



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2816

DATE FILMED 10/12/90 CAMERA NO. 2

CAMERAMAN AS

40001363

83 FEB -6 AM 9:07

BEFORE THE
FEDERAL ELECTION COMMISSION

TONY FEATHER, Executive Director,)
MISSOURI REPUBLICAN PARTY,)
204 East Dunklin Street)
Post Office Box 73)
Jefferson City, Missouri 65102)
(314) 636-3146)

Complainant,)

v.)

CRYTS FOR CONGRESS)
COMMITTEE, FEC No. H6M008050)
Post Office Box 1988)
Cape Girardeau, MO 63702)
Carol-Gay Eikermann, Treasurer)

Respondent.)

Complaint No. 2816

83 FEB -6 PM 3:05

FORMAL COMPLAINT

1. Wayne Cryts was a candidate for U.S. Congress, 8th District, Missouri, at the November 8, 1988 General Election.

2. The federal campaign committee for Wayne Cryts is the "Cryts for Congress Committee," FEC Identification Number H6M008050 (hereinafter referred to as the "Cryts Committee").

3. The Cryts Committee's report for the period October 20, 1988 through November 30, 1988 shows one, and only one, contribution from the Democratic State Committee. A copy of page 1 of 2, for line number 11(b), of the referenced report is attached hereto as Exhibit "A."

4. The Democratic State Committee operates under Missouri law, which among other things, permits corporations, labor organizations and federally-unregistered committees to make contributions to the Democratic State Committee. § 130.020 RSMo 1986. The Democratic State Committee, in fact, receives the

Respectfully submitted,

Paul H. Gardner

PAUL H. GARDNER
MO Bar Enrollment No. 28159
215 East High Street
Post Office Box 1251
Jefferson City, Missouri 65102
(314) 635-9118
ATTORNEY FOR COMPLAINANT.

VERIFICATION

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

I, Tony Feather, Executive Director of the Missouri Republican Party, do state under oath that the facts as set out in the above Formal Complaint are true and correct according to my best information, knowledge and belief.

Tony Feather
TONY FEATHER

Subscribed and sworn to before me this 1st day of February, 1989.

Donna Steinmetz
NOTARY PUBLIC

DONNA STEINMETZ
NOTARY PUBLIC, STATE OF MISSOURI
COUNTY OF COLE

My Commission Expires: _____
My Commission Expires Sept. 30, 1989

SCHEDULE A

ITEMIZED RECEIPTS

PAGE 1	
1	2
FORM LINE NUMBER 11(b)	

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

NAME OF COMMITTEE TO WHICH: **Coyte for Congress Committee** **MS4008090**

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Madison Democrat Club Ft. St. MO 63645		10-18-88	1000.00
Receipt For: ☐ Other (specify) ☐ Primary ☒ General	Occupation		
	Aggregate Year-to-Date > \$ 1000.00		
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
The Jeffersonian Democratic Club Rolla MO 65401		10-28-88	200.00
Receipt For: ☐ Other (specify) ☐ Primary ☒ General	Occupation		
	Aggregate Year-to-Date > \$ 200.00		
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Clay Campaign Committee 5011 N. Kingshighway St. Louis MO 63115		11-02-88	1000.00
Receipt For: ☐ Other (specify) ☐ Primary ☒ General	Occupation		
	Aggregate Year-to-Date > \$ 1000.00		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Democratic State Committee 225A Madison Street Jefferson City MO 65101		11-02-88	5000.00
Receipt For: ☐ Other (specify) ☐ Primary ☒ General	Occupation		
	Aggregate Year-to-Date > \$ 5000.00		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
D.N.C. Services Corporation 430 South Capitol Street, S.E. Washington D.C. 20003		11-02-88	5000.00
Receipt For: ☐ Other (specify) ☐ Primary ☒ General	Occupation		
	Aggregate Year-to-Date > \$ 5000.00		
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Gephardt in Congress Committee 7435 Watson Road, Suite 100A St. Louis MO 63119		11-03-88	1000.00
Receipt For: ☐ Other (specify) ☐ Primary ☒ General	Occupation		
	Aggregate Year-to-Date > \$ 1000.00		
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
St. Francois County Democratic Central Committee Farmington MO 63640		11-04-88	1000.00
Receipt For: ☐ Other (specify) ☐ Primary ☒ General	Occupation		
	Aggregate Year-to-Date > \$ 1000.00		

SUBTOTAL of Receipts This Page (optional)

TOTAL This Period (fill page one line number only)

89013721933

**EXPENDITURES AND
CONTRIBUTIONS MADE**

A. EXPENDITURES OF \$100 OR LESS BY CATEGORY
(LIST PAYMENTS TO CAMPAIGN WORKERS IN SECTION B BELOW)

3. CATEGORY OF EXPENDITURE

See attached

5. SUBTOTAL: NON-ITEMIZED EXPENDITURES THIS PAGE (SUM COLUMN 4)

\$ 3,983.03

6. SUBTOTAL: NON-ITEMIZED EXPENDITURES ANY ATTACHED PAGES

+ 3,983.03

7. TOTAL: NON-ITEMIZED EXPENDITURES THIS PERIOD (SUM 5 + 6)

\$ 3,983.03

**B. ITEMIZED EXPENDITURES ALL OVER \$100
AND ALL PAYMENTS TO CAMPAIGN WORKERS**

8. NAME AND ADDRESS OF RECIPIENT

9. DATE

**10. PURPOSE - (IF
PAYMENT WAS TO
A CAMPAIGN
WORKER, SHOW
AGGREGATE PAID)**

**11. AMOUNT
THIS PERIOD**

See attached

\$

☐ PAID ☐ INCURRED

\$

☐ PAID ☐ INCURRED

\$

☐ PAID ☐ INCURRED

\$

☐ PAID ☐ INCURRED

\$

☐ PAID ☐ INCURRED

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\$

☐ PAID ☐ INCURRED

12. SUBTOTAL: THIS PAGE (SUM COLUMN 11)

\$

13. SUBTOTAL: ANY ATTACHED PAGES

+

14. TOTAL: ITEMIZED EXPENDITURES THIS PERIOD (SUM 12 + 13)

\$

1. NAME OF COMMITTEE

Democratic State Committee

2. REPORT DATE

12-8-88

OFFICE USE ONLY

15. TOTAL: MONETARY EXPENDITURES THIS PERIOD (SUM 7 + 14)

\$ 328,108.70

16. AMOUNT OF LINE 15 WHICH WAS PAID OUT THIS PERIOD

\$ 328,108.70

17. AMOUNT OF LINE 15 WHICH WAS DEBT INCURRED THIS PERIOD

\$ 0

18. IF COMMITTEE MADE ANY IN-KIND EXPENDITURES THIS PERIOD, LIST AMOUNT

\$ 0

19. FUNDS USED FOR REPAYING LOANS THIS PERIOD (ATTACH FORM CD-1B)

\$ 7,500.00

C. MONETARY CONTRIBUTIONS MADE (REGARDLESS OF AMOUNT)

20. NAME AND ADDRESS OF CANDIDATE OR COMMITTEE

21. DATE

22. AMOUNT

Cryts For Congress
Route 2, Puxico, MO 63960

11-2-88

5,000.00

Cryts For Congress
Route 2
Puxico, MO 63960

11-7-88

1,500.00

23. SUBTOTAL: THIS PAGE (SUM COLUMN 22)

\$ 6,500.00

24. SUBTOTAL: ANY ATTACHED PAGES

+

25. TOTAL: MONETARY CONTRIBUTIONS MADE THIS PERIOD (SUM 23 + 24)

\$ 6,500.00

26. IF COMMITTEE MADE ANY LOANS THIS PERIOD, LIST AMOUNT

\$

27. TOTAL: ALL MONETARY CONTRIBUTIONS AND LOANS MADE THIS PERIOD (SUM 25 + 26)

\$ 6,500.00

28. IF COMMITTEE MADE ANY IN-KIND CONTRIBUTIONS THIS PERIOD, LIST AMOUNT

\$ 0



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 13, 1989

Tony Feather, Executive Director
Missouri Republican Party
204 E. Dunklin Street
PO Box 73
Jefferson City, MO 65102

RE: MUR 2816

Dear Mr. Feather:

This letter acknowledges receipt on February 6, 1989, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the Cryts For Congress Committee and Carol Gay Eikermann, as treasurer, and the Missouri Democratic State Committee. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 2816. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints. If you have any questions, please contact Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble
General Counsel

By: 
Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

97040801368



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

February 13, 1989

Carol Gay Eikermann, Treasurer
Cryts For Congress Committee
PO Box 1988
Cape Girardeau, MO 63702

RE: MUR 2816
Cryts For Congress
Committee and Carol
Gay Eikermann, as
treasurer

Dear Ms. Eikermann:

The Federal Election Commission received a complaint which alleges that the Cryts For Congress Committee and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2816. 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 Cryts For Congress Committee in this matter. 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. Your response, which should be addressed to the General Counsel's Office, 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.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

cc: Phillip Wayne Cryts
Route 2 Box 327
Puxico, MO 63960

90040801370



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 13, 1989

Missouri Democratic State
Committee
225A Madison Street
Jefferson City, MO 65101

RE: MUR 2816
Missouri Democratic
State Committee

Gentlemen:

The Federal Election Commission received a complaint which alleges that the Missouri Democratic State Committee may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2816. 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 the Missouri Democratic State Committee in this matter. 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. Your response, which should be addressed to the General Counsel's Office, 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.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

90040301371

If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

cc: Missouri Democratic State
Committee
105 W. High Street
PO Box 719
Jefferson City, MO 65102

92040801372

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

RECEIVED
FEDERAL ELECTION COMMISSION

89 APR 20 PM 12:06

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

MUR: 2816
DATE COMPLAINT RECEIVED
BY OGC: 2/6/89
DATE OF NOTIFICATION TO
RESPONDENTS: 2/13/89
STAFF MEMBER: Reilly

COMPLAINANT: Tony Feather, Executive Director, Missouri
Republican Party

RESPONDENTS: Cryts for Congress Committee and Carol-Gaye
Eikermann, as treasurer

Missouri Democratic State Committee

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

The Office of the General Counsel received a complaint on February 6, 1989, from Tony Feather, Executive Director of the Missouri Republican Party. Named as respondents are the Cryts In Congress Committee and Carol-Gay Eikermann, as treasurer ("the Cryts Committee") and the Missouri Democratic State Committee ("the State Party") and Douglas Brooks, as treasurer.

On March 9, 1989, this Office was contacted by Tod Patterson, a State Party official, who stated a response would be forthcoming. When no response was received, this Office contacted the State Party's treasurer who stated a response had been sent approximately three weeks earlier. The treasurer stated that a duplicate copy would be forwarded immediately.

89 APR 24 AM 9:16
FEDERAL ELECTION COMMISSION

90040801373

On March 6, 1989, this Office was contacted by Ms. Eikermann who stated that she had received the complaint and would be responding shortly. When no response was received, this Office contacted Ms. Eikermann who stated that she had directed the State Party to respond on her behalf.

After receiving and reviewing the State Party's duplicated response, this Office will report to the Commission.

Lawrence M. Noble
General Counsel

April 19, 1989
Date

BY:

George F. Rishel
George F. Rishel
Acting Associate General
Counsel

Staff Person: Patty Reilly

90040001374



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

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

DATE: APRIL 25, 1989

SUBJECT: MUR 2816 - FIRST GENERAL COUNSEL'S REPORT
SIGNED APRIL 19, 1989

The above-captioned report was received in the Secretariat at 9:16 a.m. on Monday, April 24, 1989 and circulated to the Commission on a 24-hour no-objection basis at 11:00 a.m. on Monday, April 24, 1989.

There were no objections to the report.

9004001375

06L 2738

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION

89 MAY 12 AM 11:06

May 2, 1989

MUR 2816

RECEIVED
FEDERAL ELECTION COMMISSION
MAY 12 11:06

Ms. Patty Reilly
Office of General Counsel
999 E. St. N.W.
Washington, D.C. 20463

Dear Ms. Reilly:

Please find enclosed a copy of the memo I sent to you regarding contribution to Wayne Crites by the Missouri Democratic State Committee. I am sorry you did not receive the first copy and I apologize for not providing you with a second copy sooner. The problem involved a turnover in our office staff at our headquarters.

Please inform me of any additional action which is required.

Very truly yours,



Douglas Brooks, Treasurer
Mo. Democratic State Committee

90040301376

060 3304

Wendell W. Crow
James R. Reynolds
H. Mark Preyer
Matthew R. Shetley

CROW, REYNOLDS, AND PREYER

Attorneys at Law
P.O. Box 189
Cotton Exchange Bank Building
Kennett, Missouri 63857-0189

888-4664
888-4665
Area Code 314

June 21, 1989

Ms. Patty Reilly
Associate General Counsel
Federal Election Commission
999 E Street, N. W.
Washington, D.C. 20004

Re: MUR 2816

Dear Ms. Reilly:

Please find enclosed "Statement of Designation of Counsel" duly executed by Ms. Carol-Gay Eikermann earlier this year which I request that you file in the above-referenced matter.

My last conversation with Ms. Eikermann, which has been some time ago, was that she felt this matter could be resolved due to the fact that the Cryts for Congress Committee did not receive this check which was reported on the Democratic State Committee expenditures and contributions list as being provided on 11/7/88 in the sum of \$1,500.00. She felt this was merely a "bookkeeping error" on the part of the State Democratic Committee and could be corrected. However, Ms. Eikermann has been out of town for the last few days and I am now requesting, at your first opportunity, you to provide me an update as to what is occurring in this matter and the current position of the Commission with regards to the formal complaint.

Also, if you would so allow, I would like leave to file a response to the formal complaint now that I believe I have all the facts together.

Therefore, please advise me of the status of this matter and whether it would be permissible for me to file, at this date, response to the formal complaint.

Yours very truly,

CROW, REYNOLDS & PREYER



H. Mark Preyer

HMP/nas

Enclosure

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF THE GENERAL COUNSEL
89 JUL -3 PM 12:31

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION
89 JUL -3 AM 8:57

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2816

NAME OF COUNSEL: Mark Preyer

ADDRESS: P.O. Box 189

Kennett Mo 63857

TELEPHONE: 314 888-4664

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.

3/1/89
Date

Carl Gay Eikerman
Signature

RESPONDENT'S NAME: Carl Gay Eikerman

ADDRESS: 200 Eikerman Rd.

Bourbon Mo

65441

HOME PHONE: 314 732-4755

BUSINESS PHONE: 314-732-~~4755~~ 5176

93040801373

RECEIVED
FEDERAL ELECTION COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION JUN 14 AM 10:17

In the Matter of)
Cryts for Congress Committee and)
Carol-Gay Eikermann, as)
treasurer)
Missouri Democratic State)
Committee (Federal Account/)
Non-Federal Account) and Douglas)
Brooks, as treasurer)

MUR 2816

SENSITIVE

**EXECUTIVE SESSION
JUN 27 1989**

GENERAL COUNSEL'S REPORT

I. BACKGROUND

The Office of the General Counsel received a complaint on February 6, 1989, from Tony Feather, executive director of the Missouri Republican Party. Named as respondents are the Cryts In Congress Committee ("the Cryts Committee") and Carol-Gay Eikermann, as treasurer, and the Missouri Democratic State Committee (Federal Account/Non-Federal Account) and Douglas Brooks, as treasurer ("the State Party"). Although all respondents were notified of the complaint, none of the respondents elected to respond substantively.^{1/}

II. ALLEGATIONS IN THE COMPLAINT

The complaint makes three allegations. First, referencing the State Party's 1988 Pre-General Election Report that includes two contributions totalling \$6,500 to the Cryts Committee, the

^{1/} In conversations with this Office the Cryts Committee stated that it had authorized the State Party to respond on its behalf. The State Party initially informed this Office that a response had been sent. When this Office stated that a response had not been received, the treasurer stated a duplicate copy would be sent. Subsequently, a response purporting to enclose a memo explaining the transactions at issue was received on May 12, 1989. Attachment One. The memo, however, was not enclosed. Attempts to contact the treasurer were unsuccessful.

90040001379

complaint alleges the Cryts Committee failed to report one of these contributions for \$1,500. Second, the complaint alleges that these contributions were made from an account containing funds that would be prohibited and excessive under the Act. Third, the complaint alleges the contributions exceed the Act's limitations.

II. FACTUAL AND LEGAL ANALYSIS

It is undisputed that the State Party's Federal Reports reveal two contributions to the Cryts Committee on November 2, 1988. One contribution is for \$5,000; the other is for \$1,500. Neither contribution is reported as containing an election designation. It is further undisputed that the Cryts Committee reported only the one contribution of \$5,000. Additionally, a portion of the State Party's state reports attached to the complaint notes that both contributions were reported as made from the state account. The State Party maintains separate Non-federal and Federal Accounts, and has qualified as a multicandidate committee.

Pursuant to 2 U.S.C. § 434(b)(3)(B), a political committee is required to report the identification of a political committee contributing to it. Additionally, the Act limits contributions by multicandidate committees to \$5,000 per election, 2 U.S.C. § 441a(a)(2)(A), and prohibits committees from accepting contributions exceeding the Act's limitations. 2 U.S.C. § 441a(f). A contribution made after the date of the primary election, in the absence of a written designation for the primary by the contributor, constitutes a general election contribution, provided the recipient committee has a primary debt. See

11 C.F.R. § 110.1. The Regulations afford two options to political committees, including state party committees, conducting both federal and non-federal activity. 11 C.F.R. § 102.5(a). In this instance the State Party established a separate federal account, and thus must place into this account only permissible funds, and conduct all federal activity from this account. 11 C.F.R. § 102.5(a)(1)(i).^{2/} Missouri state law permits contributions to state committees that would be excessive and prohibited under the Act.

In the instant case, the reports uniformly indicate a total of \$6,500 in contributions made after the date of the primary election without any reported evidence that either contained a written designation for that election. Therefore, this total amount of \$6,500 must be attributed to the general election, and therefore exceeds the Act's limitations at 2 U.S.C.

§ 441a(a)(2)(A). Thus, this Office recommends that the Commission find reason to believe the State Party violated 2 U.S.C. § 441a(a)(2)(A), and that the Cryts Committee violated 2 U.S.C. § 441a(f). Moreover, because the Cryts Committee failed to report the second contribution of \$1,500, this Office recommends that the Commission find reason to believe the Cryts Committee violated 2 U.S.C. § 434(b)(3)(B).

^{2/} The State Party recently received a Request for Additional Information from the Commission's Reports Analysis Division regarding an apparent misdeposit of funds intended for the Non-federal Account that were placed into the Federal Account. Thus, it appears the State Party operates these two accounts as separate entities.

At this juncture, there is an outstanding question of fact regarding from which of the State Party's accounts these contributions were made. Because the State Party has reported making these contributions from both accounts, this Office recommends that the Commission find reason to believe the State Party violated 11 C.F.R. § 102.5(a) and request information whether these contributions were made from the Non-federal Account, and if so, ascertain the composition of these funds.^{3/}

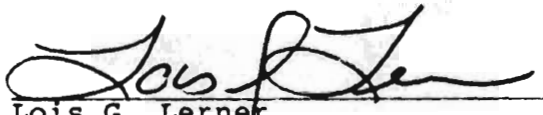
IV. RECOMMENDATIONS

1. Find reason to believe the Cryts In Congress Committee and Carol-Gay Eikermann, as treasurer, violated 2 U.S.C. §§ 434(b)(3)(B) and 441a(f).
2. Find reason to believe the Missouri Democratic Party (Federal Account/Non-Federal Account) and Douglas Brooks, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A) and 11 C.F.R. § 102.5(a).
3. Approve the attached Factual and Legal Analyses, letters, and subpoenas.

Lawrence M. Noble
General Counsel

6-13-89
Date

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. State Party Response
2. Factual and Legal Analyses (2)
3. Letters (2)
4. Subpoenas (2)

Staff Person: Patty Reilly

^{3/} In the event the contributions were made from the Non-federal Account and that account contained excessive and prohibited funds, this Office will make additional recommendations.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

MEMORANDUM TO: **LAWRENCE M. NOBLE**
 GENERAL COUNSEL

FROM: **MARJORIE W. EMMONS**

DATE: **JUNE 16, 1989**

SUBJECT: **OBJECTIONS to MUR 2816 - General Counsel's Rpt.**
 Signed June 13, 1989.

The above-captioned document was circulated to the
Commission on Wednesday, June 14, 1989 at 4:00 p.m.

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

Commissioner Aikens	_____
Commissioner Elliott	_____ XX _____
Commissioner Josefiak	_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Thomas	_____

This matter will be placed on the Executive Session
agenda for Tuesday, June 27, 1989.

90040301383

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Cryts for Congress Committee and)
Carol-Gay Eikermann, as)
treasurer) MUR 2816
Missouri Democratic State Committee)
(Federal Account/Non-Federal)
Account) and Douglas Brooks, as)
treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of June 27,
1989, do hereby certify that the Commission decided by a
vote of 6-0 to take the following actions in MUR 2816:

1. Find reason to believe the Cryts In
Congress Committee and Carol-Gay
Eikermann, as treasurer, violated
2 U.S.C. §§ 434(b)(3)(B) and 441a(f).
2. Find reason to believe the Missouri
Democratic Party (Federal Account/
Non-Federal Account) and Douglas Brooks,
as treasurer, violated 2 U.S.C. § 441a(a)
(2)(A) and 11 C.F.R. § 102.5(a).

(continued)

Federal Election Commission
Certification for MUR 2816
June 27, 1989

Page 2

3. Approve the Factual and Legal Analyses, letters, and subpoenas attached to the General Counsel's report dated June 13, 1989, subject to amendment of the subpoena to the Missouri Democratic Party (Federal Account/Non-Federal Account) as discussed during the meeting this date.

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

Attest:

6-29-89

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

93040801385



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 12, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Carol-Gay Eikermann, Treasurer
Cryts In Congress Committee
200 Eikermann Road
Bourbon, MO 65441

RE: MUR 2816
Cryts In Congress
Committee and Carol-Gay
Eikermann, as treasurer

Dear Ms. Eikermann:

On February 13, 1989, the Federal Election Commission notified the Cryts In Congress Committee ("Committee") and you, as treasurer, 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 enclosed with that notification.

Upon further review of the allegations contained in the complaint, the Commission, on June 27, 1989, found that there is reason to believe the Committee and you, as treasurer, violated 2 U.S.C. §§ 434(b)(3)(B) and 441a(f), provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Statements should be submitted under oath. All responses to the enclosed Order to Answer Questions and Subpoena to Produce Documents must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the order and subpoena.

Carol-Gay Eikermann
Page 2

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order and subpoena. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications or other communications from the Commission.

In the absence of any additional information which demonstrates that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

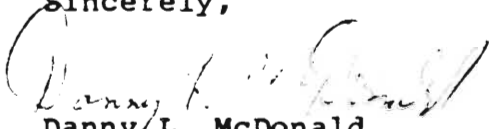
If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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 investigation to be made public.

If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,


Danny L. McDonald
Chairman

Enclosures

Order and Subpoena
Designation of Counsel Form
Factual and Legal Analysis

93040301387

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)

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MUR 2816

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Carol-Gay Eikermann, Treasurer
Cryts for Congress Committee
200 Eikermann Road
Bourbon, MO 65441

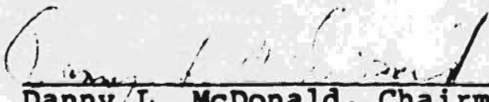
Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 15 days of your receipt of this Order and Subpoena.

92040301383

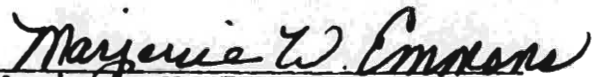
Subpoena and Order - Carol-Gaye Eikermann
Page 2

WHEREFORE, the Chairman of the Federal Election Commission
has hereunto set his hand in Washington, D.C. on this *10th*, day
of *July*, 1989.



Danny L. McDonald, Chairman
Federal Election Commission

ATTEST:



Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions (3 pages)

93040801389

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery requests shall refer to the time period from January 1, 1987 to December 31, 1988.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

93040801390

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

QUESTIONS AND DOCUMENT REQUESTS

1. List all contributions you received from the Missouri Democratic State Committee (Federal Account/Non-Federal Account) ("the State Party"). List the date of each contribution and the election for which it was intended.
2. State the purposes for which the State Party made each contribution and the purpose for which the Cryts Committee used this contribution.
3. Identify the State Party official who provided each contribution.

The Commission requests the following documents:

- 1) Copies (front and back) of the contribution checks noted in your answer to interrogatory number one.
- 2) all writings that accompanied the contribution noted above.

93040801392

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Cryts In Congress Committee MUR 2816
 and Carol-Gay Eikermann,
 as treasurer

The Office of the General Counsel received a complaint on February 6, 1989, from Tony Feather, executive director of the Missouri Republican Party. Named as respondents are the Cryts In Congress Committee ("the Cryts Committee") and Carol-Gay Eikermann, as treasurer.

The complaint makes three allegations. First, referencing the Missouri Democratic Committee's ("the State Party") 1988 Pre-General Election Report that includes two contributions totalling \$6,500 to the Cryts Committee, the complaint alleges the Cryts Committee failed to report one contribution for \$1,500. Second, the complaint alleges that these contributions were made from an account containing funds that would be prohibited and excessive under the Act. Third, the complaint alleges the contributions exceed the Act's limitations.

It is undisputed that the State Party's Federal Reports reveal two contributions to the Cryts Committee on November 2, 1988. One contribution is for \$5,000; the other is for \$1,500. Neither contribution is reported as containing an election designation. It is further undisputed that the Cryts Committee reported only the one contribution of \$5,000. Additionally, a portion of the State Party's state reports attached to the complaint notes that both contributions were reported as made

from the state account. The State Party maintains separate Non-federal and Federal Accounts, and has qualified as a multicandidate committee.

Pursuant to 2 U.S.C. § 434(b)(3)(B), a political committee is required to report the identification of a political committee contributing to it. Additionally, the Act limits contributions by multicandidate committees to \$5,000 per election, 2 U.S.C. § 441a(a)(2)(A), and prohibits committees from accepting contributions exceeding the Act's limitations. 2 U.S.C. § 441a(f). A contribution made after the date of the primary election, in the absence of a written designation for the primary by the contributor, constitutes a general election contribution. See 11 C.F.R. § 110.1. The Regulations afford two options to political committees, including state party committees, conducting both federal and non-federal activity. 11 C.F.R. § 102.5(a). In this instance the State Party established a separate federal account, and thus must place into this account only permissible funds, and conduct all federal activity from this account. 11 C.F.R. § 102.5(a)(1)(i). Missouri state law permits contributions to state committees that would be excessive and prohibited under the Act.

In the instant case, the reports uniformly indicate a total of \$6,500 in contributions made after the date of the primary election without any reported evidence that either contained a

93040801394

written designation for that election. This total amount of \$6,500 must be attributed to the general election, and therefore exceeds the Act's limitations at 2 U.S.C. § 441a(a)(2)(A). Thus, there is reason to believe that the Cryts Committee violated 2 U.S.C. § 441a(f). Moreover, because the Cryts Committee failed to report the second contribution of \$1,500, there is reason to believe the Cryts Committee violated 2 U.S.C. § 434(b)(3)(B).

90040801395



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

July 12, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Douglas Brooks, Treasurer
Missouri Democratic State Committee
(Federal Account/Non-Federal Account)
105 W. High Street
P.O. Box 719
Jefferson City, MO 65102

RE: MUR 2816
Missouri Democratic State
Committee (Federal
Account/Non-Federal
Account) and Douglas
Brooks, as treasurer

Dear Mr. Brooks:

On February 13, 1989, the Federal Election Commission notified the Missouri Democratic State Committee (Federal Account/Non-Federal Account) ("Committee") and you, as treasurer, 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 enclosed with that notification.

Upon further review of the allegations contained in the complaint, the Commission, on June 27, 1989, found that there is reason to believe the Committee and you, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A), a provision of the Act, and 11 C.F.R. § 102.5(a), a provision of the Commission's Regulations. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Statements should be submitted under oath. All responses to the enclosed Order to Answer Questions and Subpoena to Produce Documents must be submitted to the General Counsel's Office within 15 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the order and subpoena.

Douglas Brooks
Page 2

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order and subpoena. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications or other communications from the Commission.

In the absence of any additional information which demonstrates that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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 investigation to be made public.

If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Danny L. McDonald
Chairman

Enclosures

Order and Subpoena
Designation of Counsel Form
Factual and Legal Analysis

90040801397

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)
)

MUR 2816

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Douglas Brooks, Treasurer
Missouri Democratic State Committee
(Federal Account/Non-Federal Account)
225A Madison Street
Jefferson City, MO 65101

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 15 days of your receipt of this Order and Subpoena.

93040301328

Subpoena and Order - Douglas Brooks
Page 2

WHEREFORE, the Chairman of the Federal Election Commission
has hereunto set his hand in Washington, D.C. on this *10th* day
of *July*, 1989.

Danny L. McDonald

Danny L. McDonald, Chairman
Federal Election Commission

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions (3 pages)

90240301399

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery requests shall refer to the time period from January 1, 1987 to December 31, 1988.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

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DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

QUESTIONS AND DOCUMENT REQUESTS

1. List all contributions made by the Missouri Democratic State Committee (Federal Account/Non-Federal Account) ("the State Party") to the Cryts for Congress Committee.
2. For each contribution noted above, list the date, amount, and purpose of the contribution, and whether the contribution was made from the Federal Account or the Non-Federal Account. State the election for which each contribution was designated.
3. For each contribution noted above, state whether such contribution was intended for party building activity. If so, describe this activity.
4. If a contribution was made from the Non-Federal Account, for each payment made from the Non-Federal Account list the balance of the Non-Federal Account on the date of the payment and identify the sources of funds received by the Non-Federal Account constituting the balance of the account on the payment date. For purposes of this matter, such funds constituting the balance are the funds received by the Non-Federal Account most recent to each specified payment date (Last In, First Out, or "LIFO"). The source of funds should be broken down by identifying the entity providing the monies, the amount, and the date received by the Non-Federal Account.

The Commission requests the following documents:

- 1) Copies (front and back) of the contribution checks noted in your answer to interrogatory one.
- 2) all writings accompanying the contributions noted above.

90040301402

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Missouri Democratic State Committee (Federal Account/
Non-Federal Account) and MUR: 2816
Douglas Brooks, as treasurer

The Office of the General Counsel received a complaint on February 6, 1989, from Tony Feather, executive director of the Missouri Republican Party. Named as respondents are the Missouri Democratic State Committee (Federal Account/Non-Federal Account) and Douglas Brooks, as treasurer ("the State Party").

The complaint makes three allegations. First, referencing the State Party's 1988 Pre-General Election Report that includes two contributions totalling \$6,500 to the Cryts Committee, the complaint alleges the Cryts Committee failed to report one contribution for \$1,500. Second, the complaint alleges that these contributions were made from an account containing funds that would be prohibited and excessive under the Act. Third, the complaint alleges the contributions exceed the Act's limitations.

It is undisputed that the State Party's Federal Reports reveal two contributions to the Cryts Committee on November 2, 1988. One contribution is for \$5,000; the other is for \$1,500. Neither contribution is reported as containing an election designation. It is further undisputed that the Cryts Committee reported only the one contribution of \$5,000. Additionally, a portion of the State Party's state reports attached to the complaint notes that both contributions were reported as made

from the Non-federal account. The State Party maintains separate non-federal and federal accounts, and has qualified as a multicandidate committee.*/

Pursuant to 2 U.S.C. § 434(b)(3)(B), a political committee is required to report the identification of a political committee contributing to it. Additionally, the Act limits contributions by multicandidate committees to \$5,000 per election, 2 U.S.C. § 441a(a)(2)(A), and prohibits committees from accepting contributions exceeding the Act's limitations. 2 U.S.C. § 441a(f). A contribution made after the date of the primary election, in the absence of a written designation for the primary by the contributor, constitutes a general election contribution. See 11 C.F.R. § 110.1. The Regulations afford two options to political committees, including state party committees, conducting both federal and non-federal activity. 11 C.F.R. § 102.5(a). In this instance the State Party established a separate federal account, and thus must place into this account only permissible funds, and conduct all federal activity from this account. 11 C.F.R. § 102.5(a)(1)(i). Missouri state law permits contributions to state committees that would be excessive and prohibited under the Act.

*/ The State Party recently received a Request for Additional Information from the Commission's Reports Analysis Division regarding an apparent misdeposit of funds intended for the Non-federal Account that were placed into the Federal Account. Thus, it appears the State Party operates these two accounts as separate entities.

93040801404

In the instant case, the reports uniformly indicate a total of \$6,500 in contributions made after the date of the primary election without any reported evidence that either contained a written designation for that election. This total amount of \$6,500 must be attributed to the general election, and therefore exceeds the Act's limitations at 2 U.S.C. § 441a(a)(2)(A). Thus, there is reason to believe the State Party violated 2 U.S.C. § 441a(a)(2)(A).

At this juncture, there is an outstanding question of fact regarding from which of the State Party's accounts these contributions were made. Because the State Party has reported making these contributions from both accounts, there is reason to believe the State Party violated 11 C.F.R. § 102.5(a).

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
SUBPOENA TO PRODUCE DOCUMENTS)
ORDER TO SUBMIT WRITTEN ANSWERS) MUR 2816

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 AUG -3 PM 5:04

ANSWERS TO INTERROGATORIES AND
RESPONSE TO DOCUMENT REQUEST

ANSWERS TO INTERROGATORIES

Comes now Douglas Brooks, Treasurer, Missouri Democratic State Committee, and for his Answers to Interrogatories, states as follows:

INTERROGATORY NO. 1: List all contributions made by the Missouri Democratic State Committee (Federal Account/Non-Federal Account) ("the State Party") to the Cryts for Congress Committee.

ANSWER NO. 1: The Missouri Democratic State Committee made two contributions to the Cryts for Congress Committee. The first was a check dated November 11, 1988, in the amount of \$5,000, and the second was a wire transfer made on November 7, 1988, in the amount of \$1,500. Both of these contributions were made from our segregated federal account at Central Bank, Jefferson City, Missouri, Account No. 1-1891-5.

INTERROGATORY NO. 2: For each contribution noted above, list the date, amount, and purpose of the contribution, and whether the contribution was made from the Federal Account or the Non-Federal Account. State the election for which each contribution was designated.

ANSWER NO. 2: The \$5,000 check was dated November 2, 1988, and was a direct contribution from the State Democratic Party to the Cryts for Congress Committee in the November 1988 election. The wire transfer of \$1,500, dated November 7, 1988, was improperly sent to the Cryts for Congress Committee. The purpose of the wire transfer was to pay a portion of the "Get Out the Vote" campaign being supervised by the Cryts campaign in the southeastern part of the state. That wire transfer was also attributed to the November 1988 election.

20040301408

INTERROGATORY NO. 3: For each contribution noted above, state whether such contribution was intended for party building activity. If so, describe this activity.

ANSWER NO. 3: The \$5,000 check was not for Party building activity, but the \$1,500 wire transfer was. It was sent at the request of the coordinating campaign chairman, who was working on behalf of the Dukakis campaign, and was to pay a portion of the "Get Out the Vote" activity being conducted in the southeastern part of the state.

INTERROGATORY NO. 4: If a contribution was made from the Non-Federal Account, for each payment made from the Non-Federal Account list the balance of the Non-Federal Account on the date of the payment and identify the sources of funds received by the Non-Federal Account constituting the balance of the account on the payment date. For purposes of this matter, such funds constituting the balance are the funds received by the Non-Federal Account most recent to each specified payment date (Last In, First Out, or "LIFO"). The source of funds should be broken down by identifying the entity providing the monies, the amount, and the date received by the Non-Federal Account.

ANSWER NO. 4: Neither the \$5,000 check nor the \$1,500 wire transfer was made from our non-federal account, which is our general account. They both came from our segregated federal account at Central Bank, Jefferson City, Missouri, Account No. 1-1891-5.

RESPONSE TO DOCUMENT REQUEST

Comes now Douglas Brooks, Treasurer, Missouri Democratic State Committee, and for his Response to Document Requests, states as follows:

REQUEST NO. 1: Enclosed is a copy of the front and back of the \$5,000 check, made payable to Cryts for Congress, dated

9340301408

By

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Notary Public

Sandra E. Beatty, Notary Public

~~State of Missouri, Jasper County~~

- 3 -

DEMOCRATIC STATE COMMITTEE
225A MADISON STREET
JEFFERSON CITY, MISSOURI 65101

3234

PAY
TO THE
ORDER OF

11/2 1988 80-63
865

Cyts for Congress

\$5,000

Five thousand and no/100

DOLLARS

1 NC '88 04

THE CENTRAL TRUST BANK
JEFFERSON CITY, MISSOURI 65101

PAID

FOR

Charles E. Egbert
Todd Anderson

⑈003234⑈ ⑆086500634⑆

⑈1001871005⑈

⑈0000500000⑈

Crypto for Congress

Crypto for Congress

00NCU88 001002078977

NO 88 04

065527
▲ 065527

PEOPLES BANK
CUBA, MO.
(314) 235-2511

004032021

DSOS370

02

CENTRAL BANK

11/07/88

INVESTMENT DEPARTMENT

1-1891-5

TRANSACTION CONFIRMATION

ADVICE OF DEBIT

AMOUNT

WIRE TRANSFER SENT

1,500.00

DEMOCRATIC STATE COMMITTEE
BY DOUGLAS BROOKS, CHARLENE EGBERT,
105 WEST HIGH STREET
POST OFFICE BOX 719
JEFFERSON CITY MO 65102

GENERAL LEDGER

FRB STL 1021518 909

OUTGOING MSE

DUE TO	TYPE	DATE	TRAN CODE
0340000032	040		
DUE FROM	CLA	REF	AMOUNT
0340000032			1500.00

ORDERING BANK AND RELATED DATA

CENT TO JEFF CITY MOBILE STATE COMMITTEE

DEPARTMENT STL 1021518 909

MESSAGE FOR CONGRESSMAN A4653

FEE	NET AMOUNT

MESSAGE ACKNOWLEDGEMENT

107 H1QZZ12V 000048 11071515 FT14 ST41513

170865006341

11060000811

Central Bank
Jefferson City, Mo. 65101
(314) 634-1234

1190146

☐ DEBIT (01)☐ CREDIT (02)

THE ABOVE ACTION HAS BEEN TAKEN TO COVER A TRANSFER OF FUNDS
THROUGH THE FEDERAL RESERVE BANK OF ST. LOUIS

ACCOUNT NUMBER

TYPE

BY

WIRE TRF

AMOUNT

1,500.00

WIRE TRANSFER SENT

65102

FRB STL 1021518 909

Central Bank 1190146
Jefferson City, Mo. 65101
(314) 634-1234

DUE TO	TYPE	DATE	TRAN CODE
DUE FROM	CLA	REF	AMOUNT

☐ DEBIT (01)☐ CREDIT (02)

THE ABOVE ACTION HAS BEEN TAKEN TO COVER A TRANSFER OF FUNDS
THROUGH THE FEDERAL RESERVE BANK OF ST. LOUIS

RING BANK AND RELATED DATA

[illegible]

Figure 1 displays a series of 12 small images arranged in two rows of six, illustrating the progression of a chemical reaction. The top row shows a color change from colorless to yellow, then orange, and finally a dark brown precipitate. The bottom row shows a color change from colorless to yellow, then orange, and finally a dark brown precipitate. The images are labeled with chemical structures and reaction conditions.

	FEE	NET AMOUNT
()		

GE ACKNOWLEDGEMENT

7 AUG 24 0900Z 14071515 7710 771015
150865006340

11 1 000000 8 11

[illegible]

3

WIREs to go out from
Federal Act.

① \$41,500 to ✓
Cryt ~~at~~ for Congress
Routing # 08150655
Acct # 64853
People's Bank of Cuba

86C 3847

Wendell W. Crow
James R. Reynolds
H. Mark Preyer
Matthew R. Shetley

CROW, REYNOLDS, AND PREYER

Attorneys at Law
P.O. Box 189
Cotton Exchange Bank Building
Kennett, Missouri 63857-0189

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

89 AUG 24 AM 10:06

888-4664
888-4665
Area Code 314

August 17, 1989

Ms. Patty Reilly
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20004

Re: MUR ~~288~~ 2816

Dear Ms. Reilly:

Enclosed herewith you will find the response of the Cryts for Congress Committee to the subpoena to produce documents and order to submit written answers.

These documents have been duly executed by Carol-Gay Eikermann, Treasurer for the Cryts for Congress Committee and were prepared and executed under oath.

I hope this will be sufficient information for you but if it is not, please feel free to contact either Ms. Eikermann or the undersigned and we will provide you whatever information or documents you need or desire.

Yours very truly,

CROW, REYNOLDS & PREYER



H. Mark Preyer

HMP/nas

cc: Mr. Gene Bushman
Missouri Democratic State Committee
P. O. Box 719
Jefferson City, MO 65102

Carol-Gay Eikermann
220 Eikermann Road
Bourbon, MO 65411

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 AUG 24 PM 12:32

In the Matter of)
the CRYTS FOR CONGRESS COMMITTEE) MUR 2816
and the MISSOURI STATE DEMOCRATIC)
COMMITTEE.)

Question 1: List all contributions you received from the Missouri Democratic State Committee (Federal Account/Non-Federal Account) ("the State Party"). List the date of each contribution and the election for which it was intended.

Answer: On or about the 2nd day of November, 1988, the Cryts for Congress Committee received a check in the sum of \$5,000.00 from the Democratic State Committee. This came in the form of a check of the same date and amount drawn upon an account of the "Democratic State Committee" maintained in The Central Trust Bank of Jefferson City, Missouri. A copy of same is marked Exhibit "A" and attached hereto.

On or about the 8th day of November, 1988, the Cryts for Congress Committee received a wire transfer of funds in the sum of \$1,500.00 which was directly credited to said Committee's bank account. A copy of the transfer record from said bank is marked Exhibit "B" and attached hereto.

The first contribution of \$5,000.00 was accurately reported by the Cryts Committee on its "Report of Receipts and Disbursements", Federal Election Committee form 3 (revised 4/87). A copy of same is marked as Exhibit "C" and attached hereto.

93040801415

However, as the second amount of \$1,500.00 was not a contribution to the Cryts Committee but was to pay for a telephone bank which was intended to be, and was in fact, used for the benefit of all State and Federal Democratic candidates and was solely for the purpose of "getting out the vote" for all Democratic candidates in Missouri. Thus, the Cryts campaign did not consider or report said \$1,500.00 as a contribution. The Cryts for Congress Committee has since learned that the Missouri Democratic State Committee erroneously reported said \$1,500.00 as a direct contribution to the Cryts for Congress Committee (see "Exhibit D"), but has since discovered the error and will be, if it already hasn't, correcting such error.

The Cryts for Congress Committee, after consulting with the staff of the Federal Election Commission on May 17, 1989, filed amended reports with the Federal Election Commission setting forth a full explanation of these circumstances and attached hereto and marked "Exhibit E" are copies of said "Amended Report".

Question 2: State the purposes for which the State Party made each contribution and the purpose for which the Cryts Committee used this contribution.

Answer: The intent of the Missouri Democratic State Committee with regard to the \$5,000.00 contribution of 11/2/88 was as a direct, general political campaign contribution to be used as permitted by law, and such was the purpose for which the Cryts for Congress Committee used same funds.

90040301416

The intent of the Missouri Democratic State Committee with regard to the \$1,500.00 sum of 11/8/88 was to pay for the expenses and costs of a "telephone bank" to be utilized by and for all Democratic candidates, both State and Federal, solely to "get out the vote" for the Democratic Party. This was the sole purpose for which the Cryts for Congress Committee used the funds.

Question 3: Identify the State Party official who provided each contribution.

Answer: As to the \$5,000.00 amount, to the best belief of the undersigned, Douglas Brooks, Treasurer of the Missouri Democratic State Committee authorized and provided the funds.

As to the \$1,500.00 amount, to the best belief of the undersigned, Todd Paterson, Executive Director of the Missouri Democratic State Committee, authorized and provided for the wire transfer.

Question 4: The Commission requests the following documents: 1) Copies (front and back) of the contribution checks noted in your answer to interrogatory number one. 2) All writings that accompanied the contribution noted above.

Answer: 1) See attached Exhibit "A" for a copy of the \$5,000.00 check and Exhibit "B" reflects the bank's records of the \$1,500.00 wire transfer. 2) There were no writings accompanying either of the above-referenced amounts.

Carol-Gay Eikermann
Carol-Gay Eikermann, Treasurer
Cryts for Congress Committee

Comes now Carol-Gay Eikermann, Treasurer of the Cryts for Congress Committee, and being duly sworn, upon her oath, states that she is in fact the Treasurer of the Cryts for Congress Committee and that she has read the foregoing questions and answers and the same are true and correct according to her best knowledge, information and belief.

Carol-Gay Eikermann
Carol-Gay Eikermann, Treasurer
Cryts for Congress Committee

Subscribed and sworn to before me, a Notary Public, on this
18 day of August, 1989.

Kathy S. West
Notary Public -
Crawford County, Missouri

KATHY S. WEST
NOTARY PUBLIC STATE OF MISSOURI
COUNTY OF CRAWFORD
MY COMMISSION EXPIRES _____

My Commission Expires:

3-29-90

DEMOCRATIC STATE COMMITTEE
225A MADISON STREET
JEFFERSON CITY, MISSOURI 65101

3234

PAY
TO THE
ORDER OF

Lefts for Caruso

11/2 10 ~~00~~

80-03
465

\$5,000

DOLLARS

Five thousand and no/100

THE CENTRAL TRUST BANK
JEFFERSON CITY, MISSOURI 65101



FOR

#003234100 008650063410

#1018710050

Charles E. Spent
Local Attorney

Exhibit

"A"

— 10 —

SCHEDULE A

ITEMIZED RECEIPTS

1	2
FORM LINE NUMBER	
11(b)	

All information given on this Receipts and Statements may not be used or cited by any person for the purpose of obtaining contributions or for commercial purposes other than using the name and address of any political committee to obtain contributions from such persons.

NAME OF COMMITTEE (in full)	MO-0008090
State for Congress Committee	

A. Full Name, Mailing Address and ZIP Code MO Democratic Club St. Louis MO 63145 Receipt For: ☐ Primary ☒ General Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > \$ 1000.00	Date (month, day, year) 10-18-88	Amount of Each Receipt This Period 1000.00
B. Full Name, Mailing Address and ZIP Code The Jeffersonian Democratic Club Rolla MO 65401 Receipt For: ☐ Primary ☒ General Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > \$ 200.00	Date (month, day, year) 10-26-88	Amount of Each Receipt This Period 200.00
C. Full Name, Mailing Address and ZIP Code Clay Campaign Committee 5011 N. Kingshighway St. Louis MO 63115 Receipt For: ☐ Primary ☒ General Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > \$ 1000.00	Date (month, day, year) 11-02-88	Amount of Each Receipt This Period 1000.00
D. Full Name, Mailing Address and ZIP Code Democratic State Committee 2254 Madison Street Jefferson City MO 65101 Receipt For: ☐ Primary ☒ General Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > \$ 5000.00	Date (month, day, year) 11-02-88	Amount of Each Receipt This Period 5000.00
E. Full Name, Mailing Address and ZIP Code D.N.C. Services Corporation 430 South Capitol Street, S.E. Washington D.C. 20003 Receipt For: ☐ Primary ☒ General Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > \$ 5000.00	Date (month, day, year) 11-02-88	Amount of Each Receipt This Period 5000.00
F. Full Name, Mailing Address and ZIP Code Gephardt in Congress Committee 7435 Watson Road, Suite 100A St. Louis MO 63119 Receipt For: ☐ Primary ☒ General Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > \$ 1000.00	Date (month, day, year) 11-03-88	Amount of Each Receipt This Period 1000.00
G. Full Name, Mailing Address and ZIP Code St. Francois County Democratic Central Committee Farmington MO 63640 Receipt For: ☐ Primary ☒ General Other (specify):	Name of Employer Occupation Aggregate Year-to-Date > \$ 1000.00	Date (month, day, year) 11-04-88	Amount of Each Receipt This Period 1000.00

TOTAL of Receipts This Page (optional)	
TOTAL This Period (all pages this line number only)	

EXPENDITURES AND CONTRIBUTIONS MADE

A. EXPENDITURES OF \$100 OR LESS BY CATEGORY
(LIST PAYMENTS TO CAMPAIGN WORKERS IN SECTION B BELOW)

3. CATEGORY OF EXPENDITURE

See attached

5. SUBTOTAL: NON-ITEMIZED EXPENDITURES THIS PAGE (SUM COLUMN 4)

6. SUBTOTAL: NON-ITEMIZED EXPENDITURES ANY ATTACHED PAGES

7. TOTAL: NON-ITEMIZED EXPENDITURES THIS PERIOD (SUM 5 + 6)

**B. ITEMIZED EXPENDITURES ALL OVER \$100
AND ALL PAYMENTS TO CAMPAIGN WORKERS**

8. NAME AND ADDRESS OF RECIPIENT

9. DATE

**10. PURPOSE - (IF
PAYMENT WAS TO
A CAMPAIGN
WORKER SHOW
AGGREGATE PAID)**

See attached

12. SUBTOTAL: THIS PAGE (SUM COLUMN 11)

13. SUBTOTAL: ANY ATTACHED PAGES

14. TOTAL: ITEMIZED EXPENDITURES THIS PERIOD (SUM 12 + 13)

**4. AMOUNT PAID
OR INCURRED
THIS PERIOD**

\$ 3,983.03

\$ 3,983.03

\$ 3,983.03

**11. AMOUNT
THIS PERIOD**

\$
☐ PAID ☐ INCURRED

\$
☐ PAID ☐ INCURRED

\$
☐ PAID ☐ INCURRED

\$
☐ PAID ☐ INCURRED

\$
☐ PAID ☐ INCURRED

\$
☐ PAID ☐ INCURRED

\$
☐ PAID ☐ INCURRED

\$

\$

\$

1. NAME OF COMMITTEE

Democratic State Committee

2. REPORT DATE

12-8-88

OFFICE USE ONLY

15. TOTAL MONETARY EXPENDITURES THIS PERIOD (SUM 7 + 14)

16. AMOUNT OF LINE 15 WHICH WAS PAID OUT THIS PERIOD

17. AMOUNT OF LINE 15 WHICH WAS DEBT INCURRED THIS PERIOD

18. IF COMMITTEE MADE ANY IN-KIND EXPENDITURES THIS PERIOD, LIST AMOUNT

19. FUNDS USED FOR REPAYING LOANS THIS PERIOD (ATTACH FORM CD-1B)

C. MONETARY CONTRIBUTIONS MADE (REGARDLESS OF AMOUNT)

20. NAME AND ADDRESS OF CANDIDATE OR COMMITTEE

21. DATE

22. AMOUNT

Cryts For Congress
Route 2, Puxico, MO 63960

11-2-88

5,000.00

Cryts For Congress
Route 2
Puxico, MO 63960

11-7-88

1,500.00

23. SUBTOTAL THIS PAGE (SUM COLUMN 22)

24. SUBTOTAL ANY ATTACHED PAGES

25. TOTAL MONETARY CONTRIBUTIONS MADE THIS PERIOD (SUM 23 + 24)

26. IF COMMITTEE MADE ANY LOANS THIS PERIOD, LIST AMOUNT

27. TOTAL: ALL MONETARY CONTRIBUTIONS AND LOANS MADE THIS PERIOD (SUM 25 + 26)

28. IF COMMITTEE MADE ANY IN-KIND CONTRIBUTIONS THIS PERIOD, LIST AMOUNT

\$ 328,108.70

\$ 328,108.70

\$ 0

\$ 0

\$ 7,500.00

\$ 6,500.00

\$ 6,500.00

\$

\$

\$

\$

\$

\$

\$

\$

\$ 6,500.00

\$

\$ 6,500.00

\$ 0

To: Federal Election Commission
To: State of Missouri Campaign Reporting Division

From: Cryts for Congress Committee

Concerning: Amended Reports

May 17, 1989

Dear Sirs:

In regards to the three amended reports we are filing dated 10-20-88 through 11-30-88, 11-30-88 through 12-31-88, and 01-01-89 through 03-31-89:

The first amended report (10-20-88 through 11-30-88) is for the following reasons:

- 1) \$1500.00 received from the Democratic State Committee has not been previously reported as income. This amount was not a contribution, but rather, a reimbursement for a phone bank. This expenditure was reported in the correct period by the Cryts Campaign as telephone expense.
- 2) The League of Conservation Voters contributed, In-kind the net salary of Timothy Van Luvan. This was in the amount of \$1113.50. This was originally reported on the first amendment of 10-20-88 through 11-30-88 as a \$1112.45 contribution In-Kind from Timothy Van Luvan, the individual.

The other two amendments (11-30-88 through 12-31-88, and 01-01-89 through 03-31-89) include only those amounts that were changed as a result of the first (10-20-88 through 11-30-88) amendment. No other additional information was adjusted on these last two reports)

If there should be any further questions you might have, you may contact myself, or Carol-Gay Eikermann, Treasurer of the Cryts Campaign.

Thank You for your patients in this matter.

J. A. Strauser
Public Accountant
P.O. Box 455
Sullivan MO 63080
(314) 468-8145

Exhibit

"E"

REPORT OF RECEIPTS AND DISBURSEMENTS

For An Authorized Committee
(Summary Page)

USE FEC MAILING LABEL
OR
TYPE OR PRINT

1 NAME OF COMMITTEE (in full) Cryts for Congress Committee		2 FEC IDENTIFICATION NUMBER H6M008050
ADDRESS (number and street) ☒ Check if different than previously reported 200 Eikermann Road		3 IS THIS REPORT AN AMENDMENT? ☒ YES ☐ NO
CITY, STATE and ZIP CODE Bourbon Missouri 65441	STATE/DISTRICT MO/08	

4. TYPE OF REPORT

- ☐ April 15 Quarterly Report ☐ Twelfth day report preceding _____ (Type of Election)
election on _____ in the State of _____
- ☐ July 15 Quarterly Report
- ☐ October 15 Quarterly Report ☒ Thirtieth day report following the General Election on
November 8, 1988 in the State of Missouri
- ☐ January 31 Year End Report
- ☐ July 31 Mid-Year Report (Non-election Year Only) ☐ Termination Report

This report contains activity for: ☐ Primary Election ☒ General Election ☐ Special Election ☐ Runoff Election

SUMMARY

5	Covering Period 10-20-88 through 11-30-88	COLUMN A This Period	COLUMN B Calendar Year-to-Date
6	Net Contributions (other than loans)		
(a)	Total Contributions (other than loans) (from Line 11(e))	\$ 104383.60	\$ 449608.10
(b)	Total Contribution Refunds (from Line 20(d))	0.00	100.00
(c)	Net Contributions (other than loans) (subtract Line 6(b) from 6(a))	104383.60	449508.10
7	Net Operating Expenditures		
(a)	Total Operating Expenditures (from Line 17)	124457.86	479930.19
(b)	Total Offsets to Operating Expenditures (from Line 14)	2567.76	2581.86
(c)	Net Operating Expenditures (subtract Line 7(b) from 7(a))	121890.10	477348.33
8	Cash on Hand at Close of Reporting Period (from Line 27)	4238.92	
9	Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	0.00	
10	Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	1417.59	

For further information
contact:
Federal Election Commission
999 E Street, NW
Washington, DC 20463
Toll Free 800-424-9530
Local 202-376-3120

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

Type or Print Name of Treasurer

Carol-Gay Eikermann 200 Eikermann Road Bourbon, MO 65441

Signature of Treasurer

Date

Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

FEC FORM 3
(revised 4/87)

DETAILED SUMMARY PAGE

of Receipts and Disbursements
(Page 2, FEC FORM 3)

Name of Committee		Reporting Period	Calendar Year To Date
Civits for Congress Committee		10-20-88	11-30-88
I. RECEIPTS		COLUMN A Total This Period	COLUMN E Calendar Year To Date
1. CONTRIBUTIONS (from Schedule C)			
Total of contributions from individuals		\$ 27252.55	
Total of contributions from political committees		20173.48	
Total of contributions from individuals		47426.03	\$ 232779.18
2. Political Party Committees		14944.07	21473.57
3. Other Political Committees (such as PACs)		42013.50	195355.35
4. The Candidate		0.00	0.00
5. TOTAL CONTRIBUTIONS (add lines 1, 2, 3, 4 and 5)		104383.60	449608.10
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES		0.00	78.80
13. LOANS			
a. Made or Guaranteed by the Candidate		0.00	0.00
b. All Other Loans		0.00	0.00
c. TOTAL LOANS (add 13(a) and (b))		0.00	0.00
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)		2567.76	2581.86
15. OTHER RECEIPTS (Dividends, Interest, etc.)		141.62	1594.69
16. TOTAL RECEIPTS (add lines 1, 12, 13(c), 14 and 15)		107092.98	453863.45
II. DISBURSEMENTS			
17. OPERATING EXPENDITURES		124457.86	479930.19
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES		0.00	0.00
19. LOAN REPAYMENTS			
a. On Loans Made or Guaranteed by the Candidate		0.00	0.00
b. On All Other Loans		0.00	0.00
c. TOTAL LOAN REPAYMENTS (add 19(a) and (b))		0.00	0.00
20. REFUNDS OF CONTRIBUTIONS TO			
a. Individuals/Persons Other Than Political Committees		0.00	100.00
b. Political Party Committees		0.00	0.00
c. Other Political Committees (such as PACs)		0.00	0.00
d. TOTAL CONTRIBUTION REFUNDS (add 20(a), (b) and (c))		0.00	100.00
21. OTHER DISBURSEMENTS		0.00	8.90
22. TOTAL DISBURSEMENTS (add 17, 18, 19(c), 20(d) and 21)		124457.86	480039.09
III. CASH SUMMARY			
23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD		\$	21603.80
24. TOTAL RECEIPTS THIS PERIOD (from Line 16)		\$	107092.98
25. SUBTOTAL (add Line 23 and Line 24)		\$	128696.78
26. TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)		\$	124457.86
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (subtract Line 26 from 25)		\$	4238.92

Any receipt issued on this form for a contribution may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, either by using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Cryts for Congress Committee

H6M008050

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
League of Conservation Voters 2000 L Street N.W., Room 804 Washington D.C. 20036		10-26-88	500.00
		11-09-88	463.50
		11-23-88	150.00
Receipt For: ☐ Primary ☒ General Other (specify):	Occupation		(In-Kind Net Salary)
Aggregate Year-to-Date		\$ 5096.60	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General Other (specify):	Occupation		
Aggregate Year-to-Date		\$	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General Other (specify):	Occupation		
Aggregate Year-to-Date		\$	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General Other (specify):	Occupation		
Aggregate Year-to-Date		\$	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General Other (specify):	Occupation		
Aggregate Year-to-Date		\$	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General Other (specify):	Occupation		
Aggregate Year-to-Date		\$	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Primary ☐ General Other (specify):	Occupation		
Aggregate Year-to-Date		\$	

SUBTOTAL of Receipts This Page (optional)

1113.50

TOTAL This Period (last page this line number only)

1113.50

20040301425

Any form or receipt from this form and instructions may not be sold or used by any person for the purpose of soliciting contributions or for any other purpose other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in full)

Cryts for Congress Committee

H6M008050

A. Full Name, Mailing Address and ZIP Code Democratic State Committee 225 A Madison Street Jefferson City Missouri 65101		Name of Employer	Date (month, day, year) 11-07-88	Amount of Each Receipt this Period 1500.00
Receipt For: ☐ Other (specify): ☒ Primary ☐ General		Occupation	Aggregate Year-to-Date \$ 6500.00	
B. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Other (specify): ☐ Primary ☐ General		Occupation	Aggregate Year-to-Date \$	
C. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Other (specify): ☐ Primary ☐ General		Occupation	Aggregate Year-to-Date \$	
D. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Other (specify): ☐ Primary ☐ General		Occupation	Aggregate Year-to-Date \$	
E. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Other (specify): ☐ Primary ☐ General		Occupation	Aggregate Year-to-Date \$	
F. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Other (specify): ☐ Primary ☐ General		Occupation	Aggregate Year-to-Date \$	
G. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: ☐ Other (specify): ☐ Primary ☐ General		Occupation	Aggregate Year-to-Date \$	

SUBTOTAL of Receipts This Page (optional)

1500.00

TOTAL This Period (last page this line number only)

1500.00

90040801425

All information furnished herein is true and correct and may not be sold or used by any person for the purpose of soliciting contributions or for any other purpose without the express written consent of the committee.

NAME OF COMMITTEE in full

Civits for Congress Committee

H6M008050

A Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
League of Conservation Voters 200 L St., N.W. Room 804 Washington D.C. 20036	Net Salary (In-Kind) Disbursement for ☐ Primary ☐ General ☐ Other (specify)	10-26-88 11-09-88 11-23-88	500.00 463.50 150.00
B Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	(In-Kind) 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
	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
	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
	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
	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
	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
	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
	Disbursement for ☐ Primary ☐ General ☐ Other (specify)		

SUBTOTAL of Disbursements This Page (optional)

1113.50

TOTAL This Period (last page this line number only)

1113.50

90040801427

REPORT OF RECEIPTS AND DISBURSMENTS

For An Authorized Committee
(Summary Page)

USE FEC MAILING LABEL
OR
TYPE OR PRINT

1. NAME OF COMMITTEE (in full) Civits for Congress Committee		2. FEC IDENTIFICATION NUMBER H6M006050
ADDRESS (number and street) ☒ Check if different than previously reported. 200 Eikermann Road		3. IS THIS REPORT AN AMENDMENT? ☒ YES ☐ NO
CITY, STATE and ZIP CODE Bourbon Missouri 65441	STATE/DISTRICT MO/08	

4. TYPE OF REPORT

- ☐ April 15 Quarterly Report ☐ Twelfth day report preceding _____ (Type of Election)
election on _____ in the State of _____
- ☐ July 15 Quarterly Report ☐ Thirtieth day report following the General Election on _____
in the State of _____
- ☒ January 31 Year End Report _____ in the State of _____
- ☐ July 31 Mid-Year Report (Non-election Year Only) ☐ Termination Report

This report contains activity for ☐ Primary Election ☒ General Election ☐ Special Election ☐ Runoff Election

SUMMARY

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period <u>11-30-88</u> through <u>12-31-88</u>		
6. Net Contributions (other than loans):		
(a) Total Contributions (other than loans) (from Line 11(e))	\$ 148.00	\$ 449756.10
(b) Total Contribution Refunds (from Line 20(d))	0.00	100.00
(c) Net Contributions (other than loans) (subtract Line 6(b) from 6(a))	148.00	449656.10
7. Net Operating Expenditures:		
(a) Total Operating Expenditures (from Line 17)	3448.91	483379.10
(b) Total Offsets to Operating Expenditures (from Line 14)	750.73	3332.59
(c) Net Operating Expenditures (subtract Line 7(b) from 7(a))	2698.18	480046.51
8. Cash on Hand at Close of Reporting Period (from Line 27)	1710.24	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	0.00	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	0.00	

For further information
contact:
Federal Election Commission
999 E Street NW
Washington, DC 20463
Toll Free 800-424-9530
Local 202 376-3120

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

Type or Print Name of Treasurer
Carol-Gay Eikermann 200 Eikermann Rd. Bourbon MO 65441

Signature of Treasurer

Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

FEC FORM 3

(Revised 4-87)

DETAILED SUMMARY PAGE

of Receipts and Disbursements

(Page 2, FEC FORM 2)

Cryts for Congress Committee		11-30-88	12-31-88
I. RECEIPTS		COLUMN A Total This Period	COLUMN B Calendar Year To Date
11. CONTRIBUTIONS FROM			
(a) Individuals		\$ 0.00	
(b) Political Party Committees		148.00	
(c) Other Political Committees (such as PACs)		148.00	\$ 232927.18
(d) Total Contributions (add 11(a), (b) and (c))		0.00	21473.57
(e) Other Political Committees (such as PACs)		0.00	195355.35
(f) The Candidate		0.00	0.00
(g) TOTAL CONTRIBUTIONS (add 11(a), (b), (c), (e), (f) and (g))		148.00	449756.10
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES		0.00	78.80
13. LOANS			
(a) Made or Guaranteed by the Candidate		0.00	0.00
(b) All Other Loans		0.00	0.00
(c) TOTAL LOANS (add 13(a) and (b))		0.00	0.00
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)		750.73	3332.59
15. OTHER RECEIPTS (Dividends, Interest, etc.)		21.50	1616.19
16. TOTAL RECEIPTS (add 11(g), 12, 13(c), 14 and 15)		920.23	454783.68
II. DISBURSEMENTS			
17. OPERATING EXPENDITURES		3448.91	483379.10
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES		0.00	0.00
19. LOAN REPAYMENTS			
(a) Of Loans Made or Guaranteed by the Candidate		0.00	0.00
(b) Of All Other Loans		0.00	0.00
(c) TOTAL LOAN REPAYMENTS (add 19(a) and (b))		0.00	0.00
20. REFUNDS OF CONTRIBUTIONS TO			
(a) Individuals (Persons Other Than Political Committees)		0.00	100.00
(b) Political Party Committees		0.00	0.00
(c) Other Political Committees (such as PACs)		0.00	0.00
(d) TOTAL CONTRIBUTION REFUNDS (add 20(a), (b) and (c))		0.00	100.00
21. OTHER DISBURSEMENTS		0.00	8.90
22. TOTAL DISBURSEMENTS (add 17, 18, 19(c), 20(d) and 21)		3448.91	483488.00

III. CASH SUMMARY

23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$	4238.92	23
24. TOTAL RECEIPTS THIS PERIOD (from Line 16)	\$	920.23	24
25. SUBTOTAL (add Line 23 and Line 24)	\$	5159.15	25
26. TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)	\$	3448.91	26
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (subtract Line 26 from 25)	\$	1710.24	27

REPORT OF RECEIPTS AND DISBURSEMENTS

For An Authorized Committee

Summary Page

USE FEC MAILING LABEL
OR
TYPE OR PRINT

NAME OF COMMITTEE		FEDERAL ELECTIONS	
Cryts for Congress Committee		H6M008050	
ADDRESS		FEDERAL ELECTIONS	
200 Eikermann Road		H6M008050	
CITY/STATE/ZIP CODE	STATE/DISTRICT	FEDERAL ELECTIONS	
Bourbon Missouri 65441	MO/08	FEDERAL ELECTIONS	
		X YES NO	

4. TYPE OF REPORT

☒ April 15 Quarterly Report	Twelfth day report preceding
☐ July 15 Quarterly Report	election on _____ in the State of _____
☐ October 15 Quarterly Report	Thirtieth day report following the General Election on _____
☐ January 31 Year End Report	in the State of _____
☐ July 31 Mid-Year Report (Non-election Year Only)	Termination Report
This report contains activity for: ☐ Primary Election ☐ General Election ☐ Special Election ☐ Runoff Election	

SUMMARY

	COVERING PERIOD	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5	Covering Period <u>01-01-89</u> through <u>03-31-89</u>		
6	Net Contributions (other than loans)		
(a)	Total Contributions (other than loans) (from Line 11e)	\$ 0.00	\$ 0.00
(b)	Total Contribution Refunds (from Line 20b)	0.00	0.00
(c)	Net Contributions (other than loans) (subtract Line 6(b) from 6(a))	0.00	0.00
7	Net Operating Expenditures	1170.31	1170.31
(a)	Total Operating Expenditures (from Line 17)		
(b)	Total Offsets to Operating Expenditures (from Line 14)	0.00	0.00
(c)	Net Operating Expenditures (subtract Line 7(b) from 7(a))	1170.31	1170.31
8	Cash on Hand at Close of Reporting Period (from Line 27)	575.88	
9	Debts and Obligations Owed TO the Committee (itemize all on Schedule C and/or Schedule D)	0.00	
10	Debts and Obligations Owed BY the Committee (itemize all on Schedule C and/or Schedule D)	0.00	

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

Type or Print Name of Treasurer

Carol Gay Eikermann 200 Eikermann Road Bourbon Missouri 65441

Signature of Treasurer

Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

FEC FORM 3
(revised 4/87)

DETAILED SUMMARY PAGE

of Receipts and Disbursements
Page 2 FEC FORM 3

Cryts for Congress Committee		01-01-89	03-31-89
I RECEIPTS		COLUMN A Total This Period	COLUMN E Calendar Year To Date
11 CONTRIBUTIONS FROM			
(a) Total of contributions from individuals	\$ 0.00		
(b) Total of contributions from political committees	0.00		
(c) Total of contributions from individuals and political committees	0.00	\$ 0.00	
(d) Other Political Committees (such as PACs)	0.00		0.00
(e) Other	0.00		0.00
(f) TOTAL CONTRIBUTIONS (add 11(d), 11(e) and 11(f))	0.00		0.00
12 TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	0.00		0.00
13 LOANS			
(a) Made or Guaranteed by the Candidate	0.00		0.00
(b) All Other Loans	0.00		0.00
(c) TOTAL LOANS (add 13(a) and 13(b))	0.00		0.00
14 OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	0.00		0.00
15 OTHER RECEIPTS (Dividend, Interest, etc.)	35.95		35.95
16 TOTAL RECEIPTS (add 11(f), 12, 13(c), 14 and 15)	35.95		35.95
II. DISBURSEMENTS			
17 OPERATING EXPENDITURES	1170.31		1170.31
18 TRANSFERS TO OTHER AUTHORIZED COMMITTEES	0.00		0.00
19 LOAN REPAYMENTS			
(a) Of Loans Made or Guaranteed by the Candidate	0.00		0.00
(b) Of All Other Loans	0.00		0.00
(c) TOTAL LOAN REPAYMENTS (add 19(a) and 19(b))	0.00		0.00
20 REFUNDS OF CONTRIBUTIONS TO:			
(a) Individuals/Persons Other Than Political Committees	0.00		0.00
(b) Political Party Committees	0.00		0.00
(c) Other Political Committees (such as PACs)	0.00		0.00
(d) TOTAL CONTRIBUTION REFUNDS (add 20(a), 20(b) and 20(c))	0.00		0.00
21 OTHER DISBURSEMENTS	0.00		0.00
22 TOTAL DISBURSEMENTS (add 17, 18, 19(c), 20(d) and 21)	1170.31		1170.31
III. CASH SUMMARY			
23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$	1710.24	23
24. TOTAL RECEIPTS THIS PERIOD (from Line 16)	\$	35.95	24
25. SUBTOTAL (add Line 23 and Line 24)	\$	1746.19	25
26. TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)	\$	1170.31	26
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (subtract Line 26 from 25)	\$	575.88	27

90040801451

89 OCT 24 AM 9:59

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of	)	
	)	
Cryts for Congress Committee and	)	MUR 2816
Carol-Gay Eikermann, as	)	
treasurer	)	
Missouri Democratic State	)	
Committee (Federal Account/	)	
Non-Federal Account) and Douglas	)	
Brooks, as treasurer	)	

COMPREHENSIVE INVESTIGATIVE REPORT #1

On June 27, 1989, the Commission found reason to believe that the Cryts for Congress Committee and Carol-Gay Eikermann, as treasurer ("Cryts Committee"), violated 2 U.S.C. §§ 434(b)(4)(B) and 441a(f). Also on that date the Commission found reason to believe that the Missouri Democratic State Committee and Douglas Brooks, as treasurer ("State Party"), violated 2 U.S.C. § 441a(a)(2)(A) and 11 C.F.R. § 102.5(a).

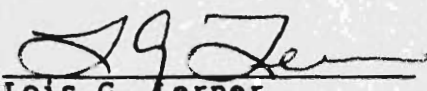
This matter arose out of the failure of the Cryts Committee to report a contribution from the State Party. This contribution, when added to a previous State Party contribution, constitutes contributions for the general election period in excess of the \$5,000 limit. Additionally, these contributions by the State Party to the Cryts Committee appear to have been made from both federal and non-federal accounts. Also on June 27, 1989, the Commission approved sets of interrogatories and subpoenas to produce documents.

900040001432

The Office of the General Counsel has received responses from both respondents to the interrogatories and the subpoenas. Upon completion of our review of this information, this Office will report to the Commission.

Lawrence M. Noble
General Counsel

10-23-89
Date

BY: 
Lois G. Lerner
Associate General Counsel

Staff assigned: Mark Allen

90040001433



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

TO: LAWRENCE NOBLE, GENERAL COUNSEL
FROM: *MW* MARJORIE W. EMMONS
SECRETARY OF THE COMMISSION
DATE: OCTOBER 26, 1989
SUBJECT: COMPREHENSIVE INVESTIGATIVE REPORT #1
DATED OCTOBER 23, 1989

440301434
The above-captioned matter was received in the
Commission Secretariat at 9:59 a.m. on October 24, 1989
and circulated on a 24-hour no-objection basis at
4:00 p.m. on Tuesday, October 24, 1989.

There were no objections to the above-captioned
matter.



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

November 6, 1989

Carol Gay Eikermann, Treasurer
Cryts for Congress Committee
200 Eikermann Road
Bourbon, MO 65441

RE: MUR 2816

Dear Ms. Eikermann:

On July 29, 1989, you requested that the Federal Election Commission permit the Cryts for Congress Committee ("Committee") to terminate pursuant to 2 U.S.C. § 433(d) and Section 102.3 of the Commission's Regulations. Because of the ongoing enforcement matter involving your Committee, this request has been denied. Therefore, you are reminded that the Committee must continue to file all the required reports with the Commission until such time as the enforcement matter has been closed as to the Committee.

If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in dark ink, appearing to read "Lois G. Lerner", is written over the typed name of the Associate General Counsel.

BY: Lois G. Lerner
Associate General Counsel

90040301435

DGC 4907

Wendell W. Crow
James R. Reynolds
H. Mark Preyer
Matthew R. Shetley

CROW, REYNOLDS, AND PREYER

Attorneys at Law
P.O. Box 189
Cotton Exchange Bank Building
Kennett, Missouri 63857-0189

888-4664
888-4665
Area Code 314
Fax 888-0322

December 14, 1989

Ms. Patty Reilly
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20004

Re: MUR 2816

Dear Ms. Reilly:

With regard to the above-mentioned matter, I was curious as to whether or not the commission had made a ruling as to whether or not the allegations were substantiated and if so, the result of their decision.

If no ruling has been made, please advise if any additional information is needed or if any questions remain unanswered because if such are the circumstances, Cryts in Congress Committee would very much desire to have this matter cleared up and would be most happy to provide any information or documents that you may request.

Once again, if I can do anything further or provide any additional information whatsoever, please advise.

Yours very truly,

CROW, REYNOLDS & PREYER


H. Mark Preyer

HMP/ns

PS: I have enclosed for your information an additional "Statement of Designation of Counsel" as I was not sure whether one had been previously filed with the correct information.


HMP

cc: Carol-Gay Eikermann
220 Eikermann Road
Bourbon, MO 65411

RECEIVED
FEDERAL ELECTION COMMISSION
89 DEC 19 AM 12:52

89 DEC 19 AM 9:42
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2816

NAME OF COUNSEL: H. Mark Preyer

ADDRESS: Crow, Reynolds & Preyer

P. O. Box 189

Kennett, Missouri 63852

TELEPHONE: (314) 888-4668

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.

Date 7/17/89

Carol-Gay Eikermann, Treas.
Signature
Crypts for Congress Committee

RESPONDENT'S NAME: Carol-Gay Eikermann, Treasurer

ADDRESS: Crypts In Congress

200 Eikermann Road

Bourbon, MO 65441

HOME PHONE: _____

BUSINESS PHONE: _____

91040801437

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

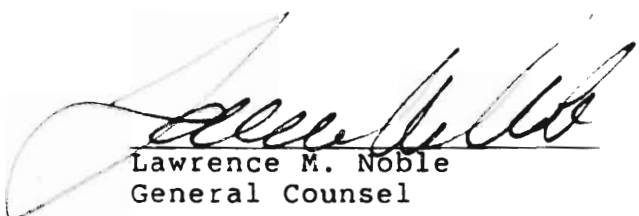
In the Matter of)
)
Cryts for Congress Committee and) MUR 2816
Carol-Gay Eikermann, as)
treasurer)
Missouri Democratic State)
Committee (Federal Account/)
Non-Federal Account) and Douglas)
Brooks, as treasurer)

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to the Cryts for Congress Committee and Carol-Gay Eikermann, as treasurer, and the Missouri Democratic State Committee (Federal Account/ Non-Federal Account) and Douglas Brooks, as treasurer, based on the assessment of the information presently available.

Date

6/4/90


Lawrence M. Noble
General Counsel

93040801438



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

90 JUN 28 AM 11:18

June 27, 1990

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel *[Signature]*

SUBJECT: MUR 2816

Attached for the Commission's review are briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. Copies of these briefs and letters notifying the respondents of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe were mailed on June 27, 1990. Following receipt of the respondents' reply to this notice, this Office will make a further report to the Commission.

Attachments

1. Briefs
2. Letters to respondents

9004001439



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 27, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Douglas Brooks, Treasurer
Missouri Democratic State Committee
(Federal Account/Non-Federal Account)
419 East High
P.O. Box 179
Jefferson City, MO 65102

RE: MUR 2816

Dear Mr. Brooks:

Based on a complaint filed with the Federal Election Commission on February 6, 1989, the Commission, on June 27, 1989, found that there was reason to believe the Missouri Democratic State Committee (Federal Account/Non-Federal Account) and you, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A) and 11 C.F.R. § 102.5(a), and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that violations have occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

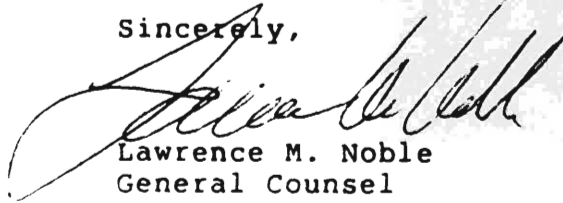
If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

Douglas Brooks
Page 2

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

90040801441

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Missouri Democratic State) MUR 2816
Committee (Federal Account/)
Non-Federal Account) and Douglas)
Brooks, as treasurer)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On June 27, 1989, the Commission found reason to believe that the Missouri Democratic State Committee and Douglas Brooks, as treasurer ("State Party"), violated 2 U.S.C. § 441a(a)(2)(A) and 11 C.F.R. § 102.5(a). This matter arose out of the State Party's reported contribution of \$1,500 to the Cryts for Congress Committee ("Cryts Committee") on November 7, 1988. The State Party had previously contributed \$5,000 to the Cryts Committee, on November 2, 1988. Thus, the \$1,500 payment would bring the State Party's total over the \$5,000 limit for the general election period, as set out in 2 U.S.C. § 441a(a)(2)(A). Respondents, in their answers to the interrogatories, asserted that the \$1,500 payment was not a campaign contribution but rather payment for a phone bank operated by the Cryts Committee not subject to the limitation at 2 U.S.C. § 441a.

II. ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), limits contributions by multicandidate committees to \$5,000 per election. 2 U.S.C. § 441a(a)(2)(A). Pursuant to 2 U.S.C. § 431(8)(B)(xii), payments by state or local committees of a political party for the costs of get-out-the-vote activities

conducted by such committees on behalf of the nominees of such party for President and Vice-President are exempted from the definition of contribution. The regulations further detail this exemption. Under 11 C.F.R. § 100.7(b)(17)(iv), the payment is a contribution if the get-out-the-vote activity includes references to any candidates for the House or Senate that is not "merely incidental to the overall activity." If the mention is more than merely incidental, the costs of such activity which is allocable to such candidate(s) shall be a contribution to such candidate(s). Id. In addition, under 11 C.F.R. § 100.7(b)(17)(v), the payment is a contribution if the telephone bank workers are not volunteers.

Pursuant to 11 C.F.R. § 102.5(a)(1)(i), a party committee that establishes separate state and federal accounts must place into the latter only permissible funds, and conduct all federal activity from this account.

In the present matter, a telephone bank was carried out not by the State Party but rather by the Cryts Committee. The 2 U.S.C. § 431(8)(B)(xii) exemption applies to state party activities, however, rather than activities conducted by a campaign committee itself. Therefore, this exemption does not apply to the State Party's \$1,500 payment to the Cryts Committee, and so the payment when added to an earlier contribution constitutes an excessive (\$6,500) contribution to the Cryts Committee. Thus, this Office recommends that the Commission find probable cause to believe that the State Party violated 2 U.S.C.

§ 441a(a)(2)(A) for exceeding the \$5,000 contribution limit by \$1,500.

This Office does not consider the \$1,500 payment received by the Cryts Committee to be other than a contribution subject to the limitations of the Act. The Cryts Committee has stated that the \$1,500 was an arms-length payment by the State Party for a telephone bank conducted by the Cryts campaign. It is unclear exactly what the \$1,500 payment repaid. Regardless, though, this payment subsidized the candidate's campaign and the Commission has not before acceded to the suggestion that direct payments of this type to campaigns may be made without regard to contribution limits. Cf. AOs 1988-12, 1986-14, 1981-7, 1979-76.

In addition, the reason to believe findings included the issue of which State Party account was the source of the two contributions to the Cryts Committee. In its response to the first set of interrogatories, the State Party stated that both contributions were made from its segregated federal account. This Office is satisfied that the State Party simply listed the two contributions from its federal account to the Cryts Committee on both its state and federal reports. Thus, this Office recommends that the Commission find no probable cause to believe that the State Party violated 11 C.F.R. § 102.5(a)(1)(i).

III. GENERAL COUNSEL'S RECOMMENDATIONS

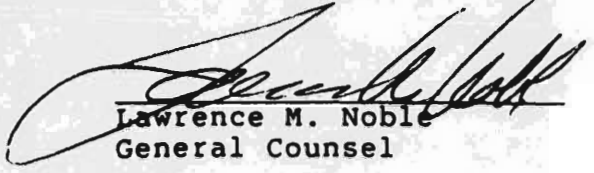
This Office recommends that the Commission find probable cause to believe that the State Party violated 2 U.S.C. § 441a(a)(2)(A). This Office also recommends that the Commission

93040301444

find no probable cause to believe that the State Party violated
11 C.F.R. § 102.5(a)(1)(i).

Date

6/27/90


Lawrence M. Noble
General Counsel

93040801445



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 27, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

H. Mark Preyer, Esq.
Crow, Reynolds, and Preyer
P.O. Box 189
Cotton Exchange Bank Building
Kennett, MO 63857

RE: MUR 2816
Cryts In Congress Committee
and Carol-Gay Eikermann,
as treasurer

Dear Mr. Preyer:

Based on a complaint filed with the Federal Election Commission on February 6, 1989, the Commission, on June 27, 1989, found that there was reason to believe your clients violated 2 U.S.C. §§ 434(b)(3)(B) and 441a(f), and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that violations have occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

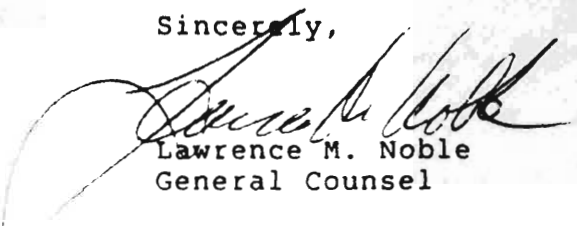
If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

H. Mark Preyer
Page 2

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

44331447

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Cryts for Congress Committee and) MUR 2816
Carol-Gay Eikermann, as)
treasurer)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On June 27, 1989, the Commission found reason to believe that the Cryts for Congress Committee and Carol-Gay Eikermann, as treasurer ("Cryts Committee"), violated 2 U.S.C. §§ 434(b)(3)(B) and 441a(f). This matter arose out of the failure of the Cryts Committee to report a \$1,500 payment from the Missouri Democratic State Party ("State Party") on November 7, 1988. The State Party had previously contributed \$5,000 to the Cryts Committee, on November 2, 1988. Thus, the \$1,500 payment would bring the State Party's total over the \$5,000 limit for the general election period, as set out in 2 U.S.C. § 441a(a)(2)(A). Respondents, in their answers to the interrogatories, asserted that the \$1,500 payment was not a campaign contribution but rather payment for a phone bank operated by the Cryts Committee not subject to the limitation at 2 U.S.C. § 441a. On May 17, 1989, six months after it received the \$1,500, the Cryts Committee filed an amended 1988 Post-General Election Report to show the \$1,500 as an offset to operating expenditures.

II. ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), provides that a political committee is required to report

the identification of a political committee contributing to it. 2 U.S.C. § 434(b)(3)(B). The Act limits contributions by multicandidate committees to \$5,000 per election. 2 U.S.C. § 441a(a)(2)(A). In addition, the Act prohibits committees from accepting contributions exceeding the Act's limitations. 2 U.S.C. § 441a(f).

Pursuant to 2 U.S.C. § 431(8)(B)(xii), payments by state or local committees of a political party for the costs of get-out-the-vote activities conducted by such committees on behalf of the nominees of such party for President and Vice-President are exempted from the definition of contribution. The regulations further detail this exemption. Under 11 C.F.R. § 100.7(b)(17)(iv), the payment is a contribution if the get-out-the-vote activity includes references to any candidates for the House or Senate that is not "merely incidental to the overall activity." If the mention is more than merely incidental, the costs of such activity which is allocable to such candidate(s) shall be a contribution to such candidate(s). Id. In addition, under 11 C.F.R. § 100.7(b)(17)(v), the payment is a contribution if the telephone bank workers are not volunteers.

In the present matter, a telephone bank was carried out not by the State Party but rather by the Cryts Committee. The 2 U.S.C. § 431(8)(B)(xii) exemption applies to state party activities, however, rather than activities conducted by a campaign committee itself. Therefore, this exemption does not apply to the State Party's \$1,500 payment to the Cryts Committee, and so the payment when added to an earlier contribution

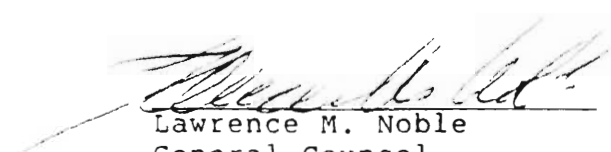
constitutes an excessive (\$6,500) contribution to the Cryts Committee. Thus, this Office recommends that the Commission find probable cause to believe that the Cryts Committee violated 2 U.S.C. § 434(b)(3)(B) and 441a(f), for failing to report a contribution and accepting a contribution in excess of the Act's limitations, respectively.

This Office does not consider the \$1,500 payment received by the Cryts Committee to be other than a contribution subject to the limitations of the Act. The Cryts Committee has stated that the \$1,500 was an arms-length payment by the State Party for a telephone bank conducted by the Cryts campaign.¹ It is unclear exactly what the \$1,500 payment repaid. Regardless, though, this payment subsidized the candidate's campaign and the Commission has not before acceded to the suggestion that direct payments of this type to campaigns may be made without regard to contribution limits. Cf. AOs 1988-12, 1986-14, 1981-7, 1979-76.

III. GENERAL COUNSEL'S RECOMMENDATIONS

This Office recommends that the Commission find probable cause to believe that the Cryts Committee violated 2 U.S.C. §§ 434(b)(3)(B) and 441a(f).

6/27/90
Date /


Lawrence M. Noble
General Counsel

1. As noted, at the time of receipt, the Cryts Committee failed to disclose receipt of this amount entirely. After the complaint was filed, the Committee amended its 1988 Post-General Election Report to disclose receipt of the payment as an offset to operating expenses, pursuant to 2 U.S.C. § 434(b)(3)(F).

Wendell W. Crow
James R. Reynolds
H. Mark Preyer
Matthew R. Shetley

CROW, REYNOLDS, AND PREYER
Attorneys at Law
P.O. Box 189
Cotton Exchange Bank Building
Kennett, Missouri 63857-0189

888-4664
888-4665
Area Code 314
Fax 888-0322

August 22, 1990

Mr. Mark Allen
Federal Election Commission
999 East Street N.W.
Washington, D. C. 20004

Re: MUR 2816
Cryts in Congress Committee Matter

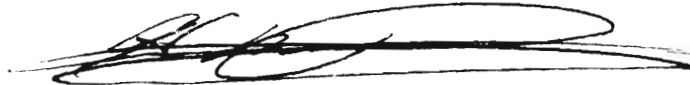
Dear Mark:

Please excuse my delay in getting this matter to you but I have simply been overwhelmed with work. Please see that this gets to the appropriate spot if same is not too late.

I await the decision of the Commission and if there is a finding of "probable cause", please advise both the undersigned and Mr. Eugene Bushman of the State Committee so that we can once again attempt a "conciliation" of this matter.

Yours very truly,

CROW, REYNOLDS & PREYER



H. Mark Preyer

HMP/ns
Enclosure

Mr. Eugene G. Bushmann, Chairman
Missouri Democratic Party
P. O. Box 719
Jefferson City, MO 65102

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FEDERAL ELECTION COMMISSION
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90 SEP 5 11:00

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Cryts for Congress Committee) MUR 2816
and Carol-Gay Eikermann,)
as Treasurer)

CRYTS FOR CONGRESS COMMITTEE BRIEF
IN RESPONSE TO GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

2004001452
The Cryts for Congress Committee concurs that on June 27, 1989, the Commission found reason to believe that the Cryts for Congress Committee and Carol-Gay Eikermann, as Treasurer ("Cryts Committee"), violated 2 U.S.C. Section 434(b)(3)(B) and 441(a)(f). The Cryts Committee does not dispute that it failed to report a \$1,500.00 payment from the Missouri Democratic State Party ("State Party") which was wire transferred to the bank account of the Cryts Committee on or about November 7, 1988. Without question, the State Party had previously contributed \$5,000.00 to the Cryts Committee on November 2, 1988. However, the Cryts Committee and the State Party both contend in their Answers to Interrogatories that the \$1,500.00 payment was not a campaign contribution, but rather a payment for a telephone bank operated by the Cryts Committee, not subject to any limitations set forth by 2 U.S.C. Section 441(a). As the circumstances have now evolved, both the Cryts Committee, and the undersigned assumes based upon conversations with State Party Chairman, Eugene Bushman, that the State Party agrees, that the second payment of \$1,500.00 should not have been wire transferred to the Cryts Committee but should have been used through a separate fund for a telephone bank to assist

all Democratic candidates in the State of Missouri in the November general election of 1988.

II. ANALYSIS

Again, it is beyond dispute that the Federal Election Campaign Act of 1971 requires not only the reporting of campaign contributions, but provides for limitations made by multi-candidate committees to \$5,000.00 per election. 2 U.S.C. Section 441(a)(2)(A). The Act also prohibits not only the making of such donations but the acceptance of same. 2 U.S.C. Section 441(a)(f).

However, the particular \$1,500.00 contribution in question was accepted by the Cryts Committee under the belief that 2 U.S.C. Section 431(a)(B)(XII) would exempt such donation from the definition of a contribution. Generally, it was thought that payments could be made by a State political party for the cost of "Get Out The Vote Activities" which might be conducted on behalf of nominees of such party for a general election. It was the intention of the Cryts Committee that any payment to it by the State Party were to offset the expenses of a telephone bank. The telephone bank was not conducted by the Cryts Committee alone but by several volunteers on behalf of many of the Democratic candidates for the general election in November of 1988. In the context of the heated and hurried final days before a general election in which a United States President, United States Senator, Governor, United States Congressman, and a host of other statewide offices were to be determined, a detailed analysis of the applicable rules and regulations of the Federal Election Commission was not conducted. Both the State Party and the Cryts Committee

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in good faith and in complete and total honesty believed that the \$1,500.00 payment was for the reimbursement of expenses of a telephone bank conducted by workers and volunteers whose efforts were for the benefit not only of Wayne Cryts, but of all of the Democratic candidates during such election. Without question, the intent of both the State Party and the Cryts Committee was honorable and if there was a technical violation of applicable Federal Election Commission regulations and/or statutory schemes, same was done with a good faith, albeit misunderstood, interpretation of such statutes or regulations.

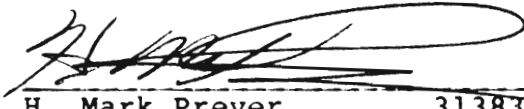
III. RECOMMENDATION OF THE CRYTS COMMITTEE

The undersigned, on behalf of the Cryts Committee respectfully suggests and recommends that the Commission find that there is no probable cause to believe that the Cryts Committee violated any part of the Federal Election Campaign Act of 1971, as submitted, and dismiss this complaint.

DATED: August 17, 1990.

Respectfully submitted,

CROW, REYNOLDS & PREYER
Attorneys at Law
Cotton Exchange Bank Building
Kennett, Missouri 63857
(314) 888-4664


H. Mark Preyer

31383

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BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

EXECUTIVE SESSION

SEP 18 1990

In the Matter of)
Cryts for Congress Committee and)
Carol-Gay Eikermann, as)
treasurer)
Missouri Democratic State)
Committee (Federal Account/)
Non-Federal Account) and Douglas)
Brooks, as treasurer)

MUR 2816

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 27, 1989, the Commission found reason to believe that the Cryts for Congress Committee and Carol-Gay Eikermann, as treasurer ("Cryts Committee"), violated 2 U.S.C. §§ 434(b)(3)(B) and 441a(f). Also on that date the Commission found reason to believe that the Missouri Democratic State Committee and Douglas Brooks, as treasurer ("State Party"), violated 2 U.S.C. § 441a(a)(2)(A) and 11 C.F.R. § 102.5(a).

This matter arose out of the failure of the Cryts Committee to report a \$1,500 payment from the State Party. The State Party had previously contributed \$5,000 to the Cryts Committee. Thus, the \$1,500 payment, if considered a contribution, would bring the State Party's total over the \$5,000 limit for the general election period, as set out in 2 U.S.C. § 441a(a)(2)(A). Respondents, in their answers to the interrogatories, asserted that the \$1,500 payment was not a campaign contribution but rather payment for a phone bank operated by the Cryts Committee not subject to the limitation at 2 U.S.C. § 441a. On May 17, 1989, six months after it received the \$1,500, the Cryts Committee filed an amended 1988 Post-General Election Report to show the \$1,500 as an offset to

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operating expenditures.

II. ANALYSIS

On June 27, 1990, this Office forwarded Probable Cause Briefs to respondents. This Office received a reply Brief from the Cryts Committee, several weeks late, on August 23 (Attachment 4). In its Brief, the Cryts Committee does not dispute that it failed to report a \$1,500 payment from the State Party. The Cryts Committee asserts that the \$1,500 payment was not a contribution but rather payment for a telephone bank operated by the Cryts Committee and not subject to any limitations set forth in 2 U.S.C. § 441a(a). This is the same assertion the Cryts Committee made in its response to the interrogatories. As set out in the General Counsel's Briefs, this Office does not believe that such payments may be made to principal campaign committees unrestricted by the Act's limits on contributions. Combined with a previous \$5,000 contribution, the \$1,500 payment constitutes an excessive contribution pursuant to 2 U.S.C. § 441a(a)(2)(A). For the remainder of this Office's Analysis, refer to the General Counsel's Briefs.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

IV. RECOMMENDATIONS

1. Find probable cause to believe that the Cryts for Congress Committee and Carol-Gay Eikermann, as treasurer, violated 2 U.S.C. §§ 434(b)(3)(B) and 441a(f).

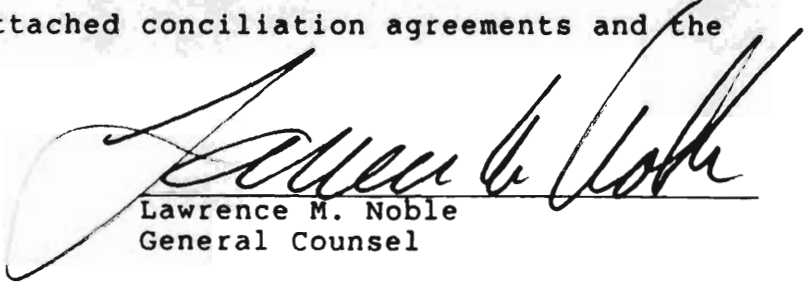
2. Find probable cause to believe that the Missouri Democratic State Committee and Douglas Brooks, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A).

3. Find no probable cause to believe that the Missouri Democratic State Committee and Douglas Brooks, as treasurer, violated 11 C.F.R. § 102.5(a)(1)(i).

4. Approve the attached conciliation agreements and the appropriate letters.

Date

9/4/90


Lawrence M. Noble
General Counsel

Attachments:

1. Cryts Committee response to Order and Subpoena
2. Missouri Democratic State Committee response to Order and Subpoena
3. Conciliation Agreements (2)
4. Reply Brief

Staff assigned: Mark Allen

90040301457

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2816
Cryts for Congress Committee and)
Carol-Gay Eikermann,)
as treasurer;)
Missouri Democratic State Committee)
(Federal Account/Non-Federal)
Account) and Douglas Brooks,)
as treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session on
September 18, 1990 do hereby certify that the Commission
decided by a vote of 6-0 to take the following actions
in MUR 2816:

1. Decline to take action on the General
Counsel's recommendation to find probable
cause to believe that the Cryts for
Congress Committee and Carol-Gay Eikermann,
as treasurer, violated 2 U.S.C. §§ 434(b)
(3)(B) and 441a(f).
2. Decline to take action on the General
Counsel's recommendation to find probable
cause to believe that the Missouri Democratic
State Committee and Douglas Brooks, as
treasurer, violated 2 U.S.C. § 441a(a)(2)(A).

(continued)

90040301458

Federal Election Commission
Certification for MUR 2816
September 18, 1990

Page 2

3. Find no probable cause to believe that the Missouri Democratic State Committee and Douglas Brooks, as treasurer, violated 11 C.F.R. § 102.5(a)(1)(i).
4. Take no further action and close the file.
5. Direct the Office of General Counsel to send appropriate letters pursuant to the above actions.

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

Attest:

9-19-90
Date

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



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 27, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Tony Feather, Executive Director
Missouri Republican Party
204 East Dunklin Street
Post Office Box 73
Jefferson City, MO 65102

RE: MUR 2816

Dear Mr. Feather:

This is in reference to the complaint you filed with the Federal Election Commission on February 6, 1989, concerning payments from the Missouri Democratic State Committee to the Cryts in Congress Committee in November, 1988.

Based on that complaint, on June 27, 1989, the Commission found that there was reason to believe the Missouri Democratic State Committee and Douglas Brooks, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A) and 11 C.F.R. § 102.5(a), and that the Cryts in Congress Committee and Carol-Gay Eikerman, as treasurer, violated 2 U.S.C. §§ 434(b)(3)(B) and 441a(f), provisions of the Federal Election Campaign Act of 1971 and accompanying regulations, as amended. Thereafter, the Commission instituted an investigation of this matter.

On September 18, 1990, the Commission decided to take no further action regarding the 2 U.S.C. §§ 434(b)(3)(B), 441a(a)(2)(A), and 441a(f) violations. The Commission also found no probable cause to believe regarding the 11 C.F.R. § 102.5(a) violation. Therefore, on that date the Commission closed the file in this matter. A statement of reasons for the Commission's decision will follow. This matter will become part of the public record within 30 days. The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

90040801460

Tony Feather
Page 2

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Lois G. Lerner

BY: Lois G. Lerner
Associate General Counsel

20040801461



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 27, 1990

H. Mark Preyer, Esq.
Crow, Reynolds, and Preyer
P.O. Box 189
Cotton Exchange Bank Building
Kennett, MO 63857

RE: MUR 2816
Cryts In Congress Committee
and Carol-Gay Eikermann,
as treasurer

Dear Mr. Preyer:

On June 27, 1989, your clients were notified that the Federal Election Commission found reason to believe that they violated 2 U.S.C. §§ 434(b)(3)(B) and 441a(f). On August 17, 1989 and August 22, 1990 you submitted responses in this matter.

After considering the circumstances of the matter, the Commission determined on September 18, 1990 to take no further action against your clients, and closed the file. The Commission reminds you, however, that your clients were required to report the receipt of the \$1,500 payment from the Missouri Democratic State Committee. Your clients should take immediate steps to insure that they report all receipts in a timely manner in the future.

The file in this matter will be made part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Lois G. Lerner JB

BY: Lois G. Lerner
Associate General Counsel



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 27, 1990

Douglas Brooks, Treasurer
Missouri Democratic State Committee
(Federal Account/Non-Federal Account)
419 East High
P.O. Box 179
Jefferson City, MO 65102

RE: MUR 2816

Dear Mr. Brooks:

On June 27, 1989, you were notified that the Federal Election Commission found reason to believe the Missouri Democratic State Committee and you, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A) and 11 C.F.R. § 102.5(a). On August 3, 1989, you submitted a response in this matter.

This is to advise you that on September 18, 1990, the Commission found no probable cause to believe the Committee and you, as treasurer, violated 11 C.F.R. § 102.5(a). Also on that date, after considering the circumstances of the matter, the Commission determined to take no further action regarding the 2 U.S.C. § 441a(a)(2)(A) violation. Therefore, the Commission closed the file in this matter. The file will be made part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Lois G. Lerner JB

BY: Lois G. Lerner
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2816

DATE FILMED 10/12/90 CAMERA NO. 3

CAMERAMAN AS

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 2816.

91040325458



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 11, 1990

CLOSED

H. Mark Preyer, Esq.
Crow, Reynolds, and Preyer
P.O. Box 189
Cotton Exchange Bank Building
Kennett, MO 63857

RE: MUR 2816
Cryts In Congress Committee
and Carol-Gay Eikermann,
as treasurer

Dear Mr. Preyer:

By letter dated September 27, 1990, the Office of the General Counsel informed you of determinations made with respect to the complaint filed against your clients in this matter.

Enclosed please find two Statements of Reasons, each adopted by three Commissioners, explaining their decisions to take no further action regarding your client's 2 U.S.C. §§ 434(b)(3)(B) and 441a(f) violations. This document will be placed on the public record as part of the file of MUR 2816.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Statements of Reasons

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 11, 1990

Douglas Brooks, Treasurer
Missouri Democratic State Committee
(Federal Account/Non-Federal Account)
419 East High
P.O. Box 179
Jefferson City, MO 65102

RE: MUR 2816

Dear Mr. Brooks:

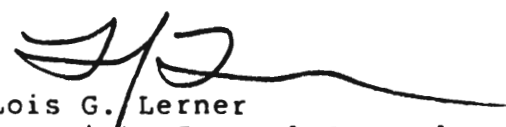
By letter dated September 27, 1990, the Office of the General Counsel informed you of determinations made with respect to the complaint filed against you in this matter.

Enclosed please find two Statements of Reasons, each adopted by three Commissioners, explaining their decisions to take no further action regarding your 2 U.S.C. § 441a(a)(2)(A) violation, and find no probable cause to believe you violated 11 C.F.R. § 102.5(a). This document will be placed on the public record as part of the file of MUR 2816.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

Enclosure
Statements of Reasons

91040325460



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 11, 1990

**Tony Feather, Executive Director
Missouri Republican Party
204 East Dunklin Street
Post Office Box 73
Jefferson City, MO 65102**

RE: MUR 2816

Dear Mr. Feather:

By letter dated September 27, 1990, the Office of the General Counsel informed you of determinations made with respect to the complaint filed by you against the Missouri Democratic State Committee and the Cryts In Congress Committee.

Enclosed please find two Statements of Reasons, each adopted by three Commissioners, explaining their decisions to take no further action regarding the Cryts Committee's 2 U.S.C. §§ 434(b)(3)(B) and 441a(f) violations, take no further action regarding the State Committee's 2 U.S.C. § 441a(a)(2)(A) violation, and find no probable cause to believe the State Committee violated 11 C.F.R. § 102.5(a). This document will be placed on the public record as part of the file of MUR 2816.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in black ink, appearing to be "L. Lerner", is written over a horizontal line.

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Statements of Reasons

21040325461



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Date: 5/23/95

☒ Microfilm
☐ Public Records
☐ Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED HUR 2816

95043641935



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

Eiland

MEMORANDUM

TO: LAWRENCE NOBLE
GENERAL COUNSEL

FROM: *MW* MARJORIE W. EMMONS/DELORES HARRIS *SH*
COMMISSION SECRETARY

DATE: DECEMBER 5, 1990

SUBJECT: STATEMENT OF REASONS FOR MUR 2816

Attached is a copy of the Statement of Reasons in MUR 2816 signed by Commissioners McGarry, McDonald, and Thomas. This was received in the Commission Secretary's Office on Wednesday, December 5, 1990 at 12:24 p.m.

cc: Commissioners
Staff Director Surina
Press Officer Fred Eiland

95043641936

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Cryts for Congress Committee and)
Carol-Gay Eikermann, as treasurer)
) NUR 2816
Missouri Democratic State Committee)
and Douglas Brooks, as treasurer)

STATEMENT OF REASONS

Commissioner John Warren McGarry
Commissioner Danny L. McDonald
Commissioner Scott E. Thomas

On September 18, 1990, the Commission voted to reject the General Counsel's recommendation to find probable cause to believe that the Cryts for Congress Committee and Carol-Gay Eikermann, as treasurer, violated 2 U.S.C. §§ 434(b)(3)(B) and 441a(f). The Commission also rejected the General Counsel's recommendation to find probable cause to believe that the Missouri Democratic State Committee("State Party") and Douglas Brooks, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A). Instead, the Commission voted unanimously to take no further action with respect to these respondents, and to close the file.

At issue was a \$1,500 payment from the State Party, which the State Party had reported as a contribution to the Cryts Committee. This reported contribution was made by the State Party after having contributed to the Cryts Committee the maximum amount of \$5,000 for the general election. See 441a(a)(2)(A). The Cryts Committee had failed to report the receipt of the \$1,500 from the State Party.

STATEMENT OF REASONS - MUR 2816
Page 2

During the course of the investigation, both the State Party and the Cryts Committee took the position that the \$1,500 contribution was not a contribution at all, but rather a reimbursement by the State Party for expenses for a phone bank that purportedly benefited both the Cryts' campaign and other candidates. The Office of the General Counsel rejected this formulation, and argued that such payments from a state party committee to a principal campaign committee are contributions subject to the limitations and prohibitions of the Act.

After a lengthy discussion of the General Counsel's recommendations, the Commission unanimously voted to take no further action in this matter. That, however, is where the unanimity ended. During the course of the Commission's discussion, it became clear that there would be insufficient votes to approve the General Counsel's recommendations. Some Commissioners felt that more facts were required to evaluate respondents' claim with respect to the phone bank expenses. Others indicated that the facts were sufficient for the probable cause findings recommended by the General Counsel. Given both the stalemate and the amount of the violations at issue, all agreed to take no further action and to close the file.

The undersigned Commissioners voted to take no further action and to close the file in this matter in view of the above-described circumstances, and in the exercise of the

STATEMENT OF REASONS - MUR 2816
Page 3

Commission's prosecutorial discretion. See Heckler v. Chaney, 470 U.S. 821 (1985). We want to make it clear, however, that payments from a state party committee to the principal campaign committee of a candidate are presumed to be contributions subject to the limits of 2 U.S.C. §441a. The decision to take no further action in this case should not be construed as approval of any practice whereby a state party committee may make unrestricted payments to a candidate committee, and thereby circumvent the contribution limitations of section 441a. The Commission has never approved of such a practice, which would render the limitation provisions meaningless. Parties may make direct contributions and coordinated expenditures subject to specific limits. See 2 U.S.C §§ 441a(a) and 441a(d). They may not evade those limits by subsidizing a campaign in the guise of payments for services rendered.

DATE

12/4/90

JOHN WARREN MCGARRY

John Warren McGarry

DATE

12/4/90

DANNY L. McDONALD

Danny L. McDonald

DATE

12/5/90

SCOTT E. THOMAS

Scott E. Thomas

25043641939



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

Eiland

MEMORANDUM

TO: LAWRENCE NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DELORES HARRIS *SH*
COMMISSION SECRETARY

DATE: DECEMBER 3, 1990

SUBJECT: STATEMENT OF REASONS FOR MUR 2816

Attached is a copy of the Statement of Reasons in MUR 2816 signed by Commissioners Josefiak, Elliott and Aikens. This was received in the Commission Secretary's Office on Monday, December 3, 1990 at 3:33 p.m.

cc: Commissioners
Staff Director Surina
Press Officer Fred Eiland

95043641940

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Cryts for Congress Committee and) MUR 2816
Carol-Gay Eikermann, as treasurer)
)
Missouri Democratic State Committee)
and Douglas Brooks, as treasurer)

STATEMENT OF REASONS

Commissioner Thomas J. Josefiak

Commissioner Lee Ann Elliott

Commissioner Joan D. Aikens

1. Background

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This matter originated from a complaint regarding a \$1500 payment by the Missouri Democratic State Committee to the Cryts For Congress Committee in November of 1988. Respondents contended the party committee's payment was not a contribution to the campaign but a reimbursement for expenses incurred by the Cryts committee that were allocable to other candidates mentioned in a 'telephone bank' voter turnout program. ¹ The Federal Election Commission's General Counsel argued that any reimbursement received by the Cryts committee for these expenses would be a "contribution" to Cryts' campaign under the Federal Election Campaign Act and the Commission's regulations.

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1. The party committee originally reported the \$1500 payment as a "contribution" to the Cryts committee, but later contended that such a characterization was erroneous. Since the party had previously made a \$5000 general election contribution to the Cryts committee (the maximum permitted under the Federal Election Campaign Act), treatment of the reimbursement as a "contribution" under the Act would result in the party committee having made an excessive contribution to Cryts' campaign, pursuant to 2 U.S.C. §441a(a)(2)(A).

The Cryts committee initially failed to disclose the payment on its reports filed with the Commission, contrary to the requirements of 2 U.S.C. §434(b). The Cryts committee acknowledged its failure to report the payment from the state party committee, but noted its reports were subsequently amended to disclose receipt of the \$1500 as an "offset to operating expenditures."

2. Commission Action

On September 18, 1990, we joined a unanimous Commission in voting to: 1) decline to take action on the General Counsel's recommendation to find probable cause to believe that the Cryts for Congress Committee and Carol-Gay Eikermann, as treasurer, violated 2 U.S.C. §434(b)(3)(B) and §441a(f); 2) decline to take action on the General Counsel's recommendation to find probable cause to believe that the Missouri Democratic State Committee and Douglas Brooks, as treasurer, violated 2 U.S.C. §441a(a)(2)(A); 3) find no probable cause to believe that the Missouri Democratic State Committee and Douglas Brooks, as treasurer, violated 11 CFR 102.5(a)(1)(i); and 4) take no further action and close the file.

On the central issue of whether the state party committee's payment to the Cryts committee violated the Act, it was our view that reimbursement paid to a candidate's committee for the share of expenses for joint political activity properly allocable to other candidates does not constitute a "contribution" under the Federal Election Campaign Act and the Commission's regulations. We also supported the motion to take no further action (particularly as to the reporting discrepancies) as an exercise of the Commission's prosecutorial discretion, consistent with the proper ordering of

the Commission's priorities and resources. See Heckler v. Chaney,
470 U.S. 821 (1985). \²

3. Legal Question Presented

The role of the candidate committee in this case should not be mischaracterized as a candidate committee operating as a commercial 'vendor.' The Cryts for Congress Committee was engaged in legitimate campaign activity on behalf of Cryts' candidacy that, for practical reasons of efficiency and political self-interest, was combined with activity on behalf of other candidates. The facts of this case gave no suggestion that the Cryts committee was engaged in the business of selling phone bank services to other candidates as a profitmaking enterprise or fundraising endeavor. \³ Therefore, the question raised by this case was not whether candidate committees may operate as commercial vendors. Rather, the question presented was whether a candidate's committee may accept reimbursement from another candidate

2. No information before the Commission disputed the accuracy of the allocation to other candidates of the telephone bank expenses, nor had the correctness of the allocation been challenged during the General Counsel's investigation of the case. We considered any further investigation solely for purposes of examining the precision of the allocation to be unjustified, particularly in light of the dollar amount of the transaction. With respect to the recommendation to find a reporting violation under §434(b), we viewed as mitigating the committee's remedial action in amending its reports to identify the payment as an "offset to operating expenditures."
3. In our opinion, a candidate's committee that engaged in profit-making 'vendor' activity by performing professional services for other candidates (conducting a poll or phone bank or producing a television commercial), or that served as a paid broker for such services, would encounter (fairly prohibitive) fundraising consequences, including contribution and reporting problems, just as it would if the committee opened a shoe store or other commercial enterprise. Compare Advisory Opinion 1989-21 and opinions cited therein.

or party committee for an allocable share of joint campaign activity without that reimbursement being considered the receipt of a "contribution" under the Act.

4. The FECA and Commission Precedent

The general rule is that the acceptance of funds or "anything of value" by a candidate's committee is the receiving of a "contribution" under the Act. 2 U.S.C. §431(8)(A). The Commission has generally viewed the selling or commercial use of committee assets by a principle campaign committee or other political committee to be fundraising for political purposes, resulting in contributions subject to the Act. See Advisory Opinions 1989-4 and 1988-12. The Commission has, however, permitted isolated sales of political committee assets without inherent contribution consequences when those assets had been purchased or developed for the committee's own particular use, rather than for sale in a campaign fundraising activity, and those assets had an independent and ascertainable market value. See Advisory Opinions 1989-4, 1986-14, 1986-4, 1985-1, 1981-53, 1979-24, and 1979-18.

The Commission's regulations and past opinions recognize that not every receipt of a political committee is a "contribution." For example, the Commission has recognized certain payments by businesses to candidate committee customers do not constitute contributions when "commercially reasonable" and made to candidates "in the ordinary course of business." See Advisory Opinions 1986-1 (free tickets as compensation for fundraiser scheduling change), 1978-60 (courtesy copy of videotape of television appearance), and 1976-56 (complimentary hotel accommodations). See also 11 CFR 103.3 and

Advisory Opinions 1980-39, 1976-25 and 1975-41 (political committee funds may be invested in interest-bearing accounts).

Most importantly, the Commission has previously recognized that payments made to a candidate committee as reimbursement for the allocable share of activity conducted jointly with other candidates would not be a "contribution" under the Act. In Advisory Opinion 1986-29, a Congressman's campaign committee proposed to pay the costs of producing and distributing a slate card featuring other candidates for elective office. The committee anticipated seeking "proportional reimbursement from each listed candidate," but stated it would pay for the portion allocable to those candidates who declined to make such reimbursement. The requestor asked if the activity would qualify for the 'coat-tail' exception to the Act, under which a candidate may make reference to other candidates in campaign materials without making a contribution to those candidates if the materials are distributed through volunteer activities rather than in general public advertising. \⁴

4. Under the Act, the term "contribution" does not include:
"... the payment by a candidate, for nomination or election to any public office (including State or local office), or authorized committee of a candidate, of the costs of campaign materials which include information on or reference to any other candidate and which are used in connection with volunteer activities (including pins, bumper stickers, handbills, brochures, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, billboards, direct mail, or similar types of general public communication or political advertising)..."
2 U.S.C. §431(8)(B)(xi). See also 11 CFR 100.7(b)(16) and 100.8(b)(17).

It is important to recognize that the 'coat-tail' exception only serves to prevent unreimbursed costs allocable to other candidates featured in qualifying materials from constituting

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The Commission concluded the proposed slate card could qualify for the 'coat-tail' exception as long as the cards were distributed to the public by volunteers or sent through mailings that did not utilize commercial mailing house vendors or commercially prepared mailing lists. The Commission noted:

Your principal campaign committee should ...report its payments for the slate card as "operating expenditures." Since you state that other listed candidates may reimburse your committee for their proportional share, your committee should report such payments as "offsets to operating expenditures." See 11 CFR 104.3. Also, since these reimbursements will be made to your committee, they must be made from funds permissible under the Act, even if they are allocable only to a state or local candidate's portion. See Advisory Opinion 1980-38. \⁵

In Advisory Opinion 1980-38, a Federal committee and a state committee proposed to share the expenses of computer research. The Commission concluded the state committee could reimburse the Federal committee for such costs, but must do so with funds permissible under

(Footnote 4 continued from previous page)

contributions to those candidates. As demonstrated by the Commission's discussion and conclusions in Advisory Opinion 1986-29, the exception does not suggest any limitation upon a candidate committee's receipt of reimbursement for expenses of joint political activity, whether such activity falls inside or outside the 'coat-tail' exception.

5. Advisory Opinion 1986-29 also discussed the consequences of the activity if it failed to qualify for the 'coat-tail' exception -- i.e., if such materials were distributed by mailings utilizing commercial vendors or mailing lists. Under those circumstances, such mailings would simply be joint candidate activity. The Commission reiterated: "Payments made to your committee by listed Federal, state, or local candidates for their allocable share of these costs will also be reportable as 'offsets to operating expenditures' ..." The consistency of the Commission's conclusion lends no support to viewing this opinion as establishing an isolated 'exception' for 'coat-tail' materials.

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the Act. \⁶ The Federal committee was instructed by the Commission to report these reimbursements as "offsets to operating expenditures."

Thus, Commission precedent recognizes that the payment to candidate committees of reimbursements for the expenses of joint activity does not constitute a "contribution" under the Act. That conclusion has not been premised upon, nor does it require, the granting of a special waiver or exemption from the Act's contribution limits. The Commission's consistent view draws a reasonable legal distinction, not an 'ad hoc' exception, to the general rule that receipts of political committees constitute contributions. \⁷

That legal interpretation is just as appropriate for telephone banks and get-out-the-vote activity as it is for joint activity for slate cards, mailings or computer research. We reject any suggestion, therefore, that our view in this matter involves a broadening of a list of isolated, case-by-case exceptions drawn in prior Commission decisions. The Commission's prior legal interpretation regarding this issue is applicable here.

6. As to the requirement under Advisory Opinions 1986-29 and 1980-38 that reimbursements to a Federal candidate for allocated expenses of joint activity be made from funds permissible under the Act, we note the Missouri Democratic party stated in answers to the Commission's interrogatories that the \$1500 payment was made from its Federal account. Thus, the Commission found no probable cause to believe the party violated 11 CFR 102.5.
7. The Commission is not drawing "exceptions" to the Act when it more fully defines terms, recognizes distinctions or identifies specific legal consequences that serve to allow or place less restriction upon certain activity under the law. Each result is not an arbitrary Solomonic judgment or an isolated policy choice. Generally, these determinations reflect common sense and consistent patterns of legal interpretation, rather than acts of generosity by the Commission.

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5. Reimbursements For Joint Candidate Activity

As the Commission's previous decisions and common experience demonstrate, it is certainly appropriate for candidates to share expenses for a variety of political activity. Joint candidate activity typically includes survey research, telephone banks and get-out-the-vote efforts, or combined advertising or mailings. Such activity is often conducted under the auspices of a political party committee. \⁸ Nothing in our law, however, suggests that a candidate committee cannot be the organizing force for joint political activity. \⁹

It could be argued that joint candidate activity should be conducted through a 'third party' committee or by paying bills in several separate and contemporaneous candidate checks. The FECA does not require such complexity of operation, however, particularly for joint activity conducted at a level as simple and confined as

8. The Commission has permitted political party committees to serve as vendors or brokers on behalf of candidates for 'telephone bank' voter turnout programs, or to be reimbursed for rent or fundraising expenses. Party committees are allowed to advance funds for the combined party activity and receive reimbursement from candidates as allocable shares become determinable, with unreimbursed shares of expenses allocable to candidates as in-kind contributions. See, e.g., Matters Under Review 2221 and 2345. Here, however, the Cryts committee was not independently brokering professional services to separately assist or benefit other candidates, but was engaged in joint activity on its own behalf for which allocation to other candidates was also necessary.

9. We would note that, even in the sensitive area of joint fundraising, the Commission's regulations contemplate combined candidate activity being conducted by means of a participating committee serving as the central "fundraising representative," including the handling and reporting of specific disbursements for expenses of the joint activity. See 11 CFR 102.17.

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that of this case or other typical circumstances, as long as receipts and disbursements are reported, permissible funds are used and allocations are drawn fairly. Special measures are clearly not demanded by the Commission's direction in Advisory Opinions 1986-29 and 1980-38. ¹⁰

The legal interpretation we favor in this matter does not present any peculiar obstacles to tracking candidate receipts or insuring compliance with the Act's contribution limits. If the Commission continues to allow these reimbursements to be reported as "offsets to operating expenditures," we know of nothing that would preclude the Commission's Reports Analysis Division from continuing to question such payments and to seek appropriate documentation. ¹¹ Any potential for abuse or fraud always exists in the transactions of candidate committees or the reporting of their receipts, and is not particularly greater or heightened in this area of reimbursements. Concern that campaigns could receive phony reimbursement payments is

10. The requestor in Advisory Opinion 1986-29 made reference to possibly setting up a sponsoring committee for the slate card project, but gave no details in its request of how such a committee would collect funds from candidates or pay expenses. The Commission's answer specifically declined to consider questions that would arise under that approach.
11. As a general matter, receipts and disbursements reported to the FEC by political committees often deserve some initial inquiry. If challenged, the legal outcome will likely depend upon satisfactory evidence to substantiate the transaction's legitimacy. The particular circumstances of joint candidate activity create no special problems for investigation. Determining that reimbursement payments comprise "offsets to operating expenditures" rather than "contributions" does not require an examination of intent or motive of the committee making the payment. The activity -- properly documented -- has a demonstrably legitimate purpose distinct from fundraising or contributing.

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an insufficient reason to arbitrarily disallow (or make prohibitively difficult) legitimate joint campaign activity that is so easily capable of objective documentation.

Our conclusion in this case is consistent with the Commission's prior decisions, and represents a sensible interpretation of the Act and our regulations. We believe reimbursements made to a candidate's committee that has taken primary responsibility for arranging joint activity should not be characterized as contributions under the Act, if allocations are correctly calculated. By definition, reimbursements do not actually contribute funds or 'anything of value' to the candidate committee spearheading the joint activity, but only compensate that candidate for expenses incurred on behalf of other candidates -- an "offset to operating expenditures." ¹² Such payments inherently do not represent donative activity that would be considered a contribution to the recipient committee under the Act and our regulations.

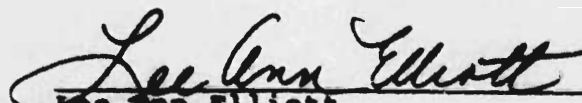
Under the factual record before us in this matter, therefore, we concluded the Commission did not have 'probable cause to believe' the reimbursement for the expenses of joint political activity paid by the Missouri Democratic party to the Cryts for Congress Committee

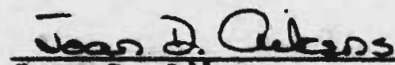
12. Reimbursement for the allocable share of joint campaign activity is not only permissible under the Act, but should be encouraged. If unreimbursed, payment by a Federal candidate for the expenses of activity properly allocable to other candidates would be a reportable contribution to those candidates. And, of course, if a Federal candidate did not reimburse for the allocable share of joint activity paid for by others that benefited that candidate's campaign, a contribution to the Federal candidate would result.
See 2 U.S.C. §§434(b) & 431(8)(A) and 11 CFR 106.1.
See also Advisory Opinion 1986-29.

constituted a "contribution" under the Act.

December 3, 1990


Thomas J. Josefiah


Lee Ann Elliott


Joan D. Aikens

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