



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 1452

Date Filmed 8/19/86 Camera No. --- 2

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FEDERAL ELECTION COMMISSION

All routing cardsAll documents relating to conciliation12 Day Pre-Brief Report + commentsCommissioner objection memosMemorandum to Charles N. Steele from Nancy Nathan12 Day Report + Comment Sheets:Original p. 4 of General Counsel's Report dated 2/6/84..

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- | | |
|--|---|
| ☐ (1) Classified Information | ☐ (6) Personal privacy |
| ☐ (2) Internal rules and practices | ☐ (7) Investigatory files |
| ☒ (3) Exempted by other statute | ☐ (8) Banking information |
| ☐ (4) Trade secrets and commercial or financial information | ☐ (9) Well Information (geographic or geophysical) |
| ☒ (5) Internal Documents | |

Signed M. Tanant / J. Levindate 2/26/85



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 18, 1984

William C. Oldaker, Esquire
EPSTEIN, BECKER, BORSODY & GREEN
1140 Nineteenth Street, N.W.
Washington, D.C. 20036

RE: FEC v. Liberal Party,
MUR 1452

Dear Mr. Oldaker:

Following our meeting on May 16, 1984, you agreed to contact me by June 1, 1984, to discuss settlement of this case. Having received no word from you by the agreed upon date, I called your office several times, most recently on Monday, June 11, 1984, but you have failed to return my calls. (Although you left one message for me on a day that I was out of the office the week of June 4, 1984, I returned that call also to no avail).

Accordingly, I must assume that you no longer wish to discuss settlement of this case.

Sincerely,

R. Lee Andersen
Attorney

86040610221

MUR 1452
cum. file



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 7, 1984

Patrick W. Giagnacova
Associate Executive Director
Liberal Party of New York
1560 Broadway
New York, New York 10036

Re: MUR 1452
Federal Campaign Committee

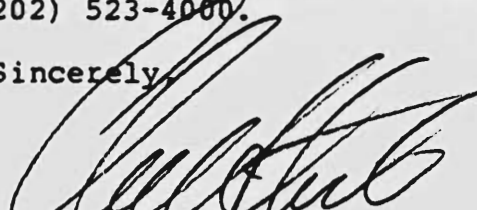
Dear Mr. Giagnacova:

You were previously notified that on February 14, 1984, the Federal Election Commission found probable cause to believe that the Liberal Party Federal Campaign Committee violated 2 U.S.C. § 441a, a provision of the Federal Election Campaign Act of 1971, as amended.

As a result of our inability to settle this matter through conciliation, the Commission has authorized the institution of a civil action for relief in the U.S. District Court.

Should you have any questions, or should you wish to settle this matter prior to suit, please contact Lee Andersen, litigation attorney, at (202) 523-4000.

Sincerely,


Charles N. Steele
General Counsel

86040310222

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Liberal Party Federal)
Campaign Committee)

MJR 1452

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on April 24, 1984, do hereby certify that the Commission decided by a vote of 4-0 to authorize the Office of General Counsel to file a civil suit for relief in the United States District Court against the Liberal Party Federal Campaign Committee.

Commissioners Aikens, Harris, Elliott, and Reiche voted affirmatively for the decision. Commissioners McDonald and McGarry were not present at the time of the vote.

Attest:

4-25-84

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *Wt*
DATE: April 16, 1984
SUBJECT: MUR 1452 - General Counsel's Report

The attached is submitted as an Agenda document
for the Commission Meeting of April 24, 1984

Open Session _____
Closed Session XX

CIRCULATIONS

48 Hour Tally Vote []
Sensitive []
Non-Sensitive []
24 Hour No Objection []
Sensitive []
Non-Sensitive []
Information []
Sensitive []
Non-Sensitive []
Other [X]

DISTRIBUTION

Compliance [X]
Audit Matters []
Litigation []
Closed MUR Letters []
Status Sheets []
Advisory Opinions []
Other (see distribution below) []

SENSITIVE

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

In the Matter of
Liberal Party Federal
Campaign Committee

)
)
)
)
MUR 1452

84 APR 16 A 9: 25

EXECUTIVE SESSION

GENERAL COUNSEL'S REPORT

APR 24 1984

I. BACKGROUND

On February 14, 1984, the Commission found probable cause to believe the Liberal Party Federal Campaign Committee ("the Committee") violated 2 U.S.C. § 441a(a), by making an excessive contribution to the 1980 presidential campaign of John B. Anderson. The Committee made expenditures on behalf of the Anderson campaign that totaled \$14,149. Additionally, the Committee made a \$5,000 direct contribution that exceeded its permissible limit by \$4,000, because the Committee had not qualified as a multicandidate committee at the time the contribution was made, and therefore was not entitled to contribute the amount allowable under 2 U.S.C. § 441a(a)(2)(A). Also on February 14, 1984, the Commission approved a recommended conciliation agreement for submission to the Committee.

To date, no response to the notice of the Commission's probable cause finding has been received from the Committee. Throughout the course of this matter, the Committee has been similarly unresponsive. This Office's investigation, following the Commission's reason to believe finding, was prolonged by the Committee's failure to provide documents necessary to a final determination of the amount expended on behalf of the Anderson

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campaign. The Committee also failed to respond to the Commission's probable cause brief.

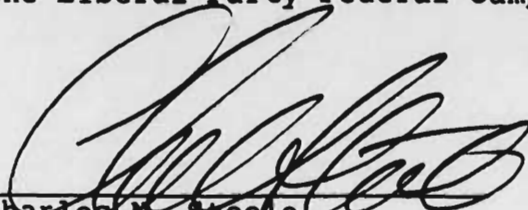
Therefore, in view of the Committee's history of unresponsiveness in this matter and its failure to respond to the Commission's notice of a finding of probable cause to believe, this Office recommends that the Commission proceed to the filing of a civil suit, now that the minimum thirty days of post-probable cause conciliation has expired.

II. RECOMMENDATION

It is recommended that the Commission authorize the Office of General Counsel to file a civil suit for relief in the United States District Court against the Liberal Party Federal Campaign Committee.

Date

13 April 1964


Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 17, 1984

Patrick W. Giagnacova
Associate Executive Director
Liberal Party of New York
1560 Broadway
New York, New York 10036

Re: MUR 1452
Federal Campaign Committee

Dear Mr. Giagnacova:

On February 14, 1984, the Commission determined there is probable cause to believe that the Federal Campaign Committee violated the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 441a, in connection with excessive expenditures made on behalf of the presidential candidacy of John B. Anderson in 1980.

The Commission has a duty to attempt to correct such violations for a period of thirty to ninety days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, to the Commission, along with the civil penalty, within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the U.S. Treasurer.

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Letter to Patrick W. Giagnacova
Page 2

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Nancy B. Nathan, the attorney assigned to this matter, at (202)523-4073.

Sincerely,

Charles N. Steele (Lmr)

Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Liberal Party Federal)
Campaign Committee)

MUR 1452

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on February 14, 1984, do hereby certify that the Commission decided by a vote of 4-0 to take the following actions on MUR 1452:

1. Find probable cause to believe the Liberal Party Federal Campaign Committee violated 2 U.S.C. § 441a(a).
2. Approve and send the conciliation agreement and letter attached to the General Counsel's report dated February 6, 1984.

Commissioners Aikens, Elliott, Harris, and Reiche voted affirmatively for the decision; Commissioners McDonald and McGarry were not present at the time of the vote.

Attest:

2-15-84

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

35040510229



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *can*
DATE: February 6, 1984
SUBJECT: MUR 1452 - GC Rpt.

The attached is submitted as an Agenda document
for the Commission Meeting of February 14, 1984

Open Session _____
Closed Session _____ X

CIRCULATIONS

48 Hour Tally Vote []
Sensitive []
Non-Sensitive []
24 Hour No Objection []
Sensitive []
Non-Sensitive []
Information []
Sensitive []
Non-Sensitive []
Other []

DISTRIBUTION

Compliance []
Audit Matters []
Litigation []
Closed MUR Letters []
Status Sheets []
Advisory Opinions []
Other (see distribution below) []

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Liberal Party Federal) MUR 1452
Campaign Committee)

84 FEB 6 P 3: 28

GENERAL COUNSEL'S REPORT

EXECUTIVE SESSION
FEB 14 1984

I. BACKGROUND

This matter was referred to the Office of General Counsel based upon information obtained in the course of a Federal Election Commission ("the Commission") audit of the Liberal Party Federal Campaign Committee ("the Committee"). The audit disclosed that, during the period audited (February 14, 1980 through December 31, 1980), the Committee made expenditures on behalf of, and made a direct contribution to, the 1980 Presidential campaign of John B. Anderson that apparently exceeded statutory limits.

On August 10, 1982, the Commission found reason to believe that the Committee had made an excessive contribution to the 1980 National Unity Campaign for John B. Anderson ("the Anderson campaign"), in violation of 2 U.S.C. § 441a(a). The excessive contribution included a direct contribution in the amount of \$4,000 1/ and an in-kind contribution. The Commission's investigation sought to obtain documentation from the Committee to establish the amount of the in-kind contribution in the form of expenditures made on behalf of the Anderson campaign. Over

1/ While the Committee had contributed \$5,000 to the Anderson campaign, it had not qualified as a multicandidate committee at the time of the contribution and, therefore, was limited to a \$1,000 contribution under § 441a(a)(1)(A), rather than the \$5,000 limit under § 441a(a)(2)(A).

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the course of several months, the Committee submitted documentation establishing that \$14,149 in non-exempt expenditures were made either solely on behalf of the Anderson campaign, or made for both the Anderson and Javits campaigns and split between them. 2/

In the absence of a request by the Committee for conciliation prior to the probable cause stage of this matter, on November 7, 1983, this office mailed a brief 3/ that recommended to the Commission a finding of probable cause to believe that the Committee violated 2 U.S.C. § 441a(a). No response to the General Counsel's brief has been received. 4/

2/ The \$14,149 includes the following expenditures: \$9,816 for a N.Y. Times advertisement shared with Javits, \$281 for a similar advertisement in the Columbia University Spectator, \$949 for costs connected with preparing the advertisements, \$692 for a sound permit and system, \$950 for expenses of a campaign aide, \$125 for an advertisement, \$33 for flowers, \$750 for Anderson's share of a flyer not shown to be exempt, and \$553 for Anderson's share of non-exempt advertising.

3/ That notification was returned as undeliverable, because the named treasurer was said not to be at the Committee's address. A second mailing to the same address, the Committee's headquarters, was made November 29, 1983. No response was received from the Committee by December 30, 1983, on which date a call was made to the Committee offices. The Executive Director, to whom the second mailing was addressed, said he had been out of the office all of December, and had just received the brief. An immediate response was promised, but not received as of January 5, 1984.

4/ On January 5, 1984, the Committee stated that it would send a request for a two week extension, in which to respond to the brief, no later than January 6, 1984. That request was not postmarked until January 14, 1984, and was not received by the Commission until January 17, 1984. The request was denied by letter dated January 18, 1984.

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II. LEGAL ANALYSIS

In the absence of a response brief from the Committee, a summary of the General Counsel's brief follows.

The applicable limit on expenditures by the Committee on behalf of the Anderson campaign is set by 2 U.S.C. § 441a(a). The higher limits of § 441a(d)(2) do not apply to the Committee because it is not a "national committee of a political party," as required by that provision; the expenditures on behalf of the Anderson campaign cannot be considered independent expenditures rather than in-kind contributions, since, under 11 C.F.R. § 110.7(b)(4), a state committee of a political party may not make independent expenditures in connection with the general election campaign of a candidate for federal office.

The Liberal Party has not demonstrated any change in status to cause the Commission to revise the decision taken in AO 1976-95 that the Party's level of national activity was insufficient to qualify it as a "national committee of a political party." Since its inception, the Committee only has supported federal candidates in New York State.

Therefore, because the Liberal Party does not satisfy the indicia required for status as a "national committee of a political party," under the facts presented here, the Committee's expenditures on behalf of the National Unity Campaign for John B. Anderson must be considered as in-kind contributions governed by the limits imposed by 2 U.S.C. § 441a(a).

The Committee's \$5,000 direct contribution to the Anderson campaign exceeded by \$4,000 the limit available to the Committee under 2 U.S.C. § 441a. The \$5,000 limit available to

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multicandidate committees under 2 U.S.C. § 441a(a)(2)(A) does not apply in this case because, at the time it made the contribution, the Committee was not a "multicandidate committee" as defined at 11 C.F.R. § 100.5(e)(3), which requires, inter alia, that a committee have received contributions for spending in federal elections from more than 50 persons. The Commission's audit revealed that the Committee contributed \$5,000 to Anderson's campaign on October 6, 1980, by which date 21 persons had contributed to the Committee.

IV. RECOMMENDATION

1. Find probable cause to believe the Liberal Party Federal Campaign Committee violated 2 U.S.C. § 441a(a).

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2. Approve and send the attached conciliation agreement and letter.

6 February 1984
Date


Charles N. Steele
General Counsel

Attachments

1. Proposed conciliation agreement
2. Proposed letter to respondent

86040510235



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 18, 1984

Patrick W. Giagnacova
Associate Executive Director
Liberal Party of New York State
1560 Broadway
New York, New York 10036

Re: MUR 1452

Dear Mr. Giagnacova:

Your request for an extension of time in which to file a response to the General Counsel's brief in the above-referenced matter is denied.

The brief was first mailed to your office in care of treasurer Herbert Rose on November 7, 1983, and returned as undeliverable because the addressee was not at that address. It was again mailed on November 29, 1983, to the same address, and to your attention. The letter accompanying the brief informed you that the Federal Campaign Committee had fifteen days in which either to file a responsive brief or to request an extension of time of up to twenty days. No response was received.

On December 30, 1983, when you were telephoned by this office, you said you had not yet seen the brief, and said this office would be notified by January 4, 1984, whether a response brief would be submitted. We received no notice from you until January 5, 1984, when you told this office that a written request for an extension of time in which to file a response would be mailed January 6, 1984.

The request received by this office on January 16 was postmarked in New York on January 14. In view of the length of time that has passed since your office received the second mailing of the General Counsel's brief in early December, and your already late request on the date promised, your requested extension of time has been denied. The General Counsel will

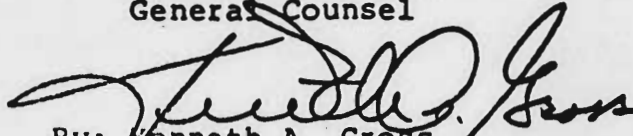
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Letter to P. W. Giagnacova
Page 2

submit to the Commission a report summarizing its brief
recommending a probable cause finding.

Sincerely,

Charles N. Steele
General Counsel

A handwritten signature in dark ink, appearing to read "Kenneth A. Gross", is written over the typed name and title.

By: Kenneth A. Gross
Associate General Counsel

85040310237



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 18, 1984

Patrick W. Giagnacova
Associate Executive Director
Liberal Party of New York State
1560 Broadway
New York, New York 10036

Re: MUR 1452

Dear Mr. Giagnacova:

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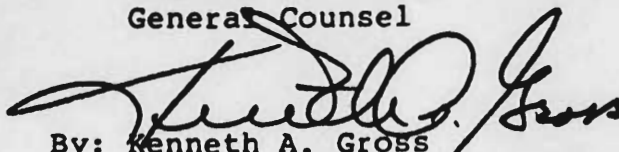
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Letter to P. W. Giagnacova
Page 2

submit to the Commission a report summarizing its brief
recommending a probable cause finding.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

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600# 1433
RECEIVED AT THE FEC

LIBERAL PARTY

OF NEW YORK STATE

January 6, 1984

STATE CHAIRMAN
Donald S. Harrington

FIRST VICE-CHAIRMAN
Nicholas Gyory

VICE-CHAIRMEN
Bernice Benedick
Sylvia Bloom
Gerald R. Coleman
Herbert Dicker
Morton Greenspan
Raymond B. Harding

Allen Kifer
Joseph Kozyra
Victor A. Lord
Donna J. Luh
Stephen Mahler
Benjamin F. McLaurin
Allen Miller
William R. Miller, Jr.
Edward A. Morrison
Mildred E. Portnoy
James Sansone

TREASURER
Alan A. Bailey

ASSISTANT SECRETARY
Dorrit Wohl

ASSISTANT EXECUTIVE DIRECTOR
Miriam P. Burns

ASSOCIATE EXECUTIVE DIRECTOR
Patrick W. Giagnacova

SECRETARY AND EXECUTIVE DIRECTOR
James F. Notaro

Robert Steel
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Dar Mr. Steel:

We request an extension until the week of January 23, 1984, to retain counsel to respond to your brief on MUR 1452 as outlined by Ms. Nancy Nathan of your staff.

We will be in contact with her on any question which may arise in the interim.

Sincerely,

Patrick W. Giagnacova
Patrick W. Giagnacova
Associate Executive Director

PWG:cb

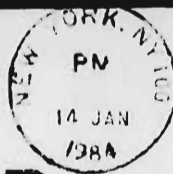
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LLLLLIBERAL PARTYYYYYYYY



OF NEW YORK STATE

1560 BROADWAY • NEW YORK, NY 10036 • TELEPHONE: (212)354-1100

Robert Steel
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463



GCC #1339

LLLLLLLLLLLLLIBERAL PARTYYYYYYYYYYYY



OF NEW YORK STATE

Mr 1450
Nathan

STATE CHAIRMAN
Donald S. Harrington

December 30, 1983

FIRST VICE-CHAIRMAN
Nicholas Gyory

VICE-CHAIRMEN
Bernice Benedick
Sylvia Bloom
Gerald R. Coleman
Herbert Dicker
Morton Greenspan
Raymond B. Harding

Allen Kifer
Joseph Kozyra
Victor A. Lord
Donna J. Luh
Stephen Mahler
Benjamin F. McLaurin
Allen Miller
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ASSISTANT EXECUTIVE DIRECTOR
Miriam P. Burns

ASSOCIATE EXECUTIVE DIRECTOR
Patrick W. Giagnacova

SECRETARY AND EXECUTIVE DIRECTOR
James F. Notaro

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

Attn: Nancy Nathan

Dear Ms. Nathan;

I am perturbed by your call on Friday, December 30th, 1983 at 2:30 P.M., in which you asked me to mobilize the Liberal Party's committee structure by noon Wednesday, January 4th to respond to an alleged opinion of the FEC which, if I understand correctly, states that the Liberal Party of New York State which was the only political party in New York State to nominate John Anderson and Patrick Lucey in 1980, and was the only campaign of the ticket in New York State, could only expend \$1000.00 to further the goals and aspirations of the party and the election of 43 presidential electors of the party in that presidential year.

The Liberal Party has been the hallmark of fiscal prudence, and in 1980 competed fully against the Democratic Party, a Republican-Conservative coalition ticket, and a slew of splinter-ism parties which, to all common knowledge, must have expended in excess of \$1000 within the pool of nearly 6½ million voters in this state. Our authority to field a candidate, nominate electors, and the acceptance of the candidate of our party's nomination are outlined in the New York State Constitution and the New York State Election Law. The procedures were duly executed and filed in a timely fashion in 1980. Clearly reason dictates that any post-1980 opinions must square with actual 1980 occurrences and facts.

-That clearly in 1980 - Anderson/Lucey were nominated by the Liberal Party of New York State for President and Vice President.

-That the State Committee of the Liberal Party authorized the candidacies of non-party members to represent the Liberal Party as candidates for President and Vice

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President - said candidates were Anderson/Lucey.

- That 43 Liberal Party members were nominated by the Liberal Party to be presented to the electors of the state as Presidential electors to the electoral college representing the Liberal Party and if successful to fulfill their duties under the United States Constitution.
- That Anderson and Lucey accepted the nomination of the Liberal Party and executed documents acknowledging same which were duly filed in the New York State Board of Elections.
- That the principal campaign to achieve a plurality on behalf of the 43 Liberal Party Presidential Elector candidates and the Presidential and Vice-Presidential standard bearers and to achieve the broadest public recognition of the goals, policies and aspirations of the Liberal Party was that waged by the Liberal Party and its members.
- That the Election Day total to the above purpose was some 465,000 votes cast on Liberal Party Ballot position "E" which was the third highest vote total in the state for the office of President/Vice President.

Not having benefit of reading the commissions actual opinion, I am sufficiently agitated by your thumb nail portrayal that the commission has dealt with many political parties, and we represent no national interest which would allow us to expend an amount greater than \$1000 to attempt to influence the population toward Liberal goals and electoral expression via the ballot in New York State. Such a constriction would not afford lawful opportunity to communicate with the 60,000 odd members of our own party much less attempt to influence others to reflect their preference toward our point of view by casting their vote on the Liberal Party line in national elections.

The Liberal Party was founded in 1944 as an anti-communist, anti-totalitarian, popular party and has activity and committees through-out New York State 64 counties, Please bear in mind many of the counties of New York State are more populated than many states represented in congress.

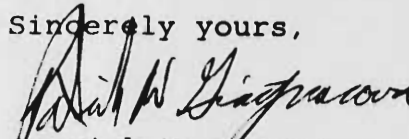
In the most recent election Liberal Party candidates out-pollled the Democrats and were 100 votes or less of out polling the Republican/Conservative Party coalition for Mayor of Corning and Lackawanna, New York, and in many Assembly Districts of Bronx County out polled a coalition effort of Democrats-Republicans and Conservative Parties.

I am taking the opportunity of sending this letter to you by your audit staff to assure prompt receipt.

I will be in touch by telephone as per your mandate by noon Wednesday, January 4th. But it is my wish that you acquaint the General Counsel, Chairman and Commission Members with the facts outlined in this letter.

Looking forward to a speedy resolution. I remain,

Sincerely yours,



Patrick W. Giagnacova
Associate Executive Director

86040510244



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 29, 1983

Patrick W. Giagnacova
Associate Executive Director
Liberal Party of New York
1560 Broadway
New York, N.Y. 10036

Re: MUR 1452

Dear Mr. Giagnacova:

On August 10, 1982, the Commission found reason to believe that the Liberal Party Federal Campaign Committee violated 2 U.S.C. § 441a(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), and instituted an investigation in this matter. After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that the Committee violated 2 U.S.C. § 441a(a).

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues in the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies are preferred) stating your position on the issues. Three copies of the brief also should be forwarded to the Office of General Counsel, if possible. The General Counsel's brief, together with any brief that you may submit, will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within fifteen days, you may submit a written request to the Commission for an extension of time of up to twenty days.

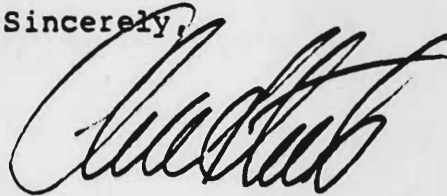
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Letter to Patrick W. Giagnacova
Page 2

A finding of probable cause to believe requires that the Office of General Counsel attempt, for a period of not less than thirty, but not more than ninety, days to settle this matter through conciliation.

Should you have any questions, please contact Nancy B. Nathan, at (202) 523-4073.

Sincerely,



Charles N. Steele
General Counsel

Enclosure

85040610246

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
 Liberal Party Federal) MUR 1452
 Campaign Committee)

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

This matter was referred to the Office of General Counsel based upon information obtained in the course of a Commission audit of the Liberal Party Federal Campaign Committee ("the Committee").

The audit disclosed that, during the period audited (February 14, 1980 through December 31, 1980), the Committee made expenditures on behalf of, and made a direct contribution to, the 1980 Presidential campaign of John B. Anderson that apparently exceeded statutory limits. The Committee's response to the interim audit report only partially resolved the question of how the total expended by the Committee on behalf of two federal candidates, Anderson and Sen. Jacob Javits, should be apportioned in order to determine how much the Committee spent for the Anderson campaign.

On August 10, 1982, the Federal Election Commission ("the Commission") found reason to believe that the Committee had made an excessive contribution to the 1980 National Unity Campaign for John B. Anderson ("the Anderson campaign"), in violation of 2 U.S.C. § 441a(a). The excessive contribution included a direct

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contribution in the amount of \$4,000 1/ and an in-kind contribution. The Commission's investigation sought to obtain documentation from the Committee to establish the amount of the in-kind contribution in the form of expenditures made on behalf of the Anderson campaign. Over the course of several months, the Committee submitted documentation establishing that \$14,149 in non-exempt expenditures were made either solely on behalf of the Anderson campaign, or made for both the Anderson and Javits campaigns and split between them. 2/

II. Legal Analysis

The applicable limit on expenditures by the Committee on behalf of the Anderson campaign is set by 2 U.S.C. § 441a(a). 3/ The higher limits of § 441a(d)(2) do not apply to the Committee because it is not a "national committee of a political party," as required by that provision. The Federal Election Campaign Act

1/ While the Committee had contributed \$5,000 to the Anderson campaign, it had not qualified as a multicandidate committee at the time of the contribution and therefore was limited to a \$1,000 contribution under § 441a(a)(1)(A) rather than the \$5,000 limit under § 441a(a)(2)(A).

2/ The \$14,149 includes the following expenditures: \$9,816 for a N.Y. Times ad shared with Javits, \$281 for a similar ad in the Columbia University Spectator, \$949 for costs connected with preparing the ads, \$692 for a sound permit and system, \$950 for expenses of a campaign aide, \$125 for an ad, \$33 for flowers, \$750 for Anderson's share of a flyer not shown to be exempt, and \$553 for Anderson's share of non-exempt advertising.

3/ The expenditures on behalf of the Anderson campaign cannot be considered independent expenditures, rather than in-kind contributions, since, under 11 C.F.R. § 110.7(b)(4), a state committee of a political party may not make independent expenditures in connection with the general election campaign of a candidate for federal office.

8 5 0 4 0 5 1 0 2 4 8

of 1971, as amended, ("the Act"), defines the component terms of "national committee of a political party." At 2 U.S.C.

§ 431(14), "national committee" is defined as "the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level...." "Political party" is defined at 2 U.S.C. § 431(16) as "an association, committee or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee or organization."

The Commission considered the matter of indicia of national party status, specifically with reference to the Liberal Party, in AO 1976-95. The Commission there stated that operation of a party at the national level is key to determining whether the party satisfies the statutory requirements of that status. The AO contrasted the activity of the Liberal Party with that of the Libertarian Party, which it said demonstrated sufficient activity at the national level. It cited favorably the Libertarian Party's nomination of presidential and vice presidential candidates and of congressional candidates in over 30 states, as well as its support of voter registration drives and publicizing of issue information throughout the country.

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8 5 0 4 0 5 1 0 2 5 0
Since the issuance of AO 1976-95, the Commission has reviewed other matters to determine whether national party status was present. In AO 1978-58, requested by the Pyramid Freedom Party, a party's nomination of its own presidential, vice presidential and congressional candidates in many states, as well as publication throughout the United States of party positions on issues, were listed as factors determinative of national party status. In AO 1980-121, requested by the Socialist National Committee of the Socialist Party, maintaining a national office, having state and local affiliates, and holding a national convention were additional factors considered by the Commission in its determination that the Socialist National Committee conducted sufficient national activity to be considered a "national committee" of a political party.

The Liberal Party has not demonstrated any change in status to cause the Commission to revise the decision taken in AO 1976-95 that the Party's level of national activity was insufficient to qualify it for national party status. Since its inception, the Committee only has supported federal candidates in New York State.

Because the Liberal Party does not satisfy the indicia required for national party status, the Committee's non-exempt expenditures, totaling \$14,149, must be considered as in-kind contributions to the Anderson campaign.

3 5 0 4 0 6 1 0 2 5 1

The Committee's \$5,000 direct contribution to the Anderson campaign exceeded by \$4,000 the limit available to the Committee under 2 U.S.C. § 441a. The \$5,000 limit available to multicandidate committees under 2 U.S.C. § 441a(a)(2)(A) does not apply in this case because, at the time it made the contribution, the Committee was not a "multicandidate committee" as defined at 11 C.F.R. § 100.5(e)(3), which requires, inter alia, that a committee have received contributions for spending in federal elections from more than 50 persons. The Commission's audit revealed that the Committee contributed \$5,000 to Anderson's campaign on October 6, 1980, by which date 21 persons had contributed to the Committee. 4/ Since the Committee was not a multicandidate committee at the time of its contribution, § 441a(a)(2)(A) was inapplicable, and the contribution exceeded the \$1000 limit imposed by 2 U.S.C. § 441a(a)(1)(A).

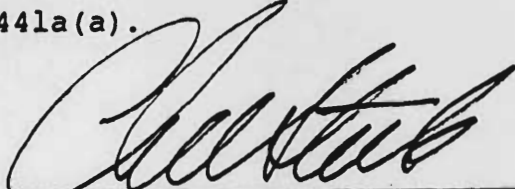
The General Counsel recommends that the Commission find probable cause to believe that the Liberal Party Federal Campaign Committee violated 2 U.S.C. § 441a(a) by making an excessive contribution to the National Unity Campaign for John B. Anderson.

4/ On May 27, 1982, the Anderson Campaign refunded the \$4,000 excessive portion to the Committee, and in the accompanying letter confirmed that the contribution was accepted before the Committee qualified as a multicandidate committee.

III. General Counsel's Recommendation

The General Counsel recommends that the Commission find probable cause to believe that the Liberal Party Federal Campaign Committee violated 2 U.S.C. § 441a(a).

11 November 1983
Date


Charles N. Steele
General Counsel

85040610252



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

MEMORANDUM TO: THE COMMISSION
FROM: MARJORIE W. EMMONS/JAN SAVAGE *JS*
DATE: NOVEMBER 8, 1983
SUBJECT: GENERAL COUNSEL'S BRIEF - MUR 1452

The attached documents are circulated for your
information.

Attachments:
Memo, Brief and Letter

86040610253



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSIONER
83 NOV 7 P 2:26

November 7, 1983

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel *CNS*

RE: MUR 1452
(Liberal Party Federal Campaign Committee)

Attached for the Commission's review is a brief stating the position of the General Counsel on the legal and factual issues in the above-referenced MUR. A copy of the brief and a letter notifying the respondent of the General Counsel's recommendation to the Commission was mailed on November 7, 1983. Following the receipt of the respondent's reply to the notice, this Office will make a further report to the Commission.

Attachments

1. Brief
2. Letter

86040310254

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
 Liberal Party Federal) MUR 1452
 Campaign Committee)

GENERAL COUNSEL'S BRIEF

I. Statement of the Case

This matter was referred to the Office of General Counsel based upon information obtained in the course of a Commission audit of the Liberal Party Federal Campaign Committee ("the Committee").

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The audit disclosed that, during the period audited (February 14, 1980 through December 31, 1980), the Committee made expenditures on behalf of, and made a direct contribution to, the 1980 Presidential campaign of John B. Anderson that apparently exceeded statutory limits. The Committee's response to the interim audit report only partially resolved the question of how the total expended by the Committee on behalf of two federal candidates, Anderson and Sen. Jacob Javits, should be apportioned in order to determine how much the Committee spent for the Anderson campaign.

On August 10, 1982, the Federal Election Commission ("the Commission") found reason to believe that the Committee had made an excessive contribution to the 1980 National Unity Campaign for John B. Anderson ("the Anderson campaign"), in violation of 2 U.S.C. § 441a(a). The excessive contribution included a direct

Attachment 1-10/6

contribution in the amount of \$4,000 1/ and an in-kind contribution. The Commission's investigation sought to obtain documentation from the Committee to establish the amount of the in-kind contribution in the form of expenditures made on behalf of the Anderson campaign. Over the course of several months, the Committee submitted documentation establishing that \$14,149 in non-exempt expenditures were made either solely on behalf of the Anderson campaign, or made for both the Anderson and Javits campaigns and split between them. 2/

II. Legal Analysis

The applicable limit on expenditures by the Committee on behalf of the Anderson campaign is set by 2 U.S.C. § 441a(a). 3/ The higher limits of § 441a(d) (2) do not apply to the Committee because it is not a "national committee of a political party," as required by that provision. The Federal Election Campaign Act

1/ While the Committee had contributed \$5,000 to the Anderson campaign, it had not qualified as a multicandidate committee at the time of the contribution and therefore was limited to a \$1,000 contribution under § 441a(a) (1) (A) rather than the \$5,000 limit under § 441a(a) (2) (A).

2/ The \$14,149 includes the following expenditures: \$9,816 for a N.Y. Times ad shared with Javits, \$281 for a similar ad in the Columbia University Spectator, \$949 for costs connected with preparing the ads, \$692 for a sound permit and system, \$950 for expenses of a campaign aide, \$125 for an ad, \$33 for flowers, \$750 for Anderson's share of a flyer not shown to be exempt, and \$553 for Anderson's share of non-exempt advertising.

3/ The expenditures on behalf of the Anderson campaign cannot be considered independent expenditures, rather than in-kind contributions, since, under 11 C.F.R. § 110.7(b) (4), a state committee of a political party may not make independent expenditures in connection with the general election campaign of a candidate for federal office.

Attachment 1-2 of 6

of 1971, as amended, ("the Act"), defines the component terms of "national committee of a political party." At 2 U.S.C. § 431(14), "national committee" is defined as "the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level...." "Political party" is defined at 2 U.S.C. § 431(16) as "an association, committee or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee or organization."

The Commission considered the matter of indicia of national party status, specifically with reference to the Liberal Party, in AO 1976-95. The Commission there stated that operation of a party at the national level is key to determining whether the party satisfies the statutory requirements of that status. The AO contrasted the activity of the Liberal Party with that of the Libertarian Party, which it said demonstrated sufficient activity at the national level. It cited favorably the Libertarian Party's nomination of presidential and vice presidential candidates and of congressional candidates in over 30 states, as well as its support of voter registration drives and publicizing of issue information throughout the country.

86040510257

Since the issuance of AO 1976-95, the Commission has reviewed other matters to determine whether national party status was present. In AO 1978-58, requested by the Pyramid Freedom Party, a party's nomination of its own presidential, vice presidential and congressional candidates in many states, as well as publication throughout the United States of party positions on issues, were listed as factors determinative of national party status. In AO 1980-121, requested by the Socialist National Committee of the Socialist Party, maintaining a national office, having state and local affiliates, and holding a national convention were additional factors considered by the Commission in its determination that the Socialist National Committee conducted sufficient national activity to be considered a "national committee" of a political party.

The Liberal Party has not demonstrated any change in status to cause the Commission to revise the decision taken in AO 1976-95 that the Party's level of national activity was insufficient to qualify it for national party status. Since its inception, the Committee only has supported federal candidates in New York State.

Because the Liberal Party does not satisfy the indicia required for national party status, the Committee's non-exempt expenditures, totaling \$14,149, must be considered as in-kind contributions to the Anderson campaign.

Attachment 1 - 4 of 6

5

The Committee's \$5,000 direct contribution to the Anderson campaign exceeded by \$4,000 the limit available to the Committee under 2 U.S.C. § 441a. The \$5,000 limit available to multicandidate committees under 2 U.S.C. § 441a(a)(2)(A) does not apply in this case because, at the time it made the contribution, the Committee was not a "multicandidate committee" as defined at 11 C.F.R. § 100.5(e)(3), which requires, inter alia, that a committee have received contributions for spending in federal elections from more than 50 persons. The Commission's audit revealed that the Committee contributed \$5,000 to Anderson's campaign on October 6, 1980, by which date 21 persons had contributed to the Committee. 4/ Since the Committee was not a multicandidate committee at the time of its contribution, § 441a(a)(2)(A) was inapplicable, and the contribution exceeded the \$1000 limit imposed by 2 U.S.C. § 441a(a)(1)(A).

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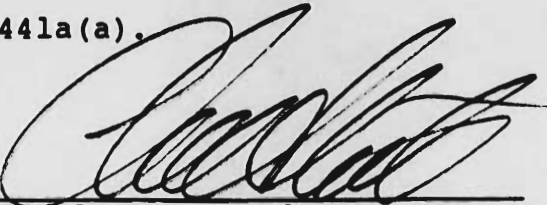
The General Counsel recommends that the Commission find probable cause to believe that the Liberal Party Federal Campaign Committee violated 2 U.S.C. § 441a(a) by making an excessive contribution to the National Unity Campaign for John B. Anderson.

4/ On May 27, 1982, the Anderson Campaign refunded the \$4,000 excessive portion to the Committee, and in the accompanying letter confirmed that the contribution was accepted before the Committee qualified as a multicandidate committee.

III. General Counsel's Recommendation

The General Counsel recommends that the Commission find probable cause to believe that the Liberal Party Federal Campaign Committee violated 2 U.S.C. § 441a(a).

3 November 1983
Date


Charles N. Steele
General Counsel

86040610260

Attachment 1 - 6 of 6



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 7, 1983

Mr. Herbert B. Rose, Treasurer
Liberal Party of New York
1560 Broadway
New York, N.Y. 10036

Re: MUR 1452

Dear Mr. Rose:

On August 10, 1982, the Commission found reason to believe that the Liberal Party Federal Campaign Committee violated 2 U.S.C. § 441a(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), and instituted an investigation in this matter. After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that the Committee violated 2 U.S.C. § 441a(a).

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues in the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies are preferred) stating your position on the issues. Three copies of the brief also should be forwarded to the Office of General Counsel, if possible. The General Counsel's brief, together with any brief that you may submit, will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within fifteen days, you may submit a written request to the Commission for an extension of time of up to twenty days.

Attachment 2-10/2

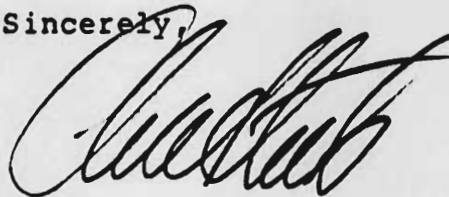
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Letter to Herbert B. Rose
Page 2

A finding of probable cause to believe requires that the Office of General Counsel attempt, for a period of not less than thirty, but not more than ninety, days to settle this matter through conciliation.

Should you have any questions, please contact Nancy B. Nathan, at (202) 523-4073.

Sincerely,



Charles N. Steele
General Counsel

Enclosure

86040610262

Attachment 2 - 2012

Gcc# 619

83 AUG 4 P 2: 05

LIBERAL PARTY

OF NEW YORK STATE

July 21, 1983

STATE CHAIRMAN
Donald S. Harrington

FIRST VICE-CHAIRMAN
Nicholas Gyory

VICE-CHAIRMEN
Raymond B. Harding
Bernice Benedick
Sylvia Bloom
Gerald R. Coleman
Herbert Dicker
Morton Greenspan
Allen Kifer
Joseph Kozyra
Victor A. Lord
Donna J. Luh
Stephen Mahler
Benjamin F. McLaurin
Allen Miller
William R. Miller, Jr.
Edward A. Morrison
Madred E. Portnoy
James Sansone
Henry J. Stern

TREASURER
Raymond H. Phillips

ASSISTANT SECRETARY
Dorrit Wohl

**ASSISTANT
EXECUTIVE DIRECTOR**
Carl F. Grillo

**ASSOCIATE
EXECUTIVE DIRECTOR**
Patrick W. Giagnacova

**SECRETARY AND
EXECUTIVE DIRECTOR**
James F. Notaro

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

Attention: Nancy Nathan

Re: Liberal Party Federal Election
Campaign Committee-MUR 1452

Dear Ms. Nathan:

Pursuant to our recent conversation and in furtherance toward the resolution of the issues regarding printed material paid for with check #191 on December 5, 1980 and by check #184 on November 6, 1980 from the Liberal Party Federal Campaign Committee, I have the following to report:

Regarding New York State United Teachers, (Check #191)

Subsequent conversations with responsible accounting executives of the New York State United Teachers have confirmed that the \$1243.95 was expended in postage for mailing campaign brochures provided by the campaign through the Javits campaign staff which were totally in support of the Javits 1980 candidacy.

In early August I expect to receive written confirmation concerning check #191 from responsible authorities at the New York State United Teachers. I will furnish said correspondence to the Federal Elections Commission by mail upon receipt.

Regarding Penny Graphics (Check #184)

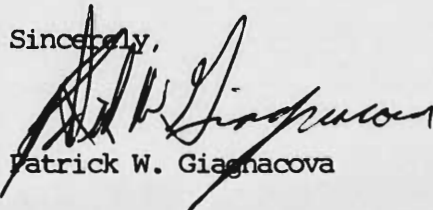
As I explained, the discovery of a "Penny" Graphics firm in the New York Metropolitan area was to no avail and as I further explained in our telephone conversations that such a billing most definitely could only have been in regard to the Javits portion of the 1980 campaign for reasons I explained in detail in our conversations. Taking a different tack, I have researched firms such as Henny Graphics, Benny Graphics, Renny Graphics, Kenny Graphics, I finally discovered a Tenny Graphics which was in business in 1980. The current management which assumed the corporation after 1980 has no records of transactions occurring before their purchase of Tenny Graphics. However, with perseverance to make a best effort to comply with the Federal Election Commission's request to provide

data in as great a detail as possible on the transactions concerning check #184, we contacted through several sources the former operators now in retirement of Tenny Graphics. Having explained our current plight and the FEC's requirements, Mr. Tannenbaum, the aforementioned former owner is embarking upon a search through his voluminous records which are in storage at a secure location in an attempt to provide the documentation and copies of the printed material produced which, to his recollection, was solely on behalf of Senator Javits' candidacy. We asked that he be as expeditious as possible and he assured us that he would do so within the first weeks of August.

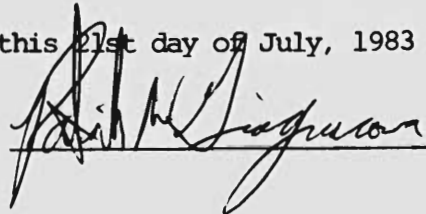
I believe the forthcoming documentation will fully solve the outstanding issue and if you have any questions, please direct them directly to me, Patrick W. Giagnacova at 1560 Broadway, New York, NY 10036 or by complete oral messages left for me at 212-354-1100.

Please inform me of any other unresolved issues regarding the activities of the Liberal Party Federal Campaign Committee. I hope to have several people at the FEC Northeast Regional Conference in September which will assist in the future activities of the committee to more fully understand the FEC's requirements and nature.

Sincerely,


Patrick W. Giagnacova

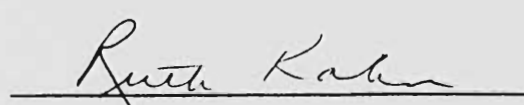
IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of July, 1983



STATE OF NEW YORK)
COUNTY OF NEW YORK)

SS:

On this 21st day of July, 1983 before me came Patrick W. Giagnacova to me known and known to me to be the person who executed the foregoing instrument and he duly acknowledged to me that he executed the same.


RUTH KAHN
Commissioner of Deeds
City of New York No. 1-1943
Certificate filed in New York County
Commission Expires Dec. 1, 1985

85040510264

LIBERAL PARTY YYYYYYYY



OF NEW YORK STATE

1560 BROADWAY • NEW YORK, N.Y. 10036 • TELEPHONE: (212) 582-1100



83-AUG 4



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

Attention: Nancy Nathan

04051025

RECEIVED AT THE FEC

GOC#457

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WALTER HERZFELD (1907-1988)
HERBERT RUBIN
BERNARD J. WALD
MICHAEL HOENIG
EDWARD L. BIRNBAUM
IAN CERESNEY
ALFRED S. GOLDFELD (N.Y. & FLA.)
THEODORE NESS
FRED W. RAUSKOLB III
MYRON SHAPIRO
JOHN A. SCHULTZ
ELLIN M. MULHOLLAND
LEONARD M. POLISAR
RICHARD L. ACKERMAN (CALIF. ONLY)
SEYMOUR KAGAN (N.Y. & CALIF.)
MARTIN S. FRIEDLANDER (N.Y. & CALIF.)
MARTIN C. LICHT
DANIEL V. GSOVSKI
JEFFREY L. CHASE (N.Y. & N.J.)

LOS ANGELES OFFICE

HERZFELD & RUBIN

1925 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
TELEPHONE (213) 553-0451

FT. LAUDERDALE OFFICE

HERZFELD & RUBIN

3801 NORTH UNIVERSITY DRIVE
FT. LAUDERDALE, FLORIDA 33321
TELEPHONE (305) 742-9100

HERZFELD & RUBIN, P.C.

ATTORNEYS AT LAW

40 WALL STREET
NEW YORK, N. Y. 10005

TELEPHONE: (212) 344-0680

RAPICOM: (212) 509-4306

(212) 765-0940

CABLE: PIEROWAL NEW YORK

TELEX: 12-7678

W. U. I. 66154

SAMUEL HABIN
IRVING MOLDAUER
KENNETH M. GREENFIELD (N.Y. & N.J.)
LOLA S. LEA
COUNSEL

ROGER E. ARENTZEN (N.Y. & N.J.)
C. THOMAS SCHWEIZER
HOWARD S. EDINBURGH
LARRY S. REICH
ROBERT A. BERNARD
HOWARD L. WEXLER
STEVEN J. SMETANA
TERRY MYERS
WILLIAM C. GUIDA (N.Y. & S.C.)
DAVID B. HAMM
IRWIN HOROWITZ
CARL T. GRASSO
NATALIE F. MULHOLLAND
EDWARD P. SPEIRAN
BRUCE M. FRIEDMAN
WALTER F. PETZINGER
HAROLD J. MCKAY
HELEN P. EICHLER
RAYMOND T. LEBON (N.Y. & N.J.)
CHARLES P. NAFMAN (N.Y. & GA.)
PETER J. KURSHAN
SUE ROSENSTEIN
JEFFREY B. SHAPIRO
PERRY L. COHEN
MARTIN RADVAN
CAROL LEVINE
SAMUEL KONIGSBERG (N.Y. & N.J.)
BARBARA D. GOLDBERG
RICHARD D. NEWMARK (N.Y. & UTAH)
KENNETH A. LAUB

July 7, 1983

Nancy B. Nathan, Esq.
Federal Election Commission
Washington, D.C. 20463

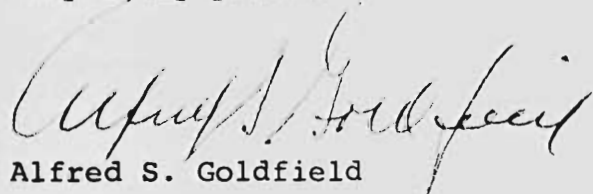
Re: MUR 1452

Dear Ms. Nathan:

I am in receipt of your letter of the Commission dated June 30, 1983 and the subpoena to produce written documents.

Please note that we do not represent the Liberal Party Federal Campaign Committee. You should address your communications directly to the Committee.

Very truly yours,


Alfred S. Goldfield

ASG:rm

83040310255

83 JUL 13 A 9:27

ERZFELD & RUBIN, P. C.

40 WALL STREET

NEW YORK, NEW YORK 10005

03 JUL 12 59: 04

Nancy B. Nathan, Esq.
Federal Election Commission
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 30, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Alfred Goldfield, Esquire
Herzfeld and Rubin
40 Wall Street
New York, New York 10005

Re: MUR 1452

Dear Mr. Goldfield:

On August 10, 1982, the Commission notified your client, the Liberal Party Federal Campaign Committee, that it had found reason to believe that the Committee had violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended. An investigation of the matter has continued for several months, but documentation requested from your client still is outstanding and is necessary to resolution of the matter. The Commission has issued the attached subpoena for such documents that requires their submission within ten days.

If you have any questions, please direct them to Nancy B. Nathan, the attorney handling this matter, at 202-523-4073.

Sincerely,

Charles N. Steele

PS Form 3811, Dec. 1980

1. ARTICLE ADDRESSED TO:
*Alfred Goldfield
40 Wall Street
New York, N.Y. 10005*

2. TYPE OF SERVICE:
☐ REGISTERED ☐ RETURNED
☐ CERTIFIED ☐ COO
☐ REGISTERED MAIL

3. DATE OF DELIVERY
7/5

4. ADDRESS TO WHICH DELIVERED (if different from above)
Postmark

5. UNABLE TO DELIVER REASON:
7/5

6. EMPLOYER'S INITIALS

7. TOTAL \$

8. SENDER: Complete items 1, 2, 3, and 4. Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one):
☐ Show to whom and date delivered
☐ Show to whom, date, and address of delivery

2. ☐ RESTRICTED DELIVERY
(The restricted delivery fee is charged in addition to the return receipt fee.)

By *Ron Poye*

Enclosure

BEFORE THE FEDERAL ELECTION COMMISSION

Liberal Party Federal)
Campaign Committee)

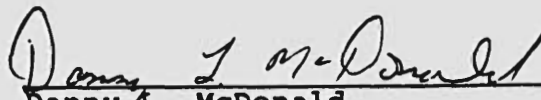
MUR 1452

SUBPOENA TO PRODUCE WRITTEN DOCUMENTS

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas the Liberal Party Federal Campaign Committee to produce copies of all the printed materials produced for that Committee by the New York State United Teachers and paid for with check No. 191 on December 5, 1980, and by Penny Graphics and paid for by check No. 184 on November 6, 1980.

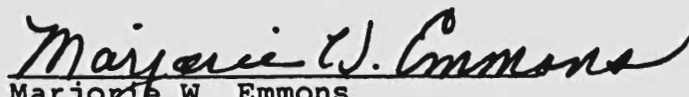
Such documents must be forwarded to the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463 within ten days of your receipt of this subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand on *June 30*, 1983.



Danny L. McDonald
Chairman

ATTEST:



Marjorie W. Emmons
Secretary to the Commission

86040510269



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Alfred Goldfield, Esquire
Herzfeld and Rubin
40 Wall Street
New York, New York 10005

Re: MUR 1452

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If you have any questions, please direct them to Nancy B. Nathan, the attorney handling this matter, at 202-523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure

WBR
6/27/83

86040610270



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JODY C. RANSOM *JCR*

DATE: JUNE 30, 1983

SUBJECT: SUBPOENA RE: MUR 1452

The attached subpoena, which was Commission approved on June 27, 1983 by a vote of 6-0, has been signed and sealed this date.

Attachment

86040610271

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Liberal Party Federal Campaign)
Committee)

MUR 1452

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 27, 1983, the Commission approved by a vote of 6-0 the subpoena and letter to the Liberal Party Federal Campaign Committee as submitted with the General Counsel's June 22, 1983 Memorandum to the Commission in the above-captioned matter.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry and Reiche voted affirmatively in this matter.

Attest:

6-27-83

Date

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

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

6-22-83, 1:37
6-23-83, 11:00

86040610272



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *Cit*
DATE: June 22, 1983
SUBJECT: MUR 1452 - Memo to Commission

The attached is submitted as an Agenda document
for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS

48 Hour Tally Vote [X]
Sensitive [X]
Non-Sensitive []

24 Hour No Objection []
Sensitive []
Non-Sensitive []

Information []
Sensitive []
Non-Sensitive []

Other []

DISTRIBUTION

Compliance [X]
Audit Matters []

Litigation []
Closed MUR Letters []

Status Sheets []
Advisory Opinions []

Other (see distribution below) []

85040610273



SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

83 JUN 22 P 1: 37

June 22, 1983

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel *KAG*

SUBJECT: Subpoena to Produce Documents -
MUR 1452
(Liberal Party Federal Campaign Committee)

The attached subpoena, directed to the Liberal Party Federal Campaign Committee ("the Committee"), seeks two documents that were among those requested from the Committee during the course of our investigation, but which have not yet been produced. The Committee has had several treasurers during the last several months, and has cooperated in producing all other documents we requested, but has failed to locate the two documents in question.

The two outstanding documents we seek are copies of brochures printed for the Committee by a firm known as Penny Graphics, and by the New York State United Teachers. Those brochures are needed to determine the total expended by the Committee in 1980 on behalf of John Anderson's campaign; production of the brochures will disclose whether any part of their cost is properly attributable to the campaign of Senator Jacob Javits, the Committee's other endorsed candidate, rather than to Anderson's.

Recommendation

Approve and send the attached subpoena and letter to the Liberal Party Federal Campaign Committee.

Attachments

One subpoena and accompanying letter

85040310274



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Alfred Goldfield, Esquire
Herzfeld and Rubin
40 Wall Street
New York, New York 10005

Re: MUR 1452

Dear Mr. Goldfield:

On August 10, 1982, the Commission notified your client, the Liberal Party Federal Campaign Committee, that it had found reason to believe that the Committee had violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended. An investigation of the matter has continued for several months, but documentation requested from your client still is outstanding and is necessary to resolution of the matter. The Commission has issued the attached subpoena for such documents that requires their submission within ten days.

If you have any questions, please direct them to Nancy B. Nathan, the attorney handling this matter, at 202-523-4073.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure

Attachment 1-10/2

85040510275

BEFORE THE FEDERAL ELECTION COMMISSION

Liberal Party Federal)
Campaign Committee) MUR 1452

SUBPOENA TO PRODUCE WRITTEN DOCUMENTS

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby subpoenas the Liberal Party Federal Campaign Committee to produce copies of all the printed materials produced for that Committee by the New York State United Teachers and paid for with check No. 191 on December 5, 1980, and by Penny Graphics and paid for by check No. 184 on November 6, 1980.

Such documents must be forwarded to the Office of General Counsel, Federal Election Committee, 1325 K Street, N.W., Washington, D.C. 20463 within ten days of your receipt of this subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand on , 1983.

Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment 1 - 2 of 2

86040510275



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 19, 1983

Thomas S. Johnson, Esq.
Williams and McCarthy
400 Talcott Building
P.O. Box 219
Rockford, Illinois 61105

Re: MUR 1452; National Unity Campaign
for John B. Anderson

Dear Mr. Johnson:

This is to advise you that, following an investigation and on the basis of documents submitted by your client, the Commission decided on April 13, 1983, to take no further action against your client. Accordingly, the file in this matter has been closed as it pertains to your client. After the matter has been closed as to all other respondents involved, it will become part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. The Commission reminds you, however, that the confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

If you have any questions, contact Nancy B. Nathan, at 202-523-4073.

Sincerely,

A handwritten signature in dark ink, appearing to read "Charles N. Steele", is written over a horizontal line.

Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Thomas S. Johnson, Esq.
Williams and McCarthy
400 Talcott Building
P.O. Box 219
Rockford, Illinois 61105

Re: MUR 1452; National Unity Campaign
for John B. Anderson

Dear Mr. Johnson:

This is to advise you that, following an investigation and on the basis of documents submitted by your client, the Commission decided on April 13, 1983, to take no further action against your client. Accordingly, the file in this matter has been closed as it pertains to your client. After the matter has been closed as to all other respondents involved, it will become part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. The Commission reminds you, however, that the confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

If you have any questions, contact Nancy B. Nathan, at 202-523-4073.

Sincerely,

Charles N. Steele
General Counsel

WBS
4/18/83

86040510273

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Liberal Party Federal Campaign Committee) MUR 1452
National Unity Campaign for)
John B. Anderson)

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on April 13, 1983, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 1452:

1. Take no further action against the National Unity Campaign of John B. Anderson in MUR 1452, involving the Liberal Party Federal Campaign Committee.
2. Send the letter attached to the General Counsel's report dated March 25, 1983.

Commissioners Aikens, Elliott, McDonald, McGarry, and Reiche voted affirmatively for the decision. Commissioner Harris dissented.

Attest:

4-14-83

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

86040510279

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

83 MAR 28 PM 2: 10

In the Matter of)
)
Liberal Party Federal Campaign)
Committee)
National Unity Campaign for)
John B. Anderson)

MUR 1452

SENSITIVE

GENERAL COUNSEL'S REPORT

On August 10, 1982, the Commission found reason to believe that the Liberal Party (N.Y.) Federal Campaign Committee ("the Liberal Party") had made excessive direct and in-kind contributions in New York State to the 1980 National Unity Campaign for John B. Anderson ("NUCJA"), in violation of 2 U.S.C. § 441a(a), and that NUCJA had accepted those contributions, in violation of 2 U.S.C. § 441a(f). 1/

Following its receipt of an extension of time in which to respond, granted in view of the intervening New York primary election, the Liberal Party submitted a response that included

1/ Expenditures made on behalf of NUCJA by the Liberal Party cannot properly be termed independent, since, under 11 C.F.R. § 110.7(b)(4), a state committee of a political party may not make independent expenditures in connection with the general election campaign of a candidate for federal office. The General Counsel cited, as evidence that the expenditures may have been coordinated, a January 29, 1982, letter to the Commission from Liberal Party counsel, requesting information on the Party's possible entitlement to \$90,000 of the Anderson campaign's federal funds. In that letter, it was asserted that the Liberal Party's expenditures on behalf of NUCJA were made at its request. In a November 5, 1982, letter to the Commission, the same Party counsel said the sum it intended to suggest was due it from NUCJA matching funds was \$30,000, not \$90,000, and that \$90,000 was initially mentioned only as a result of a typographical error.

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partial documentation of expenditures made on behalf of the Anderson and Javits campaigns. On October 7, 1982, this Office issued a request for further documentation to clarify certain divisions of amounts listed either as jointly expended for the Javits and Anderson campaigns, or for the Javits campaign alone but without documentation to adequately establish that Anderson's candidacy was not also advanced by the same expenditures. 2/ (See Attachment 1). The Liberal Party has been contacted several times by this Office in attempts to elicit the outstanding documentation. A recent change in Party accountants has contributed to the difficulty in getting the needed materials.

While the new accountant repeatedly has contacted Liberal Party officials to urge that the information requested by the October 7 letter be located and submitted to the Commission, he also has made direct contacts with the vendors in question. Those efforts have yielded documentation from two vendors, including D.H. Sawyer, whose bill represented the most substantial part of the total amount in question following the audit of the committee. The letter from the Sawyer firm states that all services performed for the Liberal Party in 1980 were

2/ On the basis of the partial documentation submitted September 21, 1982, by the Liberal Party, it can be established that at least \$12,846 in non-exempt expenditures were made by the Party on behalf of the Anderson campaign, including \$9,816 for a New York Times ad shared with Javits, \$281 for a similar ad in the Columbia University Spectator, \$949 for costs connected with preparing the ads, \$692 for a sound permit and sound system, \$950 for expenses reimbursed for an aide, \$125 for an ad layout, and \$33 for flowers.

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solely related to the Javits campaign. (See Attachment 2). The cost of D.H. Sawyer's services was \$98,000. That amount was included in the figure of \$119,564 cited by the auditors and this Office as the possible total of expenditures by the Committee on Anderson's behalf that had not yet been identified as having been expended for Anderson, or for Javits.

Also submitted by the accountant was documentation from another vendor, Doremus Company, substantiating that an additional \$934 of the \$119,564 was expended solely on behalf of Javits.

By letter dated November 24, 1982, (Attachment 3), counsel for respondent NUCJA reiterated their position that NUCJA had no knowledge at the time of any non-exempt expenditures that the Liberal Party may have made on behalf of the Anderson campaign. Further, NUCJA counsel urged that the Commission bifurcate the MUR, in view of the Liberal Party's delay in completing its response and the resultant delay in resolution of the NUCJA matters before the Commission and of NUCJA's winding-down process. In the interest of advancing that NUCJA audit matter, this Office now recommends that the Commission take no further action against NUCJA, on the basis of information received from NUCJA in its response to the Commission's reason to believe finding. (Attachment 4)

Affidavits submitted by NUCJA aver that NUCJA sought advice of counsel, at the time John Anderson received the Party's endorsement, on the degree to which it could accept aid from the

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Liberal Party. Consistent with that advice, the affidavits assert, NUCJA sought to protect its separate status by operating a separate headquarters and campaign organization in New York. See attached affidavit of NUCJA New York campaign manager William Cunningham, Attachment 5. The same affiant also states that conscious efforts were made to avoid contact with the Liberal Party, and that no direction and no authorization for non-exempt expenditures was given by NUCJA to the Liberal Party. The affidavit of NUCJA national campaign manager David Garth (Attachment 6) affirms the New York campaign manager's assertions. The NUCJA's treasurer's affidavit states that no direction or authorization was given for any Liberal Party expenditures beyond those that were exempt. (Attachment 7).

The affidavit of former Congressman Anderson (Attachment 8) states that, on the basis of legal counsel obtained at the time he decided to accept Liberal Party backing in New York, "every reasonable effort was exerted to restrict" any Liberal Party expenditures to exempt expenditures. He cites the separate organization maintained in New York.

Congressman Anderson's affidavit states that, to his knowledge, no NUCJA staff member either authorized Liberal Party non-exempt expenditures with NUCJA activities, or had knowledge (presumably in advance) of such expenditures by the Liberal Party. Further, Anderson states that he did not authorize and

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was not aware of (presumably in advance) any Liberal Party non-exempt expenditures.

On the basis of those sworn statements by NUCJA officials, this Office has concluded that its investigation of the matter as to respondent NUCJA has resolved the questions raised by the audit of the Liberal Party Federal Campaign Committee that led to the finding of reason to believe that NUCJA may have violated 2 U.S.C. § 441a(f) in accepting in-kind contributions in the form of coordinated expenditures made by the Liberal Party. To make out a violation of 2 U.S.C. § 441a(f), the Commission must find that respondents knowingly accepted impermissible contributions. It is necessary only to find that a respondent knew that it accepted the funds in question, not that its acceptance of such funds was in violation of the law. See Federal Election Commission v. California Medical Association, 502 F.Supp 196 (N.D.Cal. 1980).

In this matter, in the view of this Office, the submitted affidavits support NUCJA's position that it did not authorize and had no knowledge in advance of any Liberal Party non-exempt expenditures made on behalf of the Anderson candidacy.

Commission regulations, at 11 C.F.R. § 109.1(b)(4), define the phrase "made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of,

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a candidate or any agent or authorized committee of the candidate" to mean: "Any arrangement, coordination, or direction by the candidate or his or her agent prior to the publication, distribution, display, or broadcast of the communication."

(Emphasis added). Although it could be said that there was prior "arrangement, coordination, or direction" by NUCJA with regard to Liberal Party expenditures that would be exempt from the contribution and expenditure limitations, it does not appear that there was such prior "arrangement, coordination, or direction" regarding the NUCJA expenditures at issue. It appears that NUCJA officials gave specific direction to Liberal Party representatives not to make expenditures other than those that would be exempt from limitation. While it is true that a principal may be held even if the agent's acts go against the express orders of the principal, see New York Central Railroad v. United States, 212 U.S. 481, 493, (1909); Sheet Metal Workers International Association, AFL-CIO v. NLRB, 293 F.2d 141, 149 (D.C. Cir. 1961), the application of such a theory when dealing with a statute that requires "knowing acceptance," and when dealing with the present set of facts, would be difficult to sustain, we believe. Moreover, although the Commission's regulations stating that party committees entitled to make § 441a(d) expenditures "shall not make independent expenditures" (see 11 C.F.R. § 110.7(a)(5) and (b)(4)) are premised upon the idea that party committees cannot make uncoordinated expenditures

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on behalf of the candidates nominated or selected by them, it would seem to be within the Commission's prosecutorial discretion not to proceed against a candidate's campaign under § 441a(f) where evidence of actual coordination is absent. For that reason, this Office recommends that the Commission take no further action as to respondent NUCJA in this matter. 3/

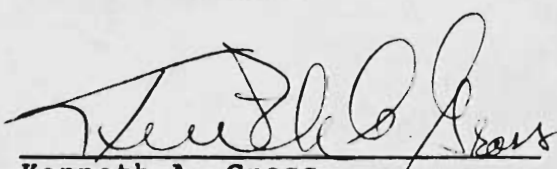
Recommendation

1. Take no further action against the National Unity Campaign of John B. Anderson in MUR 1452, involving the Liberal Party Federal Campaign Committee.
2. Send the attached letter.

Date

3-25-83

Charles N. Steele
General Counsel

By: 
Kenneth A. Gross
Associate General Counsel

3/ We make no recommendation at this time regarding the Liberal Party Federal Campaign Committee. Because it is apparent that they made non-exempt expenditures of at least \$12,846 on behalf of the Anderson campaign (see note 2, supra), it is apparent that they exceeded 2 U.S.C. § 441a(a) and/or 2 U.S.C. § 441a(d). However, because we have not yet been able to calculate how much was ultimately expended on behalf of the Anderson campaign, a General Counsel's Brief has not yet been prepared.

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Attachments

1. Letter to Liberal Party requesting additional documentation of possible 1980 expenditures on behalf of NUCJA
2. Letter from D.H. Sawyer re Javits expenditures.
3. November 24, 1982, letter from NUCJA counsel
4. Response of NUCJA to reason to believe finding
5. Affidavit of William Cunningham
6. Affidavit of David Garth
7. Affidavit of Michael MacLeod
8. Affidavit of John B. Anderson
9. Proposed letter to NUCJA

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 7, 1982

Alfred Goldfield, Esq.
Herzfeld and Rubin
40 Wall Street
New York, New York 10005

Re: MUR 1452

Dear Mr. Goldfield:

In partial response to its August 12, 1982, notification of a finding of reason to believe that the Liberal Party may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended, the Commission has received invoices and other materials from accountant Alan A. Bailey.

While that response answers some of the questions raised by the Commission's finding, more information is needed in order to resolve some remaining issues. Specifically, please provide the following information:

1. An explanation of the method of distribution used for the Anderson brochures printed by Major Graphics, invoice No. 4370, dated October 29, 1980, and for the Anderson-Javits brochures printed by Major Graphics, invoice No. 4288, dated October 21, 1980.
2. Detailed descriptions of the miscellaneous expenditures for which Steven LeBow was reimbursed on October 2, 1980 and November 7, 1980 (as to the \$950 attributed to Anderson).
3. Documentation to reveal the candidate(s) for which D.H. Sawyer rendered services and was paid -- i.e., for which candidate(s) the costs billed in all invoices except #s 1080 and 1081 were incurred.
4. Details on certain items reported but lacking invoices, to wit:
 - a. Jonathan Glynn - Please explain how the flyer was distributed; please supply sample.
 - b. Doremus Co. - Please supply samples of public relations

Attachment 1 - 1 of 2

product to document that it was for Javits.

c. Penny Graphics - Please supply printed material(s) sample(s).

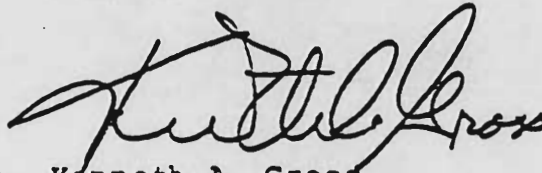
d. N.Y.S. United Teachers - Please supply printed material(s) sample(s).

e. Stone Advertising - Please supply samples of advertising product.

Please provide the foregoing information within ten days of your receipt of this letter. If you have any questions, please contact Nancy Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel



By: Kenneth A. Gross
Associate General Counsel

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Attachment 1 - 2 of 2

DH SAWYER & ASSOCIATES, LTD.

60 WEST 55th ST., NEW YORK, N.Y. 10019 212-245-0047

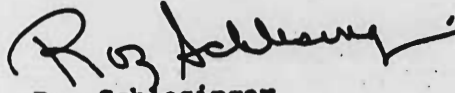
February 10, 1983

Mr. Raymond Phillips
1430 Broadway
New York, N.Y. 10018

Dear Mr. Phillips:

Services performed for the Liberal Party
during the 1980 election campaign were
solely related to the Senatorial campaign
of Jacob Javits.

Very truly yours,



Roz Schlesinger
Comptroller

83040310290

Attachment 2

11/23/82 2:28

JOHN C. MCCARTHY
JOHN R. KINLEY
ELMER C. RUDY
GEORGE J. F. CHA
THOMAS S. JOHNSON
RICHARD E. MALDEMAN
EDWARD F. TELLING III
RUSSELL D. ANDERSON
JOHN E. PFAU
RICHARD A. EERMAN
JOHN W. ROSENBLUM
JOHN W. FRANCE
JOHN L. SHEPHERD
TERRY D. ANDERSON
MICHAEL A. HAVRILESKO

SCOTT C. SULLIVAN
SUSAN M. F. GILLET
LYNNE K. BRUGGEN
PETER S. DAYTON

WILLIAMS & MCCARTHY
A PROFESSIONAL CORPORATION
400 TALCOTT BUILDING P. O. BOX 219
ROCKFORD, ILLINOIS 61105

AREA CODE 815
TELEPHONE 987-8900

Nathan

KARL C. WILLIAMS
OF COUNSEL

November 24, 1982

Attorney Nancy B. Nathan
Federal Election Commission
Washington, D.C. 20463

Re: M.U.R. 1452

Dear Nancy:

Following our meeting last week I met to discuss the Liberal Party matter under review with John B. Anderson and the officers of the committee. I explained that the current delay in concluding the matter relates to the Liberal Party's failure to produce the accounting details of the various transactions under review. Mr. Anderson is anxious to conclude the matter without further delay, if at all possible, since the refunding pool cannot be determined nor refunds distributed until the Liberal Party matter has been concluded.

As you know it continues to be our position that even if improper expenditures were made by the Liberal Party (which we of course deny) they do not constitute contributions knowingly accepted by NUCJA. Apart from the \$4000 excess contribution erroneously accepted upon the good faith belief that the Liberal Party was a multi-candidate committee (and subsequently returned) none of the other expenditures in question were authorized or accepted by NUCJA. If made at all, such expenditures were made without knowledge or consent or knowing acceptance on the part of NUCJA, as fully set forth in our response and supporting affidavits previously filed. If a violation occurred at all it was on the part of the Liberal Party and did not involve the National Unity Campaign.

Accordingly, we respectfully request that your office reach a determination on the threshold legal question of what constitutes "knowing acceptance" without waiting for the factual accounting details from the Liberal Party. If our position is correct the matter under review can then be concluded at least

Attachment 3-10/2

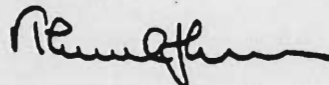
November 24, 1982

as to NUCJA, as a matter of law. This would permit NUCJA to proceed with the distribution of refunds without further delay and in due course conclude the winding-down process.

I enjoyed the opportunity to meet you last week and sincerely hope that this question can be decided as a matter of law at the earliest convenient time and protracted dispute thereby avoided.

If any further documentation would be helpful to you from us at this time, or if you have further questions or concerns of which we should be aware please do not hesitate to call on me.

Sincerely,



Thomas S. Johnson

T.S.J.
D.J.L.

85040610292

Attachment 3- 2012

6cc# 0767

JOHN C. MCCARTHY
JOHN R. KINLEY
ELMER C. RUDY
GEORGE J. PICHA
THOMAS S. JOHNSON
RICHARD R. HALDEMAN
EDWARD R. TELLING III
RUSSELL D. ANDERSON
JOHN E. PFAU
RICHARD A. BERMAN
JOHN W. ROSENBLOOM
JOHN W. FRANCE
JOHN L. SHEPHERD
TERRY D. ANDERSON
MICHAEL K. HAVRILESKO

WILLIAMS & MCCARTHY
A PROFESSIONAL CORPORATION
400 TALCOTT BUILDING P. O. BOX 219
ROCKFORD, ILLINOIS 61105

AREA CODE 815
TELEPHONE 987-8900

SCOTT C. SULLIVAN
SUSAN M. H. GILLET
LYNNE K. BRUGGEN
PETER S. DAYTON

October 20, 1982

KARL C. WILLIAMS
SAC COUNSEL

10:37

Federal Election Commission
Washington, D.C. 20463

RE: Response of the National Unity Campaign for
John B. Anderson to MUR 1452

Gentlemen:

As you know, I represent the National Unity Campaign for John Anderson on the matter designated as MUR 1452 pursuant to the designation as counsel previously filed. This letter constitutes its response to that matter and to the letter of August 12, 1982 relating thereto.

This matter involves an allegation that the National Unity Campaign for John Anderson, hereinafter referred to as the NUCJA, knowingly violated 2 U.S.C. § 441a(f) by accepting contributions from the Liberal Party Federal Campaign Committee, hereinafter referred to as the Liberal Party, in violation of 2 U.S.C. § 441a(a).

This reply is submitted to demonstrate that no action should be taken against the NUCJA. In support of our position, we have attached and made part of this reply affidavits signed and executed by John B. Anderson, Presidential Candidate of the NUCJA; David Garth, NUCJA Campaign Manager; Michael F. MacLeod, Treasurer of the NUCJA; and William T. Cunningham, the NUCJA Campaign Manager for New York State.

These affidavits attest to the fact that the expenditures by the Liberal Party were made (if at all) without the knowledge or consent of NUCJA and that the NUCJA had taken the precaution of seeking and obtaining a qualified legal opinion about permissible Liberal Party activities on behalf of the Anderson candidacy at the time that it received the Liberal Party endorsement. The affidavits further verify that the NUCJA made every effort to insure that the Liberal Party would undertake only exempt activities involved in the preparation and distribution of slate cards, volunteer activities, and registration/get-out-the-vote

Attachment 4-1015

85040310293

Federal Election Commission

Page 2

October 20, 1982

activities, and in accordance therewith, NUCJA maintained an entirely separate campaign organization in New York State, at its sole expense, to support the campaign in ways which legal counsel had identified as being inappropriate for Liberal Party financing.

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The Commission's audit of the Liberal Party for the period February 14, 1980 through December 31, 1980, covers a period of seven months prior to the time that John Anderson received the endorsement of the Liberal Party. Although few bills appear to have been paid during that seven month period, among the various amounts of money alleged to have been expended throughout the entire audit period as set forth in the General Counsel's Factual and Legal Analysis is the sum of \$119,564.11 which the Liberal Party's records show was spent on behalf of candidates generally. It may well be that many of those bills, although not paid until after Mr. Anderson accepted the endorsement, related to activity entirely unrelated to his candidacy. The auditors determined that the Liberal Party's invoices did not identify for which candidates these expenditures were made. Therefore, it would not be reasonable to consider that category of expenditures as the basis for a finding that there is probable cause to believe that there was knowing acceptance of those contributions by NUCJA which put it in violation of 2 U.S.C. §441a(f).

The Liberal Party's records as disclosed by the Commission's audit refer to a further category of expenditures amounting to \$27,611.26 expended jointly on behalf of Mr. Anderson and Senator Javits, the latter being the Liberal Party nominee for the U.S. Senate. Once again, the Commission's own audit of the Liberal Party noted that there is inadequate documentation by way of invoices which would identify the candidates for which expenditures were made. When the demand was made upon the Liberal Party for documentation, once again the Liberal Party was unable to provide any proof that would sustain the arbitrary conclusion that half of this sum should be attributed to expenditures for the NUCJA. The degree of uncertainty which exists with respect to the Liberal Party's own records militates against accepting as reasonable the arbitrary allocation of these expenditures.

It is a serious matter, indeed, to charge the NUCJA with a knowing violation of the law. Not only do the supporting affidavits make it absolutely clear that scienter cannot be established, but the wholly unsatisfactory nature of any supporting evidence with respect to what amounts were expended and for what candidate militates against the effort to in any way penalize

Attachment 4-2015

the NUCJA, particularly when it has been established that the NUCJA made a good faith effort by obtaining the advice of counsel as soon as the Liberal Party endorsement had been received, and conducting its campaign in such a way that it would be in full compliance with Federal law.

As indicated by the affidavits, NUCJA maintained an extensive campaign organization in New York State entirely separate from the Liberal Party, financed exclusively by NUCJA to support the candidacy of John Anderson in New York State, consistent with the advice of counsel, since NUCJA was fully aware that the efforts of the Liberal Party in support of the Anderson candidacy were limited solely to those exempt activities set forth in the legal opinion.

It was not until after the certification of eligibility of the NUCJA for Federal funds that the Liberal Party first began to demand payment from Anderson. The Liberal Party obviously seeks to use the FEC as a collection agency to replenish its party coffers. Again, the affidavits make it abundantly clear that no authorization proceeded from the NUCJA to the Liberal Party to make unauthorized expenditures, and as the State Campaign Manager's affidavit in particular makes clear, the campaigns of the NUCJA and the Liberal Party were under totally separate administrations and the NUCJA maintained its separate identity throughout the campaign. The expenditures of the Liberal Party, if any, which are now alleged to have incidentally benefited the NUCJA were made, if at all, without its knowledge or consent.

In the General Counsel's Factual and Legal Analysis of this matter it is stated that there is "some evidence of coordination in the January 29, 1982 letter to the Commission from Liberal Party counsel, requesting information on the Liberal Party's possible entitlement to Mr. Anderson's federal matching funds. In that letter (see Attachment 1), it is asserted that the Committee's expenditures on Anderson's behalf were made at his request."

It is certainly highly significant that the Liberal Party waited for 15 months after the election to inquire about "possible entitlement" and to make the self-serving declaration that the various expenditures which it claims it made were at the direct authorization of the NUCJA. The fact of the matter is that John Anderson, Attorney Mitchell Rogovin, and Michael MacLeod, NUCJA Treasurer, met with James Notaro and Raymond Harding, officials of the Liberal Party, in Washington, D.C. early

in 1981, several months after the election, and made it quite clear that there were no funds available to refurbish the depleted campaign coffers of the Liberal Party of New York. They, James Notaro and Raymond Harding, verbally acknowledged at that meeting that no funds had ever been promised by officials of the NUCJA to the Liberal Party. At no time during this meeting did the Liberal Party officials make specific demands of a documented nature, nor did they attempt to suggest or allege that there had been any coordination between their expenditures as a state party and the campaign activities of the NUCJA, which, as the affidavit of Mr. Cunningham, the NUCJA New York State Campaign Manager, indicates were carried on in an entirely separate manner. There is, in short, no tangible evidence of coordination. Indeed, there is clear and convincing evidence to the contrary.

Finally, it should be noted that if the Commission determines that a violation had occurred, the amounts in question would need to be reimbursed from NUCJA, solely because of activity by the Liberal Party, which would constitute a deliberate violation of Federal Election Campaign Act, without the knowledge or consent of NUCJA and despite every reasonable effort by NUCJA to insure that the Act was fully complied with. Such would constitute unjustified enrichment to the Liberal Party solely as a result of its improper and unauthorized action which result would be wholly inappropriate and unwarranted.

In summary, therefore, it is the position of NUCJA that:

1. The alleged contributions were neither authorized nor knowingly accepted by NUCJA, except for the \$4,000 excess contribution which was received in the good faith assumption that the Liberal Party was a multicandidate committee and was returned to the Liberal Party promptly upon notification that the assumption was incorrect at the time the contribution was received.

2. Every effort was made by NUCJA to restrict the Liberal Party's contributions to those which a prior legal opinion had indentified as proper. In accordance with that undertaking, a campaign organization was maintained by NUCJA in New York State entirely separate from the Liberal Party, financed exclusively by NUCJA.

3. The contributions in question are inadequately documented and the apportionment to the benefit of NUCJA of the unallocated expenditures is entirely unwarranted. NUCJA received no direct benefit from such expenditures which were made, if at all, without the knowledge or consent of either NUCJA or John B. Anderson.

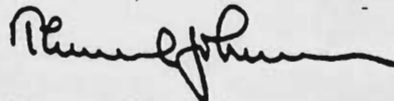
Attachment 8-4 of 5

Federal Election Commission
Page 5
October 20, 1982

4. This effort by the Liberal Party to seek reimbursement long after the campaign had concluded is a flagrant attempt to divert to the Liberal Party, NUCJA funds to which the Liberal Party is not entitled, solely because of an admitted violation of the Federal Election Campaign Act of 1971 by the Liberal Party, without the knowledge or consent of NUCJA.

To find the National Unity Campaign for John B. Anderson in violation of the law (2 U.S.C. § 441a(f)) by knowingly accepting contributions from the Liberal Party that were in violation of 2 U.S.C. § 441(a) is totally unsupportable by any reasonable or credible evidence. Regrettably the Liberal Party of New York has by these proceedings simply endeavored to use the good offices of the Federal Election Commission to raise money for its ongoing activities as a state party in New York. Therefore, we respectfully request that the Commission enter a finding of no probable cause for any violation as alleged.

Respectfully submitted,



Thomas S. Johnson

TSJ/kw

85040610297

Attachment 4-5 of 5

AFFIDAVIT

William Cunningham, being first duly sworn, deposes and says:

That in 1980 he served as the National Unity Campaign for John Anderson (NUCJA) campaign manager for New York State. In such capacity he had charge and directed campaign activities throughout New York State which included supervision of the seven NUCJA campaign offices located around the state.

Your affiant further deposes and says that conscious effort was made at all times to preserve and maintain the separate identity of the NUCJA and that there was in no sense of the word any merger of the NUCJA campaign and that of the Liberal Party. At no time did he authorize or direct the campaign activities or expenditures of the Liberal Party. At no time did he authorize the Liberal Party to make specific expenditures in behalf of the NUCJA and, to the best of his knowledge and belief, any expenditures by the Liberal Party were those exempt expenditures not considered contributions under the Federal Elections Campaign Act, such as the preparation and distribution of slate cards, volunteer activities, and registration/get-out-the-vote activities.

William T. Cunningham
Signature

William T. Cunningham
Printed Name

10 Maple Avenue
Street Address

Delmar, Albany, N.Y.
City, County, State of Residence

The undersigned, being a Notary Public in and for the State of New York and the county of Albany, certifies that the person indicated above appeared before me on the date indicated below, and executed the document as his voluntary act, stating the contents thereof to be true.

Given under my hand and notarial seal on September 10, 1982

Elizabeth W. Williams
Notary Public

ELIZABETH W. WILLIAMS
Notary Public State of New York
Residing in Albany County 83
Commission Expires March 20, 1983

My commission expires: _____

Attachment 5

AFFIDAVIT

David Garth, being first duly sworn, deposes and says:

That in 1980 he served as the national campaign manager for the National Unity Campaign for John Anderson (NUCJA). In that position he was instrumental in securing the nomination of the Liberal Party of New York State for John Anderson. Your affiant further deposes and says that, based on his long and extensive experience in New York State politics, he was well aware of legal difficulties involved under New York State law in achieving ballot position by the petition route. He was aware that many successful legal challenges had been maintained in previous elections, including striking the ballot position of independent candidate Eugene McCarthy in the 1976 general election. He therefore advised John Anderson that his best chance to achieve a line on the ballot in New York State in 1980 was to accept the nomination of the Liberal Party.

Your affiant further deposes and says that there was never at any time any understanding or agreement with the Liberal Party whereby the NUCJA authorized, directed, or otherwise sought to have the Liberal Party make expenditures on behalf of the NUCJA other than those which would be exempt under the Federal Elections Campaign Law, such as the preparation and distribution of slate cards, volunteer activities, and registration/get-out-the-vote activities.

Your affiant further deposes and says that, pursuant to his direction as national campaign manager, the state campaign manager in New York, William Cunningham, did maintain the separate identity of the NUCJA from the Liberal Party campaign and at no time did he authorize the New York State campaign to coordinate expenditures with those of the Liberal Party in such a way that would violate the Federal Elections Campaign Law.

Your affiant further deposes and says that contemporaneously with the securing of the nomination of the Liberal Party of New York he had requested and received legal opinion on permissible Liberal Party activities on behalf of John B. Anderson and thereafter made every reasonable effort to comply with the legal restrictions of the Federal Elections Campaign Act.

David L. Garth
Signature

DAVID L. GARTH
Printed Name

1 WEST 67TH STREET
Street Address

NEW YORK, N.Y. 10023
City, County, State of Residence

The undersigned, being a Notary Public in and for the State of NEW YORK and the County of NEW YORK, certifies that the person indicated above appeared before me on the date indicated below, and executed the document as his voluntary act, stating the contents thereof to be true.

Given under my hand and notarial seal on 4TH OCTOBER 1982

HARRO von MANNASSY
Notary Public

HARRO von MANNASSY
Notary Public, State of New York
No. 31-4737629

Qualified in New York County
Commission Expires March 30, 1983

My commission expires: _____

Attachment 6

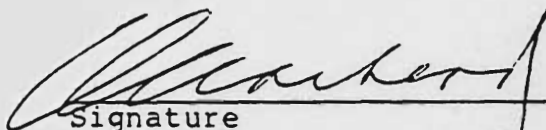
AFFIDAVIT

Michael MacLeod, being first duly sworn, deposes and says:

That in 1980 he served as the treasurer of the National Unity Campaign for John Anderson (NUCJA). He was aware of the Liberal Party endorsement of the Anderson-Lucey ticket of the NUCJA. At the time of said endorsement he was one of the campaign officials who received legal advice on the permissible Liberal Party activities on behalf of the NUCJA.

Your affiant further deposes and says that at no time did he as campaign treasurer authorize or direct expenditures of the Liberal Party which would have been in violation of the provisions of the Federal Elections Campaign Act.

Your affiant further deposes and says that in his capacity as campaign treasurer every reasonable effort was made to comply with said Act and at no time was he informed by the Liberal Party of its intention to make expenditures on behalf of the NUCJA other than those which might be exempt under the law, such as the preparation and distribution of slate cards, volunteer activities, and registration/get-out-the-vote activities.


Signature

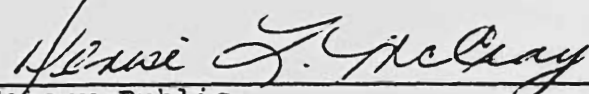
MICHAEL F. MACLEOD
Printed Name

4324 WESTOVER PL. NW
Street Address

WASHINGTON DC 20014
City, County, State of Residence

The undersigned, being a Notary Public in and for the District of Columbia, certifies that the person indicated above appeared before me on the date indicated below and executed the document as his voluntary act, state the contents thereof to be true.

Given under my hand and notarial seal on September 17 1982.


Notary Public

My commission expires: October 14, 1986.

AFFIDAVIT

John B. Anderson, being first duly sworn upon his oath deposes and says:

Following my decision to become an independent candidate for the Presidency on April 24, 1980 it became a necessary and important part of my electoral strategy to gain access to the ballots of the 50 states for the general election. The State of New York was believed to pose a difficult problem in this regard because of the peculiarities of New York State election laws and their effect on candidates other than those of established parties. I was aware that over the years a number of non-party candidates had been subjected to court challenges when they tried to achieve a line on the ballot by securing the signatures of petitioners representing a percentage of registered voters in the State. In 1976 an independent candidate for President of the United States, Eugene McCarthy, had been denied a ballot position after one of these legal challenges had been upheld in the New York Courts.

I therefore elected to accept the nomination of the Liberal Party, a New York State Party, which was already qualified to run candidates for federal and state office on its own line.

At the time that I secured the nomination of the Liberal Party, I sought and received what I believed to be competent legal advice from a Washington law firm concerning permissible Liberal Party activities in behalf of my candidacy. I was advised that since the Liberal Party was not a national but rather a state party, they could not make coordinated expenditures on behalf of my campaign under 2 U.S.C. §441a(d). I was further informed that the Federal Elections Campaign Act permits a state party to pay costs of preparation, display, and mailing or other distribution of a printed slate card or sample ballot, or other printed listing of 3 or more candidates for any public office, pursuant to the so-called slate card exemption, 2 U.S.C. §431(8)(B)(v) and 11 CFR §100.7(b)(9).

It was further my understanding that the law makes it clear that payments for such activities, though required to be reported by the committee making them, do not need to be allocated to specific candidates. It was my further understanding that under 2 U.S.C. §431(8)(B)(x) and 11 CFR §100.7(b)(15), the Liberal Party could engage in certain volunteer activities which would include costs of such campaign materials as pins, handbills, brochures, posters, party tabloids, etc., used in connection with volunteer activities on behalf of candidates of the Liberal Party.

It was also my understanding that pursuant to 2 U.S.C. §431(8)(B)(xii) and 11 CFR §100.7(b)(17), the Liberal Party could undertake in behalf of my campaign registration and get-out-the-vote activities which might involve certain expenditures, as long as such payments did not include payments for the cost of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising.

-2-

Every reasonable effort was exerted to restrict any expenditures by the Liberal Party on behalf of the National Unity Campaign for John Anderson (NUCJA) to expenditures which did not constitute contributions under the Act. A particular effort was made by the state campaign manager, William Cunningham, and all others in the national campaign office to maintain the separate identity of the NUCJA from the identity of the Liberal Party Campaign. For example, the seven offices maintained in New York State by the NUCJA were all staffed by employees of that campaign and were not subject to any supervision or direction by employees or staff members of the Liberal Party.

Your affiant further says that he did not, nor did anyone to his knowledge, in any way attempt to direct or otherwise authorize expenditures by the Liberal Party or to coordinate any Liberal Party expenditures with those made by the NUCJA, nor did your affiant authorize nor was your affiant aware of any Liberal Party expenditures on behalf of his candidacy, except for the cash contribution to NUCJA from Liberal Party and except for exempt activity as set forth in this affidavit. Any other expenditures by the Liberal Party, allegedly on behalf of NUCJA or affiant's candidacy were made, if at all, entirely without his or NUCJA's authorization, knowledge or consent.

John B. Anderson
Signature

John B. Anderson
Printed Name

2720 35th Place NW
Street Address

Washington, DC 20007
City, County, State or Residence

The undersigned, being a Notary Public in and for the District of Columbia, certifies that the person indicated above appeared before me on the date indicated below, and executed the document as his voluntary act, state the contents thereof to be true.

Given under my hand and notarial seal on October 19
1982.

Mary Agnes Haines
Notary Public

My commission expires: March 25, 1987.

Attachment 8-2012



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

Thomas S. Johnson, Esq.
Williams and McCarthy
400 Talcott Building
P.O. Box 219
Rockford, Illinois 61105

Re: MUR 1452
National Unity Campaign

Dear Mr. Johnson:

This is to advise you that, following an investigation and on the basis of documents submitted by your client, the Commission decided on , 1982, to take no further action against your client. Accordingly, the file in this matter has been closed as it pertains to your client. After the matter has been closed as to all other respondents involved, it will become part of the public record within thirty days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. The Commission reminds you, however, that the confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

If you have any questions, contact Nancy B. Nathan, at 202-523-4073.

Sincerely,

Charles N. Steele
General Counsel

Attachment 8

86040510304

Weber **W** **Lipshie & Co.**
L CERTIFIED PUBLIC ACCOUNTANTS
575 Madison Avenue, New York, N.Y. 10022 (212) 751-6000

NEW ADDRESS:
1430 BROADWAY
NEW YORK, N.Y. 10018

Qcc # 7655
Internationally O'Hare Barry + Associates

Offices In:
New York
Melville
Los Angeles
Costa Mesa

Cable: Weblipco-N.Y.

March 11, 1983

Ms. Nancy Nathan
Federal Election Commission
Washington, D. C. 20463

Re: D H Sawyer & Associates Ltd.

Dear Ms. Nathan:

After some period of faulty communication, I succeeded in receiving from the above captioned public relations company the enclosed letter.

Apparently, the results of their services did not generate a tangible set of documents and, accordingly, their statement in the letter is the best way of describing the services which they performed.

I wish to advise you that I have resigned as Treasurer of The Liberal Party. While I will continue to attempt to be of help to you, should that be appropriate, you may consider it more logical to communicate directly with the Party at their office in New York.

Sincerely yours,

Raymond H. Phillips
Raymond H. Phillips

RHP:rb
Enc.

cc: Dr. Donald Harrington

DH SAWYER & ASSOCIATES, LTD.

60 WEST 55th ST., NEW YORK, N.Y. 10019 212-245-0047

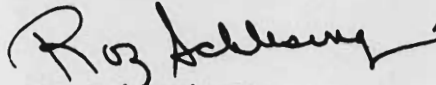
February 10, 1983

Mr. Raymond Phillips
1430 Broadway
New York, N.Y. 10018

Dear Mr. Phillips:

Services performed for the Liberal Party
during the 1980 election campaign were
solely related to the Senatorial campaign
of Jacob Javits.

Very truly yours,



Roz Schlesinger
Comptroller

85040610305


 Weber Lipshie & Co.
 CERTIFIED PUBLIC ACCOUNTANTS
 575 Madison Ave.

Lipshie & Co.

CONTINUED FROM PREVIOUS PAGE

575 Madison Avenue, New York, N. Y. 10022

NEW ADDRESS
1430 BROADWAY
NEW YORK, N. Y. 10018

NEW YORK, N. Y. 10013

Ms. Nancy Nathan
Federal Election Commission
Washington, D. C. 20463

Federal Election Commission

Washington, D. C. 20463

○ ○ ○ ○ ○

86040510307

Weber **W** **Lipshie & Co.**
L CERTIFIED PUBLIC ACCOUNTANTS
1430 Broadway, New York, N.Y. 10018 (212) 382-3400

RECEIVED BCCA 9565
INTERNATIONALLY ASSOCIATED WITH
O'HARE BARRY & ASSOCIATES

83 FEB 25 PIC: 02

Offices in:
New York
Melville
Los Angeles
Costa Mesa

Cable: Weblipco-N.Y.

February 23, 1983

Ms. Nancy Nathan
Federal Election Commission
Washington, D. C. 20463

Re: Liberal Party 1980 Javits Campaign

Dear Ms. Nathan:

The enclosed letter from Doremus & Company appears to be the best documentary support which I have been able to obtain.

It does appear, however, that any payments to this company related to the Javits Primary Campaign. I would assume that there is a strong inference, therefore, that the work done by them was confined to that particular candidate.

I do not know what more I can do to assist you on this specific question, but if you perceive anything which you need from me in addition to it, please feel free to contact me.

Sincerely yours,

R Phillips
Raymond H. Phillips

RHP:rb
Enc.

cc: Alfred Goldfield, Esq.

DOREMUS & COMPANY
ADVERTISING • PUBLIC RELATIONS

SHEILA KELLEY
Vice President
PRSA Accredited

120 BROADWAY, NEW YORK, NY 10271 212 964 0700

February 16, 1983

Raymond Phillips, Esq.
Weber, Lipshie & Company
1430 Broadway
New York, NY 10010

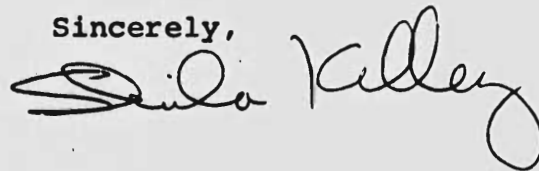
Dear Mr. Phillips:

I am writing this letter to you in response to your request made during our telephone conversation on Tuesday morning, February 14.

During the Javits primary campaign to which you referred, I worked as a subcontractor and not directly for the campaign organization. However, on a couple of occasions, I may have submitted expense accounts to the campaign to cover out-of-pocket costs in minor amounts; I think I recollect doing so in regard to out-of-town travel on one occasion. I was involved in the paid media campaign in the creation and production of advertising materials for the primary but only through another supplier, not Doremus.

If you require additional information, let me know.

Sincerely,



SK/gb

85040510303

W
L
Weber Lipshie & Co.
CERTIFIED PUBLIC ACCOUNTANTS
575 Madison Avenue New York, N.Y. 10022

NEW ADDRESS:
1430 BROADWAY
NEW YORK, N.Y. 10018



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Ms. Nancy Nathan
Federal Election Commission
Washington, D. C. 20463

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O'HARE BARRY + ASSOCIATES

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W
Weber **Lipshie & Co.**
L
CERTIFIED PUBLIC ACCOUNTANTS
1430 Broadway, New York, N.Y. 10018 (212) 382-3400

Offices in:
New York
Melville
Los Angeles
Costa Mesa

Cable: Weblipco-N.Y.

February 10, 1983

Ms. Nancy Nathan
Federal Election Commission
Washington, D. C. 20463

Re: MUR1452 - New York State Liberal Party

Dear Ms. Nathan:

I tried to reach you without success today, and thought it advisable to convey the following to you.

I am advised by D. H. Sawyer that the production work which they did in 1980 was specifically for the Javits Senatorial Campaign.

They indicated that it may be a week or so before they can retrieve their 1980 records to see whether there is complete substantiation for this point. In the event that they cannot find appropriate substantiation in that fashion, they will furnish an appropriate letter to that effect.

I am trying to generate responses to the remaining unanswered questions contained in your letter of October 7, 1982.

Your continuing patience in this matter is greatly appreciated.

Sincerely yours,

R Phillips

Raymond H. Phillips

RHP:rb

85040610310

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W
Weber Lipshie & Co.

CERTIFIED PUBLIC ACCOUNTANT

575 Madison Avenue, New York, N. Y. 10022

NEW ADDRESS:

1100 15TH AVE

NEW YORK, N. Y. 10018

83 FEB 16 P 2: 33

Ms. Nancy Nathan
Federal Election Commission
Washington, D. C. 20463

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W
L
Weber Lipshie & Co.
CERTIFIED PUBLIC ACCOUNTANTS

575 Madison Avenue, New York, N.Y. 10022 (212) 751-6000

GOC # 9298
Internationally O'Hare Barry + Associates

Offices In:
New York
Melville
Los Angeles
Costa Mesa

Cable: Weblipco-N.Y.

December 30, 1982

Ms. Nancy Nathan
Federal Election Commission
Washington, D. C. 20463

Re: Liberal Party - New York State

Dear Ms. Nathan:

Having now returned from my trip, (and a subsequent bout with the flu) I have commenced gathering information to respond to the letter dated October 7, 1982 addressed to Alfred Goldfield from Kenneth Gross.

You are aware, of course, that prior to my recent election as Party Treasurer, I had no familiarity with the activities of the Party or any of its campaigns.

Answers to some of your questions follow, namely:

1. The Anderson Brochures and the Anderson Javits Brochures were hand distributed by individual members of local Liberal Party Committees throughout the State of New York.
2. I am advised that Steven Lebow was involved in electioneering for the Anderson Campaign, most particularly at college campuses throughout the State. The payments to him were intended to reimburse him for automobile expenses, telephone calls and other out-of-pocket expenditures.
4. a) Jonathan Glynn prepared the artwork referred to in your question #1 above. A sample of that is enclosed.
4. e) Sample enclosed.

Answers to the other questions require that we communicate with the respective suppliers for detailed descriptions. Hopefully, we will receive prompt responses to our inquiries.

Sincerely,

Raymond H. Phillips
Raymond H. Phillips

RHP:rb
Enc.

CCC # 9811

203455

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82 NOV 26 P 2: 26

JOHN C. MCCARTHY
JOHN R. KINLEY
ELMER C. RUDY
GEORGE J. PICH
THOMAS S. JOHNSON
RICHARD R. HALDEMAN
EDWARD R. TELLING III
RUSSELL D. ANDERSON
JOHN E. PFAU
RICHARD A. BERMAN
JOHN W. ROSENBLOOM
JOHN W. FRANCE
JOHN L. SHEPHERD
TERRY D. ANDERSON
MICHAEL K. HAVRILESKO

SCOTT C. SULLIVAN
SUSAN M. H. GILLET
LYNNE K. BRUGGEN
PETER S. DAYTON

WILLIAMS & MCCARTHY
A PROFESSIONAL CORPORATION
400 TALCOTT BUILDING P. O. BOX 219
ROCKFORD, ILLINOIS 61105

AREA CODE 815
TELEPHONE 987-8900

KARL C. WILLIAMS
OF COUNSEL

November 24, 1982

Attorney Nancy B. Nathan
Federal Election Commission
Washington, D.C. 20463

Re: M.U.R. 1452

Dear Nancy:

Following our meeting last week I met to discuss the Liberal Party matter under review with John B. Anderson and the officers of the committee. I explained that the current delay in concluding the matter relates to the Liberal Party's failure to produce the accounting details of the various transactions under review. Mr. Anderson is anxious to conclude the matter without further delay, if at all possible, since the refunding pool cannot be determined nor refunds distributed until the Liberal Party matter has been concluded.

As you know it continues to be our position that even if improper expenditures were made by the Liberal Party (which we of course deny) they do not constitute contributions knowingly accepted by NUCJA. Apart from the \$4000 excess contribution erroneously accepted upon the good faith belief that the Liberal Party was a multi-candidate committee (and subsequently returned) none of the other expenditures in question were authorized or accepted by NUCJA. If made at all, such expenditures were made without knowledge or consent or knowing acceptance on the part of NUCJA, as fully set forth in our response and supporting affidavits previously filed. If a violation occurred at all it was on the part of the Liberal Party and did not involve the National Unity Campaign.

Accordingly, we respectfully request that your office reach a determination on the threshold legal question of what constitutes "knowing acceptance" without waiting for the factual accounting details from the Liberal Party. If our position is correct the matter under review can then be concluded at least

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Attorney Nancy B. Nathan

-2-

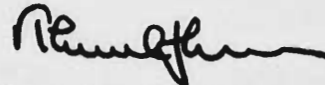
November 24, 1982

as to NUCJA, as a matter of law. This would permit NUCJA to proceed with the distribution of refunds without further delay and in due course conclude the winding-down process.

I enjoyed the opportunity to meet you last week and sincerely hope that this question can be decided as a matter of law at the earliest convenient time and protracted dispute thereby avoided.

If any further documentation would be helpful to you from us at this time, or if you have further questions or concerns of which we should be aware please do not hesitate to call on me.

Sincerely,



Thomas S. Johnson

T.S.J.
D.J.L.

86040310314

WILLIAMS & McCARTHY

400 TALCOTT BUILDING P. O. BOX 219

ROCKFORD, ILLINOIS 61105

10/27/20 P 2: 26

Attorney Nancy B. Nathan
Federal Election Commission
Washington, D.C. 20463

WALTER HERZFELD (1907-1988)
HERBERT RUBIN
BERNARD J. WALD
MICHAEL HOENIG
EDWARD L. BIRNSAUM
IAN CERESNEY
ALFRED S. GOLDFELD (N.Y. & FLA.)
THEODORE NESS
FRED W. RAUSKOLB III
MYRON SHAPIRO
JOHN A. SCHULTZ
ELLIN M. MULHOLLAND
LEONARD M. POLISAR
RICHARD L. ACKERMAN (CALIF. ONLY)
SEYMOUR KAGAN (N.Y. & CALIF.)
MARTIN S. FRIEDLANDER (N.Y. & CALIF.)
MARTIN C. LICHT
DANIEL V. OSOFSKI

LOS ANGELES OFFICE

HERZFELD & RUBIN
1925 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
TELEPHONE (213) 583-0451

FT. LAUDERDALE OFFICE

HERZFELD & RUBIN
3801 NORTH UNIVERSITY DRIVE
FT. LAUDERDALE, FLORIDA 33321
TELEPHONE (305) 742-9100

HERZFELD & RUBIN, P.C.

ATTORNEYS AT LAW

40 WALL STREET
NEW YORK, N. Y. 10005

TELEPHONE: (212) 344-0680
RAPICOM: (212) 788-0940
CABLE: PIEROWAL NEW YORK
TELEX: 12-7878
W. U. I. 66154

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62 NOV 8 P12:13
SAMUEL HADIN
IRVING GOLDAUER
J. DONALD TIERNEY (N.Y. & N.J.)
KENNETH M. GREENFIELD (N.Y. & N.J.)
COUNSEL

ROBERT H. SHENKER
ROGER E. ARENTZEN (N.Y. & N.J.)
JEFFREY L. CHASE (N.Y. & N.J.)
C. THOMAS SCHWEIZER
HOWARD S. EDINBURGH
LARRY S. REICH
ROBERT A. BERNARD
HOWARD L. WEXLER
STEVEN J. SMETANA
TERRY MYERS
WILLIAM C. GUIDA (N.Y. & S.C.)
DAVID B. HAMM
IRWIN HOROWITZ
CARL T. GRASSO
NATALIE F. MULHOLLAND
EDWARD P. SPEIRAN
BRUCE M. FRIEDMAN
HAROLD J. MCKAY
HELEN P. EICHLER
RAYMOND T. LEBON (N.Y. & N.J.)
CHARLES P. NAFMAN (N.Y. & GA.)
PETER J. KURSHAN
SUE ROSENBERG
CHARLES DELAFUENTE
JEFFREY B. SHAPIRO
PERRY L. COHEN

November 5, 1982

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

Re: John Anderson
1980 Presidential Campaign

Gentlemen:

I am enclosing herewith a copy each of my letter of January 29, 1982 to the Federal Election Commission and the Federal Election Commission's answer of February 10, 1982, which served as a basis for certain additional determinations on the Federal Election Commission's part. Please note that the sum involved was not \$90,000 but \$30,000, the former figure was a typographical error which became perpetuated.

Very truly yours,

Alfred S. Goldfield
Alfred S. Goldfield

ASG:rd
Encls.

95040510316

NOV 10 1982
4:41

82 NOV 8 P12:13

January 29, 1982

36040610317
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: John Anderson
1980 Presidential Campaign

Gentlemen:

We are writing this letter on behalf of the Liberal Party of New York State. Please note we have written to you several times relative to the monies of John Anderson (National Unity Campaign) 1980 Presidential Campaign.

Our question concerns whether or not we are entitled to Federal funds allocated to John Anderson as a result of the Liberal Party's having expended funds in excess of \$90,000 on John Anderson's behalf during his 1980 Presidential Campaign, with his permission and at his request, and at the request of his National Unity Party.

Enclosed please find correspondence relative to the foregoing.

I would appreciate hearing from you at your earliest convenience.

Very truly yours,

Alfred S. Goldfield

ASG:rd
Enc.

82 NOV 8 P12:13



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 10, 1982

Alfred S. Goldfield, Esq.
Herzfeld & Rubin, P.C.
Attorney at Law
40 Wall Street
New York, New York 10005

Dear Mr. Goldfield:

This refers to your letter of January 29, 1982, with enclosures, on behalf of the Liberal Party of New York State.

Your letter poses the question of whether the Liberal Party is:

entitled to Federal funds allocated to John Anderson as a result of the Liberal Party's having expended funds in excess of \$90,000 on John Anderson's behalf during his 1980 Presidential Campaign, with his permission and at his request, and at the request of his National Unity Party.

It is not clear whether you wish to request a Commission advisory opinion on this question, or whether you wish to file a complaint with the Commission alleging a violation of the Federal Election Campaign Act of 1971, as amended ("the Act"), by the Anderson 1980 presidential campaign. The advisory opinion procedure is set forth in 2 U.S.C. §437f and explained in Commission regulations at 11 CFR Part 112. The complaint procedure is found in 2 U.S.C. §437g and explained in Commission regulations at 11 CFR Part 111. A clarification of your purpose is needed before any further consideration may be given to your letter. Moreover, in submitting an advisory opinion request or a complaint you would need to follow the requirements of the cited Commission regulations. In addition, as you know, a Commission audit of a registered political committee of the Liberal Party is in progress; appropriate committee officials will be contacted by Commission staff in the near future with respect to the audit.

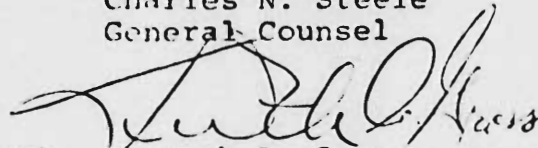
86040510318

For your information, and with regard to your further consideration of the manner in which you may hereafter submit (if at all) the question raised in your January 29 letter, you may want to review the contribution limit and party expenditure provisions of the Act and Commission regulations. See 2 U.S.C. §441a(a) and (d), 11 CFR 110.1, 110.2, 110.7. Also relevant to the matter of Mr. Anderson's entitlement to Federal funds is 26 U.S.C. §§9002, 9004, 9005, 9006. Finally, to the extent you are asserting a creditor's claim against the Anderson campaign, you may wish to review Advisory Opinion 1981-42, copy enclosed. Also enclosed for your information are copies of Advisory Opinions 1976-95 and 1980-131.

As indicated in the foregoing discussion, this office and the Commission may make no further response to your January 29, 1982, letter at this time.

Very truly yours,

Charles N. Steele
General Counsel


BY: Kenneth A. Gross
Associate General Counsel

Enclosures (AOs 1981-42, 1976-95 and 1980-131)

86040510319

ZFELD & RUBIN, P.C.

40 WALL STREET

NEW YORK, NEW YORK 10005

11/10/80 12:13

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

6c# 8767

JOHN C. MCCARTHY
JOHN R. KINLEY
ELMER C. RUDY
GEORGE J. PICH
THOMAS S. JOHNSON
RICHARD R. HALDEMAN
EDWARD R. TELLING III
RUSSELL D. ANDERSON
JOHN E. PFAU
RICHARD A. BERMAN
JOHN W. ROSENBLOOM
JOHN W. FRANCE
JOHN L. SHEPHERD
TERRY D. ANDERSON
MICHAEL K. HAVRILESKO

SCOTT C. SULLIVAN
SUSAN M. H. GILLET
LYNNE K. BRUGGEN
PETER S. DAYTON

WILLIAMS & MCCARTHY
A PROFESSIONAL CORPORATION
400 TALCOTT BUILDING P. O. BOX 219
ROCKFORD, ILLINOIS 61105

AREA CODE 815
TELEPHONE 987-8900

October 20, 1982

KARL C. WILLIAMS
COUNSEL

200
5
P4:37

Federal Election Commission
Washington, D.C. 20463

RE: Response of the National Unity Campaign for
John B. Anderson to MUR 1452

Gentlemen:

As you know, I represent the National Unity Campaign for John Anderson on the matter designated as MUR 1452 pursuant to the designation as counsel previously filed. This letter constitutes its response to that matter and to the letter of August 12, 1982 relating thereto.

This matter involves an allegation that the National Unity Campaign for John Anderson, hereinafter referred to as the NUCJA, knowingly violated 2 U.S.C. § 441a(f) by accepting contributions from the Liberal Party Federal Campaign Committee, hereinafter referred to as the Liberal Party, in violation of 2 U.S.C. § 441a(a).

This reply is submitted to demonstrate that no action should be taken against the NUCJA. In support of our position, we have attached and made part of this reply affidavits signed and executed by John B. Anderson, Presidential Candidate of the NUCJA; David Garth, NUCJA Campaign Manager; Michael F. MacLeod, Treasurer of the NUCJA; and William T. Cunningham, the NUCJA Campaign Manager for New York State.

These affidavits attest to the fact that the expenditures by the Liberal Party were made (if at all) without the knowledge or consent of NUCJA and that the NUCJA had taken the precaution of seeking and obtaining a qualified legal opinion about permissible Liberal Party activities on behalf of the Anderson candidacy at the time that it received the Liberal Party endorsement. The affidavits further verify that the NUCJA made every effort to insure that the Liberal Party would undertake only exempt activities involved in the preparation and distribution of slate cards, volunteer activities, and registration/get-out-the-vote

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activities, and in accordance therewith, NUCJA maintained an entirely separate campaign organization in New York State, at its sole expense, to support the campaign in ways which legal counsel had identified as being inappropriate for Liberal Party financing.

3 5 0 4 0 5 1 0 3 2 2
The Commission's audit of the Liberal Party for the period February 14, 1980 through December 31, 1980, covers a period of seven months prior to the time that John Anderson received the endorsement of the Liberal Party. Although few bills appear to have been paid during that seven month period, among the various amounts of money alleged to have been expended throughout the entire audit period as set forth in the General Counsel's Factual and Legal Analysis is the sum of \$119,564.11 which the Liberal Party's records show was spent on behalf of candidates generally. It may well be that many of those bills, although not paid until after Mr. Anderson accepted the endorsement, related to activity entirely unrelated to his candidacy. The auditors determined that the Liberal Party's invoices did not identify for which candidates these expenditures were made. Therefore, it would not be reasonable to consider that category of expenditures as the basis for a finding that there is probable cause to believe that there was knowing acceptance of those contributions by NUCJA which put it in violation of 2 U.S.C. §441a(f).

The Liberal Party's records as disclosed by the Commission's audit refer to a further category of expenditures amounting to \$27,611.26 expended jointly on behalf of Mr. Anderson and Senator Javits, the latter being the Liberal Party nominee for the U.S. Senate. Once again, the Commission's own audit of the Liberal Party noted that there is inadequate documentation by way of invoices which would identify the candidates for which expenditures were made. When the demand was made upon the Liberal Party for documentation, once again the Liberal Party was unable to provide any proof that would sustain the arbitrary conclusion that half of this sum should be attributed to expenditures for the NUCJA. The degree of uncertainty which exists with respect to the Liberal Party's own records militates against accepting as reasonable the arbitrary allocation of these expenditures.

It is a serious matter, indeed, to charge the NUCJA with a knowing violation of the law. Not only do the supporting affidavits make it absolutely clear that scienter cannot be established, but the wholly unsatisfactory nature of any supporting evidence with respect to what amounts were expended and for what candidate militates against the effort to in any way penalize

the NUCJA, particularly when it has been established that the NUCJA made a good faith effort by obtaining the advice of counsel as soon as the Liberal Party endorsement had been received, and conducting its campaign in such a way that it would be in full compliance with Federal law.

As indicated by the affidavits, NUCJA maintained an extensive campaign organization in New York State entirely separate from the Liberal Party, financed exclusively by NUCJA to support the candidacy of John Anderson in New York State, consistent with the advice of counsel, since NUCJA was fully aware that the efforts of the Liberal Party in support of the Anderson candidacy were limited solely to those exempt activities set forth in the legal opinion.

It was not until after the certification of eligibility of the NUCJA for Federal funds that the Liberal Party first began to demand payment from Anderson. The Liberal Party obviously seeks to use the FEC as a collection agency to replenish its party coffers. Again, the affidavits make it abundantly clear that no authorization proceeded from the NUCJA to the Liberal Party to make unauthorized expenditures, and as the State Campaign Manager's affidavit in particular makes clear, the campaigns of the NUCJA and the Liberal Party were under totally separate administrations and the NUCJA maintained its separate identity throughout the campaign. The expenditures of the Liberal Party, if any, which are now alleged to have incidentally benefited the NUCJA were made, if at all, without its knowledge or consent.

In the General Counsel's Factual and Legal Analysis of this matter it is stated that there is "some evidence of coordination in the January 29, 1982 letter to the Commission from Liberal Party counsel, requesting information on the Liberal Party's possible entitlement to Mr. Anderson's federal matching funds. In that letter (see Attachment 1), it is asserted that the Committee's expenditures on Anderson's behalf were made at his request."

It is certainly highly significant that the Liberal Party waited for 15 months after the election to inquire about "possible entitlement" and to make the self-serving declaration that the various expenditures which it claims it made were at the direct authorization of the NUCJA. The fact of the matter is that John Anderson, Attorney Mitchell Rogovin, and Michael MacLeod, NUCJA Treasurer, met with James Notaro and Raymond Harding, officials of the Liberal Party, in Washington, D.C. early

in 1981, several months after the election, and made it quite clear that there were no funds available to refurbish the depleted campaign coffers of the Liberal Party of New York. They, James Notaro and Raymond Harding, verbally acknowledged at that meeting that no funds had ever been promised by officials of the NUCJA to the Liberal Party. At no time during this meeting did the Liberal Party officials make specific demands of a documented nature, nor did they attempt to suggest or allege that there had been any coordination between their expenditures as a state party and the campaign activities of the NUCJA, which, as the affidavit of Mr. Cunningham, the NUCJA New York State Campaign Manager, indicates were carried on in an entirely separate manner. There is, in short, no tangible evidence of coordination. Indeed, there is clear and convincing evidence to the contrary.

Finally, it should be noted that if the Commission determines that a violation had occurred, the amounts in question would need to be reimbursed from NUCJA, solely because of activity by the Liberal Party, which would constitute a deliberate violation of Federal Election Campaign Act, without the knowledge or consent of NUCJA and despite every reasonable effort by NUCJA to insure that the Act was fully complied with. Such would constitute unjustified enrichment to the Liberal Party solely as a result of its improper and unauthorized action which result would be wholly inappropriate and unwarranted.

In summary, therefore, it is the position of NUCJA that:

1. The alleged contributions were neither authorized nor knowingly accepted by NUCJA, except for the \$4,000 excess contribution which was received in the good faith assumption that the Liberal Party was a multicandidate committee and was returned to the Liberal Party promptly upon notification that the assumption was incorrect at the time the contribution was received.
2. Every effort was made by NUCJA to restrict the Liberal Party's contributions to those which a prior legal opinion had identified as proper. In accordance with that undertaking, a campaign organization was maintained by NUCJA in New York State entirely separate from the Liberal Party, financed exclusively by NUCJA.
3. The contributions in question are inadequately documented and the apportionment to the benefit of NUCJA of the unallocated expenditures is entirely unwarranted. NUCJA received no direct benefit from such expenditures which were made, if at all, without the knowledge or consent of either NUCJA or John B. Anderson.

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Federal Election Commission
Page 5
October 20, 1982

4. This effort by the Liberal Party to seek reimbursement long after the campaign had concluded is a flagrant attempt to divert to the Liberal Party, NUCJA funds to which the Liberal Party is not entitled, solely because of an admitted violation of the Federal Election Campaign Act of 1971 by the Liberal Party, without the knowledge or consent of NUCJA.

To find the National Unity Campaign for John B. Anderson in violation of the law (2 U.S.C. § 441a(f)) by knowingly accepting contributions from the Liberal Party that were in violation of 2 U.S.C. § 441(a) is totally unsupportable by any reasonable or credible evidence. Regrettably the Liberal Party of New York has by these proceedings simply endeavored to use the good offices of the Federal Election Commission to raise money for its ongoing activities as a state party in New York. Therefore, we respectfully request that the Commission enter a finding of no probable cause for any violation as alleged.

Respectfully submitted,



Thomas S. Johnson

TSJ/kw

85040610325

AFFIDAVIT

John B. Anderson, being first duly sworn upon his oath deposes and says:

Following my decision to become an independent candidate for the Presidency on April 24, 1980 it became a necessary and important part of my electoral strategy to gain access to the ballots of the 50 states for the general election. The State of New York was believed to pose a difficult problem in this regard because of the peculiarities of New York State election laws and their effect on candidates other than those of established parties. I was aware that over the years a number of non-party candidates had been subjected to court challenges when they tried to achieve a line on the ballot by securing the signatures of petitioners representing a percentage of registered voters in the State. In 1976 an independent candidate for President of the United States, Eugene McCarthy, had been denied a ballot position after one of these legal challenges had been upheld in the New York Courts.

I therefore elected to accept the nomination of the Liberal Party, a New York State Party, which was already qualified to run candidates for federal and state office on its own line.

At the time that I secured the nomination of the Liberal Party, I sought and received what I believed to be competent legal advice from a Washington law firm concerning permissible Liberal Party activities in behalf of my candidacy. I was advised that since the Liberal Party was not a national but rather a state party, they could not make coordinated expenditures on behalf of my campaign under 2 U.S.C. §441a(d). I was further informed that the Federal Elections Campaign Act permits a state party to pay costs of preparation, display, and mailing or other distribution of a printed slate card or sample ballot, or other printed listing of 3 or more candidates for any public office, pursuant to the so-called slate card exemption, 2 U.S.C. §431(8)(B)(v) and 11 CFR §100.7(b)(9).

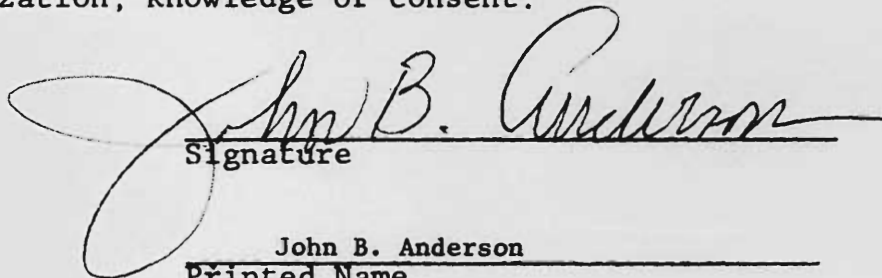
It was further my understanding that the law makes it clear that payments for such activities, though required to be reported by the committee making them, do not need to be allocated to specific candidates. It was my further understanding that under 2 U.S.C. §431(8)(B)(x) and 11 CFR §100.7(b)(15), the Liberal Party could engage in certain volunteer activities which would include costs of such campaign materials as pins, handbills, brochures, posters, party tabloids, etc., used in connection with volunteer activities on behalf of candidates of the Liberal Party.

It was also my understanding that pursuant to 2 U.S.C. §431(8)(B)(xii) and 11 CFR §100.7(b)(17), the Liberal Party could undertake in behalf of my campaign registration and get-out-the-vote activities which might involve certain expenditures, as long as such payments did not include payments for the cost of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising.

-2-

Every reasonable effort was exerted to restrict any expenditures by the Liberal Party on behalf of the National Unity Campaign for John Anderson (NUCJA) to expenditures which did not constitute contributions under the Act. A particular effort was made by the state campaign manager, William Cunningham, and all others in the national campaign office to maintain the separate identity of the NUCJA from the identity of the Liberal Party Campaign. For example, the seven offices maintained in New York State by the NUCJA were all staffed by employees of that campaign and were not subject to any supervision or direction by employees or staff members of the Liberal Party.

Your affiant further says that he did not, nor did anyone to his knowledge, in any way attempt to direct or otherwise authorize expenditures by the Liberal Party or to coordinate any Liberal Party expenditures with those made by the NUCJA, nor did your affiant authorize nor was your affiant aware of any Liberal Party expenditures on behalf of his candidacy, except for the cash contribution to NUCJA from Liberal Party and except for exempt activity as set forth in this affidavit. Any other expenditures by the Liberal Party, allegedly on behalf of NUCJA or affiant's candidacy were made, if at all, entirely without his or NUCJA's authorization, knowledge or consent.

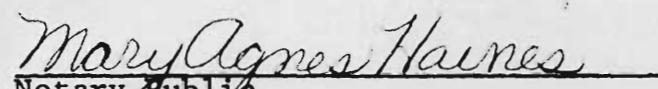

 Signature
 John B. Anderson
 Printed Name

2720 35th Place NW
 Street Address

Washington, DC 20007
 City, County, State or Residence

The undersigned, being a Notary Public in and for the District of Columbia, certifies that the person indicated above appeared before me on the date indicated below, and executed the document as his voluntary act, state the contents thereof to be true.

Given under my hand and notarial seal on October 19
 1982.


 Notary Public
 My commission expires: March 15, 1987.

AFFIDAVIT

Michael MacLeod, being first duly sworn, deposes and says:

That in 1980 he served as the treasurer of the National Unity Campaign for John Anderson (NUCJA). He was aware of the Liberal Party endorsement of the Anderson-Lucey ticket of the NUCJA. At the time of said endorsement he was one of the campaign officials who received legal advice on the permissible Liberal Party activities on behalf of the NUCJA.

Your affiant further deposes and says that at no time did he as campaign treasurer authorize or direct expenditures of the Liberal Party which would have been in violation of the provisions of the Federal Elections Campaign Act.

Your affiant further deposes and says that in his capacity as campaign treasurer every reasonable effort was made to comply with said Act and at no time was he informed by the Liberal Party of its intention to make expenditures on behalf of the NUCJA other than those which might be exempt under the law, such as the preparation and distribution of slate cards, volunteer activities, and registration/get-out-the-vote activities.



Signature

MICHAEL F. MACLEOD

Printed Name

4324 WESTOVER PL. NW

Street Address

WASHINGTON DC 20014

City, County, State of Residence

The undersigned, being a Notary Public in and for the District of Columbia, certifies that the person indicated above appeared before me on the date indicated below and executed the document as his voluntary act, state the contents thereof to be true.

Given under my hand and notarial seal on September 17 1982.



Notary Public

My commission expires: October 14, 1986.

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AFFIDAVIT

David Garth, being first duly sworn, deposes and says:

That in 1980 he served as the national campaign manager for the National Unity Campaign for John Anderson (NUCJA). In that position he was instrumental in securing the nomination of the Liberal Party of New York State for John Anderson. Your affiant further deposes and says that, based on his long and extensive experience in New York State politics, he was well aware of legal difficulties involved under New York State law in achieving ballot position by the petition route. He was aware that many successful legal challenges had been maintained in previous elections, including striking the ballot position of independent candidate Eugene McCarthy in the 1976 general election. He therefore advised John Anderson that his best chance to achieve a line on the ballot in New York State in 1980 was to accept the nomination of the Liberal Party.

Your affiant further deposes and says that there was never at any time any understanding or agreement with the Liberal Party whereby the NUCJA authorized, directed, or otherwise sought to have the Liberal Party make expenditures on behalf of the NUCJA other than those which would be exempt under the Federal Elections Campaign Law, such as the preparation and distribution of slate cards, volunteer activities, and registration/get-out-the-vote activities.

Your affiant further deposes and says that, pursuant to his direction as national campaign manager, the state campaign manager in New York, William Cunningham, did maintain the separate identity of the NUCJA from the Liberal Party campaign and at no time did he authorize the New York State campaign to coordinate expenditures with those of the Liberal Party in such a way that would violate the Federal Elections Campaign Law.

Your affiant further deposes and says that contemporaneously with the securing of the nomination of the Liberal Party of New York he had requested and received legal opinion on permissible Liberal Party activities on behalf of John B. Anderson and thereafter made every reasonable effort to comply with the legal restrictions of the Federal Elections Campaign Act.

David L. Garth
Signature

DAVID L. GARTH
Printed Name

1 WEST 67TH STREET
Street Address

NEW YORK, N.Y. 10023
City, County, State of Residence

The undersigned, being a Notary Public in and for the State of NEW YORK and the County of NEW YORK, certifies that the person indicated above appeared before me on the date indicated below, and executed the document as his voluntary act, stating the contents thereof to be true.

Given under my hand and notarial seal on 4TH OCTOBER 1982

HARRO von MAKNASSY
Notary Public

HARRO von MAKNASSY
Notary Public, State of New York
No. 31-4737029
Qualified in New York County
Commission Expires March 30, 1983

My commission expires: _____

AFFIDAVIT

William Cunningham, being first duly sworn, deposes and says:

That in 1980 he served as the National Unity Campaign for John Anderson (NUCJA) campaign manager for New York State. In such capacity he had charge and directed campaign activities throughout New York State which included supervision of the seven NUCJA campaign offices located around the state.

Your affiant further deposes and says that conscious effort was made at all times to preserve and maintain the separate identity of the NUCJA and that there was in no sense of the word any merger of the NUCJA campaign and that of the Liberal Party. At no time did he authorize or direct the campaign activities or expenditures of the Liberal Party. At no time did he authorize the Liberal Party to make specific expenditures in behalf of the NUCJA and, to the best of his knowledge and belief, any expenditures by the Liberal Party were those exempt expenditures not considered contributions under the Federal Elections Campaign Act, such as the preparation and distribution of slate cards, volunteer activities, and registration/get-out-the-vote activities.

William T. Cunningham
Signature

William T. Cunningham
Printed Name

10 Maple Avenue
Street Address

Delmar, Albany, N.Y.
City, County, State of Residence

The undersigned, being a Notary Public in and for the State of New York and the county of Albany, certifies that the person indicated above appeared before me on the date indicated below, and executed the document as his voluntary act, stating the contents thereof to be true.

Given under my hand and notarial seal on September 10, 1982

Elizabeth W. Williams
Notary Public

ELIZABETH W. WILLIAMS
Notary Public State of New York
Residing in Albany County, N.Y.
Commission Expires March 20, 1985

My commission expires: _____.

52
RECEIVED AT THE FEC
Bcc # 8689
82 OCT 15 P 1: 01

STATEMENT OF DESIGNATION OF COUNSEL

2 OCT 15 P 3: 55

NAME OF COUNSEL: Thomas S. Johnson
ADDRESS: 321 West State Street
Rockford, IL 61101
TELEPHONE: 815/987-8900

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and
other communications from the Commission and to act on my
behalf before the Commission.

10-12-82
Date

Signature

NAME: National Unity Campaign for John Anderson

ADDRESS: 2720 35th Place NW
Washington, DC 20007

HOME PHONE: 202/965-2206

BUSINESS PHONE: 202/775-2000

86040310331

File Folder
10/10/78
10/10/78



Office of General Counsel
Federal Election Commission
1325 K Street NW
Washington, D.C. 20463

820C115 P1:11

10/10/78
FEC



Attention: Ms. Nancy Nathan

John Anderson

3 5 0 1 1 0 1 1 2



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 7, 1982

Alfred Goldfield, Esq.
Herzfeld and Rubin
40 Wall Street
New York, New York 10005

Re: MUR 1452

Dear Mr. Goldfield:

In partial response to its August 12, 1982, notification of a finding of reason to believe that the Liberal Party may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended, the Commission has received invoices and other materials from accountant Alan A. Bailey.

While that response answers some of the questions raised by the Commission's finding, more information is needed in order to resolve some remaining issues. Specifically, please provide the following information:

1. An explanation of the method of distribution used for the Anderson brochures printed by Major Graphics, invoice No. 4370, dated October 29, 1980, and for the Anderson-Javits brochures printed by Major Graphics, invoice No. 4288, dated October 21, 1980.
2. Detailed descriptions of the miscellaneous expenditures for which Steven LeBow was reimbursed on October 2, 1980 and November 7, 1980 (as to the \$950 attributed to Anderson).
3. Documentation to reveal the candidate(s) for which D.H. Sawyer rendered services and was paid -- i.e., for which candidate(s) the costs billed in all invoices except #s 1080 and 1081 were incurred.
4. Details on certain items reported but lacking invoices, to wit:
 - a. Jonathan Glynn - Please explain how the flyer was distributed; please supply sample.
 - b. Doremus Co. - Please supply samples of public relations

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- product to document that it was for Javits.
- c. Penny Graphics - Please supply printed material(s) sample(s).
 - d. N.Y.S. United Teachers - Please supply printed material(s) sample(s).
 - e. Stone Advertising - Please supply samples of advertising product.

Please provide the foregoing information within ten days of your receipt of this letter. If you have any questions, please contact Nancy Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel



By: Kenneth A. Gross
Associate General Counsel

86040510334

200862

82 SEP 27 P 2: 24

ACC # 8538

ALAN A. BAILEY
ACCOUNTANT
58 WEST 68TH STREET
NEW YORK, NEW YORK 10028
PHONE: (212) 595-2627

September 21, 1982

Federal Election Commission
Washington, D. C. 20463

Attention: Ms. Nancy B. Nathan

Re: Liberal Party Federal Campaign
Committee MUR 1452

Gentlemen:

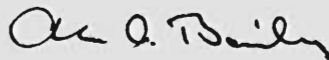
Enclosed are three sets of papers:

- 1) Listing of those Items identified by FEC auditors as Possible Coordinated Expenditures along with copies of the invoices attached.
- 2) Listing of those Items identified by FEC auditors as being Possible Expenditures on behalf of Anderson-Lucey with a breakdown of what they were for. Invoices were attached for those that could be found. We will attempt to get duplicates for those that are missing.
- 3) Listing of Debts and Obligations due at 12/31/80 which are Possible Coordinated Expenditures with invoices attached. These, in fact, were Coordinated Expenditures.

This should answer the first two questions of your request.
If additional copies are needed, please reply.

The third question will be addressed by Mr. Alfred Goldfield
in the near future. I have no knowledge to reply to this.

Sincerely,



Alan A. Bailey

Enclosures

cc. A. Goldfield

2 SEP 27 P 3: 21

35040610335

RECEIVED AT THE FEC

82 SEP 27 P 2: 24

Liberal Party Federal Campaign Committee
Items identified by FEC auditors as Possible Coordinated Expenditures
Audit Year 1980

<u>Payee</u>	<u>ck #</u>	<u>Amount</u>	<u>Anderson Share</u>	<u>Javits Share</u>	<u>Explanation</u>
Robert J. Sann	140	\$19,632.00	\$ 9,816.00	\$ 9,816.00	Ad in <u>New York Times</u> for both candidates. Copy of Ad attached to bill.
N. G. Slater Corp.	145	1,080.00	540.00	540.00	Buttons for Anderson, Lucey, & Javits.
Ariston Florist	144	67.76	33.88	33.88	Flowers for candidates at appearance.
Columbia Spectator	153	562.50	281.25	281.25	Same Ad in Columbia University newspaper that was in the <u>New York Times</u>
Major Graphics, Inc.	160	1,269.00	634.50	634.50	Posters for Anderson, Lucey, Javits.
Major Graphics, Inc.	198	5,000.00	2,500.00	2,500.00	Partial Payment on invoice of 10/21/80 for brochures for Anderson, Lucey, Javits.
TOTAL		\$27,611.26	\$13,805.63	\$13,805.63	
		=====	=====	=====	

8604051033



AND ASSOCIATES, INC./630 NINTH AVENUE, NEW YORK, NEW YORK, 10036

TO The Liberal Party of New York
165 West 46th Street
New York, New York

DATE October 16, 1980

INVOICE No N^o 195

RE Anderson/Javits ad

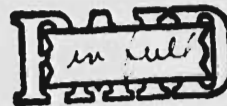
TERMS

INVOICE

Full page ad in The New York Times
Sunday, October 17, 1980 - assured
placement: back page, Week in Review

(price includes agency commission)

19,632.00



86040510337

There's no doubt about it:

**You know who the
best candidates are.**



Can you afford to settle for less?

son and Jacob Javits have put themselves on the line. They are facing the rigors of this campaign because each is convinced that they are the best candidates for New York voters who believe as they do that we

very best of public service. Each of these Congressmen has served in Congress totaling more years than the combined years of their opponents. They are the best of their kind.

the alternatives. In the presidential race, the national media has made the inept and the inexperienced the focus. The alternatives in the Senate are John Anderson and Jacob Javits represent the

Polls indicate that millions believe John Anderson and Jacob Javits are the best candidates. If all these people vote their beliefs, John Anderson and Jacob Javits will be elected.

break with tradition is the inevitable result of the courage and convictions. His twenty years in the Senate are a steady record of growth in a statesman's vision and integrity. With his famous impassioned vote and impassioned speech for the 1968 Civil Rights Bill, Anderson's voice has led in the struggle for civil rights and civil liberties for all. It is a voice that deserves to be heard, the clearest and most resolute voice in the Presidential race.

Many have acknowledged his ability. Selecting him at times as Chairman of the House Republican Conference. We acknowledge his ability by placing him at the top of our ticket. Facing a choice of Reagan, whose approach to complex problems is unworkable, and Carter, whose self-serving rhetoric is no longer believable, we welcome the Anderson difference.

On these important issues, Anderson distinguishes himself from his opponents. First, he refuses to partner to the promises of a tax cut until the government's budget is in order. Anderson's emphasis on rebuilding the economy is not a flash in the pan, like Carter's or an excuse for tax cuts, like Reagan's. This has been Anderson's theme all along; the other two have made it a campaign theme. Second, he has a clearheaded energy plan based on conservation, energy of bondholders, with an appropriate understanding of price mechanism. And third, his defense plank emphasizes increasing the number and quality of military personnel while opposing costly machinery like the MX and the B-1. Anderson's refusal to fall for the nuclear quick fix to revitalize our military posture reflects a realistic judgment about what kind of wars we might actually have to fight. It is typical of his reflective, common sense approach to policy making."

The New Republic, Oct. 4, 1980

"The vote for Anderson is the only way to make the major parties for offering us choice and Reagan. The best way to keep them from imposing such outrageous alternatives is to register a strong, unambiguous of popular disgust with the Anderson/Lucey ticket."

Arthur Schlesinger, Jr.

Anderson and Javits support:

- Aid to New York City
- E.R.A. Extension
- Freedom of Choice on Abortion
- SALT II
- Israel: Secure and Independent

Anderson and Javits oppose:

- Arms to Saudi Arabia
- Kemp/Roth
- The Neutron Bomb

Vote Anderson Lucey and Javits on the Liberal Line



Dear Mr. Notaro:

I know who the best candidates are and I won't settle for less. I'd rather pay to spread the word now than pay the greater price later.

☐ \$10 ☐ \$25 ☐ \$50 ☐ \$100 ☐ \$500

\$_____ and/or I wish to volunteer my time: 582 1100

(Federal Election Law permits individuals to contribute a maximum of \$5,000 to the Liberal Party Federal Campaign Committee.)

Name _____
Address _____
City _____ State _____ Zip _____

Make checks payable to the Liberal Party Federal Campaign Committee, and mail to:
James F. Notaro, Executive Director for Liberal Party, 165 West 40th Street, New York, NY 10016
TELEPHONE 212 582 1100

Help with time and money now...before it's too late.

Paid for by the Liberal Party Federal Campaign Committee, Herbert B. Rose, Treasurer

Javits' 24 years in the Senate are too valuable to squander. We know his capacity to produce for all regions of New York State, and he has already provided more direct aid to New York City than any other senator in our history. A Javits victory is the only way to insure the strongest voice for New York in the Senate. No freshman senator could even approach his irreplaceable stature and seniority.

Jacob Javits holds the top-ranking position on the Senate Foreign Relations Committee. His knowledge of the complex issues of foreign affairs has earned him worldwide respect. Because of the vacillation and indecisiveness in Carter's Middle East policy, Senator Javits' proven commitment and committee standing are critical to the continued security of the State of Israel. We can't afford to wait years while a freshman senator begins the seniority process all over again.

"Sen. Jacob Javits is our choice for New York Senator."

Sen. Javits is waging an admirable balanced campaign, staying quite rightly well above the angry bickering taking place between his rivals—Holtzman and D'Amato.

However one juggles the voting figures for or against this or that defense appropriation or budget resolution, the fact is that Miss Holtzman is not a ready, willing supporter of a strong America. It is a simple fact of record that she has often not understood—as Sen. Javits constantly has—the crucial link between American military strength and the security of freedom's outpost in the Middle East, Israel.

D'Amato's campaign appears to be bogged down in not very well-founded arguments about his abilities, administrative and political, in the township of Hempstead. Perhaps he should have sought wider experience in a more senior public office before seeking to run for the Senate.

The problem is that to listen to Javits' two rivals bickering is to imagine that what is at stake is township supervisor rather than senior Senator.

All this is a far cry from Sen. Javits' four brilliant terms of service in the Senate. He deserves a fifth term."

New York Post, Oct. 10, 1980

Endorsed by the New York State AFL-CIO

6 2 2 0 1 5 0 1 0 5 8



H.G. SLATER CO.

Buttons • Pins • Badges • Labels • Stickers • Paper • Envelopes • Stationery •
 Signs • Cards • Posters • Ribbons • Balloons • Bags • Boxes

S
O
L
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T
O

LIBERAL PARTY * FEDERAL CAMPAIGN COMMITTEE

165 West 46th Street * Room 615
 New York, N.Y. 10036

S
H
I
P
T
O

(4 cartons of 2500 each)

Attn: Mr. Notaro *

Attn: Mr. Gignacova *

C.O.D.

REFER TO
INVOICE
NO.

Cust. Ord. No.	Date Ordered	Salesman	Terms:	Receipt No.	Shipped Via	Date Shipped	29329
Verbal	10 / 80	NGS	Net 30 Days F.O.B. Shipping Pt.	B/L'S 5196 & 5239	Messenger & Eddy-Truckman	10/10/80	

QUANTITY SHIPPED	DESCRIPTION	UNIT PRICE	EXTENSION
10,000	Round campaign buttons 1-3/4" diameter with straight pinbacks, printed copy from cuts in red and blue on white stock reversed including artwork and cuts as per approved copy-----@	.10c each	
	ANDERSON LUCEY JAVITS		
	LIBERAL***PARTY		\$ 1,000.00
	(2500 pcs. * October 8th) (7500 pcs. * October 10th)		
	10,000 Total *		
	(Include firm name & Union label-curl)		\$ 1,080.00
	(Order complete)*		NET *

TERMS:

All claims for allowances must be made within 5 days after receipt of goods. No returns will be accepted without our authorization. Our responsibility ceases after delivery to transportation company in good condition.
 Charges made for tools, dies, molds, drawings, printing plates, and etc., does not convey the right to remove them from our possession.
 All agreements made are contingent upon strikes, fires, accidents, government regulations or other causes beyond our control. No claims will be allowed on account of failure to ship on date promised. All quantities ordered are subject to a 5% over or underrun.
 We hereby certify that we are complying with the requirements of the Fair Labor Standards Act of 1938.

ORIGINAL INVOICE

INCO
No 04792

NAME		W. KROEGER		ORDER DATE	
ADDRESS		243 E 7th St		DELIVERY DATE	
CITY, STATE		NY, NY		10/22	
PHONE		6777719		A.M. P.M.	
ZIP		10009		10/23	
ORDERED BY					
CASH					
WIRE					
INFO		one		TULIP.	

QUAN.	DESCRIPTION	AMOUNT
3 DOZ. Life Time	BLUE Gold with neters	72-
ANDERSON JAVITS		
TO be Delivered		

BIRTHDAY		ANNIV		HOLIDAYS		SPO REC		OTHER		PRODUCT TOTAL	72:00
MESSAGE										DELIVERY	
										PHONE	
										SERVICE	
										TAX	5 76
										TOTAL	77:76

Mr. Walter HARISTON FLORIST		582-1100	DOOR
929-4226		55 W. 14th ST.	CODE
DELIVERY TO	LAST NAME		
LIBERAL PARTY		BAL.	66:76
ADDRESS		INVOICE NO	
165 W 46th St 6th FL			
CITY & STATE		ZIP CODE	
New York NY		No 04792	

Thank You!

IF FOR ANY REASON THESE FLOWERS ARE UN
SATISFACTORY, KINDLY PHONE US IMMEDIATELY
NO ADJUSTMENT MADE AFTER 24 HOURS

335040510341

212 280-3634

COLUMBIA DAILY SPECTATOR
FOUNDED 1877

318 FERRIS BOOTH HALL
COLUMBIA UNIVERSITY
NEW YORK, N. Y. 10027

INVOICE N° 5698

DATE: October 30, 1980

To Liberal Party
Federal Campaign Committee
165 West 46th St.
New York, NY 10036

TERMS: NET

860406103420

10/30

PAID

INCHES

RATE

CHARGES

75

@ 7.50

\$ 562.50

Paid

PAYMENT IN FULL IS DUE WITHIN 30 DAYS.

*TO RECEIVE CREDIT WHEN MAKING PAYMENT, YOU MUST INDICATE ON
YOUR REMITTANCE BOTH NAME OF ORGANIZATION AND INVOICE #

Thank You!

major graphics, inc.

33-20 61ST STREET
WOODSIDE, NY 11377
(212) 478-1400

The Liberal Party
1560 Broadway
New York, N.Y. 10036

DATE October 24, 1980
JOB NO. 3552
INVOICE N^o 4311
TERMS: NET

10,000	of 2 lots 22 x 14 60lb. White "Vote Posters"	\$1175.00
	(Anderson, Lucey, Javitz)	State Sales Tax <u>94.00</u>
		\$1269.00

*Paid Oct 31 - 1980
F.P. Federal Camp*

mgi PRINTERS · TYPOGRAPHERS

major graphics, inc.

33-20 61ST STREET
WOODSIDE, NY 11377
(212) 478-1400

Liberal Party
1560 Broadway
New York, N.Y. 10036

DATE October 21, 1980
JOB NO. 3487
INVOICE NO. 4288
TERMS: NET

250,000 8-1/8 x 13 "Anderson, Lucey, Javits" Brochures,
ptd. 3/colors..1/side, 2/colors 2nd side

\$10,250.00

1 Extra set of negatives

50.00

\$10,300.00

State Sales Tax
52 UPS Shipments

824.00

371.21

\$11,495.21

*5000
6495.21*

*Paid 9/10
11/5/82
Fed Express*

mgi PRINTERS · TYPOGRAPHERS

Liberal Party Federal Campaign Committee

Items identified by FEC auditors as being Possible Expenditures on behalf of Anderson-Lucey
Audit Year 1980

RECEIVED AT THE FEC
Page 1
82 SEP 27 P 2: 24

<u>Payee</u>	<u>ck #</u>	<u>Date</u>	<u>Amount</u>	<u>Operating Expense</u>	<u>Anderson Share</u>	<u>Javits Share</u>	<u>Explanation</u>
Major Graphics, Inc.	103	03/14/80	\$ 162.00	\$ 162.00	\$	\$	Printing of Tickets for Presidential Delegate Conference
Bernat Printing	143	10/20/80	105.84		105.84		Various Flyers
Steven LeBow	148	10/22/80	750.00		750.00		Partial Reimbursement for Misc. Exp.
Steven LeBow	187	11/07/80	200.00		200.00		"
Robert J. Sann & Assoc.	197	12/05/80	1,899.05		949.52	949.53	Costs incurred for ad in the New York Times.
DHS Films, Inc.	152	10/28/80	25,000.00			25,000.00	/ Same Company. Production of
D. H. Sawyer & Associates	141	10/20/80	25,000.00			25,000.00	/ TV spots and commercials and
D. H. Sawyer & Associates	158	10/31/80	7,000.00			7,000.00	/ purchase of TV time.
D. H. Sawyer & Associates	166	11/03/80	26,000.00			26,000.00	/
D. H. Sawyer & Associates	185	11/06/80	15,000.00			15,000.00	/
SUBTOTAL - Items with invoices			\$101,116.89	\$ 162.00	\$ 2,005.36	\$ 98,949.53	
<u>Items with Invoices Missing:</u>							
Jonathan Glynn	103	10/07/80	1,500.00		750.00	750.00	Reimbursement for Flyer Printing
Mary Fisher	137	10/15/80	250.00		125.00	125.00	Ad Layout
Brookway Industrial	142	10/21/80	622.66		622.66		Sound System
N. Y. City Police Dept.	149	10/22/80	70.00		70.00		Sound Permit

Liberal Party Federal Campaign Committee

Items identified by FEC auditors as being Possible Expenditures on behalf of Anderson-Lucey

Audit Year 1980

Page 2

<u>Payee</u>	<u>ck #</u>	<u>Date</u>	<u>Amount</u>	<u>Operating Expense</u>	<u>Anderson Share</u>	<u>Javits Share</u>	<u>Explanation</u>
Doremus Company	182	11/06/80	\$ 934.81	\$	\$	\$ 934.81	Public Relations
Penny Graphics	184	11/06/80	10,000.00			10,000.00	Printing
N. Y. State United Teachers	191	12/05/80	1,243.95			1,243.95	Printing
Doubles	192	12/05/80	2,045.40			2,045.40	Cocktail Reception for Javits
Doubles & Manty Zullo	193	12/05/80	500.00			500.00	Gratuities at Reception
Stone Advertising	194	12/05/80	1,107.00			1,107.00	Advertising
VISA	203	12/29/80	173.40			173.40	Distribution of Literature
SUBTOTAL - Items with Invoices Missing			\$ 18,447.22	\$	\$ 1,567.66	\$ 16,879.56	
TOTAL - all Items			\$119,564.11	\$ 162.00	\$ 3,573.02	\$115,829.09	
			=====	=====	=====	=====	

8604031036

major graphics, inc.

33-20 61ST STREET
WOODSIDE, NY 11377
(212) 478-1400

Liberal Party
1560 Broadway
New York, N.Y. 10036

DATE March 6, 1980

JOB NO. 2165

INVOICE **Nº** 2989

TERMS: NET

1900 of 2 lots 4 x 6 "Delegate - Tickets"

Lot 1 - 1150 - 721b. White - Guest

Lot 2 - 750 - 721b. Blue - Delegate

State Sales Tax

\$150.00

12.00

\$162.00

Rec'd L.P. Federal Camp. Cttee.

3/13/80 #103

mgi PRINTERS · TYPOGRAPHERS

86040610347

18.36
65.88
21.60
105.84

BERNAT printing
REPRODUCTION SERVICE



157 WEST 46th STREET • NEW YORK 10036

PHONE: 246-2020

DATE _____

To Liberal Party
165 W 46 ST
NY 10036

TERMS: NET CASH

QUANTITY	DESCRIPTION	AMOUNT
500	Print & cut	44.00
	4 lots	
	1 lot	17.00
1000		61.00

65.88
18.36
21.60
105.84

Federal Comp. letter
#143
10/10/62

TAX 4.88

TOTAL 65.88

Bernat Quality Color Printing

85040510348

BERNAT printing

REPRODUCTION SERVICE

157 WEST 46th STREET • NEW YORK 10036

PHONE: 246-2020



DATE

10/13/80

To

Liberal Party

TERMS: NET CASH

QUANTITY	DESCRIPTION	AMOUNT
1000	Flyers	
	Federal Camp letter	
	H143	
	10/13/80	
65.88		
18.36		
31.60		
100		
		17.00
		TAX 17.6
		TOTAL 18.3

For Fine Quality Offset Printing

(Film Negatives and Metal Plates)

ASK FOR BERNAT'S QUOTATIONS

Business Printing • Engraving • Thermography • Wedding Invitations

85040610349

86040510350

BERNAT printing

REPRODUCTION SERVICE

157 WEST 46th STREET • NEW YORK 10036

PHONE: 246-2020



DATE

10/18/80

TO

Liberal Party

TERMS: NET CASH

QUANTITY	DESCRIPTION	AMOUNT
1 H	sheets cut	20.00

Federal Campaign
17 143
10/20/80

TAX

1.60

TOTAL

21.60

For Fine Quality Offset Printing
(Film Negatives and Metal Plates)
ASK FOR BERNAT'S QUOTATIONS

68 East 42nd St.
New York, N.Y.

RECEIPTS

(for disbursements made
for Independent Citizens Comm.
Anderson-Lucas)

COST DATE

COST DATE

COST DATE

5.75	9/10
2.59	9/13
5.38	9/25
8.22	9/26
5.38	9/27
4.32	9/29
.70	9/29
4.64	9/30
6.14	10/1
10.90	10/1
3.06	10/2
9.75	10/2
16.00	10/2
6.12	10/3
13.60	10/3
6.50	10/4
1.25	10/4
.81	10/6
5.15	10/6
22.50	10/6
5.45	10/7
.60	10/7
1.45	10/7
11.28	10/7
6.20	10/7
4.59	10/7
5.20	10/8
3.00	10/8
10.00	10/8
3.60	10/8
11.25	10/8
.76	10/9
2.04	10/9
3.52	10/9
5.94	10/9
1.95	10/9
2.65	10/10
3.12	10/10
17.28	10/10
2.05	10/11
7.75	10/11
9.18	10/11
12.95	10/12
11.25	10/13
35.00	10/13
9.83	10/13
6.97	10/14
4.28	10/14

.76	10/14
1.89	10/14
20.74	10/14
.76	10/15
24.00	10/15
1.66	10/15
1.35	10/15
8.37	10/15
14.47	10/15
9.90	10/16
4.10	10/16
4.10	10/16
22.30	10/17
12.00	10/17
16.20	10/17
7.50	10/18
1.45	10/18
12.96	10/19
10.60	10/19
3.50	10/20
.49	10/20
1.55	10/20
24.00	10/21
1.62	10/21
50.00	10/21
6.95	10/22
1.80	10/22
.97	10/22
7.00	10/22
20.00	10/22
1.70	10/23
3.00	10/23
7.75	10/23
68.85	10/23
1.57	10/24
9.00	10/24
3.00	10/25
2.58	10/25
7.50	10/25
8.00	10/25
1.03	10/25
2.16	10/25
19.87	10/25
4.25	10/25
7.50	10/27
6.27	10/27
3.55	10/27
50.3	10/27

4.25	10/27
145.90	10/27
3.00	10/28
4.40	10/28
10.45	10/28
4.25	10/28
6.05	10/29
5.50	10/30
9.75	10/30
193.55	
page # 1- total 987.05	
page # 2 total 419.17	
1406.22	
Grand Total	
987.05*	

*does not
include 2.60
for P.R.
news wire
(haven't
received bill
yet)

86040610351

Sub: 337.90

Sub: 455.60

Receipts

for disbursements made by Independent
Citizens Committee for Anderson-Lucey
60 East 42nd Street, N.Y. Tapes available
to substantiate these expenditures.

For: Printing, xeroxing, typesetting- off-setting
Recording, refreshments, gas, oabs, tapes, office
supplies, postage, artists lay outs., etc.

10/28	3.18
10/28	5.83
10/31	2.90
11/1	6.04
11/1	4.58
11/2	6.09
11/3	3.51
11/3	4.25
11/3	1.40
11/4	9.88
11/4	2.00
11/5	9.25
11/5	10.05
11/6	50.00
11/7	11.61
11/7	<u>288.60</u>

86040510352
(419.17)*

*This amount does not include \$80 For the P.R. Newswire. We
have not yet received a bill from them.

3/60

e

bill



AND ASSOCIATES, INC. / 630 NINTH AVENUE, NEW YORK, NEW YORK, 10036

7520702

TO
THE LIBERAL PARTY
165 West 46th Street
New York, N Y 10036

DATE OCTOBER 28, 1980

INVOICE No N^o 228

Att: MR. JAMES F. NOTARO

RE ANDERSON/JAVITS PRINT AD

TERMS NET

INVOICE

Costs incurred re; Anderson/Javits Ad 10/19/80

PRODUCTION: \$ 1,544.05

5,000 COPIES /
DELIVERY CHARGES 355.00

\$ 1,899.05

15% Handling Charge:

284.86

*gross fee 1899.05
Yehon H. H. H. 197*

TOTAL AMOUNT DUE:

\$ 2,183.91

86040610353



DHS FILMS, INC. 60 west 55th street, new york, n. y. 10019 (212) 245-0047

cable: cineplay

October 10, 1980

LIBERAL PARTY
FEDERAL CAMPAIGN COMMITTEE
165 West 46th Street
New York, New York 10022

INVOICE #: 1080

Javits Shoot - Monday, 10/6

Crew:	Writer	\$1,000.00	
	Producer	300.00	
	Cameraman	400.00	
	Assistant Cameraman	187.00	
	Gaffer	200.00	
	Soundman	200.00	
	Make-Up	140.00	
	Teleprompter	250.00	
	Production Assistant	50.00	
	Production Manager & Asst.	500.00	
			\$3,227.00
Equipment:			
	Sound	250.00	
	Ferco	200.00	
	Lindley	200.00	
			650.00
Vehicles:	one van and one wagon	100.00	100.00
Rawstock & Labs		350.00	350.00
Cabs, Telephone & Miscellaneous		300.00	<u>300.00</u>

8% Sales
Tax 370.16

TOTAL \$4,997.16

85040510354



DHS FILMS, INC. 60 west 55th street, new york, n. y. 10019 (212) 245-0047

cable: cineplay

October 10, 1980

LIBERAL PARTY
FEDERAL CAMPAIGN COMMITTEE
165 West 46th Street
New York, New York 10022

INVOICE: #1081

Javits Video Shoot - Saturday, 10/4/80

Crew:	Writer	\$ 2,000.00	
	Producer	400.00	
	Cameraman	400.00	
	Gaffer	160.00	
	Make-Up	280.00	
	Teleprompter	270.00	
	Production Assistant	75.00	
	Production Manager	500.00	
			\$4,085.00
	Studio, Equipment, Tape Operators (MTI)	3,173.60	3,173.60
	Props -- Wagner Photos	189.48	189.48
	Cabs, Telephone Miscellaneous	300.00	<u>300.00</u>
			\$7,748.08
		8% Sales Tax	<u>619.85</u>
		TOTAL	\$8,367.93

85040610355



DHS FILMS, INC. 60 west 55th street, new york, n. y. 10019 (212) 245-0047

cable: cineplay

October 10, 1980

LIBERAL PARTY
FEDERAL CAMPAIGN COMMITTEE
165 W. 46th Street
New York, New York 10022

INVOICE #1082

RE:

Finishing Costs

V. O. Recording Costs	\$ 371.12
Announcer - 5 Spots	2,254.00
Production Supervisor	600.00
Art Director	150.00
Film Editor and Asst. - 1 wk.	1,500.00
Film Facilities	600.00
Synching, Coding and Negative Cutting	500.00
Mix	212.00
Type for Logos	213.25
Photo Printing Costs	81.00
Cabs, Messengers, Misc.	200.00

8% Sales Tax

\$ 6,881.37
\$ 550.50

TOTAL DUE:

\$ 7,431.87

85040610356



DHS FILMS, INC. 60 west 55th street, new york, n. y. 10019 (212) 245-0047

cable: cineplay

October 20, 1980

LIBERAL PARTY
FEDERAL CAMPAIGN COMMITTEE
165 West 46th Street
New York, New York 10022

INVOICE# 1099

RE: Video Shoot - Saturday, October 11, 1980

Writer	\$1,000.00
Crew and Equipment	2,050.00
Producer	200.00
Director	400.00
Petty Cash	100.00
Cabs, Telephone, Messengers, mis.	300.00
Production manager	500.00
Production Assistant	50.00
Lighting	249.16
Make-up	280.00
Teleprompter	270.40
	5,399.56

8% Sales Tax	431.96
--------------	--------------

\$5,831.52

\$5,831.52

86040610357



DHS FILMS, INC. 60 west 55th street, new york, n. y. 10019 (212) 245-0047

cable: cineplay

October 22, 1980

LIBERAL PARTY
FEDERAL CAMPAIGN COMMITTEE
165 West 46th Street
New York, New York 10022

INVOICE: 1103

RE: Electronic Preparation and Dupes
(As of 10/20/80)

Transfer, edit and dupes	\$11,154.67
Tape supervisor	600.00
Cabs and messengers	75.00
	\$11,829.67
8% Sales Tax	946.37
TOTAL	<u>\$12,776.04</u>

86040610358



DHS FILMS, INC. 60 west 55th street, new york, n. y. 10019 (212) 245-0047

cable: cineplay

October 20, 1980

LIBERAL PARTY
FEDERAL CAMPAIGN COMMITTEE
165 West 46th Street
New York, New York 10022

INVOICE# 1104

RE: "Corruption" and "Waste"

Announcer	\$683.43
Producer	200.00
Recording Studio and dubs	142.05
Cabs and Miscellaneous	<u>100.00</u>

\$ 1,125.48

8% Sales Tax	<u>90.04</u>
--------------	--------------

TOTAL: \$ 1,215.52 due

85040610359



DHS FILMS, INC. 60 west 55th street, new york, n. y. 10019 (212) 245-0047

cable: cineplay

November 3, 1980

LIBERAL PARTY
FEDERAL CAMPAIGN COMMITTEE
165 W. 46th Street
New York, New York 10022

INVOICE #1154

RE: Miscellaneous Costs

Art Director - "White Paper"	\$ 35.00
Rental of Video Equipment, 10/20	145.00
Rental of Video Equipment, 11/1	145.00
Studio cancellation - 10/29	75.00
Dubs of Ford material	<u>106.65</u>
	\$ 506.65
8% Sales Tax	<u>40.53</u>
TOTAL DUE:	\$ 547.18

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DHS FILMS, INC. 60 west 55th street, new york, n. y. 10019 (212) 245-0047

cable: cineplay

November 3, 1980

LIBERAL PARTY
FEDERAL CAMPAIGN COMMITTEE
165 West 46th Street
New York, New York 10022

INVOICE # 1155

RE: Shoot for 5:00

Mobile crew and equipment	\$1,900.00
Producer	200.00
Cameraman/Lighting Director	300.00
Make-up	150.00
Teleprompter	234.00
Parking, taxis and crew breakfast	50.00
Production Assistant	50.00
8% Sales Tax	<u>230.72</u>
	\$3,114.72

Bills still pending

36040510361



DHS FILMS, INC. 60 west 55th street, new york, n. y. 10019 (212) 245-0047

cable: cineplay

November 3, 1980

LIBERAL PARTY
FEDERAL CAMPAIGN COMMITTEE
165 West 46th Street
New York, New York 10022

INVOICE# 1157

RE: Electronic Preparation for 5:00

Editorial and dubs \$1,667.40

Tape Supervisor 150.00

Cabs & Messengers 25.00

\$1,842.40

8% Sales Tax 147.39

\$1,989.79

R 6 0 4 0 6 1 0 3 6 2



DHS FILMS, INC. 80 west 55th street, new york, n. y. 10019 (212) 245-0047

cable: cineplay

November 4, 1980

LIBERAL PARTY
FEDERAL CAMOAGN COMMITTEE
165 West 46th Street
New York, New York 10022

INVOICE: 1161

RE: Additional Shipping charges
as of 11/3/80

\$162.00

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SAVY & ASSOCIATES, LTD.

60 WEST 52ND STREET NEW YORK, N.Y. 10019 212 • 245 • 0047

October 16, 1960

LIBERAL PARTY

FEDERAL CAMPAIGN COMMITTEE

165 West 46th Street

New York, New York 10022

INVOICE# 1076

RE: Placement of TV Commercial

\$ 50,000 due

8 5 9 4 0 5 1 0 3 6 4

DELLA SAVAIA ASSOCIATES, LTD.

60 WEST 59th STREET NEW YORK, N.Y. 10019 212-245-0047

November 12, 1980

LIBERAL PARTY
FEDERAL CAMPAIGN COMMITTEE
165 West 46th Street
New York, New York 10022

INVOICE: 1095

RE: Services of Ernestine Guglielmo,
Director of Communications for
Senator Javits
Oct. 13 - Nov. 4

\$ 2,210.00

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82 SEP 27 P 2: 24

Liberal Party Federal Campaign Committee
Debts and Obligations due at 12/31/80 which are Possible Coordinated Expenditures
Audit Year 1980

<u>Creditor</u>	<u>Date</u>	<u>Amount</u>	<u>Anderson Share</u>	<u>Javits Share</u>	<u>Explanation</u>
D. H. Sawyer and Associates	1980	\$ 5,500.00		\$ 5,500.00	Balance due on Video productions and TV time.
Major Graphics, Inc.	10/21/80	6,495.21	\$ 3,247.61	3,247.60	Balance due on invoice for brochures for Anderson, Lucey, Javits.
Major Graphics, Inc.	10/29/80	10,955.72	5,477.86	5,477.86	Additional shipment of same brochures as above for Anderson, Lucey, Javits.
TOTAL		\$22,950.93	\$ 8,725.47	\$14,225.46	
		=====	=====	=====	

85040510366

major graphics, Inc.

33-20 61ST STREET
WOODSIDE, NY 11377
(212) 478-1400

Liberal Party
1560 Broadway
New York, N.Y. 10036

DATE October 21, 1980

JOB NO. 3487

INVOICE N^o 4288

TERMS: NET

250,000 8-1/8 x 13 "Anderson, Lucey, Javits" Brochures,
ptd. 3/colors..1/side, 2/colors 2nd side

\$10,250.00

1 Extra set of negatives

50.00

\$10,300.00

State Sales Tax

824.00

52 UPS Shipments

371.21

\$11,495.21

*5000
6495.21*

*Paid 9/10
11/15/80
Fed Exp. Acc.*

mgi PRINTERS · TYPOGRAPHERS

85040310357

major graphics, inc.

33-20 61ST STREET
WOODSIDE, NY 11377
(212) 478-1400

Liberal Party
1560 Broadway
New York, N.Y. 10036

DATE October 29, 1980

JOB NO. 3575

INVOICE N^o 4370

TERMS: NET

250,000	8-1/8 x 13 3/color	Anderson Flyers	\$10,000.00
		29 UPS Shipments	<u>155.72</u>
			\$10,155.72
		State Sales Tax	<u>800.00</u>
			\$10,955.72

860403103
mgi PRINTERS · TYPOGRAPHERS

RECEIVED AT THE FEC

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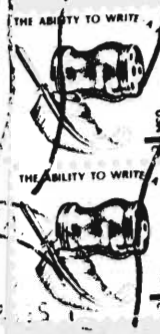
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8th Street
New York 10023

Postmaster - Pre Paid - 10c
1968
10023
NY

92 SEP 27

CHURCH ST. NY

CHURCH ST. STA. 102
NEW YORK, NY
SE 23 PM



CHURCH ST. STA. 102
NEW YORK, NY
SE 23 PM

CHURCH ST. NY
SE 23 PM

PRIORITY MAIL

FIRST CLASS

Federal Election Commission
Washington, D.C. 20463

PRIORITY MAIL

Attn: N. B. Nathan

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSIONER
SECRETARY

In the Matter of)
)
Liberal Party Federal Campaign)
Committee;)
National Unity Campaign for)
John B. Anderson)

82 SEP 23 A10: 48

MUR 1452

COMPREHENSIVE INVESTIGATIVE REPORT # 1

On August 10, 1982, the Commission found reason to believe that the Liberal Party Federal Campaign Committee ("the Committee") violated 2 U.S.C. § 441a(a) by making excessive direct and in-kind contributions in New York State to the 1980 National Unity Campaign for John B. Anderson ("Anderson"), and that Anderson had violated 2 U.S.C. § 441a(f) by accepting those impermissible contributions. Submitted to the Committee along with the reason-to-believe notification was a request for records documenting the expenditures that the auditors found had not been attributed to either Anderson or to the other candidate supported by the Committee in the 1980 general election, Senator Jacob Javits. Also requested were documents to support a statement made by Committee counsel in a January 29, 1982 letter to the Commission, asserting that over \$90,000 was expended by the Committee at Anderson's request.

On August 24, 1982, the Committee requested in writing an extension of time in which to respond to the reason-to-believe finding. On September 2, following telephone discussions with

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Committee counsel, this Office granted an extension of thirty days, but requested that the Committee submit any factual response as soon as possible, in advance of its full legal analysis, because of this Office's interest in concluding consideration of all related matters involving John Anderson at an early date. On September 14, 1982, the Committee responded to this Office's renewed request for a factual response by saying that the New York primary, to be held September 23, had prevented the Committee from preparing such a response. We have again urged the Committee to make best efforts to comply with the request as soon as possible.

John Anderson responded to the reason-to-believe notice with a statement designating himself as counsel; his staff has said a response is being prepared.

Charles N. Steele
General Counsel

Sept 23, 1982
Date

By:

Kenneth A. Gross
Associate General Counsel

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RECEIVED AT THE FEC

60# 8479

82 SEP 16 10: 07

SAMUEL RABIN
IRVING MOLDAUER
J. DONALD TIERNEY (N. Y. & N. J.)
KENNETH M. GREENFIELD (N. Y. & N. J.)
COUNSEL

ROBERT H. SHENKER
ROGER E. ARENTZEN (N. Y. & N. J.)
JEFFREY L. CHASE (N. Y. & N. J.)
C. THOMAS SCHWEIZER
HOWARD S. EDINBURGH
LARRY S. REICH
ROBERT A. BERNARD
HOWARD L. WEXLER
STEVEN J. SMETANA
MITCHELL J. KASSOFF
TERRY MYERS
WILLIAM C. GUIDA (N. Y. & S. C.)
DAVID S. HAMM
IRWIN HOROWITZ
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JOSEPH H. ALESSI (N. Y. & N. J.)
CHARLES P. NAFMAN (N. Y. & GA.)
PETER J. KURSHAN
SUE ROSENSTEIN
CHARLES DELAFUENTE
JEFFREY S. SHAPIRO
PERRY L. COHEN

WALTER HERZFELD (1907-1986)
HERBERT RUBIN
BERNARD J. WALD
MICHAEL HOENIG
EDWARD L. BIRNBAUM
IAN CERESNEY
ALFRED S. GOLDFELD (N. Y. & FLA.)
THEODORE NESS
FRED W. RAUSKOLB III
MYRON SHAPIRO
JOHN A. SCHULTZ
ELLIN M. MULHOLLAND
LEONARD M. POLISAR
RICHARD L. ACKERMAN (CALIF. ONLY)
SEYMOUR KAGAN (N. Y. & CALIF.)
MARTIN S. FRIEDLANDER (N. Y. & CALIF.)
MARTIN C. LIGHT
DANIEL V. GSOVSKI

HERZFELD & RUBIN, P.C.

ATTORNEYS AT LAW

40 WALL STREET
NEW YORK, N. Y. 10005

TELEPHONE: (212) 344-0680
RADIOCOM: (212) 785-0940
CABLE: PIEROWAL NEW YORK
TELEX: 12-7678
W. U. I. 66154

LOS ANGELES OFFICE

HERZFELD & RUBIN
1925 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
TELEPHONE (213) 883-0451

FT. LAUDERDALE OFFICE

HERZFELD & RUBIN
3601 NORTH UNIVERSITY DRIVE
FT. LAUDERDALE, FLORIDA 33321
TELEPHONE (305) 742-8100

September 14, 1982

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

Attn: Ms. Nancy B. Nathan

Re: MUR 1452

Gentlemen:

I hereby confirm conversations with your office concerning the delay in providing information relative to the Liberal Party.

This is further to inform you that the Liberal Party is involved in the Primary in the State of New York, which will be held on September 23, 1982.

It is impossible at this time, as has been the case for the last month or two, for the Liberal Party to spare either personnel or time to provide the requested documentation.

We will be in communication with you as soon as possible after September 23, 1982.

Thank you very much in advance for your cooperation.

Very truly yours,

Alfred S. Goldfield
Alfred S. Goldfield

/rd

2 SEP 16 13:43

36040510372

HERZFELD & RUBIN, P.C.

40 WALL STREET

NEW YORK, NEW YORK 10005

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

Attn: Ms. Nancy B. Nathan

22 SEP 16 A 9:17



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 2, 1982

Herbert Rubin, Esq.
Herzfeld and Rubin
40 Wall Street
New York, New York 10005

Re: MUR 1452

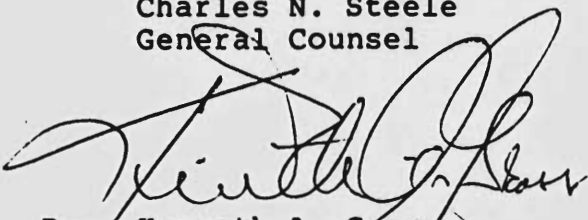
Dear Mr. Rubin:

We have received the request of the Liberal Party for an extension of thirty days in which to respond to the Commission's finding of reason to believe the Party violated the Federal Election Campaign Act of 1971, as amended.

Your request is hereby granted, in view of the circumstances set out in your letter of August 24, 1982, and in view of your statements by telephone to attorney Nancy Nathan that you will submit factual responses as soon as possible, before submitting your legal analysis.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

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STATEMENT OF DESIGNATION OF COUNSEL

2 AUG 27 A 11: 54

NAME OF COUNSEL: John B. Anderson
 ADDRESS: 2720 35th Place, NW
 Washington, DC 20007
 TELEPHONE: 202/775-2000

The above-named individual is hereby designated as my
 counsel and is authorized to receive any notifications and
 other communications from the Commission and to act on my
 behalf before the Commission.

August 26, 1982
 Date

John B. Anderson
 Signature

NAME: National Unity Campaign for John Anderson
 ADDRESS: 2720 35th Place, NW
 Washington, DC 20007
 HOME PHONE: 202/965-2206
 BUSINESS PHONE: 202/775-2000

86040510375

Office of General Counsel
Federal Election Commission
1325 K Street NW
Washington, DC 20463



1:23

WALTER HERZFELD(1907-1986)
HERBERT RUBIN
BERNARD J. WALD
MICHAEL HOENIG
EDWARD L. BIRNBAUM
IAN CERESNEY
ALFRED S. GOLDFELD (N. Y. & FLA)
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DANIEL V. GSOVSKI

LOS ANGELES OFFICE
HERZFELD & RUBIN
1925 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
TELEPHONE (213) 553-0481

FT. LAUDERDALE OFFICE
HERZFELD & RUBIN
3801 NORTH UNIVERSITY DRIVE
FT. LAUDERDALE, FLORIDA 33321
TELEPHONE (305) 742-9100

HERZFELD & RUBIN, P.C.
ATTORNEYS AT LAW

40 WALL STREET
NEW YORK, N. Y. 10005

TELEPHONE: (212) 344-0680
RAPICOM: (212) 785-0940
CABLE: PIEROWAL NEW YORK
TELEX: 12-7678
W. U. I. 66154

202547
664# 8326
2 AUG 26 P12:01
SARAH...
IRVING GOLDMAN
J. DONALD TIGHE (N. Y. & N. J.)
KENNETH M. GREENFIELD (N. Y. & N. J.)
COUNSEL

ROBERT H. SHENKER
ROGER E. ARENTZEN (N. Y. & N. J.)
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C. THOMAS SCHWEIZER
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HOWARD L. WEXLER
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CHARLES P. NAFMAN (N. Y. & GA)
PETER J. KURSHAN
SUE ROSENHEIN
CHARLES DELAFUENTE
JEFFREY S. SHAPIRO
PERRY L. COHEN

August 24, 1982

Federal Election Commission
Washington, D. C. 20463

Attention: Ms. Nancy B. Nathan

Re: MUR 1452

Gentlemen:

I confirm my conversation with Mr. Scott Thomas on August 22nd in the above matter. Your letter dated August 12, 1982 has been referred to me for attention. As I informed Mr. Thomas, Mr. Rose, who was Treasurer of the Liberal Party, no longer serves in that capacity. Consultation with him at this time has not been feasible. Mr. Goldfield, who had some contact with your agency, is out of the office at this time. The factual and legal questions raised are complex, to say the least.

Accordingly I would appreciate an extension of 30 days in which to respond. I hope during that time to have an opportunity to discuss this matter with you to clarify and expedite a disposition.

Thank you for your cooperation.

Very truly yours,

Herbert Rubin
Herbert Rubin

HR:mh

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664# 8326 P1:29

IRZFELD & RUBIN, P.C.

40 WALL STREET

NEW YORK, NEW YORK 10005

AUG 20

12:01

Federal Election Commission
Washington, D. C. 20463

Attention: Ms. Nancy B. Nathan



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 12, 1982

Mr. Herbert B. Rose, Treasurer
Liberal Party of New York
1560 Broadway
New York, New York 10036

Re: MUR 1452

Dear Mr. Rose:

On August 10, 1982, the Federal Election Commission determined that there is reason to believe that your committee violated 2 U.S.C. § 441a(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), by making direct and in-kind contributions to the National Unity Campaign for John B. Anderson that exceeded the limits established by that provision of the Act. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, the Committee has an opportunity to demonstrate that no action should be taken against it. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Additionally, please submit any materials responsive to the enclosed request for documents within ten days of your receipt of this letter.

In the absence of any additional information that demonstrates that no further action should be taken against your Committee, the Commission may find probable cause to believe that a violation has occurred, and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if the Committee so desires. See 11 C.F.R. § 111.18(d).

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Letter to Herbert B. Rose
Page 2

If the Committee intends to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless the Committee notifies the Commission in writing that it wishes that the investigation be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Frank P. Reiche

Frank P. Reiche
Chairman for the
Federal Election Commission

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

85040510330

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. 1452
STAFF MEMBER(S) & TEL. NO.
Nancy B. Nathan
(202) 523-4073

RESPONDENT Liberal Party Federal Campaign Committee

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D
SUMMARY OF ALLEGATIONS

8 6 0 4 0 5 1 0 3 8 1
The Commission's audit of the Liberal Party (N.Y.) Federal Campaign Committee ("the Committee") disclosed that, during the period audited (February 14, 1980 through December 31, 1980), the Committee made expenditures on behalf of, and a direct contribution to, the 1980 Presidential campaign of John Anderson that apparently exceeded the limitations imposed by 2 U.S.C. § 441a(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act").

FACTUAL AND LEGAL ANALYSIS

The Committee endorsed and made expenditures on behalf of two federal candidates in the general election during the period audited: John Anderson for President, and Jacob Javits for Senator. Following the audit, it was determined that expenditures on behalf of Anderson totaled at least \$1,954.80 1/, and at least \$27,611.26 was expended jointly on behalf of Anderson and Javits. 2/ Additionally, the

1/ The Committee's reports to the Commission only listed \$540 expended on behalf of Anderson.

2/ That amount was expended for advertisements, copies of which were made available to the auditors, and which supported Anderson and Javits jointly.

Committee's records showed that \$119,564.11 was spent on behalf of the candidates generally. 3/ The auditors noted that the Committee's invoices did not identify for which candidate the expenditures were made.

In addition, a direct monetary contribution of \$5,000 was made by the Committee to Anderson's committee.

Following its receipt of the interim audit report, and the Commission's request for documentation that would allocate the expenditures between Anderson and Javits, the Committee disclosed that \$19,333.46 was expended on Anderson's behalf, but did not submit supporting documentation. The Committee said the \$19,333.46 total represented the \$1,954.80 originally identified by the auditors, \$13,805.63, or one-half, of the \$27,611.26 originally identified by the auditors as having been expended for Anderson and Javits jointly, and \$3,573.03 of the \$119,564.11 originally shown as disbursements for unidentified federal candidates.

The indicated expenditures on behalf of the Anderson campaign exceed the limits imposed by 2 U.S.C. § 441a(a). The higher limits permitted under 2 U.S.C. § 441a(d)(2) are inapplicable to the Committee, because it is not a "national committee of a political party," as required by that provision.

The Federal Election Campaign Act of 1971, as amended, ("the Act"), defines the component terms of "national committee of a

3/ The audit showed that the \$119,564.11 was spent primarily for advertising, media time, and printing.

political party." At 2 U.S.C. § 431(14), "national committee" is defined as "the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level...." "Political party" is defined at 2 U.S.C. § 431(16) as "an association, committee or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee or organization." 4/

The Commission has considered the matter of indicia of national party status, specifically with reference to the Liberal Party, in AO 1976-95. The Commission stated in that Advisory Opinion that operation of a party at the national level is key to determining whether it satisfies the statutory requirements for that status. The AO contrasted the activity of the Liberal Party with that of the Libertarian Party, which it said evidenced sufficient activity at the national level. It cited the Libertarian Party's nomination of Presidential and Vice Presidential candidates and of Congressional candidates in over thirty states, as well as its support of voter registration drives and publicizing of issue information throughout the country.

Since the issuance of AO 1976-95, the Commission has

4/ At 11 C.F.R. § 100.15, the definition of "political party" states, inter alia, that the party is one that nominates or selects a candidate whose name appears on a ballot.

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enumerated factors determinative of national party status. In AO 78-58, requested by the Pyramid Freedom Party, a party's nomination of its own Presidential, Vice Presidential, and Congressional candidates in many states, as well as publication of party issue positions throughout the U.S., were listed. In AO 80-121, requested by the Socialist National Committee of the Socialist Party, maintaining of a national office, having state and local affiliates, and holding a national convention were additional factors looked to by the Commission in finding that the Socialist Party was a national committee of a political party.

The Liberal Party has not demonstrated any change in status to cause the Commission to revise the decision taken in AO 1976-95, holding that its level of national activity was insufficient to qualify it for national party status. Since its inception, the Committee only has supported federal candidates in New York State.

The limits of 2 U.S.C. § 441a(a) are applicable to the expenditures made on Anderson's behalf. The expenditures cannot properly be termed independent, since, under 11 C.F.R. § 110.7(b) (4), a state committee of a political party may not make

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independent expenditures in connection with the general election campaign of a candidate for federal office. In addition, there is some evidence of coordination in a January 29, 1982 letter to the Commission from Liberal Party counsel, requesting information on the Liberal Party's possible entitlement to Mr. Anderson's federal matching funds. In that letter (see Attachment 1), it is asserted that the Committee's expenditures on Anderson's behalf were made at his request. In a May 27, 1982 letter to the Liberal Party, Mr. Anderson declared that there never was any authorization by him or his staff for the Party's expenditures on his behalf. 5/ (See Attachment 2). Nevertheless, the letter to the Commission from Liberal Party counsel, together with the fact that the Party was barred from making independent expenditures by 11 C.F.R. § 110.7(b)(4), establish a basis for a reason-to-believe finding that the Committee exceeded § 441a(a)(1)(A) contribution limits by making excessive contributions to John Anderson's campaign.

In addition to having to apportion a substantial sum

5/ Mr. Anderson's letter also said that it had been understood by the Committee and the Anderson campaign that expenditures made by the Committee on his behalf would be limited to those exempt from the definition of "contribution" under the Act, such as volunteer activities, registration and get-out-the-vote drives. (See Attachment 2.)

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hereto labelled as jointly expended on behalf of Senator Javits and candidate Anderson, another \$22,950.93 of debt reported in the Committee's 1980 year-end report as media and printing expenditures also may have to be allocated, at least in part, to Anderson. Moreover, the January 29, 1982 letter from Liberal Party counsel to the Commission (Attachment 1) has cast additional doubt on the total of expenditures for Anderson so far disclosed by the Committee, because the letter stated that over \$90,000 was expended at Anderson's request.

The Committee's \$5,000 direct contribution to Anderson exceeded by \$4,000 the limit available to the Committee under 2 U.S.C. § 441a. The limit applicable to multicandidate committees under 2 U.S.C. § 441a(a)(2)(A) does not apply in this case because, at the time it made the contribution, the Committee was not a "multicandidate committee" as defined at 11 C.F.R. § 100.5(e)(3), which requires, inter alia, that a committee have received contributions for spending in Federal elections from more than fifty persons. ^{6/} Since the Committee was not a multicandidate committee at the time of its contribution, § 441a(a)(2)(A) was inapplicable, and the contribution exceeded the limits imposed by 2 U.S.C. § 441a(a)(1)(A). The May 27, 1982 letter

^{6/} The audit revealed that the Committee contributed \$5,000 to Anderson's campaign on October 6, 1980. By that date, 21 persons had contributed to the Committee; by October 16, 1980, the next reporting date, more than 50 persons had contributed.

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from Anderson to the Liberal Party confirmed that the contribution was accepted by his campaign before the Committee had qualified as a multicandidate committee. 7/ A check refunding the excessive portion of the contribution was sent with the letter.

The amount of the violation in this matter will include the \$4,000 excessive direct contribution, and the amount finally determined to have been expended on Anderson's behalf.

RECOMMENDATION:

1. Find reason to believe that the Liberal Party Federal Campaign Committee violated 2 U.S.C. § 441a(a) by making an excessive contribution to the National Unity Campaign for John B. Anderson.

7/ The letter states also: "Party officials must certainly have been aware of the legal status of the Liberal Party at the time they made the contribution, and therefore knew the Party was legally entitled to contribute only \$1,000."

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Request for Documents
MUR 1452

Please submit, within ten days, any documents responsive to the following requests:

1. Any invoices, bills or other records documenting the amounts and purposes of the Liberal Party Federal Campaign Committee's expenditures on behalf of Federal candidates in the 1980 general election campaign.
2. Any invoices, bills or other records documenting the Committee's expenditures of \$22,950.93 for media and printing, reported in the Committee's 1980 year-end report to the Commission, and any materials indicating the candidate(s) for which those expenditures were made..
3. Any documents relating to or supporting the statement, contained in the January 29, 1982 letter to the Commission from Mr. Alfred Goldfield, that "funds in excess of \$90,000" were expended by the Committee on John Anderson's behalf and at his request, during the 1980 campaign. (See Attachment).

Attachment:

January 29, 1982 letter to the Federal Election Commission from Alfred S. Goldfield

85040510333

ALFRED HERZFELD (1907-1982)
ERBERT RUBIN
EDWARD J. WALZ
MICHAEL KOENIG
EDWARD L. BIRNBAUM
IN CHERSNEY
LEFRED S. GOLDFELD N.Y. & P.W.
HEDDORRE NESS
RED W. RAUSKOLB
TEON SHAPIRO
DHN A. SCHULTZ
ELIN K. MULHOLLAND
EDWARD M. POLSAR
EDWARD L. ACKERMAN (CAUF. D-15)
EDMOUR KAGAN N.Y. & CAUF.
MARTIN S. FRIEDLANDER N.Y. & CAUF.
MARTIN C. LIGHT
AMIEL V. GSOVSKI

HERZFELD & RUBIN, P.C.

ATTORNEYS AT LAW

40 WALL STREET
NEW YORK, N. Y. 10005

TELEPHONE: (212) 344-0680
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52 FEB 1 P2:22
MACCARTHY, SCHULTZ & MULHOLLAND
IRVING HOLSBAUER
J. DONALD TIERNEY N.Y. & N.J.
COUNSEL

ROBERT M. SHENKER
ROGER C. ARENTZEN N.Y. & N.J.
JEFFREY L. CHASE N.Y. & N.J.
C. THOMAS SCHWEIZER
HOWARD S. EDINBURGH
WILLIAM C. SIMMONS
LARRY S. REICH
ROBERT A. BERNARD
HOWARD L. WEXLER
STEVEN J. SMETANA
MITCHELL J. KASSOFF
TERRY MYERS
WILLIAM C. GUIDA N.Y. & S.C.
DAVID S. HAHM
IRWIN HOROWITZ
CARL T. GRASSO
NATALIE F. MULHOLLAND
EDWARD P. SPEIRMAN
BRUCE M. FRIEDMAN
HAROLD J. MCKAY
HELEN P. EICHLER
RAYMOND T. LEBON N.Y. & S.C.
JOSEPH M. ALESSI N.Y. & S.C.
CHARLES P. NATHAN N.Y. & S.C.
PETER J. KURSHAN

LOS ANGELES OFFICE
HERZFELD & RUBIN
868 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
TELEPHONE (213) 583-0481

FT. LAUDERDALE OFFICE
HERZFELD & RUBIN
3801 NORTH UNIVERSITY DRIVE
FT. LAUDERDALE, FLORIDA 33321
TELEPHONE (305) 742-8100

January 29, 1982

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

Re: John Anderson
1980 Presidential Campaign

Gentlemen:

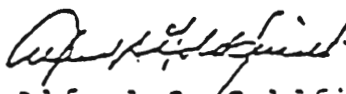
We are writing this letter on behalf of the Liberal Party of New York State. Please note we have written to you several times relative to the monies of John Anderson (National Unity Campaign) 1980 Presidential Campaign.

Our question concerns whether or not we are entitled to Federal funds allocated to John Anderson as a result of the Liberal Party's having expended funds in excess of \$90,000 on John Anderson's behalf during his 1980 Presidential Campaign, with his permission and at his request, and at the request of his National Unity Party.

Enclosed please find correspondence relative to the foregoing.

I would appreciate hearing from you at your earliest convenience.

Very truly yours,


Alfred S. Goldfield



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 12, 1982

Honorable John B. Anderson
National Unity Campaign for John Anderson
2730 - 35th Place, N.W.
Washington, D.C. 20007

Re: MUR 1452

Dear Mr. Anderson:

On August 10, 1982, the Federal Election Commission determined that there is reason to believe that your committee violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), by accepting contributions from the Liberal Party Federal Campaign Committee that were violative of 2 U.S.C. § 441a(a). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, the Committee has an opportunity to demonstrate that no action should be taken against it. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter.

In the absence of any additional information that demonstrates that no further action should be taken against your Committee, the Commission may find probable cause to believe that a violation has occurred, and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if the Committee so desires. See 11 C.F.R. § 111.18(d).

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Letter to John B. Anderson
Page 2

If the Committee intends to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless the Committee notifies the Commission in writing that it wishes that the investigation be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Frank P. Reiche

Frank P. Reiche
Chairman for the
Federal Election Commission

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. 1452
STAFF MEMBER(S) & TEL. NO.
Nancy B. Nathan
(202) 523-4073

RESPONDENT: National Unity Campaign for John B. Anderson

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

8 5 0 4 0 5 1 0 3 9 2
The Commission's audit of the Liberal Party (N.Y.) Federal Campaign Committee ("the Committee") disclosed that, during the period audited (February 14, 1980 through December 31, 1980), the Committee made expenditures on behalf of, and a direct contribution to, the National Unity Campaign for John B. Anderson that apparently exceeded the limits imposed by 2 U.S.C. § 441a(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The apparent knowing acceptance of those contributions by Anderson's committee makes out a violation of 2 U.S.C. § 441a(f).

FACTUAL AND LEGAL ANALYSIS

The Committee endorsed and made expenditures on behalf of two federal candidates in the general election during the period audited: John Anderson for President, and Jacob Javits for Senator. Following the audit, it was determined that expenditures on behalf of Anderson totaled at least

\$1,954.80 1/, and at least \$27,611.26 was expended jointly on behalf of Anderson and Javits. 2/ Additionally, the Committee's records showed that \$119,564.11 was spent on behalf of the candidates generally. 3/ The auditors noted that the Committee's invoices did not identify for which candidate the expenditures were made.

In addition, a direct monetary contribution of \$5,000 was made by the Committee to Anderson's committee.

8 6 0 4 0 5 1 0 3 9 3
Following its receipt of the interim audit report, and the Commission's request for documentation that would allocate the expenditures between Anderson and Javits, the Committee disclosed that \$19,333.46 was expended on Anderson's behalf, but did not submit supporting documentation. The Committee said the \$19,333.46 total represented the \$1,954.80 originally identified by the auditors, \$13,805.63, or one-half, of the \$27,611.26 originally identified by the auditors as having been expended for Anderson and Javits jointly, and \$3,573.03 of the \$119,564.11 originally shown as disbursements for unidentified federal candidates.

1/ The Committee's reports to the Commission only listed \$540 expended on behalf of Anderson.

2/ That amount was expended for advertisements, copies of which were made available to the auditors, and which supported Anderson and Javits jointly.

3/ The audit showed that the \$119,564.11 was spent primarily for advertising, media time, and printing.

The indicated expenditures on behalf of the Anderson campaign exceed the limits imposed by 2 U.S.C. § 441a(a). The higher limits permitted under 2 U.S.C. § 441a(d)(2) are inapplicable to the Committee, because it is not a "national committee of a political party," as required by that provision.

The Federal Election Campaign Act of 1971, as amended, ("the Act"), defines the component terms of "national committee of a political party." At 2 U.S.C. § 431(14), "national committee" is defined as "the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level...." "Political party" is defined at 2 U.S.C. § 431(16) as "an association, committee or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee or organization." 4/

The Commission has considered the matter of indicia of national party status, specifically with reference to the Liberal Party, in AO 1976-95. The Commission stated in that Advisory Opinion that operation of a party at the national level is key to determining whether it satisfies the statutory requirements for that status. The AO contrasted the activity of the Liberal Party with that of the Libertarian Party, which it said evidenced

4/ At 11 C.F.R. § 100.15, the definition of "political party" states, inter alia, that the party is one that nominates or selects a candidate whose name appears on a ballot.

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sufficient activity at the national level. It cited the Libertarian Party's nomination of Presidential and Vice Presidential candidates and of Congressional candidates in over thirty states, as well as its support of voter registration drives and publicizing of issue information throughout the country.

Since the issuance of AO 1976-95, the Commission has enumerated factors determinative of national party status. In AO 78-58, requested by the Pyramid Freedom Party, a party's nomination of its own Presidential, Vice Presidential, and Congressional candidates in many states, as well as publication of party issue positions throughout the U.S., were listed. In AO 80-121, requested by the Socialist National Committee of the Socialist Party, maintaining of a national office, having state and local affiliates, and holding a national convention were additional factors looked to by the Commission in finding that the Socialist Party was a national committee of a political party.

The Liberal Party has not demonstrated any change in status to cause the Commission to revise the decision taken in AO 1976-95, holding that its level of national activity was insufficient to qualify it for national party status. Since its inception, the Committee only has supported federal candidates in New York State.

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The limits of 2 U.S.C. § 441a(a) are applicable to the expenditures made on Anderson's behalf. The expenditures cannot properly be termed independent, since, under 11 C.F.R. § 110.7(b) (4), a state committee of a political party may not make independent expenditures in connection with the general election campaign of a candidate for federal office. In addition, there is some evidence of coordination in a January 29, 1982 letter to the Commission from Liberal Party counsel, requesting information on the Liberal Party's possible entitlement to Mr. Anderson's federal matching funds. In that letter (see Attachment 1), it is asserted that the Committee's expenditures on Anderson's behalf were made at his request. In a May 27, 1982 letter to the Liberal Party, Mr. Anderson declared that there never was any authorization by him or his staff for the Party's expenditures on his behalf. 5/ (See Attachment 2). Nevertheless, the letter to the Commission from Liberal Party counsel, together with the fact that the Party was barred from making independent expenditures by 11 C.F.R. § 110.7(b) (4), establish a basis for a reason-to-believe finding that the Committee exceeded § 441a(a) contribution limits by making excessive contributions to John

5/ Mr. Anderson's letter also said that it had been understood by the Committee and the Anderson campaign that expenditures made by the Committee on his behalf would be limited to those exempt from the definition of "contribution" under the Act, such as volunteer activities, registration and get-out-the-vote drives. (See Attachment 2.)

Anderson's campaign, and that Anderson's committee violated 2 U.S.C. § 441a(f) by accepting them.

In addition to having to apportion a substantial sum heretofore labelled as jointly expended on behalf of Senator Javits and candidate Anderson, another \$22,950.93 of debt reported in the Committee's 1980 year-end report as media and printing expenditures also may have to be allocated, at least in part, to Anderson. Moreover, the January 29, 1982 letter from Liberal Party counsel to the Commission (Attachment 1) has cast additional doubt on the total of expenditures for Anderson so far disclosed by the Committee, because the letter stated that over \$90,000 was expended at Anderson's request.

The Committee's \$5,000 direct contribution to Anderson exceeded by \$4,000 the limit available to the Committee under 2 U.S.C. § 441a. The limit applicable to multicandidate committees under 2 U.S.C. § 441a(a)(2)(A) does not apply in this case because, at the time it made the contribution, the Committee was not a "multicandidate committee" as defined at 11 C.F.R. § 100.5(e)(3), which requires, inter alia, that a committee have received contributions for spending in Federal elections from more than fifty persons. ^{6/} Since the Committee was not a multicandidate committee at the time of its contribution, § 441a(a)(2)(A) was inapplicable, and the contribution exceeded the limits imposed by 2 U.S.C. § 441a(a)(1)(A). The May 27, 1982 letter

^{6/} The audit revealed that the Committee contributed \$5,000 to Anderson's campaign on October 6, 1980. By that date, 21 persons had contributed to the Committee; by October 16, 1980, the next reporting date, more than 50 persons had contributed.-

from Anderson to the Liberal Party confirmed that the contribution was accepted by his campaign before the Committee had qualified as a multicandidate committee. 7/ A check refunding the excessive portion of the contribution was sent with the letter.

The amount of the violation in this matter will include the \$4,000 excessive direct contribution, and the amount finally determined to have been expended on Anderson's behalf.

RECOMMENDATION:

1. Find reason to believe that the National Unity Campaign for John B. Anderson violated 2 U.S.C. § 441a(f) by knowingly accepting contributions from the Liberal Party Federal Campaign Committee that were violative of 2 U.S.C. § 441a(a).

7/ The letter states also: "Party officials must certainly have been aware of the legal status of the Liberal Party at the time they made the contribution, and therefore knew the Party was legally entitled to contribute only \$1,000."

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Liberal Party Federal Campaign) MUR 1452
Committee;)
National Unity Campaign for)
John B. Anderson)

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal
Election Commission Executive Session on August 10, 1982, do
hereby certify that the Commission decided by a vote of 6-0 to
take the following actions in MUR 1452:

1. Find reason to believe that the Liberal
Party Federal Campaign Committee violated
2 U.S.C. §441a(a) by making an excessive
contribution to the National Unity Campaign
for John B. Anderson.
2. Find reason to believe that the National
Unity Campaign for John B. Anderson violated
2 U.S.C. §441a(f) by knowingly accepting
contributions from the Liberal Party Federal
Campaign Committee that were violative of
2 U.S.C. §441a(a).
3. Send the letters attached to the General
Counsel's July 28, 1982 report.

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

Attest:

8-10-82

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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SENSITIVE
FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT

82 JUL 28 P 3: 40

DATE AND TIME OF TRANSMITTAL MUR # 1452
BY OGC TO THE COMMISSION 7/28/82 STAFF MEMBER Nancy Nathan

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

RESPONDENTS' NAMES: Liberal Party Federal Campaign Committee;
National Unity Campaign for John B. Anderson

RELEVANT STATUTE: 2 U.S.C. §§ 441a(a); 441a(f)

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

GENERATION OF MATTER

The Commission's audit of the Liberal Party (N.Y.) Federal Campaign Committee ("the Committee") disclosed that, during the period audited (February 14, 1980 through December 31, 1980), the Committee made expenditures on behalf of, and a direct contribution to, the 1980 Presidential campaign of John Anderson that apparently exceeded statutory limitations. The matter was referred to the Office of General Counsel following the final audit report. (See Attachment 1). The Committee's response to the interim audit report only partially resolved the question of apportioning the total expended by the Committee on behalf of two federal candidates, in order to determine the amount spent for Anderson. No documentation was submitted by the Committee to support that response to the interim audit report.

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SUMMARY OF ALLEGATIONS

The matter referred to the Office of General Counsel involves an apparently excessive contribution by the Committee, violative of 2 U.S.C. § 441a(a), in the form of impermissible expenditures on behalf of, and an excessive direct contribution to, the 1980 presidential campaign of John Anderson. In addition, there is an apparent violation of 2 U.S.C. § 441a(f) by the Anderson committee, the National Unity Campaign for John B. Anderson, for its knowing acceptance of the impermissible contributions.

FACTUAL AND LEGAL ANALYSIS

The Committee endorsed and made expenditures on behalf of two federal candidates in the general election during the period audited: John Anderson for President, and Jacob Javits for Senator. Following the audit, it was determined that expenditures on behalf of Anderson totaled at least \$1,954.80 1/, and at least \$27,611.26 was expended jointly on behalf of Anderson and Javits. 2/ Additionally, the Committee's records showed that \$119,564.11 was spent on behalf of the candidates generally. 3/ The auditors noted that the Committee's

1/ The Committee's reports to the Commission only listed \$540 expended on behalf of Anderson.

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invoices did not identify for which candidate the expenditures were made.

In addition, a direct monetary contribution of \$5,000 was made by the Committee to Anderson's committee.

Following its receipt of the interim audit report, and the Commission's request for documentation that would allocate the expenditures between Anderson and Javits, the Committee disclosed that \$19,333.46 was expended on Anderson's behalf, but did not submit supporting documentation. The Committee said the \$19,333.46 total represented the \$1,954.80 originally identified by the auditors, \$13,805.63, or one-half, of the \$27,611.26 originally identified by the auditors as having been expended for Anderson and Javits jointly, and \$3,573.03 of the \$119,564.11 originally shown as disbursements for unidentified federal candidates.

The matter was referred to the Office of General Counsel because the indicated expenditures on behalf of the Anderson campaign exceed the limits imposed by 2 U.S.C. § 441a(a). The higher limits permitted under 2 U.S.C. § 441a(d)(2) are inapplicable to the Committee, because it is not a "national committee of a political party," as required by that provision.

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The Commission has considered the matter of indicia of national party status, specifically with reference to the Liberal Party, in AO 1976-95. The Commission stated in that Advisory Opinion that operation of a party at the national level is key to determining whether it satisfies the statutory requirements for that status. The AO contrasted the activity of the Liberal Party with that of the Libertarian Party, which it said evidenced sufficient activity at the national level. It cited the Libertarian Party's nomination of Presidential and Vice Presidential candidates and of Congressional candidates in over thirty states, as well as its support of voter registration drives and publicizing of issue information throughout the country.

Since the issuance of AO 1976-95, the Commission has

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The limits of 2 U.S.C. § 441a(a) are applicable to the expenditures made on Anderson's behalf. The expenditures cannot properly be termed independent, since, under 11 C.F.R. § 110.7(b) (4), a state committee of a political party may not make

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independent expenditures in connection with the general election campaign of a candidate for federal office. In addition, there is some evidence of coordination in a January 29, 1982 letter to the Commission from Liberal Party counsel, requesting information on the Liberal Party's possible entitlement to Mr. Anderson's federal matching funds. In that letter (see Attachment 2), it is asserted that the Committee's expenditures on Anderson's behalf were made at his request. In a May 27, 1982 letter to the Liberal Party, Mr. Anderson declared that there never was any authorization by him or his staff for the Party's expenditures on his behalf. 5/ (See Attachment 3). Nevertheless, the letter to the Commission from Liberal Party counsel, together with the fact that the Party was barred from making independent expenditures by 11 C.F.R. § 110.7(b)(4), establish a basis for a reason-to-believe finding that the Committee exceeded § 441a(a)(1)(A) contribution limits by making excessive contributions to John Anderson's campaign, and that Anderson's committee violated 2 U.S.C. § 441a(f) by accepting them.

It will be the object of the investigation of this matter to determine the extent of the violation by determining the amount expended for Anderson. In addition to having to apportion a

5/ Mr. Anderson's letter also said that it had been understood by the Committee and the Anderson campaign that expenditures made by the Committee on his behalf would be limited to those exempt from the definition of "contribution" under the Act, such as volunteer activities, registration and get-out-the-vote drives. (See Attachment 3.)

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from Anderson to the Liberal Party confirmed that the contribution was accepted by his campaign before the Committee had qualified as a multicandidate committee. 7/ A check refunding the excessive portion of the contribution was sent with the letter.

The amount of the violation in this matter will include the \$4,000 excessive direct contribution, and the amount finally determined to have been expended on Anderson's behalf.

RECOMMENDATIONS:

1. Find reason to believe that the Liberal Party Federal Campaign Committee violated 2 U.S.C. § 441a(a) by making an excessive contribution to the National Unity Campaign for John B. Anderson.
2. Find reason to believe that the National Unity Campaign for John B. Anderson violated 2 U.S.C. § 441a(f) by knowingly accepting contributions from the Liberal Party Federal Campaign Committee that were violative of 2 U.S.C. § 441a(a).

7/ The letter states also: "Party officials must certainly have been aware of the legal status of the Liberal Party at the time they made the contribution, and therefore knew the Party was legally entitled to contribute only \$1,000."

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3. Send the attached letters.

July 28, 1982
Date

Charles N. Steele
General Counsel

BY:

Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

Attachments:

1. Final audit report.
2. January 29, 1982 letter to the Commission from Alfred Goldfield, counsel to the Liberal Party.
3. May 27, 1982 letter to the Liberal Party from John B. Anderson.
4. Proposed letters to respondents.

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SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

82 MAY 26 P 5: 01

A81-34

May 26, 1982

MEMORANDUM

TO: THE COMMISSIONERS
THROUGH: B. ALLEN CLUTTER *BAE*
STAFF DIRECTOR
FROM: BOB COSTA *RJC*
SUBJECT: FINAL AUDIT REPORT -
LIBERAL PARTY FEDERAL CAMPAIGN COMMITTEE.

Attached is a copy of the final audit report on the Liberal Party Federal Campaign Committee ("the Committee"). The audit report is being circulated for a tally vote. Upon notice of Commission approval, the report will be held for public release pending notification of the Committee's receipt of its informational copy.

Also attached as Exhibit A is a finding included in the interim audit report entitled Coordinated Party Expenditures which is being referred to the Office of General Counsel based on the Committee's response to the interim audit report recommendation. As noted in Exhibit A, the Audit staff identified \$1,954.80 in expenditures made by the Committee on behalf of John Anderson's general election campaign; \$27,611.26 in expenditures disbursed jointly on behalf of Anderson and Jacob Javits; and \$119,564.11 disbursed on behalf of unidentified Federal candidates. 1/ Records presented at the time of the audit contained insufficient information to determine what portion of these disbursements were allocable to candidate Anderson. However, it was noted that the Committee supported only three federal candidates in the 1980 election cycle. In addition, the Committee directly contributed \$5,000 (\$4,000 in excess of its allowable limit) to the Anderson campaign. Since the Committee was not entitled to take advantage of the contribution limits pursuant to 441a(a)(2)(A) nor the expenditure limits pursuant to 441a(d)(2), the Audit staff determined that the Committee had contributed at least \$5,954.80 in excess of its allowable limit to the Anderson campaign.

Attachment 1 - 1 of 8

MEMORANDUM TO THE COMMISSIONERS

Page 2

In its response to the interim audit report, received on May 7, 1982, the Committee disclosed that it had incurred expenditures totaling \$19,333.46 ^{2/} on behalf of the Anderson campaign. This amount consisted of the \$1,954.80 identified by the auditors; \$13,805.63 of the amount identified as having been disbursed on behalf of Anderson and Javits; and \$3,573.03 of the amount disbursed on behalf of unidentified candidates. The Audit staff is unable to verify the accuracy of these totals since the Committee did not provide any supporting documentation as requested in the interim audit report and subsequent conversations. It should be noted however, that on February 1, 1982, a letter was received from the Committee's counsel (see Attachment 1) inquiring as to whether the Committee was "... entitled to Federal funds allocated to John Anderson as a result of the Liberal Party's having expended funds in excess of \$90,000 on John Anderson's behalf during his 1980 Presidential Campaign with his permission and at his request, and at the request of his National Unity Party."

Based on the lack of documentation presented by the Committee to support the expenditures allocable to the Anderson campaign and the figure quoted in the Committee's February 1, 1982 letter, a question still remains as to the total amount expended on behalf of the Anderson campaign. The Audit Division recommends that any investigation into this matter by the Office of General Counsel include a request for documentation (invoices, bills, etc.) for all expenditures made by the Committee which were made on behalf of Federal candidates and an explanation of the \$90,000 figure contained in the February 1, letter. An additional \$22,950.93 of reported debt for media and printing on the Committee's 1980 year end report may also require allocation to the Anderson campaign.

If you have any questions concerning this matter, please contact Ray Lisi at extension 3-4155.

- 1/ The Committee had originally disclosed only \$540.00 disbursed on behalf of the Anderson campaign.
- 2/ This total does not include the \$4,000 excessive contribution to the Anderson campaign.

Attachments as stated



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

A81-34

REPORT OF THE AUDIT DIVISION ON THE LIBERAL PARTY FEDERAL CAMPAIGN COMMITTEE

I. Background

A. Overview

This report is based on an audit of the Liberal Party Federal Campaign Committee ("the Committee"), undertaken by the Audit Division of the Federal Election Commission in accordance with the Commission's audit policy to determine whether there has been compliance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to Section 438(b) of Title 2 of the United States Code which states, in part, that the Commission may conduct audits and field investigations of any political committee required to file a report under Section 434 of this title. Prior to conducting any audit under this section, the Commission shall perform an internal review of reports filed by selected committees to determine if the reports filed by a particular committee meet the threshold requirements for substantial compliance with the Act.

The Committee registered with the Federal Election Commission on February 25, 1980. The Committee maintains its headquarters in New York, New York.

The audit covered the period February 14, 1980 through December 31, 1980. The Committee reported a cash balance on February 14, 1980, of \$-0-; total receipts for the period of \$237,676.30; total disbursements for the period of \$236,829.17; and a cash balance on December 31, 1980, of \$847.13.

This audit report is based on documents and working papers which support each of its factual statements. They form part of the record upon which the Commission based its decisions on the matters in the report and were available to the Commissioners and appropriate staff for review.

Attachment 1 - 3 of 8

B. Key Personnel

The Treasurer of the Committee during the period audited was Mr. Herbert B. Rose.

C. Scope

The audit included such tests as verification of total reported receipts and expenditures and individual transactions; review of required supporting documentation and analysis of Committee debts and obligations; and such other audit procedures as deemed necessary under the circumstances.

II. Findings and Recommendations

A. Allocation of Administrative Expenses

Section 106.1(e) of Title 11 of the Code of Federal Regulations states, in part, that party committees which have established Federal campaign committees pursuant to 11 C.F.R. Section 102.5 shall allocate administrative expenses on a reasonable basis between their Federal and non-Federal accounts in proportion to the amount of funds expended on Federal and non-Federal elections, or on another reasonable basis.

Pursuant to 11 C.F.R. 102.5(a)(1)(i), the Committee maintained separate accounts for Federal and non-Federal activity and disclosed the activity of its Federal account in its reports.

During the review of the Committee's reports and records, it was determined that the Committee's Federal account paid no administrative expenses during the period audited. The Committee had no system for allocating administrative expenses between the Federal and non-Federal accounts. When informed of the requirements of the Act concerning this matter, Committee officials presented the Audit staff with an invoice from the non-Federal account to the Federal account for \$825.00, its share of the administrative expenses. However, the invoice did not indicate how this amount was calculated.

The interim audit report recommended that, within 30 days of receipt of the report, the Committee submit support for the calculation for administrative expenses allocated to the Federal account and amend its reports to disclose the allocation.

In addition the Audit staff recommended that the Federal account reimburse the non-Federal account for a reasonable portion of the administrative expenses and present to the Audit staff copies (front and back) of the reimbursement check.

On April 23, 1982, the Committee provided the Audit staff with an explanation of its calculation of the \$825.00 in administrative expenses allocable to the Federal account. In addition the Committee also provided a copy of a check drawn on the Federal account reimbursing the non-Federal account for the \$825.00.

Recommendation

The Audit staff recommends no further action in this matter however, the Audit staff does recommend that the Committee establish a system for allocating its administrative expenses in the future which includes timely reimbursement to the non-Federal account when required.

B. Itemization of Expenditures

Section 434(b) (6) (A) (B) (iv) of Title 2 of the United States Code states, in part, that each report under this section shall disclose the name and address of each person who receives any expenditure from the reporting committee during the reporting period in connection with an expenditure under section 441a(d) of this title, together with the date, amount and purpose of any such expenditure as well as the name and office sought by the candidate on whose behalf the expenditure is made.

During the period audited, the Committee supported Jacob Javits for United States Senator. A review of the Committee's records identified expenditures totaling at least \$12,449.89 made on behalf of the Javits campaign and \$27,611.26 disbursed jointly on behalf of Javits and another federal candidate. In addition, \$119,564.11 in expenditures appeared to be made on behalf of federal candidates however, the records maintained supporting those expenditures did not indicate on whose behalf they were made. The majority of the expenditures were made for radio spots and newspaper ads.

Committee officials stated that the expenditures were made in support of Federal candidates. All of the expenditures were itemized on the Committee's reports but were not properly identified as coordinated expenditures.

In the interim audit report the Audit staff recommended that the Committee, within 30 days of receipt of the report, review its records to determine which expenditures were made on behalf of Senator Javits and amend its reports to properly itemize the expenditures on Schedule F of FEC Form 3x.

On May 6, 1982, the Committee filed amended reports properly disclosing the expenditures made on behalf of the Javits campaign.

Recommendation

The Audit staff recommends no further action on this matter.

C. Matters Referred to the Office of General Counsel

A certain other matter noted during the audit was referred to the Commission's Office of General Counsel for consideration.

B. Coordinated Party Expenditures

Section 441a(d) (1) and (2) of Title 2 of the United States Code states, in part, that the national committee of a political party and a State committee of a political party including any subordinate committee of a State committee, may make expenditures in connection with the general election campaign of candidates for Federal office subject to the limitations contained in paragraphs (2) and (3) of this subsection. The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds an amount equal to 2 cents multiplied by the voting age population of the United States.

Section 100.5(e) (3) of Title 11 of the Code of Federal Regulations defines multi-candidate committee as a political committee which has been registered with the Commission, Clerk of the House or Secretary of the Senate for at least 6 months, has received contributions from more than 50 persons; and (except for any State political party organization) has made contributions to 5 or more Federal Candidates.

Since its inception the Committee has been involved in supporting Federal candidates in New York state elections only. In an advisory opinion request dated October 8, 1976, the Liberal Party requested that the Commission rule that it is a national committee as defined by the Federal Election Campaign laws, based on the fact that it supported a national ticket composed of a presidential and vice-presidential candidate. At that time, the Commission ruled that until such time that the party demonstrates sufficient activity on a national level, it may not take advantage of the provisions of the Act applicable to national committees.

During the period audited, the Committee supported three Federal candidates; John Anderson for President, Jacob Javits for Senate, and Mary Codd for the House of Representatives. 1/ The Committee's reports disclose \$540 disbursed on behalf of the Anderson general election campaign, however a review of the Committee's expenditure records identified expenditures totaling at least \$1,954.80 made on behalf of the Anderson campaign and \$27,611.26 disbursed jointly on behalf of Anderson and Javits. An additional \$119,564.11 in

1/ All of the candidates were on the Liberal Party ballot in New York State.

Attachments 1 - 7 of 8

expenditures were identified as being made on behalf of Federal candidates. The invoices maintained by the Committee supporting these expenditures did not identify the candidate supported but documentation has been requested from the Committee.

In addition to the expenditures noted above the Committee contributed \$5,000 directly to the Anderson campaign. It should be noted that this contribution was made 10 days prior to the Committee receiving contributions from a total of 50 contributors which was the only criteria it had not met in order to qualify as a multi-candidate committee.

Since the Committee neither qualified as a national party committee nor a multi-candidate committee at the time the contributions and expenditures were made, the Committee could not take advantage of the expenditure limits on behalf of presidential candidates pursuant to 2 U.S.C. 441a(d)(2) and 11 C.F.R. 110.7(a) nor the \$5,000 contribution limit pursuant to 2 U.S.C. 441a(a)(2)(A). Therefore the Committee has contributed at least \$5,954.80 in excess of its limit to the Anderson campaign.

Recommendation

The Audit staff recommends that within 30 days of receipt of this report that the Committee seek a refund from the National Unity Campaign for John Anderson in an amount equal to the amount the Committee expended on behalf of John B. Anderson during the 1980 Presidential Campaign or present evidence that the monies expended in support of the Anderson campaign were exempt from the Act's definition of "contribution" or "expenditure". The Audit staff also recommends that the Committee present evidence as to the exact amount expended on behalf of John Anderson.

ALYER HERZFELD (1907-1980)
HERBERT RUBIN
ERHARD J. WALD
MICHAEL HOENIG
EDWARD L. BIRNBAUM
IN CERESNEY
L. FRED S. GOLDFELD N.Y. & FLA
HEDDORE NESS
RED W. RAUSKOLB III
YRON SHAPIRO
JOHN A. SCHULTZ
ELIN M. MULHOLLAND
EDWARD M. POLSAR
EDWARD L. ACKERMAN (CALIF. ONLY)
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JOSEPH M. ALESSI, N.Y. & S.C.
CHARLES P. NACHMAN, N.Y. & S.C.
PETER J. KURSHAN

January 29, 1982

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

Re: John Anderson
1980 Presidential Campaign

Gentlemen:

We are writing this letter on behalf of the Liberal Party of New York State. Please note we have written to you several times relative to the monies of John Anderson (National Unity Campaign) 1980 Presidential Campaign.

Our question concerns whether or not we are entitled to Federal funds allocated to John Anderson as a result of the Liberal Party's having expended funds in excess of \$90,000 on John Anderson's behalf during his 1980 Presidential Campaign, with his permission and at his request, and at the request of his National Unity Party.

Enclosed please find correspondence relative to the foregoing.

I would appreciate hearing from you at your earliest convenience.

Very truly yours,

Alfred S. Goldfield
Alfred S. Goldfield

Attachment 2

NATIONAL UNITY CAMPAIGN
John Anderson

2720 35th Place, N.W./Washington, D.C. 20007/(202) 775-2

May 27, 1982

Liberal Party of New York State
1560 Broadway
New York, New York 10036

Attention: Mr. James F. Notaro

Dear Sir:

I have for reply your letter of April 20, 1982. In an effort to reconstruct all prior understandings with the Liberal Party in reference to expenditures made in the 1980 campaign, I have discussed this matter with former personnel and officials of the National Unity Campaign and have reviewed all available records.

The evidence convinces me that it was clearly understood that Liberal Party expenditures made on behalf of the National Unity Campaign would be limited to expenditures exempt under the law, such as the preparation and distribution of slate cards, volunteer activities and registration/get-out-the-vote activities. These expenditures are not considered contributions under the Federal Elections Campaign Act. Furthermore, there was never any communication from myself or any member of my staff authorizing the Liberal Party of New York State to incur expenses on behalf of the National Unity Campaign.

Therefore, we consider the National Unity Campaign exempt from any assessment of liability for expenditures made by the Liberal Party of New York State.

In the matter of the amount of the contribution made by the Liberal Party to the National Unity Campaign, a careful examination of the records reveals that my committee did accept the \$5,000 contribution before the Liberal Party qualified under federal law as a multi-candidate committee. Party officials must certainly have been aware of the legal status of the Liberal Party at the time they made the contribution and therefore knew the Party was legally entitled to contribute only \$1,000.

Attachment 3 - 10/2

86040610418

May 27, 1982

Notwithstanding this fact and because of our consistent posture of being in compliance with the law, we are enclosing with this letter a check from the National Unity Campaign in the amount of \$4,000 made payable to the Liberal Party. This amount represents the difference between the contribution actually made and the limit permitted by law and is payment in full of the National Unity Campaign's obligation to the Liberal Party of New York State.

Very truly yours,

John B. Anderson

JBA/etd

Enc.

cc: Federal Election Commission

86040510419

Attachment 3-20/2



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Mr. Herbert B. Rose, Treasurer
Liberal Party of New York
1560 Broadway
New York, New York 10036

Re: MUR 1452

Dear Mr. Rose:

On , 1982, the Federal Election Commission determined that there is reason to believe that your committee violated 2 U.S.C. § 441a(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), by making direct and in-kind contributions to the National Unity Campaign for John B. Anderson that exceeded the limits established by that provision of the Act. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, the Committee has an opportunity to demonstrate that no action should be taken against it. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Additionally, please submit any materials responsive to the enclosed request for documents within ten days of your receipt of this letter.

In the absence of any additional information that demonstrates that no further action should be taken against your Committee, the Commission may find probable cause to believe that a violation has occurred, and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if the Committee so desires. See 11 C.F.R. § 111.18(d).

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Letter to Herbert B. Rose
Page 2

If the Committee intends to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless the Committee notifies the Commission in writing that it wishes that the investigation be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

860403100421
Attachment 4- 2 of 19

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. 1452
STAFF MEMBER(S) & TEL. NO.
Nancy B. Nathan
(202) 523-4073

RESPONDENT Liberal Party Federal Campaign Committee

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The Commission's audit of the Liberal Party (N.Y.) Federal Campaign Committee ("the Committee") disclosed that, during the period audited (February 14, 1980 through December 31, 1980), the Committee made expenditures on behalf of, and a direct contribution to, the 1980 Presidential campaign of John Anderson that apparently exceeded the limitations imposed by 2 U.S.C. § 441a(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act").

FACTUAL AND LEGAL ANALYSIS

The Committee endorsed and made expenditures on behalf of two federal candidates in the general election during the period audited: John Anderson for President, and Jacob Javits for Senator. Following the audit, it was determined that expenditures on behalf of Anderson totaled at least \$1,954.80 1/, and at least \$27,611.26 was expended jointly on behalf of Anderson and Javits. 2/ Additionally, the

1/ The Committee's reports to the Commission only listed \$540 expended on behalf of Anderson.

2/ That amount was expended for advertisements, copies of which were made available to the auditors, and which supported Anderson and Javits jointly.

Attachment 4-3 of 19

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Committee's records showed that \$119,564.11 was spent on behalf of the candidates generally. 3/ The auditors noted that the Committee's invoices did not identify for which candidate the expenditures were made.

In addition, a direct monetary contribution of \$5,000 was made by the Committee to Anderson's committee.

Following its receipt of the interim audit report, and the Commission's request for documentation that would allocate the expenditures between Anderson and Javits, the Committee disclosed that \$19,333.46 was expended on Anderson's behalf, but did not submit supporting documentation. The Committee said the \$19,333.46 total represented the \$1,954.80 originally identified by the auditors, \$13,805.63, or one-half, of the \$27,611.26 originally identified by the auditors as having been expended for Anderson and Javits jointly, and \$3,573.03 of the \$119,564.11 originally shown as disbursements for unidentified federal candidates.

The indicated expenditures on behalf of the Anderson campaign exceed the limits imposed by 2 U.S.C. § 441a(a). The higher limits permitted under 2 U.S.C. § 441a(d)(2) are inapplicable to the Committee, because it is not a "national committee of a political party," as required by that provision.

The Federal Election Campaign Act of 1971, as amended, ("the Act"), defines the component terms of "national committee of a

3/ The audit showed that the \$119,564.11 was spent primarily for advertising, media time, and printing.

political party." At 2 U.S.C. § 431(14), "national committee" is defined as "the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level...." "Political party" is defined at 2 U.S.C. § 431(16) as "an association, committee or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee or organization." 4/

The Commission has considered the matter of indicia of national party status, specifically with reference to the Liberal Party, in AO 1976-95. The Commission stated in that Advisory Opinion that operation of a party at the national level is key to determining whether it satisfies the statutory requirements for that status. The AO contrasted the activity of the Liberal Party with that of the Libertarian Party, which it said evidenced sufficient activity at the national level. It cited the Libertarian Party's nomination of Presidential and Vice Presidential candidates and of Congressional candidates in over thirty states, as well as its support of voter registration drives and publicizing of issue information throughout the country.

Since the issuance of AO 1976-95, the Commission has

4/ At 11 C.F.R. § 100.15, the definition of "political party" states, inter alia, that the party is one that nominates or selects a candidate whose name appears on a ballot.

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enumerated factors determinative of national party status. In AO 78-58, requested by the Pyramid Freedom Party, a party's nomination of its own Presidential, Vice Presidential, and Congressional candidates in many states, as well as publication of party issue positions throughout the U.S., were listed. In AO 80-121, requested by the Socialist National Committee of the Socialist Party, maintaining of a national office, having state and local affiliates, and holding a national convention were additional factors looked to by the Commission in finding that the Socialist Party was a national committee of a political party.

The Liberal Party has not demonstrated any change in status to cause the Commission to revise the decision taken in AO 1976-95, holding that its level of national activity was insufficient to qualify it for national party status. Since its inception, the Committee only has supported federal candidates in New York State.

The limits of 2 U.S.C. § 441a(a) are applicable to the expenditures made on Anderson's behalf. The expenditures cannot properly be termed independent, since, under 11 C.F.R. § 110.7(b) (4), a state committee of a political party may not make

Attachment 4 - 6 of 9

86040610425

independent expenditures in connection with the general election campaign of a candidate for federal office. In addition, there is some evidence of coordination in a January 29, 1982 letter to the Commission from Liberal Party counsel, requesting information on the Liberal Party's possible entitlement to Mr. Anderson's federal matching funds. In that letter (see Attachment 1), it is asserted that the Committee's expenditures on Anderson's behalf were made at his request. In a May 27, 1982 letter to the Liberal Party, Mr. Anderson declared that there never was any authorization by him or his staff for the Party's expenditures on his behalf. 5/ (See Attachment 2). Nevertheless, the letter to the Commission from Liberal Party counsel, together with the fact that the Party was barred from making independent expenditures by 11 C.F.R. § 110.7(b)(4), establish a basis for a reason-to-believe finding that the Committee exceeded § 441a(a) contribution limits by making excessive contributions to John Anderson's campaign.

In addition to having to apportion a substantial sum

5/ Mr. Anderson's letter also said that it had been understood by the Committee and the Anderson campaign that expenditures made by the Committee on his behalf would be limited to those exempt from the definition of "contribution" under the Act, such as volunteer activities, registration and get-out-the-vote drives. (See Attachment 2.)

hereto labelled as jointly expended on behalf of Senator Javits and candidate Anderson, another \$22,950.93 of debt reported in the Committee's 1980 year-end report as media and printing expenditures also may have to be allocated, at least in part, to Anderson. Moreover, the January 29, 1982 letter from Liberal Party counsel to the Commission (Attachment 1) has cast additional doubt on the total of expenditures for Anderson so far disclosed by the Committee, because the letter stated that over \$90,000 was expended at Anderson's request.

The Committee's \$5,000 direct contribution to Anderson exceeded by \$4,000 the limit available to the Committee under 2 U.S.C. § 441a. The limit applicable to multicandidate committees under 2 U.S.C. § 441a(a)(2)(A) does not apply in this case because, at the time it made the contribution, the Committee was not a "multicandidate committee" as defined at 11 C.F.R. § 100.5(e)(3), which requires, inter alia, that a committee have received contributions for spending in Federal elections from more than fifty persons. 6/ Since the Committee was not a multicandidate committee at the time of its contribution, § 441a(a)(2)(A) was inapplicable, and the contribution exceeded the limits imposed by 2 U.S.C. § 441a(a)(1)(A). The May 27, 1982 letter

6/ The audit revealed that the Committee contributed \$5,000 to Anderson's campaign on October 6, 1980. By that date, 21 persons had contributed to the Committee; by October 16, 1980, the next reporting date, more than 50 persons had contributed.

86040510427

from Anderson to the Liberal Party confirmed that the contribution was accepted by his campaign before the Committee had qualified as a multicandidate committee. 7/ A check refunding the excessive portion of the contribution was sent with the letter.

The amount of the violation in this matter will include the \$4,000 excessive direct contribution, and the amount finally determined to have been expended on Anderson's behalf.

RECOMMENDATION:

1. Find reason to believe that the Liberal Party Federal Campaign Committee violated 2 U.S.C. § 441a(a) by making an excessive contribution to the National Unity Campaign for John B. Anderson.

7/ The letter states also: "Party officials must certainly have been aware of the legal status of the Liberal Party at the time they made the contribution, and therefore knew the Party was legally entitled to contribute only \$1,000."

21

**Request for Documents
MUR 1452**

Please submit, within ten days, any documents responsive to the following requests:

1. Any invoices, bills or other records documenting the amounts and purposes of the Liberal Party Federal Campaign Committee's expenditures on behalf of Federal candidates in the 1980 general election campaign.
2. Any invoices, bills or other records documenting the Committee's expenditures of \$22,950.93 for media and printing, reported in the Committee's 1980 year-end report to the Commission, and any materials indicating the candidate(s) for which those expenditures were made.
3. Any documents relating to or supporting the statement, contained in the January 29, 1982 letter to the Commission from Mr. Alfred Goldfield, that "funds in excess of \$90,000" were expended by the Committee on John Anderson's behalf and at his request, during the 1980 campaign. (See Attachment).

Attachment:

January 29, 1982 letter to the Federal Election Commission from Alfred S. Goldfield

86040510429

ALFRED HERZFELD (1907-1988)

HERZFELD & RUBIN
ERBERT RUBIN
EDWARD J. WALD
MICHAEL MOENIG
EDWARD L. BIRNBAUM
N. CERESNEY
LEFRED S. GOLDFELD N.Y. & FLA
MEODORE NESS
RED W. RAUSKOLB II
YRON SHAPIRO
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52 FEB 1 1982

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JOSEPH M. ALESSI N.Y. & N.J.
CHARLES P. MACMANN N.Y. & N.J.
PETER J. KURSHAN

January 29, 1982

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

Re: John Anderson
1980 Presidential Campaign

Gentlemen:

We are writing this letter on behalf of the Liberal Party of New York State. Please note we have written to you several times relative to the monies of John Anderson (National Unity Campaign) 1980 Presidential Campaign.

Our question concerns whether or not we are entitled to Federal funds allocated to John Anderson as a result of the Liberal Party's having expended funds in excess of \$90,000 on John Anderson's behalf during his 1980 Presidential Campaign, with his permission and at his request, and at the request of his National Unity Party.

Enclosed please find correspondence relative to the foregoing.

I would appreciate hearing from you at your earliest convenience.

Very truly yours,

Alfred S. Goldfield
Alfred S. Goldfield

ASG:rc
Enc.

Attachment 4- 10a



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Honorable John B. Anderson
National Unity Campaign for John Anderson
2730 - 35th Place, N.W.
Washington, D.C. 20007

Re: MUR 1452

Dear Mr. Anderson:

On , 1982, the Federal Election Commission determined that there is reason to believe that your committee violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), by accepting contributions from the Liberal Party Federal Campaign Committee that were violative of 2 U.S.C. § 441a(a). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, the Committee has an opportunity to demonstrate that no action should be taken against it. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Additionally, please submit any materials responsive to the enclosed request for documents within ten days of your receipt of this letter.

In the absence of any additional information that demonstrates that no further action should be taken against your Committee, the Commission may find probable cause to believe that a violation has occurred, and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if the Committee so desires. See 11 C.F.R. § 111.18(d).

Attachment 4 - 11 of 19

Letter to John B. Anderson
Page 2

If the Committee intends to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), unless the Committee notifies the Commission in writing that it wishes that the investigation be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Nancy B. Nathan, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

Attachment 4- 12/19

35040610432

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR No. 1452
STAFF MEMBER(S) & TEL. NO.
Nancy B. Nathan
(202) 523-4073

RESPONDENT: National Unity Campaign for John B. Anderson

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

8 5 0 4 0 5 1 0 4 3 3
The Commission's audit of the Liberal Party (N.Y.) Federal Campaign Committee ("the Committee") disclosed that, during the period audited (February 14, 1980 through December 31, 1980), the Committee made expenditures on behalf of, and a direct contribution to, the National Unity Campaign for John B. Anderson that apparently exceeded the limits imposed by 2 U.S.C. § 441a(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The apparent knowing acceptance of those contributions by Anderson's committee makes out a violation of 2 U.S.C. § 441a(f).

FACTUAL AND LEGAL ANALYSIS

The Committee endorsed and made expenditures on behalf of two federal candidates in the general election during the period audited: John Anderson for President, and Jacob Javits for Senator. Following the audit, it was determined that expenditures on behalf of Anderson totaled at least

Attachment 4 - 13 of 19

26

\$1,954.80 1/, and at least \$27,611.26 was expended jointly on behalf of Anderson and Javits. 2/ Additionally, the Committee's records showed that \$119,564.11 was spent on behalf of the candidates generally. 3/ The auditors noted that the Committee's invoices did not identify for which candidate the expenditures were made.

In addition, a direct monetary contribution of \$5,000 was made by the Committee to Anderson's committee.

Following its receipt of the interim audit report, and the Commission's request for documentation that would allocate the expenditures between Anderson and Javits, the Committee disclosed that \$19,333.46 was expended on Anderson's behalf, but did not submit supporting documentation. The Committee said the \$19,333.46 total represented the \$1,954.80 originally identified by the auditors, \$13,805.63, or one-half, of the \$27,611.26 originally identified by the auditors as having been expended for Anderson and Javits jointly, and \$3,573.03 of the \$119,564.11 originally shown as disbursements for unidentified federal candidates.

1/ The Committee's reports to the Commission only listed \$540 expended on behalf of Anderson.

2/ That amount was expended for advertisements, copies of which were made available to the auditors, and which supported Anderson and Javits jointly.

3/ The audit showed that the \$119,564.11 was spent primarily for advertising, media time, and printing.

Attachment 4- 14 of 19

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The indicated expenditures on behalf of the Anderson campaign exceed the limits imposed by 2 U.S.C. § 441a(a). The higher limits permitted under 2 U.S.C. § 441a(d)(2) are inapplicable to the Committee, because it is not a "national committee of a political party," as required by that provision.

The Federal Election Campaign Act of 1971, as amended, ("the Act"), defines the component terms of "national committee of a political party." At 2 U.S.C. § 431(14), "national committee" is defined as "the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level...." "Political party" is defined at 2 U.S.C. § 431(16) as "an association, committee or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee or organization." 4/

The Commission has considered the matter of indicia of national party status, specifically with reference to the Liberal Party, in AO 1976-95. The Commission stated in that Advisory Opinion that operation of a party at the national level is key to determining whether it satisfies the statutory requirements for that status. The AO contrasted the activity of the Liberal Party with that of the Libertarian Party, which it said evidenced

4/ At 11 C.F.R. § 100.15, the definition of "political party" states, inter alia, that the party is one that nominates or selects a candidate whose name appears on a ballot.

sufficient activity at the national level. It cited the Libertarian Party's nomination of Presidential and Vice Presidential candidates and of Congressional candidates in over thirty states, as well as its support of voter registration drives and publicizing of issue information throughout the country.

Since the issuance of AO 1976-95, the Commission has enumerated factors determinative of national party status. In AO 78-58, requested by the Pyramid Freedom Party, a party's nomination of its own Presidential, Vice Presidential, and Congressional candidates in many states, as well as publication of party issue positions throughout the U.S., were listed. In AO 80-121, requested by the Socialist National Committee of the Socialist Party, maintaining of a national office, having state and local affiliates, and holding a national convention were additional factors looked to by the Commission in finding that the Socialist Party was a national committee of a political party.

The Liberal Party has not demonstrated any change in status to cause the Commission to revise the decision taken in AO 1976-95, holding that its level of national activity was insufficient to qualify it for national party status. Since its inception, the Committee only has supported federal candidates in New York State.

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The limits of 2 U.S.C. § 441a(a) are applicable to the expenditures made on Anderson's behalf. The expenditures cannot properly be termed independent, since, under 11 C.F.R. § 110.7(b) (4), a state committee of a political party may not make independent expenditures in connection with the general election campaign of a candidate for federal office. In addition, there is some evidence of coordination in a January 29, 1982 letter to the Commission from Liberal Party counsel, requesting information on the Liberal Party's possible entitlement to Mr. Anderson's federal matching funds. In that letter (see Attachment 1), it is asserted that the Committee's expenditures on Anderson's behalf were made at his request. In a May 27, 1982 letter to the Liberal Party, Mr. Anderson declared that there never was any authorization by him or his staff for the Party's expenditures on his behalf. 5/ (See Attachment 2). Nevertheless, the letter to the Commission from Liberal Party counsel, together with the fact that the Party was barred from making independent expenditures by 11 C.F.R. § 110.7(b) (4), establish a basis for a reason-to-believe finding that the Committee exceeded § 441a(a) contribution limits by making excessive contributions to John

5/ Mr. Anderson's letter also said that it had been understood by the Committee and the Anderson campaign that expenditures made by the Committee on his behalf would be limited to those exempt from the definition of "contribution" under the Act, such as volunteer activities, registration and get-out-the-vote drives. (See Attachment 2.)

Anderson's campaign, and that Anderson's committee violated 2 U.S.C. § 441a(f) by accepting them.

In addition to having to apportion a substantial sum heretofore labelled as jointly expended on behalf of Senator Javits and candidate Anderson, another \$22,950.93 of debt reported in the Committee's 1980 year-end report as media and printing expenditures also may have to be allocated, at least in part, to Anderson. Moreover, the January 29, 1982 letter from Liberal Party counsel to the Commission (Attachment 1) has cast additional doubt on the total of expenditures for Anderson so far disclosed by the Committee, because the letter stated that over \$90,000 was expended at Anderson's request.

The Committee's \$5,000 direct contribution to Anderson exceeded by \$4,000 the limit available to the Committee under 2 U.S.C. § 441a. The limit applicable to multicandidate committees under 2 U.S.C. § 441a(a)(2)(A) does not apply in this case because, at the time it made the contribution, the Committee was not a "multicandidate committee" as defined at 11 C.F.R. § 100.5(e)(3), which requires, inter alia, that a committee have received contributions for spending in Federal elections from more than fifty persons. 6/ Since the Committee was not a multicandidate committee at the time of its contribution, § 441a(a)(2)(A) was inapplicable, and the contribution exceeded the limits imposed by 2 U.S.C. § 441a(a)(1)(A). The May 27, 1982 letter

6/ The audit revealed that the Committee contributed \$5,000 to Anderson's campaign on October 6, 1980. By that date, 21 persons had contributed to the Committee; by October 16, 1980, the next reporting date, more than 50 persons had contributed..

from Anderson to the Liberal Party confirmed that the contribution was accepted by his campaign before the Committee had qualified as a multicandidate committee. 7/ A check refunding the excessive portion of the contribution was sent with the letter.

The amount of the violation in this matter will include the \$4,000 excessive direct contribution, and the amount finally determined to have been expended on Anderson's behalf.

RECOMMENDATION:

1. Find reason to believe that the National Unity Campaign for John B. Anderson violated 2 U.S.C. § 441a(f) by knowingly accepting contributions from the Liberal Party Federal Campaign Committee that were violative of 2 U.S.C. § 441a(a).

7/ The letter states also: "Party officials must certainly have been aware of the legal status of the Liberal Party at the time they made the contribution, and therefore knew the Party was legally entitled to contribute only \$1,000."



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Copy to MNG (F.C.)
6-8-82

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS/JODY RANSOM *JR*
DATE: JUNE 8, 1982
SUBJECT: AUDIT REFERRAL TO OGC -
Final Audit Report of the Liberal
Party Federal Campaign Committee

The above-named final audit report was approved
by the Commission on June 1, 1982 by a vote of 5-0.

In this report, the Audit staff recommended that
based on the committee's response to the Interim Audit
Report recommendation, the finding labeled as Exhibit A
of the Final Audit Report and entitled Coordinated Party
Expenditures, be referred to the Office of General Counsel.

cc: Staff Director
Audit Division

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**SENSITIVE**

FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

Date & Time Transmitted: THURSDAY, 5-27-82, 11:00COMMISSIONER: MCGARRY, AIKENS, McDONALD, ELLIOTT, REICHE, HARRISRETURN TO COMMISSION SECRETARY BY TUESDAY, JUNE 1, 1982, 11:00SUBJECT: FINAL AUDIT REPORT - LIBERAL PARTY FEDERAL CAMPAIGN
COMMITTEE, Memorandum to the Commissioners dated
May 26, 1982☐ approve the recommendation in the attached report.☐ object to the recommendation.COMMENTS: _____

Date: _____ Signature: _____

ALL BALLOTS MUST BE SIGNED AND DATED. PLEASE RETURN ONLY THE BALLOT TO THE
COMMISSION SECRETARY. PLEASE RETURN THE BALLOT NO LATER THAN THE DATE AND
TIME SHOWN ABOVE.

From the Office of the Commission Secretary

35040610411

SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

82 MAY 26 P 5: 01

A81-34

May 26, 1982

MEMORANDUM

TO: THE COMMISSIONERS

THROUGH: B. ALLEN CLUTTER *BAE*
STAFF DIRECTOR

FROM: BOB COSTA *RJC*

SUBJECT: FINAL AUDIT REPORT -
LIBERAL PARTY FEDERAL CAMPAIGN COMMITTEE

Attached is a copy of the final audit report on the Liberal Party Federal Campaign Committee ("the Committee"). The audit report is being circulated for a tally vote. Upon notice of Commission approval, the report will be held for public release pending notification of the Committee's receipt of its informational copy.

Also attached as Exhibit A is a finding included in the interim audit report entitled Coordinated Party Expenditures which is being referred to the Office of General Counsel based on the Committee's response to the interim audit report recommendation. As noted in Exhibit A, the Audit staff identified \$1,954.80 in expenditures made by the Committee on behalf of John Anderson's general election campaign; \$27,611.26 in expenditures disbursed jointly on behalf of Anderson and Jacob Javits; and \$119,564.11 disbursed on behalf of unidentified Federal candidates. 1/ Records presented at the time of the audit contained insufficient information to determine what portion of these disbursements were allocable to candidate Anderson. However, it was noted that the Committee supported only three federal candidates in the 1980 election cycle. In addition, the Committee directly contributed \$5,000 (\$4,000 in excess of its allowable limit) to the Anderson campaign. Since the Committee was not entitled to take advantage of the contribution limits pursuant to 441a(a)(2)(A) nor the expenditure limits pursuant to 441a(d)(2), the Audit staff determined that the Committee had contributed at least \$5,954.80 in excess of its allowable limit to the Anderson campaign.

MEMORANDUM TO THE COMMISSIONERS

Page 2

In its response to the interim audit report, received on May 7, 1982, the Committee disclosed that it had incurred expenditures totaling \$19,333.46 ^{2/} on behalf of the Anderson campaign. This amount consisted of the \$1,954.80 identified by the auditors; \$13,805.63 of the amount identified as having been disbursed on behalf of Anderson and Javits; and \$3,573.03 of the amount disbursed on behalf of unidentified candidates. The Audit staff is unable to verify the accuracy of these totals since the Committee did not provide any supporting documentation as requested in the interim audit report and subsequent conversations. It should be noted however, that on February 1, 1982, a letter was received from the Committee's counsel (see Attachment 1) inquiring as to whether the Committee was "... entitled to Federal funds allocated to John Anderson as a result of the Liberal Party's having expended funds in excess of \$90,000 on John Anderson's behalf during his 1980 Presidential Campaign with his permission and at his request, and at the request of his National Unity Party."

Based on the lack of documentation presented by the Committee to support the expenditures allocable to the Anderson campaign and the figure quoted in the Committee's February 1, 1982 letter, a question still remains as to the total amount expended on behalf of the Anderson campaign. The Audit Division recommends that any investigation into this matter by the Office of General Counsel include a request for documentation (invoices, bills, etc.) for all expenditures made by the Committee which were made on behalf of Federal candidates and an explanation of the \$90,000 figure contained in the February 1, letter. An additional \$22,950.93 of reported debt for media and printing on the Committee's 1980 year end report may also require allocation to the Anderson campaign.

If you have any questions concerning this matter, please contact Ray Lisi at extension 3-4155.

1/ The Committee had originally disclosed only \$540.00 disbursed on behalf of the Anderson campaign.

2/ This total does not include the \$4,000 excessive contribution to the Anderson campaign.

Attachments as stated



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

A81-34

REPORT OF THE AUDIT DIVISION
ON THE
LIBERAL PARTY FEDERAL CAMPAIGN COMMITTEE

I. Background

A. Overview

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This report is based on an audit of the Liberal Party Federal Campaign Committee ("the Committee"), undertaken by the Audit Division of the Federal Election Commission in accordance with the Commission's audit policy to determine whether there has been compliance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to Section 438(b) of Title 2 of the United States Code which states, in part, that the Commission may conduct audits and field investigations of any political committee required to file a report under Section 434 of this title. Prior to conducting any audit under this section, the Commission shall perform an internal review of reports filed by selected committees to determine if the reports filed by a particular committee meet the threshold requirements for substantial compliance with the Act.

The Committee registered with the Federal Election Commission on February 25, 1980. The Committee maintains its headquarters in New York, New York.

The audit covered the period February 14, 1980 through December 31, 1980. The Committee reported a cash balance on February 14, 1980, of \$-0-; total receipts for the period of \$237,676.30; total disbursements for the period of \$236,829.17; and a cash balance on December 31, 1980, of \$847.13.

This audit report is based on documents and working papers which support each of its factual statements. They form part of the record upon which the Commission based its decisions on the matters in the report and were available to the Commissioners and appropriate staff for review.

B. Key Personnel

The Treasurer of the Committee during the period audited was Mr. Herbert B. Rose.

C. Scope

The audit included such tests as verification of total reported receipts and expenditures and individual transactions; review of required supporting documentation and analysis of Committee debts and obligations; and such other audit procedures as deemed necessary under the circumstances.

II. Findings and Recommendations

A. Allocation of Administrative Expenses

Section 106.1(e) of Title 11 of the Code of Federal Regulations states, in part, that party committees which have established Federal campaign committees pursuant to 11 C.F.R. Section 102.5 shall allocate administrative expenses on a reasonable basis between their Federal and non-Federal accounts in proportion to the amount of funds expended on Federal and non-Federal elections, or on another reasonable basis.

Pursuant to 11 C.F.R. 102.5(a)(1)(i), the Committee maintained separate accounts for Federal and non-Federal activity and disclosed the activity of its Federal account in its reports.

During the review of the Committee's reports and records, it was determined that the Committee's Federal account paid no administrative expenses during the period audited. The Committee had no system for allocating administrative expenses between the Federal and non-Federal accounts. When informed of the requirements of the Act concerning this matter, Committee officials presented the Audit staff with an invoice from the non-Federal account to the Federal account for \$825.00, its share of the administrative expenses. However, the invoice did not indicate how this amount was calculated.

The interim audit report recommended that, within 30 days of receipt of the report, the Committee submit support for the calculation for administrative expenses allocated to the Federal account and amend its reports to disclose the allocation.

In addition the Audit staff recommended that the Federal account reimburse the non-Federal account for a reasonable portion of the administrative expenses and present to the Audit staff copies (front and back) of the reimbursement check.

On April 23, 1982, the Committee provided the Audit staff with an explanation of its calculation of the \$825.00 in administrative expenses allocable to the Federal account. In addition the Committee also provided a copy of a check drawn on the Federal account reimbursing the non-Federal account for the \$825.00.

Recommendation

The Audit staff recommends no further action in this matter however, the Audit staff does recommend that the Committee establish a system for allocating its administrative expenses in the future which includes timely reimbursement to the non-Federal account when required.

B. Itemization of Expenditures

Section 434(b)(6)(A)(B)(iv) of Title 2 of the United States Code states, in part, that each report under this section shall disclose the name and address of each person who receives any expenditure from the reporting committee during the reporting period in connection with an expenditure under section 441a(d) of this title, together with the date, amount and purpose of any such expenditure as well as the name and office sought by the candidate on whose behalf the expenditure is made.

During the period audited, the Committee supported Jacob Javits for United States Senator. A review of the Committee's records identified expenditures totaling at least \$12,449.89 made on behalf of the Javits campaign and \$27,611.26 disbursed jointly on behalf of Javits and another federal candidate. In addition, \$119,564.11 in expenditures appeared to be made on behalf of federal candidates however, the records maintained supporting those expenditures did not indicate on whose behalf they were made. The majority of the expenditures were made for radio spots and newspaper ads.

Committee officials stated that the expenditures were made in support of Federal candidates. All of the expenditures were itemized on the Committee's reports but were not properly identified as coordinated expenditures.

In the interim audit report the Audit staff recommended that the Committee, within 30 days of receipt of the report, review its records to determine which expenditures were made on behalf of Senator Javits and amend its reports to properly itemize the expenditures on Schedule F of FEC Form 3x.

On May 6, 1982, the Committee filed amended reports properly disclosing the expenditures made on behalf of the Javits campaign.

Recommendation

The Audit staff recommends no further action on this matter.

C. Matters Referred to the Office of General Counsel

A certain other matter noted during the audit was referred to the Commission's Office of General Counsel for consideration.

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B. Coordinated Party Expenditures

Section 441a(d)(1) and (2) of Title 2 of the United States Code states, in part, that the national committee of a political party and a State committee of a political party including any subordinate committee of a State committee, may make expenditures in connection with the general election campaign of candidates for Federal office subject to the limitations contained in paragraphs (2) and (3) of this subsection. The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds an amount equal to 2 cents multiplied by the voting age population of the United States.

Section 100.5(e)(3) of Title 11 of the Code of Federal Regulations defines multi-candidate committee as a political committee which has been registered with the Commission, Clerk of the House or Secretary of the Senate for at least 6 months, has received contributions from more than 50 persons; and (except for any State political party organization) has made contributions to 5 or more Federal Candidates.

Since its inception the Committee has been involved in supporting Federal candidates in New York state elections only. In an advisory opinion request dated October 8, 1976, the Liberal Party requested that the Commission rule that it is a national committee as defined by the Federal Election Campaign laws, based on the fact that it supported a national ticket composed of a presidential and vice-presidential candidate. At that time, the Commission ruled that until such time that the party demonstrates sufficient activity on a national level, it may not take advantage of the provisions of the Act applicable to national committees.

During the period audited, the Committee supported three Federal candidates; John Anderson for President, Jacob Javits for Senate, and Mary Codd for the House of Representatives. 1/ The Committee's reports disclose \$540 disbursed on behalf of the Anderson general election campaign, however a review of the Committee's expenditure records identified expenditures totaling at least \$1,954.80 made on behalf of the Anderson campaign and \$27,611.26 disbursed jointly on behalf of Anderson and Javits. An additional \$119,564.11 in

1/ All of the candidates were on the Liberal Party ballot in New York State.

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expenditures were identified as being made on behalf of Federal candidates. The invoices maintained by the Committee supporting these expenditures did not identify the candidate supported but documentation has been requested from the Committee.

In addition to the expenditures noted above the Committee contributed \$5,000 directly to the Anderson campaign. It should be noted that this contribution was made 10 days prior to the Committee receiving contributions from a total of 50 contributors which was the only criteria it had not met in order to qualify as a multi-candidate committee.

Since the Committee neither qualified as a national party committee nor a multi-candidate committee at the time the contributions and expenditures were made, the Committee could not take advantage of the expenditure limits on behalf of presidential candidates pursuant to 2 U.S.C. 441a(d)(2) and 11 C.F.R. 110.7(a) nor the \$5,000 contribution limit pursuant to 2 U.S.C. 441a(a)(2)(A). Therefore the Committee has contributed at least \$5,954.80 in excess of its limit to the Anderson campaign.

Recommendation

The Audit staff recommends that within 30 days of receipt of this report that the Committee seek a refund from the National Unity Campaign for John Anderson in an amount equal to the amount the Committee expended on behalf of John B. Anderson during the 1980 Presidential Campaign or present evidence that the monies expended in support of the Anderson campaign were exempt from the Act's definition of "contribution" or "expenditure". The Audit staff also recommends that the Committee present evidence as to the exact amount expended on behalf of John Anderson.

35040510419

ALTER HERZFELD (1907-1990)
HERBERT RUBIN
EDWARD J. WALD
MICHAEL HOENIG
EDWARD L. BIRNBAUM
JIN CERESNEY
LEFRED S. GOLDFELD (N.Y. & FLA)
THEODORE NESS
RED W. RAUSKOLB III
YRON SHAPIRO
JOHN A. SCHULTZ
ELIN M. MULHOLLAND
EDWARD M. POLISAR
EDWARD L. ACKERMAN (CALIF. & N.Y.)
EDMUND KAGAN (N.Y. & CALIF.)
MARTIN S. FRIEDLANDER (N.Y. & CALIF.)
MARTIN C. LICHT
DANIEL V. GOVSKI

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HERZFELD & RUBIN, P.C.

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TELEPHONE: (212) 344-0680
RAPICOM: (212) 785-0840
CABLE: PIEROWAL NEW YORK
TELEX: 12-7678
W.U.I. 66154

ATTACHMENT 1
82FE31 P2:42
MCCARTHY, SCHULTZ & MULHOLLAND
IRVING HOLDAUER
J. DONALD TIERNEY, N.Y. & N.J.
COUNSEL

ROBERT H. SHENKER
ROGER E. ARENTZEN (N.Y. & N.J.)
JEFFREY L. CHASE (N.Y. & N.J.)
C. THOMAS SCHWEIZER
HOWARD S. EDINBURGH
WILLIAM E. SIMSON
LARRY S. REICH
ROBERT A. BERNARD
HOWARD L. WEXLER
STEVEN J. SNETANA
MITCHELL J. KASEOFF
TERRY MYERS
WILLIAM C. GUIDA (N.Y. & S.C.)
DAVID S. HAHN
IRWIN HOROWITZ
CARL T. GRASSO
NATALIE F. MULHOLLAND
EDWARD P. SPEIRAN
BRUCE M. FRIEDMAN
HAROLD J. MCKAY
HELEN P. EICHLER
RAYMOND T. LEBON (N.Y. & N.J.)
JOSEPH M. ALESSI (N.Y. & N.J.)
CHARLES P. NACHMAN (N.Y. & N.J.)
PETER J. KURSHAN

January 29, 1982

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

Re: John Anderson
1980 Presidential Campaign

Gentlemen:

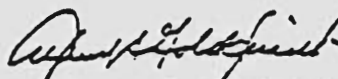
We are writing this letter on behalf of the Liberal Party of New York State. Please note we have written to you several times relative to the monies of John Anderson (National Unity Campaign) 1980 Presidential Campaign.

Our question concerns whether or not we are entitled to Federal funds allocated to John Anderson as a result of the Liberal Party's having expended funds in excess of \$90,000 on John Anderson's behalf during his 1980 Presidential Campaign, with his permission and at his request, and at the request of his National Unity Party.

Enclosed please find correspondence relative to the foregoing.

I would appreciate hearing from you at your earliest convenience.

Very truly yours,


Alfred S. Goldfield

ASG:rc
Enc.

86040610451



FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 1452

Date Filmed 8/19/86 Camera No. --- 2

Cameraman AS