



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

THIS IS THE BEGINNING OF MUR # 2549

DATE FILMED 4/23/88 CAMERA NO. 3

CAMERAMAN GPC



NATIONAL RIFLE ASSOCIATION OF AMERICA

1500 RHODE ISLAND AVENUE, N.W.

WASHINGTON, D.C. 20036

REC-2549

OFFICE OF THE
GENERAL COUNSEL

November 30, 1987

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

Dear Mr. Noble:

Pursuant to 2 U.S.C. 437(g), the National Rifle Association hereby files this complaint alleging that Handgun Control, Incorporated (HCI) and/or its separate segregated fund, Handgun Control, Inc. - Political Action Committee (HCI-PAC), 1400 K Street, N.W., Washington, D.C. 20005, has solicited contributions to HCI-PAC in violation of 2 U.S.C. 441b(b)(4)(A).

I. HCI-PAC IS A CORPORATE PAC

HCI-PAC is a corporate political action committee within the meaning of 2 U.S.C. 441b(b)(2)(C). It has identified HCI, a corporation without capital stock, as its connected organization on its statement of organization on file with the Commission.

II. HCI-PAC HAS SOLICITED CONTRIBUTIONS FROM INDIVIDUALS OTHER THAN HCI'S EXECUTIVE AND ADMINISTRATIVE PERSONNEL OR MEMBERS

2 U.S.C. 441b(b)(4)(A)(i) states that corporation separate segregated fund established by a corporation, may not solicit contributions for such a fund from its stockholders and their families and its executive or administrative personnel and their families. An exemption to this prohibition is found in 2441b(b)(4)(C) whereby a corporation without capital stock may solicit contributions to the fund from "members" of the corporation without capital stock.

2. The term "member" is defined at 11 CFR 101.11(a) as persons who are currently satisfying the requirements of membership in a corporation without capital stock.

3. In MUR 1604, HCI and HCI-PAC entered into a conciliation agreement with the Commission. That agreement concluded that membership in a corporation without capital stock necessarily entails the knowing taking of "some affirmative steps to become member of the organization; the membership relationship is

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FEDERAL ELECTION COMMISSION

Lawrence Noble
November 30, 1987
Page Two

evidenced by the existence of rights and obligations vis-a-vis the corporation; and, there is a pre-determined minimum amount for dues or contributions." The agreement indicated that HCI/HCI-PAC had violated the foregoing principles in that they had designated as "members" anyone who had made a financial contribution to HCI within the preceeding twenty-four months. The agreement expressly recorded the fact that HCI had failed to establish any "pre-determined minimum amount for dues or contributions" as a requirement for membership. The agreement, therefore, stated that HCI would amend its policies as follows: Establish a "pre-determined minimum amount of dues or contributions," in an amount not less than \$15, as a prerequisite for membership; and refrain from soliciting for contributions to HCI-PAC anyone not qualified as a "member" of HCI according to the requirements for membership set forth in the law, the Commission's regulations, "and the Commission's interpretation thereunder."

4) In or about September or October, 1987, HCI mailed the enclosed solicitation, seeking "contributions" to both HCI and to HCI-PAC. The solicitation letter is addressed to "Dear Supporter."

5) Upon information and belief, this solicitation was sent to individuals who had not, within the preceeding twenty-four months, made any financial contribution to HCI.

6) The reply card for contributions to HCI does not indicate that a contribution is for payment of membership dues. Moreover, the statements which the Commission found, in Advisory Opinion 1982-11, to be necessary on a membership "dues statement" which included a voluntary check-off to a political action committee are not on either the HCI or HCI-PAC reply card. Thus, the reply card for the contribution to HCI cannot be characterized as a "dues statement" as that term is used in Advisory Opinion 1982-11.

^{*/} As the solicitation was addressed to "Dear Supporter," and, upon information and belief, HCI claims one million "supporters" and approximately 150,000 "members," it is possible that the solicitation was sent to as many as 850,000 non-members.

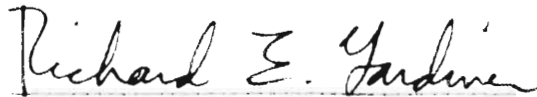
Lawrence Noble
November 30, 1987
Page Three

CONCLUSION

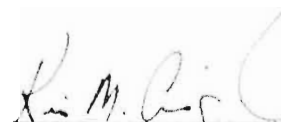
In view of the fact that HCI/HCI-PAC have violated 2 U.S.C. 441b(b)(4)(A)(i) after having entered into a conciliation agreement which made clear beyond doubt their obligations under that provision, the Commission should find that HCI/HCI-PAC's violation was knowing and willful and should thus impose a penalty equal to double the contributions HCI-PAC received from the solicitation.

Sincerely yours,

National Rifle Association
of America by

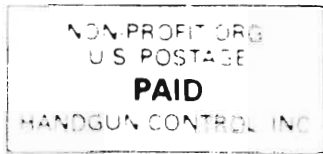

Richard E. Gardiner
Assistant General Counsel

Subscribed and Sworn
Before Me This 30th
Day of November, 1987


Notary Public

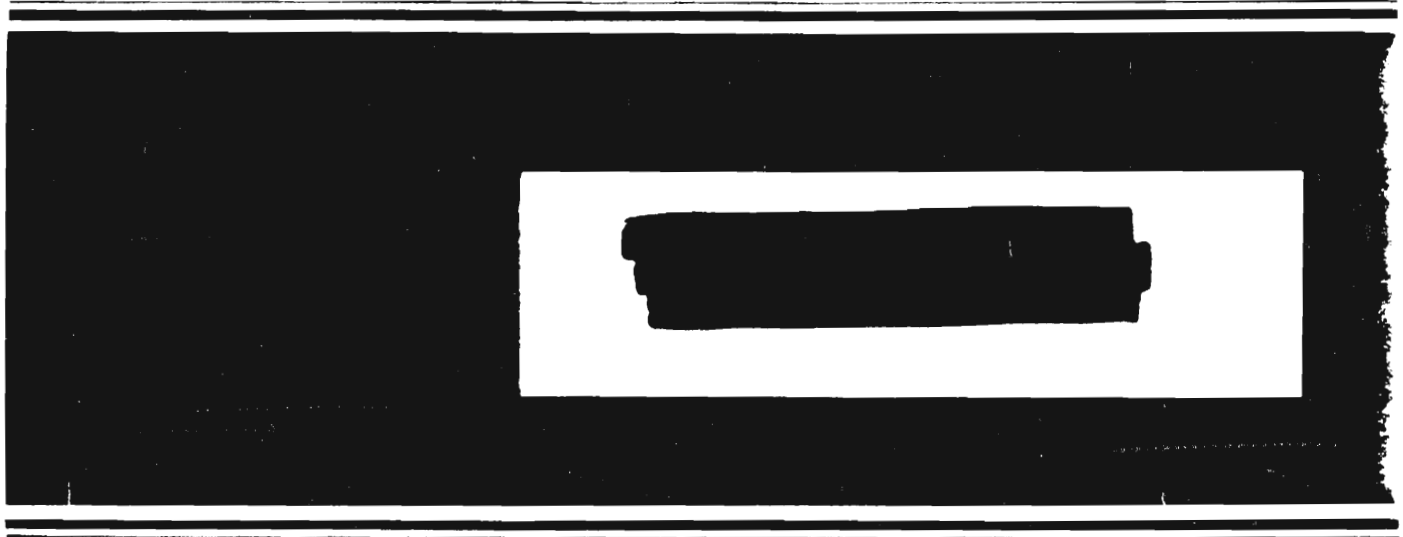
Enclosure

1400 K Street, N.W.
Washington, D.C. 20005



CAMPAIGN
88

ADVANCE RELEASE ENCLOSED



DOCUMENT NUMBER: [REDACTED]

SPECIALLY PREPARED FOR: [REDACTED]

ACTION REQUESTED BY: EDUARD J. 1987

CAMP AIGM
88

ADVANCE RELEASE ENCLOSED

THIS BOOKLET ASSIGNED TO


- ☒ LETTER FROM THE CHAIRMAN OF
HANDGUN CONTROL
- ☒ BLUEPRINT FOR ACTION
- ☒ HCI CONGRESSIONAL HONOR ROLL
- ☒ POSTAGE-PAID ENVELOPE



SSIONAL

HANDGUN CONTROL, INC.

One million strong working to keep handguns out of the wrong hands

and H.R. 917 than on any
...ors as of this writing
...y by calling your local
...ong side of a bill that's
...clear how you feel
...you're on the line
...to pass. The Brady Bill
...magic numbers today!

Monday morning

Dear Supporter:

I wanted you to be among the first to receive advance notice of the most aggressive lobbying and political program in our history.

That's why I'm rushing you our just-completed TEN POINT BLUEPRINT for defeating the NRA on all fronts during the important months ahead in this Congress and leading up to next year's Presidential election.

Before I go through the campaign point-by-point with you, I want to tell you why its success is so crucial to us today.

Basically, the NRA's leadership has now gone completely off the deep end. Even for them. Their actions during the past few months show why:

**** When America's highways turned into shooting galleries** for motorists involved in minor traffic squabbles ...

... the NRA's response was to continue to lobby for relaxed "carry laws" aimed at making it easier for people to tote loaded pistols inside their cars.

**** When the Secret Service asked Congress for an immediate ban on plastic handguns** because its agents were worried about their potential use in assassination attempts on presidential candidates ...

... the NRA's response was to continue its strong support for these state-of-the-art terrorist weapons.

**** When law enforcement officers began breathing a little easier** because new federal law made it harder for

(over, please)

Rep. Edolphus Towns (D-11)
Rep. Major Owens (D-12)
Rep. Stephen Solarz (D-13)
Rep. Bill Green (R-15)
Rep. Charles Rangel (D-16)
Rep. Ted Weiss (D-17)
Rep. Robert Garcia (D-18)
Rep. Mario Biaggi (D-19)
Rep. Louise Slaughter (D-30)

North Carolina
Rep. David Price (D-4)

Ohio
Sen. John Glenn (D)
Sen. Howard Metzenbaum (D)
Rep. Marcy Kaptur (D-9)
Rep. Thomas Sawyer (D-14)
Rep. James Traficant (D-17)
Rep. Edward Feighan (D-19)
Rep. Mary Rose Oakar (D-20)
Rep. Louis Stokes (D-21)

Pennsylvania
Rep. Thomas Foglietta (D-1)
Rep. William Gray (D-2)
Rep. Robert Borski (D-3)
Rep. Doug Walgren (D-18)

Rhode Island
Sen. John Chafee (R)
Sen. Claiborne Pell (D)
Rep. Fernand St. Germain (D-1)
Rep. Claudine Schneider (R-2)

Tennessee
Rep. Harold Ford (D-9)

Texas
Rep. Mickey Leland (D-18)
Rep. Henry Gonzalez (D-20)

Washington
Rep. John Miller (R-1)
Rep. Mike Lowry (D-7)

District of Columbia
Rep. Walter Fauntroy (D)

America Samoa
Rep. Fofa I.F. Sunia (D)

Puerto Rico
Rep. Jaime Fuster (D)

1400 K Street, N.W. Suite 500, Washington, D.C. 20005 (202) 898-0792

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right-wing fanatics and drug kingpins to get their hands on machine guns ...

... the NKA's response was to make legislation to allow the sale of new machine guns its #1 priority for this Congress.

Clearly, the NRA's leadership has lost all concern for public safety! And it shows ...

The NRA's once-mighty hold on Capitol Hill has now slipped to the point where Handgun Control, Inc., has been able to enlist more co sponsors for "The Brady Bill" (S.466 and H.R.975) than for any other piece of handgun control legislation in history.

As of this writing, 95 Representatives and 10 Senators have signed on to this bill that would mandate a waiting period to allow for a background check for anyone who wishes to purchase a handgun anywhere in the United States.

Furthermore, our bill to ban plastic handguns (S.466 and H.R.1002) throughout the U.S. is moving with remarkable speed in both the House and the Senate.

Its bipartisan support now reaches all the way to Strom Thurmond, the ranking Republican on the Senate Judiciary Committee!

All our hard work and the NRA's ongoing irrationality have put us in an excellent position to pass these two showcase pieces of legislation now.

Our tremendous progress on both bills is gratifying. But now it is up to you and me to turn up the heat to make sure we reach the "magic numbers" we need to actually pass both bills -- 218 votes in the House and 51 in the Senate.

That's why our TEN-POINT BLUEPRINT to get these bills passed is more aggressive than any other program in our history!

Briefly, the ten points in this comprehensive program designed to defeat the NRA and win passage of this historic legislation are:

#1 -- Form a national committee of influential

(next page, please)

Americans whose views will be listened to by the politicians;

#2 - Produce and distribute a half-hour "recruitment" television special featuring Sarah Brady;

#3 - Expand our law enforcement alliance to include the "cop on the beat" as a lobbyist for handgun laws;

#4 - Utilize state-of-the-art media such as satellite news releases to get our message before Congress and the public;

#5 -- Accelerate our print ad campaign featuring Sarah Brady, Police Chief McNamara and -- now local police chiefs;

#6 - Launch "Operation Alienate" to educate reasonable NRA members that their leaders no longer represent their interests and pose a threat to public safety;

#7 -- Expand our regional organizing effort to set up grassroots lobbying "hubs" in additional cities;

#8 -- Assure that the handgun control question becomes an issue that must be addressed in the Presidential campaigns;

#9 -- Protect the brave legislators who have supported us in the past and are now targeted for election defeat by the NRA; and

#10 - Elect new friends on Capitol Hill by providing help to anti NRA candidates who are calling us for help in their races.

There are more detailed explanations of each of these ten points in the Action Blueprint I've enclosed for you today.

As you can imagine, mounting a campaign of this magnitude is going to cost us more than any other project in our history -- a total campaign budget of \$1,087,000.

Yet as large as that figure is, compare it to the NRA's \$70 million dollar budget.

But even though we can't match the NRA dollar for dollar, we can still beat them. We've shown that when we won

(over, please)

"CAMPAIGN '88"

TEN-POINT BLUEPRINT FOR ACTION

To achieve our legislative goals during this Congress and set the stage for further progress of our agenda to keep handguns out of the wrong hands during the next Congress and Administration Handgun Control Inc. announces its TEN POINT BLUEPRINT FOR ACTION - Campaign '88.

ACTION ITEM ONE: Form a national committee of influential Americans whose views will receive national attention.

Well known Americans from all walks of life who endorse our position will be recruited to discuss the handgun issue in interviews, on talk shows, in their public appearances, and before Congressional committees. These famous people will give us immeasurable exposure - and the politicians will have no choice but to hear what they say.

Program Budget: \$25,000

ACTION ITEM TWO: Produce and air a half-hour recruitment television special that features Sarah Brady.

Few persons can testify to the tragic results of handguns getting into the wrong hands as well as Sarah can, and this hard hitting half hour show will be designed to affect viewers emotionally - AND provide them with an easy way to join us by either phone or mail. All funds from the broadcast will be reinvested in additional showings. Time can be purchased for this show through local affiliates, independent stations and cable TV operators. Hollywood producers who share our position are standing by to create a moving, professional quality presentation.

Program Budget: \$150,000

ACTION ITEM THREE: Recruit rank-and-file police officers into our strong law enforcement alliance.

Richard Boyd, former national president of the Fraternal Order of Police, has now joined Handgun Control Inc. as a lobbyist. Known as a "cop's cop" through his 20 year involvement with the nation's largest law enforcement organization, Richard will help us identify, organize and mobilize rank and file police officers to serve as "law enforcement lobbyists" in key swing congressional districts throughout the country.

Program Budget: \$115,000

ACTION ITEM FOUR: Utilize state-of-the-art media to get our message before Congress and the public.

Today's high tech electronics now afford us the capability of spreading our message further and faster than ever before. Experiments with satellite news releases, electronic press conferences, and radio news releases for transmission over telephone lines have proven extremely successful for Handgun Control Inc. during this session of Congress. Expanding our use of these sophisticated techniques during the coming year will provide us with literally tens of thousands of dollars of free air time after paying for the expensive upfront costs of producing and dispatching them.

Program Budget: \$33,000

ACTION ITEM FIVE: Accelerate the print ad campaign that has been extremely successful during the past year.

We already know that our Sarah Brady and Joe McNamara ads work. They have added thousands of new supporters to our cause every time they've appeared and significantly enhanced our political clout on Capitol Hill. Campaign '88 calls for expanding this popular program by placing the Sarah Brady ads in national women's magazines and in publications that serve our targeted Congressional districts. Additionally, we have now received dozens of requests from local police chiefs who are willing to appear in ads to be placed in their local areas. The only changes in our print ad program are actual production and placement costs because our advertising agency has agreed to place them without the traditional commission.

Program Budget: \$250,000

ACTION ITEM SIX: Launch "Operation Alienate" to undermine the NRA's extremist leadership in Washington.

Many reasonable NRA members become outraged when they discover how they are being misrepresented by the organization that is supposed to be looking out for their interests. "Operation Alienate" will spread the word through a targeted mail and print ad campaign

CAMPAIGN 88

**YES—I'll do my part to help
pass Handgun Control's legislative agenda
into law in this Congress...**

Please use my kick-off contribution to help launch the first seven programs of Campaign '88. My check payable to Handgun Control Inc. is for:

☐ \$15 ☐ \$25 ☐ \$30 ☐ \$40 ☐ Other \$ _____

Please make your check payable to Handgun Control, Inc. and return in the envelope provided to P.O. Box 19249, Washington, D.C. 20036.

**...and to set the stage for
even more positive handgun control
legislation during the next one!**

Please use my contribution to protect our current friends on Capitol Hill, elect new ones and work for a more supportive Administration in the 1988 election. My separate check payable to Handgun Control PAC is for:

☐ \$15 ☐ \$25 ☐ \$30 ☐ \$40 ☐ Other \$ _____

Please make your check payable to Handgun Control PAC and return in the envelope provided to P.O. Box 19249, Washington, D.C. 20036.

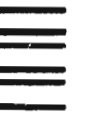
Handgun Control PAC cannot accept contributions from corporations. Please make sure you sign a personal check when donating to our efforts. Thank you.

THE FEDERAL ELECTION COMMISSION REQUIRES ALL DONORS CONTRIBUTING MORE THAN \$200 PER CALENDAR YEAR TO PROVIDE THE FOLLOWING INFORMATION:

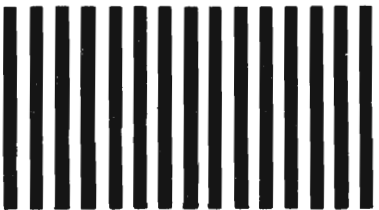
OCCUPATION _____

EMPLOYER _____

CITY _____ STATE _____



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



**PRIORITY
CAMPAIGN '88**

BUSINESS REPLY MAIL
FIRST CLASS PERMIT NO. 10848 WASHINGTON D.C.

POSTAGE WILL BE PAID BY ADDRESSEE

Handgun Control, Inc.
P.O. BOX 19249
WASHINGTON, D.C. 20036



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

09 December 1987

Edward Welles, Treasurer
Hudson Control Political
Action Committee
1400 W Street, N.W.
Suite 400
Washington, D.C. 20004

matter will
be filed with
the notice of

If you have any questions, please contact Maura Callaway, the staff member assigned to this matter, at (202) 376-9690. For our information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel


Svr: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Copyrightic

2025 RELEASE UNDER E.O. 14176



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

09 December 1987

Handgun Control, Inc.
1400 K Street, NW
Suite 500
Washington, DC 20005

RE: MUR 2549
Handgun Control,
Inc.

Gentlemen:

The Federal Election Commission has received a complaint which alleges that Handgun Control, Inc. has violated the Federal Election Campaign Act of 1971, as amended, the "FECA". A copy of the complaint is being furnished to you pursuant to this matter MUR 2549. Please refer to this matter in all future correspondence.

Under the FECA, you have the opportunity to demonstrate in writing that no violation has occurred. Handgun Control, Inc. In this matter, please submit factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, comments should be submitted. Any new responses should be addressed to the General Counsel, Office, and be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission will take action based on the available information.

This letter is being sent to you by first class mail. Unless you notify the Commission in writing that you wish the matter to be sent by air mail, it will be sent by first class mail. If you wish to be notified by air mail, please advise the Commission by completing the enclosed card and returning it to the Commission by telephone number 202-453-5400. We will then be able to receive any notifications and other communications from the Commission.

If you have any questions, please contact Maura Callaway, the staff member assigned to this matter, at (202) 376-5890. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



S. Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation

99740675244



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

09 December 1987

Mr. Richard E. Gardiner
Assistant General Counsel
National Rifle Association
Of America
1600 Rhode Island Avenue, NW
Washington, DC 20038

RE: MUR 2549

Dear Mr. Gardiner:

This letter acknowledges receipt of your complaint, received on December 3, 1987, alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by Handgun Control, Inc., and Handgun Control PAC and Edward Welles, as treasurer. The respondents will be notified of this complaint within five days.

The complaint is being processed as soon as the Federal Election Commission receives additional information in this matter. The information is being provided to the General Counsel. The information must be provided to the General Counsel as the original complaint. We are processing the matter MUR 2549. Please refer to this number in all correspondence. For your information, we have provided a description of the Commission's structure and procedures in the enclosed brochure.

Sincerely,

Lawrence M. ...
General Counsel

For: Eric B. ...
Assistant General Counsel

Enclosure
Procedure

BCC # 5018

FRIED, FRANK, HARRIS, SHRIVER & JACOBSON

SUITE 800

1001 PENNSYLVANIA AVENUE, N. W.

WASHINGTON, D. C. 20004-2505

(202) 639-7000

FELIX S. COHEN (932-1953)

RICHARD B. BERRYMAN*
DAVID E. BIRENBAUM
JOHN T. BOESE
MILTON EISENBERG*
JOEL R. FEIDELMAN*
JUNI. MUNFORD GERTIG
KENNETH W. GIDEON
JACK B. GORDON
HENRY A. HUBSCHMAN
WILLIAM JOSEPHSON
ALAN S. KADEN
JAY R. KRAEMER
KENNETH S. KRAMER*
ARTHUR LAZARUS, JR.*
JAMES J. MCCULLOUGH

DAVID M. MILES
ROBERT P. MOLLEN
FRANCIS J. OTOOLE
HARVEY L. PITT
P. DAVID RICHARDSON
MELVIN RISHE*
MARCUS A. ROWDEN
RICHARD A. SAUBER
JAMES H. SCHROPP
RICHARD A. STEINWURTZEL
THOMAS P. VARTANIAN
W. RICHARD WEST JR.
ERIC J. ZAHLER
LEONARD A. ZAX

CABLE STERIC WASHINGTON

TELEX 892406

DEX 6200 (202) 639-7008

DEX 6200 (202) 639-7003

DEX 3500 (202) 639-7004

DEX 4200 (202) 639-7005

ONE NEW YORK PLAZA

NEW YORK, NEW YORK 10004-1980

(212) 820-8000

TELEX 620223

725 S. FIGUEROA

LOS ANGELES, CALIFORNIA 90017-5438

(213) 689-5800

3 KING'S ARMS YARD

LONDON, EC2H 7AD ENGLAND

(01) 600-1541

TELEX 887606

MARTIN D. GINSBURG*
STUART R. REICHART
PAUL SHNITZER
SARGENT SHRIVER
DANIEL M. SINGER
COUNSEL

*PROFESSIONAL CORPORATION

December 29, 1987

WRITER'S DIRECT LINE

202/639-7050

By Hand

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

Re: MUR 2549

Dear Mr. Noble:

This letter responds to the complaint of the National Rifle Association ("NRA"), dated November 30, 1987, that Handgun Control, Inc. ("HCI") has violated the Conciliation Agreement of July, 1984 (MUR 1604) by soliciting in October, 1987 contributions for Handgun Control, Inc. Political Action Committee ("HCI-PAC") from persons who were not members of HCI. As is demonstrated below, the NRA's allegations are false, and the complaint should be dismissed pursuant to 11 C.F.R. §111.6.

Under the terms of the Conciliation Agreement, HCI and HCI-PAC agreed (at VII) to establish a "pre-determined minimum amount of dues or contributions" of at least fifteen dollars as a pre-requisite to membership. In addition, the Respondents also agreed, inter alia, to refrain from soliciting "contributions at HCI-PAC from any individual who does not constitute a 'member' of HCI" Based only on information and belief, the NRA alleges that HCI has solicited contributions from individuals who had not previously paid their dues. The allegation is baseless.

As is confirmed by the annexed sworn statement (Annex A), dated December 15, 1987, from Mr. Craig Lamb of Craver, Matthews, Smith & Co., Inc., the firm that managed the October, 1987 mailing, the "appeal for PAC contributions was mailed to 99,923 HCI members who have given a contribution of \$15 or more within the 24 months prior to the maildate." Mr. Lamb goes on to explain that:

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FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
97 DEC 29 PM 12:43

Page 2

*/ The NRA complaint also observes that the HCI reply card does not include certain statements discussed in FEC Advisory Opinion 1982-11. By its own terms, however, AO 1982-11 addresses regulations that specifically govern membership dues statements when combined with requests for political action contributions. Indeed, the NRA complaint recognizes that AO 1982-11 applies only to a "membership 'dues statement.'" Because the HCI reply card is not a dues statement and does not request membership dues, the requirements set forth in AO 1982-11 do not apply to the October, 1987 mailing.

FRIED, FRANK, HARRIS, SHRIVER & JACOBSON

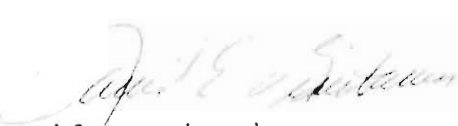
Mr. Lawrence M. Noble

December 29, 1987

Page 3

We trust that this letter and the attached materials will satisfy the Commission that the NRA's complaint, like those filed previously by the NRA against HCI, is specious and should be dismissed. If we can provide further information or explanation, please contact us.

Sincerely,



David E. Birenbaum
Carleton K. Montgomery

DEB:lk
encls.

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2549

NAME OF COUNSEL: David E. Birenbaum & Carleton K. Montgomery

ADDRESS: Fried, Frank, Harris, Shriver & Jacobson

1001 Pennsylvania Avenue, N.W. #800

Washington, D.C. 20008

TELEPHONE: (202) 639-7000

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

10/23/87
Date

Karen S. Whitley
Signature

RESPONDENT'S NAME: Handgun Control, Inc.

ADDRESS: 1400 K. Street, N.W., Suite 500

Washington, D.C. 20005

898-0792 (Business Phone)

HOME PHONE: 1-800-477-708

BUSINESS PHONE: 898-0792

CRAVER, MATHEWS, SMITH & COMPANY, INC.
282 North Washington Street Falls Church, Virginia 22046 703/237-0600

December 15, 1987

Mr. Charles Orasin
Handgun Control, Inc.
1400 K Street, N.W.
Washington, D.C. 20005

Dear Charlie,

Following are the details of the recent HCI-PAC mailing that you requested.

Craver, Mathews, Smith & Company managed the selection of HCI donors and the mailing of a special appeal to donors who met the criteria for HCI-PAC membership set out in your memo of August 9, 1984 (attached).

As per that memo, this appeal for PAC contributions was mailed to 99,923 HCI members who have given a contribution of \$15 or more within the 24 months prior to the maildate.

This mailing asked for a special contribution over and above membership dues. Membership renewal mailings for HCI, as you know, include an order form that clearly informs the member that remittance of \$15 or more entitles him/her to full membership benefits in Handgun Control, Inc. Attached is a copy of the renewal form, for your reference.

Please let me know if you require any additional information concerning this mailing.

Sincerely,


Craig Lamb
Account Executive

County of Fairfax
State Virginia

Acknowledged before me this 14 day of December, 1987.

Notary [Signature] My commission expires: 12/1/88

HANDGUN CONTROL

ONE MILLION STRONG . . . working to
keep handguns out of the wrong hands.

MEMORANDUM

TO: Craver, Mathews, Smith and Company
FROM: Charles J. Orasin, Executive Vice President *SO*
DATE: August 9, 1984
RE: Bylaw Changes

This is to formally notify you that the Board of Directors has made changes to our bylaws which affect mailings you undertake on our behalf.

Specifically, the Board has stated that a member is:

1. A Member of Handgun Control, Inc., shall be anyone who has contributed no less than 15 dollars to the organization within the last 24 months. A Member shall enjoy, among other rights, the right to nominate and vote for the Member-at-Large.
2. A Contributing Member shall be anyone who has contributed funds to the organization within the last 24 months if such funds shall be less than 15 dollars. A Contributing Member shall have the same rights as a Member except that a Contributing Member shall not have the right to nominate or vote as provided in paragraph 5 hereof.

This is to be reflected in all mailings Handgun Control conducts for memberships to the organization. Solicitations for the Handgun Control PAC are limited to those who meet the membership qualification.

Please implement whatever steps are necessary to meet these changes.

Thank you.

HANDGUN CONTROL

1988 Renewal Statement

INTERNAL L

#

The minimum annual contribution of \$15 or more entitles you to full membership privileges in Handgun Control.

Please make your check out to **Handgun Control** and return with this form to P.O. Box 19249, Washington, D.C. 20036.

A copy of the last financial report filed with the New York Department of State may be obtained by writing to New York State Department of State, Office of Charities Registration, Albany, New York 12231, or to Handgun Control, Inc.

Thank you!
Pete Shields

HANDGUN CONTROL, Inc. P.O. Box 19249 Washington, D.C. 20036 (202) 898-0792



SENSITIVE

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

MUR 2549
Date Complaint Received
by OGC: 12-2-87
Date of Notification: 12-9-87
Staff: Maura White Callaway

FEDERAL RECEIVED
FEDERAL ELECTION COMMISSION
88 FEB 23 AM 10:11
EXECUTIVE SESSION
MAR 01 1988

COMPLAINANT: National Rifle Association of America

RESPONDENTS: Handgun Control, Inc.;
Handgun Control Political
Action Committee;
Edward Welles, as treasurer

RELEVANT STATUTE: 2 U.S.C. §§ 441b(b)(4)(A) and 441b(b)(3)(C)
11 C.F.R. § 114.5(a)

FEDERAL AGENCIES
CHECKED: None

INTERNAL REPORTS
CHECKED: Public Records

I. GENERATION OF MATTER

On December 2, 1987, the National Rifle Association of America ("NRA") filed a complaint against Handgun Control, Inc. ("HCI"), Handgun Control Political Action Committee ("HCIPAC"), and Edward Welles, as treasurer. Notification of the complaint was mailed to the respondents on December 9, 1987. On December 29, 1987, the respondents submitted their response to the complaint's allegations (Attachment 1).

II. FACTUAL AND LEGAL ANALYSIS

(A) The Facts

The complaint alleges that the respondents have violated the terms of the Conciliation Agreement entered

into in MUR 1604 by soliciting, during September or October 1987, contributions for HCIPAC from persons who are not "members" of HCI.^{1/} The Conciliation Agreement in MUR 1604, dated July 16, 1984, stated in the recitation of the pertinent facts that the Commission has concluded that a person can only be considered a "member" of a corporation without capital stock if: he or she has knowingly taken some affirmative steps to become a member of the organization; the membership relationship is evidenced by the existence of rights and obligations vis-a-vis the corporation; and, there is a predetermined minimum amount for dues or contributions (Attachment 2). The agreement indicated that the respondents had violated the foregoing principles in that they had designated as "members" anyone who made a financial contribution to HCI within the preceding twenty-four months. The agreement recorded the fact that HCI failed to establish any "pre-determined minimum amount for dues or contributions" as a

^{1/} This is the fourth complaint filed by the NRA against the respondents. The initial complaint (MUR 1604) was settled through the Conciliation Agreement discussed infra. The second complaint (MUR 1891) alleged a violation of the terms of the Conciliation Agreement in MUR 1604. In MUR 1891 the Commission concluded that there was reason to believe the respondents violated 2 U.S.C. § 441b(b)(4) by soliciting members whose dues payments were not of a pre-determined amount, but took no further action. The third complaint (MUR 2115) raised virtually identical allegations concerning membership as those involved in MUR 1891, and also alleged violations of 2 U.S.C. § 441b(a). In MUR 2115 the Commission found no reason to believe the respondents violated 2 U.S.C. § 441b(b)(4)(A)(i), and reason to believe the respondents violated 2 U.S.C. § 441b(a). The matter was concluded through a Conciliation Agreement. Subsequently, NRA's petition for review of the Commission's disposition of MUR 2115 was dismissed by the District Court for lack of jurisdiction. An appeal of the lower court's decision is presently pending.

requirement for membership. HCI agreed to amend its policies by establishing a predetermined minimum amount of dues or contributions which would not be less than \$15, by including in the rights of membership the right to participate in annual meetings and to elect a Director to the Governing Board of HCI, and agreed to solicit contributions to HCIPAC only from members of HCI.

The complainant alleges that the Conciliation Agreement was violated when HCI mailed a solicitation in September or October 1987, seeking contributions to both HCI and HCIPAC, addressed to "Dear Supporter," from persons who had not made any contribution to HCI within the preceding 24 months. The complaint asserts that because HCI claims one million supporters and 150,000 members, it is possible that the solicitation was sent to as many as 850,000 non-members. In apparent support of the allegation, the complaint asserts that the "reply card for contributions to HCI does not indicate that a contribution is for payment of membership dues." The complaint states that "the statements which the Commission, found in Advisory Opinion 1982-11, to be necessary on a membership 'dues statement' which included a voluntary check-off to a political action committee are not on either the HCI or HCIPAC reply card. Thus, the reply card for the contribution to HCI cannot be characterized as a 'dues statement' as that term is used in Advisory Opinion 1982-11."^{2/}

^{2/} In AO 1982-11 the Commission concluded that a combined statement for dues and political contributions was permissible. The Commission noted that "its regulations provide that were, as (Footnote Continued)

The response submitted on behalf of the respondents asserts that the complaint's allegations are false. The response correctly notes that the complaint "cites no direct evidence that the mailing went to anyone not properly qualifying as an HCI member but simply "relies on inferences drawn from the fact that the mailing was addressed 'Dear Supporter' rather than 'Dear Member.'" The respondents' denial of the allegation is supported by a statement from Mr. Craig Lamb, an Account Executive of Craver, Mathews, Smith and Company, Inc., the firm that managed the mailing at issue. According to the statement, the "appeal for PAC contributions was mailed to 99,923 HCI members who had given a contribution of \$15 or more within the 24 months prior to the maildate." Mr. Lamb's statement goes on to explain that:

This mailing asked for a special contribution over and above membership dues. Membership renewal mailings for HCI, ... include an order form that clearly informs the member that remittance of \$15 or more entitles him/her to full membership benefits in Handgun Control, Inc.

The response contends that the "solicitation policy followed by Craver, Mathews carries out HCI's instructions implementing the Conciliation Agreement." Included with the response was a

(Footnote continued)

here, a guideline for contributions is used, the corporation or labor organization which suggests the guideline must inform the persons being solicited that the guidelines are merely suggestions, and that the individual is free to contribute more or less than the guidelines suggest, and that the corporation or labor organization will not favor or disadvantage anyone by reason of the amount of their contribution or their decision not to contribute."

copy of a memorandum to Cravers, Mathews, Smith and Company, Inc., dated August 9, 1984. The memorandum notifies the firm that HCI's "Board of Directors has made changes to our bylaws which affect mailings you undertake on our behalf." The memorandum specifies that "the Board has stated that a member is:

1. A member of Handgun Control, Inc. shall be anyone who has contributed no less than 15 dollars to the organization within the last 24 months. A Member shall enjoy, among other rights, the right to nominate and vote for the Member-at-Large.
2. A Contributing Member shall be anyone who has contributed funds to the organization within the last 24 months if such funds shall be less than 15 dollars. A Contributing Member shall have the same rights as a Member except that a Contributing Member shall not have the right to nominate or vote as provided in paragraph 5 hereof."

The memorandum also states that "[t]his is to be reflected in all mailings Handgun Control conducts for memberships to the organization. Solicitations for the Handgun Control PAC are limited to those who meet the membership qualification."

As to the reply card for contributions to HCI appended to the complaint, the respondents assert that no reference is made to membership dues on the card because the mailing went to current members only, and sought contributions over and above the membership dues. This position is supported by that portion of Craig Lamb's letter referred to on page 4 supra. The response unequivocally states that the "HCI reply card ... had nothing to do with dues," and "persons contributing in response to the October, 1987 appeal did not thereby become members: as shown above, they already were members." Included with the response

was a copy of a dues renewal statement for HCI which the respondents emphasize "clearly states that the minimum fifteen dollar contribution entitles the donor to full membership in HCI."

(B) The Applicable Law

Pursuant to 2 U.S.C. § 441b(b)(4)(A)(i), a corporation, or a separate segregated fund of a corporation, may only solicit contributions to such a fund from its stockholders and their families and its executive or administrative personnel and their families, except that under 2 U.S.C. § 441b(b)(4)(C), a corporation without capital stock or its separate segregated fund may solicit contributions for the separate segregated fund from members of the corporation without capital stock.

The term "member" is defined at 11 C.F.R. § 114.1(e) to mean all persons who are currently satisfying the requirements for membership in a corporation without capital stock.

Pursuant to 11 C.F.R. § 114.5(a)(2), a guideline for contributions may be suggested by a corporation or its separate segregated fund, provided that the person soliciting or the solicitation informs the persons being solicited - (i) that the guidelines are merely suggestions; and (ii) that the individual is free to contribute more or less than the guidelines suggest and the corporation will not favor or disadvantage anyone by reason of the amount of their contribution or their decision not to contribute. A corporation or its separate segregated fund may not enforce any guideline for contributions.

As set forth at 2 U.S.C. § 441b(b)(3)(B) and 11 C.F.R. § 114.5(a)(3), any person soliciting an employee or member for a contribution to a separate segregated fund must inform such employee or member of the political purpose of the fund at the time of the solicitation. In addition, any persons soliciting an employee or member for a contribution to a separate segregated fund must inform the employee or member at the time of such solicitation of his or her right to refuse to so contribute without any reprisal. See 11 C.F.R. § 114.5(a)(4). Any written solicitation for a contribution to a separate segregated fund which is addressed to an employee or member must contain statements which comply with the requirements of 11 C.F.R. § 114.5(a)(3) and (4), and if a guideline is suggested it must comply with the requirements of 11 C.F.R. § 114.5(a)(2). See 11 C.F.R. § 114.5(a)(5).

A membership organization, cooperative, or corporation without capital stock and the separate segregated funds of the organizations are subject to the provisions in § 114.5(a). 11 C.F.R. § 114.7(g).

(C) Application of the Law to the Facts

The information in hand indicates that HCI and HCIPAC conducted a solicitation for contributions to both HCI and HCIPAC during October 1987 through Craver, Mathews, Smith and Company, Inc. Although the complainant alleges that the solicitation went to persons who are neither the executive or administrative personnel of HCI, nor members of HCI, no

substantive information was provided in support of the allegation. Instead, as the respondents note, the complaint relies on inferences drawn from the fact that the mailing was addressed "Dear Supporter" rather than "Dear Member."

Significantly, the response submitted by the respondents denies that non-members of HCI were solicited for contributions to HCIPAC, and supports the denial with a letter from the firm that managed the solicitation, specifically stating that "this appeal for PAC contributions was mailed to 99,923 HCI members who have given a contribution of \$15 or more within the 24 months prior to the maildate."^{3/} Thus, based upon the foregoing, it is the recommendation of this Office that the Commission find no reason to believe HCI, HCIPAC, and Edward Welles, as treasurer, violated 2 U.S.C. § 441b(b)(4)(A)(i).

The complainant's reference to Advisory Opinion 1982-11 raises the issue of the notice required on written solicitations for contributions to a separate segregated fund. See 2 U.S.C. § 441b(b)(3) and 11 C.F.R. § 114.5(a). A review of the solicitation material has revealed that, as required by 2 U.S.C. § 441b(b)(3)(B) and 11 C.F.R. § 114.5(a)(3), it sets forth

^{3/} Although this Office recognizes that the August 9, 1984, memorandum from Charles Orasin to Craver, Mathews, Smith and Company, Inc. is less than clear on who may be solicited, the letter from Charles Lamb, dated December 15, 1987, states that the solicitation at issue went to HCI members who gave a contribution of \$15 or more within the 24 months prior to the maildate.

the political purposes of HCIPAC.^{4/} However, this Office believes that by listing various dollar amounts, the solicitation contains a "guideline" for contributions, but does not, as required by 11 C.F.R. § 114.5(a)(2), state that the guidelines are merely suggestions, and that the individual is free to contribute more or less than the guidelines suggest and the corporation will not favor or disadvantage anyone by reason of the amount of their contribution or their decision not to contribute.^{5/} Moreover, nowhere on the solicitation material does it inform the member of his or her right to refuse to contribute to HCIPAC without any reprisal. It is, therefore, the recommendation of this Office that the Commission find reason to believe HCI, HCIPAC, and Edward Welles, as treasurer, violated 11 C.F.R. § 114.5(a).

4/ The political purpose of HCIPAC is particularly evident in the explanation that contributions to HCIPAC will be used for the following three programs: "Assure that the handgun control issue becomes an important issue in the presidential campaigns"; "Protect the brave legislators who have supported us"; and, "Elect new friends on Capitol Hill by providing help to anti-NRA candidates who need our support." The solicitation provides specific information on each of these programs, including "We need to provide the maximum financial assistance that we possibly can to our friends on the Hill to make sure the NRA cannot run them out of Office" and "a major goal of 'Campaign '88' is to make sure we don't have to say 'no' to even one single candidate who is willing to stand up to the NRA now ... and then help us advance our legislative agenda in the 101st Congress." Moreover, the reply card for HCIPAC itself states "Please use my contribution to protect our current friends on Capitol Hill, elect new ones and work for a more supportive administration in the 1988 election."

5/ The reply form provides for contributions of "____\$15, ____\$25, ____\$30, ____\$40, Other \$____."

III. RECOMMENDATIONS

1. Find no reason to believe Handgun Control, Inc., Handgun Control Political Action Committee, and Edward Welles, as treasurer, violated 2 U.S.C. § 441b(b)(4)(A)(i).
2. Find reason to believe Handgun Control, Inc., Handgun Control Political Action Committee, and Edward Welles, as treasurer, violated 11 C.F.R. § 114.5(a).
3. Approve the attached letter.

Lawrence M. Noble
General Counsel

2/22/88
Date

By: 
Lois G. Lerner
Associate General Counsel

Attachments

1. Response
2. Conciliation Agreement in MUR 1604
3. Proposed letter

STAFF PERSON: Maura White Callaway



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS / JOSHUA MCFADDEN *JM*

DATE: FEBRUARY 25, 1988

SUBJECT: OBJECTION TO MUR 2549 - FIRST G. C. REPORT
SIGNED FEBRUARY 22, 1988

The above-captioned document was circulated to the Commission on Tuesday, February 23, 1988 at 4:00 P.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	<u>X</u>
Commissioner Elliott	<u> </u>
Commissioner Josefak	<u> </u>
Commissioner McDonald	<u> </u>
Commissioner McGarry	<u> </u>
Commissioner Thomas	<u> </u>

This matter will be placed on the Executive Session agenda for March 1, 1988.

Please notify us who will represent your Division before the Commission on this matter.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Handgun Control, Inc;)
Handgun Control Political) MUR 2549
Action Committee; and)
Edward Welles, as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of March 1, 1988, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 2549:

1. Find no reason to believe Handgun Control, Inc., Handgun Control Political Action Committee, and Edward Welles, treasurer, violated 2 U.S.C. § 441b(b)(4)(A)(i).
2. Find reason to believe Handgun Control, Inc., Handgun Control Political Action Committee, and Edward Welles, as treasurer, violated 11 C.F.R. § 114.5(a)(4), but take no further action with respect to this violation.
3. Direct the Office of General Counsel to send an appropriate letter pursuant to the above actions.

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

Attest:

3/2/88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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March 9, 1988

SENSITIVE

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

BY: Lois G. Lerner *LL*
Associate General Counsel

SUBJECT: MUR 2549

During Executive Session on March 1, 1988, the Commission considered the recommendations of the Office of the General Counsel to find no reason to believe Handgun Control, Inc. ("HCI"), Handgun Control Political Action Committee ("HCIPAC"), and Edward Welles, as treasurer, violated 2 U.S.C. § 441b(b)(4)(A)(i), and reason to believe HCI, HCIPAC, and Edward Welles, as treasurer, violated 11 C.F.R. § 114.5(a). By a vote of 5-1 the Commission found no reason to believe the above respondents violated 2 U.S.C. § 441b(b)(4)(A)(i), and found reason to believe the respondents violated 11 C.F.R. § 114.5(a)(4) but took no further action. (Attachment 1.) After finding no reason to believe, and reason to believe but taking no further action against the respondents, the Commission intended to close the file in this matter. However, the Commission did not specifically vote to "close the file," although it did vote to direct this Office to send "an appropriate letter" pursuant to the Commission's actions. Thus, consistent with the Commission's intention this Office is recommending that the Commission close the file in this matter and authorize this Office to send appropriate letters to the respondents and complainant in this matter.

RECOMMENDATIONS

1. Close the file in MUR 2549.
2. Authorize the Office of the General Counsel to send appropriate letters to the respondents and complainant in MUR 2549.

Attachment
1-Certification, March 1, 1988.

Staff Person: Maura White Callaway

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Handgun Control, Inc.) MUR 2549
Handgun Control Political Action)
Committee and Edward Welles, as)
treasurer)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 11, 1988, the Commission decided by a vote of 5-0 to take the following actions in MUR 2549:

1. Close the file in MUR 2549.
2. Authorize the Office of the General Counsel to send appropriate letters to the respondents and complainant in MUR 2549, as recommended in the General Counsel's memorandum to the Commission dated March 9, 1988.

Commissioners Aikens, Elliott, Josefiek, McGarry, and Thomas voted affirmatively for the decision; Commissioner McDonald did not cast a vote.

Attest:

3/11/88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Wed., 3-9-88, 9:50.
Circulated on 48 hour tally basis: Wed., 3-9-88, 4:
Deadline for vote: Fri., 3-11-88, 4:



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 17, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Richard Gardiner, Assistant General Counsel
National Rifle Association of America
1600 Rhode Island Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2549

Dear Mr. Gardiner:

On March 1, 1988, the Federal Election Commission reviewed the allegations of your complaint dated December 2, 1987, and found that on the basis of the information provided in your complaint and information provided by Handgun Control, Inc. ("HCI"), Handgun Control Political Action Committee ("HCIPAC"), and Edward Welles, as treasurer, there is no reason to believe HCI, HCIPAC, and Edward Welles, as treasurer, violated 2 U.S.C. § 441b(b)(4)(A)(i). In addition, on March 1, 1988, the Commission found reason to believe that HCI, HCIPAC, and Edward Welles, as treasurer, violated 11 C.F.R. § 114.5(a)(4). However, after considering the circumstances of the matter, the Commission decided to take no further action. Accordingly, on March 11, 1988, the Commission closed the file in this matter. A Statement of Reasons explaining the basis for the Commission's decision to take no further action against the respondents and close the file in this matter will be sent to you shortly. The Federal Election Campaign Act of 1971, as amended ("the Act") allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a

Letter to Richard Gardiner
Page 2

complaint pursuant to the requirements set forth in 2 U.S.C.
§ 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

Enclosures
General Counsel's Report
Certifications

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 17, 1988

David Birenbaum, Esquire
Carleton K. Montgomery, Esquire
Fried, Frank, Harris, Shriver and
Jacobsen
1001 Pennsylvania Avenue, N.W. #800
Washington, D.C. 20004-2505

RE: MUR 2549
Handgun Control, Inc.;
Handgun Control
Political Action
Committee;
Edward Welles,
as treasurer

Dear Messrs. Birenbaum and Montgomery:

On December 9, 1987, the Federal Election Commission notified your clients of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on March 1, 1988, found no reason to believe Handgun Control, Inc. ("HCI"), Handgun Control Political Action Committee ("HCIPAC"), and Edward Welles, as treasurer, violated 2 U.S.C. § 441b(b)(4)(A)(i) by soliciting contributions for HCIPAC from persons who are not members of HCI, and reason to believe that HCI, HCIPAC, and Edward Welles, as treasurer, violated 11 C.F.R. § 114.5(a)(4). Specifically, it appears that written solicitations for contributions to HCIPAC did not inform the members of HCI of their right to refuse to contribute without any reprisal. However, after considering the circumstances of this matter, the Commission also determined to take no further action, and on March 11, 1988, closed its file in this matter. The Commission reminds your clients, however, that failing to inform members of HCI on written solicitations for contributions to HCIPAC of their right to refuse to contribute without any reprisal appears to be a violation of 11 C.F.R. § 114.5(a)(4). Your clients should take immediate steps to insure that this activity does not occur in the future.

073370

Enclosure
First General Counsel's Report



FEDERAL ELECTION COMMISSION

WASHINGTON D C 20463

THIS IS THE END OF MUR # 2549
DATE FILMED 4/23/88 CAMERA NO. 3
CAMERAMAN GPC

0314753271



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

/ N Y. 25. 44

THE FOLLOWING MATERIAL IS BEING ADDED TO THE
PUBLIC FILE OF CLOSED MUR 2549 .

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CCC#9025

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

FRIED, FRANK, HARRIS, SHRIVER & JACOBSON
SUITE 800
1001 PENNSYLVANIA AVENUE, N. W.
WASHINGTON, D. C. 20004-2505
(202) 639-7050

88 APR 11 AM 11:35

FELIX S. COHEN (1932-1983)

RICHARD S. BERRYMAN*
DAVID E. BRENNBAUM
JOHN T. BOESE
MILTON EISENBERG*
JOEL R. FEIDELMAN*
JUNE HUNFORD GERTIG
KENNETH W. GIDEON
JACK S. GORDON
HENRY A. HUSSCHMAN
WILLIAM JOSEPHSON
ALAN S. KADEN
JAY R. KRAEMER
KENNETH S. KRAMER*
ARTHUR LAZARUS, JR.*
JAMES J. McCULLOUGH

DAVID H. MILES
ROBERT P. MOLLER
FRANCIS J. OTOOLE
HARVEY L. PITT
P. DAVID RICHARDSON
WELSH RISHIE*
MARCUS A. ROWDEN
RICHARD A. SAUBER
JAMES H. SCHROPP
RICHARD A. STEINWURTEL
THOMAS P. VARTANIAN
W. RICHARD WEST, JR.
ERIC J. ZAHLER
LEONARD A. ZAK

CABLE "STERIC WASHINGTON"
TELEX 882406

DEX 6200 (202) 639-7008
DEX 6200 (202) 639-7003
DEX 3500 (202) 639-7004
DEX 4200 (202) 639-7005

ONE NEW YORK PLAZA
NEW YORK, NEW YORK 10004-1990
(212) 680-8000
TELEX: 680883

725 S. FIGUEROA
LOS ANGELES, CALIFORNIA 90017-5438
(213) 688-8800

3 KING'S ARMS YARD
LONDON, EC2R 7AD, ENGLAND
(01) 600-1841
TELEX: 687808

MARTIN D. GINSBURG*
STUART R. REICHART
PAUL SHWITZER
SARGENT SHRIVER
DANIEL M. SINGER
COUNSEL

*PROFESSIONAL CORPORATION

April 8, 1988

WRITER'S DIRECT LINE
202/639-7050

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

Re: MUR 2549

Dear Mr. Noble:

This letter responds, for the record, to the Finding of the Federal Election Commission in MUR 2549, dated March 2, 1988.

Handgun Control, Inc. ("HCI") will comply with the Commission's directive to include in solicitations for Handgun Control, Inc. Political Action Committee ("HCI-PAC") an express statement that members may decline to contribute to HCI-PAC without fear of "reprisal". HCI disagrees, however, with the Commission's finding that its failure to do so in past solicitations violated the regulations.

11 C.F.R. § 114.5(a)(1) states that "[a] separate segregated fund is prohibited from making a contribution or expenditure by utilizing money ... secured by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination, or financial reprisals" This

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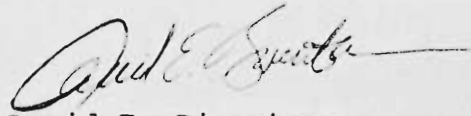
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Mr. Lawrence M. Noble
April 8, 1988
Page 2

subsection states the purpose of the specific rules which follow, including the rule stated in subsection (a)(4). HCI's solicitations for HCI-PAC do not reasonably fall within the rule of subsection (a)(4) because the organization has absolutely no capacity to use or threaten physical force, job discrimination, or financial reprisals against its members. HCI is a purely voluntary organization that supports reasonable gun control legislation. HCI has no control over its members' time, jobs, or money. No member of HCI could reasonably believe that HCI would have the power to make a reprisal against him or her based on physical force, job discrimination, or financial loss. Thus, the absence of an express statement that HCI will not make reprisals against members who decide not to respond to an HCI-PAC solicitation could not work any of the harm that 11 C.F.R. § 114.5(a) is designed to prevent. HCI, therefore, believes that its past solicitations for HCI-PAC did conform to the regulations.

Nevertheless, HCI reiterates that it will adhere to the Commission's direction to amend future solicitations for contributions to HCI-PAC by including a no reprisal statement as set forth in 11 C.F.R. § 114.5(a)(4).

Sincerely,



David E. Birenbaum
Carleton K. Montgomery

33040712664



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

plm
April 15, 1988

Richard Gardiner, Assistant General Counsel
National Rifle Association of America
1600 Rhode Island Avenue, N.W.
Washington, D.C. 20036

RE: MUR 2549

Dear Mr. Gardiner:

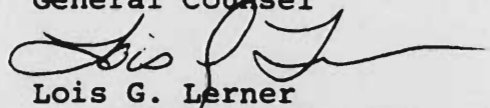
By letter dated March 17, 1988, the Office of the General Counsel informed you of determinations made with respect to the complaint filed by you against Handgun Control, Inc., Handgun Control Political Action Committee, and Edward Welles, as treasurer. Enclosed with that letter were the General Counsel's Report and certification of the Commission's actions.

Enclosed please find a Statement of Reasons adopted by the Commission explaining its decision to take no further action against the respondents with respect to a violation of 11 C.F.R. § 114.5(a)(4). This document will be placed on the public record as part of the file of MUR 2549.

If you have any questions, please contact Maura White Callaway, the staff member assigned to this matter, at 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

Enclosure
Statement of Reasons

88040712665