



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 2166

Date Filmed 2/13/87 Camera No. --- 2

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87040635159

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Internal documents, Duplicate Documents, Rolling slips,
Assignment sheet, File Index, Voting Sheets,
Objection sheets, 12 Day Report & Comments.

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

John K. Dwyer

Date

02/06/67

FEC 9-21-77

87040635160



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 17, 1986

Robert Baur, Esquire
PERKINS COIE
Suite 1200
1110 Vermont Avenue, N.W.
Washington, D.C. 20005

Re: MUR 2166

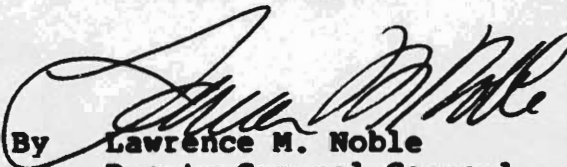
Dear Mr. Baur:

The Federal Election Commission has reviewed the allegations of your complaint dated April 14, 1986, and determined that on the basis of the information provided in your complaint and information provided by the Respondent there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") has been committed. Accordingly, the Commission has decided to close the file in this matter. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele
General Counsel

By 
Lawrence M. Noble
Deputy General Counsel

Enclosure
General Counsel's Report

87040535161



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 17, 1986

Theodore W. Swift, Esquire
Foster, Swift, Collins & Coey, P.C.
Attorneys at Law
313 South Wisconsin Square
Lansing, Michigan 48933

RE: MUR 2166
Sixth Congressional District
Republican Committee
William Bower, as treasurer

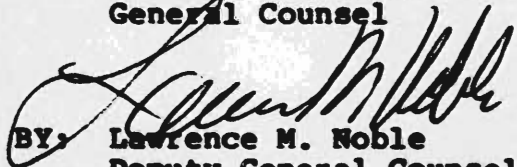
Dear Mr. Swift:

On April 18, 1986, the Commission notified your clients of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on September 9, 1986, determined that, on the basis of the information in the complaint and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by the Sixth Congressional District Republican Committee and William Bower, as treasurer. Accordingly, the Commission closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

BY: 
Lawrence M. Noble
Deputy General Counsel

87040535162



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 17, 1986

Gerald E. Rosen, Esquire
Miller, Canfield, Paddock and Stone
2500 Comerica Building
Detroit, Michigan 48226

RE: MUR 2166
Michigan Republican State
Committee
Denzil L. Hammond, as
treasurer

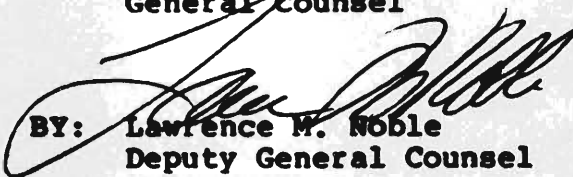
Dear Mr. Rosen:

On April 18, 1986, the Commission notified your clients of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on September 9, 1986, determined that, on the basis of the information in the complaint and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by the Michigan Republican State Committee and Denzil L. Hammond, as treasurer. Accordingly, the Commission closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

BY: 
Lawrence M. Noble
Deputy General Counsel

87040535163



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

perm
September 17, 1986

**Clifford W. Taylor, Esquire
Denfield, Timmer & Taylor
521 Seymour Avenue
Lansing, Michigan 48933**

**RE: MUR 2166
Marketing Resource Group, Inc.**

Dear Mr. Taylor:

On April 18, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on September 9, 1986, determined that, on the basis of the information in the complaint and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by Marketing Resource Group, Inc. Accordingly, the Commission closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

Lawrence M. Noble
BY: Lawrence M. Noble
Deputy General Counsel

8704035164



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 17, 1986

David J. Lee, Esquire
Booth, Patterson, Lee, Karlstrom & Steckling
1090 West Huron Street
Pontiac, Michigan 48053

RE: MUR 2166
Citizens Against
Government Waste

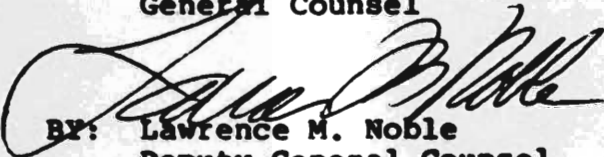
Dear Mr. Lee:

On April 18, 1986, the Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on September 9, 1986, determined that, on the basis of the information in the complaint and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed by Citizens Against Government Waste. Accordingly, the Commission closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

BY: 
Lawrence M. Noble
Deputy General Counsel

87040535165

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Michigan Republican State)
Committee and Denzil L.)
Hamond, as treasurer)
Sixth Congressional District) MUR 2166
Republican Committee and)
William Bower, as treasurer)
Citizens Against Government Waste)
Marketing Resource Group, Inc.)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of September 9,
1986, do hereby certify that the Commission took the following
actions in MUR 2166:

1. Decided by a vote of 6-0 to find no reason to
believe the Michigan Republican State Committee
and Denzil L. Hamond, as treasurer, violated
2 U.S.C. § 434 or § 441d.

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

2. Decided by a vote of 6-0 to find no reason to
believe the Sixth Congressional District
Republican Committee and William Bower, as
treasurer, violated 2 U.S.C. § 434 or § 441d.

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

(continued)

8704035166

3. Decided by a vote of 6-0 to find no reason to believe Citizens Against Government Waste violated 2 U.S.C. § 441d.

Commissioners Aikens, Elliott, Harris, Josefiak, McDonald, and McGarry voted affirmatively.

4. Decided by a vote of 6-0 to find no reason to believe Marketing Resource Group, Inc. violated 2 U.S.C. § 441b, § 433 or § 434.

Commissioners Aikens, Elliott, Harris, Josefiak, McDonald, and McGarry voted affirmatively.

5. Decided by a vote of 6-0 to close the file with respect to the Michigan Republican State Committee and Denzil L. Hamond, as treasurer, the Sixth Congressional District Republican Committee and William Bower, as treasurer, and Marketing Resource Group, Inc.

Commissioners Aikens, Elliott, Harris, Josefiak, McDonald, and McGarry voted affirmatively.

6. Failed in a vote of 3-3 to pass a motion to find reason to believe Citizens Against Government Waste violated 2 U.S.C. § 433 and § 434.

Commissioners Harris, McDonald, and McGarry voted affirmatively; Commissioners Aikens, Elliott, and Josefiak dissented.

(continued)

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7. Decided by a vote of 5-1 to -

- a) reject recommendation number 3 in the General Counsel's report dated August 21, 1986; and
- b) return the Citizens Against Government Waste part of this MUR to the Office of General Counsel for analysis of that respondent's activity under the definition of expenditures rather than as activity of a party committee.

Commissioners Aikens, Elliott, Josefiak, McDonald, and McGarry voted affirmatively; Commissioner Harris dissented.

8. Decided by a vote of 6-0 to direct the Office of General Counsel to send appropriate letters pursuant to the actions taken this date.

Commissioners Aikens, Elliott, Harris, Josefiak, McDonald, and McGarry voted affirmatively.

9. Decided by a vote of 6-0 to reconsider the last vote taken with respect to recommendation number 3 in the General Counsel's report.

Commissioners Aikens, Elliott, Harris, Josefiak, McDonald, and McGarry voted affirmatively for reconsideration.

(continued)

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Federal Election Commission
Certification for MUR 2166
September 9, 1986

Page 4

10. Decided by a vote of 5-1 to find no reason to believe Citizens Against Government Waste violated 2 U.S.C. § 433 and § 434.

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

Attest:

9-11-86

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

87040535169

FEDERAL ELECTION COMMISSION

999 E Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION _____

MUR 4-21861:27
DATE COMPLAINT RECEIVED
BY OGC 4/14/86
DATE OF NOTIFICATION TO
RESPONDENT 4/18/86
STAFF MEMBER M. Brown

COMPLAINANT'S NAME: Robert F. Bauer on behalf of the Democratic Congressional Campaign Committee

Respondents' Names: Michigan Republican State Committee,
Denzil L. Hamond, as treasurer, 6th
Congressional District Republican
Committee, Dale A. Stuart, as
treasurer, Citizens Against Government
Waste, and Marketing Resource Group

Relevant Statute: 2 U.S.C. § 431, 433, 434, 441a(d),
441b, 441d

Internal Reports Checked: Michigan Republican State Committee
Reports
6th Congressional District Republican
Committee Reports

Federal Agencies Checked: None

Summary of Allegations

The Democratic Congressional Campaign Committee ("DCCC") alleges that the Michigan Republican State Committee, the 6th Congressional District Republican Committee, Citizens Against Government Waste and Marketing Resource Group "joined together in making certain illegal expenditures to promote the defeat of Congressman Robert Carr for re-election as United States Representative for Michigan's 6th Congressional District." Congressman Carr used franked mailings to invite his constituents to a meeting he would be participating in on October 21, 1985, at Michigan State University. Before using his frank, Representative Carr sought and received approval for the mailing from the House Commission on Congressional Mailing Standards.

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On October 25, 1985, David McKeague, the Chairman of the 6th Congressional District Republican Committee, appeared at a Washington, D.C. press conference to allege that Representative Carr violated statutory restrictions on the use of the frank for partisan political purposes by using his frank to inform his constituents of the meeting at MSU. Mr. McKeague held the press conference at the National Republican Congressional Committee offices. Also on October 25th, Mr. McKeague delivered a letter which he signed, to Representative Carr. The letter, on 6th Congressional District stationery, challenged Rep. Carr's use of the frank and closed with this statement: "Pay it back, Bob!"

The following day, October 26th, Citizens Against Government Waste began radio advertisements in the 6th Congressional district regarding Rep. Carr's use of the frank. According to the complaint, the ads admonished Rep. Carr "for appearing at MSU to lead 'a rally sponsored by the Democratic Party,' and for 'abusing' the Congressional franking privilege 'for a democratic sales pitch.'" The complainant alleges this effort was coordinated with that of Mr. McKeague based on the timing and because of the similarity of text: the ads closed with the statement, "Pay the money back, Bob!"

Subsequently, letters began appearing in newspapers within the district, complaining about the use of the frank. Identical letters appeared on November 6th and 8th in the Towne Courier and State News, respectively. Bob Reid signed the November 6th letter and Dennis Ruch signed the November 8th letter. Both work

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for Marketing Resource Group (MRG), a consulting firm which provides, according to the complaint, campaign support services to the Michigan Republican State Committee. The complaint states that MRG has "served as a paid political consultant to every Republican nominee opposing Congressman Carr for re-election since 1979."

The complaint alleges coordination among the various actors named above. According to the complaint, the Fund for America's Future, a multi-candidate committee chaired by Vice President George Bush, described, in its November 14, 1985 newsletter, the "anti-Carr initiative as one designed to 'raise [his] negatives.'" The source of financing, according to the newsletter, is the State Party's Incumbent Accountability Program "designed to monitor incumbent Democrats activities and raise their negatives."

Specifically, the complainant first alleges the Michigan State Republican Committee and the 6th Congressional District Republican Committee violated 2 U.S.C. § 441a(d) by failing to allocate the expenditures for the advertisements to the coordinated expenditure limitation. The complaint states that, based on Advisory Opinion 1985-14, the expenditure is allocable to section 441a(d) because the ads feature a clearly identified candidate and include an electioneering message. The complaint concedes the electioneering message is vague but "has been left to unmistakable inference."

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Second, the complaint alleges the Citizens Against Government Waste advertisements should have included a section 441d disclaimer.

Third, the complaint alleges that, if Citizens Against Government Waste is not part of the Michigan Republican State Committee, it is required to register as a political committee pursuant to section 433 and file reports pursuant to section 434.

Finally, the complaint alleges that Marketing Resource Group provided consulting services to the Michigan Republican State Committee and the 6th Congressional District Republican Committee in connection with the anti-Carr campaign. The complaint alleges MRG provided advertisement production and time-buying services, along with staff assistance in developing the letters printed in the two newspapers.

The Office of General Counsel sent notices of the complaint on April 18, 1986. All of the respondents have requested extensions of 20 days and the Office of General Counsel has granted those requests. The responses are due May 29th.

Once the Office of General Counsel has received and reviewed all of the responses, it will make a further report to the Commission with recommendations.

Charles N. Steele
General Counsel

May 23, 1986
Date

BY:

Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

87040635173



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1986

David W. McKeague
Chairman
6th Congressional District Republican Committee
1117 Portage Path
East Lansing, MI 48823

Re: MUR 2166
6th Congressional District
Republican Committee
William Bower, as treasurer

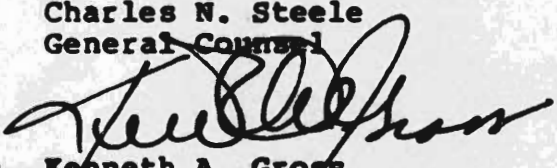
Dear Mr. McKeague:

This is in reference to your letter dated May 2, 1986, requesting an extension of 20 days to respond to the Commission's notification of the filing of a complaint. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on May 29, 1986.

If you have any questions, please contact Michele Brown, the staff member assigned to this matter at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel


BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1986

Daniel J. Bernard
1090 West Huron Street
Pontiac, MI 48053

Re: MUR 2166
Citizens Against Government
Waste

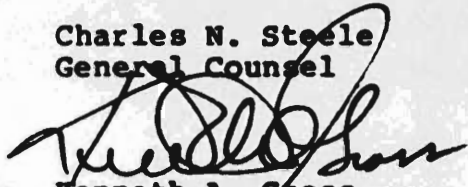
Dear Mr. Bernard:

This is in reference to your letter dated May 2, 1986, requesting an extension of 20 days to respond to the Commission's notification of the filing of a complaint. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on May 29, 1986.

If you have any questions, please contact Michele Brown, the staff member assigned to this matter at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel


BY: Kenneth A. Gross
Associate General Counsel

87040535175



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1986

**Gerald E. Rosen
MILLER, CANFIELD, PADDOCK AND STONE
2500 Commerica Building
Detroit, MI 48226**

**Re: MUR 2166
Michigan Republican State
Committee
Denzil L. Hamond, Treasurer**

Dear Mr. Rosen:

This is in reference to your letter dated May 6, 1986, requesting an extension of time to respond to the Commission's notification of the filing of a complaint. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on May 29, 1986.

If you have any questions, please contact Michele Brown, the staff member assigned to this matter at (202) 376-8200.

Sincerely,

**Charles N. Steele
General Counsel**

**BY: Kenneth A. Gross
Associate General Counsel**

87040635176



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1986

Thomas H. Shields
President
Marketing Resource Group, Inc.
115 W. Allegan
Suite 910
Lansing, MI 48933

RE: MUR 2166
Marketing Resource Group, Inc.

Dear Mr. Shields:

On April 18, 1986, the Commission sent a notification of the filing of a complaint to Marketing Resource Group, Inc. The post office returned the letter, however, because the address was incorrect. On May 2, 1986, the Commission sent notification to the address listed above. You should have received that notification, but, in case you have not, we are enclosing a copy of the notification.

You have 15 days from the date of receipt of the notification mailed to you on May 2nd to respond. If you have any questions, please contact Michele Brown, the staff member assigned to this matter, at (202 376-8200).

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosure

87040635177

LAW OFFICES OF
MILLER, CANFIELD, PADDOCK AND STONE

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

2500 COMERICA BUILDING
DETROIT, MICHIGAN 48226

TELEPHONE (313) 963-6420
TWX-DETROIT 810-221-5007
TELECOPIER (313) 496-7500

SIDNEY T. MILLER (1964-1940)
GEORGE L. CANFIELD (1966-1929)
LEWIS H. PADDOCK (1966-1935)
FERRIS D. STONE (1982-1945)

RECEIVED
CC#438
36 MAY 8 11:00
ANN ARBOR, MICHIGAN
BIRMINGHAM, MICHIGAN
BOCA RATON, FLORIDA
DETROIT, MICHIGAN
GRAND RAPIDS, MICHIGAN
KALAMAZOO, MICHIGAN
LANSING, MICHIGAN
MONROE, MICHIGAN
TRAVERSE CITY, MICHIGAN
WASHINGTON, D.C.

GERALD E. ROSEN
(313) 496-7689

May 6, 1986

Ms. Michelle Brown
Office of General Counsel,
Federal Election Commission
Washington, D.C. 20463

RE: Matter No. MUR 2166

Dear Ms. Brown:

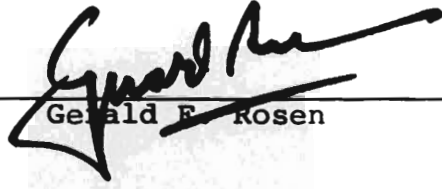
I am enclosing a Statement of Designation of Counsel which indicates that I will be representing the Michigan Republican State Committee and its Treasurer, Denzil L. Hamond, in the above-referenced matter.

Further, per our conversation, I am requesting an extension of time to answer the Complaint to May 29, 1986. This will allow me to meet with my client and other pertinent parties to discuss the matters alleged by the Complainant so that I may more accurately and sepecifically respond to the allegations in the Complaint. You have advised me that you do not foresee any problem in granting the extension, and I appreciate your courtesy and cooperation.

With best wishes, I am

Sincerely,

MILLER, CANFIELD, PADDOCK AND STONE

BY: 

Gerald E. Rosen

GER:ddv

cc: E. Spencer Abraham
Robert F. Bauer, Esq.

27040635178

36 MAY 8 11:37



Marketing Resource Group, Inc.

RECEIVED AT THE FEC
C.C.#405
86 MAY 5 P12:38

May 2, 1986

Ms. Michelle Brown
Attorney
Federal Election Commission
Washington, D.C. 20463

86 MAY 5 P 4:14

RECEIVED
GENERAL COUNSEL

Dear Ms. Brown:

I am writing to you at this time regarding case MUR 2166. We have been advised, by members of the local media, that our firm has been named in a complaint filed with the Federal Election Commission. It is also our understanding that you have been assigned to handle this complaint.

We are aware that other respondents in this case have received copies of the full complaint and instructions to file answers, and that such correspondence was sent on or about April 22, 1986.

This letter is to inform you that we have not received any correspondence from the FEC regarding this complaint. We ask that you forward the full complaint, any and all attachments, as well as any additional correspondence to our office immediately. We will assume that the current deadlines for the filing of answers will be waived or extended for our firm.

Thank you for your attention in this matter.

Sincerely,

Thomas H. Shields
President
Marketing Resource Group, Inc.

TES/cbw

Communication
Research
Design
Management



6th Congressional District Republican Committee

RECEIVED AT THE FEC

ACC# 404
86 MAY 5 12:31

David W. McKeague
Chairman

May 2, 1986

Judy Ettinger
Vice-Chair

Denise Haugen
Secretary

William Bower
Treasurer

Ms. Michele Brown
Federal Election Commission
Washington, D.C. 20463

RE: MUR 2166

Dear Ms. Brown:

We are in receipt of a letter dated April 18, 1986, from Kenneth A. Gross, Associate General Counsel of the Commission. This letter advised us that a complaint had been filed with the Commission which alleges that the Sixth Congressional District Committee and Mr. Dale A. Stewart may have violated certain sections of the Federal Election Campaign Act. This letter was addressed to Mr. Stewart and sent to his home in Drayton Plains, Michigan.

Mr. Stewart has not been the treasurer of the Sixth Congressional District Republican Committee since sometime in 1984. I am advised by Mr. William Bower, the current treasurer of the Committee, that he has sent numerous forms to the Commission changing the name and address of the treasurer.

A review of the complaint indicates that the Democratic Congressional Campaign Committee is alleging the existence of a complicated and extensive scheme to evade the requirements of the Federal Election Campaign Act. We unequivocally deny, of course, these allegations.

The extensive nature of the allegations and innuendo set forth throughout the complaint, together with the delay in the delivery of the complaint to the current officers of the Committee, compel us to respectfully request an additional period of time to answer this complaint. Based on our telephone conversation of this date, we calculate that the Commission would expect to receive our answer by May 9, 1986. We will be unable to retain counsel and file an answer by that date and respectfully request

Ms. Michele Brown
Page Two
May 2, 1986

an additional 20 days to file our reply.

Sincerely,

David W. McKeague

David W. McKeague, Chairman
Sixty Congressional Committee

/kjs

PLEASE REPLY TO:
1117 Portage Path
East Lansing, MI 48823

87040335181

RECEIVED AT THE FEC
GCC#406
86 MAY 5 P12:33

86 MAY 5 P4:14

GENERAL COUNCIL

May 2, 1986

Ms. Michelle Brown
Federal Elections Commission
Washington, DC 20463

Re: MUR 2166

Dear Ms. Brown:

With regard to the above-referenced matter, I am writing on behalf of Citizens Against Government Waste.

It is my understanding that a complaint has been filed with the Federal Elections Commission, which complaint includes certain allegations regarding Citizens. It is also my understanding that our answer is due by May 9, 1986.

The purpose of this letter is to request a 20-day extension in which to file the answer. The allegations contained in the complaint are numerous and widespread, calling for extensive research by local counsel. We are currently in the process of obtaining local counsel and formulating an answer to the complaint, and we would anticipate no difficulty in meeting an extended deadline.

At your earliest convenience, kindly advise as to whether an extension is available. If you have any questions or if I may provide any further information, please do not hesitate to call me.

Very truly yours,

CITIZENS AGAINST GOVERNMENT WASTE



Daniel J. Bernard
1090 West Huron Street
Pontiac, MI 48053
(313) 681-1200

DJB/reh

87040635192



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 18, 1986

Robert F. Bauer, Esquire
Counsel
Democratic Congressional Campaign Committee
Perkins Coie
Suite 1200
1110 Vermont Avenue, N.W.
Washington, D.C. 20005

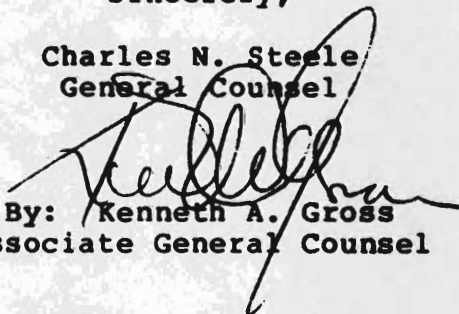
Dear Mr. Bauer:

This letter will acknowledge receipt of a complaint filed by you which we received on April 14, 1986, which alleges possible violations of the Federal Election Campaign Act of 1971, as amended, (the "Act"), by the Michigan Republican State Committee, Denzil L. Hamond, treasurer, 6th Congressional District Republican Committee, Dale A. Stuart, treasurer, Marketing Resource Group, and Citizens Against Government Waste. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as your original complaint. For your information, we have attached a brief description of the Commission's procedures for handling complaints. We have numbered this matter under review MUR 2166. Please refer to this number in all future correspondence. If you have any questions, please contact Lorraine F. Ramos at (202) 376-3110.

Sincerely,

Charles N. Steele
General Counsel

By: 
Associate General Counsel

Enclosure

8704053193



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 18, 1986

**Citizens Against Government Waste
c/o Paxton Riddle
2457 Wild Blossom Lane
E. Lansing, MI 48823**

Re: MUR 2166

Dear Sir or Madam:

This letter is to notify you that the Federal Election Commission received a complaint which alleges that Citizens Against Government Waste may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2166. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against Citizens Against Government Waste in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and §437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

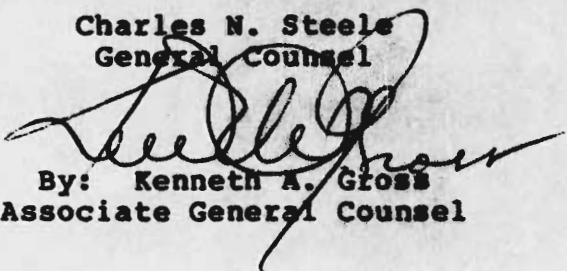
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-2-

If you have any questions, please contact Michele Brown, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel

87040535185



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 18, 1986

President
Marketing Resource Group
320 W. Ottawa
Lansing, MI 48901

Re: MUR 2166

Dear Sir or Madam:

This letter is to notify you that the Federal Election Commission received a complaint which alleges that Marketing Resource Group may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2166. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against Marketing Resource Group in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and §437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

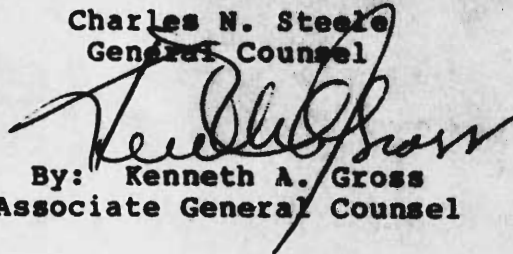
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If you have any questions, please contact Michele Brown, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Charles N. Steele
General Counsel



By: Kenneth A. Gross
Associate General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 18, 1986

**Denzil L. Hamond, Treasurer
Michigan Republican State Committee
2121 E. Grand River
Lansing, MI 48912**

Re: MUR 2166

Dear Mr. Hamond:

This letter is to notify you that the Federal Election Commission received a complaint which alleges that the Michigan Republican State Committee and you, as treasurer, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2166. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the committee in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and §437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

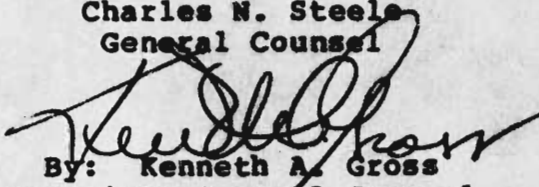
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-2-

If you have any questions, please contact Michele Brown, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel

87040635189



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 18, 1986

**Dale A. Stuart, Treasurer
6th Congressional District
Republican Committee
2115 Denby Drive
Drayton Plains, MI 48026**

Re: MUR 2166

Dear Mr. Stuart:

This letter is to notify you that the Federal Election Commission received a complaint which alleges that the 6th Congressional District Republican Committee and you, as treasurer, may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2166. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the committee in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

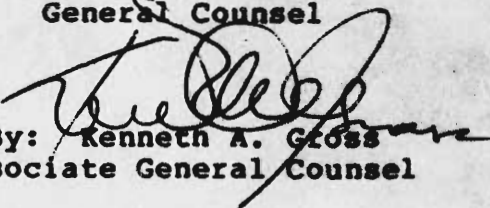
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-2-

If you have any questions, please contact Michele Brown, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel

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GCC#219
MUR 2166
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RECEIVED
FEDERAL ELECTION COMMISSION

COMPLAINT
BEFORE THE
FEDERAL ELECTION COMMISSION

I. INTRODUCTION

The Democratic Congressional Campaign Committee ("DCCC") files this Complaint revealing serious violations of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq. ("FECA"), by the following organizations:

- The Michigan Republican State Committee;
- The 6th Congressional District Republican Committee;
- Citizens Against Government Waste, an unregistered organization operating under the direction and control of both the Michigan State and 6th District Committees;
- Marketing Resource Group ("MRG"), a consulting organization which extended financial support and credit to the Michigan State and 6th Congressional District Republican Committees in connection with the activities giving rise to the violations of the law identified in this Complaint.

These Respondents joined together in making certain illegal expenditures to promote the defeat of Congressman Robert Carr for re-election as United States Representative from Michigan's 6th Congressional District. The violations committed by the Respondents involve numerous core provisions of the federal law, ranging from the expenditure limitations

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of §441a(d)(3) to the different disclosure requirements applicable under §§434 and 441d.

In pursuing this spending scheme, the Respondents devoted much care to concealing their activity from public and Commission view. Their efforts to this end included the creation of a bogus "committee," the so-called Citizens Against Government Waste. Through careful review of the available evidence, however, DCCC has been able to assemble a telling picture of this illegal activity. Upon a full investigation, the Commission will be able to confirm further DCCC's discovery of a willful disregard of the law by the Respondents.

In addition, the violations identified by DCCC in the State of Michigan have surfaced in other states where the National Republican Party is seeking advantage in the 1986 Congressional elections. As the Commission knows, DCCC has also filed a complaint directed against the National Republican Congressional and the Republican National Committees in connection with certain of their activities designed to promote the defeat of incumbent Rhode Island Congressman Fernand St Germain. The National Republican Party's activities in Rhode Island are a mirror image, in all essentials, of the scheme uncovered by DCCC in the State of Michigan. There, as here, the Republican Party^{1/} created a

^{1/} By Republican Party, Complainant is referring here to the National Committee, the State Committee, or any other Committee which is defined under the Federal Election Campaign Act as having significant responsibility for the conduct of Party affairs at any level of government.

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fictitious organization in Rhode Island and sought to funnel through this organization funds clearly intended to influence the defeat of a Democratic incumbent Member of Congress. There, as here, the use of this bogus organization served to conceal its true source of financial support. Moreover, it was true in Rhode Island, as it is in Michigan, that this complex financing scheme served as its essential purpose the circumvention by the Republican Party of the limitation on its Congressional election-related spending under §§441a(h) and 441a(d) of the FECA.

Therefore, the complaint filed today by DCCC addresses both a specific series of significant violations in the State of Michigan, as they affect the candidacy of Congressman Carr, and apparently related illegal conduct by the National Party in other states which represent a thread in the same national pattern. The national scope of the activities uncovered by DCCC lend a special urgency to a prompt Commission investigation and remedial action.

II. FACTS

A. Background: Meeting with Students at Michigan State University

On October 21, 1985, Congressman Carr participated in an appearance by certain Democratic Members of the Congress before a student audience at Michigan State University. This appearance was designed to generate a dialogue between the Members and the student audience on important issues of

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national policy.^{1/} In this meeting, Members of Congress met with faculty and administration and toured facilities funded by the federal government. Congressman Carr announced this event to his constituents by mail. (Exhibit A.) Because Congressman Carr's invitations to his constituents to attend were transmitted in franked mailings, the Congressman sought and received approval for the mailing from the House Commission on Congressional Mailing Standards, signed by the Republican Counsel as is customary.

B. The Republican Party Anti-Carr Initiative

1. First Wave: the Republican Announcement in Washington

Nevertheless, the Michigan Republican State Committee,^{1/} and its local committee affiliate known as the 6th Congressional District Republican Committee,^{1/} seized upon the student meetings as an opportunity to launch or advance its efforts to promote the defeat of Congressman Carr for re-election. On October 25, 1985, the Chairman of the 6th Congressional District Republican Committee, Mr. David

^{1/} In a Carr letter inviting student participation, the Congressman advised that the appearance would focus on such issues as "higher education, jobs, international trade and foreign affairs" (Exhibit A.)

^{1/} The Michigan Republican State Committee is the "State Committee" of the Republican Party in Michigan within the meaning of §431(15) of the FECA.

^{1/} The 6th Congressional District Committee is a "subordinate committee of a State Committee," the Michigan State Committee, within the meaning of 11 C.F.R. §100.14(b).

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McKeague, appeared at a Washington, D.C. press conference to allege inaccurately that Congressman Carr's use of the frank to advertise this student meeting violated statutory restrictions on the use of the frank for partisan political purposes. Significantly, Mr. McKeague held this press conference under the sponsorship and in the offices of the National Republican Congressional Committee ("NRCC").^{5/} On the same date as this press conference, Mr. McKeague delivered to the office of Congressman Carr a letter, signed by himself on the stationery of the 6th District Committee, challenging this alleged misuse of the frank and closing with the appeal: "Pay it back, Bob!" (Exhibit B.)

2. Second Wave: Broadcasts by the "Citizens Against Government Waste"

On the following day, October 26, 1985, a previously unknown organization operating under the name of "Citizens Against Government Waste" ("Citizens") took to the airwaves in Michigan's 6th Congressional District with an advertisement assailing Congressman Carr for this alleged abuse of the franking privilege. The partisan message of the advertisement was unmistakable: Carr was admonished for appearing at MSU to lead "a rally sponsored by the Democratic Party," and for "abusing" the Congressional franking privilege "for a democratic [sic] sales pitch."

^{5/} NRCC, of course, is the political arm of the National Republican Party charged with the support of Republican candidates for the United States House of Representatives.

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The timing of this advertisement, coinciding with the McKeague press initiative in Washington, D.C., would have been sufficient to raise questions about the true sponsorship of this "Citizens" committee and its relation to the Michigan Republican Party attacks on Congressman Carr. As it turned out, however, Citizens did not elect to leave the matter to guesswork, because the text of their advertisement establishes that their efforts were coordinated with Mr. McKeague and the 6th District Committee. The radio advertisements financed by Citizens closed with precisely the same tag line as appears in the McKeague letter to Carr: "Pay the money back, Bob!"

(Exhibit C.)^{1/}

3. The Letter Campaign Through the Michigan Republican State Committee

The efforts by the Michigan State and 6th District Republican Committees to raise the profile of this campaign issue did not stop with the McKeague press conference and the supporting Citizens radio advertisements. Letters to the editors began appearing in certain newspapers within the District, also complaining about this alleged abuse by Congressman Carr of the franking privilege.

^{1/} It is also significant that the spokesman of the "Citizens" committee was Paxton Riddle, the spouse of Sally Riddle, who had served as the campaign manager for Congressman Carr's opponent in the last 1984 general election and also, previously, as Chairman of the 6th Congressional District Republican Committee.

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Once again, notwithstanding their painstaking effort to circumvent disclosure, Respondents inadvertently revealed the coordinated nature of their initiative. On November 6 and 8, 1985, in the Towne Courier and State News newspapers, the identical letter attacking Carr on these grounds appeared.

(Exhibit D.) The signatories to these letters, Messrs.

Dennis P. Ruch and Bob Reid, were at the time both employees of Marketing Resource Group ("MRG") -- a consulting firm which provides broad ranging campaign support services to the Michigan Republican State Committee. (Exhibit E.) MRG served as a paid political consultant to every Republican nominee opposing Congressman Carr for re-election since 1979.

Moreover, one of MRG's key officers, Mr. Gary Naeyart, was present at the student meetings which gave rise to the fraudulent McKeague Complaint. With the appearance of these identical letters signed by MRG employees, reflecting an attack on Congressman Carr coordinated by the Republican State Party through MRG, it now appears likely on the evidence that MRG had supplied the time buying and production services for the advertisement of Citizens Against Government Waste.

3. Bush Spills the Beans

The relationship of the Respondents in this scheme might have remained uncertain, except that a reliable source soon surfaced to round out the story. The Fund for America's Future, a multi-candidate committee chaired and operated under the direction of Vice President George Bush, provided

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important additional detail in a special newsletter for contributors and supporters, dated November 14, 1985. In that publication, the Fund described this anti-Carr initiative as one designed to "raise [his] negatives." (Exhibit F.) This Fund newsletter also identified the financing source for this activity:

This effort on McKeague's part comes out of the State Party's Incumbent Accountability Program, designed to monitor incumbent Democrats' activities and raise their negatives.

The Fund therefore confirmed the goal of the program as one designed to undermine the Congressman's re-election prospects, and pointed to the Michigan Republican State Party as the source of the money for its own, the 6th Congressional District Committee's, and the "Citizens" committee's activities toward the common goal.

III. VIOLATIONS OF LAW

The facts so far developed by DCCC indicate a broad range of possible violations of the FECA by the Respondents. A vigorous Commission investigation will surely uncover additional facts which will either confirm violations already apparent or highlight new ones. From what has been documented to date, however, DCCC can suggest the direction of a Commission investigation which, it urges, should proceed forthwith. The Commission should act before Respondents are encouraged to undertake new violations of law to advance their cause of defeating Congressman Carr.

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A. Violations of §441a(d) by the Michigan and 6th Congressional District Republican Committees

1. Election-Influencing Intent of the Advertisements

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The Michigan State Republican Committee financed the activities of this so-called "Citizens" committee as part of a continuing effort to promote the defeat of Congressman Carr.^{1/} The text of the advertisement clearly supports this interpretation of partisan intent. Thus, at two points in the short advertisement, Congressman Carr's association with the Democratic Party is referred to in a derogatory fashion. In addition, the timing of the advertisement is equally and strongly suggestive of this election-influencing intent. As stated, the advertisement followed immediately upon the press conference held by 6th District Committee Chairman McKeague at the Washington, D.C. offices of the NRCC. In connection with this press conference, Mr. McKeague delivered to Congressman Carr a letter on official Committee stationery, which he signed in his capacity as Chairman of that committee. These circumstances make clear that the "Citizens" advertisements

^{1/} Any §441a(d) expenditures by the Michigan Republican Committee may have been made in whole or in part through the 6th Congressional District Republican Committee, whose chairman, Mr. David McKeague, appears as a principal architect of the illegal spending scheme. For this reason, and because the State and District Committees must function under a single integrated §441a(d) limit, 11 C.F.R. §110.7(c), the District Committee is cited interchangeably with the State Committee as a Respondent until a Commission investigation can clarify the key facts.

financed by the State Committee were part and parcel of a Republican Party attack on the re-election candidacy of Congressman Carr.

In any event, there is no other apparent purpose, beyond one to influence Congressman Carr's defeat, to which the Michigan State Committee can appeal in denying intent to promote the defeat of Congressman Carr. The advertisement ostensibly seeks repayment by Congressman Carr of the amount of the government subsidy, by way of the slogan, "Pay the money back, Bob!" In any evaluation of this ostensible "purpose," however, the fact stands out that the Michigan and 6th District Committees must have known of the House Commission ruling that the franking use at issue was completely within all applicable laws and regulations.

The advertisement in question raised no bona fide issue, nor can its sponsors appeal to any party right to debate "national issues" without encountering restrictions under the FECA. Read carefully in context, the advertisement reflects only an effort by the Michigan State Committee to "raise [Carr's] negatives" and thereby promote the defeat of Congressman Carr.

The FEC has already ruled in an analogous case that activity of this kind constitutes "election-influencing" activity subject to the contribution and expenditure limitations of the FECA. In Advisory Opinion 1983-12, 1 Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5718 (June 13, 1983) the

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Commission addressed the legal implications of a series of television messages which a political committee proposed to finance as "congratulatory messages" about certain incumbent Members of the United States Senate. In holding that these advertisements would constitute contributions in-kind to the congratulated candidates (if coordinated with them), the Commission referred to a number of factors, all of which are relevant here:

1. The sponsor of these advertisements was a "political committee," which supported the "inference that its payments to produce and broadcast the proposed messages are for the purpose of influencing . . . elections."

2. The content of the advertisements suggested an electioneering purpose;

3. The activity in question did not appear "to have any specific and significant non-election related aspects that might distinguish it from election-influencing activity."

In each of these respects, the advertisements financed by the Michigan State Committee also must be regarded as fully subject to the FECA, including contribution and expenditure limitations and disclosure requirements. As a state committee of the Republican Party, registered with the Federal Election Commission, the political committee's status of the Michigan State Committee underscores its partisan purpose in financing this activity. Moreover, the content and context of these advertisements, including both their text and

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their coordination with the McKeague press conference in Washington, D.C., confirm this partisan electioneering function. Finally, the advertisement is not directed toward any other bona fide issue, reflecting any other purpose. In effect, the state committee seized upon an issue which had already been resolved (by the House Commission), and developed it into a full-scale campaign assault on Congressman Carr which could have no other function than to promote his defeat for re-election.^{1/} See also, Advisory Opinion 1980-106, 1 Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5582 (December 23, 1980).

2. Application of §441a(d) "Coordinated Expenditure Limits" to the Advertisements Financed by the Michigan State Committee

Under these circumstances, §441a(d) of the FECA requires the allocation of the expenditures made for this

^{1/} The purely political motive of the Respondents financing this advertisement is apparent from the undisputed factual context. Had Respondents wished to verify in true fashion the legality of the franked mailing at issue, they could have checked with the House Commission on Congressional Mailing Standards. The Commission would have informed them that prior approval for this mailing had been received by Congressman Carr's office in advance, signed by the Republican Commission counsel as is customary. No such investigation into any Commission action on the Complaint was ever undertaken by the Respondents, who, no doubt, did not wish their political initiative to be confused, much less stalled, by the facts. It is also significant that the Respondents refused to check their allegations with the Commission, and launched their press conference at the offices of NRCC, a significant time before Mr. McKeague signed his name to a formal complaint with the House Commission. Subsequently, of course, the House Commission dismissed the complaint. It is unquestionably difficult in these circumstances to detect any note of sincerity in the allegations relating to potential "franking abuses" by Congressman Carr.

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purpose to the appropriate coordinated expenditure limits. In Advisory Opinion 1985-14, the Commission addressed the legal considerations which would be weighed in determining when these limits were applied to a broadcast financed by a political party. The Commission held, specifically, that these advertisements would be treated as allocable to §441a(d) limits early in a non-election year, if they featured a clearly identified candidate and included an "electioneering message." 1 Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5829 (May 30, 1985). In the case of these Michigan State Committee advertisements, the identification of the candidate is clear, while the electioneering message, though vague, has been left to unmistakable inference.

The Commission also made clear in Advisory Opinion 1985-14 that the timing of the advertisements would be regarded as material in each case raising this issue. Unlike the advertisements at issue in Advisory Opinion 1985-14, however, the anti-Carr advertisements here were not broadcast before, but rather in the thick of the 1986 election cycle. It is questionable whether the purposes of the §441a(d) limitations may be adequately served, if the Commission treats expenditures made in the October immediately preceding an election year as somehow outside the ambit of regulatory concern. See also, Advisory Opinion 1984-15, 1 Fed. Elec. Camp. Fin. Guide (CCH) ¶ 5766 (May 31, 1984).

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B. Violations of §§441d and 434 by the Michigan Republican State Committee and the 6th Congressional District Republican Committee

On the facts, it appears that the Citizens Committee was a creation of the Michigan Republican State Committee and was designed to conceal the latter's involvement in this campaign against the re-election of Congressman Carr. Only the Citizens Committee's name appeared in the advertisement disclaimer, as required by §317 of the Federal Communications Act. 47 U.S.C. §317.

Under the Commission's analysis in Advisory Opinion 1983-12, the financing of these advertisements was plainly "for the purposes of influencing a federal election." These advertisements should have carried a disclaimer which identified the true sponsor, in accordance with §441d of the FECA. The name of the "Michigan State Committee" should have appeared in that disclaimer.

If, however, the Michigan State Committee wishes to insist on the Citizens Against Government Waste's primary sponsorship of this advertisement, claiming somehow that this organization is bona fide, the Committee would be required by law to disclose its support for this new organization. No expenditures made to support any "Citizens Against Government Waste" appears on the reports filed with the FEC by the Michigan Committee. Nor, for that matter, has the Citizens Committee filed reports with the Commission of any kind -- much less reports reflecting financial support from the Michigan Republican State Committee.

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Accordingly, the Michigan Republican State Committee has violated either §441(d) or §434 of the FECA.

C. Violation of §§433 and 434 by the "Citizens" Committee

If the Citizens Committee wishes to claim some independent existence of its own, the financing of this anti-Carr campaign would have required its registration and reporting as a "political committee." No Citizens Committee, however, is registered with the FEC. For this reason, if the Citizens Committee were to allege an independent existence, it would have to be held by the FEC in violation of §433 of the FECA. Moreover, because the activities of the Citizens Committee as a registered political committee would have required the filing of a year-end report on January 31, 1986 (covering all financial activity from July 1 through December 31, 1985), the failure of the Citizens Committee to file any such reports constitutes a violation of §434 of the FECA.

D. Violations by Marketing Resource Group

The facts reveal that Marketing Resource Group provided consulting services to the Michigan and 6th Congressional District Republican Committees in connection with their anti-Carr campaign. MRG appears to have provided advertisement production and time buying services; it also supplied staff assistance in development of the bogus letter placed with at least two newspapers in the 6th District.

No expenditures by the Michigan or 6th District Republican Committees to pay for these MRG services are reflected in any of their reports filed to date with the FEC.

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Two legal consequences follow under the FECA in this situation. If MRG is a corporation under the laws of Michigan or any other state, its provision of these services without charge constituted corporate in-kind contributions in violation of 2 U.S.C. §441b. The same result follows if MRG has merely extended credit in a manner which is obviously inconsistent with commercially reasonable credit standards. 11 C.F.R. §114.10(a).

If, however, MRG is not a corporation under the laws of Michigan or another state, then this organization's expenditures, if they exceeded \$1,000.00 in 1985 on an unpaid or unreimbursed basis, would qualify it as a "political committee" subject to registration and reporting requirements. To date, MRG has filed no statement of organization, or any other reports, with the FEC. The failure to report these in-kind contributions is a further violation of §434 by the Michigan and 6th District Republican Committees.

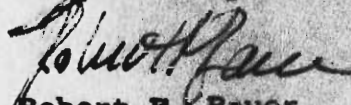
For these reasons, a full investigation into the role of MRG is required.

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CONCLUSION

The Commission should investigate this complaint forthwith and assure that no further violations of this nature occur by the act of any of the Respondents named herein.

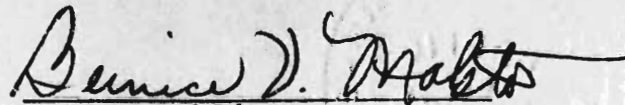
Respectfully submitted,



Robert F. Bauer
Counsel, Democratic Congressional
Campaign Committee

Perkins Coie
Suite 1200
1110 Vermont Avenue, N.W.
Washington, D.C. 20005
(202)887-9030

Subscribed and sworn to before me this 14th day of April, 1986.


Notary Public

My commission expires:

October 14, 1987.

14378

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BOB CARR
4 DISTRICT, MICHIGAN

COMMITTEE ON
APPROPRIATIONS
SUBCOMMITTEES:
MERCE, JUSTICE, STATE
AND THE JUDICIARY
TRANSPORTATION

EXHIBIT A

WASHINGTON
2439 RAYBL
WASHINGTON
(202) 22

DISTRICT
118 BAIL
EAST LANSING, MI
(517) 33

81 NORTH
PONTIAC, MICH.
(313) 33

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

October 15, 1985

East Lansing, MI 48823

Dear

I would like to invite you, as a active member of the student community, to take part in a special event. On Monday, October 21 I will be hosting three U.S. Congressmen at a forum with MSU students and faculty in parlors A and B of the Student Union.

"Forum on the Future" will begin at 12:30 pm and last until 2:00 pm. Higher Education, jobs, international trade and foreign affairs are likely topics of discussion, but the floor will be open for questions on all issues. Joining me will be Rep. Sten Hoyer of Maryland and Reps. Marty Sabo and Tim Penny of Minnesota.

Both Reps. Hoyer and Sabo serve with me on the House Appropriations Committee, which is charged with the allocation of all federal funds. Rep. Penny sits on the House Committees on Agriculture and Education and Labor (subcommittees include post secondary education and agricultural research). Their impressions of MSU and its role in higher education could have significant impact on future government funding and education issues.

Immediately prior to the event at 12:00, there will be a press conference held to discuss the forum. I would like to extend a special invitation to you to attend this press conference as a student representative of MSU.

Your participation in this forum will help send the MSU message to Washington. Concerned students at this forum will be one indication of MSU's role in higher education. It is important that policymakers in Washington realize how important this university is.

Sincerely,


BOB CARR
Member of Congress

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6th Congressional District Republican Committee

David W. McKeague
Chairman

October 25, 1985

John F. Fritinger
Vice-Chair

Eric Haugen
Secretary

William Bower
Treasurer

The Honorable Bob Carr
2439 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Carr:

This letter is an official request from a constituent and taxpayer that you pay back the U.S. Treasury the amount of taxdollars that were spent to publicize an October 21 political event in the Sixth District.

Recently, you sent a postal patron mailing from your Washington office and personalized letters from your district office announcing a "Forum for the Future" at Michigan State University (MSU) which featured Reps. Steny Hoyer, Marty Sabo and Tim Penny, all Democrat members of Congress. Michigan taxpayers should not foot the bill for promotion of your political event.

This forum was part of Democratic Caucus Campus Outreach Day at 16 colleges and universities around the country. In a letter to you and your House Democratic colleagues, Rep. Richard Gephardt (D-Mo.) described the events as "the beginning of an extended effort to spotlight the Democratic Party for college students across America." The correspondence from Mr. Gephardt named Michigan State University as one of the sites of the "Forums for the Future" and named you as the host of that event. This was a political event staged by a political party for partisan political gain.

These facts raise several questions about this political event. Other than the two official mailings from your offices, were other public funds used to promote this Democratic Party event? Who paid for your travel to the MSU Democratic Forum for the Future? Who paid for the expenses of Rep. Hoyer? Who covered the plane fare for Rep. Penny? Who picked up the cost of the plane ticket for Rep. Sabo?

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There is no doubt that the MSU event was part and parcel of the Democratic Party's nationwide college campus program. After all, the front page banner headline of the October 21 Lansing State Journal read "Democratic congressmen flock to colleges today."

While you clearly have the right to stage a political rally on a college campus, the use of public funds to promote a partisan political event is a violation of Congressional rules.

It's time for you to ~~pay it back, son~~

Sincerely,

David W McKeague

DAVID MCKEAGUE
Chairman,
Sixth District
Republican Committee

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EXHIBIT C

Our Congressman, Bob Carr was at MSU last week leading a rally sponsored by the Democratic Party. Thanks to Bob Carr we taxpayers helped pay for his political rally. Bob Carr abused his congressional mailing privileges to promote this event and used our money for a democratic sales pitch. Is this the way to balance the budget? Bob Carr handles our taxpayers money the old fashioned way -- he spends it. I say, ~~even the Democrats~~ paid for by Citizens Against Government Waste.

TEXT OF RADIO ADVERTISEMENT PURCHASED BY CITIZENS AGAINST GOVERNMENT WASTE
PLACED WITH RADIO STATIONS BY MRG: BEGAN RUNNING 10/26/85

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State News
11/8/55

4

limited to the actual amount of pledges collected.

At this point in time the Board of Trustees must take a leadership position to promote the recruiting of speakers.

— William J. Papp Jr.
Treasurer
Senior Class Council

Forum a fraud

I find it difficult to believe just how far some people will try to stretch the truth. For some time now, Rep. Bob Carr has done an adequate, if despicable, job of justifying his outrageous expenditures of public funds. However, his mask of innocence finally has been torn off. I am speaking about his recent "Forum for the Future."

When interviewed about this

forum the day before it was to take place, he clearly stated that it was a promotional function for the Democratic Party. Yet, when confronted with the fact that he spent public funds on the event, he shrugged off the accusation with a smile, saying it was an entirely apolitical event for which he was entitled to use those misappropriated monies.

In closing, I can only say that though to accuse Carr outright of being a thief could be construed as slanderous, I can assure you that if ever there is an occasion for that man to eat at my table, I will take the precaution of counting my silverware after he has left.

— Daniel P. Ruch
Lansing

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BY GARRY TRUDEAU



The State News

Friday, November 11, 1955

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Review

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the being, the problem of housing criminal offenders has
The county commission is levying more taxes.
the pinch for more tax dollars returns next year with the
of a new budget, the problems of incarceration will rear
situation occurs, we hope the commission will keep its
ne. Hardened criminals, even if if they are juveniles, must
to run the streets. Justice must be as swift and sure as

s of jogging are thing to do without

diplomats.
ked me the other day
e about my nose.
ed. Her insult actual-
face took on an in-
my answer sunk in.
y second daughter
melled so bad. I ex-
ust completed a five
and that I was soak-
n.
wasn't referring to
breath.
it was the parents
being to harsh in
the children. Today
ed.
mely to be responsi-
we find ourselves
r jokes. Somebody
ow-to book on how
e back glibly to a
without using a
run a mile, and I
or about 7:15 a.m.,
and breakfast. I
the same jogging
and sweat and the
who are thinking I
blic health hazard,



Kurt Madden
managing editor

they should know that perspiration
softens wearing apparel making them
easier to fold and making the more
comfortable to wear. In about 10 days,
they tend to become stiff. That's how
you know it's time to wash them. Every
veteran jogger knows that.
I tried that explanation on our
Number Two daughter, the one who
made the "breath" remark. She was
sitting on the floor in our bedroom one
sunny September morn. She produced
her patented whine, "eewwwewww,
what's that smell?" I explained it was
my socks. And I went on to tease her
with that veteran jogger story.
She's 5, so I didn't really expect a
response. She peered thoughtfully into
the closet, sucking her thumb. She then
walked to me and sniffed, "Dad, do you
feel stiff?"

who was in excruciating pain.
Then she'd hand me the seam ripper
and direct me to start again.
Not that I did all that well in the cook-
ing unit. When we canned plums the
glass broke out of the bottom of mine.
When we prepared an entre', I wanted

Carr 'forum' rips off taxpayer

I find it difficult to believe just how
far some people will try to stretch the
truth. For some time now, Con-
gressman Bob Carr has done an ade-
quate, if dispicable, job of justifying his
outrageous expenditures of public
funds. However, his mask of innocence
has finally been torn off. I am speaking
about his recent "Forum for the
Future."
When interviewed about this
"Forum" on the day before it was to
take place, he clearly stated that it was
to be a promotional function for the
Democratic Party. Yet, when con-
fronted with the FACT that he spent
public funds on the event, he shrugged
off the accusation with a smile, saying
it was an entirely apolitical event for
which he was entitled to use those
misappropriated funds. As a taxpayer,

Carr should repay forum cost

As a taxpayer who is concerned about
the problems of wasteful federal spend-
ing and the national deficit, I must
protest the expenditure of tax dollars
by Sixth District Congressman Bob
Carr on the recent "Forum for the
Future" held on MSU's campus last
week. Congressman Carr's decision to
waste the taxpayer's money on this
blatantly political event is both illegal
and a gross violation of the public trust.
The purpose of the event, according
to Congressman Gephardt and Carr,
was to promote the ideas of the
Democratic Party among the nation's
college students. The use of taxpayer

if you wait long enough, the garment
might go out of style and then you can
throw it away and buy a new one.
I wonder if there's such a thing as
domestic dyslexia.
Jeanne Van Wieren is a staff writer for
Ingham Newspaper Company.

Public Letterbox

I am outraged at this allegedly
honorable congressman's unmitigated
gall.
In closing, I won't accuse Bob Carr
outright of being a thief but, I can
assure you that if ever there is an occa-
sion for that man to eat at MY table, I
will take the precaution of counting my
silverware after he has left.
ROB REID,
Okemos

dollars for an event as clearly political
as this is appalling. I am offended by
the fact that my tax dollars were used
to promote ideas which I, and a majori-
ty of thinking Americans (judging by
the national elections of 1984) disagree
with.
I demand that Congressman Carr
pay back the federal government
whatever funds were expended for the
promotion and conduct of this political
rally.
GRACE NIROUMAND,
East Lansing

Town Commission
11/6/85
Pg 7A

EXHIBIT D (2)

EXHIBIT E

In addition to placing the radio ads, MRC employees went on a letter writing campaign to the local press hoping some of the letters would be printed. Their attempt to look like concerned citizens backfired somewhat when they signed two different names to the same letter and sent it two different newspapers. Both were subsequently printed.

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THE FUND FOR AMERICA'S FUTURE

PRESIDENT GEORGE BUSH
2nd Honorary Chairman

November 14, 1985

INSIDER**NATIONAL STEERING COMMITTEE**

The Fund's recently announced National Steering Committee now numbers 519 and is growing. The Washington Times called it a "Republican Who's Who". Look for an announcement of the additions soon.

Four former RNC Chairs have agreed to join the National Steering Committee of the Fund and to work with us on 1986 GOP efforts. We are happy to report they are Dean Burch, Dick Richards, Hugh Scott and Mary Louise Smith. Welcome aboard!

NORTHEAST

NEW JERSEY: The INSIDER begins with a salute to Governor Thomas Kean. We all know by now that the Governor won re-election in a landslide victory, with 70 percent of the vote. We remember that Governor Kean won his first term by the closest election in New Jersey history. The GOP with the great help of the governor picked up 15 seats in the state assembly, winning control for the first time in a decade. The Garden State is now being recognized as a leader in economic development, encouraging the growth of high-tech industry and service oriented companies. Much of the credit belongs to Governor Kean.

The significance of the New Jersey legislative gains are not lost on RNC Chairman Frank Fahrenkopf. He has instituted Project 1991, a comprehensive effort to secure GOP control of many state legislatures as possible by 1990, so that Republicans are treated fairly in the next reapportionment. Thus, we will not face what California Republicans faced in 1982, where the Democrats re-drew the congressional lines and gerrymandered several incumbent Republican Congressmen out of their seats. GOP control of the state houses is essential to preventing this abuse.

1200 18TH STREET, N.W., SUITE 300, WASHINGTON, D.C. 20036

In other winning news Phil Matalucci, Republican Chairman from Cape May County, and a member of the Fund's National Steering Committee, won really big -- to the tune of \$3,000,000 -- in the New Jersey State Lottery. Mr. Matalucci explained that he was at the recent fundraiser attended by the Vice President and on the way home stopped off to buy a ticket. The next thing he knew he was one of the state's newest millionaires. Plans are to spread the wealth around the family.

MAINE: Congressman Jock McKernan has announced he'll seek the governorship. Incumbent Democrat Joe Brennan is constitutionally barred from seeking another term.

NEW YORK: In the critical New York Senate race, polling data shows incumbent Republican Al D'Amato with strong leads over both Geraldine Ferraro and Brooklyn D.A. Elizabeth Holtzman.

There was some good news in last week's New York City elections. As of this writing, Sue Molinari of Staten Island is 158 votes ahead in her race to be the first Republican elected to the City Council in a number of years. They are still counting the absentee ballots, but the Fund is proud to have helped Sue in this historic race. Let's all keep our fingers crossed!

VERMONT: President Reagan personally called former Governor Richard Snelling to urge him to challenge liberal incumbent Senator Pat Leahy. Leahy was almost defeated by a little known GOP challenger in 1980. Snelling has formally announced, and we look forward to having him in the 100th Congress.

WEST

ALASKA: On October 19th the Vice President attended fundraisers for the State GOP, Congressman Don Young and Senator Frank Murkowski. The Alaskan Republican Party raised over \$100,000.

CALIFORNIA: Senator Pete Wilson recently held a fundraiser with the Vice President in attendance and raised over \$500,000.

COLORADO: Chairman Bo Callaway and the Centennial State's Executive Director Kay Riddle report a clever fundraising idea. They devised a way to raise money and have fun at the same time. They put together a catalogue featuring many different items donated to the Republican Party and held an auction. It was a very successful event raising over \$200,000.

IDAHO: Lt. Governor, David Leroy paid us a visit recently to update our information on his quest to win the Boise State House. His competition is Cecil Andrus, former Secretary of the Interior during the Carter Administration. We understand everything is progressing smoothly, but as always help is gratefully received. For more information on how to lend support, please contact "Leroy for Governor", 805 Idaho Street, 4th Floor, Simplot Building, Boise, Idaho 83702.

OKLAHOMA: Senator Don Nickles, another first term Republican incumbent leads by wide margins over talked-about challenger, Congressman Jim Jones. Jones' opposition to the Reagan tax and budget cuts in 1981, should he run, are sure to be an issue in that campaign.

TEXAS: Congratulations and welcome to State Representative Charles Evans of Hurst, Texas. Evans, a lifelong Democrat and a top lieutenant of the Democratic Speaker of the House, recently changed his party affiliation to the GOP.

WYOMING: RNC National Committeeman Tom Strook reports that organizational efforts for the Fund are coming along nicely. He also said that Equality State Republicans expect to re-elect Congressman Richard Cheney. He added that they have high hopes of regaining the Cheyenne State House next year, but they know they'll have to work at it. A GOP victory would be the first since 1974.

SOUTH

FLORIDA: The re-election campaign for Senator Paula Hawkins is in full swing. The Vice President will be going to Tampa November 25th to attend a fundraiser for Senator Hawkins. She is likely to be challenged by Bob Graham but is sure to win if she gets the help she so fully deserves. Please contact "Hawkins for Senate", P.O. Box 2000, Winter Park, Florida 32789.

GEORGIA: Congressman Pat Swindall is running for re-election and on October 26th held a fundraising event in Atlanta with the Vice President in attendance. Together they raised over \$150,000 for the Congressman's re-election committee. If you would like to help Congressman Swindall in this effort, his re-election campaign address is "Swindall for Congress Committee", P.O. Box 985, Decatur, Georgia 30031.

Alignment Rolls on: Georgia Public Service Commissioner William Lovett, a statewide elected Democrat, switched to the GOP last month. We extend a hearty welcome to Commissioner Lovett.

Columbus the Vice President was a featured speaker at a state party fundraiser. Over \$30,000 was contributed to the party.

Senator Mack Mattingly appears in strong shape against any '86 challenger. The Democrats' most likely candidate now appears to be liberal Congressman Wyche Fowler.

KENTUCKY: Jim Bunning, former major leaguer, state senator, gubernatorial candidate is seeking the seat held by retiring GOP Congressman Gene Snyder. The Vice President will be going to Kentucky to assist Mr. Bunning in his Congressional campaign. If you can lend support, write to "Citizens for Bunning", 1717 Dixie Highway, Lookout Corporation Center, Suite 100, Fort Wright, Kentucky 41011. Let's hold on to this important seat.

LOUISIANA: The Vice President spoke at The National Association of Realtors' annual convention in New Orleans on November 11th.

There is excitement growing for Congressman Henson Moore's bid to win the Senate seat in Louisiana. The Vice President helped raise a record amount for Congressman Moore's '86 campaign earlier this year in his bid to become the first elected Republican Senator from the Pelican State. For more information write to "Henson Moore Election Committee", P.O. Box 6, Baton Rouge, Louisiana 70821.

NORTH CAROLINA: November 8th was a big day for fundraising. Both Congressman Alex McMillian and Congressman Howard Coble held events, and the Vice President was there to help.

SOUTH CAROLINA: The Vice President was the keynote speaker at the groundbreaking ceremonies of the Strom Thurmond Institute located at Clemson University. The Institute will be the depository of the public papers of Senator Thurmond. The Institute is dedicated to excellence in public service. Attending the ceremonies were former Governor and former Secretary of Energy Jim Edwards, Governor Dick Riley, Senator Fritz Hollings and Congressmen Tommy Hartnett and Carroll Campbell.

Members of The Republican Foundation of South Carolina visited the Vice President's residence on October 29th and spoke with the Vice President on many important matters.

The South Carolina situation brightened considerably with the announcement of Congressman Carroll Campbell for Governor and Congressman Tommy Hartnett for Lt. Governor. With this dynamite ticket, Palmetto State GOPers can look forward to reclaiming the Columbia governor's mansion, which we've won only once in the last century.

TENNESSEE: Popular Republican Governor Lamar Alexander is barred by law from seeking another term there, but former Governor Winfield Dunn is the leading GOP candidate at this time.

MIDWEST

ILLINOIS: Jim Thompson, a Co-Chair of the Fund's National Steering Committee, is well positioned for the governor's race against former Senator Adlai Stevenson in Illinois.

IOWA: The Fund sends its compliments to Sally Novetzke, the State's first female GOP Chair. She is a longtime activist, and we wish her every success. With the important 1986 re-election campaigns of Senator Chuck Grassley, Governor Terry Branstad, and four GOP Congressmen, they and the State Party are lucky to have Sally at the head of the Party.

we had the pleasure of a visit from Mr. & Mrs. Joseph Petrone. They were in town for the testimonial dinner honoring Senator Barry Goldwater. The Petrones have a home in New Hampshire, and one in Iowa. We always need supporters with such far reaching political antennae.

CHIGAN: The State Steering Committee is in full swing, and the Fund is pleased to announce the names of the four Co-Chairpersons to help lead the way. They are John Engler, Brooks Patterson, Ronna Romney, and Peter Secchia. The State Steering Committee, meanwhile, has grown to over 800 members statewide.

Michigan, liberal Democrat Bob Carr committed a major o-booo when he used his congressional frank, to be used only for official mailings, to promote the appearance of Democrat Richard Gephardt on behalf of the Democratic National Committee at Michigan State University. Gephardt's business was anything but official. He was on campus to plead with students not to further desert the Democrats, as many already have.

Id. McKeague, Republican Chairman for the sixth congressional district, found out about the "misuse" and alerted the state's media who quite properly attacked Carr for wasting taxpayers' money. This effort on McKeague's part comes out of the State's Incumbent Accountability Program, designed to monitor incumbent Democrats' activities and raise their negatives.

NEBRASKA: Ellen Conaway, Regional Political Director for the west, reports Nebraska GOP fortunes are looking up, especially with the retirement of Governor Robert Kerrey. Several potential GOP candidates are taking long looks at the missing race.

INSIDE THE INSIDER

Finally, we have some news about the goings on in the Capital at the Fund.

Duberstein, former chief White House Congressional lobbyist, and now with the top D.C. firm of Timmons & Co., stopped by the other day to share his observations on the 1986 elections. The Fund always welcomes help from its friends. Please stop by and don't forget to sign your name in our guest book.

Hussey recently joined the Fund as Regional Political Director for the Northeast. Bill, who was Deputy Regional Campaign Director in the 1984 Reagan-Bush campaign, served as Special Assistant for Economic Development for the Northeast in the Department of Commerce's Economic Development Administration. Bill hails from California where he began his political career under then Governor Reagan.

The Republican Governor's Association dinner featuring President Reagan raised over \$750,000 which will go to help the 36 GOP gubernatorial incumbents and challengers running in 1986. Michele Davis, Executive Director of the RGA, is responsible for this coup, which will help us win back governorships in 1986. Michele has one of the most challenging campaign jobs of all, but we know she can handle it with the same effectiveness she displayed at the White House and two Reagan-Bush campaigns.

Bill Harris, former Alabama State Chairman and former Chairman of the GOP State Chairmen, now Director of Strategic Planning at the RNC, visited the Fund recently to apprise us on the current political climate in the South. Many thanks for valuable insights.

Special thanks to White House political operatives Haley Barbour and Ed Rogers for their excellent presentation to our staff on the 1986 elections. They are part of the fine Political Affairs Office team put together by White House Political Director Bill Lacy. Bill's boss is Mitch Daniels, Assistant to the President for Political and Governmental Affairs. Mitch was formerly Executive Director of the National Republican Senatorial Committee and former top aide to Senator Dick Lugar.

Our biggest thanks go to our Volunteers. They are truly the core of our efforts. This month we want to name two people who sacrifice their time and make a difference. They are Alice Cockerham and Donna Philpitt. We thank you!

The Vice President saluted the Reagan-Bush "team" on the occasion of the fifth anniversary of the "Reagan Revolution". The Reagan-Bush reunion took place at the Washington Hilton. Gathered together were many of the leaders of the Reagan-Bush campaigns of 1980 and 1984.

Congrats to Fund consultant Craig Shirley and his wife Zorine on the birth of Matthew McGiveron Shirley. Zorine is Director of Special Projects at the RNC.

Memo to Pete Secchia and others too embarrassed to ask: The "insides" of your Vice President's pen are in the bottom of the box it came in.

In conclusion, the INSIDER has one request to all our readers. Help! We need and want to hear anything that you deem newsworthy. Send local newspaper clippings, Party announcements, fundraising successes and we'll make sure everyone is kept up-to-date. Please send those items to the INSIDER, at The Fund for America's Future, 1200 18th Street, N.W., Suite 300, Washington, D.C. 20036. Many thanks.

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION
OFFICE OF THE FEC
COMMISSION SECRETARY

RECEIVED

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In the Matter of)
)
Michigan Republican State)
Committee and Denzil L. Hamond,)
as treasurer)
Sixth Congressional District)
Republican Committee and)
William Bower, as treasurer)
Citizens Against Government Waste)
Marketing Resource Group, Inc.)

GENERAL COUNSEL'S REPORT

I. Summary of Allegations

The Democratic Congressional Campaign Committee ("DCCC") alleges that the Michigan Republican State Committee (the "State Committee"), the Sixth Congressional District Republican Committee (the "District Committee"), Citizens Against Government Waste and Marketing Resource Group ("MRG") "joined together in making certain illegal expenditures to promote the defeat of Congressman Robert Carr for re-election as United States Representative for Michigan's 6th Congressional District." Congressman Carr used franked mailings to invite his constituents to a meeting he would be participating in on October 21, 1985, at Michigan State University. Before using his frank, Representative Carr sought and received approval for the mailing from the House Commission on Congressional Mailing Standards.

On October 25, 1985, David McKeague, the Chairman of the Sixth Congressional District Republican Committee, appeared at a Washington, D.C. press conference to allege that Representative Carr violated statutory restrictions on the use of the frank for partisan political purposes by using his frank to inform his constituents of the meeting at MSU. Mr. McKeague held the press

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conference at the National Republican Congressional Committee offices. Also on October 25th, Mr. McKeague delivered a letter, which he signed, to Representative Carr. The letter, on Sixth District Committee stationery, challenged Representative Carr's use of the frank and closed with this statement: "Pay it back, Bob!"

The following day, October 26th, Citizens Against Government Waste began radio advertisements in the 6th Congressional district regarding Rep. Carr's use of the frank. According to the complaint, the ads admonished Rep. Carr "for appearing at MSU to lead 'a rally sponsored by the Democratic Party,' and for 'abusing' the Congressional franking privilege 'for a democratic sales pitch.'" The complainant alleges this effort was coordinated with that of Mr. McKeague based on the timing and because of the similarity of text: the ads closed with the statement, "Pay the money back, Bob!"

Subsequently, letters began appearing in newspapers within the district, complaining about the use of the frank. Identical letters appeared on November 6th and 8th in the Towne Courier and State News, respectively. Bob Reid signed the November 6th letter and Dennis Ruch signed the November 8th letter. Both work for Marketing Resource Group, a consulting firm which provides, according to the complaint, campaign support services to the Michigan Republican State Committee. The complaint states that Marketing Resource Group has "served as a paid political consultant to every Republican nominee opposing Congressman Carr for re-election since 1979."

The complaint alleges coordination among the various actors named above. According to the complaint, the Fund for America's Future, a multicandidate committee chaired by Vice President George Bush, described, in its November 14, 1985 newsletter, the "anti-Carr initiative as one designed to 'raise [his] negatives.'" The source of financing, according to the newsletter, is the State Party's Incumbent Accountability Program "designed to monitor incumbent Democrats' activities and raise their negatives."

Specifically, the complainant first alleges that the Michigan Republican State Committee and the Sixth Congressional District Republican Committee violated 2 U.S.C. § 441a(d) by failing to allocate the expenditures for the advertisements to the coordinated expenditure limitation.

Second, the complaint alleges the Citizens Against Government Waste advertisements should have included a section 441d disclaimer.

Third, the complaint alleges that, if Citizens Against Government Waste is not part of the Michigan Republican State Committee, it is required to register as a political committee pursuant to section 433 and file reports pursuant to section 434.

Finally, the complaint alleges that Marketing Resource Group provided consulting services to the Michigan Republican State Committee and the Sixth Congressional District Republican Committee in connection with the anti-Carr campaign. The complaint alleges Marketing Resource Group provided advertisement production and time-buying services, along with staff assistance in developing the letters printed in the two newspapers.

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The Office of General Counsel sent notices of the complaint on April 18, 1986. All of the respondents requested extensions of 20 days and the Office of General Counsel granted those requests. All of the responses have been received.

II. Factual and Legal Analysis

First, the complainant alleges the Michigan Republican State Committee and the Sixth Congressional District Republican Committee violated 2 U.S.C. § 441a(d) by failing to allocate the expenditures for the radio advertisements to the coordinated expenditure limitation. The complaint states that, based on Advisory Opinion 1985-14, the expenditure is allocable to section 441a(d) because the ads feature a clearly identified candidate and include an electioneering message. The complaint concedes the electioneering message is vague but "has been left to unmistakable inference."

The complaint alleges the State Committee, the District Committee and MRG created Citizens Against Government Waste. The State Committee, the District Committee and MRG did this, according to the complaint, to conceal their activity from public and Commission view. The complaint points to a statement in a newsletter of the Fund for America's Future, a multicandidate committee which Vice President George Bush chairs and operates, as further evidence supporting the allegation that the state party financed the advertisements. The newsletter states that David McKeague, Chairman of the District Committee, found out about Representative Carr's use of the frank and told the media. Mr. McKeague's efforts "come[] out of the State Party's

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Incumbent Accountability Program, designed to monitor incumbent Democrats' activities and raise their negatives." Exhibit F, p.5, attached to the complaint.

The Michigan Republican State Committee filed its response to the complaint on May 30, 1986 (attachment 2). The State Committee states it has never given any money or in-kind support to the District Committee nor to Citizens Against Government Waste, either directly or indirectly. According to the response, the employees of the State Committee were not involved in the electioneering activities at issue in this case. None of the electioneering activities in which Mr. McKeague or Citizens Against Government Waste allegedly engaged was part of any State Committee program.

Attached to the response are the affidavits of E. Spencer Abraham, Chairman of the State Committee, David W. McKeague, Chairman of the District Committee, and Daniel J. Bernard, Chairman of Citizens Against Government Waste. In his affidavit, Mr. Abraham states that, during his tenure, the State Committee has not provided any support, financial or otherwise, to the District Committee to channel the assistance to Citizens Against Government Waste. Also, the State Committee has not supported directly Citizens Against Government Waste. The State Committee, according to the affidavit, did not direct, or act in concert with, the District Committee or Citizens Against Government Waste.

Mr. McKeague's affidavit states that, during his tenure as Chairman of the District Committee, neither he nor the Committee received funds or in-kind contributions, directly or indirectly, from the State Committee. He states further that neither he nor any member of the District Committee acted pursuant to or in concert with the "Incumbent Accountability Program" or any other program sponsored by the State Committee.

Daniel J. Bernard, Chairman of Citizens Against Government Waste, states in his affidavit that, during his tenure as Chairman, neither he nor Citizens Against Government Waste received funds or in-kind contributions, directly or indirectly, from the State Committee. Neither he nor Citizens Against Government Waste acted pursuant to, or in concert with, the State Committee in connection with the alleged electioneering activities.

Section 441a(d) of the United States Code provides that, notwithstanding any other provision of law with respect to expenditure or contribution limitations, 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 section 441a(d).

The Act defines an expenditure as "any purchase, payment, distribution, loan, advance, deposit, or gift of money or

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anything of value, made by any person for the purpose of influencing any election for Federal offices." 2 U.S.C. § 431(9)(A)(i).

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The State Committee states that it did not pay for the advertisements nor did it provide in-kind support for the advertisements. The statement is supported by three affidavits from the Chairmen of the State Committee, the District Committee, and Citizens Against Government Waste, the organization which broadcast the advertisement. The State Committee did not make a payment for the advertisement nor provide anything of value for the purpose of influencing any election for Federal office. Because the State Committee did not make an expenditure for the advertisements, the Committee is not required to allocate the cost of the advertisements to the coordinated expenditure limitation of 2 U.S.C. § 441a(d). The Michigan Republican State Committee has not violated any of the Act's reporting requirements by failing to report the cost of the advertisements as a § 441a(d) coordinated party expenditure. The Office of General Counsel recommends, therefore, that the Commission find no reason to believe the Michigan State Republican Committee violated § 434.

The Sixth Congressional District Republican Committee filed its response to the complaint on May 29, 1986 (attachment 3). The District Committee states it made no direct or indirect financial contributions to or on behalf of Citizens Against Government Waste. It maintains that the Committee has never

given any money to Citizens Against Government Waste, either for the advertisements at issue here or for anything else. Attached to the response is an affidavit of David W. McKeague, the Chairman of the District Committee. He states that, as Chairman, all checks require his signature and he approves any and all expenditures by the District Committee. He states that "[t]he Sixth Congressional District Republican Committee has never made a direct or indirect financial or in-kind contribution to or made an expenditure on behalf of Citizens Against Government Waste." Affidavit of David W. McKeague attached to response of the District Committee (attachment 2, p. 45).

Because the District Committee did not make an expenditure, as defined by section 431(9)(A)(i), it is not required to allocate the cost of the advertisements to the coordinated party expenditure limitation of section 441a(d). The Sixth Congressional District Republican Committee has not violated any of the Act's reporting requirements by failing to report the cost of the advertisements as a § 441a(d) coordinated party expenditure. The Office of General Counsel recommends, therefore, that the Commission find no reason to believe the Sixth Congressional District Republican Committee violated § 434.

The complaint alleges that, if Citizens Against Government Waste is not part of the State Committee, it is required to register as a political committee pursuant to section 433 and file reports pursuant to section 434.

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Citizens Against Government Waste filed its response on May 29, 1986 (attachment 4). Citizens explains that it is a group of Michigan residents headquartered in Pontiac with the purpose of "exposing wasteful spending in local, state and national governments." Page 1 of attachment 4. The response states that Citizens was not created by the State Committee, but rather is an independent group. */ Citizens maintains it has never received funds from the State Committee or the District Committee.

Citizens Against Government Waste concluded that Representative Carr had abused his franking privilege. It then decided to broadcast radio advertisements. According to Citizens, the advertisements aired one year before the Congressional election, before Representative Carr announced his intention to run for re-election and before a Republican opponent had entered the race.

The advertisement said:

Our Congressman Bob Carr was at MSU last week leading a rally sponsored by the Democratic Party. Thanks to Bob Carr we taxpayers helped pay for his political rally. Bob Carr abused his congressional mailing privileges to promote this event and used our money for a Democratic sales pitch. Is this the way to balance the budget? Bob Carr handles our taxpayers' money the old-fashioned way -- he spends it.

We say, give the money back, Bob.

Paid for by Citizens Against Government Waste.

*/ There is no evidence of a formal connection between the District Committee and Citizens Against Government Waste. Notwithstanding denials by the respondents that the groups financially supported or acted in concert with one another, the question remains open whether contacts between persons associated with these organizations could lead to the conclusion that coordination did, in fact, occur.

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Attached at p. 66. Citizens maintains that the advertisement does not advocate the election or defeat of a candidate and that it does not refer to an election, either in the future or the past. Citizens contends that the ad mentions the "Democratic Party" because the promotional material from the organization sponsoring the event at Michigan State University identified the party. The ad, according to the response, is an attempt to begin a public dialogue about the official actions of an elected representative.

Citizens argues that the ad does not advocate the election or defeat of a political candidate, therefore, Citizens made no contribution or expenditure. Also, Citizens argues, it is not a political committee as defined by the Act and, therefore, it is not required to file disclosure reports with the Commission.

Citizens argues that Advisory Opinion 1985-14 is not controlling in this case. The Commission held in that AO, Citizens maintains, that an expenditure for a communication would be considered to be for the purpose of influencing a federal election only when the communication depicted a clearly identified candidate and conveyed an electioneering message. The Commission defined "electioneering message" as "statements 'designed to urge the public to elect a certain candidate or party.'" Advisory Opinion 1985-14 quoting from United States v. United Auto Workers, 352 U.S. 567, 587 (1957).

Citizens contends that nothing in the advertisement is an electioneering message. Citizens states that the ad identifies an elected representative and discusses his use of taxpayers' money, but argues that the FECA allows this. The advertisement's

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discussion of Representative Carr's use of taxpayers' money to promote a rally sponsored by the Democratic Party, according to the response, is merely "an accurate quotation of the Democrats' own advertisement for the event." Page 8 of the Citizens Against Government Waste response attached at p. 68. The ad does not mention an election, Citizens maintains, nor does it mention the election or defeat of any candidate. Also, the advertisement does not solicit funds.

Based on Advisory Opinion 1985-14, the advertisement, Citizens argues, does not trigger the FECA. The broadcast of the advertisement is not a contribution or expenditure which triggers the reporting requirements of the Act.

Citizens then argues that, because it has not spent any funds "for the purpose of influencing any election for Federal office," 2 U.S.C. § 431(8)(A)(i) and § 431(9)(A)(i), it has not received contributions or made expenditures requiring it to register as a political committee pursuant to section 433 of the FECA.

On May 30, 1985, the Commission issued Advisory Opinion 1985-14 to Robert F. Bauer, who requested the AO on behalf of the DCCC, also the complainant in this matter. In AO 1985-14, the Commission considered whether DCCC broadcast advertisements and other general public communications require allocation among the candidates under 11 C.F.R. 106.1(a) and AO 1984-15. DCCC also asked if the answer would depend on whether the communications referred to elections or any express advocacy language.

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The Commission concluded in AO 1985-14 that DCCC's payments for the communications were reportable expenditures for the purpose of influencing Federal elections. The Commission then concluded that the proposed broadcast advertisements that use the tagline "the Republicans in Congress," either with or without a "Vote Democratic" statement or other electioneering message would not be subject to the Act's limitations. Also, the Commission concluded that DCCC's expenditure for the proposed advertisements that use the tagline "your Republican Congressman," without the "Vote Democratic" statement, would not be subject to the Act's limitations. Instead, DCCC could report the expenditures as operating expenditures pursuant to 11 C.F.R. 104.3(b). The Commission's conclusions apply also where the advertisements are directed to only selected congressional districts.

In AO 1985-14, the Commission reached no conclusion on the question of whether DCCC expenditures for proposed radio and television advertisements using the tagline "your Republican Congressman," together with the "Vote Democratic" statement would or would not be subject to the Act's limitations and attributable pursuant to 11 C.F.R. 106.1.

Based on the responses from the State Committee, the District Committee, and Citizens Against Government Waste, it appears that Citizens is not a part of the State Committee. The issue, then, is whether Citizens is a political committee and therefore subject to the registration and reporting requirements of the FECA.

Section 431(4) (A) of the FECA defines a political committee as any committee, club, association or other group of persons which receives contributions which aggregate in excess of \$1,000 during a calendar year or which makes expenditures which aggregate in excess of \$1,000 during a calendar year. The Act defines an expenditure as, among other things, a purchase, payment, distribution, or gift of money or anything of value made by any person for the purpose of influencing an election for Federal office. 2 U.S.C. § 431(9) (A) (i).

In the request for AO 1985-14, DCCC stated that it planned to begin a program involving criticism of the records of individual Republican members of the House of Representatives and of the activities of Republican members of Congress as a class. Some of the Republican members might not be announced candidates for the election at the time the DCCC advertisements were to run.

The DCCC included two proposed advertisements in its AO request. The advertisement, "Pliers and Toilet Seats," refers to the President, President Reagan, and the Republicans in Congress. The ad discusses the farm crisis and states that the Republicans are breaking every election-year promise they made to American farmers, while allowing defense contractors to charge excessive prices for a pair of pliers and for a toilet seat. Some ads closed by saying "[l]et your Republican Congressman know that you don't think this is funny," while others were to say "[l]et the Republicans in Congress know what you think about their sense of humor." Some also closed with the statement, "Vote Democratic."

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The "Crumbling Foundation" advertisement refers also to "the President" - President Reagan - and "his Republican allies in Congress." The ad discusses what it calls "the irresponsible management of the nation's economy" by the Republicans. Again, some ads close with a reference to "your Republican Congressman," while others refer to "the Republicans in Congress." Some advertisements were to close with "Vote Democratic" also.

The Commission concluded these advertisements were reportable expenditures for the purpose of influencing Federal elections, even if they were not subject to the Act's limitations or prohibitions. A comparison of the advertisements proposed in AO 1985-14 with the advertisement in this case shows that this ad also appears to be an expenditure for the purpose of influencing Federal elections.

The Citizens Against Government Waste advertisement mentions Representative Bob Carr by name and refers to a rally sponsored by the Democratic Party. It discusses what is called a political rally, and states that Representative Carr abused his franking privilege. It states that taxpayer funds were used "for a Democratic sales pitch." The ad asks whether that is the way to balance the budget, and closes with the statement, "We say, give the money back, Bob."

The Citizens Against Government Waste advertisement is similar to the ads proposed by DCCC in AO 1985-14. DCCC's proposed advertisements refer to the President and the Republicans in Congress, while the Citizens ad refers to

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Representative Carr and the Democratic Party. In both cases the ads criticize the records and activities of members of Congress. Thus, the Citizens advertisement appears to be an expenditure for the purpose of influencing an election for Federal office, as the Commission concluded in AO 1985-14. Because the payment for the advertisement appears to be an expenditure as defined by section 431(9)(A)(i), if Citizens spent more than \$1,000 for the advertisement, it is a political committee as defined by section 431(4)(A).

Marketing Resource Group submitted its response on June 9, 1986 to the notification of the filing of a complaint. Citizens Against Government Waste contacted MRG to produce and buy time for the radio advertisement. According to Marketing Resource Group, it billed Citizens \$2,141.29 for the services. Citizens paid the bill on February 7, 1986.

Any committee which makes expenditures aggregating in excess of \$1,000 during a calendar year is a political committee. 2 U.S.C. § 431(4)(A). Citizens Against Government Waste, by spending over \$2,000 for the advertisement, has made an expenditure in excess of \$1,000 and, therefore, is a political committee. Citizens has not filed a Statement of Organization with the Commission, as section 433(a) requires, nor has it filed reports of receipts and disbursements, as section 434 requires.

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The Office of General Counsel recommends that the Commission find reason to believe Citizens Against Government Waste violated 2 U.S.C. § 433 and § 434. */

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The third allegation of the complaint is that the Michigan Republican State Committee created Citizens Against Government Waste to conceal the party committee's involvement in the campaign against Representative Carr. The advertisement did identify Citizens as the sponsor of the advertisement. The complaint argues that the State Committee was the "true" sponsor of the advertisement. Relying on the Commission's analysis in AO 1983-12, the complaint contends, the advertisements should have carried a disclaimer identifying the State Committee in accordance with section 441d. Even if Citizens Against Government Waste was the primary sponsor of the ad, the complaint continues, the State Committee should have disclosed on its reports its financial support for Citizens Against Government Waste.

As discussed earlier, there is no evidence demonstrating that either the Michigan Republican State Committee or the Sixth Congressional District Republican Committee provided any funds or in-kind contributions, directly or indirectly, to Citizens Against Government Waste. The advertisement need not carry,

*/As discussed above, the expenditure is not a coordinated party expenditure subject to section 441a(d). Also, Citizens states there was no Republican opponent to Representative Carr at the time the ads were broadcast. The ads are not, therefore, an in-kind contribution and the contribution limitations do not apply.

therefore, a disclaimer identifying either the State Committee or the District Committee as the sponsor of the advertisement. However, an analysis of Citizens Against Government Waste and its advertisement with respect to the requirements of section 441d is required.

Section 441d requires that when a person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, the communication must state clearly the name of the person paying for the communication, and whether any candidate or candidate's committee authorized the communication. 2 U.S.C. § 441d(a)(3). Section 109.1(b)(2) of the regulations defines express advocacy as a message that advocates election or defeat, including such expressions as "vote for," "elect" or "defeat." The issue is whether the Citizens Against Government Waste advertisement expressly advocates the election or defeat of a clearly identified candidate, thus requiring a section 441d disclaimer.

The Supreme Court, in Buckley v. Valeo, 424 U.S. 1 (1976), defined express advocacy as "communications containing express words of advocacy of election or defeat, such as 'vote for,' 'elect,' 'support,' 'cast your ballot for,' 'Smith for Congress,' 'vote against,' 'defeat,' 'reject.'" Buckley v. Valeo, 424 U.S. at 44 n.52. In the instant case, the Citizens Against Government Waste advertisement does not appear to expressly advocate the defeat of a candidate for Federal office in words which fall

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within the scope of the examples in Buckley and incorporated by Commission regulation § 109.1(b)(2). The advertisement discusses a rally sponsored by the Democratic Party. The ad then charges that Representative Carr used taxpayer funds, by abusing his congressional mailing privileges, to promote the event.

The advertisement asks whether the use of taxpayers' money to promote a political rally is the way to balance the budget. The advertisement concludes with the statement, "[w]e say pay the money back Bob."

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A fair reading of the text of the advertisement does not lead to the conclusion that it expressly advocates Representative Carr's defeat in an election. Although the listener is left with the impression that Representative Carr has not conducted himself appropriately in office, there is no statement expressly calling for his defeat in a federal election. Thus, the advertisement does not require the inclusion of a section 441d disclaimer. */ The Office of General Counsel recommends, therefore, that the Commission find no reason to believe Citizens Against Government Waste violated 2 U.S.C. § 441d.

The final allegation is that Marketing Resource Group made in-kind contributions to the Michigan Republican State Committee and the Sixth Congressional District Republican Committee through the provision of services. The reports filed by the two committees fail to disclose disbursements to MRG, according to

*/ The advertisement did indicate that Citizens Against Government Waste paid for the ad.

the complaint. The complainant concludes, therefore, that Marketing Resource Group provided the services without charge. If MRG is incorporated, then, the complaint alleges, it has made a corporate contribution in violation of section 441b. In the alternative, if MRG is not incorporated, its expenditures for the advertisement, if in excess of \$1,000, would qualify it as a political committee under the Act.

In its response, Marketing Resource Group states it is an incorporated public relations and consulting firm. Political campaigns and committees are among its clients.

In October 1985, Citizens Against Government Waste contacted Marketing Resource Group to have it produce and buy time for the radio advertisement at issue here. Citizens instructed MRG, Citizens states, that the advertisement could not advocate the election or defeat of Representative Carr because Citizens did not want to be a political committee or make an expenditure in connection with a federal election. MRG then produced the ad and placed it.

On December 10, 1985, MRG submitted an invoice to Citizens for \$2,141.29, after all final adjustments were made by the radio stations running the ad. MRG, according to the response, submitted the invoice in accordance with the credit standards used for all clients. MRG rebilled Citizens on December 31, 1985 and January 31, 1986. Citizens remitted payment on February 7, 1986.

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MRG states, and is supported by an affidavit of Thomas H. Shields, President of Marketing Resource Group, Inc., that neither the Michican Republican State Committee nor the Sixth Congressional District Republican Committee retained MRG in connection with the advertisement at issue in this case. MRG did not request, nor did it receive any payment from the State Committee or the District Committee.

The evidence does not support the allegation that MRG provided services to the State Committee or the District Committee. Neither committee has violated section 434, therefore, by failing to disclose disbursements to MRG as neither committee made disbursements to MRG for the advertisement in issue.

Marketing Resource Group did not violate 2 U.S.C. § 441b. It did not provide services without charge, nor does it appear that it provided services at less than the usual and normal charge, as defined by 100.7(a)(1)(iii)(B).

In addition, Marketing Resource Group did not violate section 433 or 434. It produced the advertisement for Citizens Against Government Waste, billed that organization, and received payment. It was a vendor rather than a political committee, and, therefore, is not required to file a Statement of Organization or disclosure reports with the Commission. The Office of General Counsel recommends that the Commission find no reason to believe Marketing Resource Group violated sections 441b, 433 or 434.

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III. General Counsel's Recommendations

The Office of General Counsel recommends that the Commission:

1. Find no reason to believe the Michigan Republican State Committee and Denzil L. Hamond, as treasurer, violated 2 U.S.C. § 434 or § 441d.

2. Find no reason to believe the Sixth Congressional District Republican Committee and William Bower, as treasurer, violated 2 U.S.C. § 434 or § 441d.

3. Find reason to believe Citizens Against Government Waste violated 2 U.S.C. § 433 and § 434.

4. Find no reason to believe Citizens Against Government Waste violated 2 U.S.C. § 441d.

5. Find no reason to believe Marketing Resource Group, Inc. violated 2 U.S.C. § 441b, § 433 or § 434.

6. Close the file with respect to the Michigan Republican State Committee and Denzil L. Hamond, as treasurer, the Sixth Congressional District Republican Committee and William Bower, as treasurer, and Marketing Resource Group, Inc.

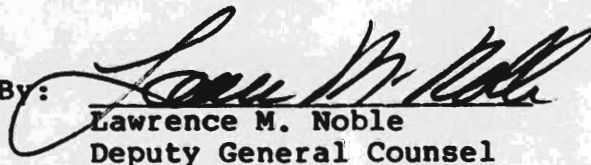
7. Approve and send the attached letters.

Charles N. Steele
General Counsel

Date

8/21/86

By:


Lawrence M. Noble
Deputy General Counsel

Attachments

1. Complaint
2. Response from the Michigan Republican State Committee
3. Response from the Sixth Congressional District Republican Committee
4. Response from Citizens Against Government Waste
5. Response from Marketing Resource Group, Inc.
6. Proposed Letters

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IN THE
FEDERAL ELECTION COMMISSION

DEMOCRATIC CONGRESSIONAL
CAMPAIGN COMMITTEE,

Complainant,

v.

MUR-2166

MICHIGAN REPUBLICAN STATE
COMMITTEE, SIXTH CONGRESSIONAL
DISTRICT REPUBLICAN COMMITTEE,
CITIZENS AGAINST GOVERNMENT
WASTE, MARKETING RESOURCE GROUP,

Respondents.

MILLER, CANFIELD, PADDOCK AND STONE
GERALD E. ROSEN (P-30390)
Attorneys for Respondent
Michigan Republican State Committee

RESPONSE OF THE MICHIGAN REPUBLICAN STATE
COMMITTEE TO COMPLAINT BY THE DEMOCRATIC
CONGRESSIONAL CAMPAIGN COMMITTEE

This response is made on behalf of respondent the
Michigan Republican State Committee ("MRSC") only, and not on
behalf of any of the other parties named in the matter
referenced above.

INTRODUCTION

The DCCC "Complaint" broadly alleges violations of the
Federal Election Campaign Act of 1971, as amended, 2 U.S.C.
§ 431 et. seq. ("FECA") by four separate political
organizations, and, without any facts whatsoever to support
their allegations, attempts to tie the MRSC into alleged

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actions by the other three correspondent organizations. Although all of the factual allegations directed toward the four respondents appear to be ridiculous and circumstantial, the allegations made by the DCCC with respect to the MRSC are particularly irresponsible and unfounded as a matter of law and fact in that the complaint does not cite any specific evidence that MRSC funds or "in-kind" services were provided by the MRSC to any of the three other parties, nor evidence that any MRSC funds or in-kind support were expended in any way in connection with the electioneering activities alleged in the Complaint. Instead, the DCCC Complaint merely attempts to bootstrap the MRSC into alleged wrongdoings of the other three parties through a "guilt by association" smear tactic approach.

As this response, and the sworn affidavits of E. Spencer Abraham, chairman of the MRSC, David W. McKeague, Chairman of the Sixth Congressional District Republican Committee and Daniel J. Bernard, Chairman of "Citizens Against Government Waste", will show, neither the MRSC nor any of its officers or employees have violated any provision of the FECA and, specifically, neither the MRSC nor any of its officers or employees have contributed any money or rendered any in-kind services or support of any kind in connection with the alleged electioneering activities of the Citizens Against Government Waste.

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Accordingly, the DCCC's complaint with respect to the MRSC fails as a matter of fact and law, and the MRSC must be relieved of any responsibility for the activities alleged.

DCCC ALLEGATIONS WITH RESPECT TO MRSC

The premise of the DCCC's allegations against the MRSC appears to be that the MRSC contributed money and perhaps in-kind services, to the Sixth Congressional District Republican Committee which, in turn, gave those monies to, or used them in concert with the Citizens Against Government Waste ("CAGW"). Building upon this house of cards, the DCCC broadly alleges that "these respondents joined together in making certain illegal expenditures to promote the defeat of congressman Robert Carr for re-election as United States Representative from Michigan, Michigan's Sixth Congressional District", and that "the respondents devoted much care to concealing their activity from public and commission view. Their efforts to this end included the creation of a bogus "committee," the so called "Citizens Against Government Waste."

Lightly skipping from this basic presumption of MRSC involvement, the Complaint then turns the assumption into a fact:

The Michigan State Republican Committee financed the activities of this so called "citizens" committee as part of its continuing effort to promote the defeat of Congressman Carr.

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Having "established" this basic "fact" of MRSC involvement, the DCCC then appears to allege the following course of "illegal" conduct and responsibility:

1. Through subterfuge, the MRSC contributed money to the Sixth Congregational District Republican Committee and, together, the two committees with the use of MRSC funds set up the CAGW.

2. During the relevant time period, the DCCC alleges that the Chairman of the Sixth District, David McKeague, made certain allegations against Congressman Carr concerning alleged abuses of the franking privilege.

3. The complaint then jumps further to allege that the MRSC and the Sixth District funneled money into this "bogus" committee, the CAGW, which used the money to air radio advertisements aimed at influencing voter opinion against Congressman Carr.

The only shred of evidence submitted by the DCCC to connect the MRSC with this alleged scheme of subterfuge is a quote from a newsletter printed by Vice President George Bush's political action committee, the Fund for America's Future, dated November 14, 1985, which stated:

"David McKeague, Republican Chairman for the Sixth Congressional District, found out about the "misuse" [of Carr's franking privilege] and alerted the State's media who quite properly attacked Carr for wasting taxpayer's money. This effort on McKeague's part comes out of the State party's incumbent accountability program, designed to monitor incumbent democrats' activities and raise their negatives."

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This crucial "link" to the MRSC's alleged involvement is in the DCCC Complaint under the caption "Bush Spills the Beans".

The information contained in the FAFF newsletter is, however, completely erroneous. That the FAFF newsletter is a dubious source for factual information concerning this matter can be quickly ascertained by examining the paragraph which preceded the one used in the DCCC complaint. There stated:

In Michigan, liberal Democrat Bob Carr committed a major boo-boo when he used his congressional frank, to be used only for official mailings, to promote the appearance of Democrat Richard Gephardt on behalf of the Democratic National Committee at Michigan State University. Gephardt's business was anything but official. He was on campus to plead with students not to further desert the Democrats, as many already have.

Except Congressman Gephardt never visited the Sixth District. The visit referred to was by two other Congressmen. In light of the FAFF's obvious unfamiliarity with this most simple and readily discernable fact, it is clearly unwise to place credence on any assertions made in the FAFF newsletter. Indeed, the alleged MRSC activities like Rep. Gephardt's purported trip to Michigan, did not happen.

Based on these factual assumptions and allegations, the DCCC Complaint alleges, with respect to the MRSC, the following violations of Federal election law:

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1. That the alleged expenditures by the MRSC were designed to influence an election for Federal office within the meaning of 2 U.S.C. §431(9)(A)(i) and that these expenditures were, therefore, subject to the limitations on contributions and expenditures set forth in 2 U.S.C. §441(a)(d).

2. Accepting this legal assumption as fact, the DCCC then alleges that the MRSC broke the law by not
(1) identifying itself as the "true sponsor" of the CAGW advertisement as required under 2 U.S.C. §441(d) and
(2) failing to report the alleged expenditures to the CAGW in violation of 2 U.S.C. §434.

Thus, the DCCC alleges broadly that the MRSC has violated 2 U.S.C. §441(a), §441(d), and/or §434.

THE TRUE FACTS CONCERNING THE MRSC

The true facts, as set forth in the Affidavits of E. Spencer Abraham, Chairman of the MRSC (Exhibit A), David McKeague, Chairman of the Sixth Congregational District Republican Committee (Exhibit B), and Daniel J. Bernard, Chairman of the CAGW (Exhibit C) clearly show no MRSC involvement, and, therefore, no MRSC legal responsibility, for any of the electioneering actions complained of by the DCCC. The relevant facts are as follows:

1. The MRSC has never given any money or in-kind support to the Sixth Congregational District Republican

Committee which was given to, or in any way used by, directly or indirectly, the CAGW. See Affidavits of E. Spencer Abraham and David McKeague.

2. No MRSC employees were involved in any of the electioneering activities alleged by the DCCC to have violated federal election law. See Affidavits of E. Spencer Abraham and David McKeague.

3. The MRSC has not had any contact whatsoever with the CAGW. Neither the MRSC nor any of its employees have ever contributed any money or in-kind support to the CAGW. See Affidavits of E. Spencer Abraham and Daniel J. Bernard.

4. Contrary to the statement in the Bush newsletter, the alleged "electioneering" activities of Mr. McKeague, the Sixth Congressional District Republican Committee and the CAGW were not part of, done at the direction of, or in concert with any program or activities of the MRSC. None of the alleged electioneering activities engaged in by Mr. McKeague and/or the CAGW were part of any MRSC program. See Affidavits of E. Spencer Abraham, David McKeague, and Daniel Bernard.

5. It is true that the MRSC did not report any expenditures to the Sixth Congressional District Republican Committee or the CAGW. This is because no such expenditures were ever made.

THE MRSC HAS NO LEGAL LIABILITY

Given the sworn affidavit testimony of MRSC Chairman E. Spencer Abraham, Sixth District Chairman, David McKeague and CAGW Chairman, Daniel Bernard, it is clear that the MRSC

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has no legal responsibility whatsoever. The DCCC attempts to bootstrap the MRSC into legal responsibility by a quasi "respondeat superior" argument based upon 11 C.F.R. §100.14(d) which makes district committees, such as the Sixth District Committee, "subordinate" committees of the State Committee, and 11 CFR §110.7(c), which for purposes of campaign contribution limitations, treats contributions by the State Party and District Committee organizations as a single contribution subject to a single expenditure limitation.

The MRSC does not believe that any of the Co-respondent organizations committed any violations of Federal election law. However, assuming arguendo that some violation was committed by one of the other organizations, it is clear that just because a district committee is defined as a "subordinate committee" of the State Committee under the regulations for limited purposes, the State Committee is not automatically or strictly liable for wrongful actions of the subordinate committee when the State Committee had absolutely no involvement whatsoever with those actions. The purpose of the 11 CFR §100.14 is definitional and not an attempt to fix strict legal liability upon the State Committee for all actions of local political organizations.

Further, in order to trigger the coordinated expenditure limitations of 2 USC §441(a)(d) there must be an "expenditure" by the State Committee. Here, there is absolutely no evidence of any such expenditures.

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Similarly, in order to trigger to the reporting and disclaimer requirements of 2 USC §441(d) and §434, there must also be expenditures made by the MRSC to report and disclaim. Again, because the MRSC never made any such expenditures, there can be no reporting or disclaimer responsibilities.

It is clearly not legally sufficient to allege illegal activities by a subordinate committee or an independent committee, such as the CAGW, and bootstrap the State Committee into legal liability for any wrongful acts of the subordinate or independent committee.

Accordingly, the DCCC Complaint with respect to the MRSC must be found by the Commission to be without sufficient justification and the MRSC must be absolved of any responsibility.

Respectfully submitted,

MILLER, CANFIELD, PADDOCK AND STONE

By 
Gerald E. Rosen
Counsel for Michigan Republican
State Committee
2500 Comerica Building
Detroit, Michigan 48226
(313) 963-6420

Dated: May 28, 1986

AFFIDAVIT

OF

E. SPENCER ABRAHAM

STATE OF MICHIGAN)
) ss
COUNTY OF INGHAM)

E. SPENCER ABRAHAM, being first duly sworn, deposes and says:

1. That he is the Chairman of the Michigan Republican State Committee, and that if called upon to testify, he is competent and willing to testify to the facts set forth herein.

2. That he has been Chairman of the Michigan Republican State Committee since February, 1983.

3. That he has read the Complaint filed with the Federal Election Commission by the Democratic Congressional Campaign Committee.

4. That the Michigan Republican State Committee, during his tenure, has never provided any support of any kind, financial or otherwise, to the Sixth Congressional District Republican Committee for the purpose of channeling such assistance to the Citizens Against Government Waste, or, in fact, in any way to support or assist that group.

5. That during his tenure, neither the Michigan Republican State Committee nor any of its staff has ever contributed money or in-kind support, directly or indirectly, to the "Citizens Against Government Waste" organization.

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6. That the alleged "electioneering" activities of the Sixth Congressional District Republican Committee and the Citizens Against Government Waste, or their respective chairmen, were not done at the direction of, or in concert with, any program or activities of the Michigan Republican State Committee.

7. That the Michigan Republican State Committee has not reported any such expenditures or made any disclaimers under Federal Election Law for the reason that it has made no such expenditures.

Further your affiant sayeth not.

E. Spencer Abraham
E. Spencer Abraham

Subscribed and sworn to before me
this 27 day of May, 1986.

LUCILLE A. FORREST
Notary Public, Shiawassee Co., MI
My Comm. Expires Jan. 20, 1988

Lucille A. Forrest
Notary Public, _____ County, Michigan
My commission expires: 1-20-88

Acting in Ingham Co.

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AFFIDAVIT OF
DAVID W. McKEAGUE

STATE OF MICHIGAN)
) SS.
COUNTY OF INGHAM)

DAVID W. McKEAGUE, being first duly sworn, deposes and says:

1. That he is the Chairman of the Sixth Congressional District Republican Committee, and if called upon to testify, is competent and willing to testify to the facts set forth herein. Further, the facts and information set forth herein are true to the best of his information, knowledge and belief.

2. That he has been Chairman of the Sixth Congressional District Republican Committee since February 1985.

3. That during his tenure as Chairman, neither he nor the Sixth Congressional District Republican Committee has received any funds or in-kind contributions, directly or indirectly, from the Michigan Republican State Committee to support or assist activities of the Citizens Against Government Waste.

4. That neither he nor any member of his Committee was acting pursuant to, or in concert with an "Incumbent Accountability Program" or any other program sponsored by the Michigan Republican State Committee in connection with any alleged actions of the Sixth Congressional District which are the subject of the Democratic Congressional Campaign Committee's Complaint

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filed with the Federal Election Commission on or about April 14,
1986.

Further, affiant sayeth not.

David W. McKeague
David W. McKeague

Subscribed and sworn to before me this 28th day of May, 1986.

Karen J. Spedowski
Karen J. Spedowski, Notary Public
Eaton, Acting in Ingham County,
Michigan
My commission expires June 18, 1986

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AFFIDAVIT

OF

DANIEL J. BERNARD

STATE OF MICHIGAN)
) ss
COUNTY OF INGHAM)

DANIEL J. BERNARD, being first duly sworn, deposes and says:

1. That he is the Chairman of the Citizens Against Government Waste, and if called upon to testify, is competent and willing to testify to the facts set forth herein.

2. That he has been Chairman of the Citizens Against Government Waste since its formation.

3. That during his tenure, neither he nor the Citizens Against Government Waste have received any funds or in-kind contributions, directly or indirectly, from the Michigan Republican State Committee.

4. That he has read the Complaint filed with the Federal Election Commission by the Democratic Congressional Campaign Committee, and neither the Michigan Republican State Committee nor any of its staff had any involvement, financial or otherwise, in any of the activities alleged to have taken place by the Democratic Congressional Campaign Committee in its Complaint.

5. That neither he nor any member of his Committee was acting pursuant to, or in concert with, any program sponsored by the Michigan Republican State Committee in connection with

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any of the electioneering activities alleged by the Democratic
Congressional Campaign Committee in its Complaint.

Further affiant sayeth not.

Daniel J. Bernard
DANIEL J. BERNARD

Subscribed and sworn to before me
this 27th day of May, 1986

Jennifer S. Herrick
Jennifer S. Herrick
Notary Public, Oakland County, Michigan
My commission expires: 6-16-88

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V

**NICHIGAN REPUBLICAN STATE COMMITTEE
SIXTH CONGRESSIONAL DISTRICT REPUBLICAN
COMMITTEE, CITIZENS AGAINST GOVERNMENT
WASTE, MARKETING RESOURCE GROUP,**

ROBERT F. BAUER
Attorney for Complainant

PROOF OF SERVICE

DONNA D. VINSON, being first duly sworn, deposes and says that on the 28th day of May, 1986, she served a copy of Response of the Michigan Republican State Committee to Complaint by the Democratic Congressional Campaign Committee upon Robert F. Bauer, Esq., Perkins Coie, Suite 1200, 1110 Vermont Avenue, N.W., Washington, D.C. 20005 by placing said copies in a Federal Express Envelope and depositing same with Federal Express Office.

Donna D. Vinson

CYNTHIA C. STEELE
Cynthia C. Steele
My Commission Expires September 14, 1988

FOSTER, SWIFT, COLLINS & COEY, P.C.

ATTORNEYS AT LAW
FOSTER BUILDING

313 SOUTH WASHINGTON SQUARE

LANSING, MICHIGAN 48933

TELEPHONE 378-8050
AREA CODE 317

May 28, 1986

FEC
HAND DELIVERED

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600 #594

RICHARD B. FOSTER
THEODORE W. SWIFT
JOHN L. COLLINS
DAVID C. COEY
WESB A. SMITH
JAMES A. WHITE
LYNWOOD E. BECKMAN
ALLAN J. CLAYPOOL
PHILIP T. CARTER
DAVID W. MCKEASUE
GARY J. MURRAY
ROBERT J. McCULLEN
DAVID VANDERHAAGEN
MICHAEL J. SCHMIDLEN
GEORGE H. BROOKOVER
STEPHEN I. JURNU
PATRICK R. VAN TIFLIN

ARTHUR R. FREYBLOWICE
KAREN B. SCHNEIDER
JAMES E. LOEHR
JAMES D. ADKINS
WILLIAM R. FANEY
THOMAS A. SANDS
STEPHEN G. SCHULTZ
WILLIAM R. SCHULZ
DAVID H. ALDRICH
SCOTT A. STONEY
CHARLES A. JANSSEN
CHARLES E. BARBER
JAMES B. JENSEN, JR.
STEVEN D. LOWE
LEONORA H. BAUGHMAN
SCOTT L. MANDEL
THOMAS L. LAPKA

TIMOTHY P. GREELEY
T. NEIL BEHENDERFER
JAMES S. CROON
WILLIAM F. YOUNG
MICHAEL D. SANDERS
SHERRY A. STEIN
SHARON L. LAPORTE
KURTIS T. WILDER
KATHRYN L. HAGENBUCH
BRENT A. TITUS
DIANE S. CARR
PHILIP T. SAVICH
DAVID J. HOUSTON
KATHLEEN P. FUCHTMAN
STEPHEN J. LOWNEY
DOUGLAS L. ANDERSON
JILL M. CHAPMAN

JAMES S. GGEZEMA
MICHAEL S. WELLMAN
TIMOTHY J. RAUBENGER
KEVIN J. WISTROM
ANNE M. BECKERT
JOHN D. McDONOUGH

OF COUNSEL
THOMAS G. MCGURRIN, JR.

TELECOPIER
317-378-1848

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20004

Dear Mr. Steele:

RE: MUR 2166

We have been retained by the Sixth Congressional District Republican Committee (6th District Committee) to respond to your letter of April 18, 1986 concerning a complaint filed with the Federal Election Commission ("FEC") by the Democratic Congressional Campaign Committee ("DCCC"). This complaint alleges that the 6th District Committee, which is registered as a political committee with the FEC and files all required reports, may have violated the Federal Election Campaign Act of 1971, as amended ("FECA").

Despite the flurry of partisan political rhetoric,¹ the DCCC complaint includes no factual or legal basis upon which it is possible to conclude that the 6th District Committee violated the FECA. Accordingly, the FEC should take no action against the 6th District Committee.

¹ The blatantly partisan nature of this complaint is demonstrated by the fact that the alleged "violations" occurred in October 1985, yet the complaint was not filed until April 14, 1986, one day before Mr. Jim Dunn announced that he would oppose Democrat incumbent Bob Carr, and the complaint was delivered by Federal Express to the media in the 6th District on Saturday, April 12, 1986, two days before the complaint was even filed with the FEC.

FOSTER, SWIFT, COLLINS & COEY, P.C.

Charles N. Steele, Esquire
Page Two
May 28, 1986

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The DCCC inaccurately charges the 6th District Committee with "making certain illegal expenditures to promote the defeat of Congressman Bob Carr." While the complaint by the DCCC offers no proof whatsoever that the 6th District Committee made any expenditures (which it did not) and is seriously inaccurate on its facts,² these expenditures apparently took place, in the belief of the DCCC, in connection with Carr's October 23, 1985 rally at Michigan State University.³ It is true that the 6th District Committee and its members, as well as many others in Carr's congressional district, were offended by this blatant misuse of public funds by an elected representative. It is also true that members of the 6th District Committee, invoking their rights to speak out about the official actions of their elected public officials, criticized Carr as loudly and frequently as possible. But that is all the 6th District Committee did. None of the 6th District Committee's actions constitute a contribution or expenditure under the FECA. See 2 U.S.C. 431(8)(A), 2 U.S.C. 441b(b)(2).

2 For example, the complaint claims that the 6th District Committee first challenged Mr. Carr's improper use of the franking privilege on April 25, 1986, one day before ads were run on local radio stations by Citizens Against Government Waste. In fact, the 6th District Committee first protested Mr. Carr's misuse of the frank on April 19, 1986, which protest received wide media coverage throughout the 6th District.

3 The incident involving Carr stems from his use of official funds to mail at the taxpayers' expense notices of a political event billed as "just the beginning of an extended effort to spotlight the Democratic party for college students across America." Exhibit 1. The use of official funds to "frank" notices of a political event is a violation of 39 U.S.C. 3210(a)(2) and 3210(a)(5)(C). A complaint was filed on October 31, 1985 by David W. McKeague with the Commission on Congressional Mailing Standards of the United States House of Representatives.

FOSTER, SWIFT, COLLINS & COEY, P.C.

Charles N. Steele, Esquire
Page Three
May 28, 1986

8 7 0 4 0 6 3 5 2 6 1

The DCCC's major premise is that the 6th District Committee helped finance the ad aired by the Citizens Against Government Waste. See Complaint at pages 9 and 14-15. Upon this allegation the entire DCCC case against the 6th District Committee rests. This critical allegation is completely unfounded. The 6th District Committee has made no direct or indirect financial contributions to or on behalf of Citizens Against Government Waste. Affidavit of David W. McKeague ("McKeague Affidavit") at 4. No funds from the 6th District Committee were in any way spent on any facet of the ad at issue. Id at 5. That is why, despite the DCCC's conspiracy theories, the 6th District Committee's FEC reports contain no record of the payment of contributions or disbursements to Citizens Against Government Waste or the Marketing Resource Group ("MRG"), or any record of the receipt of an in-kind contribution from MRG. See Complaint at 15-16; McKeague Affidavit at 6.

A review of the DCCC's complaint indicates that the sole "proof" that the State Committee or the 6th District Committee served as the source of financing for the activities of Citizens Against Government Waste is a newsletter published by the Fund for America's Future dated November 14, 1985. Contrary to the DCCC's claim, however, this newsletter, even if accurate (which it is not) says absolutely nothing about Citizens Against Government Waste or its activities. It refers only to the 6th District Committee's actions in notifying the media about Carr's misuse of the frank and in no way establishes or confirms, as the DCCC incorrectly states, that the State Committee or the 6th District Committee financed any activities of Citizens Against Government Waste.

The facts, although not to the liking of the DCCC, are simple. The 6th District Committee has never given any money or contributions to the Citizens Against Government Waste, either in connection with the ad in question or anything else. We believe that the lack of any contribution is dispositive of the only issue involving the 6th District Committee.

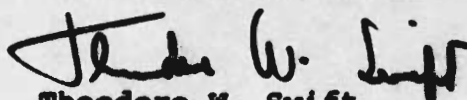
FOSTER, SWIFT, COLLINS & COEY, P.C.

**Charles N. Steele, Esquire
Page Four
May 28, 1986**

Accordingly, the DCCC's complaint should be dismissed.

Very truly yours,

FOSTER, SWIFT, COLLINS & COEY, P.C.


Theodore W. Swift

kjs

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RICHARD A. GEPHARDT
CHAIRMAN

MARY ROSE OAKAR
SECRETARY

Democratic Caucus

U.S. HOUSE OF REPRESENTATIVES
718 ANNEX #1 HOUSE OFFICE BUILDING WASHINGTON, DC 20515 (202) 225-0210

Circ 6/11
Copy Refuse
Return

October 2, 1985

Dear Democratic Colleague:

The Democratic Caucus Campus Outreach Day is fast approaching. Monday, October 21 is less than three weeks away, and we're hoping to make a great showing that day for the Democrats on campuses across America. There's still time for you to sign on, and join more than 50 of our colleagues who are already participating.

Here's how it will work: Twelve campuses nationwide have been selected as our Oct. 21 "outreach campuses." Each event will be hosted by a local Democratic Member of Congress, and several other Democratic members will travel to the area. The events will be called "Forums for the Future," and will open with each member offering a short talk on an issue of concern to students: jobs, arms control, South Africa, the environment, or any one of a number of other issues. The forum will then be open to students to ask questions and learn more about what the Democratic Party has to offer.

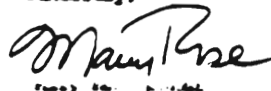
We're hopeful these October campus events will be just the beginning of an extended effort to spotlight the Democratic party for college students across America. Our goal is to reach both students and the national media, letting them know our Party has an exciting, dynamic message for young Americans, and we're spreading the word.

On the back of this letter are the campuses that have been chosen, and the members who are participating. Campuses may be added if more members sign up. If you'd like to join us, it's not too late. You can do so by calling Jim Groninger in Representative Slattery's office at 225-6601, or Liz Buchanan in Representative Durbin's office at 225-5271, as soon as possible.

Not only will the Outreach be a lot of fun, it will be a great chance for us offer the message that we are working to make the future brighter for America's young people. Please join us!

Sincerely,


Richard A. Gephardt


Mary Rose Oakar


Bill Rankin

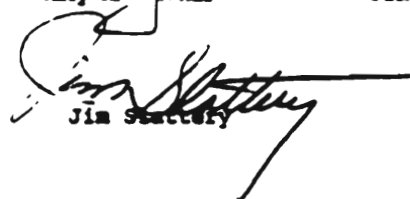

Jim Slattery

Exhibit 1

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FORUM FOR THE FUTURE

DISCUSSING OUR COMMON CONCERNS

Here is a preliminary list of the host campuses and members assigned to each event. Some events are bigger than others because members are still being scheduled and are not on the list. All events are Monday, Oct. 21, unless otherwise indicated.

Georgetown University Kick-off
Thursday, Oct. 17

Tony Coelho
Dick Gephart
Dick Durbin
Nancy Kaptur
Hal Levine

Mary Rose Oatar
Boston University
Rep. Chester Atkins, host

Don Edwards
Ed Markey
Ed Thomas
Barbara Kennelly

Carnegie Mellon/U of Pittsburgh
Rep. Doug Walgren, host

Stan Lundine
Peter Kostmayer
Gerry Sikorski

Marshall University (West Virginia)
Rep. Nick Rahall, host

Bill Alexander
Jim Oberstar
Bob Wise
Buzley Stappert
Tom Carper

University of Miami (Florida)
Rep. Larry Smith, host

Buddy MacKay
Solomon Ortiz
Bert Gordon

Georgia State University, Atlanta
Rep. Wyche Fowler, host

Alan Wheat
Mike Syner
Bill Richardson

Members who have not been assigned:
Jim Weaver, Charlie Wilson
Pete Stark, Jim Scherer

Case Western University (Ohio)
Rep. Mary Rose Oatar, host

Watt McHugh
Richard Stallings
Albert Bustamante
Sandy Levin

Michigan State University
Rep. Bob Carr, host

Stacy Royer
Martin Sabo
Tim Perry

University of Indiana
Rep. Frank McCloskey, host

Jim Wright
Pat Williams
Bruce Morrison
Tom Downey
Ron Coleman

University of Illinois, Champaign-Urbana
Rep. Terry Bruce, host

Nancy Kaptur
Norm Mineta
Dave Bonior

University of Wisconsin
Rep. Jim Moody, host

Barbara Boxer
Leon Panetta
Dick Durbin
Jim Slattery

University of California, Davis
Rep. Vic Fazio, host

Wes Watkins
Norm Dicks
Merv Dymally

University of Nevada
Rep. Harry Reid, host (Oct. 28)

10 members assigned yet

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FEC
HAND DELIVERED
MAY 29 4:25

BEFORE THE FEDERAL ELECTION COMMISSION

MUR 2166

AFFIDAVIT OF DAVID W. McKEAGUE

David W. McKeague, having been duly sworn, deposes and says:

1. I have personal knowledge of the facts contained herein and am competent to testify thereto.
2. I have been chairman of the Sixth Congressional District Republican Committee since 1985. .
3. As chairman, my signature is required on all checks and I approve the expenditure of any and all funds by the Sixth Congressional District Republican Committee.
4. The Sixth Congressional District Republican Committee has never made a direct or indirect financial or in-kind contribution to or made an expenditure on behalf of Citizens Against Government Waste.
5. The Sixth Congressional District Republican Committee has never, directly or indirectly, spent any funds on any facet of the Citizens Against Government Waste ad concerning Bob Carr's actions as an elected public official.
6. The Sixth Congressional District Republican Committee's reports filed with the Federal Election Commission contain no contribution to or expenditure on behalf of Citizens Against Government Waste or in-kind contribution from Marketing

9704035255

Resource Group, Inc. because no such contributions or expenditures were ever made or received by the Sixth Congressional District Committee.

David W. McKeague
David W. McKeague

Sworn to and subscribed before me on this 28th day of May, 1986.

Karen J. Spadowski
Karen J. Spadowski, Notary Public
Eaton, Acting in Ingham County,
Michigan
My commission expires June 18, 1986

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FEC
HAND DELIVERED

MAY 29 4:25

BEFORE THE FEDERAL ELECTION COMMISSION

MUR 2166

AFFIDAVIT OF DAVID W. McKEAGUE

David W. McKeague, having been duly sworn, deposes and says:

1. I have personal knowledge of the facts contained herein and am competent to testify thereto.
2. I have been chairman of the Sixth Congressional District Republican Committee since 1985.
3. As chairman, my signature is required on all checks and I approve the expenditure of any and all funds by the Sixth Congressional District Republican Committee.
4. The Sixth Congressional District Republican Committee has never made a direct or indirect financial or in-kind contribution to or made an expenditure on behalf of Citizens Against Government Waste.
5. The Sixth Congressional District Republican Committee has never, directly or indirectly, spent any funds on any facet of the Citizens Against Government Waste ad concerning Bob Carr's actions as an elected public official.
6. The Sixth Congressional District Republican Committee's reports filed with the Federal Election Commission contain no contribution to or expenditure on behalf of Citizens Against Government Waste or in-kind contribution from Marketing

87040635267

Resource Group, Inc. because no such contributions or expenditures were ever made or received by the Sixth Congressional District Committee.

David W. McKeague
David W. McKeague

Sworn to and subscribed before me on this 28th day of May, 1986.

Karen J. Spedowski
Karen J. Spedowski, Notary Public
Eaton, Acting in Ingham County,
Michigan
My commission expires June 18, 1986

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LAW OFFICES
BOOTH, PATTERSON, LEE, KARLSTROM & STECKLING
1090 WEST HURON STREET
PONTIAC, MICHIGAN 48053
(313) 681-1200

CARL-GUNNAR KARLSTROM
PARVIN LEE, JR.
J. TIMOTHY PATTERSON
JOHN W. STECKLING
DAVID J. LEE
THOMAS L. GRUICH
GREGORY K. NEED
DANIEL J. BERNARD
ALLAN T. MOTZNY

OF COUNSEL
DOUGLAS W. BOOTH
CALVIN E. PATTERSON

May 28, 1986

Charles N. Steele, Esq.
General Counsel
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

Dear Mr. Steele:

I represent Citizens Against Government Waste ("Citizens") and am responding on their behalf to Matter Under Review 2166 filed by the Democratic Congressional Campaign Committee ("DCCC"). For the reasons stated herein, the Federal Election Commission ("FEC") should find no reason to believe that Citizens has violated the Federal Election Campaign Act ("FECA").

Citizens Against Government Waste is a group of Michigan residents headquartered in Pontiac with the common interest of exposing wasteful spending in local, state and national governments. Citizens attempts to monitor the actions of governments and the officials who run them. Registered under Michigan law with a Certificate of Persons Conducting Business Under Assumed Names, Citizens is dependent on voluntary donations from eight sources for its funding. Citizens is an independent group, and, despite the allegations of the DCCC Complaint at 14, is in no way "a creation of the Michigan Republican State Committee" and certainly was not

Attachment 4

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"designed to conceal the [state committee's] involvement in this campaign against the re-election of Congressman Carr." Both assertions are completely false and unfounded. Citizens has never received any funds from the Michigan Republican State Party (or the 6th Congressional District Republican Committee).^{1/}

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Citizens' interest in Bob Carr, the congressman from Michigan's Sixth Congressional District, stems from his use last October of the free congressional mailing privilege ("the frank") to advertise through a mass mailing a political rally sponsored by the Democratic Party. Citizens' acknowledges both that the frank exists to allow members of Congress to communicate with their constituents about official functions and that there is nothing wrong with a congressman holding a political rally on a college campus in his district. However, a Congressman may not use the frank to advertise a partisan political event.

The franking rules state that Members may not use the frank for any "mail matter which specifically solicits political support for the sender or any other person or any political party." 39 U.S.C. 3210 (a)(5)(C); see also, 39 U.S.C. 3210(a)(1), (2) [emphasis added].

^{1/} It is not clear what the DCCC Complaint at 7-8 is alleging about the article in the Fund for America's Future's newsletter. The article is inaccurate. Citizens categorically denies that it received any funds from the Michigan Republican State Party (or the 6th Congressional District Republican Committee) for its ad.

The Ethics Manual for Members and Employees of the U.S. House of Representatives states on page 32 that:

a Member is free to use his own judgment in designating a particular expenditure as political or official. However, ... once the Member makes his determination, he is bound by it. A single event cannot, for purposes of the House rules, be treated as both political and official.

In other words, once the frank is used to pay for a mass mailing announcing an event, it becomes official and cannot in any way become political. Id.

On October 2, 1985, the Democratic Caucus, which is composed of all Democratic members of the House of Representatives, sent a telling letter to all its members concerning "Democratic Caucus Campus Outreach Day." Attached as Exhibit 1. The letter states:

We're hopeful these October campus events will be just the beginning of an extended effort to spotlight the Democratic party for college students across America. Our goal is to reach both students and the national media, letting them know our Party has an exciting, dynamic message for young Americans, and we're spreading the word.

Carr's forum/rally at Michigan State University is among those listed on the letter. Id. As the wording of the letter makes clear, this forum/rally was sponsored by Democrats for the promotion of the Democratic Party. It was a political event and could not be construed as an "official" event under the Rules of the House of Representatives.

In addition, on October 9, 1985, Rep. Dick Durbin of Illinois, who coordinated the sixteen forums for the Congressmen, said in a

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press release that "more than 50" House Democrats "will travel across our nation to bring our Party's message to America's college students." Attached as Exhibit 2. The press release also reveals the reason for the forums: "As Democrats, we refuse to concede young voters to the Republican Party." Congressman Carr's Michigan State University forum/rally is among those listed by the press release. Id.

Between October 13, 1985 and October 20, 1985, Carr used his frank to mail the residents of the Sixth District a postal patron about the forum/rally. Attached as Exhibit 3. Carr's postal patron mailing advertises and promotes attendance at this political event, although the postal patron itself is careful to omit any mention of "Democrats." The postal patron also advertises the attendance of Representatives Steny Hoyer, Tim Penny and Martin Sabo. Id. All are Democrats.

In addition to the postal patron, Carr promoted the forum/rally by sending letters under the frank to individuals in the Sixth District. Attached as Exhibit 4. These letters also advertise the Democrats' forum/rally and urge attendance at it. Id.

Once the criticisms of Carr's actions began, he defended them by claiming that the forum/rally was not a political event. His defense was not credible at the time, but the year-end FEC reports available last February flatly contradict Carr's statements. The FEC reports show that Representative Tim Penny paid for his trip with campaign funds and not with official funds. Attached as

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Exhibit 5. Thus, Carr's assertion that the forum/rally was an "official" event is shown to be false by the FEC reports filed by his fellow attendees at the Michigan State forum/rally.

Carr also defended his actions by asserting that a Republican staff member of the House Committee on Mailing Standards approved Carr's postal patron before it was mailed. That is irrelevant. Members of the Mailing Standards staff approve only the appearance of mailings. They do not look beyond postal patrons to approve the underlying event, nor do they review an event's promotional materials. In other words, the approval upon which the DCCC complaint at 12 n.8 so heavily relies is meaningless. What is relevant is whether the underlying event is a political, and not an official, event. As the Democrats own materials confirm, Carr's forum/rally was a political event. Exhibits 1, 2.

After researching Carr's actions, Citizens concluded that Carr's abuse of the frank and misuse of the taxpayers' dollars violated both the franking regulations of the United States Congress and the Rules of the House of Representatives. Given the operative laws and facts of the situation, Citizens' leaders, Pontiac lawyer Daniel J. Bernard and East Lansing computer salesman Paxton Riddle,^{2/}

2/ The DCCC Complaint at 6 n.6 insinuates that there is something sinister in the fact that Paxton Riddle is a leader of Citizens because of his wife's activities. Even if the DCCC's insinuations were accurate, it's difficult to see their legal relevancy. But, to set the record straight, the DCCC is incorrect on all Sally Riddle's past associations. She worked briefly in early 1984 for Carr's opponent's campaign, but she never "served as the campaign manager...in the last 1984 general election" and was not a member of the 6th Congressional District Republican Committee during the 1984 election cycle.

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concluded that the combination of Carr's advertising his campus forum/rally with the promotion of fifteen other "Forums for the Future" by the Democrats necessitated further public awareness and dialogue.

Accordingly, Citizens found this abuse of the frank by Carr, their elected Congressman, a willful misuse of public funds. Once Citizens reached this conclusion, it decided to make public what it found to be an abuse of public office by an elected public official. Citizens chose to make known its views by broadcasting a radio ad. The Citizens' ad, which aired more than one year before any congressional election and well before Carr even announced for re-election or the Republicans found a candidate, said in full:

Our Congressman Bob Carr was at MSU last week leading a rally sponsored by the Democratic Party. Thanks to Bob Carr we taxpayers helped pay for his political rally. Bob Carr abused his congressional mailing privileges to promote this event and used our money for a Democratic sales pitch. Is this the way to balance the budget? Bob Carr handles our taxpayers' money the old-fashioned way -- he spends it.

We say, give the money back, Bob.

Paid for by Citizens Against Government Waste.

This ad does not advocate the election or defeat of any candidate and makes no reference to any election, either in the future or the past. The ad mentions "Democratic Party" only because that is how the promotional material from the sponsoring organization identified the event. See Exhibits 1, 2. The ad does nothing more than attempt to begin a public dialogue over the official actions of an elected representative.

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The DCCC Complaint charges that Citizens' airing of the ad criticizing the official actions of Congressman Bob Carr, the elected United States Representative from Michigan's Sixth Congressional District, somehow violates the FECA. The DCCC creatively suggests Citizens violated the FECA by failing to report alleged expenditures made in connection with a federal election and by failing to register as a political committee with the FEC.

This Complaint must be rejected on two grounds: (1) nothing in the Citizens ad advocates the election or defeat of a political candidate so no "contribution" or "expenditure" was made, and (2) Citizens is not a "political committee" as defined in the FECA, and, therefore, is not required to file reports with the FEC.

The bottom line of the DCCC Complaint is this -- a Congressman used the taxpayers' money to promote the views of his political party. He got caught. Now the DCCC wants the FEC to purify the Congressman's actions. The DCCC urges that the FEC do this by using yet more federal dollars to stifle the views of private citizens who want to comment on their Congressman's official actions using their money. This complaint must be rejected by the FEC.

The FEC has addressed the very issue raised by the DCCC complaint in Advisory Opinion 1985-14. In that ruling, the FEC held that an expenditure for a communication would count as influencing a federal election only when "the communication both (1) depicted a clearly identified candidate and (2) conveyed an electioneering

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message." Fed. Election Camp. Fin. Guide (CCH) ¶ 5819 at 11,185 (May 30, 1985). The FEC also defined "electioneering message" as "statements 'designed to urge the public to elect a certain candidate or party.'" Id. (citing United States v. United Auto Workers, 352 U.S. 567, 587 (1957)).

There is nothing in Citizens' ad that is an "electioneering message," as defined by the FEC. See p. 6, supra. The ad does identify an elected public representative and does discuss his use of the taxpayers' money as a member of the House of Representatives. But that is permitted under the FECA, despite the DCCC's protestations. The ad mentions that Carr used taxpayers' money to promote a rally sponsored by the Democratic Party, but that is nothing more than an accurate quotation of the Democrats' own advertisement for the event. See p. 3-5, supra, and Exhibits 1, 2 and 5. The Citizens ad makes no mention of any election, either in the future or the past. There is no mention of the election or defeat of any candidate. There is no solicitation for any money. And there is no mention of any candidate, since no candidate even announced until six months latter.

Under Advisory Opinion 1985-14, the Citizens ad cannot trigger the FECA. There is no electioneering message. It does not advocate election or defeat. Accordingly, its radio broadcast cannot be a contribution or an expenditure requiring reporting under the FECA.

Secondly, the FECA defines a political committee as "any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a

calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." 2 U.S.C. 431(4).

A contribution includes "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. 431(8)(A)(i)[emphasis added].

An expenditure includes "any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. 431(9)(A)(i)[emphasis added].

Since Citizens has never spent any money for the "purpose of influencing any election for Federal office" it has never received "contributions" or made "expenditures" requiring it to register as a political committee under 2 U.S.C. 433.

The DCCC Complaint at 10 tries to get around this legal requirement by the blanket statement that "there is no other apparent purpose [to the ad] beyond one to influence Congressman Carr's defeat." This is blatant nonsense, but it exposes the core of the DCCC's strategy. What the DCCC really means is that if any citizen anywhere dares to criticize the official actions of a Democratic Congressman then that citizen is trying to defeat the Congressman in an election. The DCCC, in its attempt to stifle public debate, apparently forgets that the citizens in this country have the right to comment on the official actions of their elected representatives. To assert (especially when the action complained

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of took place more than a year from any election, well before Carr announced his candidacy for reelection and before the Republicans even had a candidate) that criticism of Carr for wasting taxpayers money and abusing the frank is forbidden by the FECA and must be stopped by the FEC is outrageous.

CONCLUSION

The Citizens ad at issue addresses a matter of considerable public importance. The ad itself is nothing more than the protected commentary of citizens about the official actions of their elected representative to the United States Congress. It would be a sad state of affairs if the FEC decides, as the DCCC requests, that a Congressman can use the taxpayers' money to promote his and his political party's views but that citizens who want to comment on those views with their own money are subject to federal regulation amounting to government censorship. It would be a travesty for the FEC to spend its time and more of the taxpayers' money on this complaint which is obviously designed to stifle public criticism of elected public officials.

For the reasons set forth above, the FEC must find no reason to believe that Citizens violated the FECA.

Sincerely,

BOOTH, PATTERSON, LEE, KARLSTROM
& STECKLING

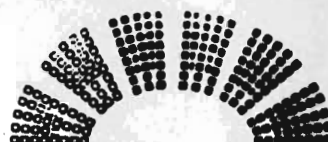


David J. Lee

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RICHARD A. GEPHARDT
CHAIRMAN

MARY ROSE OAKAR
SECRETARY



Democratic Caucus

U.S. HOUSE OF REPRESENTATIVES

718 ANNEX #1 HOUSE OFFICE BUILDING WASHINGTON, DC 20515 (202) 225-3210

FOR IMMEDIATE RELEASE: Wednesday, Oct. 9, 1985

CONTACT: Liz Buchanan (202) 225-5271

Don Foley (202) 225-2671

CAUCUS SPONSORS "FORUMS FOR THE FUTURE" TO TAKE DEMOCRATIC MESSAGE TO AMERICA'S COLLEGE CAMPUSES

WASHINGTON — Democrats in the U.S. House of Representatives will take their Party's message to America's college campuses this month in a series of "Forums for the Future" sponsored by student groups and the House Democratic Caucus.

In a program conceived by Rep. Dick Durbin (D-IL), more than 50 House Democrats will travel in groups of three to five to 16 college campuses across the country. The Democrats will speak on a variety of issues of concern to students, and then will open the programs to students' questions and comments.

Most campus events are scheduled for Monday, Oct. 21. The "Forum for the Future" kick-off will be at Georgetown University's Gaston Hall in Washington on Thursday, Oct. 17, at 7:30 p.m.

Other campus events are scheduled at Duquesne University (PA), Marshall University (W.VA), University of Miami (FL), Georgia State University in Atlanta, Case Western Reserve University (OH), Michigan State University, University of Indiana, University of Illinois, University of Wisconsin, Portland State University (OR), University of Nevada, Boston University, Boston College, Brandeis University, and Harvard University.

"We're hoping this October swing will be just the beginning," Durbin said at a press conference here. "We'd like to take the Democratic message to students in every part of our country, because we believe our party is most capable of leading our country in the future."

• • •

FOR IMMEDIATE RELEASE
Wednesday, Oct. 9, 1985

CONTACT: Liz Buchanan
(202) 225-5271

**STATEMENT OF REP. DICK DEBILIS (D-IL)
ON DEMOCRATIC "FORUMS FOR THE FUTURE"**

I'm pleased to announce today that during the month of October, more than 50 members of the House Democratic Caucus will travel across our nation to bring our Party's message to America's college students. We will hold "Forums for the Future" on 16 campuses from Florida to Oregon, from Massachusetts to California.

We are reaching out to let America's students know that our party embodies the spirit of America's future: the spirit of opportunity and freedom, of economic advancement and individual achievement. And we are reaching out to listen to the message America's students have for us: their hopes, their ideas and their concerns for the future.

We have been told that the groundswell of support for Ronald Reagan on America's campuses in 1984 was the harbinger of major political realignment in our country. We've been told that just as campus activism once made a generation of young Americans safely Democratic, that the President's popularity on campus is turning students safely Republican.

As Democrats, we refuse to concede young voters to the Republican Party. The polls continue to show that while a majority of students supported the President, they also have lingering doubts about their economic future, and their ability to achieve the same standard of living as the generation before them.

We also continue to hear that students remain concerned about the fundamental issues that have guided the Democratic Party: an end to the nuclear arms race, a sensible U.S. foreign policy, protection of our environment, and the assurance that all Americans have equal and fair opportunities in education, employment, and in all walks of life.

The Democrats want to talk to students about these issues, hear their ideas, and let them know some of the solutions we're exploring. Our "Forums for the Future" on college campuses will involve brief presentations by a panel of Members on various issues: education, trade, jobs, the economy, foreign affairs, arms control. But most of the program will be left up to the students, to ask questions and give us their comments.

We're pleased by the extent of student support we've already received for the "Forum for the Future" program. Every one of our campus events is sponsored by a student group, and already, we've heard from students at other colleges who want Democrats to come speak on their campuses, too. We're hoping our October events will be only the first of many campus "Forums for the Future" sponsored by the Democrats throughout the year.

87040535280

DEMOCRATIC CAMPSUS OUTREACH
Campuses and Press Contacts

All events are Monday, Oct. 21, unless otherwise indicated.

Georgetown University Kick-off
Gaston Hall
Thursday, Oct. 17, 7:30 p.m.

Contact: Liz Buchanan
225-5271

Tony Coelho
Dick Gephardt
Dick Durbin
Marcy Kaptur
Mal Levine
Mary Rose O'Connor
Kickey Land

Anne Klass
(Georgetown, D.C.)
625-3708

Boston Campuses
Rep. Chester Atkins, host

Rick Cavanaugh
(225-3411)

Don Edwards
Ed Markey
Peter Visclosky
Barbara Kennelly
Marcy Kaptur

Pam Hughes
Mass. Democratic
State Committee
(617) 367-4760

Duquesne University (Pittsburgh)
Rep. Doug Walgren, host

Jon Delano
225-2135

Stan Lundine
Peter Kosunover

Maureen McFalls
(412) 391-4016

Marshall University (West Virginia)
Rep. Nick Rahall, host

Jerry Burkot
225-3452

Bill Alexander
Barley Staggars
Jim Oberstar
Tom Carper

Kent Keyser
(304) 522-6425

University of Miami (Florida)
Rep. Larry Smith, host

Lisa Behrer
225-7931

Buddy MacKay
Solomon Ortiz
Lart Gordon
Ron Coleman

Luis Font
(305) 987-6484

Georgia State University, Atlanta
Rep. Wyche Fowler, host

Elizabeth Vogt
Chris Riggall
(404) 688-8207

Alan Wheat
Mike Synar
Bill Richardson

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Case Western Reserve University (Ohio)
Rep. Mary Rose Oakes, host

Matt McHugh
Richard Stallings
Albert Bustamante
Sandy Lewis

Joe Griner
225-5871

Jim Leonard
(216) 522-4927

Michigan State University
Rep. Bob Carr, host

Stacy Boyer
Martin Sabo
Tim Perry

Diane Blagmar
225-4571

Dave Contarino
(313) 332-2510

University of Indiana
Rep. Frank McCloskey, host

Pat Williams
Bruce Morrison
Lane Evans

Ron Critchlow
225-4636

University of Illinois, Champaign-Urbana
Rep. Terry Bruce, host

Norm Mineta
Dave Bonior
Wes Watkins

Larry Clinton
225-5001

Ginny Graybill
217-398-0020

University of Wisconsin
Rep. Jim Moody, host

Dick Durbin
Jim Slattery

Brian Dettner
225-3571

Mark Goff
414-291-1331

University of Nevada (Las Vegas) (Oct. 28)
Rep. Harry Reid, host

Alan Wheat
Barbara Boxer
Byron Dorgan
Jim Scheuer

Valerie Wiener
702-388-6545

87040635282



Congressman BOB CARR

**Invites you to attend . . .
A FORUM FOR THE FUTURE**

I'm proud to be your U.S. Congressman, representing the Michigan State University community in Washington, D.C. To help me promote Michigan State, its students and faculty, I have arranged for three of my colleagues to come to M.S.U. to learn more about our fine institution. During that visit, you will have an opportunity to tell them the concerns you may have for your future and for America's future.

You are invited to join me and Congressmen Steny Hoyer, Tim Penny, and Martin Sabo for a Forum For the Future . . .

PLACE: Michigan State University Campus
Student Union — Parlors A & B

DATE: Monday, October 21, 1986

TIME: 12:30 p.m. - 2:00 p.m.

The Forum will be a Question and Answer format following short introductory statements by the Members of Congress. You will have the opportunity to ask any and all questions that time allows.

Please make the time to come and join us. This is your chance to make your views on the future of our nation known.

Sincerely,

BOB CARR
Member of Congress

FORUM FOR THE FUTURE Panel Members



STENY H. HOYER (Congressman, 5th CD Maryland). Representative Hoyer was elected to Congress in a special election on May 19, 1981. Rep. Hoyer is a member of the House Appropriations Committee; Co-Chair of the Commission on Security and Cooperation in Europe (Helsinki Commission); Democratic Steering & Policy Committee; Caucus Committee on Party Effectiveness; Vice-Chair of the Federal Government Service Task Force; Caucus for Women's Issues; Northeast-Midwest Coalition; Energy & Environmental Study Conference; Caucus on Arts & Humanities; and the Congressional Space Caucus.



TIMOTHY J. PENNY (Congressman, 1st CD Minnesota). Representative Penny was elected to Congress in 1982. Rep. Penny is a member of the House Agriculture Committee; Committee on Education & Labor; Committee on Veterans Affairs; Chairman of the Freshman Budget Task Force; Rules Committee Task Force on the Budget Process.



MARTIN O. SABO (Congressman, 5th CD Minnesota). Representative Sabo was elected to Congress in 1978. Rep. Sabo is a member of the House Appropriations Committee; Democratic Steering & Policy Committee; Caucus Committee on Party Effectiveness; Executive Board of the Democratic Study Group.

Please bring this Questionnaire with you to the Forum, or mail to:

To mail, simply fold this side out.

Name _____
Address _____
City/Town _____

Place
Stamp
Here

Congressman Bob Carr
House of Representatives
U.S. Congress
Washington, D.C. 20515

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

F. B. Carr
M.C.
Both Photo
Car No. - Present

POSTAL PATRON — LOCAL
6th Congressional District
Michigan

AN INVITATION TO ATTEND

1. As your Congressional Representative, I'd like your advice on issues. Issues that I should be spending my time studying include (please rank in order of importance to you):

- | | |
|--|--|
| ☐ National Defense | ☐ Trade policy |
| ☐ Agricultural policy | ☐ Foreign affairs |
| ☐ Student aid | ☐ Environment |
| ☐ Jobs | ☐ Civil Rights |
| ☐ Nuclear weapons control | ☐ Tax Reform |
| ☐ Other _____ | |

2. Do you think defense spending should be:

- ☐ Increased ☐ Maintained at present levels ☐ Cut

3. Do you think that the federal government should:

- ☐ Continue to support the family farmer with programs such as crop price supports, and low-interest loans, or
☐ Reduce the role of the federal government in agriculture by letting market forces govern farm ownership and food production.

4. Do you think the amount of money available for federally guaranteed student loans should be:

- ☐ Increased ☐ Maintained at present levels ☐ Cut

5. Do you think that the minimum wage should be reduced for workers under 18 years old?

- ☐ Yes ☐ No

6. Do you support the concept of "comparable worth?"

- ☐ Yes ☐ No

7. Do you feel that our record trade deficit is caused by:

- ☐ Problems of our own making, such as high wages, and inefficient management and labor practices, or
☐ Actions of other countries, including lower wages, artificial barriers, and other unfair trading policies, or
☐ By the unusually high value of our dollar.
☐ Other _____

8. Should the U.S. place trade restrictions on goods from countries that unfairly discriminate against American products in their markets?

- ☐ Yes ☐ No

9. How should the U.S. deal with South Africa and their policy of Apartheid?

- ☐ Impose stiff economic and political sanctions on the South African government, or
☐ Continue the President's modified policy of "constructive engagement"

10. Do you think that Congress should pass a "Flat Rate" type income tax?

- ☐ Yes ☐ No

11. Should Congress continue to fund the Environmental Protection Agency's toxic waste clean-up budget?

- ☐ Yes ☐ No

12. Do you think there is still a need for Affirmative Action education and employment programs for minorities and women?

- ☐ Yes ☐ No

13. What do you feel is the single greatest concern that you have about your future?

- ☐ Quality education
☐ Finding a good job after graduation
☐ Nuclear war
☐ Steady decline in living standards
☐ Federal budget deficit
☐ Other _____

NAME: _____

ADDRESS: _____

UNDERGRADUATE (YEAR): _____ GRADUATE: _____ FACULTY (DEPT.): _____

8 7 0 4 0 5 3 5 2 8 5

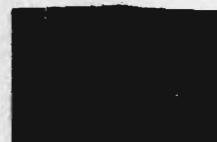


Congress of the United State
House of Representatives
Washington, D.C. 20515

OFFICIAL BUSINESS

Address Correction Requested


J. Edgar Hoover
M.C.



BOB CARR
6TH DISTRICT, MICHIGAN

COMMITTEE ON
APPROPRIATIONS
SUBCOMMITTEES:
COMMERCE, JUSTICE, STATE,
AND THE JUDICIARY
TRANSPORTATION

EXHIBIT 4
Page 2 of 2

WASHINGTON OFFICE
2410 RAYBURN BUILDING
WASHINGTON, D.C. 20515
(202) 225-4872

DISTRICT OFFICE:
116 BAILEY STREET
EAST LANSING, MICHIGAN 48823
(313) 337-8714

51 NORTH SAGINAW
PORTAGE, MICHIGAN 49883
(313) 332-2910

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

October 15, 1985

East Lansing, MI 48823

Dear

I would like to invite you, as a active member of the student community, to take part in a special event. On Monday, October 21 I will be hosting three U.S. Congressmen at a forum with MSU students and faculty in parlors A and B of the Student Union.

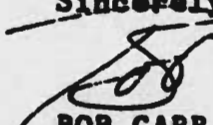
"Forum on the Future" will begin at 12:30 pm and last until 2:00 pm. Higher Education, jobs, international trade and foreign affairs are likely topics of discussion, but the floor will be open for questions on all issues. Joining me will be Rep. Steny Hoyer of Maryland and Reps. Marty Sabo and Tim Penny of Minnesota.

Both Reps. Hoyer and Sabo serve with me on the House Appropriations Committee, which is charged with the allocation of all federal funds. Rep. Penny sits on the House Committees on Agriculture and Education and Labor (subcommittees include post-secondary education and agricultural research). Their impressions of MSU and its role in higher education could have significant impact on future government funding and education issues.

Immediately prior to the event at 12:00, there will be a press conference held to discuss the forum. I would like to extend a special invitation to you to attend this press conference as a student representative of MSU.

Your participation in this forum will help send the MSU message to Washington. Concerned students at this forum will be one indication of MSU's role in higher education. It is important that policymakers in Washington realize how important this university is.

Sincerely,


BOB CARR
Member of Congress

78

87040535286

SCHEDULE B

ITEMIZED DISBURSEMENTS

Page 1 of 6
 LINE NUMBER 17
 (Use separate schedules for each category of the Detailed Summary Page)

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such contributors.

Name of Committee (in Full)

Tia Perry for Congress

A. Full Name, Mailing Address and ZIP Code

Tia Perry
 RR 2 Box 1P
 New Richland, MN 56072

Purpose of Disbursement

Air Fare to Mich. State U

Date (month,
 day, year)

11-11-85

Amount of Each

Disbursement This Period

288.00

Disbursement for: ☒ Primary ☐ General
☐ Other (specify):

B. Full Name, Mailing Address and ZIP Code

Postmaster - Owatonna
 Owatonna, MN 55060

Purpose of Disbursement

Postage

Date (month,
 day, year)

7-08-85

Amount of Each

Disbursement This Period

88.00

Disbursement for: ☒ Primary ☐ General
☐ Other (specify):

8-15-85

44.00

8-30-85

220.00

C. Full Name, Mailing Address and ZIP Code

" " " " "

Purpose of Disbursement

Date (month,
 day, year)

9-16-85

Amount of Each

Disbursement This Period

220.00

Disbursement for: ☒ Primary ☐ General
☐ Other (specify):

10-02-85

889.00

11-25-85

1703.00

D. Full Name, Mailing Address and ZIP Code

" " " " "

Purpose of Disbursement

Date (month,
 day, year)

12-06-85

Amount of Each

Disbursement This Period

220.00

Disbursement for: ☒ Primary ☐ General
☐ Other (specify):

12-09-85

44.00

E. Full Name, Mailing Address and ZIP Code

Northwestern Bell
 200 S 5th St.
 Minneapolis, MN 55402

Purpose of Disbursement

Telephone Expense

Date (month,
 day, year)

7-08-85

Amount of Each

Disbursement This Period

253.81

Disbursement for: ☒ Primary ☐ General
☐ Other (specify):

8-01-85

237.64

8-30-85

120.00

F. Full Name, Mailing Address and ZIP Code

" " " " "

Purpose of Disbursement

Date (month,
 day, year)

9-10-85

Amount of Each

Disbursement This Period

362.84

Disbursement for: ☒ Primary ☐ General
☐ Other (specify):

10-03-85

552.90

11-08-85

158.12

G. Full Name, Mailing Address and ZIP Code

" " " " "

Purpose of Disbursement

Date (month,
 day, year)

12-06-85

Amount of Each

Disbursement This Period

216.30

Disbursement for: ☒ Primary ☐ General
☐ Other (specify):

H. Full Name, Mailing Address and ZIP Code

Postmaster - Rochester
 Rochester, MN 55904

Purpose of Disbursement

Postage

Date (month,
 day, year)

7-30-85

Amount of Each

Disbursement This Period

110.00

Disbursement for: ☒ Primary ☐ General
☐ Other (specify):

I. Full Name, Mailing Address and ZIP Code

3-M
 PO Box 33844
 St. Paul, MN 55133

Purpose of Disbursement

Telex Lease

Date (month,
 day, year)

9-20-85

Amount of Each

Disbursement This Period

182.02

Disbursement for: ☒ Primary ☐ General
☐ Other (specify):

SUBTOTAL of Disbursements This Page (optional)

TOTAL This Period (on page this line number only)

DENFIELD, TIMMER & TAYLOR

LAWYERS

824 BEYHOUR AVE.

LANSING, MICHIGAN 48206

TEL. 371-3500

AREA CODE 817

GEORGE H. DENFIELD
JAMES A. TIMMER
CLIFFORD W. TAYLOR
JOHN W. COTNER
JAMES S. JAMO

DAVID M. SEELYE
(1930-1972)

June 6, 1986

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20004

Dear Mr. Steele:

RE: MUR 2166

We have been retained by Marketing Resource Group, Inc. ("MRG") and asked to reply to your letter dated April 18, 1986 in connection with a complaint filed against MRG at the Federal Election Commission by the Democratic Congressional Campaign Committee ("DCCC"). MRG is incorporated in the State of Michigan. It is a public relations and consulting firm with clients throughout the United States. Among its clients are political campaigns and political committees.

As we read the complaint, apparently MRG stands accused by the DCCC as being part of some sinister plot to evade the Federal Election Campaign Act. Although MRG's involvement in this "plot" sounds exciting in the Complaint, we are confident that you will conclude that MRG has violated no law when you review the uncontroverted facts.

In October 1985, MRG was contacted by a group named Citizens Against Government Waste ("Citizens") to produce and buy time for a radio spot. MRG was instructed by Citizens that the spot could not advocate the election or defeat of Congressman Bob Carr since Citizens did not want to be a political committee or make an expenditure in connection with a federal election. MRG wrote, produced and placed such a spot, a copy of which is attached as Exhibit 1. The Complaint by the DCCC implies that MRG's role was somehow clandestine or secret. A call to any of the radio stations who ran the ad (all of whom were known to Mr. Carr, as a

36 JUN 9 AM: 20

MEMBER OF THE
GENERAL COUNCIL

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Charles N. Steele, Esquire
Page Two
June 6, 1986

letter was delivered to each station by Mr. Carr's attorney within one day after the ad started to run demanding equal time) would have confirmed that MRG provided the time-buying for the ad.

MRG submitted an invoice to Citizens in the amount of \$2,141.29 on December 10, 1985, a copy of which is attached as Exhibit 2, following receipt of all final adjustments from the radio stations that ran the ad. This statement was rendered in accordance with the same credit standards used by MRG for all its clients. This account was then rebilled as of December 31, 1985 and January 31, 1986 and MRG received payment from Citizens on February 7, 1986. The payment was made to MRG in a customary manner for commercial accounts.

The Complaint's statement that MRG "extended financial support and credit" to the Michigan Republican State Committee and the Sixth Congressional District Republican Committee in conjunction with the Citizens spot is wrong,¹ as is shown by the Affidavit attached as Exhibit 3. MRG was never retained in any way, shape, manner or form by either the Michigan Republican State Committee or the Sixth Congressional District Republican Committee in conjunction with this spot or with writing any letters to newspapers.

¹ Many other factual statements in the Complaint are wrong. The DCCC's Complaint, on page 7, says that "Dennis P. Ruch" and "Bob Reid" were employees of MRG and wrote letters to newspapers attacking Carr. This is false. Bob Reid has never been employed by MRG. No Dennis P. Ruch has ever been employed by MRG. A Daniel P. Ruch worked at MRG for four months during 1984, but was not employed by MRG at all in 1985.

The Complaint, on page 7, also states that "one of MRG's key officers, Mr. Gary Naeyaert, was present at the student meetings which gave rise" to the Complaint against Carr. Gary Naeyaert is an assistant media director at MRG. He is not an officer of MRG.

DENFIELD, TIMMER & TAYLOR

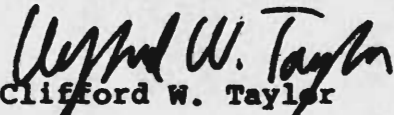
Charles N. Steele, Esquire
Page Three
June 6, 1986

MRG never asked for or received any payment from the Michigan Republican State Committee or the Sixth Congressional District Republican Committee, directly or indirectly, in connection with the Citizens ad. MRG never extended credit to Citizens on other than a commercially reasonable basis, which credit was repaid in full, and MRG is not a "political committee" which would subject it to registration and reporting requirements.

For these reasons, the request for an investigation into the role of MRG should be dismissed.

Very truly yours,

DENFIELD, TIMMER & TAYLOR


Clifford W. Taylor

/ks

cc: Mr. Thomas Shields

87040635290

CITIZENS AGAINST GOV'T WASTE :30 RADIO SCRIPT

YOUR CONGRESSMAN BOB CARR WAS AT M.S.U. LAST WEEK LEADING A RALLY SPONSORED BY THE DEMOCRATIC PARTY. THANKS TO BOB CARR, WE TAXPAYERS HELPED PAY FOR THIS POLITICAL RALLY. BOB CARR ABUSED HIS CONGRESSIONAL MAILING PRIVILEGES TO PROMOTE THIS EVENT AND USED OUR MONEY FOR A DEMOCRATIC SALES PITCH. IS THIS THE WAY TO BALANCE THE BUDGET? BOB CARR HANDLES OUR TAXPAYER'S MONEY THE OLD FASHION WAY - HE SPENDS IT! WE SAY PAY THE MONEY BACK BOB.

PAID FOR BY CITIZENS AGAINST GOVERNMENT WASTE.

8704035291



Marketing Resource Group, Inc.

P.O. BOX 20064 ■ LANSING, MICHIGAN 48901 ■ (313) 373-4400

Date December 10, 1985

Invoice No. #85-334

To: Citizens Against Gov't Waste
1090 W. Huron
Pontiac, MI 48053

Terms

ATTN: Dan Bernard

Date	Description	Debit	Credit	Balance
	<u>PLACEMENT</u>			
	WILS	\$ 150.59		
	WVIC	360.00		
	WITL	624.02		
	WIBM	78.00		
	WJIM	159.00		
	WFMK	520.01		
	Subtotal Placement			\$ 1,891.62
	<u>PRODUCTION</u>			
	Talent	\$ 176.48		
	Studio Engineer	68.24		
	Subtotal Production			\$ 244.72
	<u>EXPENSES</u>			
	Freight (Greyhound)	\$ 4.95		
	Subtotal Expenses			\$ 4.95
	TOTAL INVOICE			\$ 2,141.29

Make Checks Payable To:
Marketing Resource Group, Inc.

ACCOUNTS OVERDUE 30 DAYS
WILL BE CHARGED 1½ % ON BALANCE.

AFFIDAVIT OF
Thomas H. Shields

STATE OF MICHIGAN)
) SS.
COUNTY OF INGHAM)

NOW COMES THOMAS H. SHIELDS, and after having been duly sworn, deposes and states as follows:

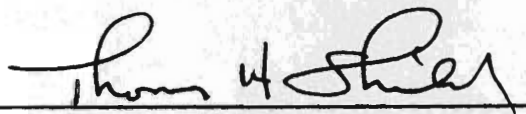
1. He is the President of Marketing Resource Group, Inc. ("MRG").
2. MRG was incorporated as a Michigan corporation in 1980.
3. In October 1985, MRG was contacted on behalf of Citizens Against Government Waste ("Citizens") and asked to produce radio spots which were critical of Mr. Bob Carr's use of the franking privilege available to members of the House of Representatives in connection with an event sponsored at Michigan State University by the Democratic Caucus of the House of Representatives.
4. MRG produced a radio spot as requested and purchased time on six Lansing area radio stations. The ad correctly identified the sponsor as "Citizens Against Government Waste."

5. MRG submitted an invoice dated December 10, 1985 to Citizens for its services in producing this ad and purchasing media time. This account was then rebilled on December 31, 1985 and January 31, 1986, and was paid in full by Citizens on February 13, 1986. Both the billing of this account and the payment by Citizens were consistent with customary billing practices of MRG for commercial accounts.

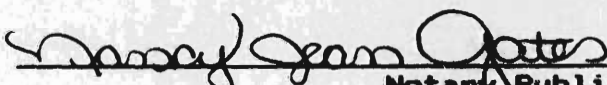
6. MRG received no direct or indirect payment for its services on behalf of Citizens from either the Michigan Republican State Committee or the Sixth Congressional District Republican Committee.

7. MRG made no in-kind contribution of its services to the Michigan Republican State Committee, the Sixth District Republican Committee, or to Citizens Against Government Waste.

8. MRG has not engaged in any activity, to the best of my knowledge as President, which would result in MRG being a "political committee" as defined by the Federal Election Campaign Act of 1971, or which would require MRG to file reports with the Federal Election Commission.


Thomas H. Shields

Subscribed and sworn to before me this 3rd day of June, 1986.


Notary Public

Ingham County, Michigan
My commission expires 11-20-89

NANCY JEAN GATES
Notary Public, Ingham County, MI
My Commission Expires Nov. 20, 1989

RECEIVED AT THE FEC
66 MAY 29 4:01
660#598

LAW OFFICES
BOOTH, PATTERSON, LEE, KARLSTROM & STECKLING
1090 WEST HURON STREET
PONTIAC, MICHIGAN 48053
(313) 681-1200

CARL-GUNNAR KARLSTROM
PARVIN LEE, JR.
J. TIMOTHY PATTERSON
JOHN W. STECKLING
DAVID J. LEE
THOMAS L. GRUICH
GREGORY K. NEED
DANIEL J. BERNARD
ALLAN T. MOTZNY

OF COUNSEL
DOUGLAS W. BOOTH
CALVIN E. PATTERSON

May 28, 1986

Charles N. Steele, Esq.
General Counsel
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

Dear Mr. Steele:

I represent Citizens Against Government Waste ("Citizens") and am responding on their behalf to Matter Under Review 2166 filed by the Democratic Congressional Campaign Committee ("DCCC"). For the reasons stated herein, the Federal Election Commission ("FEC") should find no reason to believe that Citizens has violated the Federal Election Campaign Act ("FECA").

Citizens Against Government Waste is a group of Michigan residents headquartered in Pontiac with the common interest of exposing wasteful spending in local, state and national governments. Citizens attempts to monitor the actions of governments and the officials who run them. Registered under Michigan law with a Certificate of Persons Conducting Business Under Assumed Names, Citizens is dependent on voluntary donations from eight sources for its funding. Citizens is an independent group, and, despite the allegations of the DCCC Complaint at 14, is in no way "a creation of the Michigan Republican State Committee" and certainly was not

36 MAY 29 P 3:23

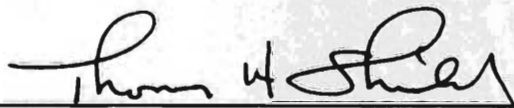
97040535294

5. MRB submitted an invoice dated December 10, 1985 to Citizens for its services in producing this ad and purchasing media time. This account was then rebilled on December 31, 1985 and January 31, 1986, and was paid in full by Citizens on February 13, 1986. Both the billing of this account and the payment by Citizens were consistent with customary billing practices of MRB for commercial accounts.

6. MRB received no direct or indirect payment for its services on behalf of Citizens from either the Michigan Republican State Committee or the Sixth Congressional District Republican Committee.

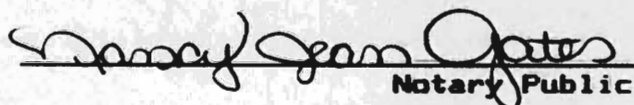
7. MRB made no in-kind contribution of its services to the Michigan Republican State Committee, the Sixth District Republican Committee, or to Citizens Against Government Waste.

8. MRB has not engaged in any activity, to the best of my knowledge as President, which would result in MRB being a "political committee" as defined by the Federal Election Campaign Act of 1971, or which would require MRB to file reports with the Federal Election Commission.



Thomas H. Shields

Subscribed and sworn to before me this 3rd day of June, 1986.


Notary Public

Ingham County, Michigan
My commission expires 11-20-89

NANCY JEAN GATES
Notary Public, Ingham County, MI
My Commission Expires Nov. 20, 1989

"designed to conceal the [state committee's] involvement in this campaign against the re-election of Congressman Carr." Both assertions are completely false and unfounded. Citizens has never received any funds from the Michigan Republican State Party (or the 6th Congressional District Republican Committee).^{1/}

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Citizens' interest in Bob Carr, the congressman from Michigan's Sixth Congressional District, stems from his use last October of the free congressional mailing privilege ("the frank") to advertise through a mass mailing a political rally sponsored by the Democratic Party. Citizens' acknowledges both that the frank exists to allow members of Congress to communicate with their constituents about official functions and that there is nothing wrong with a congressman holding a political rally on a college campus in his district. However, a Congressman may not use the frank to advertise a partisan political event.

The franking rules state that Members may not use the frank for any "mail matter which specifically solicits political support for the sender or any other person or any political party." 39 U.S.C. 3210 (a)(5)(C); see also, 39 U.S.C. 3210(a)(1), (2) [emphasis added].

^{1/} It is not clear what the DCCC Complaint at 7-8 is alleging about the article in the Fund for America's Future's newsletter. The article is inaccurate. Citizens categorically denies that it received any funds from the Michigan Republican State Party (or the 6th Congressional District Republican Committee) for its ad.

The Ethics Manual for Members and Employees of the U.S. House of Representatives states on page 32 that:

a Member is free to use his own judgment in designating a particular expenditure as political or official. However, ... once the Member makes his determination, he is bound by it. A single event cannot, for purposes of the House rules, be treated as both political and official.

In other words, once the frank is used to pay for a mass mailing announcing an event, it becomes official and cannot in any way become political. Id.

On October 2, 1985, the Democratic Caucus, which is composed of all Democratic members of the House of Representatives, sent a telling letter to all its members concerning "Democratic Caucus Campus Outreach Day." Attached as Exhibit 1. The letter states:

We're hopeful these October campus events will be just the beginning of an extended effort to spotlight the Democratic party for college students across America. Our goal is to reach both students and the national media, letting them know our Party has an exciting, dynamic message for young Americans, and we're spreading the word.

Carr's forum/rally at Michigan State University is among those listed on the letter. Id. As the wording of the letter makes clear, this forum/rally was sponsored by Democrats for the promotion of the Democratic Party. It was a political event and could not be construed as an "official" event under the Rules of the House of Representatives.

In addition, on October 9, 1985, Rep. Dick Durbin of Illinois, who coordinated the sixteen forums for the Congressmen, said in a

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press release that "more than 50" House Democrats "will travel across our nation to bring our Party's message to America's college students." Attached as Exhibit 2. The press release also reveals the reason for the forums: "As Democrats, we refuse to concede young voters to the Republican Party." Congressman Carr's Michigan State University forum/rally is among those listed by the press release. Id.

Between October 13, 1985 and October 20, 1985, Carr used his frank to mail the residents of the Sixth District a postal patron about the forum/rally. Attached as Exhibit 3. Carr's postal patron mailing advertises and promotes attendance at this political event, although the postal patron itself is careful to omit any mention of "Democrats." The postal patron also advertises the attendance of Representatives Steny Hoyer, Tim Penny and Martin Sabo. Id. All are Democrats.

In addition to the postal patron, Carr promoted the forum/rally by sending letters under the frank to individuals in the Sixth District. Attached as Exhibit 4. These letters also advertise the Democrats' forum/rally and urge attendance at it. Id.

Once the criticisms of Carr's actions began, he defended them by claiming that the forum/rally was not a political event. His defense was not credible at the time, but the year-end FEC reports available last February flatly contradict Carr's statements. The FEC reports show that Representative Tim Penny paid for his trip with campaign funds and not with official funds. Attached as

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Exhibit 5. Thus, Carr's assertion that the forum/rally was an "official" event is shown to be false by the FEC reports filed by his fellow attendees at the Michigan State forum/rally.

Carr also defended his actions by asserting that a Republican staff member of the House Committee on Mailing Standards approved Carr's postal patron before it was mailed. That is irrelevant. Members of the Mailing Standards staff approve only the appearance of mailings. They do not look beyond postal patrons to approve the underlying event, nor do they review an event's promotional materials. In other words, the approval upon which the DCCC complaint at 12 n.8 so heavily relies is meaningless. What is relevant is whether the underlying event is a political, and not an official, event. As the Democrats own materials confirm, Carr's forum/rally was a political event. Exhibits 1, 2.

After researching Carr's actions, Citizens concluded that Carr's abuse of the frank and misuse of the taxpayers' dollars violated both the franking regulations of the United States Congress and the Rules of the House of Representatives. Given the operative laws and facts of the situation, Citizens' leaders, Pontiac lawyer Daniel J. Bernard and East Lansing computer salesman Paxton Riddle,^{2/}

2/ The DCCC Complaint at 6 n.6 insinuates that there is something sinister in the fact that Paxton Riddle is a leader of Citizens because of his wife's activities. Even if the DCCC's insinuations were accurate, it's difficult to see their legal relevancy. But, to set the record straight, the DCCC is incorrect on all Sally Riddle's past associations. She worked briefly in early 1984 for Carr's opponent's campaign, but she never "served as the campaign manager...in the last 1984 general election" and was not a member of the 6th Congressional District Republican Committee during the 1984 election cycle.

concluded that the combination of Carr's advertising his campus forum/rally with the promotion of fifteen other "Forums for the Future" by the Democrats necessitated further public awareness and dialogue.

Accordingly, Citizens found this abuse of the frank by Carr, their elected Congressman, a willful misuse of public funds. Once Citizens reached this conclusion, it decided to make public what it found to be an abuse of public office by an elected public official. Citizens chose to make known its views by broadcasting a radio ad. The Citizens' ad, which aired more than one year before any congressional election and well before Carr even announced for re-election or the Republicans found a candidate, said in full:

Our Congressman Bob Carr was at MSU last week leading a rally sponsored by the Democratic Party. Thanks to Bob Carr we taxpayers helped pay for his political rally. Bob Carr abused his congressional mailing privileges to promote this event and used our money for a Democratic sales pitch. Is this the way to balance the budget? Bob Carr handles our taxpayers' money the old-fashioned way -- he spends it.

We say, give the money back, Bob.

Paid for by Citizens Against Government Waste.

This ad does not advocate the election or defeat of any candidate and makes no reference to any election, either in the future or the past. The ad mentions "Democratic Party" only because that is how the promotional material from the sponsoring organization identified the event. See Exhibits 1, 2. The ad does nothing more than attempt to begin a public dialogue over the official actions of an elected representative.

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The DCCC Complaint charges that Citizens' airing of the ad criticizing the official actions of Congressman Bob Carr, the elected United States Representative from Michigan's Sixth Congressional District, somehow violates the FECA. The DCCC creatively suggests Citizens violated the FECA by failing to report alleged expenditures made in connection with a federal election and by failing to register as a political committee with the FEC.

This Complaint must be rejected on two grounds: (1) nothing in the Citizens ad advocates the election or defeat of a political candidate so no "contribution" or "expenditure" was made, and (2) Citizens is not a "political committee" as defined in the FECA, and, therefore, is not required to file reports with the FEC.

The bottom line of the DCCC Complaint is this -- a Congressman used the taxpayers' money to promote the views of his political party. He got caught. Now the DCCC wants the FEC to purify the Congressman's actions. The DCCC urges that the FEC do this by using yet more federal dollars to stifle the views of private citizens who want to comment on their Congressman's official actions using their money. This complaint must be rejected by the FEC.

The FEC has addressed the very issue raised by the DCCC complaint in Advisory Opinion 1985-14. In that ruling, the FEC held that an expenditure for a communication would count as influencing a federal election only when "the communication both (1) depicted a clearly identified candidate and (2) conveyed an electioneering

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message." Fed. Election Camp. Fin. Guide (CCH) ¶ 5819 at 11,185 (May 30, 1985). The FEC also defined "electioneering message" as "statements 'designed to urge the public to elect a certain candidate or party.'" Id. (citing United States v. United Auto Workers, 352 U.S. 567, 587 (1957)).

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There is nothing in Citizens' ad that is an "electioneering message," as defined by the FEC. See p. 6, supra. The ad does identify an elected public representative and does discuss his use of the taxpayers' money as a member of the House of Representatives. But that is permitted under the FECA, despite the DCCC's protestations. The ad mentions that Carr used taxpayers' money to promote a rally sponsored by the Democratic Party, but that is nothing more than an accurate quotation of the Democrats' own advertisement for the event. See p. 3-5, supra, and Exhibits 1, 2 and 5. The Citizens ad makes no mention of any election, either in the future or the past. There is no mention of the election or defeat of any candidate. There is no solicitation for any money. And there is no mention of any candidate, since no candidate even announced until six months latter.

Under Advisory Opinion 1985-14, the Citizens ad cannot trigger the FECA. There is no electioneering message. It does not advocate election or defeat. Accordingly, its radio broadcast cannot be a contribution or an expenditure requiring reporting under the FECA.

Secondly, the FECA defines a political committee as "any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a

calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." 2 U.S.C. 431(4).

A contribution includes "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. 431(8)(A)(i)[emphasis added].

An expenditure includes "any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. 431(9)(A)(i)[emphasis added].

Since Citizens has never spent any money for the "purpose of influencing any election for Federal office" it has never received "contributions" or made "expenditures" requiring it to register as a political committee under 2 U.S.C. 433.

The DCCC Complaint at 10 tries to get around this legal requirement by the blanket statement that "there is no other apparent purpose [to the ad] beyond one to influence Congressman Carr's defeat." This is blatant nonsense, but it exposes the core of the DCCC's strategy. What the DCCC really means is that if any citizen anywhere dares to criticize the official actions of a Democratic Congressman then that citizen is trying to defeat the Congressman in an election. The DCCC, in its attempt to stifle public debate, apparently forgets that the citizens in this country have the right to comment on the official actions of their elected representatives. To assert (especially when the action complained

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of took place more than a year from any election, well before Carr announced his candidacy for reelection and before the Republicans even had a candidate) that criticism of Carr for wasting taxpayers money and abusing the frank is forbidden by the FECA and must be stopped by the FEC is outrageous.

CONCLUSION

87040635304
The Citizens ad at issue addresses a matter of considerable public importance. The ad itself is nothing more than the protected commentary of citizens about the official actions of their elected representative to the United States Congress. It would be a sad state of affairs if the FEC decides, as the DCCC requests, that a Congressman can use the taxpayers' money to promote his and his political party's views but that citizens who want to comment on those views with their own money are subject to federal regulation amounting to government censorship. It would be a travesty for the FEC to spend its time and more of the taxpayers' money on this complaint which is obviously designed to stifle public criticism of elected public officials.

For the reasons set forth above, the FEC must find no reason to believe that Citizens violated the FECA.

Sincerely,

BOOTH, PATTERSON, LEE, KARLSTROM
& STECKLING

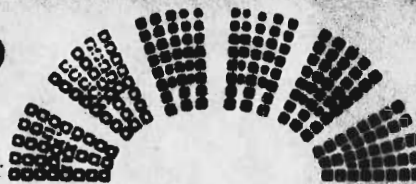


David J. Lee

RICHARD A. GEPHARDT
CHAIRMAN

MARY ROSE OAKAR
SECRETARY

Exhibit 1



Democratic Caucus

U.S. HOUSE OF REPRESENTATIVES

718 ANNEX #1 HOUSE OFFICE BUILDING

WASHINGTON, DC 20515

(202) 225-3210

FOR IMMEDIATE RELEASE: Wednesday, Oct. 9, 1985

CONTACT: Liz Buchanan (202) 225-5271

Don Foley (202) 225-2671

CAUCUS SPONSORS "FORUMS FOR THE FUTURE" TO TAKE DEMOCRATIC MESSAGE TO AMERICA'S COLLEGE CAMPUSES

WASHINGTON — Democrats in the U.S. House of Representatives will take their Party's message to America's college campuses this month in a series of "Forums for the Future" sponsored by student groups and the House Democratic Caucus.

In a program conceived by Rep. Dick Durbin (D-IL), more than 50 House Democrats will travel in groups of three to five to 16 college campuses across the country. The Democrats will speak on a variety of issues of concern to students, and then will open the programs to students' questions and comments.

Most campus events are scheduled for Monday, Oct. 21. The "Forum for the Future" kick-off will be at Georgetown University's Gaston Hall in Washington on Thursday, Oct. 17, at 7:30 p.m.

Other campus events are scheduled at Duquesne University (PA), Marshall University (W.VA), University of Miami (FL), Georgia State University in Atlanta, Case Western Reserve University (OH), Michigan State University, University of Indiana, University of Illinois, University of Wisconsin, Portland State University (OR), University of Nevada, Boston University, Boston College, Brandeis University, and Harvard University.

"We're hoping this October swing will be just the beginning," Durbin said at a press conference here. "We'd like to take the Democratic message to students in every part of our country, because we believe our party is most capable of leading our country in the future."

† † †

FOR IMMEDIATE RELEASE
Wednesday, Oct. 9, 1985

CONTACT: Liz Buchanan
(202) 225-5271

STATEMENT OF REP. DICE DURBIN (D-IL)
ON DEMOCRATIC "FORUMS FOR THE FUTURE"

I'm pleased to announce today that during the month of October, more than 50 members of the House Democratic Caucus will travel across our nation to bring our Party's message to America's college students. We will hold "Forums for the Future" on 16 campuses from Florida to Oregon, from Massachusetts to California.

We are reaching out to let America's students know that our party embodies the spirit of America's future: the spirit of opportunity and freedom, of economic advancement and individual achievement. And we are reaching out to listen to the message America's students have for us: their hopes, their ideas and their concerns for the future.

We have been told that the groundswell of support for Ronald Reagan on America's campuses in 1984 was the harbinger of major political realignment in our country. We've been told that just as campus activism once made a generation of young Americans safely Democratic, that the President's popularity on campus is turning students safely Republican.

As Democrats, we refuse to concede young voters to the Republican Party. The polls continue to show that while a majority of students supported the President, they also have lingering doubts about their economic future, and their ability to achieve the same standard of living as the generation before them.

We also continue to hear that students remain concerned about the fundamental issues that have guided the Democratic Party: an end to the nuclear arms race, a sensible U.S. foreign policy, protection of our environment, and the assurance that all Americans have equal and fair opportunities in education, employment, and in all walks of life.

The Democrats want to talk to students about these issues, hear their ideas, and let them know some of the solutions we're exploring. Our "Forums for the Future" on college campuses will involve brief presentations by a panel of Members on various issues: education, trade, jobs, the economy, foreign affairs, arms control. But most of the program will be left up to the students, to ask questions and give us their comments.

We're pleased by the extent of student support we've already received for the "Forum for the Future" program. Every one of our campus events is sponsored by a student group, and already, we've heard from students at other colleges who want Democrats to come speak on their campuses, too. We're hoping our October events will be only the first of many campus "Forums for the Future" sponsored by the Democrats throughout the year.

#

DEMOCRATIC CAMPAIGN CAMPUS OUTREACH
Campuses and Press Contacts

Exhibit 2
Page 2 of 3

All events are Monday, Oct. 21, unless otherwise indicated.

Georgetown University Kick-off:
Gaston Hall
Thursday, Oct. 17, 7:30 p.m.

Contact: Liz Buchanan
225-5271

Tony Coelho
Dick Gephardt
Dick Durbin
Marcy Kaptur
Mel Levine
Mary Rose O'Connor
Mickey Leland

Anne Klass
(Georgetown, D.C.)
625-3706

Boston Campuses
Rep. Chester Atkins, host

Rick Cavanaugh
(225-3411)

Don Edwards
Ed Markey
Peter Visclosky
Barbara Kennelly
Marcy Kaptur

Pam Hughes
Mass. Democratic
State Committee
(617) 367-4760

Duquesne University (Pittsburgh)
Rep. Doug Walgren, host

Jon Deiano
225-2135

Stan Lundine
Peter Kostmayer

Maureen McFalls
(412) 391-4016

Marshall University (West Virginia)
Rep. Nick Rahall, host

Jerry Burkot
225-3452

Bill Alexander
Harley Staggers
Jim Oberstar
Tom Carper

Kent Reuser
(304) 522-6425

University of Miami (Florida)
Rep. Larry Smith, host

Lisa Benrer
225-7931

Buddy MacKay
Solomon Ortiz
Lart Gordon
Ron Coleman

Luis Font
(305) 987-6484

Georgia State University, Atlanta
Rep. Wyche Fowler, host

Elizabeth Vogt
Chris Riggall
(404) 688-8207

Alan Wheat
Mike Synar
Bill Richardson

Case Western Reserve University (Ohio)
Rep. Mary Rose Oakar, host:

Matt McHugh
Richard Stallings
Albert Bustamante
Sandy Levir

Joe Gruner
225-5871

Jim Leonard
(216) 522-4927

Michigan State University
Rep. Bob Carr, host

Steny Hoyer
Martin Sabo
Tim Penny

Diane Blagman
225-4872

Dave Contarino
(313) 332-2510

University of Indiana
Rep. Frank McCloskey, host

Pat Williams
Bruce Morrison
Lane Evans

Ron Critchlow
225-4636

University of Illinois, Champaign-Urbana
Rep. Terry Bruce, host

Norm Mineta
Dave Bonior
Wes Watkins

Larry Clinton
225-5001

Ginny Graybill
217-398-0020

University of Wisconsin
Rep. Jim Moody, host

Dick Durbin
Jim Slattery

Brian Dettmer
225-3571

Mark Goff
414-291-1331

University of Nevada (Las Vegas) (Oct. 28)
Rep. Harry Reid, host:

Alan Wheat
Barbara Boxer
Byron Dorgan
Jim Scheuer

Valerie Wiener
702-388-6545

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Congressman BOB CARR

Invites you to attend . . .
A FORUM FOR THE FUTURE

I'm proud to be your U.S. Congressman, representing the Michigan State University community in Washington, D.C. To help me promote Michigan State, its students and faculty, I have arranged for three of my colleagues to come to M.S.U. to learn more about our fine institution. During that visit, you will have an opportunity to tell them the concerns you may have for your future and for America's future.

You are invited to join me and Congressmen Steny Hoyer, Tim Penny, and Martin Sabo for a Forum For the Future . . .

PLACE: Michigan State University Campus;
 Student Union — Parlors A & B

DATE: Monday, October 21, 1985

TIME: 12:30 p.m. - 2:00 p.m.

The Forum will be a Question and Answer format following short introductory statements by the Members of Congress. You will have the opportunity to ask any and all questions that time allows.

Please make the time to come and join us. This is your chance to make your views on the future of our nation known.

Sincerely,

BOB CARR
 Member of Congress

FORUM FOR THE FUTURE

Panel Members



STENY H. HOYER (Congressman, 5th CD Maryland). Representative Hoyer was elected to Congress in a special election on May 19, 1981. Rep. Hoyer is a member of the House Appropriations Committee; Co-Chair of the Commission on Security and Cooperation in Europe (Helsinki Commission); Democratic Steering & Policy Committee; Caucus Committee on Party Effectiveness; Vice-Chair of the Federal Government Service Task Force; Caucus for Women's Issues; Northeast-Midwest Coalition; Energy & Environmental Study Conference; Caucus on Arts & Humanities; and the Congressional Space Caucus.



TIMOTHY J. PENNY (Congressman, 1st CD Minnesota). Representative Penny was elected to Congress in 1982. Rep. Penny is a member of the House Agriculture Committee; Committee on Education & Labor; Committee on Veterans Affairs; Chairman of the Freshman Budget Task Force; Rules Committee Task Force on the Budget Process.



MARTIN O. SABO (Congressman, 5th CD Minnesota). Representative Sabo was elected to Congress in 1978. Rep. Sabo is a member of the House Appropriations Committee; Democratic Steering & Policy Committee; Caucus Committee on Party Effectiveness; Executive Board of the Democratic Study Group.

Please bring this Questionnaire with you to the Forum, or mail to:

To mail, simply fold this side out.

Name _____

Address _____

City/Town _____

Place
 Stamp
 Here

Congressman Bob Carr
House of Representatives
U.S. Congress
Washington, D.C. 20515

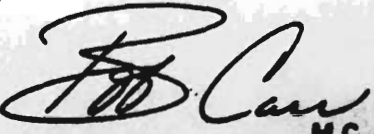
9 7 0 4 0 5 3 1 0

Congress of the United States

House of Representatives

Washington, D.C. 20515

Official Business


M.C.
Gull's Place
Car Rt. - Present

POSTAL PATRON — LOCAL
6th Congressional District
Michigan

AN INVITATION TO ATTEND

1. As your Congressional Representative, I'd like your advice on issues. Issues that I should be spending my time studying include (please rank in order of importance to you):

☐ National Defense	☐ Trade policy
☐ Agricultural policy	☐ Foreign affairs
☐ Student aid	☐ Environment
☐ Jobs	☐ Civil Rights
☐ Nuclear weapons control	☐ Tax Reform
☐ Other _____	
2. Do you think defense spending should be:
☐ Increased ☐ Maintained at present levels ☐ Cut
3. Do you think that the federal government should:
☐ Continue to support the family farmer with programs such as crop price supports, and low-interest loans, or
☐ Reduce the role of the federal government in agriculture by letting market forces govern farm ownership and food production.
4. Do you think the amount of money available for federally guaranteed student loans should be:
☐ Increased ☐ Maintained at present levels ☐ Cut
5. Do you think that the minimum wage should be reduced for workers under 18 years old?
☐ Yes ☐ No
6. Do you support the concept of "comparable worth?"
☐ Yes ☐ No
7. Do you feel that our record trade deficit is caused by:
☐ Problems of our own making, such as high wages, and inefficient management and labor practices, or
☐ Actions of other countries, including lower wages, artificial barriers, and other unfair trading policies, or
☐ By the unusually high value of our dollar.
☐ Other _____
8. Should the U.S. place trade restrictions on goods from countries that unfairly discriminate against American products in their markets?
☐ Yes ☐ No
9. How should the U.S. deal with South Africa and their policy of Apartheid?
☐ Impose stiff economic and political sanctions on the South African government, or
☐ Continue the President's modified policy of "constructive engagement"
10. Do you think that Congress should pass a "Flat Rate" type income tax?
☐ Yes ☐ No
11. Should Congress continue to fund the Environmental Protection Agency's toxic waste clean-up budget?
☐ Yes ☐ No
12. Do you think there is still a need for Affirmative Action education and employment programs for minorities and women?
☐ Yes ☐ No
13. What do you feel is the single greatest concern that you have about your future?

☐ Quality education
☐ Finding a good job after graduation
☐ Nuclear war
☐ Steady decline in living standards
☐ Federal budget deficit
☐ Other _____

NAME: _____

ADDRESS: _____

UNDERGRADUATE (YEAR): _____ GRADUATE: _____ FACULTY (DEPT.): _____

87040535311

Congress of the United State
House of Representatives
Washington, D.C. 20515

OFFICIAL BUSINESS

Address Correction Requested


M.C.

BOB CARR
8TH DISTRICT, MICHIGAN

COMMITTEE ON
APPROPRIATIONS
SUBCOMMITTEES:
COMMERCE, JUSTICE, STATE,
AND THE JUDICIARY
TRANSPORTATION

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

EXHIBIT 4
Page 2 of 2

WASHINGTON OFFICE:
2435 RAYBURN BUILDING
WASHINGTON, D.C. 20515
(202) 335-4872

DISTRICT OFFICE:
118 SAKLEY STREET
EAST LANSING, MICHIGAN 48823
(313) 337-6714

31 NORTH SAGINAW
PORTAGE, MICHIGAN 49688
(313) 332-2810

October 15, 1985

East Lansing, MI 48823

Dear

I would like to invite you, as a active member of the student community, to take part in a special event. On Monday, October 21 I will be hosting three U.S. Congressmen at a forum with MSU students and faculty in parlors A and B of the Student Union.

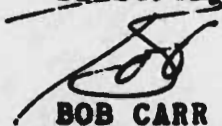
"Forum on the Future" will begin at 12:30 pm and last until 2:00 pm. Higher Education, jobs, international trade and foreign affairs are likely topics of discussion, but the floor will be open for questions on all issues. Joining me will be Rep. Steny Hoyer of Maryland and Reps. Marty Sabo and Tim Penny of Minnesota.

Both Reps. Hoyer and Sabo serve with me on the House Appropriations Committee, which is charged with the allocation of all federal funds. Rep. Penny sits on the House Committees on Agriculture and Education and Labor (subcommittees include post-secondary education and agricultural research). Their impressions of MSU and its role in higher education could have significant impact on future government funding and education issues.

Immediately prior to the event at 12:00, there will be a press conference held to discuss the forum. I would like to extend a special invitation to you to attend this press conference as a student representative of MSU.

Your participation in this forum will help send the MSU message to Washington. Concerned students at this forum will be one indication of MSU's role in higher education. It is important that policymakers in Washington realize how important this university is.

Sincerely,


BOB CARR
Member of Congress

87040535312

SCHEDULE B

ITEMIZED DISBURSEMENTS

Page 1 of 6 by
 LINE NUMBER 27
 (Use separate schedules for each
 category of the Disburse
 Summary Page)

Any information copied from such reports and statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such contributors.

Name of Committee (in Full)

Tim Parny for Congress

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Tim Parny RR 2 Box 1P New Richland, MN 56072	Air Fare to Mich. State U	11-11-85	288.00
	Disbursement for: ☒ Primary ☐ General ☐ Other (specify):		
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Postmaster - Oatonna Oatonna, MN 55060	Postage	7-08-85 8-15-85 8-30-85	88.00 44.00 220.00
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
11 11 11 11 11		9-16-85 10-02-85 11-25-85	220.00 889.00 1703.00
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
11 11 11 11 11		12-06-85 12-09-85	220.00 44.00
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Northwestern Bell 200 S 5th St. Minneapolis, MN 55402	Telephone Expense	7-08-85 8-01-85 8-30-85	253.81 237.64 120.00
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
11 11 11 11 11		9-10-85 10-03-85 11-08-85	362.84 552.90 158.12
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
11 11 11 11 11		12-06-85	216.30
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Postmaster - Rochester Rochester, MN 55904	Postage	7-30-85	110.00
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
3-M PO Box 33844 St. Paul, MN 55133	Telex Lease	9-20-85	182.02
	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
SUBTOTAL of Disbursements This Page (optional)			
TOTAL This Period (Sum page plus line number only)			

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May 28, 1986

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Charles N. Steele, Esquire
General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20004

Dear Mr. Steele:

RE: MUR 2166

We have been retained by the Sixth Congressional District Republican Committee (6th District Committee) to respond to your letter of April 18, 1986 concerning a complaint filed with the Federal Election Commission ("FEC") by the Democratic Congressional Campaign Committee ("DCCC"). This complaint alleges that the 6th District Committee, which is registered as a political committee with the FEC and files all required reports, may have violated the Federal Election Campaign Act of 1971, as amended ("FECA").

Despite the flurry of partisan political rhetoric,¹ the DCCC complaint includes no factual or legal basis upon which it is possible to conclude that the 6th District Committee violated the FECA. Accordingly, the FEC should take no action against the 6th District Committee.

¹ The blatantly partisan nature of this complaint is demonstrated by the fact that the alleged "violations" occurred in October 1985, yet the complaint was not filed until April 14, 1986, one day before Mr. Jim Dunn announced that he would oppose Democrat incumbent Bob Carr, and the complaint was delivered by Federal Express to the media in the 6th District on Saturday, April 12, 1986, two days before the complaint was even filed with the FEC.

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The DCCC inaccurately charges the 6th District Committee with "making certain illegal expenditures to promote the defeat of Congressman Bob Carr." While the complaint by the DCCC offers no proof whatsoever that the 6th District Committee made any expenditures (which it did not) and is seriously inaccurate on its facts,² these expenditures apparently took place, in the belief of the DCCC, in connection with Carr's October 23, 1985 rally at Michigan State University.³ It is true that the 6th District Committee and its members, as well as many others in Carr's congressional district, were offended by this blatant misuse of public funds by an elected representative. It is also true that members of the 6th District Committee, invoking their rights to speak out about the official actions of their elected public officials, criticized Carr as loudly and frequently as possible. But that is all the 6th District Committee did. None of the 6th District Committee's actions constitute a contribution or expenditure under the FECA. See 2 U.S.C. 431(8)(A), 2 U.S.C. 441b(b)(2).

² For example, the complaint claims that the 6th District Committee first challenged Mr. Carr's improper use of the franking privilege on April 25, 1986, one day before ads were run on local radio stations by Citizens Against Government Waste. In fact, the 6th District Committee first protested Mr. Carr's misuse of the frank on April 19, 1986, which protest received wide media coverage throughout the 6th District.

³ The incident involving Carr stems from his use of official funds to mail at the taxpayers' expense notices of a political event billed as "just the beginning of an extended effort to spotlight the Democratic party for college students across America." Exhibit 1. The use of official funds to "frank" notices of a political event is a violation of 39 U.S.C. 3210(a)(2) and 3210(a)(5)(C). A complaint was filed on October 31, 1985 by David W. McKeague with the Commission on Congressional Mailing Standards of the United States House of Representatives.

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The DCCC's major premise is that the 6th District Committee helped finance the ad aired by the Citizens Against Government Waste. See Complaint at pages 9 and 14-15. Upon this allegation the entire DCCC case against the 6th District Committee rests. This critical allegation is completely unfounded. The 6th District Committee has made no direct or indirect financial contributions to or on behalf of Citizens Against Government Waste. Affidavit of David W. McKeague ("McKeague Affidavit") at 4. No funds from the 6th District Committee were in any way spent on any facet of the ad at issue. Id at 5. That is why, despite the DCCC's conspiracy theories, the 6th District Committee's FEC reports contain no record of the payment of contributions or disbursements to Citizens Against Government Waste or the Marketing Resource Group ("MRG"), or any record of the receipt of an in-kind contribution from MRG. See Complaint at 15-16; McKeague Affidavit at 6.

A review of the DCCC's complaint indicates that the sole "proof" that the State Committee or the 6th District Committee served as the source of financing for the activities of Citizens Against Government Waste is a newsletter published by the Fund for America's Future dated November 14, 1985. Contrary to the DCCC's claim, however, this newsletter, even if accurate (which it is not) says absolutely nothing about Citizens Against Government Waste or its activities. It refers only to the 6th District Committee's actions in notifying the media about Carr's misuse of the frank and in no way establishes or confirms, as the DCCC incorrectly states, that the State Committee or the 6th District Committee financed any activities of Citizens Against Government Waste.

The facts, although not to the liking of the DCCC, are simple. The 6th District Committee has never given any money or contributions to the Citizens Against Government Waste, either in connection with the ad in question or anything else. We believe that the lack of any contribution is dispositive of the only issue involving the 6th District Committee.

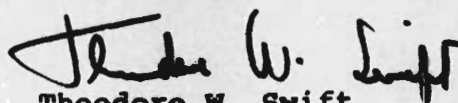
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Accordingly, the DCCC's complaint should be dismissed.

Very truly yours,

FOSTER, SWIFT, COLLINS & COEY, P.C.


Theodore W. Swift

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RICHARD A. GEPHARDT
CHAIRMAN

MARY ROSE OAKAR
SECRETARY

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Democratic Caucus

U.S. HOUSE OF REPRESENTATIVES

718 ANNEX #1 HOUSE OFFICE BUILDING WASHINGTON, DC 20515 (202) 225-3210

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October 2, 1985

Dear Democratic Colleague:

The Democratic Caucus Campus Outreach Day is fast approaching. Monday, October 21 is less than three weeks away, and we're hoping to make a great showing that day for the Democrats on campuses across America. There's still time for you to sign on, and join more than 50 of our colleagues who are already participating.

Here's how it will work: Twelve campuses nationwide have been selected as our Oct. 21 "outreach campuses." Each event will be hosted by a local Democratic Member of Congress, and several other Democratic members will travel to the area. The events will be called "Forums for the Future," and will open with each member offering a short talk on an issue of concern to students: jobs, arms control, South Africa, the environment, or any one of a number of other issues. The forum will then be open to students to ask questions and learn more about what the Democratic Party has to offer.

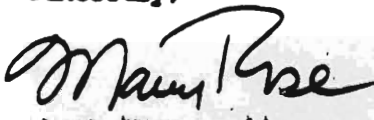
We're hopeful these October campus events will be just the beginning of an extended effort to spotlight the Democratic party for college students across America. Our goal is to reach both students and the national media, letting them know our Party has an exciting, dynamic message for young Americans, and we're spreading the word.

On the back of this letter are the campuses that have been chosen, and the members who are participating. Campuses may be added if more members sign up. If you'd like to join us, it's not too late. You can do so by calling Jim Groninger in Representative Slattery's office at 225-6601, or Liz Buchanan in Representative Durbin's office at 225-5271, as soon as possible.

Not only will the Outreach be a lot of fun, it will be a great chance for us offer the message that we are working to make the future brighter for America's young people. Please join us!

Sincerely,


Richard A. Gephardt


Mary Rose Oakar


Liz Buchanan

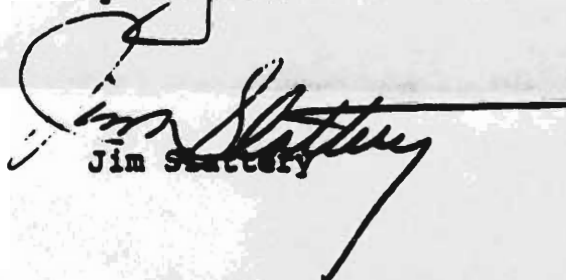

Jim Slattery

Exhibit 1

FORUM FOR THE FUTURE

DEMOCRATIC CAUCUS CAMPUS OUTREACH

Here is a preliminary list are the host campuses and members assigned to each event. Some events are bigger than others because members are still being scheduled and are not on the list. All events are Monday, Oct. 21, unless otherwise indicated.

Georgetown University Kick-off
Thursday, Oct. 17

Tony Coelho
Dick Gephardt
Dick Durbin
Marcy Kaptur
Mal Levine

Mary Rose Oaker
Boston University
Rep. Chester Atkins, host

Don Edwards
Ed Markey
Ed Townes
Barbara Kennelly

Carnegie Mellon/U of Pittsburgh
Rep. Doug Walgren, host

Stan Lundine
Peter Kostmayer
Gerry Sikorski

Marshall University (West Virginia)
Rep. Nick Rahall, host

Bill Alexander
Jim Oberstar
Bob Wise
Harley Staggers
Tom Carper

University of Miami (Florida)
Rep. Larry Smith, host

Buddy MacKay
Solomon Ortiz
Bart Gordon

Georgia State University, Atlanta
Rep. Wyche Fowler, host

Alan Wheat
Mike Synar
Bill Richardson

Members who have not been assigned:
Jim Weaver, Charlie Wilson
Pat McCrory, Pete Stark, Jim Schuster

Case Western University (Ohio)
Rep. Mary Rose Oaker, host

Matt McHugh
Richard Stallings
Albert Bustamante
Sandy Levin

Michigan State University
Rep. Bob Carr, host

Steny Hoyer
Martin Sabo
Tim Penny

University of Indiana
Rep. Frank McCloskey, host

Jim Wright
Pat Williams
Bruce Morrison
Tom Downey
Ron Coleman

University of Illinois, Champaign-Urbana
Rep. Terry Bruce, host

Marcy Kaptur
Norm Mineta
Dave Bonior

University of Wisconsin
Rep. Jim Moody, host

Barbara Boxer
Leon Panetta
Dick Durbin
Jim Slattery

University of California, Davis
Rep. Vic Fazio, host

Wes Watkins
Norm Dicks
Merv Dymally

University of Nevada
Rep. Harry Reid, host (Oct. 28)

No members assigned yet

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BEFORE THE FEDERAL ELECTION COMMISSION**MUR 2166****AFFIDAVIT OF DAVID W. McKEAGUE**

David W. McKeague, having been duly sworn, deposes and says:

1. I have personal knowledge of the facts contained herein and am competent to testify thereto.
2. I have been chairman of the Sixth Congressional District Republican Committee since 1985.
3. As chairman, my signature is required on all checks and I approve the expenditure of any and all funds by the Sixth Congressional District Republican Committee.
4. The Sixth Congressional District Republican Committee has never made a direct or indirect financial or in-kind contribution to or made an expenditure on behalf of Citizens Against Government Waste.
5. The Sixth Congressional District Republican Committee has never, directly or indirectly, spent any funds on any facet of the Citizens Against Government Waste ad concerning Bob Carr's actions as an elected public official.
6. The Sixth Congressional District Republican Committee's reports filed with the Federal Election Commission contain no contribution to or expenditure on behalf of Citizens Against Government Waste or in-kind contribution from Marketing

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Resource Group, Inc. because no such contributions or expenditures were ever made or received by the Sixth Congressional District Committee.

David W. McKeague
David W. McKeague

Sworn to and subscribed before me on this 28th day of May, 1986.

Karen J. Spedowski
Karen J. Spedowski, Notary Public
Eaton, Acting in Ingham County,
Michigan
My commission expires June 18, 1986

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FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF FOUR # 2166

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