

REC'D: 12/22/75

FEDERAL ELECTION COMMISSION
Washington, D. C.

Complainant's Name: N.Y. Times article dated 12/22/75.

Respondent's Name: George Wallace

Relevant Statute: 2 U.S.C. §435(b)

Internal Reports Checked: None (see below)

Federal Agencies Checked: _____

SUMMARY OF ALLEGATION

The Times article refers to a letter of Cornelia Wallace asking for "Christmas" donations for her husband. Although the article makes no mention of a §435(b) notice, a question was raised internally as to whether such a notice was included on the letter.

PRELIMINARY LEGAL ANALYSIS

The question of whether or not the notice was placed involves at worst a minor substantive violation of the Federal Election Campaign Law of 1971, as amended, and could best be handled in the context of the general, post-primary audit of Governor Wallace.

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RECOMMENDATION

Close the file.

Date of Next Commission Review: _____

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N.Y.

Times

12/22/75

New York Seeks to Ban Wallace's Fund-Raiser

WASHINGTON, Dec. 21—Richard A. Viguere, the professional fund-raiser who has collected over \$5 million for Alabama Gov. George C. Wallace in the last two and one-half years and has kept Campaign nearly half of that income for Notes mailing expenses and profit. Is in trouble in New York. Louis J. Lefkowitz, the state's Attorney General, is trying to ban Mr. Viguere's Washington-based company from all solicitations in New York. In its work for various "charitable organizations," Mr. Lefkowitz has charged, the Richard A. Viguere Company receives "grossly excessive fund-raising commissions and fees, to wit, as much as 75 percent of the monies raised." The Viguere clients net so little, Mr. Lefkowitz alleged in a suit announced last month that their contracts with the fund-raiser are "unconscionable and a fraud upon the the contributing.

The Lefkowitz suit, filed in the state Supreme Court, could block any further mailings to New York by the Wallace campaign. It also could prompt the Federal Election Commission to take a closer look at the Viguere-Wallace arrangement.

The commission has yet to resolve the question of whether the Viguere company's initial assumption of heavy mailing expenses for the Wallace campaign—expenses not yet fully paid back—constitutes a normal and allowable business practice or, in effect, is an illegal corporate loan to a Presidential candidate.

In its first formal response to the Lefkowitz suit, the Viguere company said it did not do enough business in the state to fall under New York regulations. Mr. Viguere has not responded to press inquiries on the matter.

The latest Viguere appeal for the Wallace campaign takes the form of a four-page letter in handwritten script on the stationery of Cornelia Wallace, the Governor's wife. Many of George's friends have written to ask me what he would like for Christmas," the letter starts out. "I think the most wonderful gift for my husband would be to know he will have the money he needs for a successful Presidential campaign in 1976."

Enclosed with the letter is a return Christmas card. No contribution amount is specified. Rather, Mrs. Wallace writes, "Let your heart decide in this most joyous of

It was Representative Morris K. Udall of Arizona—not former Gov. Jimmy Carter of Georgia, as was reported incorrectly in this space a week ago—who won the Iowa State Teachers' Association's endorsement in the 5th Congressional District.

Having lost Ken Bode, his top organizer, to The New Republic magazine, Mr. Udall last week appointed Gilbert Harrison, former owner of The New Republic, as a full-time adviser on strategy. Mr. Bode's replacement in the Udall campaign is eKn Levine, most recently administrative assistant to Representative Bob Eckhardt, Democrat of Texas. Mr. Udall's new press secretary is Richard Stout, formerly a political writer with Newsweek.

Hard Times: Lee King, treasurer of the deficit-burdened Democratic National Committee, sent party friends a holiday greeting card so large (243 square inches) and heavy that each one needed twenty cents postage.

The telephone company, anxious that Federal campaign subsidies due in January will be delayed by legal disputes, has told the Udall campaign that it must increase its \$11,000 deposit for phone service. The unpaid Udall phone bill is reported to be \$17,000.

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