S. Holding. This contribution was said by the Commission staff to be evidence that NCCC still considered itself a multicandidate committee rather than an affiliate of HSC. The theory, as it was explained to me, was that because Mrs. Holding's contribution was in excess of the \$1,000 per-person limit applicable to a single-candidate committee, and because the \$2,000 excess was not refunded until April 18, NCCC was still "holding itself out" as a multicandidate committee.

*/ The repayment is \$160 in excess of the three reported loans. Ninety dollars of this difference was to cover two in-kind loans (of \$75 and \$15) from NCCC to HSC for postage. These two small loans were not separately reported, because they were below the threshold for itemized reporting. The remaining \$70 was an inadvertent overpayment. NCCC reimbursed HSC for the \$70 overpayment by paying several small HSC bills. These small payments were not separately reported, once again because they were below the threshold of the applicable disclosure requirements.

**/ The \$4500+ amounts are reflected on HSC's Form 3 for the quarter ending March 31, 1977, as "transfers in" to HSC and "transfers out," rather than as loans received and loans repaid. Inserting these amounts on inappropriate lines on Form 3 was an inadvertent clerical error which HSC would be prepared to correct by filing revised reports. That HSC believed the amounts in question to be loans and loan repayments is demonstrated by the entries on Schedules A and B supporting the March 21 Form 3 being denominated as loans and loan repayments rather than transfers. The "transfer in" and "out" lines were used by the committees' bookkeepers because of the reference on the Form 3 to transfers from or to affiliated committees. The Form is thus further evidence of the belief of HSC and NCCC that they were, and had been for the quarter in question, fully affiliated for all purposes.

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Mr. William C. Oldaker
July 28, 1978
Page 10

The facts are completely to the contrary, as the Commission's records demonstrate. HSC and NCCC have consistently adhered to the following procedures with respect to contributions that it determines are in excess of the applicable limits. When HSC prepares its quarterly reports to the Commission, a computer check is performed to ascertain whether there are any over-the-limit contributions. Such contributions are fully disclosed and are indicated in reports filed with the Commission by an asterisk. (Mrs. Holding's \$3,000 contribution was so indicated on NCCC's report for the quarter ending March 31, 1978. See Schedule A for Line 15(a), at p. 1.) The report is accompanied by a letter from Mr. Wrenn, stating that excess amounts have been refunded, and that such refunds will be appropriately reflected on the next report due to the Commission; attached to Mr. Wrenn's letter are photocopies of the refund checks. We enclose with this letter as Exhibit B, a copy of Mr. Wrenn's letter, dated April 18, 1978, affixed to which is a copy of Mrs. Holding's refund check, among others. As previously noted, these procedures have been consistently followed as to all reports due to the Commission.

The adequacy and timeliness of these HSC procedures have never been questioned or challenged by the Commission's Audit Division. It is neither reasonable nor fair at this date, over one year after the refund in question, to infer any impropriety whatever from NCCC's actions. If anything, the treatment of Mrs. Holding's contribution demonstrates graphically the careful efforts that NCCC and HSC have undertaken to remain in strict compliance with both the substantive limitations and the reporting and disclosure requirements of the FECA.

C. We have previously demonstrated the legal reasons why, even under the Commission's theory, outstanding debts of NCCC should be subtracted from assets on hand to arrive at the total "contribution" from NCCC on March 1. At my meeting with Mr. Johansen and Ms. Donaldson on June 14, they informed me that, to support the proposition that a balance-sheet approach should be followed, NCCC had the burden to present evidence demonstrating that the debts had been liquidated in a commercially reasonable time and manner.

We enclose with this letter as Exhibit C a chart listing NCCC's outstanding debts on March 1, by amount, and the dates on which those debts were paid. The payments are reflected on reports filed with the Commission, except

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Mr. William C. Oldaker
July 28, 1978
Page 11

possibly where the amounts were below the threshold for itemized reporting. The vast bulk of the debts were paid on or by March 18, a mere 3 weeks after the Commission's chosen date for affiliation of March 1.*/ Only one small debt was not paid by mid-April, and that was paid on May 2.

These records make it absolutely clear that HSC met NCCC's outstanding debts in a completely timely and commercially reasonable fashion. There can be no suggestion on this record, such as that advanced by the Commission staff during the June 27 meeting, that HSC gained any advantage by delaying payments of the debts owed by NCCC. Accordingly, NCCC has met the evidentiary burden of showing that its debts should be subtracted from its assets, even under the Commission's theory, to determine the total amount of its "contribution" to HSC on March 1.

D. When the \$4,510 "contribution" from NCCC to HSC is eliminated from consideration (as it properly should be), and when NCCC's liabilities are subtracted from its assets (as they properly should be), the total "contribution" on March 1 is only \$2,391.39, well below the limit applicable to NCCC. It follows, therefore, that even if the Commission totally rejects the procedural arguments advanced in Section I, and even if the Commission totally rejects the statutory argument in Section IIA that the act of affiliation cannot, as a matter of law, be deemed a contribution in these circumstances, NCCC has nonetheless not violated the FECA.**/ The

*/ By March 18, \$11,476.63, or approximately 82%, of the outstanding debt of \$14,015.25 had been paid.

**/ The same analysis applies if the Commission were to treat the affiliation in fact as of January 13, 1977, as a "contribution." On that date, NCCC's books show cash on hand in the amount of \$13,393.09, and outstanding debts of \$23,349.12. Thus, even under the Commission's theory that affiliation amounts to a "contribution," NCCC contributed to HSC a deficit of nearly \$10,000. Since NCCC could not have ceased operations with debts outstanding, NCCC was required to continue until it could extinguish its debts. As noted previously, that is precisely the practical effect of the course of action NCCC pursued.

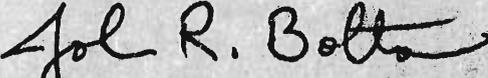
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COVINGTON & BURLING

Mr. William C. Oldaker
July 28, 1978
Page 12

appropriate course of action for the Commission is to reverse its earlier findings of reason to believe, and reasonable cause to believe, that a violation has occurred. Since there is no violation, it is quite obvious that there should be no fine. This Matter Under Review should be dismissed forthwith.

Sincerely yours,


John R. Bolton

Attachments

79040100838



HELMS for Senate Committee

P. O. DRAWER 10433, 3075 BARRETT DRIVE, RALEIGH, NORTH CAROLINA 27609 (919) 876-6000

Thomas F. Ellis
Chairman

Carter Wrenn
Treasurer

April 18, 1977

Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Gentlemen:

Please note that this report includes several individuals who have contributed several times and whose totals are over the \$1,000 limit.

We discovered this on April 15, 1977 when we received our computer printout of contributors, and immediately we refunded all contributions over \$1,000 as our next report will show.

Enclosed are copies of the refund checks.

Thank you for your help and cooperation.

Sincerely,

Carter Wrenn
Treasurer

CW:e
Enclosures

79040100833

NORTH CAROLINA
CONGRESSIONAL CLUB
P. O. BOX 18848
RALEIGH, N. C. 27609

1960

66-763
531

APR 11 1977

PAY TO THE ORDER OF Carolyn S. Holding

\$ 2,000.00

Two thousand no/100 DOLLARS

Wachovia
Wachovia Bank & Trust Company, N.A.
Raleigh, NC 27611



Contribution Refund

⑈00001960⑈ ⑆0531⑈07631⑈ 6260 082190⑈

79040107840

HELMS FOR SENATE C.

POST OFFICE BOX 4848
RALEIGH, NC 27602

538

April 18,

19 77

66-30
531

PAY TO THE
ORDER OF

Mrs. William H. Child

\$ 500.00

Five hundred and no/100

DOLLARS

First-Citizens The Can Do Bank

1000 ...
Raleigh, N.C. 27602

FOR Contribution Refund

⑆0531⑉0030⑆ ⑈086 1132830⑈

79040100841

HELMS FOR STATE C.

POST OFFICE BOX 18743

RALEIGH, NC 27603

539

86-30
531

Apr 11 18 19 77

PAY TO THE ORDER OF Mrs. John C. Lincoln

\$ 500.00

Five hundred and 00/100

DOLLARS

First-Citizens The Can Do Bank

Raleigh, N.C. 27602

FOR Contribution Refund

⑆0531⑆0030⑆ ⑆086 1132830⑆

7904010084

DEPOSIT TICKET

Exhibit B

NORTH CAROLINA CONGRESSIONAL CLUB
P. O. BOX 18848
RALEIGH, N. C. 27609



66-763/512

DATE 3-1 1977

This deposit is accepted subject to verification and under the provisions of the uniform commercial code and the rules and regulations of this bank.

CURRENCY		
COIN		
TOTAL CHECKS FROM OTHER SIDE		
TOTAL	77	00

FOR BANK'S USE

NO. ITEMS

Wachovia Bank & Trust Company, N.A.
Raleigh, North Carolina 27602

MAR 1 - P.M.

⑆0512⑉0763⑆ 0⑉082⑉190⑉

DEPOSIT TICKET

NORTH CAROLINA CONGRESSIONAL CLUB
P. O. BOX 18848
RALEIGH, N. C. 27609



66-763/512

790401008441

DATE 3-1 1977

This deposit is accepted subject to verification and under the provisions of the uniform commercial code and the rules and regulations of this Bank.

CURRENCY		
COIN		
TOTAL CHECKS FROM OTHER SIDE		
TOTAL	77	00

FOR BANK'S USE

NO. ITEMS

Wachovia Bank & Trust Company, N.A.
Raleigh, North Carolina 27602

MAR 1 - P.M.

⑆0512⑉0763⑆ 0⑉082⑉190⑉

DEPOSIT TICKET

NORTH CAROLINA CONGRESSIONAL CLUB
P. O. BOX 18848
RALEIGH, N. C. 27609



66-763/512

DATE 3-1 1977

This deposit is accepted subject to verification and under the provisions of the uniform commercial code and the rules and regulations of this Bank.

CURRENCY		
COIN		
TOTAL CHECKS FROM OTHER SIDE	10.50	00
TOTAL	10.50	00

FOR BANK'S USE

NO. ITEMS

Wachovia Bank & Trust Company, N.A.
Raleigh, North Carolina 27602

MAR 1 - P.M.

⑆0512⑉0763⑆ 0⑉082⑉190⑉

DEPOSIT TICKET

DEPOSIT TICKET

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DEPOSIT TICKET

PLEASE BE SURE EACH ITEM IS ENDORSED

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3	50	00
4	25	00
5	25	00
6	100	00
7	100	00
8	100	00
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11	100	00
12	100	00
13	50	00
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TOTAL		

PLEASE ENTER TOTAL ON THE FRONT

PLEASE BE SURE EACH ITEM IS ENDORSED

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TOTAL	7904	0100845

PLEASE ENTER TOTAL ON THE FRONT

PLEASE BE SURE EACH ITEM IS ENDORSED

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TOTAL		

PLEASE ENTER TOTAL ON THE FRONT

79040100846

DEPOSIT TICKET

NORTH CAROLINA CONGRESSIONAL CLUB
P. O. BOX 18848
RALEIGH, N. C. 27609



66-763/512

Handwritten notes:
Wachovia
P.O. Box 18848
Raleigh, N.C.
3/11/77

DATE 3/11 1977

This deposit is accepted subject to verification and under the provisions of the uniform commercial code and the rules and regulations of this Bank.

BY ALL CHECKS ON REVERSE SIDE

CURRENCY	<i>200.00</i>	
COIN		
TOTAL CHECKS FROM OTHER SIDE		
TOTAL	<i>200.00</i>	

FOR BANK'S USE

NO. ITEMS

Wachovia Bank & Trust Company, N.A.
Raleigh, North Carolina 27602

Handwritten: MAR 1 - 1977

⑆0512⑆0763⑆ 0⑆082⑆190⑆

BDT-R1V



Exhibit C

NCCC Accounts Payable
as of March 1, 1977

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<u>Date of Ledger Entry</u>		<u>Amount Paid</u>	<u>Date Paid</u>
<u>1977</u>			
Jan. 1	John Preston	341.90	5-2-77
1	WRAL	100.00	3-11-77
18	Tom Ellis	182.54	3-11-77 146.50 ^{*/}
Feb. 7	IBM	5,647.47	3-3-77 2530.56 3-17-77 3116.91
8	Health Management Services.	1,961.31	3-11-77 670.93 4-18-77 1290.38
8	State Office Equipment	128.75	4-18-77
8	Bedford Printing Company	1,170.33	3-9-77
8	Paterson Travel Service	341.00	4-18-77
8	Pitney Bowes	28.00	3-11-77
8	Southern Bell	1,557.70	3-3-77
8	United Parcel Service	17.19	3-11-77
9	Jean Duke	5.00	3-11-77
10	The Graphic Press	1,331.93	3-11-77
16	Maupin, Taylor & Ellis	387.71	3-11-77
21	Rick Miller	154.41	3-10-77

^{*/} The \$182.54 figure contained a bookkeeping error; the March 11 payment of \$146.50 thus represented full satisfaction of the amounts owed to Mr. Ellis.

<u>Date of Ledger Entry</u>		<u>Amount Paid</u>	<u>Date Paid</u>	
21	Gray & Creech	429.86	3-11-77	223.42
			4-18-77	206.44
23	Jack Newman	80.99	3-25-77	
Mar. 1	Carolina Power Light	149.16 [*]		

79040100848

*/ The \$149.16 owed to Carolina Power, Light was later determined to be a personal (rather than a NCCC) bill, and it was deleted from NCCC's books.

600* 4800

COVINGTON & BURLING
555 SIXTEENTH STREET, N. W.
WASHINGTON, D. C. 20006

TELEPHONE
(202) 452-8000

WRITER'S DIRECT DIAL NUMBER

TWR: 710-822-0001
TELEX: 89-888
CABLE: COVLING

July 28, 1978

(202) 452-6418

001886

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C.

Re: MUR 459(77)

Dear Mr. Oldaker:

On June 14, 1978, I received a letter, signed by you, stating that on May 10, 1978, the Federal Election Commission (the "Commission") had found reasonable cause to believe that the North Carolina Congressional Club ("NCCC") had violated 2 U.S.C. §441a of the Federal Election Campaign Act, as amended (the "FECA"). Enclosed with your June 12 letter was a proposed conciliation agreement.

Shortly thereafter, I contacted Ms. Susan Donaldson, the Commission staff investigator assigned to this matter, to arrange a meeting to discuss the procedures to be followed and to pose questions that I had concerning various statements in your June 12 letter and in the proposed conciliation agreement. Ms. Donaldson and I ultimately agreed to meet on June 27 to enable Mr. Gary Johansen, Special Assistant to the General Counsel of your office, to attend. At the conclusion of that meeting, I asked to submit a written response to the proposed conciliation agreement by July 28. Mr. Johansen and Ms. Donaldson tentatively agreed to July 28, and that date was confirmed by a letter to me dated July 6 and signed by Associate General Counsel Charles N. Steele. This letter and its attachments are submitted pursuant to Mr. Steele's letter.

This letter is divided into three parts. In Section I, we discuss the procedural objections we have to the way this MUR has been conducted. These objections are directed to paragraph number two of the proposed conciliation agreement. In Section II, we will address several questions of law, directed principally at subparagraphs 4(e) and 4(f) of the proposed conciliation agreement. Finally, in Section III, we will

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consider certain factual matters that are either misstated in the proposed conciliation agreement or the June 12 letter accompanying it, or were raised for the first time during my June 27 meeting with the Commission staff.

I

Paragraph number two of the proposed conciliation agreement, tracking the statutory language of 2 U.S.C. §437g(a)(4), states that "[r]espondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter." NCCC cannot accept such a provision. By letter dated January 13, 1978, in response to your letter to Mr. Richard W. Miller, Chairman of the NCC of December 30, 1977, I stated specifically that

"...we do not view the requests for information contained in your letter of December 30 as the statutorily required 'reasonable opportunity to demonstrate that no action should be taken' against the Congressional Club. 2 U.S.C. §437g(a)(4). You appear to share this view, since your December 30 letter does not indicate that the request for information is based on that section of the statute."

After making two other important substantive and procedural points, my January 13 letter goes on to state:

"We trust that if you disagree with this or any of the other foregoing points you will so notify us."

Neither NCC nor I ever received any indication that you or the Commission disagreed with these statements until nearly six months later when I received your June 12 letter.

Because of the Commission's failure to respond, NCCC was not presented with a more definite statement of the statutory violations it is alleged to have committed, and it was plainly not provided with certain evidence in the possession of the Commission and thought by the Commission staff to be relevant. The effect of not having access to facts in the Commission's possession and of not being informed of the legal theories under which the Commission was proceeding amounts to the creation of "secret law." This practice is

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properly condemned in any administrative context, but it is particularly egregious where, as here, First Amendment rights are at stake. It is procedurally unfair and highly suspect constitutionally for the Commission to proceed to the "reasonable cause to believe" stage of its enforcement procedures without confronting NCCC with the evidence deemed to support such a finding by the Commission. As we will demonstrate later, the hidden "evidence" on which the Commission relied is either inaccurate or is perfectly consistent with NCCC's position that there was no illegal "contribution" to the Helms for Senate Committee ("HSC").

In addition, the Commission has proceeded under the assumption that NCCC has the burden of disproving any adverse "facts" and the inferences that the Commission may draw from the facts. This assumption was confirmed at the June 27 meeting. Apart from the obvious impossibility of rebutting facts and inferences when the facts are never made known to a respondent, this approach is constitutionally impermissible. It is directly contrary to the standards enunciated by the Supreme Court: "Where the transcendent value of speech is involved, due process certainly requires... that the State bear the burden of persuasion to show" that NCCC has violated the FECA. Speiser v. Randall, 357 U.S. 513,526 (1958). The Supreme Court's opinion in Speiser fully demonstrates the deficiencies in the Commission's handling of this MUR:

"The vice of the present procedure is that, where particular speech falls close to the line separating the lawful and the unlawful, the possibility of mistaken factfinding--inherent in all litigation--will create the danger that the legitimate utterance will be penalized. The man who knows that he must bring forth proof and persuade another of the lawfulness of his conduct necessarily must steer far wider of the unlawful zone than if the State must bear these burdens. This is especially to be feared when the complexity of the proofs and the generality of the standards applied...provide but shifting sands on which the litigant must maintain his position. How can a claimant whose declaration is rejected possibly sustain the burden of proving the negative of these complex factual elements? In

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July 28, 1978
Page 4

practical operation, therefore, this procedural device must necessarily produce a result which the State could not command directly. It can only result in a deterrence of speech which the Constitution makes free." Id.

The only proper action for the Commission at this stage is to reconsider its "reasonable cause" finding and return this proceeding to the investigative stage of the enforcement procedure. At that point, both NCCC and the Commission can more fully analyze the pertinent evidence. Only in such circumstances would NCCC be able, should the Commission not ultimately accept its position that there was no violation, to agree that it has had a reasonable opportunity to demonstrate that no action should be taken against it.

II

A. The Commission's principal legal theory appears to be that on March 1, 1978, NCCC made a contribution in excess of the applicable legal limit to HSC. With respect to NCCC's argument that the two committees were affiliated in fact well before that date, your letter of June 12 says only that the argument is not acceptable "due to the fact that neither NCCC nor the Helms for Senate Committee publicly reported their affiliation until March 1, 1978."

The just-quoted statement is not accompanied by any citation to the FECA, the Commission's regulations, or to any Commission advisory opinion. The Commission's regulations explicitly state that:

"All of the political committees set up by the same group of persons are treated as a single political committee." 11 C.F.R. § 110.3(a)(1)(ii)(E).

See also AO 1977-44. As my January 13 letter to you and the accompanying statement by Mr. Carter Wrenn, Executive Director and Treasurer of HSC, point out, NCCC and HSC plainly meet this test. Senator Helms and Messrs. Wrenn and Thomas Ellis were officers of both committees from the inception of HSC. This is not a case where HSC went "shopping" for another political committee with which to affiliate. HSC and NCCC were in effect one committee, within the

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meaning of the Commission's regulations on affiliation, from the moment HSC was properly registered with the Commission in January, 1977.

Yet your June 12 letter does not even address this issue. The Commission is, in effect, trying to have it both ways: it establishes regulations intended to govern the issue of affiliation, and then it chooses to ignore those regulations when, as here, it appears convenient to do so. This is totally unacceptable.

The legislative intent in drafting the statutory provisions from which the Commission's affiliation regulations were derived could not have been clearer. The Conference Committee Report for the FECA Amendments of 1976 stated that

"The anti-proliferation rules established by the conference substitute are intended to prevent corporations, labor organizations, or other persons or groups of persons from evading the contribution limits of the conference substitute." House Report No. 94-1057, 94th Cong., 2d Sess. 58 (1976).

As I pointed out in my January letter, careful steps were taken by HSC and NCCC to ensure that there were no contributions in their treasuries which would exceed the applicable limits on contributions to single-candidate committees. There was, therefore, no evasion of the contribution limits in this case. Accordingly, there can be no violation by NCCC here.

This point can be demonstrated by considering a hypothetical example. Assume that the persons controlling one multicandidate political committee decide to and in fact do establish a second multicandidate political committee. Assume further that these persons do not state to the Commission that the two committees are affiliated, but that the Commission later determines that they are affiliated. All contributions to and from the two committees would be treated as contributions to or from a single multicandidate committee. See AO 1976-104. In effect, the activities of the two committees would be aggregated, with one set of limits applicable to the "combined" committees. If the aggregated activities exceeded no applicable statutory limits, there would be no violation. The act of affiliation is not, therefore, a

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contribution. A fortiori, confirming an already existing affiliation also cannot be a contribution. See AO 1975-45 ("The Commission would regard committees which are controlled by the same person or group of persons as one entity." (emphasis added), confirmed by the Commission's statement modifying certain AO's, CCH FECF Guide ¶ 9020.

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Precisely the same is true here, with one added factor. The applicable limits to the affiliated NCCC and HSC are those for a single-candidate committee rather than for a multicandidate committee. There is no evidence that any single-candidate committee limitations have been exceeded. Therefore, there is no violation. Cf. AO 1977-16. The fact that notice of the affiliation was not provided until March 1, 1978, is, at most, an insignificant error in reporting.*/ As we understand the Commission's position on reporting and disclosure requirements, such errors may be corrected by filing amended reports or statements, with no penalties attaching to the amending committee. Filing the required amendments was precisely what HSC and NCCC did on March 1.**/

The Commission has never provided any arguments which refute this analysis. Indeed, by resting its entire legal position in this matter on an alleged failure to notify the Commission in a timely fashion, the Commission has demonstrated the striking weakness of its legal theory. It has taken what is at most a trivial reporting error, corrected, after consultation with counsel and before any enforcement proceeding had been commenced, and compounded the entire matter by an interpretation of the law that runs

*/ The Commission itself is, in very large measure, responsible for whatever delay there might have been in HSC and NCCC notifying the Commission of the previously existing affiliation. As Mr. Wrenn pointed out in his statement accompanying my January 13 letter, the Commission apparently lost the document representing the first attempt to register the 1978 Helms for Senate Committee. Indeed, the Commission's own records reflect that the Commission erroneously reactivated the 1972 Helms for Senate Committee. In the midst of all this confusion at the Commission, no fault can be attributed to HSC or NCCC.

**/ The Commission accepted the 1978 Helms for Senate Committee's registration that was filed on January 13, 1977.

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Page 7

directly contrary to its own regulations. In such circumstances, there is simply no basis on which to find a statutory violation.

B. During the June 27 meeting with Commission staff, I repeated the point made in my January 13 letter that, assuming the Commission's legal theories to be correct, NCCC's outstanding debts should be subtracted from its cash on hand to determine the total amount of the "contribution" allegedly made to HSC. I was told that debts could not be subtracted from cash on hand, because "debts" were not included within the statutory definition of "contribution."*/

If the Commission's theory that affiliation did not occur until March 1, 1978, is correct, then, to be consistent, the Commission must recognize that the affiliation includes both the receipt of cash on hand and the assumption of debts owed by NCCC. Any approach other than this balance-sheet view of the affiliation would be logically unsupportable. The Commission would certainly take the view that forgiving the NCCC's outstanding debts would be a contribution from the persons to whom the debts were owed. The affiliated NCCC-HSC could not, therefore, have simply ignored the debts without risking possible corporate contributions or contributions possibly in excess of applicable limits. Nor could NCCC have terminated its status as a political committee without satisfying its obligations to its creditors. The practical result of the affiliation, even under the Commission's view, here is exactly the same as if NCCC had paid its existing debts in full and turned over to HSC the amounts remaining in its treasury. (In fact, as Mr. Wrenn's previously filed statement points out, no funds were transferred from NCCC to HSC; the cash on hand remained in NCCC's treasury.) To ignore the practical consequences is to ignore what actually happened in this case.

*/ I was also told that even if the argument that debts should be subtracted were adopted, NCCC had the burden of showing that those debts were paid within a commercially reasonable time. Although I dispute that the burden rests with NCCC, the requisite factual showing that the debts were paid within a commercially reasonable time is made infra, at pp. 10-11.

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Subtracting NCCC's debts on March 1 (\$14,015.25) from its cash on hand (\$16,406.64) leaves a total of \$2,391.39.*/ This last figure is the most that NCCC could be said to have "contributed" to HSC on March 1, even if the theory that any contribution occurred on that date were sustainable, which it is not.**/

III.

In this section, we discuss certain factual matters which the Commission considered in reaching its finding that there was reasonable cause to believe NCCC had made an over-the-limit contribution.

A. Mr. Oldaker's letter of June 12, 1978, states that during January and February of 1977, NCCC made contributions to HSC in excess of \$4500. These purported contributions are then charged against the \$5,000 contribution limit which the Commission maintains was applicable to pre-March 1, 1977, transfers between the two committees.

Three loans totalling \$4,350 are reflected on the reports of the two committees for the quarter ending March 31, 1977. See HSC Schedule A for Line 18(a) at p. 1. These three loans were repaid on January 31, 1977, and the repayment is reflected on HSC Schedule B, for Line 24(a) at

*/ As of the morning of March 1, as Mr. Wrenn's January 13, 1978, statement explains, NCCC's cash on hand was only \$13,121.64. If March 1 is the date chosen by the Commission as the date of affiliation then NCCC actually contributed a deficit to HSC. Attached hereto as Exhibit A are copies of the bank-deposit slips for the March 1 deposits, all of which plainly indicate that the transactions occurred in the afternoon. While it cannot be reconstructed with certainty at this point, it is quite likely that these deposits were made after the documents confirming the HSC-NCCC affiliation had been mailed to the Commission.

**/ The proposed conciliation agreement and your letter of June 12 refer to "office supplies, furniture and other [unspecified] items of value" in NCCC's possession. In the absence of any proof whatever of the value of these items, if any, they should be deemed de minimis for purposes of this MUR.

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Mr. William C. Oldaker
July 28, 1978
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p. 1.* / Accordingly, pursuant to 11 C.F.R. § 100.4(a)(1)(i), the "contribution" represented by the loans was extinguished, and NCCC was once again, even under the Commission's theory, entitled to contribute \$5,000 per election to HSC. To whatever extent, therefore, the Commission's finding of reasonable cause was based on the fact of the \$4510 in loans, the finding is completely erroneous.**/

B. During my meeting with Mr. Johansen and Ms. Donaldson on June 27, they raised for the first time the subject of a \$3,000 contribution to NCCC by Carolyn S. Holding. This contribution was said by the Commission staff to be evidence that NCCC still considered itself a multicandidate committee rather than an affiliate of HSC. The theory, as it was explained to me, was that because Mrs. Holding's contribution was in excess of the \$1,000 per-person limit applicable to a single-candidate committee, and because the \$2,000 excess was not refunded until April 18, NCCC was still "holding itself out" as a multicandidate committee.

*/ The repayment is \$160 in excess of the three reported loans. Ninety dollars of this difference was to cover two in-kind loans (of \$75 and \$15) from NCCC to HSC for postage. These two small loans were not separately reported, because they were below the threshold for itemized reporting. The remaining \$70 was an inadvertent overpayment. NCCC reimbursed HSC for the \$70 overpayment by paying several small HSC bills. These small payments were not separately reported, once again because they were below the threshold of the applicable disclosure requirements.

**/ The \$4500+ amounts are reflected on HSC's Form 3 for the quarter ending March 31, 1977, as "transfers in" to HSC and "transfers out," rather than as loans received and loans repaid. Inserting these amounts on inappropriate lines on Form 3 was an inadvertent clerical error which HSC would be prepared to correct by filing revised reports. That HSC believed the amounts in question to be loans and loan repayments is demonstrated by the entries on Schedules A and B supporting the March 21 Form 3 being denominated as loans and loan repayments rather than transfers. The "transfer in" and "out" lines were used by the committees' bookkeepers because of the reference on the Form 3 to transfers from or to affiliated committees. The Form is thus further evidence of the belief of HSC and NCCC that they were, and had been for the quarter in question, fully affiliated for all purposes.

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Mr. William C. Oldaker
 July 28, 1978
 Page 10

The facts are completely to the contrary, as the Commission's records demonstrate. HSC and NCCC have consistently adhered to the following procedures with respect to contributions that it determines are in excess of the applicable limits. When HSC prepares its quarterly reports to the Commission, a computer check is performed to ascertain whether there are any over-the-limit contributions. Such contributions are fully disclosed and are indicated in reports filed with the Commission by an asterisk. (Mrs. Holding's \$3,000 contribution was so indicated on NCCC's report for the quarter ending March 31, 1978. See Schedule A for Line 15(a), at p. 1.) The report is accompanied by a letter from Mr. Wrenn, stating that excess amounts have been refunded, and that such refunds will be appropriately reflected on the next report due to the Commission; attached to Mr. Wrenn's letter are photocopies of the refund checks. We enclose with this letter as Exhibit B, a copy of Mr. Wrenn's letter, dated April 18, 1978, affixed to which is a copy of Mrs. Holding's refund check, among others. As previously noted, these procedures have been consistently followed as to all reports due to the Commission.

The adequacy and timeliness of these HSC procedures have never been questioned or challenged by the Commission's Audit Division. It is neither reasonable nor fair at this date, over one year after the refund in question, to infer any impropriety whatever from NCCC's actions. If anything, the treatment of Mrs. Holding's contribution demonstrates graphically the careful efforts that NCCC and HSC have undertaken to remain in strict compliance with both the substantive limitations and the reporting and disclosure requirements of the FECA.

C. We have previously demonstrated the legal reasons why, even under the Commission's theory, outstanding debts of NCCC should be subtracted from assets on hand to arrive at the total "contribution" from NCCC on March 1. At my meeting with Mr. Johansen and Ms. Donaldson on June 14, they informed me that, to support the proposition that a balance-sheet approach should be followed, NCCC had the burden to present evidence demonstrating that the debts had been liquidated in a commercially reasonable time and manner.

We enclose with this letter as Exhibit C a chart listing NCCC's outstanding debts on March 1, by amount, and the dates on which those debts were paid. The payments are reflected on reports filed with the Commission, except

79040100853

Mr. William C. Oldaker
July 28, 1978
Page 11

possibly where the amounts were below the threshold for itemized reporting. The vast bulk of the debts were paid on or by March 18, a mere 3 weeks after the Commission's chosen date for affiliation of March 1.*/ Only one small debt was not paid by mid-April, and that was paid on May 2.

These records make it absolutely clear that HSC met NCCC's outstanding debts in a completely timely and commercially reasonable fashion. There can be no suggestion on this record, such as that advanced by the Commission staff during the June 27 meeting, that HSC gained any advantage by delaying payments of the debts owed by NCCC. Accordingly, NCCC has met the evidentiary burden of showing that its debts should be subtracted from its assets, even under the Commission's theory, to determine the total amount of its "contribution" to HSC on March 1.

D. When the \$4,510 "contribution" from NCCC to HSC is eliminated from consideration (as it properly should be), and when NCCC's liabilities are subtracted from its assets (as they properly should be), the total "contribution" on March 1 is only \$2,391.39, well below the limit applicable to NCCC. It follows, therefore, that even if the Commission totally rejects the procedural arguments advanced in Section I, and even if the Commission totally rejects the statutory argument in Section IIA that the act of affiliation cannot, as a matter of law, be deemed a contribution in these circumstances, NCCC has nonetheless not violated the FECA.**/ The

*/ By March 18, \$11,476.63, or approximately 82%, of the outstanding debt of \$14,015.25 had been paid.

**/ The same analysis applies if the Commission were to treat the affiliation in fact as of January 13, 1977, as a "contribution." On that date, NCCC's books show cash on hand in the amount of \$13,393.09, and outstanding debts of \$23,349.12. Thus, even under the Commission's theory that affiliation amounts to a "contribution," NCCC contributed to HSC a deficit of nearly \$10,000. Since NCCC could not have ceased operations with debts outstanding, NCCC was required to continue until it could extinguish its debts. As noted previously, that is precisely the practical effect of the course of action NCCC pursued.

79040100859

Mr. William C. Oldaker
July 28, 1978
Page 12

appropriate course of action for the Commission is to reverse its earlier findings of reason to believe, and reasonable cause to believe, that a violation has occurred. Since there is no violation, it is quite obvious that there should be no fine. This Matter Under Review should be dismissed forthwith.

Sincerely yours,

John R. Bolton
John R. Bolton

Attachments

79040100860

Exhibit A



HELMS for Senate Committee

P. O. DRAWER 17433, 3825 BARRETT DRIVE, RALEIGH, NORTH CAROLINA 27604 (919) 781-5220

Thomas F. Ellis
Chairman

Carter Wrenn
Treasurer

April 18, 1977

Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Gentlemen:

Please note that this report includes several individuals who have contributed several times and whose totals are over the \$1,000 limit.

We discovered this on April 15, 1977 when we received our computer printout of contributors, and immediately we refunded all contributions over \$1,000 as our next report will show.

Enclosed are copies of the refund checks.

Thank you for your help and cooperation.

Sincerely,

Carter Wrenn
Treasurer

CW:e
Enclosures

79040100861

NORTH CAROLINA
CONGRESSIONAL CLUB
P. O. Box 18848
RALEIGH, N. C. 27609

1960

April 18, 1977

66-763
831

PAY TO THE ORDER OF Carolyn S. Holding

\$ 2,000.00

Two thousand and no/100

DOLLARS

Wachovia
Wachovia Bank & Trust Company, N.A.
Raleigh, NC 27611

Contribution Refund



⑈00001960⑈ ⑆⑆0531⑆0763⑆ 6260 082190⑈

79040100862

HELMS FOR SENATE C.

POST OFFICE BOX 1844
RALEIGH, NC 27602

538

April 18, 1977

66-30
531

PAY TO THE ORDER OF Mrs. William H. Guild

\$ 500.00

Five hundred and no/100 ----- DOLLARS

First-Citizens The Can Do Bank

First Citizens Bank & Trust Company
Raleigh, N. C. 27602

FOR Contribution Refund

⑆0531⑆0030⑆ ⑈086 1132830⑈

79040100863

HELMS FOR SENATE C.

POST OFFICE BOX 18943
RALEIGH, NC 27603

539

88-30
831

Apr 11 1977

PAY TO THE
ORDER OF

Mrs. John C. Lincoln

\$ 500.00

Five hundred and no/100

DOLLARS

First-Citizens The Can Do Bank

First-Citizens Bank of North Carolina
Raleigh, N. C. 27602

FOR Contribution Refund



⑆0531⑆0030⑆ ⑆086 1132830⑆

79040100864

HELMS FOR SENATE C.

POST OFFICE BOX 1843
RALEIGH, NC 27602

537

08 30
531

Apr 11 18, 19 77

PAY TO THE
ORDER OF

Mrs. M.P. Alles

\$ 100.00

One hundred and no/100

DOLLARS

First-Citizens. The Can Do Bank.

First-Citizens Bank Company
Raleigh, N.C. 27602

FOR Contribution Refund

⑆0531⑆0030⑆088 1132830⑆

MAK-2

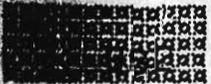
79040100865

DEPOSIT TICKET

EXHIBIT B

NORTH CAROLINA CONGRESSIONAL CLUB

P. O. BOX 18848
RALEIGH, N. C. 27609



66-763/512

DATE 3-1 1977

This deposit is accepted subject to verification and under the provisions of the uniform commercial code and the rules and regulations of this bank.

LIST ALL CHECKS ON REVERSE SIDE.		
CURRENCY		
COIN		
TOTAL CHECKS FROM OTHER SIDE		
TOTAL		

FOR BANK'S USE ONLY

NO. ITEMS

Wachovia Bank & Trust Company, N.A.
Raleigh, North Carolina 27602

MAR 1 - P.M.

⑆0512⑉0763⑆ 0⑈082⑈190⑈

DOT - REV. 3

DEPOSIT TICKET

NORTH CAROLINA CONGRESSIONAL CLUB

P. O. BOX 18848
RALEIGH, N. C. 27609



66-763/512

DATE 3-1 1977

This deposit is accepted subject to verification and under the provisions of the uniform commercial code and the rules and regulations of this Bank.

LIST ALL CHECKS ON REVERSE SIDE.		
CURRENCY		
COIN		
TOTAL CHECKS FROM OTHER SIDE		
TOTAL		

FOR BANK'S USE ONLY

NO. ITEMS

Wachovia Bank & Trust Company, N.A.
Raleigh, North Carolina 27602

7.65

MAR 1 - P.M.

⑆0512⑉0763⑆ 0⑈082⑈190⑈

DOT - REV. 3

DEPOSIT TICKET

NORTH CAROLINA CONGRESSIONAL CLUB

P. O. BOX 18848
RALEIGH, N. C. 27609



66-763/512

DATE 3-1 1977

This deposit is accepted subject to verification and under the provisions of the uniform commercial code and the rules and regulations of this Bank.

LIST ALL CHECKS ON REVERSE SIDE.		
CURRENCY		
COIN		
TOTAL CHECKS FROM OTHER SIDE		
TOTAL		

FOR BANK'S USE ONLY

NO. ITEMS

Wachovia Bank & Trust Company, N.A.
Raleigh, North Carolina 27602

MAR 1 - P.M.

⑆0512⑉0763⑆ 0⑈082⑈190⑈

DOT - REV. 3

79040100856

DEPOSIT TICKET

PLEASE BE SURE EACH ITEM IS ENDORSED

CHECKS LIST SINGLY	DOLLARS	CENTS
1	100	00
2	100	00
3	25	00
4	25	00
5	25	00
6	100	00
7	100	00
8	100	00
9	100	00
10	110	00
11	100	00
12	100	00
13	50	00
14	25	00
15	100	00
16	100	00
17	100	00
18	100	00
19	100	00
20	100	00
21	100	00
22	100	00
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33		
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35		
36		
37		
TOTAL		

PLEASE ENTER TOTAL ON THE FRONT OF THIS TICKET

7 9 0 4 0 1 0 0 8 6 7

DEPOSIT TICKET

PLEASE BE SURE EACH ITEM IS ENDORSED

CHECKS LIST SINGLY	DOLLARS	CENTS
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37		
TOTAL	510	00

PLEASE ENTER TOTAL ON THE FRONT OF THIS TICKET

DEPOSIT TICKET

PLEASE BE SURE EACH ITEM IS ENDORSED

CHECKS LIST SINGLY	DOLLARS	CENTS
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37		
TOTAL		

PLEASE ENTER TOTAL ON THE FRONT OF THIS TICKET

79040100868

— DEPOSIT TICKET —

NORTH CAROLINA CONGRESSIONAL CLUB
P. O. BOX 18848
RALEIGH, N. C. 27609

Handwritten notes:
Wachovia
1/4/77
1/4/77
1/4/77

DATE 3/1 19 77

This deposit is accepted subject to verification and under the provisions of the uniform commercial code and the rules and regulations of this Bank.

LIST ALL CHECKS ON REVERSE SIDE

CURRENCY	<input checked="" type="checkbox"/>	<i>200.00</i>
COIN	<input type="checkbox"/>	
TOTAL CHECKS FROM OTHER SIDE	<input type="checkbox"/>	
TOTAL	<input checked="" type="checkbox"/>	<i>1.65</i>

66-763/512

FOR BANK'S USE ONLY

NO. ITEMS

Wachovia Bank & Trust Company, N.A.
Raleigh, North Carolina 27602

Stamp: MAR 1 - 1977

⑆0512⑆0763⑆ 0⑆082⑆190⑆

Exhibit C

**NCCC Accounts Payable
as of March 1, 1977**

<u>Date of Ledger Entry</u>		<u>Amount Paid</u>	<u>Date Paid</u>
<u>1977</u>			
Jan. 1	John Preston	341.90	5-2-77
1	WRAL	100.00	3-11-77
18	Tom Ellis	182.54	3-11-77 146.50 [*]
Feb. 7	IBM	5,647.47	3-3-77 2530.56 3-17-77 3116.91
8	Health Management Services	1,961.31	3-11-77 670.93 4-18-77 1290.38
8	State Office Equipment	128.75	4-18-77
8	Bedford Printing Company	1,170.33	3-9-77
8	Paterson Travel Service	341.00	4-18-77
8	Pitney Bowes	28.00	3-11-77
8	Southern Bell	1,557.70	3-3-77
8	United Parcel Service	17.19	3-11-77
9	Jean Duke	5.00	3-11-77
10	The Graphic Press	1,331.93	3-11-77
16	Maupin, Taylor & Ellis	387.71	3-11-77
21	Rick Miller	154.41	3-10-77

* / The \$182.54 figure contained a bookkeeping error; the March 11 payment of \$146.50 thus represented full satisfaction of the amounts owed to Mr. Ellis.

79040100869

<u>Date of Ledger Entry</u>		<u>Amount Paid</u>	<u>Date Paid</u>	
21	Gray & Creech	429.88	2-11-77	228.42
			4-18-77	208.44
23	Jack Newman	80.99	3-25-77	
Mar. 1	Carolina Power Light	149.16 [*]		

79040100870

*/ The \$149.16 owed to Carolina Power, Light was later determined to be a personal (rather than a NCCC) bill, and it was deleted from NCCC's books.

7 9 0 4 0 1 0 0 8 7 1

HAND DELIVER

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C.



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 11, 1978

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
SUBJECT: MUR 459 - Interim Report dated 7-5-78
Signed 7-7-78
Received in the Office of Commission
Secretary 7-7-78, 3:47

The above-mentioned document was circulated on a 24
hour no-objection basis at 10:00 a.m., July 10, 1978.

As of 10:15 a.m. this date, no objections have been
received in the Office of Commission Secretary to the
Interim Report.

79010100872

July 7, 1979

MEMORANDUM FOR: [Illegible]
FROM: [Illegible]
SUBJECT: [Illegible]

Please have the [Illegible] distributed to the Commission on a [Illegible] objection basis.

Thank you.

79040100873

BEFORE THE FEDERAL ELECTION COMMISSION

July 5, 1978

In the Matter of the)
North Carolina Congressional Club) MUR 459

INTERIM REPORT

The Commission, on June 7, 1978, found reasonable cause to believe that the North Carolina Congressional Club ("NCCC") may have violated 2 U.S.C. §441a(a).

John Bolton, attorney for NCCC, met with OGC staff on June 27, 1978, to discuss the Commission's determination and proposed conciliation agreement. Mr. Bolton requested an extension until July 28, 1978, to respond to the Commission. A report will be presented to the Commission after receiving NCCC's response.

Date:

7 July 1978



Charles N. Steele
Associate General Counsel

79040100874



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 6, 1978

John R. Bolton, Esquire
Covington & Burling
888 16th Street, N.W.
Washington, D. C. 20006

Re: MUR 459

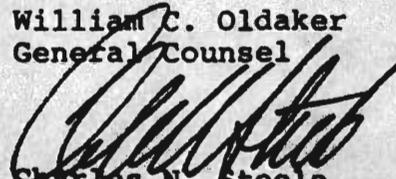
Dear Mr. Bolton:

The Commission has considered your request for an extension of time to respond to the above captioned matter. While the Commission is willing to grant you the extension, we must insist upon your giving us a response by July 28, 1978.

If you have any questions concerning MUR 459, please call Susan Donaldson at 523-4026.

Sincerely,

William C. Oldaker
General Counsel


Charles N. Steele
Associate General Counsel

7904010087



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 12, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John R. Bolton, Esquire
Covington & Burling
888 16th Street, N.W.
Washington, D. C. 20006

Re: MUR 459 - North Carolina
Congressional Club

Dear Mr. Bolton:

The Federal Election Commission determined on May 10, 1978, that there was reasonable cause to believe that the North Carolina Congressional Club ("NCCC") may have violated 2 U.S.C. §441a(a) of the Federal Election Campaign Act of 1971, as amended (the "Act"), by making contributions in excess of the statutory limitations to Senator Jesse Helms or the Helms for Senate Committee.

This determination was made by the Commission after reviewing your letter dated January 13, 1978, and Carter Wrenn's sworn statement of the same date. NCCC's argument that November 22, 1976, is the effective date of affiliation between NCCC and the Helms for Senate Committee is not acceptable due to the fact that neither NCCC nor the Helms for Senate Committee publicly reported their affiliation until March 1, 1977.

The Commission also determined that at the time NCCC decided to become a single candidate committee, it lost its multicandidate committee status. Therefore, on the date NCCC became affiliated, it was limited to a \$1000 contribution to Senator Helms and his authorized political committees provided, however, that NCCC's aggregate contributions in 1977 to Senator Helms and his authorized political committees would not exceed \$5000. Since NCCC had made in-kind contributions of over \$4500 in January and February, 1977, NCCC could legally contribute only \$500 or less when it became an affiliate of the Helms for Senate Committee on March 1, 1977.

79040100875

2
BEFORE THE FEDERAL ELECTION COMMISSION
May 22, 1978

In the Matter of)
)
North Carolina Congressional) MUR 459
Club)

Conciliation Agreement

79040100873
This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that the North Carolina Congressional Club ("NCCC") had violated 2 U.S.C. §441a(a) by contributing over \$16,000 to the Helms for Senate Committee.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C §437g(a) (5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.

2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

3. Respondent enters voluntarily into this Agreement with the Commission.

4. The pertinent facts in this matter are as follows:

(a) Respondent, a political committee which became a qualified multi-candidate committee on October 15, 1975, publicly

resigned its multicandidate committee status on March 1, 1977.

(b) On March 1, 1977, NCCC declared its affiliation with the Helms for Senate Committee, the principal campaign committee for Senator Helms. In addition, NCCC forwarded a letter from Senator Helms, dated March 2, 1977, confirming NCCC's affiliation with his principal campaign committee and his authorization of NCCC.

(c) At the time that NCCC decided to support only one candidate, Senator Jesse Helms, NCCC lost its multicandidate status and became a political committee, as defined by 2 U.S.C. §431 (d).

(d) On March 1, 1977, NCCC, as a political committee, became subject to 2 U.S.C. §441(a) and was limited to a \$1000 contribution to Senator Helms and his authorized political committees provided, however, that NCCC's aggregate contributions in 1977 to Senator Helms and his authorized political committees would not exceed \$5000.

(e) NCCC had \$16,406.64 on hand on March 1, 1977 the effective date of affiliation with the Helms for Senate Committee, as well as office supplies, office furniture, and other items of value. In addition, NCCC had made in-kind contributions of over \$4500 to Senator Helms and his authorized political committees in January and February, 1977.

(f) NCCC violated 2 U.S.C. §441a(a) by contributing over \$16,000 to Senator Helms and his authorized political committees when it became affiliated with the Helms for Senate Committee on March 1, 1977.

790100870

5. Respondent will pay a civil penalty in the amount of Five Thousand Dollars (\$5,000), pursuant to 2 U.S.C. §437g(a) (5) (B).

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. This Agreement is entered into in accordance with 2 U.S.C. §437g(a) (5) (A), and shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

8. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

DATE: _____

William C. Oldaker
General Counsel

NORTH CAROLINA CONGRESSIONAL CLUB

DATE: _____

BY: _____

ITS: _____

79040100880

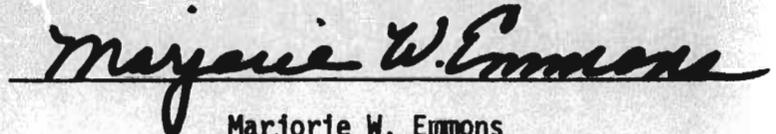
BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
North Carolina Congressional Club }

MJR 459

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 7, 1978, the Commission determined by a vote of 6-0 to approve the Conciliation Agreement and draft letter in the above-captioned matter as submitted by the General Counsel on June 1, 1978.



Marjorie W. Emmons
Secretary to the Commission

Date: June 9, 1978

79040100881



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 2, 1978

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
SUBJECT: MUR 459 - Memo dated 6-1-78, Conciliation Agreement
and Letter
Received in Office of Commission
Secretary: 6-1-78, 11:53

The above-mentioned document was circulated on a 48 hour
vote basis at 3:00 p.m., June 1, 1978.

Commissioner Staebler submitted an objection at 12:33,
this date. A copy of his vote sheet is attached.

MUR 459 has been placed on the agenda for June 7, 1978.

Attachment:
Vote Sheet

79040100882

48 HOUR TALL SHEET

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY



FEDERAL ELECTION COMMISSION 2 P12:33

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Date and Time Transmitted: 3:00 June 1, 1978

Commissioner Staebler

RETURN TO OFFICE OF COMMISSION SECRETARY BY: 3:00 JUNE 5, 1978

MUR No. 459 - Memo dated 6-1-78, Conciliation Agreement and Letter

I approve the recommendation

I object to the recommendation

COMMENTS: WHY NOT 1/2 OF \$16,000?
15,900

Date: 6/7/78 Signature: [Handwritten Signature]

THE OFFICE OF GENERAL COUNSEL WILL TAKE NO ACTION IN THIS MATTER UNTIL THE APPROVAL OF FOUR COMMISSIONERS IS RECEIVED. PLEASE RETURN ALL PAPERS NO LATER THAN THE DATE AND TIME SHOWN ABOVE TO THE OFFICE OF COMMISSION SECRETARY. ONE OBJECTION PLACES THE ITEM ON THE EXECUTIVE SESSION AGENDA.

7904010013



June 11, 1954

MEMORANDUM TO: Marge Brown
FROM: Elison T. Galt
SUBJECT: MUR 459

Please have the attached memo, conciliation agreement and letter on MUR 459 distributed to the Commission on a 48 hour tally basis.

Thank you.

79040100884



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 1, 1978

MEMORANDUM

To: The Commission
From: William C. Oldaker *W.C. Oldaker*
Subject: MUR 459 - North Carolina Congressional Club

The Commission determined on May 10, 1978, to find reasonable cause to believe that the North Carolina Congressional Club ("NCCC") violated 2 U.S.C. §441a(a) by making contributions in excess of the statutory limitations to Senator Jesse Helms or the Helms for Senate Committee.

Attached for Commission approval on a 48 hour tally basis is a letter and proposed conciliation agreement to be sent to the Counsel for NCCC.

79040100835



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May , 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John R. Bolton, Esquire
Covington & Burling
888 16th Street, N.W.
Washington, D. C. 20006

Re: MUR 459 - North Carolina
Congressional Club

Dear Mr. Bolton:

The Federal Election Commission determined on May 10, 1978, that there was reasonable cause to believe that the North Carolina Congressional Club ("NCCC") may have violated 2 U.S.C. §441a(a) of the Federal Election Campaign Act of 1971, as amended (the "Act"), by making contributions in excess of the statutory limitations to Senator Jesse Helms or the Helms for Senate Committee.

This determination was made by the Commission after reviewing your letter dated January 13, 1978, and Carter Wrenn's sworn statement of the same date. NCCC's argument that November 22, 1976, is the effective date of affiliation between NCCC and the Helms for Senate Committee is not acceptable due to the fact that neither NCCC nor the Helms for Senate Committee publicly reported their affiliation until March 1, 1977.

The Commission also determined that at the time NCCC decided to become a single candidate committee, it lost its multicandidate committee status. Therefore, on the date NCCC became affiliated, it was limited to a \$1000 contribution to Senator Helms and his authorized political committees provided, however, that NCCC's aggregate contributions in 1977 to Senator Helms and his authorized political committees would not exceed \$5000. Since NCCC had made in-kind contributions of over \$4500 in January and February, 1977, NCCC could legally contribute only \$500 or less when it became an affiliate of the Helms for Senate Committee on March 1, 1977.

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

NCCC had \$16,406.64 cash on hand at the end of the day, March 1, 1977, the effective date of affiliation. In addition, NCCC had office supplies, furniture and other items of value in its possession on March 1, 1977. Therefore, it appears that NCCC exceeded the contribution limitations of 2 U.S.C. §441a(a) when it became affiliated with the Helms for Senate Committee.

The Commission has a duty to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion and to enter into a conciliation agreement. 2 U.S.C. §437g(a)(5)(A). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute a civil suit. 2 U.S.C. §437g(a)(5)(B).

For your consideration, we have attached a copy of a conciliation agreement that this office would offer as settlement of the aforementioned violation.

If you decide to comply with the terms of this agreement, you may sign and return it to the Commission within ten days; otherwise you should contact Susan Donaldson at (202) 523-4026 within ten days so we may settle this matter through an acceptable conciliation agreement.

Sincerely yours,

William C. Oldaker
General Counsel

79040100837

BEFORE THE FEDERAL ELECTION COMMISSION

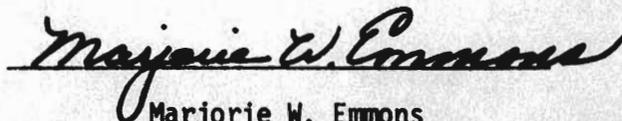
In the Matter of
North Carolina Congressional Club }

MUR 459

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on May 10, 1978, the Commission determined by a vote of 6-0 to take the following actions in the above-captioned matter:

1. Accept March 1, 1977, as the effective date of NCCC's affiliation with the Helms for Senate Committee.
2. Find reasonable cause to believe that NCCC violated 2 U.S.C. Section 441a(a)(1)(A) by contributing over \$1,000 to Senator Jesse Helms or his authorized political committees at the time it became affiliated with the Helms for Senate Committee.
3. Send a notification letter to NCCC, subject to prior circulation to the Commission by the Office of the General Counsel.



Marjorie W. Emmons
Secretary to the Commission

Date: 5-12-78

79040100888

Before the Federal Election Commission

May 3, 1978

In the Matter of)
) MUR 459
North Carolina Congressional)
Club)

General Counsel's Report

I. Background

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The North Carolina Congressional Club ("NCCC") registered with the Commission on December 11, 1973, as an affiliate of the Helms for U.S. Senate Committee. On November 7, 1974, NCCC registered as a multicandidate committee; it became a qualified multicandidate committee on October 15, 1975. In an amended statement of organization, submitted on March 1, 1977, NCCC "resigned" its multicandidate committee status and requested to be recognized as an affiliate of the Helms for Senate Committee.

The Disclosure Division referred this matter to the Office of General Counsel on October 21, 1977, because NCCC had \$13,121 in cash on hand on March 1, 1977, and therefore appeared to be a multicandidate committee which contributed in excess of \$5,000 to Senator Helms or the Helms for Senate Committee. In addition, NCCC sponsored three dinner receptions on behalf of Senator Helms in January and February of 1977. The expenditures made for these dinners also appeared to be in excess of the \$5,000 limitation.

II. Previous Commission Action

On December 15, 1977, the Commission found reason to believe that NCCC had violated 2 U.S.C. §441a by contributing in excess of the statutory limitation to the Helms for Senate Committee. The NCCC was notified of the Commission action and asked about its contributions in a letter dated December 30, 1977.

III. Legal Analysis

A. Date of Affiliation

John Bolton, attorney for NCCC, responded to the Commission's December 30, 1977, letter on January 13, 1978, contending that NCCC became an affiliate of the Helms for Senate Committee on November 22, 1976, instead of March 1, 1977, the date NCCC publicly reported its affiliation in its reports filed with the Commission (Attachment I).

In support of this argument, Carter Wrenn, Executive Director and Treasurer of the Helms for Senate Committee and former treasurer of NCCC, stated in an affidavit (Attachment II) that "at the time of the creation of the 1978 Helms for Senate Committee (November 22, 1976) it was affiliated with NCCC because: (1) the committees contained interlocking officers.. and (2) NCCC and the 1978 Helms for Senate Committee had been cooperating and coordinating on behalf of Senator Helms' reelection from the very outset of the Helms for Senate Committee." A review of reports filed with the Commission indicate that NCCC and the Helms for Senate Committee reported the same officers between January 18, 1977, and February

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15. 15, 1977. Thomas Ellis and Carter Wrenn were reported as Chairman and Treasurer of both the NCCC and the Helms for Senate Committee during that time.

Even though NCCC contends that it was affiliated with the Helms for Senate Committee beginning in November, 1976, neither committee reported the affiliation to the Commission before March 1, 1977, when a letter was sent to the Commission from NCCC stating that the North Carolina Congressional Club was resigning its status as a multi-candidate committee (Attachment III).

NCCC had filed an amended statement of organization dated February 15, 1977, which reported no affiliated organizations (Attachment IV). NCCC filed a statement of organization reporting the Helms for Senate Committee as an affiliate on March 10, 1977 (Attachment V). The Helms for Senate Committee's statement of organization dated January 12, 1977 (Attachment VI) lists no affiliated organizations, and it was not until March 15, 1977, that the Helms for Senate Committee filed an amended statement of organization listing NCCC as an affiliate (Attachment VII).

The Commission also received a copy of a letter from Senator Helms to NCCC, dated March 2, 1977, in which Senator Helms confirmed the authorization and affiliation of the two committees (Attachment VIII). John Bolton, in

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his letter of January 13, 1977, contended that the March 2, 1977, letter from Senator Helms to the Chairman of NCCC stating that NCCC should be an affiliate of the Helms for Senate Committee actually "confirmed the previously existing relationship between the two committees; it did not represent a change of status."

B. Change of Status

Regardless of the date of affiliation between NCCC and the Helms for Senate Committee, there remains the question of how NCCC can change its status from a multicandidate committee to a single candidate committee and how the law provides for such a transition.

First, can a multicandidate committee, such as NCCC, become a single candidate committee? Section 432(e)(1) of 2 U.S.C. states that "... no political committee which supports more than one candidate may be designated as a principal campaign committee." However, this issue is not specifically addressed by Section 432(e)(1) or by any other section of the Federal Election Campaign Act. Neither has the Commission taken a position on this issue.

Second, when a multicandidate committee, such as NCCC, decides to become a single candidate committee, and associates with a principal campaign committee, are the money and things of value it transfers to the principal campaign committee subject to the multicandidate limitations of 2 U.S.C. §441a(a)

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(2) (A) or to the political committee limitations of 2 U.S.C. §441a(a) (1) (A). A multicandidate committee may contribute up to \$5,000 to any candidate and his authorized political committees. A single candidate committee may only contribute up to \$1,000. It is the position of the General Counsel's office that the \$1,000 limitation is applicable. Therefore, when NCCC became affiliated (and hence authorized) with the Helms for Senate Committee, it was allowed to contribute no more than \$1,000 to Senator Helms or his authorized committees.

Third, when NCCC affiliated with the Helms for Senate Committee, it had debts and obligations as well as cash on hand. It is the Office of General Counsel's opinion that the debts and obligations do not offset the cash on hand. This opinion is based on the fact that debts and obligations are not included in the definition of a "contribution" as set out in 2 U.S.C. §431(e). In addition, debts and obligations may be forgiven at some later date.

It appears that NCCC exceeded the \$1,000 limitation of 2 U.S.C. §441a(a) (1) (A) when it became affiliated with the Helms for Senate Committee. The amount that NCCC exceeded its limit could be determined by the amount of cash on hand on the effective date of affiliation and by the value of the office supplies, furnishings, and other items of value which NCCC possessed.

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C. Possible Violations

1) If the Commission accepts NCCC's contention that it became affiliated with the Helms for Senate Committee beginning in November 22, 1976, it appears that the following violations occurred:

a) NCCC and the Helms for Senate Committee are in violation of 2 U.S.C. §433 for failing to register with the Commission as affiliated committees. Such registration should have taken place no later than ten days after November 22, 1976, the date when the committees allegedly became affiliated.

b) NCCC is in violation of 2 U.S.C. §441a(f) for accepting a \$3000 contribution from Carolyn S. Holding on January 14, 1977. This contribution exceeds the \$1000 contribution limitation imposed on single candidate committees by 2 U.S.C. §441a(a)(1)(A).

c) NCCC is in violation of 2 U.S.C. §441a(a)(1)(A) for contributing in excess of \$1000 to Senator Helms or his authorized political committees when it became affiliated. On November 22, 1976, when NCCC became affiliated with the Helms for Senate Committee it had \$749.31 cash on hand. In addition to the value of the funds, there were office supplies, furnishings, and other items of value which NCCC possessed. The value of these items would have to be determined. NCCC had \$12,242.84 debts and obligations on November 22, 1976.

2) If the Commission accepts March 1, 1977, as the date that NCCC became affiliated with the Helms for Senate Committee, it appears that the following violation occurred:

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a) NCCC is in violation of 2 U.S.C. §441a(a)(1)(A) for contributing in excess of \$1000 to Senator Helms or his authorized political committees when it became affiliated. On the morning of March 1, 1977, NCCC had \$13,121.64 cash on hand; and at the close of the day, it had \$16,406.64 cash on hand. In addition to the value of the funds, there were office supplies, furnishings, and other items of value which NCCC possessed. The value of these items would have to be determined. NCCC had \$14,015.25 debts and obligations on March 1, 1977.

Further, in January and February 1977, NCCC held three dinner receptions with Senator Helms. Mr. Wrenn stated in his affidavit that the primary purpose of these receptions and dinners was to identify and mobilize individuals to assist and work in Senator Helms reelection campaign, and that consultation and coordination between the two committees was extensive. All of the events were funded primarily by ticket sales and contributions directly to NCCC. From the face of the reports, the money raised from the sale of tickets to the dinner receptions totaled \$4370; however the dinner receptions cost NCCC in excess of \$9000 (Attachment IX). 2 U.S.C. §441a(a)(7)(B)(i) states that "expenditures made by any person in cooperation, consultation, or concert, with... a candidate, his authorized political committee, or their agent" shall be considered to be a contribution to such candidate. The dinner receptions represent a \$4630 contribution to Senator Helms from NCCC.

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IV. Recommendation I

1. Accept November 22, 1976, as the effective date of NCCC's affiliation with the Helms for Senate Committee.

2. Find reason to believe that NCCC and the Helms for Senate Committee are in violation of 2 U.S.C. §433 for failing to report their affiliation in November, 1976.

3. Find reason to believe that NCCC is in violation of 2 U.S.C. §441a(f) for accepting a \$3000 contribution from Carolyn S. Holding on January 14, 1977. The \$3000 contribution exceeds the \$1000 contribution limitation of 2 U.S.C. §441a(a)(1)(A).

4. Find reasonable cause to believe that NCCC is in violation of 2 U.S.C. §441a(a)(1)(A) for contributing over \$1,000 to Senator Jesse Helms or his authorized political committees at the time it became affiliated with the Helms for Senate Committee.

5. Send notification letters to NCCC and the Helms for Senate Committee (to be circulated).

Recommendation II

1. Accept March 1, 1977, as the effective date of NCCC's affiliation with the Helms for Senate Committee.

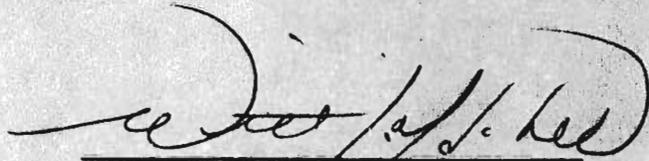
2. Find reasonable cause to believe that NCCC is in violation of 2 U.S.C. §441a(a)(1)(A) for contributing over \$1,000 to Senator Jesse Helms or his authorized

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political committees at the time it became affiliated with the Helms for Senate Committee.

3. Send notification letter to NCCC (to be circulated).

Date: 5/5/78


William C. Oldaker
General Counsel

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COVINGTON & BURLING

888 SIXTEENTH STREET, N. W.
WASHINGTON, D. C. 20006

TELEPHONE
(202) 452-6000

WRITER'S DIRECT DIAL NUMBER

(202) 452-6418

FAX NO-888-8008
TELE: 202-602
CABLE: COVING

January 13, 1978

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 459(77)

Dear Mr. Oldaker:

Enclosed herewith are the answers, under oath, of Mr. Carter Wrenn, Executive Director and Treasurer of the Helms for Senate Committee, in response to the questions posed in your letter of December 30, 1977, to Mr. Richard W. Miller, Chairman of the North Carolina Congressional Club (hereafter, the "Congressional Club"). In addition, Mr. Wrenn has provided a prefatory statement to the answers, also under oath, explaining the history of the Congressional Club. I would like to make the following additional comments.

The Helms for Senate Committee and the Congressional Club believe that they have, throughout their existence, been in strict compliance with all applicable Federal statutes. They will, therefore, endeavor to assist in resolving this matter as expeditiously as possible. Certain preliminary points should, however, be made.

First, we do not view the request for information contained in your letter of December 30 as the statutorily required "reasonable opportunity to demonstrate that no action should be taken" against the Congressional Club. 2 U.S.C. § 437g(a)(4). You appear to share this view, since your December 30 letter does not indicate that the request for information is based on that section of the statute.

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William C. Oldaker, Esq.
January 13, 1978
Page Two

Second, your letter of December 30 does not, in any case, state with sufficient specificity what precisely it is about the Congressional Club's actions that leads you to assert that there is "reason to believe" that it has made a contribution in excess of the applicable limits.

Third, we do not believe that the enclosed materials in any way constitute a waiver, express or implied, of any procedural or substantive rights or arguments that the Congressional Club may ultimately desire to assert. We trust that if you disagree with this or any of the other foregoing points you will so notify us.

We believe that the materials submitted with this letter demonstrate that there has been no violation of the Federal Election Campaign Act, as amended (hereafter, "FECA"). As Mr. Wrenn's statement points out, prior to March 2, 1976, Senator Helms was Honorary Chairman of the Congressional Club. After the 1972 elections, supporters of Senator Helms formed the Congressional Club, and the first project it undertook was to assist in paying the Senator's remaining 1972 campaign debts. Mr. Thomas Ellis, Chairman of the 1972 Helms for U.S. Senate Committee, and now Chairman of the 1978 Helms for Senate Committee, was Chairman of the Congressional Club. Similarly Mr. Wrenn, now Executive Director and Treasurer of the 1978 Helms for Senate Committee, was Treasurer of the Congressional Club. The Congressional Club's activities were very frequently in association with Senator Helms.

When Senator Helms authorized Mr. Ellis to establish a principal campaign committee, in anticipation of the time when the Senator would decide whether or not to seek reelection to the Senate, he desired that Messrs. Wrenn and Ellis and others associated with the Congressional Club play leading roles in his campaign, should one be necessary. Under existing Commission regulations, it was recognized that the Congressional Club and the Helms for Senate Committee were in fact already affiliated, and that

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William C. Oldaker, Esq.
January 13, 1978
Page Three

this affiliation should be acknowledged. It was also determined that, at that time, there were no contributions in the treasury of the Congressional Club which, if considered to be contributions to a candidate's authorized committee, would exceed any applicable limits.*/

Accordingly, and pursuant to the advice of counsel, Senator Helms authorized the Congressional Club to accept contributions and make expenditures on his behalf as a committee affiliated with his principal campaign committee (the Helms for Senate Committee). The March 2 letter confirmed the previously existing relationship between the two committees; it did not represent any change of status. The two committees have reported to the Commission in this manner since Senator Helms' March 2 letter. Moreover, since that time appropriate steps have been taken and will be taken to ensure that no contributor to the Congressional Club who later becomes a contributor to the Helms for Senate Committee will exceed the applicable contribution limit. See AO 1977-24 (June 28, 1977).

Since there is no limitation on transfers of funds between authorized committees of the same candidate, 11 C.F.R. § 110.3(a)(2)(ii), there is no violation of 2 U.S.C. § 441a. As noted previously, there were no contributions to the Congressional Club at the time of the amendment to its registration statement which would exceed any pertinent contribution limits for a single-candidate committee, and none will be accepted in the future.

In short, the Congressional Club and the Helms for Senate Committee have endeavored in good faith to comply with the FECA and this Commission's regulations, and they have succeeded. Accordingly, there is no warrant either in fact or in law to continue this matter any further. We respectfully urge that it be dismissed as soon as possible.

Sincerely yours,

John R. Bolton
John R. Bolton

Enclosures

*/ Prior to December 31, 1976, the Helms for Senate Committee had neither received contributions nor made expenditures on behalf of Senator Helms. These facts were communicated by a letter to the Commission from Mr. Wrenn, dated January 3, 1977.

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STATEMENT OF CARTER WRENN

1. I am Executive Director of the Helms for Senate Committee. In that capacity, I am responsible for the day-to-day operations of the Committee. I am also the Treasurer of the Helms for Senate Committee. In that capacity, I am responsible for the duties imposed on treasurers of political committees by the Federal Election Campaign Act, as amended (hereafter, "FECA").

2. In 1973, after Senator Helms' election to the U. S. Senate in 1972, Mr. Thomas F. Ellis, Chairman of the 1972 Helms for the U. S. Senate Committee, together with other supporters of Senator Helms' 1972 campaign, formed and chartered the North Carolina Congressional Club (hereafter, the "Congressional Club"), with Senator Helms serving as Honorary Chairman.

The goals of the Congressional Club were to help promote and advance the conservative philosophy of government and to help elect conservative candidates to office.

The first project of the Congressional Club was to help eliminate the outstanding debt from Senator Helms' 1972 campaign. To that end the Congressional Club sponsored a series of fundraising dinners honoring Senator Helms.

During the interval from then until the establishment of the Helms for Senate Committee, the Congressional Club served as a multi-candidate political committee, supporting various

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candidates for office and assisting Senator Helms in his efforts to advance the conservative philosophy of government.

3. Between 1973 and 1976, the Congressional Club made contributions to candidates for election, or nomination for election, to Federal office.

4. Between 1973 and 1976, the Congressional Club filed all reports required by the FECA with the appropriate Supervisory Officers and then, after its creation, with the Federal Election Commission.

5. By letter dated November 22, 1976, Senator Helms authorized Mr. Ellis to establish a principal campaign committee in the event that the Senator later decided to seek reelection to the Senate in 1978. Mr. Ellis was designated Chairman of that committee, named the Helms for Senate Committee. I was chosen to be Executive Director and Treasurer.

6. At that time Mr. Ellis was serving as Chairman of the Congressional Club and I was serving as its Treasurer. We filed a Statement of Organization in November, 1976, listing Mr. Ellis as Chairman and me as Treasurer of the Helms for Senate Committee. Subsequently, that Statement was misplaced at the Federal Election Commission.

To correct the confusion caused by the loss of the initial Statement of Organization, I filed a new Helms for Senate Committee Statement (for the 1978 election) on January 13, 1977 and that Statement was accepted.

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7. We were advised by counsel that, in essence, as of the time of the creation of the 1978 Helms for Senate Committee, it was affiliated with the Congressional Club because: (1) the committees contained interlocking officers and the FEC regulations define affiliated committees to include "committees. . . established, financed, maintained or controlled by the same. . . person or group of persons"; and (2) the Congressional Club and the 1978 Helms for Senate Committee had been cooperating and coordinating on behalf of Senator Helms' reelection from the very outset of the Helms for Senate Committee.

The affiliation papers filed on March 1 and March 2 with the FEC by the Congressional Club and the Helms for Senate Committee respectively were thus merely the formal recognition and confirmation of an existing state of affairs.

8. We recognized that amending the registration statement required that both the Congressional Club and the Helms for Senate Committee be in full compliance with all provisions of the FECA and the regulations, including the requirements that there be no contributions to either or both committees which would be in excess of the applicable limit on contributions to a single-candidate committee. We have carefully checked all of our contribution records, and that research indicates no contributions in excess of the limits.

9. Since January 1, 1977, the Helms for Senate Committee and the Congressional Club have followed the requirements of the FECA and the Commission's regulations. We have

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ensured that no contributions to the Helms for Senate Committee and to the Congressional Club, when aggregated with any contributions in the treasury of Congressional Club at the time Helms for Senate was created, if any, exceed the appropriate contribution limit. We are using a computer system to maintain the highest degree of accuracy in our calculations.

10. The answers to the questions posed in Mr. Oldaker's letter of December 30, 1977, to Mr. Richard C. Miller, Chairman of the Congressional Club, are as follows:

- (1) On the morning of March 1, 1977 the Congressional Club had \$13,121.64 in cash on hand. During the day a bank deposit was made, and at the close of the day the balance was \$16,406.64.

The amount of outstanding bills, debts and obligations amounted to \$14,015.25.

On March 17, 1977 \$10,000 was transferred from the Helms for Senate Committee to the Congressional Club.

By December 31, 1977 a total of \$118,000 had been transferred from the Helms for Senate Committee to the Congressional Club during the calendar year.

- (2) The primary purpose of these receptions and dinners was to identify and mobilize individuals to assist and work in Senator Helms' reelection campaign.
- (3) Throughout 1977 all Congressional Club events (such as dinners and receptions) have been funded primarily by ticket sales and contributions directly to the Congressional Club.

All members and participants have been told that the primary function of the Congressional Club is to reelect Senator Helms.

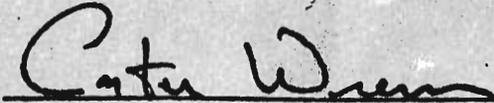
- (4) Consultation and coordination between the two committees was extensive. During part of this time the Chairman and Treasurer of the Helms for Senate Committee held the same position with the Congressional Club.
- (5) The proceeds were applied to meet the costs of the dinners or expended to support subsequent dinners.

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6. CONTRIBUTIONS -- No contributions were made by the Congressional Club to the Helms for Senate Committee during January and February, 1977.

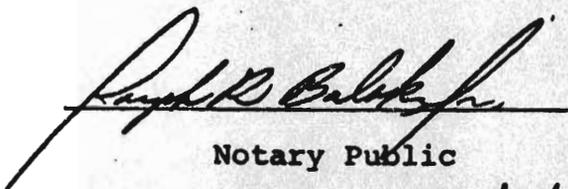
LOANS -- In January, loans totaling \$4,510.00 were extended from the Congressional Club to the Helms for Senate Committee. These were repaid in full on February 1, 1977.

EXPENDITURES -- All Congressional Club expenditures (after the Helms for Senate Committee was organized) relating to dinners or receptions benefitted Senator Helms in that they promoted events in his honor, and most of the advertising relating to those dinners regarded his legislative record in the Senate.



Carter Wrenn

SUBSCRIBED AND SWORN TO
before me this 13 day of
January, 1978.


Notary Public

My Commission Expires 10/9/82

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Statement of Organization For a Political Committee

Supporting any candidate for federal office and anticipating contributions or expenditures in excess of \$1,000 in any calendar year in support of such candidate(s).

ATTACHMENT IV

FEDERAL ELECTION COMMISSION

Note: Committees authorized by a candidate to receive contributions and make expenditures in connection with more than one election must maintain separate records with respect to each election.

1(a) Name of Committee (in full) North Carolina Congressional Club	2 Identification Number C-000 236 30
(b) Address (number and street) P. O. Box 18848	3 Date of registration (month, day, year) November 21, 1973
(c) City, State and ZIP code Raleigh, North Carolina 27609	4 Is this an amended statement <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "Yes" fill in only those lines on which there has been a change

5 Check one:

(a) This committee has been designated as the principal campaign committee for _____ (Name of Candidate) a candidate for _____ in the _____ Election(s) (Federal office sought) (General, Primary, Runoff, etc.) to be held in the State of _____ on _____ (State in which election is held) (Date(s)) (The Principal Campaign Committee will forward to the Commission a copy of the Statement of Organization for each committee required to file with it).

(b) This committee is supporting only one candidate, and is authorized by _____ (Name of Candidate) to receive contributions and make expenditures with respect to the _____ Election(s) (General, Primary, Runoff, etc.) held on _____ and will file all reports and statements with the candidate's principal campaign committee, _____ (Date(s)) (Full name of principal campaign committee) (Attach a copy of Candidate's written authorization.) (FEC Form 2a)

(c) This committee supports only one candidate _____ (Name of Candidate) but is not an authorized committee.

(d) This committee is a multicandidate committee.

(e) This committee is a _____ committee of the _____ Party. (National, state, county, city) (Democratic, Republican, etc.)

Name of affiliated or connected organization	Mailing address and ZIP code	Relationship

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section above when information is continued on separate page(s).

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The Appraiser

Statement of Organization For a Committee

(Page 2)

Commission
et, N.W.
on, D.C. 20463

Name of Committee **North Carolina Congressional Club**

- 7 Area, Scope and Jurisdiction of Committee:
- (a) Will this committee operate in more than one State? Yes No
 - (b) Will it operate on a statewide basis in one State? Yes No
 - (c) Will it primarily support candidates seeking State or local office? Yes No

8 (a) List by name, address, office sought, and party affiliation, any candidate for Federal office that this committee is supporting:

Full name(s) of candidate(s)	Mailing address and ZIP code	Office sought	Party
09003			

9 (b) List by name, address, office sought, and party affiliation, any candidate(s) for any other public office(s) that this committee is supporting (unless the committee is supporting the entire ticket of a party as indicated in line 9)

Full name(s) of candidate(s)	Mailing address and ZIP code	Office sought	Party
79040			

9 If this committee is supporting the entire ticket of a party, give name of party ▶

10 Identify by name, address and position, the person in possession of committee books and records:

Full name	Mailing address and ZIP code	Title or position
Mr. Richard Miller	P. O. Box 18848 Raleigh, N. C. 27609	Chairman

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section above when information is continued on separate page(s).

Statement of Organization For a Committee

(Page 3)

Name of Committee

North Carolina Congressional Clubs

11 List by name, address and position, other principal officers of the committee:

Full name	Mailing address and ZIP code	Title or position
Richard W. Miller	P.O. Box 18848 Raleigh, NC 27609	Chairman
Elisabeth W. Smith	(same as above)	Treasurer

12 Does this committee plan to stay in existence beyond the current calendar year? Yes No
If "Yes" for how long?

13 In the event of dissolution, what disposition will be made of residual funds?

14 List all banks or other repositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds:

Name of bank, repository, etc.	Mailing address and ZIP code

15 List all election reports required to be filed by this committee with States and local jurisdictions, together with the names, addresses, and positions of the recipients of the reports (other than reports filed with Secretaries of State pursuant to USC 439(a)).

Report title	Dates required	Name and position of recipient	Mailing address and ZIP code

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section above when information is continued on separate page(s).

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

Elisabeth W. Smith
(Signature of Treasurer)

2/15/77
(Date)

Note: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. § 441 (text on reverse side of form).

For further information contact:



Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Name of Committee

North Carolina Congressional Club

Area, Scope and Jurisdiction of Committee:

- (a) Will this committee operate in more than one State? Yes No
- (b) Will it operate on a statewide basis in one State? Yes No
- (c) Will it primarily support candidates seeking State or local office? Yes No

1 (a) List by name, address, office sought, and party affiliation, any candidate for Federal office that this committee is supporting:

Full name(s) of candidate(s)	Mailing address and ZIP code	Office sought	Party
Senator Jesse Helms 58NCD0015	Russell Senate Office Building Washington, D. C.	U. S. Senate	Republican

2 (b) List by name, address, office sought, and party affiliation, any candidate(s) for any other public office(s) that this committee is supporting (unless the committee is supporting the entire ticket of a party as indicated in line 9)

Full name(s) of candidate(s)	Mailing address and ZIP code	Office sought	Party

9 If this committee is supporting the entire ticket of a party, give name of party ▶

10 Identify by name, address and position, the person in possession of committee books and records:

Full name	Mailing address and ZIP code	Title or position
Richard W. Miller	P. O. Box 18848 Raleigh, N. C. 27609	Chairman

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section above when information is continued on separate page(s).

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Full name	Mailing address and ZIP code	Title or position
Elisabeth W. Smith	P. O. Box 18848 Raleigh, N. C. 27609	Treasurer

12 Does this committee plan to stay in existence beyond the current calendar year? Yes No
 If "Yes" for how long? Indefinitely

13 In the event of dissolution, what disposition will be made of residual funds?
Residual funds will be disposed of at the discretion of the Chairman

14 List all banks or other repositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds:

Name of bank, repository, etc.	Mailing address and ZIP code
Wachovia Bank & Trust Company	North Hills Branch North Hills Shopping Center Raleigh, N. C. 27609

15 List all election reports required to be filed by this committee with States and local jurisdictions, together with the names, addresses, and positions of the recipients of the reports (other than reports filed with Secretaries of State pursuant to USC 439(a)):

Report title	Dates required	Name and position of recipient	Mailing address and ZIP code

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section above when information is continued on separate page(s).

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.
Elisabeth W. Smith 3-10-77
 (Signature of Treasurer) (Date)

Note: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §441 (text on reverse side of form).

For further information contact:  Federal Election Commission
 1325 K Street, N.W.
 Washington, D.C. 20463

EAM AUDIT FC	E OR CANDID	023630	TYPE	COVI
			10	11/1/77
			10	4/1/77
			10	7/1/77

Note: Committees authorized by a candidate to accept contributions and make expenditures on campaign shall file this form and appropriate reports with respect to each election.

1(a) Name of Committee (in full) Helms for Senate
2 Identification Number S 2355

(b) Address (number and street) 3825 Barrett Drive NC REP C82
3 Date of registration (month, day, year)

(c) City, State and ZIP code Raleigh, North Carolina 27609
4 Is this an amended statement Yes No
If "Yes" fill in only those lines on which there has been a change

5 Check one:
 (a) This committee has been designated as the principal campaign committee for Senator Jesse Helms (Name of Candidate)

a candidate for U. S. Senate in the Elections Election(s)
(Federal office sought) (General, Primary, Runoff, etc.)

to be held in the State of North Carolina - on in 1978
(State in which election is held) (Date(s))

(The Principal Campaign Committee will forward to the Commission a copy of the Statement of Organization for each committee required to file with it. *See attached letter

(b) This committee is supporting only one candidate, and is authorized by (Name of Candidate)

to receive contributions and make expenditures with respect to the Election(s)
(General, Primary, Runoff, etc.)

held on (Date(s)), and will file all reports and statements with the candidate's principal campaign committee, (Full name of principal campaign committee)

(Attach a copy of Candidate's written authorization.) (FEC Form 2a)

(c) This committee supports only one candidate (Name of Candidate) but is not an authorized committee.

(d) This committee is a multicandidate committee.

(e) This committee is a (National, state, county, city) committee of the (Democratic, Republican, etc.) Party.

6 Name of affiliated or connected organization	Mailing address and ZIP code	Relationship

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section above when information is continued on a separate page(s).

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Helms for Senator

7 Area, Scope and Jurisdiction of Committee

- (a) Will this committee operate in more than one State? Yes No
- (b) Will it operate on a statewide basis in one State? Yes No
- (c) Will it primarily support candidates seeking State or local office? Yes No

8 (a) List by name, address, office sought, and party affiliation, any candidate for Federal office that this committee is supporting:

Full name(s) of candidate(s)	Mailing address and ZIP code	Office sought	Party
Senator Jesse A. Helms	5107 Dirksen Senate Office Building Washington, D. C. 20150	U. S. Senate	Republican

(b) List by name, address, office sought, and party affiliation, any candidate(s) for any other public office(s) that this committee is supporting (unless the committee is supporting the entire ticket of a party as indicated in line 9)

Full name(s) of candidate(s)	Mailing address and ZIP code	Office sought	Party

9 If this committee is supporting the entire ticket of a party, give name of party ▶

10 Identify by name, address and position, the person in possession of committee books and records:

Full name	Mailing address and ZIP code	Title or position
Thomas F. Ellis	P. O. Box 829 Raleigh, N. C. 27602	Chairman

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section when information is continued on separate page(s).

7 9 0 4 0: 1: 0 9: 10 4 9 1

Name	Mailing address and ZIP code	Title or position
R. E. Carter Wrenn	P. O. Box 18943 Raleigh, N. C. 27609	Treasurer

12. Does this committee plan to stay in existence beyond the current calendar year? Yes No
 If "Yes" for how long? Until after General Election in 1978

13. In the event of dissolution, what disposition will be made of residual funds? Residual funds will be disposed of at the discretion of the Chairman.

14. List all banks or other repositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds:

Name of bank, repository, etc.	Mailing address and ZIP code
10091 First Citizens Bank & Trust Company	North Hills Shopping Center Raleigh, N. C. 27609

15. List all election reports required to be filed by this committee with States and local jurisdictions, together with the names, addresses, and positions of the recipients of the reports (other than reports filed with Secretaries of State pursuant to USC 439(a)):

Report title	Dates required	Name and position of recipient	Mailing address and ZIP code
7904			

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section above when information is continued on separate page(s).

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

[Signature] (Signature of Treasurer) 8/12/77 ✓
(Date)

Note: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. § 441 (text on reverse side of form).

For further information contact:  Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

CE 22 21

1. Election Commission
 Street, N.W.
 Washington, D.C. 20463

**Statement of Organization
 For a Political Committee**

ATTACHMENT VII

Supporting any candidate for federal office and anticipating contributions or expenditures in excess of \$1,000 in any calendar year in support of such candidate(s).

Notice: Committees authorized by a candidate to receive contributions and make expenditures in connection with more than one election must maintain separate records with respect to each election.

1 (a) Name of Committee (in full) Helms for Senate Committee	2 Identification Number S-22554-000-11007 NC REP C82
(b) Address (number and street) P. O. Box 19433	3 Date of registration (month, day, year) 3/2/77
(c) City, State and ZIP code Raleigh, North Carolina 27609	4 Is this an amended statement <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "Yes" fill in only those lines on which there has been a change.

5 Check one:

(a) This committee has been designated as the principal campaign committee for _____ (Name of Candidate) a candidate for _____ (Federal office sought) in the _____ (General, Primary, Runoff, etc.) Election(s) to be held in the State of _____ (State in which election is held) on _____ (Date(s)).
 (The Principal Campaign Committee will forward to the Commission a copy of the Statement of Organization for each committee required to file with it).

(b) This committee is supporting only one candidate, and is authorized by _____ (Name of Candidate) to receive contributions and make expenditures with respect to the _____ (General, Primary, Runoff, etc.) Election(s) held on _____ (Date(s)), and will file all reports and statements with the candidate's principal campaign committee. _____ (Full name of principal campaign committee)
 (Attach a copy of Candidate's written authorization.) (FEC Form 2a)

(c) This committee supports only one candidate _____ (Name of Candidate) but is not an authorized committee.

(d) This committee is a multicandidate committee.

(e) This committee is a _____ (National, state, county, city) committee of the _____ (Democratic, Republican, etc.) Party.

Name of affiliated or connected organization	Mailing address and ZIP code	Relationship
North Carolina Congressional Club	P. O. Box 18848 Raleigh, N. C. 27609	North Carolina Congressional Club is an affiliate Committee of Helms for Senate Committee

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section above when information is continued on separate page(s).

1974
 Election Commission
 Street, N.W.
 Washington, D.C. 20463

Statement of Organization
 For a Committee

(Page 2)

Helms for Senate Committee

Area, Scope and Jurisdiction of Committee:

- (a) Will this committee operate in more than one State? Yes No
- (b) Will it operate on a statewide basis in one State? Yes No
- (c) Will it primarily support candidates seeking State or local office? Yes No

(a) List by name, address, office sought, and party affiliation any candidate for Federal office that this committee is supporting:

Full name(s) of candidate(s)	Address and ZIP code	Office sought	Party
00917			

(b) List by name, address, office sought, and party affiliation any candidate(s) for any other public office(s) that this committee is supporting (unless the committee is supporting the entire ticket of a party as indicated in (a))

Full name(s) of candidate(s)	Address and ZIP code	Office sought	Party
79040			

If this committee is supporting the entire ticket of a party, give name of party.

Identify by name, address and position, the person in possession of committee books and records:

Full name	Address and ZIP code	Title or position

Submit additional information on separate continuation sheet. Indicate in the appropriate section above when information is continued on separate page.

Statement of Organization For a Committee

(Page 3)

Federal Election Commission
1125 K Street, N.W.
Washington, D.C. 20463

Name of Committee

11 List by name, address and position, other principal officers of the committee:

Full name	Mailing address and ZIP code	Title or position

12 Does this committee plan to stay in existence beyond the current calendar year? Yes No
If "Yes" for how long?

13 In the event of dissolution, what disposition will be made of residual funds? _____

14 List all banks or other repositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds:

Name of bank, repository, etc.	Mailing address and ZIP code

15 List all election reports required to be filed by this committee with States and local jurisdictions, together with the names, addresses, and positions of the recipients of the reports (other than reports filed with Secretaries of State pursuant to USC 439(a)):

Report title	Dates required	Name and position of recipient	Mailing address and ZIP code

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section above when information is continued on separate page(s).

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

Carter Wynn

(Signature of Treasurer)

3-10-77 ✓

(Date)

Note: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §441 (text on reverse side of form).

For further information contact:



Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

MAR 21 1977
HAND DELIVERED

March 2, 1977

Mr. Richard W. Miller
Chairman
North Carolina Congressional Club
Rost Office Box 18848
Raleigh, North Carolina 27609

Dear Rick:

As you know, I have not made up my mind whether to become a candidate for re-election.

Meanwhile, due to the technical requirements of the law I have authorized the Helms for Senate Committee, Thomas F. Ellis, Chairman, to operate as the principal committee working for my re-election.

Although I have still not decided whether I shall be a candidate for re-election, I understood that the technical requirements of the law may have required the North Carolina Congressional Club to file with the FEC as an affiliate of the Helms for Senate Committee.

This will confirm my decision that the North Carolina Congressional Club shall be an affiliate of the Helms for Senate Committee.

Sincerely,



JESSE HELMS:c

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ITEMS FOUND ON THE NORTH CAROLINA CONGRESSIONAL CLUB'S APRIL

10, 1977 REPORT PERTAINING TO DINNERS GIVEN FOR SENATOR HELMS

	<u>Date of Event</u>	<u>Amount from Sale of Tickets</u>
"A Reception and Dinner with Senator Jesse Helms" The Four Seasons Holiday Inn Greensboro, N.C.	1-21-77	\$ 1325.
"A Reception and Dinner with Senator Jesse Helms" E.M. Rollins School Cafeteria Henderson, N.C.	2-25-77	1015.
"A Reception and Dinner with Senator Jesse Helms" Dunn Civic Center Dunn, N.C.	2-26-77	2030.
		<u>\$ 4370</u>

Expenditures

Combo Music at 1-21-77 NCCC dinner	1-21-77	175.00
Refreshments for 1-21-77 NCCC reception	1-21-77	250.00
Airfares: Senator and Mrs. Helms- Washington to Greensboro & return	2-8-77	200.00
Banquet charge Greensboro dinner	2-8-77	4591.02
Newspaper ads for Henderson dinner	2-15-77	150.50
Sound System for Henderson dinner	2-25-77	160.00
Reception for Henderson Dinner	2-25-77	465.00
Music for Henderson Dinner	2-2-77	300.00
Rent of Civic Center - Dunn Dinner	2-25-77	200.00
Refreshments for Dunn & Henderson receptions	2-25-77	150.00
Sound System for Dunn Dinner	2-25-77	160.00
Reception for the Dunn Dinner	2-25-77	200.00
Table Rentals for Dunn Dinner	3-11-77	195.56
Catering - Henderson Dinner	3-11-77	827.50
Catering - Dunn Dinner	3-11-77	1270.00

\$9294.58

79040100920



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 28, 1978

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *MW E*
SUBJECT: Interim Report - MUR 459 (77) - dated February 24, 1978
Signed by General Counsel

The above-mentioned document was circulated to the Commissioners on a 24 hour no-objection basis at 12:30, February 27, 1978.

As of 12:30, this date, no objections have been received in the Office of Commission Secretary to the Interim Report.

79040100921

February 26, 1978

MEMORANDUM TO: Marge Samons
FROM: Elissa T. Starr
SUBJECT: WPA 439

Please have the attached Interim Report on WPA 439 distributed to the Commission under 24 hour no-objection basis.

Thank you.

79040100922

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of the)
North Carolina Congressional Club) MUR 459

Interim Report

It appeared that the North Carolina Congressional Club ("NCCC") violated 2 U.S.C. §441a by contributing in excess of \$5000 to a single candidate committee.

A response from NCCC was received on January 16, 1978. The legal analysis of this matter is presently under review and we expect that a General Counsel's Report will be presented to the Commission in about two weeks.

2/24/78
Date

William C. Oldaker
General Counsel

79040100923

January 11, 1978

MEMORANDUM TO: Nancy Reagan
FROM: Elissa S. Katz
SUBJECT: HUD 439 - Complaint

Please have the attached Interim Report on HUD 439 distributed to the Commission and placed on the Compliance Agenda for the Commission meeting of January 18, 1978.

Thank you.

79040100924

ACC 2449
mem

COVINGTON & BURLING
888 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20008

TELEPHONE
(202) 452-6000

WRITER'S DIRECT DIAL NUMBER

(202) 452-6418

TWIX: 20-888-6008
TELEX: 88-6008
CABLE: COVING

January 16, 1978

Ms. Susan Donaldson
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 459 (77)

Dear Ms. Donaldson:

Enclosed herewith are copies of samples of invitations, tickets, and advertisements relating to the dinner receptions held by the North Carolina Congressional Club in January and February of 1976. These documents pertain to Questions 2 and 6 in the letter from Mr. William C. Oldaker to Mr. Richard W. Miller of December 30, 1977.

If you have any questions about the attached materials, please do not hesitate to contact me.

Sincerely yours,

John R. Bolton
John R. Bolton

Enclosures

cc: Mr. Oldaker

79010100926

G. Boro Dunn

United States Senate

WASHINGTON, D.C. 20510

January 11, 1977

Dear Friend:

The Senate convened last Tuesday morning, January 4th, beginning the first session of what history will record as the "95th Congress." A few minutes before the opening gavel, I looked around the Senate Chamber, and found myself thinking of the great Senators down through the years who had engaged in historic debates on this Senate Floor about the principles of America. Then I pondered the question of what lies ahead for the American people.

All of us hope, of course, that this year will somehow mark the return to such principles. I would like to see, for example, the beginning of the dismantlement of the massive and excessive federal bureaucracy, and a return of the rights of the people to be exercised on the local and state levels--not by some far-away bureaucrat in Washington, D. C.

Will it happen? Well, we must all continue to work together to try to make it happen.

We must continue to try to lift the burden of bureaucratic red tape and federal regimentation from the backs of the American people. We must continue to try to reduce wasteful federal spending. We must continue to oppose things like forced busing, foreign aid giveaways, irresponsible welfare programs, and all the other things that are stifling the free enterprise system in America.

What if we don't try?

The answer is obvious! Unless we continue to fight, we can expect increased dominance by government of our lives through substantially heavier taxes, which are only thinly disguised schemes to redistribute wealth. This will mean higher inflation--the inevitable result of deficit spending.

I don't need to tell you that these problems are all manifestations of the great problem confronting Americans today--the loss of their individual freedom.

America was founded upon man's yearning for freedom.

Yet, today, the oppressive restraints and influences of our monolithic government are imposed upon every aspect of American life--imposed, ironically, by a government created to preserve our liberties.

-over-

Not Printed or Mailed at Government Expense

The foregoing material together with all attachments and enclosures is authorized by the North Carolina Congressional Club, Thomas F. Ellis, Chairman; Carter Wrenn, Treasurer. A copy of our report is filed with the FEC and is available for purchase from the FEC, Washington, D.C.

79040100927

Page Two

My greatest fear is that the 95th Congress will escalate the assault upon our individual liberties until freedom becomes a frail, dim light, awaiting extinction.

The efforts of concerned citizens like yourself will decide whether the principles we value will survive.

Your support means so much in the struggle to preserve those principles. You and other Americans who love this country can be a constant inspiration to conservatives in Congress.

As you may know, the North Carolina Congressional Club is a coalition of concerned North Carolinians who are dedicated to preserving our freedoms (see enclosure). For four years they have worked to elect conservatives to office--and they have succeeded in becoming a major political force in our state.

Already, plans are being made for the 1978 elections.

Before Christmas I wrote to you concerning the Club's January 21st reception and dinner in Greensboro, at the Four Seasons Holiday Inn (see enclosure). I am writing again today because I fear my letter may have been lost in the Christmas rush.

Members of the Club will receive two tickets to both the reception and dinner, as well as the other benefits of membership (see enclosure).

I share the Clubs concern about the 1978 elections--not for myself or of my re-election, but for the very survival of our country. What is at stake is whether we will be able to pass along the hope of freedom to our children and grandchildren.

You can effectively support these principles through the North Carolina Congressional Club in 1977. Your commitment is needed now, more urgently than ever before.

I will deeply appreciate your taking a moment now to fill out the enclosed membership application slip and mail it with your check for dues today. I hope to see you on the 21st.

As always, thank you for your continued friendship.

Sincerely,



JESSE HELMS:e
Enclosures

79040100928



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What Is The N.C.C.C.?

U. S. Senator Jesse Helms is the Honorary Chairman of the North Carolina Congressional Club, which is a bi-partisan organization of the individuals who supported Senator Helms in his 1972 campaign.

The North Carolina Congressional Club within the span of three short years has become one of the success stories of the National Conservative movement. Within North Carolina it has become the state's foremost political organization.

The Congressional Club's goals today are to reelect Senator Jesse Helms; continue to support and assist Senator Helms in his efforts on behalf of conservative principles and the free enterprise system; and to promote the election of conservatives to national and state offices.

What Does The N.C.C.C. Stand For?

The North Carolina Congressional Club stands for the conservative principles of limited government, individual freedom and responsibility, and the preservation of the free enterprise system. The Club believes that a return to these sound principles of good government is imperative if America is to remain the greatest nation in the world's history.

Please help now by mailing us a contribution so that we can continue to escalate the fight against liberalism and monolithic government.

79010103931

FIRST CLASS
PERMIT NO.
1439
RALEIGH, N. C.

BUSINESS REPLY MAIL

No Postage Necessary If Mailed In The United States

POSTAGE WILL BE PAID BY --

NORTH CAROLINA CONGRESSIONAL CLUB

P. O. BOX 18848

RALEIGH, NORTH CAROLINA 27609



GAYLE BOMAR – Former UNC Football Star

DANNY LOTZ – Guard on the 1957 UNC
National Champion
Basketball Team

PAUL MILLER – All ACC Quarterback of UNC
Peach and Gator Bowl Teams

★ ★ ★ ★ Host A ★ ★ ★ ★

NORTH CAROLINA

CONGRESSIONAL CLUB

Dinner and Reception, at the

Four Seasons Holiday Inn, in Greensboro
on Friday, January 21, 1977

with featured speaker

SENATOR JESSE HELMS



1975 N.C.C.C. DINNER

Reception - 6:00 pm

Dinner - 7:00 pm

7 9 0 4 0 1 0 0 9 3 3



Members renewing now will receive a
PERSONALLY INSCRIBED
volume of Senator Helms' new book.

(already in its 3rd printing)

JESSE HELMS
NORTH CAROLINA

May 1351

United States Senate

WASHINGTON, D.C. 20510

February 7, 1977

Dear

Just a short note to tell you that the first Club Dinner in Greensboro was a great success.

I sincerely appreciate your continued support of the Club and of our free enterprise system.

Enclosed is some literature about the next two Club Dinners which you may find of interest.

Also enclosed are two separate ticket order forms for the Club dinner in Henderson and the dinner in Dunn. If you are able to attend either of these events, please return the appropriate slip to the Club office in Raleigh.

Warmest regards.

Sincerely,

JESSE HELMS:q
Enclosures

79070100934

Not Printed or Mailed at Government Expense

The foregoing material together with all attachments and enclosures is authorized by the North Carolina Congressional Club, Thomas F. Elie, Chairman, Carter Wrenn, Treasurer. A copy of our report is filed with the FEC and is available for purchase from the FEC, Washington, D.C.

North Carolina Congressional Club

P. O. BOX 18848 • 3825 BARRET DRIVE • SUITE 300
RALEIGH, N. C. 27808 — (919) 781-5220

Dear Jesse:

Enclosed is my Congressional Club renewal. You can count on my support.

Sincerely,

Name _____

Address _____

Occupation _____ Phone _____

*I want to renew my membership in the
North Carolina Congressional Club.*

- My check for \$100 covering my
1977 dues is attached.
- Please bill me in the amount of
\$100.
- Please bill me \$25 per quarter.

*I want to join the North Carolina
Congressional Club.*

- My check for \$100 covering my
1977 dues is attached.
- Please bill me in the amount of
\$100.
- Please bill me \$25 per quarter.

Bill me for the above on my Master Charge _____

Master Charge No. _____

_____ Good Thru _____

Signature _____

The foregoing material together with all attachments and enclosures is authorized by the North Carolina Congressional Club, Thomas F. Ellis, Chairman; Carter Wrann, Treasurer. A copy of our report is filed with the FEC and is available for purchase from the FEC, Washington, D.C.

Reception

WITH

SENATOR JESSE HELMS

FOR

**NORTH CAROLINA CONGRESSIONAL CLUB
MEMBERS**

Howard Johnson Motel
Parham Road at I-85
Henderson, N. C.

Friday 6:00 – 7:00 PM
February 25, 1977

 North Carolina
Congressional
Club

P.O. Box 18848, Raleigh, N. C. 27609
Phone (919) 782-4332

"Dinner With **SENATOR JESSE HELMS"**

AMERICA'S
LEADING CONSERVATIVE SPOKESMAN

E. M. Rollins School Cafeteria
Garnett Street Extension
Henderson, N. C.

Friday 7:30
February 25, 1977

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9
North Carolina
Congressional
Club



P.O. Box 18848, Raleigh, N.C. 27609
Phone (919) 782-4332

"Dinner With **SENATOR JESSE HELMS"**

AMERICA'S
LEADING CONSERVATIVE SPOKESMAN

Dunn Civic Center
North General Lee Avenue
Dunn, N. C.

Saturday 7:30
February 26, 1977

7 9 0 1 0 1 0 1 1

North Carolina
Congressional
Club



P.O. Box 18848, Raleigh, N. C. 27609
Phone (919) 782-4332

"Dinner With **SENATOR JESSE HELMS"**

AMERICA'S
LEADING CONSERVATIVE SPOKESMAN

Holiday Inn Four Seasons
High Point Road at I-40
Greensboro, N. C.

Friday 7:00
January 21, 1977

COVINGTON & BURLING

888 SIXTEENTH STREET, N. W.

WASHINGTON, D. C. 20008

TELEPHONE
(202) 452-6000

WRITER'S DIRECT DIAL NUMBER

(202) 452-6418

TELEPHONE
(202) 452-6000
CARTER BURLING

January 16, 1978

Ms. Susan Donaldson
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

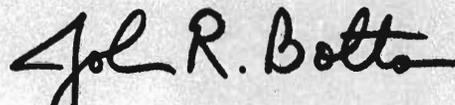
Re: MUR 459 (77)

Dear Ms. Donaldson:

Enclosed herewith are copies of samples of invitations, tickets, and advertisements relating to the dinner receptions held by the North Carolina Congressional Club in January and February of 1976. These documents pertain to Questions 2 and 6 in the letter from Mr. William C. Oldaker to Mr. Richard W. Miller of December 30, 1977.

If you have any questions about the attached materials, please do not hesitate to contact me.

Sincerely yours,


John R. Bolton

Enclosures

cc: Mr. Oldaker

79040100942

Guysboro Dinner

United States Senate

WASHINGTON, D.C. 20540

January 11, 1977

Dear Friend:

The Senate convened last Tuesday morning, January 4th, beginning the first session of what history will record as the "95th Congress." A few minutes before the opening gavel, I looked around the Senate Chamber, and found myself thinking of the great Senators down through the years who had engaged in historic debates on this Senate Floor about the principles of America. Then I pondered the question of what lies ahead for the American people.

All of us hope, of course, that this year will somehow mark the return to such principles. I would like to see, for example, the beginning of the dismantlement of the massive and excessive federal bureaucracy, and a return of the rights of the people to be exercised on the local and state levels--not by some far-away bureaucrat in Washington, D. C.

Will it happen? Well, we must all continue to work together to try to make it happen.

We must continue to try to lift the burden of bureaucratic red tape and federal regimentation from the backs of the American people. We must continue to try to reduce wasteful federal spending. We must continue to oppose things like forced busing, foreign aid giveaways, irresponsible welfare programs, and all the other things that are stifling the free enterprise system in America.

What if we don't try?

The answer is obvious! Unless we continue to fight, we can expect increased dominance by government of our lives through substantially heavier taxes, which are only thinly disguised schemes to redistribute wealth. This will mean higher inflation--the inevitable result of deficit spending.

I don't need to tell you that these problems are all manifestations of the great problem confronting Americans today--the loss of their individual freedom.

America was founded upon man's yearning for freedom.

Yet, today, the oppressive restraints and influences of our monolithic government are imposed upon every aspect of American life--imposed, ironically, by a government created to preserve our liberties.

-over-

Not Printed or Mailed at Government Expense

The foregoing material together with all attachments and enclosures is authorized by the North Carolina Congressional Club, Thomas F. Elbe, Chairman, Carter Wynn, Treasurer. A copy of our report is filed with the FEC and is available for purchase from the FEC, Washington, D.C.

79040100943

My greatest fear is that the 95th Congress will escalate the assault upon our individual liberties until freedom becomes a frail, dim light, awaiting extinction.

The efforts of concerned citizens like yourself will decide whether the principles we value will survive.

Your support means so much in the struggle to preserve those principles. You and other Americans who love this country can be a constant inspiration to conservatives in Congress.

As you may know, the North Carolina Congressional Club is a coalition of concerned North Carolinians who are dedicated to preserving our freedoms (see enclosure). For four years they have worked to elect conservatives to office--and they have succeeded in becoming a major political force in our state.

Already, plans are being made for the 1978 elections.

Before Christmas I wrote to you concerning the Club's January 21st reception and dinner in Greensboro, at the Four Seasons Holiday Inn (see enclosure). I am writing again today because I fear my letter may have been lost in the Christmas rush.

Members of the Club will receive two tickets to both the reception and dinner, as well as the other benefits of membership (see enclosure).

I share the Clubs concern about the 1978 elections--not for myself or of my re-election, but for the very survival of our country. What is at stake is whether we will be able to pass along the hope of freedom to our children and grandchildren.

You can effectively support these principles through the North Carolina Congressional Club in 1977. Your commitment is needed now, more urgently than ever before.

I will deeply appreciate your taking a moment now to fill out the enclosed membership application slip and mail it with your check for dues today. I hope to see you on the 21st.

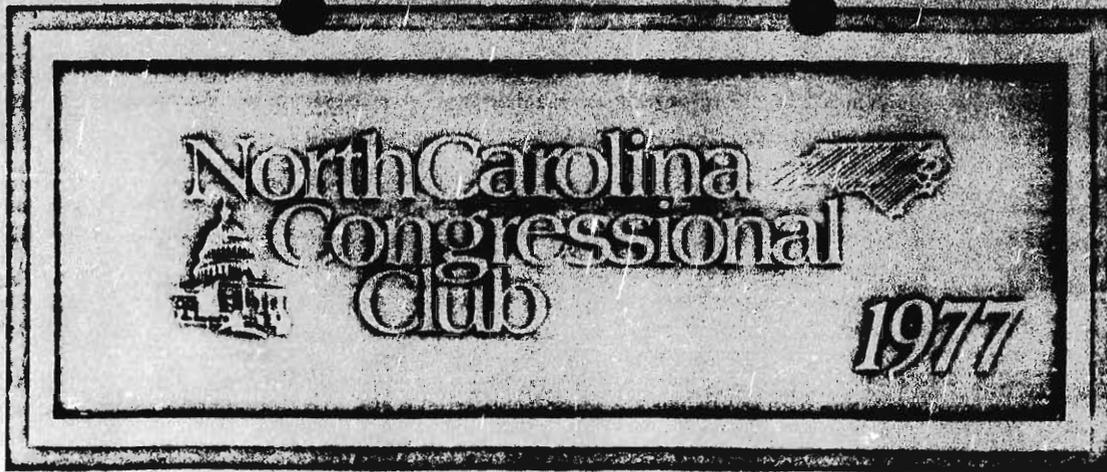
As always, thank you for your continued friendship.

Sincerely,



JESSE HELMS:e
Enclosures

79040100944



What Is The N.C.C.C.?

U. S. Senator Jesse Helms is the Honorary Chairman of the North Carolina Congressional Club, which is a bi-partisan organization of the individuals who supported Senator Helms in his 1972 campaign.

The North Carolina Congressional Club within the span of three short years has become one of the success stories of the National Conservative movement. Within North Carolina it has become the state's foremost political organization.

The Congressional Club's goals today are to reelect Senator Jesse Helms; continue to support and assist Senator Helms in his efforts on behalf of conservative principles and the free enterprise system; and to promote the election of conservatives to national and state offices.

What Does The N.C.C.C. Stand For?

The North Carolina Congressional Club stands for the conservative principles of limited government, individual freedom and responsibility, and the preservation of the free enterprise system. The Club believes that a return to these sound principles of good government is imperative if America is to remain the greatest nation in the world's history.

Please help now by mailing us a contribution so that we can continue to escalate the fight against liberalism and monolithic government.

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What The N. C. Congressional Club Offers You

North Carolina Congressional Club members who renew their membership in 1977, and new members joining for the first time, will receive the following:

- Two tickets to the next N.C.C.C. event
- Guaranteed admission to all N.C.C.C. events
- Regular N.C.C.C. Newsletter
- New Membership Card
- A personally inscribed volume of Senator Helms' book, "When Free Men Shall Stand".
- An opportunity to be a part of North Carolina's most important political organization.

N.C.C.C. Dues -- \$100 Per Year
(MAY BE PAID \$25.00 PER QUARTER)

What They're Saying About The N.C.C.C. . . .

"I am proud to be a member of and to have participated in the programs and activities of the N.C. Congressional Club. The Congress desperately needs the type of conservative leadership the Club has encouraged."

Charles R. Jonas, Sr.
Former N. C. Congressman

"The N. C. Congressional Club offers all businessmen the opportunity to defend private initiative and the American free enterprise system, and I am proud to belong."

Ed Morris
Chairman
Blue Bell, Inc.

"I urge all conservative Democrats to join me in supporting the dedicated work of the N. C. Congressional Club. The Club has earned my admiration and respect for standing up for sound, conservative principles that deserve to survive in North Carolina."

J. Melville Broughton, Jr.
Former Candidate
For Governor

North Carolina Congressional Club

P. O. BOX 18048 • 3825 BARRET DRIVE • SUITE 200
RALEIGH, N. C. 27608 • (919) 781-6220

Dear Jesse:

Enclosed is my Congressional Club renewal. You can count on my support.
Sincerely,

Name _____

Address _____

Occupation _____ Phone _____

I want to renew my membership in the North Carolina Congressional Club.

- My check for \$100 covering my 1977 dues is attached.
- Please bill me in the amount of \$100.
- Please bill me \$25 per quarter.

I want to join the North Carolina Congressional Club.

- My check for \$100 covering my 1977 dues is attached.
- Please bill me in the amount of \$100.
- Please bill me \$25 per quarter.

Bill me for the above on my Master Charge _____

Master Charge No. _____

_____ Good Thru _____

Signature _____

The foregoing material together with all attachments and enclosures is authorized by the North Carolina Congressional Club, Thomas F. Ebb, Chairman; Carter Wrenn, Treasurer. A copy of our report is filed with the FEC and is available for purchase from the FEC, Washington, D.C.

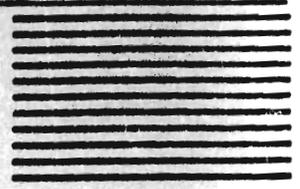
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RALEIGH, N. C.

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NORTH CAROLINA CONGRESSIONAL CLUB
P. O. BOX 18848
RALEIGH, NORTH CAROLINA 27609



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GAYLE BOMAR – Former UNC Football Star

**DANNY LOTZ – Guard on the 1957 UNC
National Champion
Basketball Team**

**PAUL MILLER – All ACC Quarterback of UNC
Peach and Gator Bowl Teams**

★ ★ ★ ★ Host A ★ ★ ★ ★

NORTH CAROLINA

CONGRESSIONAL CLUB

Dinner and Reception, at the

Four Seasons Holiday Inn, in Greensboro

on Friday, January 21, 1977

with featured speaker
SENATOR JESSE HELMS

RONALD REAGAN



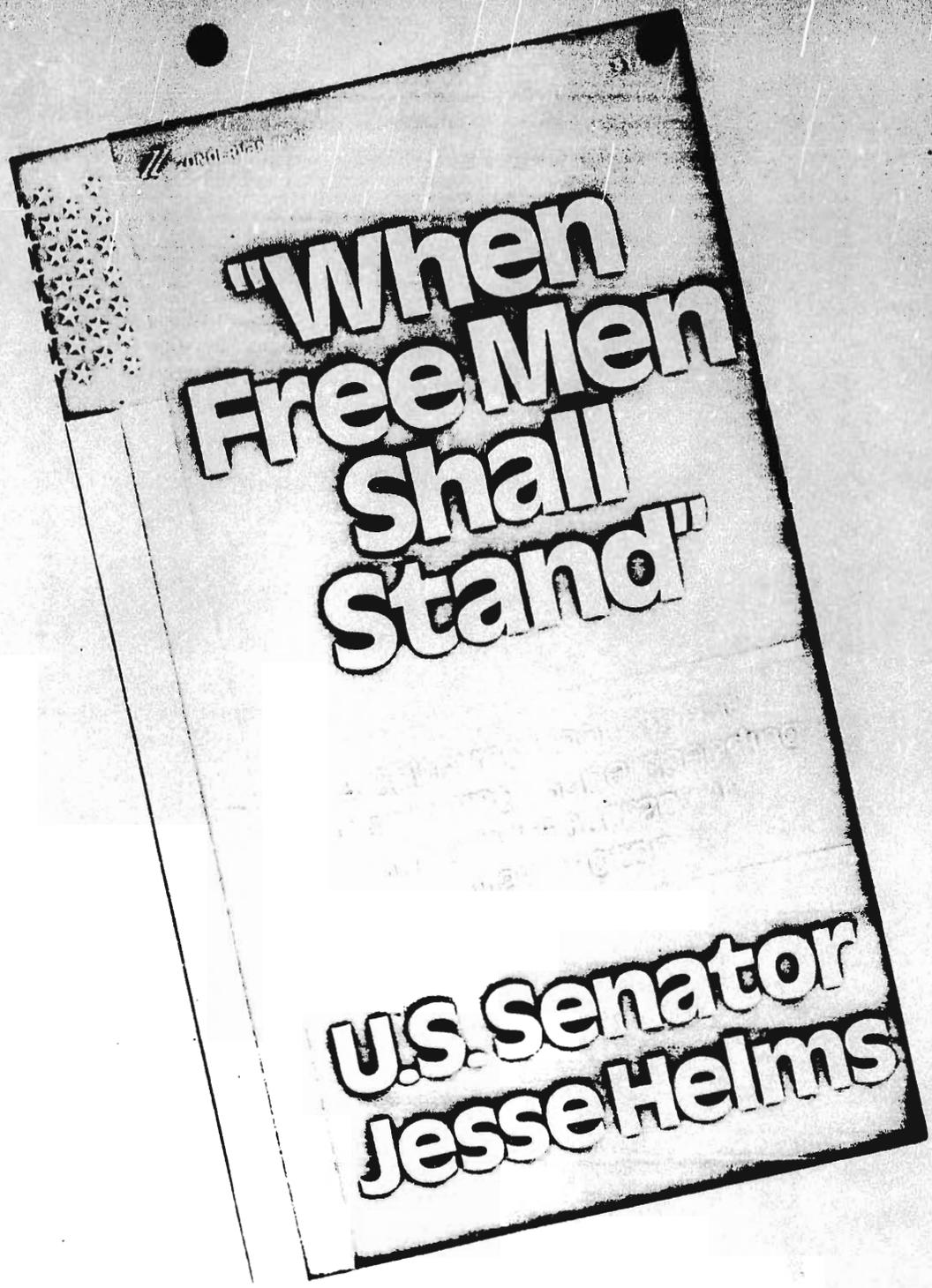
1975 N.C.C.C. DINNER

Reception - 6:00 pm

Dinner - 7:00 pm

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79040100950



Members renewing now will receive a
PERSONALLY INSCRIBED
volume of Senator Helms' new book.

(already in its 3rd printing)

JESSE HELMS
NORTH CAROLINA

May 1351

United States Senate

WASHINGTON, D.C. 20540

February 7, 1977

Dear

Just a short note to tell you that the first Club Dinner in Greensboro was a great success.

I sincerely appreciate your continued support of the Club and of our free enterprise system.

Enclosed is some literature about the next two Club Dinners which you may find of interest.

Also enclosed are two separate ticket order forms for the Club dinner in Henderson and the dinner in Dunn. If you are able to attend either of these events, please return the appropriate slip to the Club office in Raleigh.

Warmest regards.

Sincerely,

JESSE HELMS:a
Enclosures

790401095

Reception

WITH
SENATOR JESSE HELMS
FOR
**NORTH CAROLINA CONGRESSIONAL CLUB
MEMBERS**

Holiday Inn Four Seasons
High Point Road at I-40
Greensboro, N. C.

Friday 6:00 - 7:00 PM
January 21, 1977

Friday 7:00
January 21, 1977

Holiday Inn Four Seasons
High Point Road at I-40
Greensboro, N. C.

AMERICA'S
LEADING CONSERVATIVE SPOKESMAN

"Dinner with SENATOR JESSE HELMS"

North Carolina
Congressional
Club
P.O. Box 18848, Raleigh, N.C. 27609
Phone (919) 782-4332

Reception

WITH
SENATOR JESSE HELMS
FOR
**NORTH CAROLINA CONGRESSIONAL CLUB
MEMBERS**

Howard Johnson Motel
Parham Road at I-85
Henderson, N. C.

Friday 6:00 - 7:00 PM
February 25, 1977

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North Carolina
Congressional
Club

P.O. Box 18848, Raleigh, N.C. 27609
Phone (919) 782-4332

"Dinner With **SENATOR JESSE HELMS**"

AMERICA'S
LEADING CONSERVATIVE SPOKESMAN

E. M. Rollins School Cafeteria
Garnett Street Extension
Henderson, N. C.

Friday 7:30
February 25, 1977

79040100953

North Carolina
Congressional
Club

P.O. Box 18848, Raleigh, N.C. 27609
Phone (919) 782-4332

"Dinner With **SENATOR JESSE HELMS**"

AMERICA'S
LEADING CONSERVATIVE SPOKESMAN

Dunn Civic Center
North General Lee Avenue
Dunn, N. C.

Saturday 7:30
February 26, 1977

COME MEET 
AND HEAR **JESSE !!**

Dinner With



Senator JESSE Helms

- * *E. M. Rollins School* (HENDERSON)
- * *Friday, February 25, 1977*
- * *7:30 PM*
- * *BBQ and Chicken*
- * *Music by the Bluegrass
Cutups*
- * *Tickets ONLY \$5*

For tickets please call today:
(This is the only way we can guarantee you a place)

HENDERSON 492-0574

WARRENTON 257-318

OXFORD 693-7896

LOUISBURG 496-481

RALEIGH 781-5220

The foregoing material together with all attachments and enclosures are authorized and paid for by the North Carolina Congressional Club, Richard W. Miller, Chairman, Elizabeth Smith, Treasurer. A copy of our report is filed with the FEC and is available for purchase from the FEC, Washington, D. C.

79040109953

COVINGTON & BURLING

688 SIXTEENTH STREET, N.W.
WASHINGTON, D. C. 20006

HAND DELIVERY

Ms. Susan Donaldson
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

COVINGTON & BURLING
688 SIXTEENTH ST. N. W.
WASHINGTON, D. C. 20006

Doc 2450
MLN

COVINGTON & BURLING

888 SIXTEENTH STREET, N.W.

WASHINGTON, D.C. 20006

TELEPHONE
(202) 452-6000

WRITERS DIRECT DIAL NUMBER

(202) 452-6418

TWX: 710-622-0008
TELE: 62-602
CABLE: COVLING

January 13, 1978

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 459(77)

Dear Mr. Oldaker:

Enclosed herewith are the answers, under oath, of Mr. Carter Wrenn, Executive Director and Treasurer of the Helms for Senate Committee, in response to the questions posed in your letter of December 30, 1977, to Mr. Richard W. Miller, Chairman of the North Carolina Congressional Club (hereafter, the "Congressional Club"). In addition, Mr. Wrenn has provided a prefatory statement to the answers, also under oath, explaining the history of the Congressional Club. I would like to make the following additional comments.

The Helms for Senate Committee and the Congressional Club believe that they have, throughout their existence, been in strict compliance with all applicable Federal statutes. They will, therefore, endeavor to assist in resolving this matter as expeditiously as possible. Certain preliminary points should, however, be made.

First, we do not view the request for information contained in your letter of December 30 as the statutorily required "reasonable opportunity to demonstrate that no action should be taken" against the Congressional Club. 2 U.S.C. § 437g(a)(4). You appear to share this view, since your December 30 letter does not indicate that the request for information is based on that section of the statute.

79040100956

William C. Oldaker, Esq.
January 13, 1978
Page Two

Second, your letter of December 30 does not, in any case, state with sufficient specificity what precisely it is about the Congressional Club's actions that leads you to assert that there is "reason to believe" that it has made a contribution in excess of the applicable limits.

Third, we do not believe that the enclosed materials in any way constitute a waiver, express or implied, of any procedural or substantive rights or arguments that the Congressional Club may ultimately desire to assert. We trust that if you disagree with this or any of the other foregoing points you will so notify us.

We believe that the materials submitted with this letter demonstrate that there has been no violation of the Federal Election Campaign Act, as amended (hereafter, "FECA"). As Mr. Wrenn's statement points out, prior to March 2, 1976, Senator Helms was Honorary Chairman of the Congressional Club. After the 1972 elections, supporters of Senator Helms formed the Congressional Club, and the first project it undertook was to assist in paying the Senator's remaining 1972 campaign debts. Mr. Thomas Ellis, Chairman of the 1972 Helms for U.S. Senate Committee, and now Chairman of the 1978 Helms for Senate Committee, was Chairman of the Congressional Club. Similarly Mr. Wrenn, now Executive Director and Treasurer of the 1978 Helms for Senate Committee, was Treasurer of the Congressional Club. The Congressional Club's activities were very frequently in association with Senator Helms.

When Senator Helms authorized Mr. Ellis to establish a principal campaign committee, in anticipation of the time when the Senator would decide whether or not to seek reelection to the Senate, he desired that Messrs. Wrenn and Ellis and others associated with the Congressional Club play leading roles in his campaign, should one be necessary. Under existing Commission regulations, it was recognized that the Congressional Club and the Helms for Senate Committee were in fact already affiliated, and that

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William C. Oldaker, Esq.
January 13, 1978
Page Three

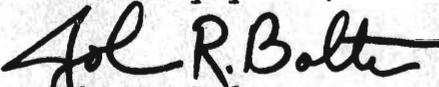
this affiliation should be acknowledged. It was also determined that, at that time, there were no contributions in the treasury of the Congressional Club which, if considered to be contributions to a candidate's authorized committee, would exceed any applicable limits.*/

Accordingly, and pursuant to the advice of counsel, Senator Helms authorized the Congressional Club to accept contributions and make expenditures on his behalf as a committee affiliated with his principal campaign committee (the Helms for Senate Committee). The March 2 letter confirmed the previously existing relationship between the two committees; it did not represent any change of status. The two committees have reported to the Commission in this manner since Senator Helms' March 2 letter. Moreover, since that time appropriate steps have been taken and will be taken to ensure that no contributor to the Congressional Club who later becomes a contributor to the Helms for Senate Committee will exceed the applicable contribution limit. See AO 1977-24 (June 28, 1977).

Since there is no limitation on transfers of funds between authorized committees of the same candidate, 11 C.F.R. § 110.3(a)(2)(ii), there is no violation of 2 U.S.C. § 441a. As noted previously, there were no contributions to the Congressional Club at the time of the amendment to its registration statement which would exceed any pertinent contribution limits for a single-candidate committee, and none will be accepted in the future.

In short, the Congressional Club and the Helms for Senate Committee have endeavored in good faith to comply with the FECA and this Commission's regulations, and they have succeeded. Accordingly, there is no warrant either in fact or in law to continue this matter any further. We respectfully urge that it be dismissed as soon as possible.

Sincerely yours,


John R. Bolton

Enclosures

*/ Prior to December 31, 1976, the Helms for Senate Committee had neither received contributions nor made expenditures on behalf of Senator Helms. These facts were communicated by a letter to the Commission from Mr. Wrenn, dated January 3, 1977.

79040100950

STATEMENT OF CARTER WRENN

1. I am Executive Director of the Helms for Senate Committee. In that capacity, I am responsible for the day-to-day operations of the Committee. I am also the Treasurer of the Helms for Senate Committee. In that capacity, I am responsible for the duties imposed on treasurers of political committees by the Federal Election Campaign Act, as amended (hereafter, "FECA").

2. In 1973, after Senator Helms' election to the U. S. Senate in 1972, Mr. Thomas F. Ellis, Chairman of the 1972 Helms for the U. S. Senate Committee, together with other supporters of Senator Helms' 1972 campaign, formed and chartered the North Carolina Congressional Club (hereafter, the "Congressional Club"), with Senator Helms serving as Honorary Chairman.

The goals of the Congressional Club were to help promote and advance the conservative philosophy of government and to help elect conservative candidates to office.

The first project of the Congressional Club was to help eliminate the outstanding debt from Senator Helms' 1972 campaign. To that end the Congressional Club sponsored a series of fundraising dinners honoring Senator Helms.

During the interval from then until the establishment of the Helms for Senate Committee, the Congressional Club served as a multi-candidate political committee, supporting various

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candidates for office and assisting Senator Helms in his efforts to advance the conservative philosophy of government.

3. Between 1973 and 1976, the Congressional Club made contributions to candidates for election, or nomination for election, to Federal office.

4. Between 1973 and 1976, the Congressional Club filed all reports required by the FECA with the appropriate Supervisory Officers and then, after its creation, with the Federal Election Commission.

5. By letter dated November 22, 1976, Senator Helms authorized Mr. Ellis to establish a principal campaign committee in the event that the Senator later decided to seek reelection to the Senate in 1978. Mr. Ellis was designated Chairman of that committee, named the Helms for Senate Committee. I was chosen to be Executive Director and Treasurer.

6. At that time Mr. Ellis was serving as Chairman of the Congressional Club and I was serving as its Treasurer. We filed a Statement of Organization in November, 1976, listing Mr. Ellis as Chairman and me as Treasurer of the Helms for Senate Committee. Subsequently, that Statement was misplaced at the Federal Election Commission.

To correct the confusion caused by the loss of the initial Statement of Organization, I filed a new Helms for Senate Committee Statement (for the 1978 election) on January 13, 1977 and that Statement was accepted.

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7. We were advised by counsel that, in essence, as of the time of the creation of the 1978 Helms for Senate Committee, it was affiliated with the Congressional Club because: (1) the committees contained interlocking officers and the FEC regulations define affiliated committees to include "committees. . . established, financed, maintained or controlled by the same. . . person or group of persons"; and (2) the Congressional Club and the 1978 Helms for Senate Committee had been cooperating and coordinating on behalf of Senator Helms' reelection from the very outset of the Helms for Senate Committee.

The affiliation papers filed on March 1 and March 2 with the FEC by the Congressional Club and the Helms for Senate Committee respectively were thus merely the formal recognition and confirmation of an existing state of affairs.

8. We recognized that amending the registration statement required that both the Congressional Club and the Helms for Senate Committee be in full compliance with all provisions of the FECA and the regulations, including the requirements that there be no contributions to either or both committees which would be in excess of the applicable limit on contributions to a single-candidate committee. We have carefully checked all of our contribution records, and that research indicates no contributions in excess of the limits.

9. Since January 1, 1977, the Helms for Senate Committee and the Congressional Club have followed the requirements of the FECA and the Commission's regulations. We have

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ensured that no contributions to the Helms for Senate Committee and to the Congressional Club, when aggregated with any contributions in the treasury of Congressional Club at the time Helms for Senate was created, if any, exceed the appropriate contribution limit. We are using a computer system to maintain the highest degree of accuracy in our calculations.

10. The answers to the questions posed in Mr. Oldaker's letter of December 30, 1977, to Mr. Richard C. Miller, Chairman of the Congressional Club, are as follows:

- (1) On the morning of March 1, 1977 the Congressional Club had \$13,121.64 in cash on hand. During the day a bank deposit was made, and at the close of the day the balance was \$16,406.64.

The amount of outstanding bills, debts and obligations amounted to \$14,015.25.

On March 17, 1977 \$10,000 was transferred from the Helms for Senate Committee to the Congressional Club.

By December 31, 1977 a total of \$118,000 had been transferred from the Helms for Senate Committee to the Congressional Club during the calendar year.

- (2) The primary purpose of these receptions and dinners was to identify and mobilize individuals to assist and work in Senator Helms' reelection campaign.
- (3) Throughout 1977 all Congressional Club events (such as dinners and receptions) have been funded primarily by ticket sales and contributions directly to the Congressional Club.

All members and participants have been told that the primary function of the Congressional Club is to reelect Senator Helms.

- (4) Consultation and coordination between the two committees was extensive. During part of this time the Chairman and Treasurer of the Helms for Senate Committee held the same position with the Congressional Club.
- (5) The proceeds were applied to meet the costs of the dinners or expended to support subsequent dinners.

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6. CONTRIBUTIONS -- No contributions were made by the Congressional Club to the Helms for Senate Committee during January and February, 1977.

LOANS -- In January, loans totaling \$4,510.00 were extended from the Congressional Club to the Helms for Senate Committee. These were repaid in full on February 1, 1977.

EXPENDITURES -- All Congressional Club expenditures (after the Helms for Senate Committee was organized) relating to dinners or receptions benefitted Senator Helms in that they promoted events in his honor, and most of the advertising relating to those dinners regarded his legislative record in the Senate.

79040100963

Carter Wrenn

Carter Wrenn

SUBSCRIBED AND SWORN TO before me this 13 day of January, 1978.

[Signature]
Notary Public

My Commission Expires 10/9/82

2 9 0 4 0 1
COVINGTON & BURLING

888 SIXTEENTH STREET, N.W.

WASHINGTON, D. C. 20008

HAND DELIVERY

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

COVINGTON & BURLING

888 SIXTEENTH ST., N. W.

WASHINGTON, D. C. 20008

COVINGTON & BURLING

888 SIXTEENTH STREET, N. W.

WASHINGTON, D. C. 20006

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WRITERS DIRECT DIAL NUMBER

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TELE: 88-883
CABLE: COVLING

January 13, 1978

William C. Oldaker, Esq.
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79040100965

William C. Oldaker, Esq.
January 13, 1978
Page Two

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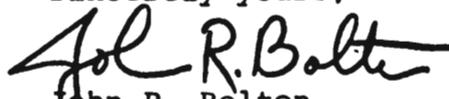
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79040100967

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79040100968

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- (3) Throughout 1977 all Congressional Club events (such as dinners and receptions) have been funded primarily by ticket sales and contributions directly to the Congressional Club.

All members and participants have been told that the primary function of the Congressional Club is to reelect Senator Helms.

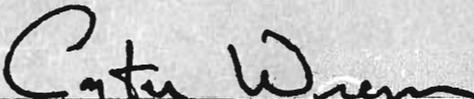
- (4) Consultation and coordination between the two committees was extensive. During part of this time the Chairman and Treasurer of the Helms for Senate Committee held the same position with the Congressional Club.
- (5) The proceeds were applied to meet the costs of the dinners or expended to support subsequent dinners.

79040100971

6. CONTRIBUTIONS -- No contributions were made by the Congressional Club to the Helms for Senate Committee during January and February, 1977.

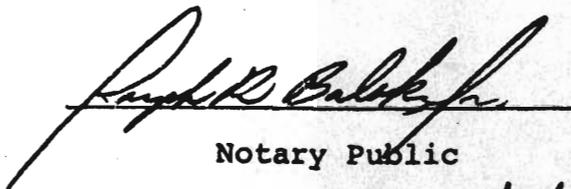
LOANS -- In January, loans totaling \$4,510.00 were extended from the Congressional Club to the Helms for Senate Committee. These were repaid in full on February 1, 1977.

EXPENDITURES -- All Congressional Club expenditures (after the Helms for Senate Committee was organized) relating to dinners or receptions benefitted Senator Helms in that they promoted events in his honor, and most of the advertising relating to those dinners regarded his legislative record in the Senate.



Carter Wrenn

SUBSCRIBED AND SWORN TO
before me this 13 day of
January, 1978.



Notary Public

My Commission Expires 10/2/82

79040100972



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

December 30, 1977

Mr. Richard W. Miller, Chairman
North Carolina Congressional
Club
P. O. Box 18848
Raleigh, North Carolina 27609

Re: MUR 459(77)

Dear Mr. Miller:

The Federal Election Commission determined on December 15, 1977, that there was reason to believe that the North Carolina Congressional Club ("NCCC") may have violated 2 U.S.C. §441a of the Federal Election Campaign Act of 1971, as amended, (the "Act") by making contributions in excess of the statutory limitations to Senator Jesse Helms or his principal campaign committee. This determination was made by the Commission on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, including review of Senator Helms' letter dated March 1, 1977.

Specifically, the Commission found that the transfer of funds from the multicandidate committee to the single candidate committee when NCCC changed status on March 1, 1977, appears to constitute a contribution to the candidate which is subject to the limitations of 2 U.S.C. §441a.

Further, the Commission is inquiring into whether the dinner receptions held by the NCCC with Senator Helms in January and February 1977 were to raise money for the NCCC as a multicandidate committee or to promote Senator Helms' re-election in 1978. If the expenditures for the dinner receptions are considered contributions from NCCC to Senator Helms or his committee, then,



79040100973

together with the \$4,350 in loans made in January 1977, the \$5,000 limitation of 2 U.S.C. §441a(a) (2)(A) was exceeded.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

Please include answers to the following questions in your response:

(1) What was the amount of NCCC's cash on hand on March 1, 1977, the date on which NCCC resigned its status as a multicandidate committee and claimed status as a single candidate committee?

(2) What was the purpose of the NCCC dinner receptions held in January and February 1977? Were these events intended to promote the re-election of Senator Helms?

(3) Were the donors told that the proceeds of the ticket sales were contributions to Senator Helms? to NCCC?

(4) What type of consultation did NCCC have with Senator Helms or his committee in regard to the planning of the dinner receptions?

(5) What happened to the proceeds from the ticket sales?

(6) During January and February 1977, what expenditures, contributions and loans were made by NCCC to benefit Senator Helms? Also, please submit copies of any invitations, tickets, or other relevant documents.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten (10) days after your receipt of this notification.

79040100974

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Please direct any questions concerning this matter to Susan Donaldson, the staff member assigned to this matter, telephone number 202-523-4026.

Sincerely yours,

William C. Oldaker
General Counsel

79040100975

459 Donaldson

1. The following service is requested (check one):

Show to whom and date delivered

Show to whom, date, and address of delivery

RESTRICTED DELIVERY
Show to whom and date delivered

RESTRICTED DELIVERY
Show to whom, date, and address of delivery

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Richard Miller, Chairman
North Carolina Cong. Club
25. Box 1194
Rahoke, NC 27609

3. ARTICLE DESCRIPTION:
REGISTERED NO. 943916

I have received the article described above.
SIGNATURE Addressee Authorized agent
Elizabeth Smythe

4. DATE OF DELIVERY
1-4-78

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

POSTMARK: JAN 4 1978

ELIM'S INITIALS

U.S. POSTAL SERVICE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
North Carolina Congressional Club }

MUR 459 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on December 15, 1977, the Commission approved the General Counsel's recommendation to find reason to believe that the North Carolina Congressional Club violated 2 U.S.C. Section 441a(a)(2)(A) by contributing in excess of \$5,000 to the Helms for Senate Committee.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission



79040100975



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 6, 1977

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
SUBJECT: MUR 459 (77) - First General Counsel's Report

The above-mentioned document was circulated on
December 5, 1977.

Commissioner Aikens has submitted an objection to MUR 459
thereby placing it on the Executive Session Agenda for
December 15, 1977.

79040100977

December 2, 1977

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 459

Please have the attached 7 Day Report on MUR 459
circulated to the Commission on a 24 hour no-objection
basis.

Thank you.

79040100978

FEDERAL ELECTION COMMISSION
1325 K Street N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION _____

MUR NO. 459(77)
DATE COMPLAINT RECEIVED
BY OGC _____

ATTORNEY S. Donaldson

COMPLAINANT'S NAME:

RESPONDENT'S NAME: North Carolina Congressional Club

RELEVANT STATUTE: 2 U.S.C. §441a

INTERNAL REPORTS CHECKED: North Carolina Congressional Club
Helms for Senate Committee
Jesse Helms

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

The North Carolina Congressional Club ("NCCC"), which became a qualified multicandidate committee on October 15, 1975, "resigned" its multicandidate status in an amended statement of organization submitted March 1, 1977 (Attachment 1).¹ At the same time, NCCC became an affiliate of the Helms for Senate Committee (Attachment 2).

¹ The North Carolina Congressional Club ("NCCC") registered with the Commission on December 11, 1973 as an affiliate of the Helms for U.S. Senate Committee. On November 7, 1974, NCCC registered as a multicandidate committee; it became a qualified multicandidate committee on October 15, 1975.

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The Disclosure Division referred this matter to the Office of General Counsel because of the possibility that based on the reports and information filed with the Commission, NCCC was a multicandidate committee which contributed in excess of \$5,000 to Senator Jesse Helms or his principal campaign committee (the Helms for Senate Committee) when NCCC changed its status to a single candidate committee.

Further, review of reports filed by NCCC revealed that the NCCC sponsored three dinner receptions on behalf of Senator Helms in January and February 1977; and in January 1977 NCCC loaned \$4,360 to the Helms for Senate Committee. If the expenditures for the dinner receptions are considered in-kind contributions to the Helms for Senate Committee, the total of the loans plus the dinner reception expenditures exceeds the \$5,000 contribution limitation of §441a(a)(2)(A).

PRELIMINARY LEGAL ANALYSIS

I. Resignation of Multicandidate Committee Status

2 U.S.C. §441a(a)(2) prohibits a multicandidate from contributing in excess of \$5,000 to any candidate or his authorized committee. NCCC did not file a termination report or a financial statement when it "resigned" its multicandidate status to become a single candidate committee, but its April 10, 1977 report shows:

79040100980

Cash on Hand	(1-1-77)	\$ 6,612.62
Receipts	(1-1-77/3-31-77)	79,126.29
Expenditures	(1-1-77/3-31-77)	74, 588.04
Cash on Hand	(3-31-77)	11,150.87

The cash on hand at the end of NCCC's operation as a multicandidate committee on March 1, 1977, would become the cash on hand at the beginning of its operation as a single candidate committee. This would appear to be, in effect, a transfer of funds from the multicandidate to the single candidate committee and thus a contribution subject to the limitations of §441a. It would be necessary to ascertain the NCCC's cash on hand on March 1, 1977, in order to determine whether the contribution limits were exceeded.

II. Dinner Receptions and Loans

NCCC sponsored three dinner receptions called "A Reception and Dinner with Senator Jesse Helms" in January and February 1977. It appears from the face of the filed reports that these dinner receptions cost the NCCC in excess of \$7,000. The money raised from the sale of tickets to the dinner receptions totaled \$4,370; the proceeds were not directly transferred to Senator Helms or his committee at the time of the events but were retained by NCCC. It is not clear whether the dinner receptions were held to raise funds for the NCCC itself as a multicandidate committee or

79040100981

to promote Helms' candidacy in 1978.

Helms' letter to the Commission dated March 2, 1977, (Attachment 3) states he has not yet decided whether to run for re-election; however, Helms authorized the Helms for Senate Committee on November 10, 1976, (Attachment 4) thereby making him a candidate within the meaning of 2 U.S.C. §431(b)(2).

NCCC made the following loans to the Helms for Senate Committee in January 1977:

1-7-77	\$ 100
1-12-77	1,550
1-17-77	2,700

The Helms for Senate Committee repaid \$4,510 to NCCC on January 28, 1977; however, these loans are considered contributions from NCCC until repayment and, together with the possible contributions made in connection with the dinner receptions, could result in contributions in excess of the \$5,000 limitation.

RECOMMENDATION

Find reason to believe that NCCC violated 2 U.S.C. §441a(a)(2)(A) by contributing in excess of \$5,000 to the Helms for Senate Committee. Send attached letter.

79040100982

1977, O.C. 2045

Supporting any candidate for election or nomination for office in excess of \$1,000 in any calendar year in support of such candidate.

ATTACHMENT 3

1. Candidates authorized by a candidate to receive contributions and make expenditures in connection with more than one election must maintain separate records with respect to each election.

1977 JUN 21 11:10

2. Name of Committee (in full) North Carolina Congressional Club

3. Identification Number C-000 236 30

4. Address (number and street) P. O. BOX 19438

5. Date of registration (month, day, year) 3/2/77

6. City, State and ZIP code Raleigh, North Carolina 27609

7. Is this an amended statement? Yes No
If "Yes" fill in only those lines on which there has been a change.

8. Check one:

(a) This committee has been designated as the principal campaign committee for _____ (Name of Candidate) a candidate for _____ (Federal office sought) in the _____ (General, Primary, Runoff, etc.) Election(s) to be held in the State of _____ (State in which election is held) on _____ (Date(s)).

(The Principal Campaign Committee will forward to the Commission a copy of the Statement of Organization for each committee required to file with it.)

(b) This committee is supporting only one candidate, and is authorized by Senator Jesse Helms (Name of Candidate) to receive contributions and make expenditures with respect to the Election (General, Primary, Runoff, etc.) Election(s) held on 1978 (Date(s)), and will file all reports and statements with the candidate's principal campaign committee, The Helms for Senate Committee (Full name of principal campaign committee).

(Attach a copy of Candidate's written authorization.) (FEC Form 2a)

(c) This committee supports only one candidate _____ (Name of Candidate) but is not an authorized committee.

(d) This committee is a multicandidate committee.

(e) This committee is a _____ (National, state, county, city) committee of the _____ (Democratic, Republican, etc.) Party.

Name of affiliated or connected organization	Mailing address and ZIP code	Relationship
Helms for Senate Committee 000074807	P. O. Box 19433 Raleigh, N. C. 27609	North Carolina Congressional Club is affiliate of Helms for Senate Committee.

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section above when information is continued on separate page(s).

07470012000928131

in Congressional Club

tion of Committee:

operate in more than one State? Yes No

statewide basis in one State? Yes No

ort candidates seeking State or local office? Yes No

is, office sought, and party affiliation, any candidate for Federal office that this committee is supporting:

of candidate(s)	Mailing address and ZIP code	Office sought	Party
Jean Helms 8N1 bpps	Russell Senate Office Building Washington, D. C.	U. S. Senate	Republican

is, office sought, and party affiliation, any candidate(s) for any other public office(s) that this committee is supporting (unless the committee is supporting the entire ticket of a party as indicated in line 9)

of candidate(s)	Mailing address and ZIP code	Office sought	Party

supporting the entire ticket of a party, give name of party

address and position, the person in possession of committee books and records:

Full name	Mailing address and ZIP code	Title or position
Richard W Miller	P. O. Box 18848 Raleigh, N. C. 27609	Chairman

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section where information is continued on separate page(s).

790401981

Name of Committee
North Carolina Congressional Club

List by name, address and position, other principal officers of the committee:

Full name	Mailing address and ZIP code	Title or position
Elisabeth W. Smith	P. O. Box 18848 Raleigh, N. C. 27609	Treasurer

12 Does this committee plan to stay in existence beyond the current calendar year? Yes No
If "Yes" for how long? Indefinitely

13 In the event of dissolution, what disposition will be made of residual funds?
Residual funds will be disposed of at the discretion of the Chairman

14 List all banks or other repositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds:

Name of bank, repository, etc.	Mailing address and ZIP code
Chovia Bank & Trust Company	North Hills Branch North Hills Shopping Center Raleigh, N. C. 27609

15 List all election reports required to be filed by this committee with States and local jurisdictions, together with the names, addresses, and positions of the recipients of the reports (other than reports filed with Secretaries of State pursuant to USC 439(a)):

Report title	Dates required	Name and position of recipient	Mailing address and ZIP code

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section above when information is continued on separate page(s).

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.
Elisabeth W. Smith (Signature of Treasurer) 3-10-77 (Date)

Note: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. § 441 (text on reverse side of form).

For further information contact:  Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

North Carolina Congressional Club



P. O. BOX 18848 • 3825 GARRET DRIVE • SUITE 300
RALEIGH, N. C. 27009 • (919) 781-5220

RECEIVED 2
MAR 21 11:10
LJ

EXECUTIVE COMMITTEE

SENATOR JESSE HELMS
Honorary Chairman

RICHARD W. MILLER
Chairman

ELIZABETH SMITH
Treasurer

HUGH CHATHAM
Clerk

ED MORRIS
Greensboro

W. T. JOYNER, JR.
Raleigh

MARION PARROTT
Kinston

ARCHIE JOHNSON
Raleigh

March 1, 1977 ✓

Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

S 1340 ✓
NC REPC82 ✓

Gentlemen:

This is to inform you that in accordance with Section 102.1 B of the FEC Regulations the North Carolina Congressional Club is resigning its status as a multi-candidate committee, and to confirm the North Carolina Congressional Club's affiliation with the Helms for Senate Committee.

We believe the enclosed copies of correspondence between ourselves and officers of the Helms for Senate Committee are self-explanatory.

Sincerely,

Richard W. Miller
Chairman

Elizabeth W. Smith
Elisabeth W. Smith
Treasurer

RWM/EWS:a
Enclosure

1102400-1119
7904010798

United States Senate
WASHINGTON, D.C. 20510

1977 MAR 21 11:18
HAND DELIVERED

March 2, 1977

Mr. Richard W. Miller
Chairman
North Carolina Congressional Club
Post Office Box 18848
Raleigh, North Carolina 27609

Dear Rick:

As you know, I have not made up my mind whether to become a candidate for re-election.

Meanwhile, due to the technical requirements of the law I have authorized the Helms for Senate Committee, Thomas F. Ellis, Chairman, to operate as the principal committee working for my re-election.

Although I have still not decided whether I shall be a candidate for re-election, I understood that the technical requirements of the law may have required the North Carolina Congressional Club to file with the FEC as an affiliate of the Helms for Senate Committee.

This will confirm my decision that the North Carolina Congressional Club shall be an affiliate of the Helms for Senate Committee.

Sincerely,

JESSE HELMS:c

797702088718

United States Senate

WASHINGTON, D.C. 20540

77 JUN 17 PM 1:41

November 22, 1976

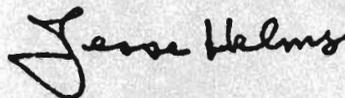
Mr. Thomas F. Ellis
Post Office Box 829
Raleigh, North Carolina 27602

Dear Tom:

I am writing this letter in response to your decision to chair the "Helms for Senate" committee. I deeply appreciate your action, but I want to inform you that I have not made up my mind whether to become a candidate for re-election.

Meanwhile, I recognize that due to the technical requirements of the law (including the requirement for the designation of a principle campaign committee), the committee must file with the Federal Elections Commission as working on my behalf. I therefore designate Helms for Senate, Thomas F. Ellis, Chairman, as the principle committee working for my re-election. I trust this letter will suffice as my consent for purposes of allowing you to do so.

Sincerely,



JESSE HELMS:sg



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Richard W. Miller, Chairman
North Carolina Congressional
Club
P. O. Box 18848
Raleigh, NC 27609

Re: MUR 459(77)

Dear Mr. Miller:

The Federal Election Commission determined on 1977, that there was reason to believe that the North Carolina Congressional Club ("NCCC") may have violated 2 U.S.C. §441a of the Federal Election Campaign Act of 1971, as amended, (the "Act") by making contributions in excess of the statutory limitations to Senator Jesse Helms or his principal campaign committee. This determination was made by the Commission on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities.

Specifically, the Commission found that the transfer of funds from the multicandidate committee to the single candidate committee when NCCC changed status on March 1, 1977, appears to constitute a contribution to the candidate which is subject to the limitations of 2 U.S.C. §441a.

Further, the Commission is inquiring into whether the dinner receptions held by the NCCC with Senator Helms in January and February 1977 were to raise money for the NCCC as a multicandidate committee or to promote Senator Helms' re-election in 1978. If the expenditures for the dinner receptions are considered contributions from NCCC to Senator Helms or his committee, then,



together with the \$4,350 in loans made in January 1977, the \$5,000 limitation of 2 U.S.C. §441a(a) (2) (A) was exceeded.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

Please include answers to the following questions in your response:

(1) What was the amount of NCCC's cash on hand on March 1, 1977, the date on which NCCC resigned its status as a multicandidate committee and claimed status as a single candidate committee?

(2) What was the purpose of the NCCC dinner receptions held in January and February 1977? Were these events intended to promote the re-election of Senator Helms?

(3) Were the donors told that the proceeds of the ticket sales were contributions to Senator Helms? to NCCC?

(4) What type of consultation did NCCC have with Senator Helms or his committee in regard to the planning of the dinner receptions?

(5) What happened to the proceeds from the ticket sales?

(6) During January and February 1977, what expenditures, contributions and loans were made by NCCC to benefit Senator Helms? Also, please submit copies of any invitations, tickets, or other relevant documents.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten (10) days after your receipt of this notification.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Please direct any questions concerning this matter to Susan Donaldson, the staff member assigned to this matter, telephone number 202-523-4026.

Sincerely yours,

William C. Oldaker
General Counsel

7 d 0 4 0 1 0 6 2 9 1

MUR 959

#297



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

13 October 1977

I think this is a violation of 441a-431 or 431-434 - Zella a memo - I open a Mur - Bill

MEMORANDUM TO: ~~William O'Daker, General Counsel~~

THROUGH : Lois Zella *L. Zella*

FROM : Suzanne Wilson, Senate Team *Wilson*

SUBJECT : North Carolina Congressional Club

After discussions with the General Counsel's staff, it was recommended that the following be submitted for an opinion.

The North Carolina Congressional Club has been in existence during 1976 as a qualified multicandidate committee. On March 2, 1977, Senator Helms of North Carolina authorized the North Carolina Congressional Club as an affiliate of the Helms for Senate Committee, his principal campaign committee (attached). Also on March 2, 1977, the North Carolina Congressional Club submitted an amended Statement of Organization showing the change in status (attached). On April 19, 1977, the North Carolina Congressional Club submitted an April 10 report covering 1-1-77 through 3-31-77 (attached).

- Question: Can a multicandidate committee with cash on hand resign its status and become a single candidate authorized committee? Would that committee be required to "wind up" its activities and submit a final report as a multicandidate committee; or can it change status in the middle of a reporting period giving no clear picture of the amount of cash on hand as it begins operation as a single candidate committee? Does the cash on hand at the beginning of operation as a single candidate committee constitute a contribution from a multicandidate committee?

A legal interpretation regarding this matter is necessary to determine whether or not any individual or committee contribution limits have been exceeded.

79040107992

Handed to SP on 10/21/77



-LMS
CAROLINA

MS 10

United States Senate

WASHINGTON, D.C. 20510

1977 MAR 2 11 11:09

MAIL ROOM March 2, 1977 ✓

770769

NC REP C 82 ✓

Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Gentlemen:

Whether I shall seek re-election to the United States Senate in 1978 is a decision I have not yet made, and do not intend to make for another year or more. Nevertheless, many overtures have been made to me by friends and supporters to set up a mechanism looking to the election of 1978.

In every instance, I have advised those making such inquiries that I have not yet decided to seek re-election. On the other hand, I feel that they have every right to set in motion whatever lawful activity they wish in strict compliance with appropriate laws and regulations. Accordingly, I have given my consent to the North Carolina Congressional Club, Mr. Richard W. Miller, Chairman, to act as an affiliate of the Helms for Senate Committee.

This letter is simply to make clear to the Federal Election Commission my position in this matter.

Sincerely,

JESSE HELMS:e

7 9 7 7 9 1 2 3 4 5 6 7 8

7

North Carolina Congressional Club



P. O. BOX 18849 • 2825 BARRET DRIVE • SUITE 300
RALEIGH, N. C. 27609 • (919) 781-5220

EXECUTIVE COMMITTEE

SENATOR JESSE HELMS
Honorary Chairman

RICHARD W. MILLER
Chairman

ELIZABETH SMITH
Treasurer

HUGH CHATHAM
Elin

ED MORRIS
Greensboro

W. T. JOYNER, JR.
Raleigh

MARION PARROTT
Gaston

ARCHIE JOHNSON
Wilmington

March 1, 1977 ✓

Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

S 1340 ✓
NC REPC82 ✓

Gentlemen:

This is to inform you that in accordance with Section 102.1 B of the FEC Regulations the North Carolina Congressional Club is resigning its status as a multi-candidate committee, and to confirm the North Carolina Congressional Club's affiliation with the Helms for Senate Committee.

We believe the enclosed copies of correspondence between ourselves and officers of the Helms for Senate Committee are self-explanatory.

Sincerely,

Richard W. Miller
Chairman

Elizabeth W. Smith
Elisabeth W. Smith
Treasurer

RWM/EWS:a
Enclosure

7702002-1116

79040100

(7)

North Carolina Congressional Club

P. O. BOX 18848 • 3825 BARRETT DRIVE • SUITE 300
RALEIGH, N. C. 27600 (919) 781-5270

EXECUTIVE COMMITTEE

SENATOR JESSE HELMS
Honorary Chairman

RICHARD W. MILLER
Chairman

ELIZABETH W. SMITH
Treasurer

JOHN CHATHAM
Vice

D. MORRIS
Secretary

T. JOYNER, JR.
Vice

AMON PARROTT
Vice

HEIDI JOHNSON
Vice

March 2, 1977

Mr. Thomas F. Ellis, Chairman
Mr. Carter Wrenn, Treasurer
Helms for Senate Committee
P. O. Box 19433
Raleigh, North Carolina 27609

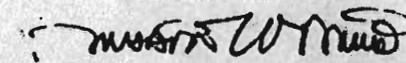
Dear Carter and Mr. Ellis:

Enclosed is a statement of organization for the North Carolina Congressional Club, to confirm our affiliation with the Helms for Senate Committee.

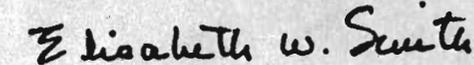
This organizational change (in accordance with FEC Regulations, Section 102.1 B) is made because of our continuing close association with Senator Helms.

As always, best regards.

Sincerely,



Richard W. Miller
Chairman



Elisabeth W. Smith
Treasurer

CW:a
Enclosure

31 000 1172 1000
0000000 00000000

United States Senate

WASHINGTON, D.C. 20540

March 2, 1977

1977 MAR 21 2 16 18
HAND DELIVERED

Mr. Richard W. Miller
Chairman
North Carolina Congressional Club
Post Office Box 18848
Raleigh, North Carolina 27609

Dear Rick:

As you know, I have not made up my mind whether to become a candidate for re-election.

700-1-0-0-1-0-0-2

Meanwhile, due to the technical requirements of the law I have authorized the Helms for Senate Committee, Thomas F. Ellis, Chairman, to operate as the principal committee working for my re-election.

Although I have still not decided whether I shall be a candidate for re-election, I understood that the technical requirements of the law may have required the North Carolina Congressional Club to file with the FEC as an affiliate of the Helms for Senate Committee.

This will confirm my decision that the North Carolina Congressional Club shall be an affiliate of the Helms for Senate Committee.

Sincerely,



JESSE HELMS:c

1977
 Federal Election Commission
 1100 L Street, N.W.
 Washington, D.C. 20463

Supporting any candidate for federal office and assisting contributions or expenditures in excess of \$1,000 in any calendar year in support of such candidate(s).

1977

Committees authorized by a candidate to receive contributions and make expenditures in connection with more than one election must maintain separate records with respect to each election.

1977 MAR 21 11:18

1 (a) Name of Committee (in full) North Carolina Congressional Club 2 Identification Number C-000 236 30

(b) Address (number and street) P. O. BOX 14348 3 Date of registration (month, day, year) 3/2/77

(c) City, State and ZIP code Raleigh, North Carolina 27609 4 Is this an amended statement? Yes No
 If "Yes" fill in only those lines on which there has been a change.

5 Check one:

(a) This committee has been designated as the principal campaign committee for _____ (Name of Candidate) a candidate for _____ in the _____ Election(s) (Federal office sought) (General, Primary, Runoff, etc.) to be held in the State of _____ on _____ (State in which election is held) (Date(s)) (The Principal Campaign Committee will forward to the Commission a copy of the Statement of Organization for each committee required to file with it).

(b) This committee is supporting only one candidate, and is authorized by Senator Jesse Helms (Name of Candidate) to receive contributions and make expenditures with respect to the Election Election(s) (General, Primary, Runoff, etc.) held on in 1978 (Date(s)) and will file all reports and statements with the candidate's principal campaign committee. The Helms for Senate Committee (Full name of principal campaign committee) (Attach a copy of Candidate's written authorization.) (FEC Form 2a)

(c) This committee supports only one candidate _____ but is not an authorized committee. (Name of Candidate)

(d) This committee is a multicandidate committee.

(e) This committee is a _____ committee of the _____ Party. (National, state, county, city) (Democratic, Republican, etc.)

Name of affiliated or connected organization	Mailing address and ZIP code	Relationship
Helms for Senate Committee C00074807	P. O. Box 19433 Raleigh, N. C. 27609	North Carolina Congressional Club is affiliate of Helms for Senate Committee.

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section above when information is continued on separate page(s).

**Statement of Organization
For a Committee
(Page 2)**

in Congressional Club

Location of Committee:

Operate in more than one State? Yes No
 Statewide basis in one State? Yes No
 Port candidates seeking State or local office? Yes No

Address, office sought, and party affiliation, any candidate for Federal office that this committee is supporting:

of candidate(s)	Mailing address and ZIP code	Office sought	Party
Helms bpps	Russell Senate Office Building Washington, D. C.	U. S. Senate	Republican

Address, office sought, and party affiliation, any candidate(s) for any other public office(s) that this committee is supporting (unless the committee is supporting the entire ticket of a party as indicated in line 9)

of candidate(s)	Mailing address and ZIP code	Office sought	Party

If supporting the entire ticket of a party, give name of party

Address and position, the person in possession of committee books and records:

Full name	Mailing address and ZIP code	Title or position
Richard W Miller	P. O. Box 18848 Raleigh, N. C. 27609	Chairman

Jeane Helms
58N
bpps

770
79040

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate space when information is continued on separate page(s).

Name of Committee
North Carolina Congressional Club

11 List by name, address and position, other principal officers of the committee:

Full name	Mailing address and ZIP code	Title or position
Elisabeth W. Smith	P. O. Box 18848 Raleigh, N. C. 27609	Treasurer

12 Does this committee plan to stay in existence beyond the current calendar year? Yes No
If "Yes" for how long? Indefinitely

13 In the event of dissolution, what disposition will be made of residual funds?
Residual funds will be disposed of at the discretion of the Chairman

14 List all banks or other repositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds:

Name of bank, repository, etc.	Mailing address and ZIP code
Wachovia Bank & Trust Company	North Hills Branch North Hills Shopping Center Raleigh, N. C. 27609

15 List all election reports required to be filed by this committee with States and local jurisdictions, together with the names, addresses, and positions of the recipients of the reports (other than reports filed with Secretaries of State pursuant to USC 439(a)):

Report title	Dates required	Name and position of recipient	Mailing address and ZIP code

Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate section above when information is continued on separate page(s).

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

Elisabeth W. Smith
(Signature of Treasurer)

3-10-77
(Date)

Note: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §441 (text on reverse side of form).

For further information contact:

 Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

For a Candidate or Committee
Supporting any Candidate(s) for
Nomination or Election to Federal Office

1977 APR 22

Note: Committees authorized by a candidate to receive contributions and make expenditures in connection with the campaign must maintain separate records with respect to each election.

1(a) Name of Candidate or Committee (in full) <input type="checkbox"/> Check if name or address is changed North Carolina Congressional Club <i>NC REP CP2</i>		2 Identification Number 048585 <i>S. 1340</i> ✓
(b) Address (number and street) 3825 Barrett Drive (P. O. Box 18848)		3(a) Is this a report of an entity not registered for only one election? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(c) City, State and ZIP code Raleigh, North Carolina 27609		3(b) If "Yes," for what election? (general, primary, runoff) (date)
4 Type of Report (Check appropriate box and complete, if applicable)		
(a) <input type="checkbox"/> Amendment For _____ (Which reports)		(e) <input type="checkbox"/> January 31 Year End Report
(b) <input checked="" type="checkbox"/> April 10 Quarterly Report		(f) <input type="checkbox"/> Monthly Report (Month)
(c) <input type="checkbox"/> July 10 Quarterly Report		(g) <input type="checkbox"/> Termination Report
(d) <input type="checkbox"/> October 10 Quarterly Report		
(h) <input type="checkbox"/> Tenth day report preceding _____ election on _____ in the State of _____ (primary, general or convention) (date)		
(i) <input type="checkbox"/> Thirtieth day report following _____ election on _____ in the State of _____ (primary, general or convention) (date)		

Candidate or Committee Summary of Receipts and Expenditures

5 Covering Period: From 1/1/77 Through 3/31/77 ✓

Section A - Cash Balance Summary		Column A This Period	Column B Calendar Year
6	Cash on hand January 1, 1977.....		\$ 6,612.62
7	Cash on hand at beginning of reporting period.....	\$ 6,612.62	
8	Total receipts (from line 19).....	\$ 79,126.29	\$ 79,126.29
	(a) Subtotal (Add lines 7 and 8).....	\$ 85,738.91	\$ 85,738.91
9	Total expenditures (From line 25).....	\$ 74,588.04	\$ 74,588.04
10	Cash on hand at close of reporting period (Subtract line 9 from line 8).....	\$ 11,150.87	\$ 11,150.87
11	Contributed items on hand to be liquidated (attach itemized list).....	\$	\$
Section B - Presidential Campaign Expenditures Subject to Limitation - Summary (To Be Used Only By Presidential Candidates Receiving Federal Funds)			
12	Operating expenditures (from line 20).....	\$	\$
13	Refunds and Rebates (from line 17).....	\$	\$
14	(a) Expenditures subject to limitation (Subtract line 13 from line 12).....	\$	\$
	(b) Expenditures from prior years subject to limitation.....	\$	\$
	(c) Total expenditures subject to limitation (Add lines 14a and 14b).....	\$	\$

I certify that I have examined this Report, and to the best of my knowledge and belief it is true, correct, and complete.
Elinor W. Smith *Elinor W. Smith* April 18, 1977
(Type name of Treasurer or Candidate) (Signature of Treasurer or Candidate) (Date)

Note: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. § 437g or § 441; (See reverse side of form)

Detailed Summary Schedule of Receipts and Expenditures

(Page 2)

Name of Candidate or Committee	REPORT COVERING THE PERIOD	
North Carolina Congressional Club	FROM	TO
	1/1/77	1/31/77
PART I - RECEIPTS	Column A This Period	Column B Calendar Year to Date
15 Contributions and other Income:		
(a) Itemized (use Schedule A)	\$ 8,420.00	
(b) Unitemized	\$ 53,964.22	
(c) Sales and Collections Included Above:		
List by event on memo Schedule D (\$ <u>4,918.00</u>)		
(d) Subtotal of contributions and other income	\$ 62,384.22	\$ 62,384.22
16 Loans and Loan Repayments Received:		
(a) Itemized (use Schedule A)	\$	
(b) Unitemized	\$	
(c) Subtotal of loans and loan repayments received	\$	\$
17 Refunds, Rebates, Returns Received:		
(a) Itemized (use Schedule A)	\$ 398.73	
(b) Unitemized	\$ 0.00	
(c) Subtotal of refunds, rebates, returns	\$ 398.73	\$ 398.73
18 Transfers In:		
(a) From Affiliated Committee (Itemize on Schedule A Regardless of Amount)	\$ 14,510.00	
(b) From other Committees (Itemize on Schedule A Regardless of Amount)	\$ 1,833.34	
(c) Subtotal of transfers in	\$ 16,343.34	\$ 16,343.34
19 Total Receipts	\$ 79,126.29	\$ 79,126.29
PART II - EXPENDITURES		
20 Operating Expenditures (Committees Not Receiving Federal Funds Include Fundraising, Legal and Accounting Expenditures)		
(a) Itemized (use Schedule B)	\$ 60,739.36	
(b) Unitemized	\$ 6,944.98	
(c) Subtotal of operating expenditures	\$ 67,684.34	\$ 67,684.34
21 Independent Expenditures (use Schedule E)	\$ 0.00	\$
22 Loans, Loan Repayments, and Contribution Refunds Made:		
(a) Itemized (use Schedule B)	\$ 2,553.70	
(b) Unitemized	\$ 0.00	
(c) Subtotal of loans and loan repayments made and contribution refunds	\$ 2,553.70	\$ 2,553.70
23 For Use Only By Presidential Campaigns Receiving Federal Funds: Exempt Fundraising, Legal and Accounting Expenditures:		
(a) Itemized (use Schedule B)	\$	
(b) Unitemized	\$	
(c) Subtotal of fundraising expenditures	\$	\$
24 Transfers Out:		
(a) To Affiliated Committee (Itemize on Schedule B Regardless of Amount)	\$ 4,350.00	
(b) To Other Committees (Itemize on Schedule B Regardless of Amount)	\$ 0.00	
(c) Subtotal of transfers out	\$ 4,350.00	\$ 4,350.00
25 Total Expenditures	\$ 74,588.04	\$ 74,588.04
PART III - DEBTS AND OBLIGATIONS		
26 Debts and obligations owed to the Committee (Itemize all on Schedule C)	\$ 4,952.35	
27 Debts and obligations owed by the Committee (Itemize all on Schedule C)	\$ 4,385.67	
PART IV - RECEIPTS AND EXPENDITURES, NET OF TRANSFERS TO AND FROM AFFILIATED COMMITTEES		
28 Total Receipts (from line 19)	\$ 79,126.29	
29 Transfers in (from line 18(a))	\$ 16,343.34	
30 Net Receipts (Subtract line 29 from line 28)	\$ 62,782.95	
31 Total Expenditures (from line 25)	\$ 74,588.04	
32 Transfers out (from line 24(a))	\$ 4,350.00	
33 Net Expenditures (Subtract line 32 from line 31)	\$ 70,238.04	

Itemized Receipts
Contributions, Ticket Purchases, Loans,
Rebates, and Transfers for Line
Numbers 15, 16, 17 and/or 18 of FEC Form 3
(See instructions on back)

Form 3 of 1978
Line Number 15 (a)
This receipt is intended for each
numbered line

Name of Contributor (print in full)

NORTH CAROLINA CONGRESSIONAL CLUB

Full Name, mailing address and ZIP code John B. Veach 390 Vanderbilt Rd. Asheville, N. C. 28803	Occupation Lumberman <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 200.00	Date (month, day, year) 1/6/77	Amount of each receipt this period \$200.00
--	---	-----------------------------------	--

Full Name, mailing address and ZIP code W. C. Calton P. O. Box 421 Raleigh, N. C. 27602	Occupation President <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 150.00	Date (month, day, year) 1/10/77	Amount of each receipt this period 150.00
--	---	------------------------------------	--

Full Name, mailing address and ZIP code John T. Taylor Box 1062 New Bern, N. C. 28560	Occupation Owner <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 200.00	Date (month, day, year) 1/13/77	Amount of each receipt this period 200.00
--	---	------------------------------------	--

Full Name, mailing address and ZIP code Nita K. Pepper 1108 Dover Rd., Apt. F Greensboro, N. C.	Occupation Housewife <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 200.00	Date (month, day, year) 1/13/77	Amount of each receipt this period 200.00
--	---	------------------------------------	--

Full Name, mailing address and ZIP code Carolyn S. Holding 2220 White Oak Rd. Raleigh, N. C. 27608	Occupation Housewife <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 3,000.00	Date (month, day, year) 1/14/77	Amount of each receipt this period 3,000.00
---	---	------------------------------------	--

Full Name, mailing address and ZIP code Joseph Coors 100 Castle Rock Dr. Golden, Colorado 80401	Occupation Executive <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 1,000.00	Date (month, day, year) 1/17/77	Amount of each receipt this period 1,000.00
--	---	------------------------------------	--

Subtotal of receipts this page (optional) ▶ \$
 Total this period (last page this line number only) ▶ \$

Schedule A

Use separate schedule for each recipient (see instructions on back)

Itemized Receipts
Contributions, Ticket Purchases, Loans,
Rebates, and Transfers for Line
Numbers 15, 16, 17 and/or 18 of FEC Form 3
(See instructions on back)

Page 2 of 10
LINE NUMBER 15(a)
(Line number is included for each recipient only)

NORTH CAROLINA CONGRESSIONAL CLUB

Name, mailing address and ZIP code	Occupation	Date (month, day, year)	Amount of each receipt this period
A. E. Sloat 4100 Roxboro Rd. Durham, N. C. 27702	Executive <input checked="" type="checkbox"/> Check if Contributor is self-employed	1/17/77	\$130.00
Principal place of business Liggett & Myers, Inc. 4100 Roxboro Rd. Durham, N. C. 27702	Aggregate Year-to-date ▶ \$ 130.00		
Clyde H. Smitherman 8181 Reynolds Rd. Pfafftown, N. C. 27040	Executive <input type="checkbox"/> Check if Contributor is self-employed	1/17/77	30.00
Principal place of business Smitherman Oil Co., Inc. Pfafftown, N. C. 27040	Aggregate Year-to-date ▶ \$ 130.00		
Jared C. Fox, Jr. P. O. Box 9312 Greensboro, N. C. 27408	Investments <input type="checkbox"/> Check if Contributor is self-employed	1/3/77	200.00
Principal place of business 1401 Sunset Dr. Greensboro, N. C.	Aggregate Year-to-date ▶ \$ 200.00		
Alex Worth, Jr. P. O. Box 175 Colfax, N. C. 27235	President <input type="checkbox"/> Check if Contributor is self-employed	1/20/77	30.00
Principal place of business Southern Securities, Ltd. P. O. Box 175 Colfax, N. C. 27235	Aggregate Year-to-date ▶ \$ 130.00		
William B. Sigmon, Jr. 1506 Garland Dr. Greensboro, N. C. 27408	Real Estate Broker <input type="checkbox"/> Check if Contributor is self-employed	1/24/77	130.00
Principal place of business Luper Realty Co. 1107 W. Market St. Greensboro, N. C. 27403	Aggregate Year-to-date ▶ \$ 130.00		
Roger Milliken 627 Otis Blvd. Spartanburg, S. C. 29302	Textile Executive <input type="checkbox"/> Check if Contributor is self-employed	2/11/77	1,000.00
Principal place of business Dearing-Milliken Mills Box 3167 Spartanburg, S. C.	Aggregate Year-to-date ▶ \$ 1,000.00		

Subtotal of receipts this page (optional) ▶ \$

Total this period (last page this line number only) ▶ \$

Module A
1976
U.S. Federal Election Commission
Washington, D.C. 20543

Itemized Receipts
Contributions, Ticket Purchases, Loans,
Rebates, and Transfers for Line
Numbers 15, 16, 17 and/or 18 of FEC Form 3
(See instructions on back)

Page 3 of 10
LINE NUMBER 15(a)
(Use separate schedule for each
required line)

Name of Contributor or Contributor in Full		Date (month, day, year)	Amount of each receipt (this period)
NORTH CAROLINA CONGRESSIONAL CLUB Full Name, mailing address and ZIP code Mrs. Bessie Hall P. O. Box 353 Benson, N. C. 27504 Principal place of business same as above		2/14/77	\$ 5.00
Occupation Housewife <input type="checkbox"/> Check if Contributor is self employed Aggregate Year-to-date ▶ \$ 105.00			
Full Name, mailing address and ZIP code Twila F. Jones Rt. 11, Box 317 Goldsboro, N. C. 27530 Principal place of business same as above		2/14/77	10.00
Occupation Housewife <input type="checkbox"/> Check if Contributor is self employed Aggregate Year-to-date ▶ \$ 110.00			
Full Name, mailing address and ZIP code J. Fred Rippy, Jr. 445 Wayne Dr. Wilmington, N. C. 28401 Principal place of business Rippy Cadillac-Olds Wilmington, N. C.		2/15/77	10.00
Occupation Automobile Dealer <input type="checkbox"/> Check if Contributor is self employed Aggregate Year-to-date ▶ \$ 110.00			
Full Name, mailing address and ZIP code Calvin W. Warren 710 S. E. Blvd. Clinton, N. C. 28328 Principal place of business Able Warren & Co., Inc. 710 S. E. Blvd. Clinton, N. C. 28328		2/11/77	100.00
Occupation Merchant <input type="checkbox"/> Check if Contributor is self employed Aggregate Year-to-date ▶ \$ 130.00			
Full Name, mailing address and ZIP code Calvin W. Warren 710 S. E. Blvd. Clinton, N. C. 28328 Principal place of business Able Warren & Co., Inc. 710 S. E. Blvd. Clinton, N. C. 28328		2/14/77	10.00
Occupation Merchant <input type="checkbox"/> Check if Contributor is self employed Aggregate Year-to-date ▶ \$ 140.00			
Full Name, mailing address and ZIP code James P. Turlington Rt. 1 Salemburg, N. C. 28385 Principal place of business same as above		2/16/77	20.00
Occupation Farmer <input type="checkbox"/> Check if Contributor is self employed Aggregate Year-to-date ▶ \$ 120.00			
Subtotal of receipts this page (optional)			\$
Total this period (last page this line number only)			\$

**Itemized Receipts,
Contributions, Ticket Purchases, Loans,
Rebates, and Transfers for Line
Numbers 15, 16, 17 and/or 18 of FEC Form 3**
(See instructions on back)

Page 4 of 10
LINE NUMBER 15(a)
(Use separate schedule for each numbered item)

Name of Contributor or Transferee or Issuer
NORTH CAROLINA CONGRESSIONAL CLUB

Full Name, mailing address and ZIP code Peter Buscemi P. O. Box 97 Oxford, N. C. 27565		Date (month, day, year) 2/21/77	Amount of each receipt this period \$160.00
Principal place of business same as above	Occupation Printer <input checked="" type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 160.00		

Full Name, mailing address and ZIP code Jane B. Rouse P. O. Box 3449 Kinston, N. C. 28501		Date (month, day, year) 2/23/77	Amount of each receipt this period 60.00
Principal place of business same as above	Occupation Housewife <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 160.00		

Full Name, mailing address and ZIP code W. R. Makepeace, Jr. P. O. Box 68 Sanford, N. C. 27330		Date (month, day, year) 2/23/77	Amount of each receipt this period 20.00
Principal place of business Makepeace Millwork Co. 130 Weller Sanford, N. C. 27330	Occupation Manufacturer <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 120.00		

Full Name, mailing address and ZIP code Dr. W. P. Hinson, Jr. 624 Quaker Lane High Point, N. C. 27262		Date (month, day, year) 2/21/77	Amount of each receipt this period 45.00
Principal place of business High Point Medical Center High Point, N.C.	Occupation Physician <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 145.00		

Full Name, mailing address and ZIP code Mrs. Walker Taylor 537 Wayne Drive Wilmington, N. C. 28401		Date (month, day, year) 2/22/77	Amount of each receipt this period 5.00
Principal place of business same as above	Occupation Housewife <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 105.00		

Full Name, mailing address and ZIP code James S. Ray 3204 St. Regis Rd. Greensboro, N. C. 27408		Date (month, day, year) 2/21/77	Amount of each receipt this period 30.00
Principal place of business Environmental Consultants, Inc. 2105 Enterprise Rd. Greensboro, N. C. 27408	Occupation President <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 130.00		

Subtotal of receipts this page (optional) ▶ \$
 Total of this period (last page this line number only) ▶ \$

Contributions, Ticket Purchases, Loans, Rebates, and Transfers for Line Numbers 15, 16, 17 and/or 18 of FEC Form 3

Line number 15(a)

(Use separate schedule for each numbered line)

Name of Candidate or Committee in full

NORTH CAROLINA CONGRESSIONAL CLUB

Full Name, mailing address and ZIP code

O. B. Batten
Box 908
Kenly, N. C. 27542

Date (month, day, year)
3/1/77

Amount of each receipt this period
\$110.00

Principal place of business

same as above

Occupation

Auto Auction Owner

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 110.00

Full Name, mailing address and ZIP code

Joe C. Beam
3108 Evans
Morehead City, N. C. 28557

Date (month, day, year)
3/2/77

Amount of each receipt this period
100.00

Principal place of business

Joe C. Beam Insurance & Real Estate Insurance Broker
812 Arendell St.
Morehead City, N. C. 28557

Occupation

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 110.00

Full Name, mailing address and ZIP code

Charles M. Davis
Box 177
Louisburg, N. C. 27549

Date (month, day, year)
3/1/77

Amount of each receipt this period
155.00

Principal place of business

Davis, Sturges & Tomlinson
Church St.
Louisburg, N. C. 27549

Occupation

Attorney

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 155.00

Full Name, mailing address and ZIP code

William P. Elmore
P. O. Box 678
Dunn, N. C. 28334

Date (month, day, year)
2/25/77

Amount of each receipt this period
65.00

Principal place of business

Elmore Furniture Co.
Hwy. 421 W
Dunn, N. C. 28334

Occupation

Retail Furniture

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 165.00

Full Name, mailing address and ZIP code

Keith Finch
P. O. Box 585
Dunn, N. C. 28334

Date (month, day, year)
2/17/77

Amount of each receipt this period
110.00

Principal place of business

Finch Construction Co.
504 N. McKay Ave.
Dunn, N. C. 28334

Occupation

Contractor

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 110.00

Full Name, mailing address and ZIP code

Ruth Gaebe
3814 Dogwood Dr.
Greensboro, N. C. 27403

Date (month, day, year)
2/11/77

Amount of each receipt this period
30.00

Principal place of business

same as above

Occupation

Housewife

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 130.00

Subtotal of receipts this page (optional) ▶ \$

Total this period (last page this line number only) ▶ \$

Schedule A

1976
U.S. Department of Justice
Washington, D.C. 20543

Itemized Receipts,
Contributions, Ticket Purchases, Loans,
Rebates, and Transfers for Line
Numbers 15, 16, 17 and/or 18 of FEC Form 3
(See instructions on back)

Page 6 of 6
LINE NUMBER 13(a)
This receipt is intended for each
named individual

Name of Candidate or Committee in full		Date (month, day, year)	Amount of each receipt this period
North Carolina Congressional Club			
Full Name, mailing address and ZIP code O. W. Godwin, Jr. P. O. Box 30 Dunn, N. C. 28334		2/25/77	\$80.00
Principal place of business Godwin Building Supply Co. N. Fayetteville Ave. Dunn, N. C. 28334	Occupation Corporate Executive <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 180.00		
Full Name, mailing address and ZIP code Mrs. O. W. Godwin, Sr. 701 Westbrook Ave. Dunn, N. C. 28334		2/25/77	55.00
Principal place of business same as above	Occupation Housewife <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 155.00		
Full Name, mailing address and ZIP code Barney W. Hill 218 Forest Dr. Thomasville, N. C. 27360		1/24/77	130.00
Principal place of business same as above	Occupation Student <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 130.00		
Full Name, mailing address and ZIP code G. W. Holden, Jr. P. O. Box 177 Henderson, N. C. 27536		2/16/77	10.00
Principal place of business same as above	Occupation CPA <input checked="" type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 110.00		
Full Name, mailing address and ZIP code G. W. Holden, Jr. P. O. Box 177 Henderson, N. C. 27536		3/1/77	20.00
Principal place of business same as above	Occupation CPA <input checked="" type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 130.00		
Full Name, mailing address and ZIP code Jesse McLamb Rt. 2 Dunn, N. C. 28334		3/23/77	25.00
Principal place of business same as above	Occupation Farmer <input checked="" type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 140.00		
Subtotal of receipts this page (optional)			\$
Total this period (last page this line number only)			\$

90401007

Schedule A

1976
 U.S. Federal Election Commission
 1100 L Street, N.W.
 Washington, D.C. 20543

Contributions, Ticket Purchases, Loans,
 Rebates and Transfers for Line
 Numbers 15, 16, 17 and/or 18 of FEC Form 3
 (see instructions on back)

LINE NUMBER 15(a)

File separate statement for each numbered line

Name of Contributor or Commission in full

North Carolina Congressional Club

Full Name, mailing address and ZIP code

Rudolph W. Jones
 Rt. 3
 Benson, N. C. 27504

Date (month, day, year)

3/4/77

Amount of each receipt this period

\$70.00

Principal place of business

same as above

Occupation

Farmer

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 170.00

Full Name, mailing address and ZIP code

Jesse McLamb
 Rt. 2
 Dunn, N. C. 28334

Date (month, day, year)

2/25/77

Amount of each receipt this period

15.00

Principal place of business

same as above

Occupation

Farmer

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 115.00

Full Name, mailing address and ZIP code

Mrs. Harriette G. Mast
 2820 Meadow Lane
 Henderson, N. C. 27536

Date (month, day, year)

3/3/77

Amount of each receipt this period

100.00

Principal place of business

same as above

Occupation

Housewife

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 120.00

Full Name, mailing address and ZIP code

Levy C. Palt
 Rt. 2
 Bladenboro, N. C. 28320

Date (month, day, year)

2/21/77

Amount of each receipt this period

5.00

Principal place of business

same as above

Occupation

Building Contractor

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 105.00

Full Name, mailing address and ZIP code

Larry J. Parker
 100 East B St.
 Erwin, N. C. 28339

Date (month, day, year)

2/25/77

Amount of each receipt this period

100.00

Principal place of business

RMC Realty
 Erwin, N. C. 28339

Occupation

Realtor

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 200.00

Full Name, mailing address and ZIP code

George L. McBane
 Rt. 4, Box 62
 Hebane, N. C. 27302

Date (month, day, year)

3/24/77

Amount of each receipt this period

50.00

Principal place of business

same as above

Occupation

Unemployed

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 150.00

Subtotal of receipts this page (optional) ▶ \$

Total this period (last page this line number only) ▶ \$

Module A

April 1976
 Dept. of Treasury
 Wash., D.C. 20543

Contributions, Ticket Purchases, Loans,
 Refunds, and Transfers for Line
 Numbers 15, 16, 17 and/or 18 of FEC Form 3
 (See instructions on back)

Line Number 15 (11)
 Other items are scheduled for each
 subsequent line

Name of Contributor or Committee in full		Date (month, day, year)	Amount of each receipt this period
NORTH CAROLINA CONGRESSIONAL CLUB Full Name, mailing address and ZIP code Scott P. Peace 1747 Parker Lane Henderson, N. C. 27536 Principal place of business S. T. Peace Real Estate 215 William Henderson, N. C. 27536 Occupation Realtor <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 165.00		3/1/77	\$90.00
Full Name, mailing address and ZIP code Mrs. Walker Taylor 537 Wayne Drive Wilmington, N. C. 28401 Principal place of business same as above Occupation Housewife <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 175.00		3/15/77	70.00
Full Name, mailing address and ZIP code Warrenton Rural Fire Department c/o Roy P. Roberson, Treasurer 122 Ridgcrest Drive Warrenton, N. C. 27589 Principal place of business Warrenton, N. C. 27589 Occupation <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 175.00		3/1/77	175.00
Full Name, mailing address and ZIP code William Keith Watts 120 E. Marshall St. Warrenton, N. C. 27589 Principal place of business N. C. State University Raleigh, N. C. Occupation Research Assistant <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 105.00		2/17/77	5.00
Full Name, mailing address and ZIP code R. B. McKinney, Sr. P. O. Box 727 Denton, N. C. 27239 Principal place of business Jacob's Creek Stone Co. Box 608 Denton, N. C. 27239 Occupation President <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 120.00		3/15/77	20.00
Full Name, mailing address and ZIP code Mrs. Bessie Hall P. O. Box 353 Benson, N. C. 27504 Principal place of business same as above Occupation Housewife <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 115.00		3/25/77	10.00
Subtotal of receipts this page (optional) ▶ \$			
Total this period (last page this line number only) ▶ \$			

Module A

1976
 Federal Election Commission
 475 ...
 Washington, D.C. 20543

Contributions, Ticket Purchases, Loans,
 Refunds, and Transfers for Line
 Numbers 15, 16, 17 and/or 18 of FEC Form 3
 (see instructions on back)

LINE NUMBER 15(A)
 (Use separate schedule for each numbered line)

Name of Candidate or Committee in Full

North Carolina Congressional Club

Full Name, mailing address and ZIP code Rev. Ernie C. Mills P. O. Box 11153 Durham, N. C. 27703		Date (month, day, year) 3/22/77	Amount of each receipt this period \$25.00
Principal place of business Durham Rescue Mission Durham, N. C.	Occupation Minister <input checked="" type="checkbox"/> Check if Contributor is self-employed	Aggregate Year-to-date ▶ \$ 125.00	

Full Name, mailing address and ZIP code Col. Henry E. Royall 105 Noble St. Chapel Hill, N. C.		Date (month, day, year) 3/21/77	Amount of each receipt this period 15.00
Principal place of business same as above	Occupation Retired <input type="checkbox"/> Check if Contributor is self-employed	Aggregate Year-to-date ▶ \$ 115.00	

Full Name, mailing address and ZIP code Ovide de St. Aubin Rt. 3, Nortam Acres Siler City, N. C. 27344		Date (month, day, year) 3/25/77	Amount of each receipt this period 20.00
Principal place of business Robins & Weill, Inc. 427 E. Third Siler City, N. C. 27344	Occupation Real Estate & Insurance <input type="checkbox"/> Check if Contributor is self-employed	Aggregate Year-to-date ▶ \$ 120.00	

Full Name, mailing address and ZIP code Richard Shew 1814 Azalea Dr. Wilmington, N. C. 28401		Date (month, day, year) 3/31/77	Amount of each receipt this period 100.00
Principal place of business same as above	Occupation Farmer <input checked="" type="checkbox"/> Check if Contributor is self-employed	Aggregate Year-to-date ▶ \$ 200.00	

Full Name, mailing address and ZIP code Mrs. Mary T. Taylor 537 Wayne Dr. Wilmington, N. C. 28401		Date (month, day, year) 3/16/77	Amount of each receipt this period 20.00
Principal place of business same as above	Occupation Housewife <input type="checkbox"/> Check if Contributor is self-employed	Aggregate Year-to-date ▶ \$ 195.00	

Full Name, mailing address and ZIP code Mrs. Mary T. Taylor 537 Wayne Dr. Wilmington, N. C. 28401		Date (month, day, year) 3/21/77	Amount of each receipt this period 20.00
Principal place of business same as above	Occupation Housewife <input type="checkbox"/> Check if Contributor is self-employed	Aggregate Year-to-date ▶ \$ 215.00	

Subtotal of receipts this page (optional)	▶ \$
Total this period (last page this line number only)	▶ \$

**Contributions, Ticket Purchases, Loans,
 Rebates, and Transfers for Line
 Numbers 15, 16, 17 and/or 18 of FEC Form 3**
 (See instructions on back)

Line Number 15 (11)
 (Use separate sheets for each
 contribution type)

Name of Candidate or Committee in Full		Date (month, day, year)	Amount of each receipt this period
North Carolina Congressional Club			
Full Name, mailing address and ZIP code Russell N. Barringer 3620 Dover Rd. Durham, N. C. 27707	Occupation Insurance Executive <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 110.00	3/18/77	\$10.00
Principal place of business West Durham Life Insurance Durham, N. C.	<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$		
Full Name, mailing address and ZIP code	Occupation <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$	Date (month, day, year)	Amount of each receipt this period
Principal place of business	<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$		
Full Name, mailing address and ZIP code	Occupation <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$	Date (month, day, year)	Amount of each receipt this period
Principal place of business	<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$		
Full Name, mailing address and ZIP code	Occupation <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$	Date (month, day, year)	Amount of each receipt this period
Principal place of business	<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$		
Full Name, mailing address and ZIP code	Occupation <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$	Date (month, day, year)	Amount of each receipt this period
Principal place of business	<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$		
Subtotal of receipts this page (optional) ▶			\$
Total this period (last page this line number only) ▶			\$ 8,420.

04010101

Contributions, Ticket Purchases, Loans, Rebates, and Transfers for Line Numbers 15, 16, 17 and/or 18 of FEC Form

(see instructions on back)

OMB No. 1545-0047
This schedule is required for each
recipient (line)

Name of Candidate or Committee in full

NORTH CAROLINA CONGRESSIONAL CLUB

Full Name, mailing address and ZIP code

North Carolina Congressional Club
P. O. Box 12848

Refund: Check no. 1674 payable
to E. A. Morris dated 12/30/76

Date (month,
day, year)

1/12/77

Amount of each
receipt this period

398.73

Principal place of business

27609

Occupation

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$

Full Name, mailing address and ZIP code

Date (month,
day, year)

Amount of each
receipt this period

Principal place of business

Occupation

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$

Full Name, mailing address and ZIP code

Date (month,
day, year)

Amount of each
receipt this period

Principal place of business

Occupation

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$

Full Name, mailing address and ZIP code

Date (month,
day, year)

Amount of each
receipt this period

Principal place of business

Occupation

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$

Full Name, mailing address and ZIP code

Date (month,
day, year)

Amount of each
receipt this period

Principal place of business

Occupation

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$

Full Name, mailing address and ZIP code

Date (month,
day, year)

Amount of each
receipt this period

Principal place of business

Occupation

Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$

Subtotal of receipts this page (optional) ▶ \$

Total this period (last page this line number only) ▶ \$

398.73

Contributions, Ticket Purchases, Loans, Rebat, and Transfers for Line Numbers 15, 16, 17 and/or 18 of FEC Form 3 (see instructions on back)

OMB No. 3206-0047 (Rev. 10-6-75) (This schedule is to be filed with the FEC report.)

Name of Candidate or Committee to Whom

NORTH CAROLINA CONGRESSIONAL CLUB

Full Name, mailing address and ZIP code

16K Helms for Senate Committee
P. O. Box 18943
Raleigh, N. C. 27609

Principal place of business

Occupation

loan repayment

74607

Check if Contributor is self-employed

Aggregate Year-to-date \$

Date (month, day, year)

1/26/77

Amount of each receipt this period

\$ 4,510.00

Full Name, mailing address and ZIP code

66 Helms for Senate Committee
P. O. Box 18943
Raleigh, N. C. 27609

Principal place of business

Occupation

transfer of funds

74607

Check if Contributor is self-employed

Aggregate Year-to-date \$

Date (month, day, year)

3/17/77

Amount of each receipt this period

10,000.00

Full Name, mailing address and ZIP code

Principal place of business

Occupation

Check if Contributor is self-employed

Aggregate Year-to-date \$

Date (month, day, year)

Amount of each receipt this period

Full Name, mailing address and ZIP code

Principal place of business

Occupation

Check if Contributor is self-employed

Aggregate Year-to-date \$

Date (month, day, year)

Amount of each receipt this period

Full Name, mailing address and ZIP code

Principal place of business

Occupation

Check if Contributor is self-employed

Aggregate Year-to-date \$

Date (month, day, year)

Amount of each receipt this period

Full Name, mailing address and ZIP code

Principal place of business

Occupation

Check if Contributor is self-employed

Aggregate Year-to-date \$

Date (month, day, year)

Amount of each receipt this period

Subtotal of receipts this page (optional)

\$

Total this period (last page this line number only)

\$ 14,510.00

**CONTRIBUTIONS, REBATES, REFUNDS,
 Rebates, and Transfers for Line
 Numbers 16, 17 and/or 18 of FEC Form**

Name of Candidate or Committee in full
NORTH CAROLINA CONGRESSIONAL CLUB

Full Name, mailing address and ZIP code
Tobacco People's Public Affairs Committee
 Room 1200, 1776 K St., N. W.
 Washington, D. C. 20006

Date (month, day, year) **1/14/77** Amount of each receipt this period **300.00**

Principal place of business

Occupation **9761**

Check if Contributor is self employed

Aggregate Year-to-date **300.00**

Full Name, mailing address and ZIP code
Tobacco People's Public Affairs Committee
 Room 1200, 1776 K St., N. W.
 Washington, D. C. 20006

Date (month, day, year) **1/17/77** Amount of each receipt this period **300.00**

Principal place of business

Occupation **9761**

Check if Contributor is self employed

Aggregate Year-to-date **600.00**

Full Name, mailing address and ZIP code
MEDPAC
 C/O Stuart Shadbolt
 P. O. Box 25834
 Raleigh, N. C. 27611

Date (month, day, year) **1/21/77** Amount of each receipt this period **100.00**

Principal place of business

Occupation **422**

Check if Contributor is self employed

Aggregate Year-to-date **100.00**

Full Name, mailing address and ZIP code
American Textile Industry Committee for Good Government
 Suite 1001, 1150 17th St., N. W.
 Washington, D. C. 20036

Date (month, day, year) **2/11/77** Amount of each receipt this period **1,000.00**

Principal place of business

Occupation **32441**

Check if Contributor is self employed

Aggregate Year-to-date **1,000.00**

Full Name, mailing address and ZIP code
Abbott Laboratories
 Better Government Fund
 Chicago, Ill

Date (month, day, year) **2/14/77** Amount of each receipt this period **100.00**

Principal place of business

Occupation **40279**

Check if Contributor is self employed

Aggregate Year-to-date **100.00**

Full Name, mailing address and ZIP code
Pan Am Political Action Committee
 conduit check for T. R. Bentley
 19 Teplitzertr., 1 Berlin 33, Germany

Date (month, day, year) **1/20/77** Amount of each receipt this period **33.34**

Principal place of business

Occupation **24554**

Check if Contributor is self employed

Aggregate Year-to-date **33.34**

Subtotal of receipts this page (optional) **1,833.34**

Total this page (last page the line number only) **1,833.34**

**Campaign Fundraising, Loans, and Transfers
for Lines 22, 23, and/or 24 of FEC Form**

LINE NUMBER **20 (A)**

(See instructions on back)

Use separate sheets for each line item.

Source of Contribution or Committee in Full

North Carolina Congressional Club

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Elisabeth W. Smith 2712 Mayview Road Raleigh, NC 27607	Salary	1/4/77	123.41
U. S. Postal Service Raleigh, NC 27609	Stamps	1/5/77	105.00
The Zondervan Corp. 1415 Lake Drive, SE Grand Rapids, Michigan 49506	Supply of paperback books	1/5/77	373.73
Otha Hawkins 19 Merlin Way Asheville, NC 28806	Reimbursed expenses: Roy Taylor Dinner Tickets-----30.00 Airfare-----74.00 Phone calls----- 3.46	1/6/77	107.46
U. S. Postal Service Raleigh, NC 27611	Metered Postage	1/7/77	520.00
Alex Castellanos The Loft Apartments 214 Loft Lane Raleigh, NC 27609	Reimbursed expenses: Mileage-----120.60	1/10/77	120.60
The Loft Apartments 214 Loft Lane Raleigh, NC 27609	Apartment Rental	1/10/77	290.00
Southern Bell P. O. Box 10878 Charlotte, NC 28243	Asheville Telephone Service	1/10/77	114.49

Subtotal of expenditures this page (optional) ▶ 0

Total this period (last page this line number only) ▶ 0

Campaign Fundraising, Loans, and Transfers
for Lines 22, 23, and/or 24 of FEC Form

LINE NUMBER 20 (A)
Use this line to show the amount for each
purpose listed.

(See instructions on back)

Name of Candidate or Committee as full

North Carolina Congressional Club

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Southern Bell P. O. Box 10878 Charlotte, NC 28243	Raleigh telephone service.	1/10/77	825.80
Bedford Printing Company 710 W. Johnson Street Raleigh, NC 27603	Payment on Account: Letterheads, envelopes, cards, memo pads, labels, slips & folders.	1/10/77	750.00
E. A. Morris P. O. Box 21488 Greensboro, NC 27420	Reimbursed Expenses: Cost of Club luncheon at Greensboro Country Club.	1/12/77	398.73
Stephens Office Center 3901 Barrett Drive Raleigh, NC 27609	Office Rent January 1977	1/14/77	400.00
Paul D. Reynolds, III P. O. Box 19433 Raleigh, NC 27609	Salary	1/14/77	302.85
Elizabeth D. Berryhill 5920 Sandy Forks Road Raleigh, NC 27609	Salary	1/14/77	280.83
Alex Castellanos The Loft Apartments 214 Loft Lane Raleigh, NC 27609	Salary	1/14/77	155.07
Joyce W. Duke Route 5 Raleigh, NC 27604	Salary	1/14/77	221.43

Subtotal of expenditures this page (optional) ▶ \$

Total for period (last page the line number only) ▶ \$

**Campaign Fundraising, Loans, and Transfers
for Lines 22, 23, and/or 24 of FEC Form**

Line 22 (A)
If an expenditure is reported on this line, it must be reported on line 23.

(See instructions on back)

Form of Candidate or Committee or Full

North Carolina Congressional Club

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Suzanne Gould 7600 Starling Court Raleigh, NC 27609	Salary	1/14/77	220.02
S. Kathie Hardison P. O. Box 30034 Raleigh, NC 27612	Salary	1/14/77	120.83
Otha Hawkins 19 Merlin Way Asheville, NC 28860	Salary	1/14/77	321.45
Jack L. Newman 1420 Wyldewood Road Durham, NC 27704	Salary	1/14/77	301.25
Elisabeth W. Smith 2712 Mayview Road Raleigh, NC 27602	Salary	1/14/77	224.05
Carter Wrenn 202 Loft Lane Raleigh, NC 27609	Salary	1/14/77	338.32
U. S. Postal Service	Stamps	1/14/77	104.00
Otha Hawkins 19 Merlin Way Asheville, NC 28860	Reimbursed Expenses: Airtares----- 73.00 Mileage-----116.28 Postage----- 1.45 Meals----- 11.91 Phone Calls----- 34.72	1/14/77	237.36
Subtotal of expenditures this page (optional)			\$
Total for period (last page this line number only)			\$

7904010

for Lines 20, 21, 22, and/or 23 of FEC Form 3

(See instructions on back.)

(Use separate sheet for each numbered line)

Name of Candidate or Committee or Full

North Carolina Congressional Club

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Bedford Printing Company 710 W. Johnson Street Raleigh, NC 27603	Letterheads, envelopes, cards, memo pads, slips, mailing labels & folders	1/18/77	962.93
Edgerton Bus Service 227 Cherokee Leavenworth, Kansas 66048	Final Payment on Acct. Charter bus service- 1976 Republican National Convention.	1/18/77	314.00
Thomas F. Ellis P. O. Box 829 Raleigh, NC 27602	Reimbursed Expenses: Printing of flyers at 1976 Republican National Convention.	1/18/77	340.44
Gray & Creech, Inc. P. O. Box 30909 Raleigh, NC 27612	Copying Machine supplies	1/18/77	103.29
HMS 4333 Edgewood Road, NE Cedar Rapids, Iowa 52402	Computer Services	1/18/77	684.81
Harvey D. Harkness Powell, Goldstein, Frazer & Murphy 11th Floor The Citizens & Southern Nat. Bank Bldg. Atlanta, GA 30303	Reimbursed Expenses: Balance due for airfare & Motel Room at 1976 Rep. National Convention.	1/18/77	155.19
Richard Miller P. O. Box 2417 Durham, NC 27705	Reimbursed Expenses: Telecopying Expenses at 1976 Republican National Convention	1/18/77	114.70
Parker's Barbeque Hwy. 401 South Raleigh, NC	Balance due on Catering services at 7-30-76 N.C.C.C. dinner.	1/18/77	214.00

Subtotal of expenditures this page (optional) ▶ \$

Total this period (last page this line number only) ▶ \$

Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, 23, and/or 24 of FEC Form 7

LINE NUMBER 20 (A)

(Use multiple sheets for each numbered line)

(See instructions on back)

Name of Contributor or Committee in Full			
North Carolina Congressional Club			
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Patterson Travel Service P. O. Box 18528 Raleigh, NC 27609	Payment on Account: Staff airfare to Kansas City & Washington & return.	1/18/77	467.05
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
State Office Equipment Co. 1634 S. Saunders Street Raleigh, NC	Furniture Rental	1/18/77	201.80
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Watkins Flower Shop 2911 North Blvd. Raleigh, NC 27604	Flowers	1/18/77	128.34
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Alfred Williams & Company P. O. Box 591 Raleigh, NC 27602	Office Supplies	1/18/77	296.59
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
N. C. Department of Revenue P. O. Box 25000 Raleigh, NC	N.C. Withholding taxes for quarter ending 12/31/76	1/18/77	597.84
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Wachovia Bank & Trust Co. North Hills Branch Raleigh, NC 27609	Federal Income taxes & FICA withheld for quarter ending 12/31/76	1/18/77	1,379.42
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
N. C. Employment Security Commission Box 25903 Raleigh, NC 27611	Unemployment taxes for quarter ending 12/31/76	1/18/77	228.05
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
National Entertainment Service P. O. Box 365 Greensboro, NC 27402	Combo music at 1/21/77 N.C.C.C. dinner	1/21/77	175.00
Subtotal of expenditures this page (optional)			8
Total this period (last page this line number only)			8

**Campaign Fundraising, Loans, and Transfers
 for Lines 20, 21, 22, and/or 23 of FEC Form 7**
 (See instructions on back)

LINE NUMBER 20(A)
 (Use separate schedule(s) for each number(s) listed)

Name of Candidate or Committee in full
North Carolina Congressional Club

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Cash	Refreshments for 1/21/77 N.C. Congressional Club reception; NOTE: N.C. law requires cash payment at State ABC outlets.	1/21/77	\$ 250.00
Gray & Creech, Inc. P. O. Box 30909 Raleigh, N. C. 27612	Copying machine rental	1/26/77	550.56
Paul D. Reynolds, III P. O. Box 19433 Raleigh, N. C. 27609	Salary	1/28/77	302.85
Jack L. Newman 1420 Wyldewood Road Durham, N. C. 27704	Salary	1/31/77	324.89
Melissa D. Mello 2651 New Hope Church Rd. Raleigh, N. C. 27609	Salary	1/31/77	114.21
Bedford Printing Company 710 W. Johnson Street Raleigh, N. C. 27603	Letterheads, letters, cards, newsletters, reprints, inserts.	2/1/77	1,494.95
BMS 4333 Edgewood Rd., N.E. Cedar Rapids, Iowa 52402	Computer mailing labels	2/1/77	1,673.79
U. S. Postal Service Raleigh, N. C. 27611	Metered Postage	2/3/77	500.00

Subtotal of expenditures this page (optional) ▶ \$
 Total this period (last page this line number only) ▶ \$

Campaign Fundraising, Loans, and Transfers
for Lines 20, 22, 23, and/or 24 of FEC Form

LINE NUMBER 20 (A)
 (Use separate schedule for each numbered line)

See instructions on back!

Name of Candidate or Committee or Full			
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
North Carolina Congressional Club Southern Bell P. O. Box 10878 Charlotte, NC 28243	Office telephones	2/8/77	1,125.02
Alfred Williams & Co. P. O. Box 591 Raleigh, NC 27602	Office supplies	2/8/77	734.60
State Office Equipment Co. 1634 S. Saunders Street Raleigh, NC	Office furniture rental	2/8/77	441.20
Xerox Corporation P. O. Box 101004 Atlanta, GA 30392	Telecopier rental	2/8/77	246.69
Zondervan Corp. 1415 Lake Drive, SE Grand Rapids, Michigan 49506	Books	2/8/77	713.17
Moore & Johnson Agency P. O. Box 10367 Raleigh, NC 27605	Liability, Workmen's compensation insurance premium.	2/8/77	221.00
Holiday Inn, Four Seasons 3121 High Point Road at I-40 Greensboro, NC 27407	Lodging & meals for staff--\$345.66 Banquet charge Greensboro dinner \$4,591.02	2/8/77	4,936.68
Postmaster Raleigh, NC 27611	Replenish postage meter	2/9/77	200.00
Subtotal of expenditures this page (optional)			\$
Total for this period (last page this line number only)			\$

Schedule B

January 1976
Federal Election Commission
77 K Street, N.W.
Washington, D.C. 20543

**Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3**

(See Instructions on back)

LINE NUMBER **20(A)**

(Use separate schedule for each numbered line)

Name of Candidate or Committee in full

North Carolina Congressional Club

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
John East 212 Longmeadow Road Greenville, N. C. 27834	Reimbursed Expenses: Meal, lodging, copying expenses at Republican National Convention.	2/10/77	\$ 288.17
Stephen's Center 3901 Harrett Drive Raleigh, N. C. 27609	Office Rent February 1977	2/14/77	150.00
Henderson Daily Dispatch Henderson, N. C.	Newspaper ads for Henderson Dinner	2/15/77	150.50
Wachovia Bank & Trust Co. North Hills Branch Raleigh, N. C. 27609	Federal Tax Deposit for January 1977	2/15/77	1,064.35
Jack L. Newsum 1420 Wyldewood Road Durham, N. C. 27704	Salary	2/15/77	324.89
Paul D. Reynolds, III P. O. Box 19433 Raleigh, N. C. 27609	Salary	2/15/77	318.32
Elisabeth W. Smith 2712 Mayview Rd. Raleigh, N. C. 27607	Salary	2/15/77	245.60
WWCP Radio Drawer R Sylford, N. C. 27330	Radio Advertising	2/22/77	142.50

Subtotal of expenditures this page (optional) ▶ \$

Total this period (last page this line number only) ▶ \$

Itemized Expenditures
Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3
 (See instructions on back)

Name of Contributor or Association (if full)			
North Carolina Congressional Club			
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Stephens Center 3901 Barrett Drive Raleigh, N. C. 27609	Office Rent, November, December, 1976	2/23/77	\$ 400.00
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
G. H. Edwards 2713 Trawick Rd. Raleigh, N. C.	Sound System for Henderson Dinner	2/25/77	160.00
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Howard Johnsons Henderson, N. C.	Reception for Henderson Dinner	2/25/77	465.00
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Blue Grass Cut-Ups c/o Roby Huffman P. O. Box 341 Four Oaks, N. C.	Music for Henderson dinner	2/2/77	300.00
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Dunn Recreation Commission N. General Lee Avenue Dunn, N. C.	Rent of Civic Center Dunn Dinner	2/25/77	200.00
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Cash	Refreshments for Dunn & Henderson receptions. NOTE: N.C. law requires cash payment at state ABC stores.	2/25/77	150.00
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Mr. G. H. Edwards 2713 Trawick Rd. Raleigh, N. C.	Sound system for Dunn Dinner	2/25/77	160.00
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Bedford Printing Company 710 W. Johnson Street Raleigh, N. C. 27603	Printing memo pads, folders, stationery, programs & return slips	3/9/77	2,600.49
Subtotal of expenditures this page (optional)			\$
Total this period (list page this line number only)			\$

Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3
 (See instructions on back)

LINE NUMBER 19(1)
 (Use separate schedule for each numbered line)

Name of Candidate or Committee in Full

NORTH CAROLINA CONSTITUTIONAL CLUB

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Howard Johnsons Restaurant I-95 Dunn, N. C. 28334	Reception for the Dunn Dinner	2/25/77	\$200.00
Jack Lawson 1420 Wyldewood Rd. Durham, N. C. 27704	Salary	2/25/77	400.00
Paul Reynolds P. O. Box 19433 Raleigh, N. C. 27609	Salary	2/28/77	435.00
Elizabeth Smith 2712 Mayview Road Raleigh, N. C. 27607	Salary	2/28/77	250.00
Southern Bell P. O. Box 10578 Charlotte, N. C. 28243	Telephone service	3/3/77	1,557.70
Army National Guard of N. C. - Durham P. O. Box 15480 Durham, N. C. 27704	Rental of facilities for Durham dinner	3/3/77	200.00
IBM P. O. Box 1311 Atlanta, GA 30301	Office machine Rentals	3/3/77	2,530.56
U. S. Senator Jesse Helms Official Office Expense Acct. 411 Russell Senate Office Bldg. Washington, D. C. 20510	Stamps	3/3/77	750.00

Subtotal of expenditures this page (optional) ▶ 8

Total this period (last page this line number only) ▶ 8

Itemized Expenditures
Campaign Raising, Loans, and Transfers
for Lines 20, 22, 23, and/or 24 of FEC Form 3

LINE NUMBER 20 (A)

(Use separate schedule for each numbered line)

(See instructions on back)

Name of Candidate or Committee in full

North Carolina Congressional Club

Full Name, mailing address and ZIP code

Chair & Equipment Rental Co.
801 W. Morgan Street
Raleigh, NC 27603

Purpose of Expenditure

Table rentals for Dunn dinner.

Date (month, day, year)

3/11/77

Amount of each expenditure for this period

195.56

Full Name, mailing address and ZIP code

Graphic Press
Box 26808
Raleigh, NC 27611

Purpose of Expenditure

Printing envelopes, letters, inserts for mailing.

Date (month, day, year)

3/11/77

Amount of each expenditure for this period

1,131.93

Full Name, mailing address and ZIP code

Gray & Creech
P. O. Box 30909
Raleigh, N. C. 27612

Purpose of Expenditure

Copier rental

Date (month, day, year)

3/11/77

Amount of each expenditure for this period

223.42

Full Name, mailing address and ZIP code

IMS
4333 Edgewood Road, NE
Cedar Rapids, Iowa 52402

Purpose of Expenditure

Computer services

Date (month, day, year)

3/11/77

Amount of each expenditure for this period

670.93

Full Name, mailing address and ZIP code

Nunnery-Freeman Barbecue
P. O. Box 332
Henderson, NC 27536

Purpose of Expenditure

Catering - Henderson dinner.

Date (month, day, year)

3/11/77

Amount of each expenditure for this period

827.50

Full Name, mailing address and ZIP code

Parker's Barbecue
Highway 401 South
Raleigh, NC

Purpose of Expenditure

Catering - Dunn Dinner

Date (month, day, year)

3/11/77

Amount of each expenditure for this period

1,270.00

Full Name, mailing address and ZIP code

WRRZ Radio
P. O. Box 378
Clinton, NC

Purpose of Expenditure

Advertising - Radio

Date (month, day, year)

3/11/77

Amount of each expenditure for this period

106.00

Full Name, mailing address and ZIP code

Tom Ellis
P. O. Box 829
Raleigh, NC 27602

Purpose of Expenditure

Reimburse airfare, lodging expenses

Date (month, day, year)

3/11/77

Amount of each expenditure for this period

146.50

Subtotal of expenditures this page (optional)

\$

Total this page of first page this line number only

\$

Schedule B

1976
Federal Election Commission
235 K Street, N.W.
Washington, D.C. 20543

Itemized Expenditures
Campaign Fundraising, Loans, and Transfers
for Lines 20, 22, 23, and/or 24 of FEC Form 3

(See instructions on back)

LINE NUMBER 20 (A)

(Use separate schedule for each numbered line)

Name of Candidate or Committee in full

North Carolina Congressional Club

Full Name, mailing address and ZIP code

Maupin, Taylor & Ellis
P. O. Box 829
Raleigh, NC 27602

Purpose of Expenditure

Reimburse photo copies,
telephone expenses, postage
incurred on Club
business.

Date (month, day, year)

3/11/77

Amount of each expenditure this period

440.74

Full Name, mailing address and ZIP code

Postmaster
Raleigh, NC 27611

Purpose of Expenditure

Replenish postage due
account.

Date (month, day, year)

3/14/77

Amount of each expenditure this period

250.00

Full Name, mailing address and ZIP code

Jack L. Newman
1420 Nyldeewood Road
Durham, NC 27704

Purpose of Expenditure

Salary

Date (month, day, year)

3/14/77

Amount of each expenditure this period

324.89

Full Name, mailing address and ZIP code

Paul D. Reynolds, III
P. O. Box 19433
Raleigh, NC 27609

Purpose of Expenditure

Salary

Date (month, day, year)

3/14/77

Amount of each expenditure this period

338.32

Full Name, mailing address and ZIP code

Elisabeth W. Smith
2712 Mayview Road
Raleigh, NC 27607

Purpose of Expenditure

Salary

Date (month, day, year)

3/14/77

Amount of each expenditure this period

174.90

Full Name, mailing address and ZIP code

Wachovia Bank & Trust Company
North Hills Branch
Raleigh, NC 27609

Purpose of Expenditure

February Federal Tax
Deposit

Date (month, day, year)

3/15/77

Amount of each expenditure this period

664.70

Full Name, mailing address and ZIP code

Southern Bell
P. O. Box 10878
Charlotte, NC 28243

Purpose of Expenditure

Telephone service

Date (month, day, year)

3/17/77

Amount of each expenditure this period

1,267.62

Full Name, mailing address and ZIP code

Postmaster
Raleigh, N. C. 27611

Purpose of Expenditure

Replenish postage
meter

Date (month, day, year)

3/24/77

Amount of each expenditure this period

1,000.00

Subtotal of expenditures this page (optional)

Total this period (last page this line number only)

Itemized Expenditures
Campaign Fundraising, Loans, and Transfers
for Lines 20, 22, 23, and/or 24 of FEC Form 3
(See Instructions on Back)

Total Expenditures: \$0 (0)

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each item for this period
NORTH CAROLINA CONGRESSIONAL CLUB Wilmington Star News Wilmington, N. C.	Newspaper Ad	3/24/77	228.76
Durham Herald P. O. Box 2092 Durham, N. C. 27702	Newspaper Ad	3/25/77	277.20
Joseph Beard P. O. Box 178 Charlotte, N. C. 28230	Reimbursement for telephone and postage expenses	3/25/77	152.08
Jack Newman 1420 Wyldewood Rd. Durham, N. C. 27704	Salary	3/29/77	324.69
Paul Reynolds P. O. Box 19433 Raleigh, N. C. 27609	Salary	3/29/77	338.30
Elisabeth Smith 2712 Mayview Rd. Raleigh, N. C. 27607	Salary	3/29/77	174.90
G. H. Edwards 2713 Traubek Rd. Raleigh, N. C.	Sound System for Durham Dinner	3/31/77	160.00
Cash	Liquor for Durham Reception: N. C. law requires cash payment at State A.B.C. Outlets	3/31/77	300.00
Total of expenditures this page (include all)			0
Total this period (last page this line number only)			0

Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 278
 (See instructions on back)

Name of Candidate or Committee or Full North Carolina Congressional Club

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Full Name, mailing address and ZIP code First-Citizens Bank & Trust Co. 20 E Martin St. Raleigh, N. C. 27602	Loan repayment	1/25/77	2,553.70
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Subtotal of expenditures this page (optional)			\$
Total this period (last page this line number only)			\$ 2,553.70

Form 1041
 1976
 U.S. GOVERNMENT PRINTING OFFICE
 16-70000-1

CAMPAIGN CONTRIBUTIONS, LOANS, AND EXPENDITURES
for Lines 21, 22, and/or 23 of FEC Form 3
 (See instructions on back)

Form Number (A)
 (Use separate schedule for each numbered line)

Name of Contributor or Committee in Full			
North Carolina Congressional Club			
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
21K Helms for Senate Committee P. O. Box 18943 Raleigh, NC 27609 74807	Loan	1/12/77	✓ 550.00
22K Helms for Senate Committee P. O. Box 18943 Raleigh, NC 27609	Loan	1/1/77	✓ 2,700.00
23K Helms for Senate Committee P. O. Box 18943 Raleigh, N. C. 27609	Loan	1/7/77	✓ 100.00
103 Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
101 Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
79004 Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Subtotal of expenditures this page (optional)			\$
Total this period (last page this line number only)			\$ 4,350.00

July 1976
U.S. Election Commission
4750 ...
Washington, D.C. 20543

(See instructions on back)

These spaces are not to be filled in for candidates
(See instructions on back)

Name of Candidate or Committee or Full		Amount of Original	Estimated Original Fee	Outstanding Balance
North Carolina Congressional Club		Date, Contract, Agreement, or Promise	Date	Line of This Page
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
Carter Wrenn 174 Loft Lane Raleigh, N. C. 27609	11/7/75	600.00	0.00	600.00
Platform Education Committee P. O. Box Conservative Raleigh, N. C. 27611 (Loan)	11/11/76	800.00	0.00	800.00
Citizens for Reagan 1835 K St., N. W., 8th Floor Washington, D. C. 20006 (Reimbursement for Printing Services)	9/30/76	3,552.35	0.00	3,552.35
Subtotal this period (this page optional)	▶	\$	\$	\$
Total this period (last page this line number only)	▶	\$ 4,952.35	\$ 0.00	\$ 4,952.35

Carry outstanding balance only, to appropriate line of summary.

(See instructions on back)

Name of Contributor to Committee in Full	Amount of Original Debt, Contract, Agreement, or Promise	Estimated Payment to Date	Outstanding Balance as of This Period
North Carolina (Congressional) Club Full Name, mailing address and ZIP code, and nature of obligation John K. Ekins, Photographer Box 3452 Durham, N. C. 27702 (Pictures)	Date (month, day, year) 3/31/77 \$ 143.10	\$ 0.00	\$ 143.10
Full Name, mailing address and ZIP code, and nature of obligation Gray & Crouch, Inc. P. O. Box 30909 Raleigh, N. C. 27612 (Copier rent and supplies)	Date (month, day, year) 3/31/77 \$ 653.85	\$ 877.27	\$ 477.68
Full Name, mailing address and ZIP code, and nature of obligation HHS 4333 Edgewood Rd., N. E. Cedar Rapids, Iowa 52402 (Computer services)	Date (month, day, year) 3/31/77 \$ 4,611.76	\$ 5,282.69	\$ 1,586.86
Full Name, mailing address and ZIP code, and nature of obligation N. C. Department of Revenue P. O. Box 25000 Raleigh, N. C. (State withheld income tax)	Date (month, day, year) 3/31/77 \$ 597.84	\$ 597.84	\$ 0.00
Full Name, mailing address and ZIP code, and nature of obligation Patterson Travel Service P. O. Box 18528 Raleigh, N. C. 27609 (airfare)	Date (month, day, year) 3/31/77 \$ 779.05	\$ 939.05	\$ 341.00
Full Name, mailing address and ZIP code, and nature of obligation John Preston P. O. Box 19433 Raleigh, N. C. 27609 (Reimburse out-of-pocket expenses)	Date (month, day, year) 3/31/77 \$ 341.90	\$ 0.00	\$ 341.90
Full Name, mailing address and ZIP code, and nature of obligation State Office Equipment Co. 1634 S. Saunders St. Raleigh, N. C. (Office furniture rent)	Date (month, day, year) 3/31/77 \$ 339.60	\$ 543.00	\$ 635.75
Full Name, mailing address and ZIP code, and nature of obligation Wachovia Bank & Trust Co. North Hills Shopping Center Raleigh, N. C. 27609 (Federal withheld income tax and social security tax)	Date (month, day, year) 3/31/77 \$ 1,379.52	\$ 3,175.55	\$ 575.19
Subtotal this period (this page optional)	\$	\$	\$
Total this period (list page this line number only)	\$	\$	\$

Carry outstanding balance only, to appropriate line of summary.

Schedule C

Line Numbers 26 and/or 27 of FEC Form 278

LINE NUMBER 27

July 1976
Federal Election Commission
1100 North 17th Street, N.W.
Washington, D.C. 20036

(See instructions on back)

For the report for the calendar year ending on the date shown on the back of this form

Name of Candidate or Committee in full	Amount of Original Debt, Contract, Agreement, or Promise	Cumulative Payment to Date	Unfulfilled Balance as of This Period
North Carolina Congressional Club			
Subtotal unitemized written pledges (Printing services, postage meter rent and service, and delivery service)	Date (month, day, year) 3/31/77	\$ 3,209.28	\$ 7,215.00
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$
Subtotal this period (last page optional)		\$ 12,055.90	\$ 18,750.00
Total this period (last page this line number only)		\$ 12,055.90	\$ 18,750.00

Carry outstanding balance only, to appropriate line of summary.

7900101035



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20543

THIS IS THE BEGINNING OF MUR #

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Date Filmed 2/8/79 Camera No. --- 2

Cameraman

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