



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

THIS IS THE BEGINNING OF MUR # 3101

DATE FILMED 2/27/91 CAMERA NO. 4

CAMERAMAN AS

91040324763

90 AUG -7 AMU: 13

August 6, 1990

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

MUR 3101

Dear Commissioners:

This complaint, filed pursuant to 2 U.S.C. 437g and 11 CFR 111.4, alleges violation of the Federal Election Campaign Act of 1971, as amended, (hereinafter "Act") by Ronald L. Wilson of 110 North Perkins Street Rushville, Indiana 46173 and the Friends of Phil Sharp, Inc. and Dr. Joseph B. Black, Jr., Treasurer, of 600 South Tillotson, Muncie, Indiana 47304 (hereinafter, "Respondents"). Complainant here is Mr. Samuel O. Dawson, Political Director for the National Republican Congressional Committee, with its principal place of business at 320 First Street, S.E. Washington, D.C. 20003.

LAW

Respondents did violate the Act by making or allowing to be made a prohibited contribution as defined at 2 U.S.C. sec. 431(8)(A)(i) as "any gift, subscription, loan, advance, or deposit of money or anything of value (emphasis added) made by any person for the purpose of influencing any election for Federal office;". The source of this in-kind contribution was a corporation which is prohibited from engaging in such activity under 2 U.S.C. sec. 441b.

FACTS

According to the Thursday, July 12, 1990 Greensburg Daily News (Exhibit A), Respondent Wilson admitted to using "some funds from his private law firm Badell and Wilson" (registered with the Indiana Secretary of State Corporation Division as a professional corporation (Exhibit B)) "to pursue the matter". Here, the "matter" was a political attack, resulting in the filing of a complaint admitted by Respondent Wilson in the text of Exhibit A to have been coordinated with the federal election campaign of Respondent Friends of Phil Sharp, upon Mr. Sharp's opponent, Mike Pence. Addressing the issue of whether the "Act" differentiates between professional corporations and other types of corporations, Federal Election Commission Press Secretary Sharon Schneider said in the Greensburg Daily News article that "The law does not differentiate between types of corporations. In it's eyes, an incorporated law firm is treated the same as an incorporated industry. It is possible that the actions of Wilson's law firm could be taken as an in-kind contribution to Phillip Sharp's political campaign" (Exhibit A).

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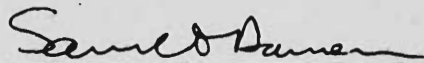
**CONCLUSION**

Respondent Wilson has made a contribution as defined at 11 CFR 114.1(a)(1) from a corporation as defined at 11 CFR 114.2(b) in connection with a Federal Election. Respondent Wilson made this contribution in pursuit of advocating both the election and defeat of specific candidates for the United States House of Representatives. Respondent Friends of Phil Sharp, Inc. admits to collaborating in this illegal use of corporate facilities.

Complainant requests that, pursuant to 2 U.S.C. 437g(a)(2) and 11 CFR 110.10, the Commission conduct an investigation and audit to discover why Respondents have failed to comply with the Federal Election Act of 1971, as amended.

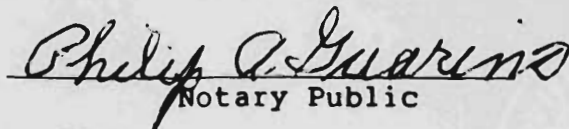
**VERIFICATION**

The undersigned Political Director for the National Republican Congressional Committee swears that the allegations and facts set forth in this complaint are true to the best of his knowledge, information and belief.



Samuel O. Dawson  
Political Director,  
National Republican Congressional  
Committee

Subscribed and sworn before me this sixth day of August,  
1990

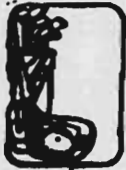
  
Notary Public

My Commission expires:

~~My Commission Expires~~ June 14, 1991

91040324765

EXHIBIT A



## Golf

Federal Mogul wins tourney, p. 6

Prizes to be given away, p. 5

Fashion show a success, p. 11

# GREENSBURG DAILY NEWS

*Southeastern Indiana's Foremost Newspaper*

THURSDAY  
July 12, 1990

Greensburg, Indiana 47240

35¢  
96th Year

## Sharp officials admit to collaboration

By TIM FILLER  
Summer Intern

Campaign officials for Congressman Phil Sharp admitted to collaborating with the Rush County prosecutor to disseminate information by facsimile transmissions attacking Republican Mike Pence, according to Billy Linville, Sharp's campaign manager.

The admission came after Rush County Prosecutor Ronald Wilson disseminated information last week accusing Pence of violating federal election laws after Jean Ann Harcourt of Harcourt Outlines included invitations to a Pence fundraiser in the same envelope with employees' paychecks.

Wilson earlier this week mailed a letter to the Fed-

eral Elections Commission seeking action. Copies were also distributed to the news media.

Despite repeated denials on Wilson's part, Linville admitted to the Greensburg Daily News Tuesday that he assisted Wilson with preparing and distributing the verbal attacks against Pence.

"Our campaign office did help Wilson with this matter," said Linville.

By "assisted," Linville said the Sharp campaign knowingly aided Wilson in drafting the press releases and complaints, providing facsimile (fax) numbers and distributing copies of formal accusations bearing Wilson's name to all of the newspapers in the Second District.

"Mr. Wilson communicated with our office before

the information was sent to the public. We assisted him with the process," Linville said.

Wilson has repeatedly denied any prior contact with Sharp's offices relating to the allegations.

"I faxed all of the press releases at the same time," said Wilson. "The first contact I made with Sharp's office about this matter was when I faxed them the press release, and that was the same time your newspaper got it."

Wilson would not comment this morning about the reasons for the apparent contradiction in statements. Bob Guida, a representative appointed by Wilson to handle media inquiries, said, "It's just politics. This stuff happens in Washington all the time. I wouldn't call it a lie, just a political straight of

lead."

In a telephone interview Tuesday evening, said, "The issue does not involve whether Sharp's office, anyway. It involves Mike Pence. Anyone who can't see that must have their head in the sand."

Pence's campaign manager, Sherm Johnson, said the situation is an "old-style" political maneuver. He called it a "Rushville Watergate."

"This is a Rushville Watergate. We have examples of an official using the fax to communicate with campaign officials and another individual a private citizen," Johnson said.

He also drew a line from Rushville to a Pence see ENRAGE, page 2

## ★sharp

(Continued from page one)  
Washington. What was the Sharp campaign trying to cover up?" asked Johnson.

Sharp said he was aware that his office was collaborating with Wilson's actions.

"I know our campaign office was facilitating Wilson's efforts, but I think the issue does not lie in that fact," said Sharp. "We are avoiding the fundamental fact that Mike Pence has been inconsistent with what he says to the public. He thinks he's living in a glass house and nobody can throw stones."

Wilson claimed he was acting in his official capacity when he filed a federal election complaint against Harcourt Outlines. However, he said the expenses were paid by his private law practice.

"I was acting in my capacity as Rush County prosecutor, not a private lawyer, when I filed my complaint with the Federal Election Commission," said Wilson.

Indiana State Bar Association representative Julie Jacobson reported that federal election matters are outside the jurisdiction of a county prosecutor.

"A county prosecutor is responsible for state laws, not federal," Jacobson said. "They have no jurisdiction or authority in federal matters."

"Wilson's spending the Rush County taxpayers' time and money on Paul Sharp's congressional campaign," Johnson said.

Wilson's complaint alleges Harcourt Outlines made a corporate contribution to Pence's campaign by allowing Jean Ann Harcourt to place invitations to a fundraising rally in the same envelopes as the employees' paychecks.

Wilson also claimed the invitations violated Indiana Revenue Code by omitting a "required" disclaimer notice that contributions are not deductible for federal income tax purposes. According to Dave Jones, a tax law specialist with the Internal Revenue Service, this is a misconception. "I'm afraid Mr. Wilson is mis-

taken in his allegation," said Jones. "The Internal Revenue Service does not require any such disclaimer. Actually, since the fundraiser did not involve mandatory guest contributions or any entrance fees, any money given to the Pence campaign during the event would actually be considered tax deductible," said Jones.

Wilson admitted to using some funds from his private law firm, Padak and Wilson, to pursue the matter. He may be guilty of the same infraction of which he has accused Harcourt Outlines, said Federal Election Commission Press Secretary Sharon Schindler.

Schindler said, "The law does not differentiate between types of corporations. In its eyes, an incorporated law firm is treated the same as an incorporated industry. It is possible that the actions of Wilson's law firm could be taken as an in-kind contribution to Paul Sharp's political campaign."

Pence said, "This is a classic tactic of the Sharp campaign. His campaign officials went on the record and lied to the people of the Second District, then they tried to cover it up. He's played fast and loose with the truth. It is ironic that Sharp was elected in the Watergate years."

Jean Ann Harcourt stated this morning in a press release, "Since I am now forced to hire an attorney, using personal funds, to address these inaccurate allegations, I will have research done on recourse options available for Harcourt Outlines, Inc. and for myself." She went on to add that the attack "caused much pain and humiliation" for her family.

EXHIBIT B

10/1910 13107

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70 12024040930

P.02

INDIANA SECRETARY OF STATE  
CORPORATION DIVISION 07/13/90

PACKET: 198207- 1

STATUS: ACTIVE  
TYPE: DOMESTIC CORP

FILING DATE: 07/12/92  
DEAD DATE: 12/31/99  
EXP DATE: 12/31/99

ANNUAL REPORTS: 85 87 88 89

CORPORATION:  
BAYL AND WILCO PROFESSIONAL CORPORATION  
111 N PERKINS  
ROBINSVILLE, IN 47376

REGISTERED AGENT:  
RONALD WILSON  
PO BOX 337  
ROBINSVILLE, IN 47376

OFFICERS:  
PATRICK BAYL  
111 N PERKINS  
ROBINSVILLE, IN

PRES: B

WILSON, RONALD  
111 N PERKINS  
ROBINSVILLE, IN

SECF: A

PEI

910403247618



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 9, 1990

Mr. Samuel O. Dawson, Political Director  
National Republican Congressional  
Committee  
320 First Street, S.E.  
Washington, D.C. 20003

RE: MUR 3101

Dear Mr. Dawson:

This letter acknowledges receipt on August 7, 1990, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Ronald L. Wilson and Friends of Phil Sharp, Inc. and Dr. Joseph B. Black, Jr., as treasurer. 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 3101. 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

91040324769



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

August 9, 1990

Friends of Phil Sharp, Inc.  
Dr. Joseph B. Black, Jr., as treasurer  
600 South Tillotson  
Muncie, IN 47304

RE: MUR 3101

Dear Mr. Black:

The Federal Election Commission received a complaint which alleges that Friends of Phil Sharp, Inc. 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 3101. 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 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 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. 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.

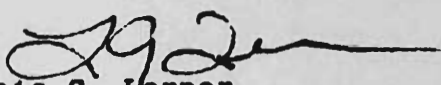
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If you have any questions, please contact Tamara Kapper, the staff member assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

  
Lois G. Lerner  
Associate General Counsel

Enclosures

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

cc: Honorable Phil Sharp  
2217 RHOB  
Washington, D.C. 20515-1402

21040324771



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 9, 1990

Badell and Wilson  
Professional Corporation  
110 North Perkins Street  
Rushville, IN 46173

RE: MUR 3101

Dear Sir or Madam:

The Federal Election Commission received a complaint which alleges that Badell and Wilson Professional Corporation 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 3101. 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 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.

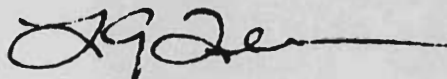
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2104032472

If you have any questions, please contact Tamara Kapper, the staff member 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

21040324773



**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

August 9, 1990

Mr. Ronald L. Wilson  
110 North Perkins Street  
Rushville, IN 46173

RE: MUR 3101

Dear Mr. Wilson:

The Federal Election Commission received a complaint which alleges that you 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 3101. 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 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 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. 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.

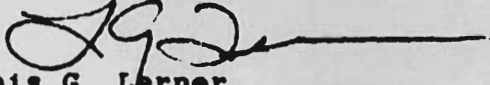
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If you have any questions, please contact Tamara Kapper, the staff member assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

  
Lois G. Lerner  
Associate General Counsel

Enclosures

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

21040324775



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

**August 9, 1990**

**Honorable Phil Sharp  
2217 RHOB  
Washington, D.C. 20515-1402**

**RE: MUR 3101**

**Dear Mr. Sharp:**

The Federal Election Commission received a complaint which alleges that Friends of Phil Sharp, Inc. and Dr. Joseph B. Black, Jr., 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 3101. 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 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 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. 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.

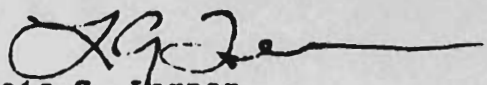
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If you have any questions, please contact Tamara Kapper, the staff member assigned to this matter at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

  
Lois G. Lerner  
Associate General Counsel

Enclosures

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

91040324777

06C 7441

OFFICE OF THE PROSECUTING ATTORNEY  
65TH JUDICIAL CIRCUIT

90 AUG 15 AM 10:55

110 N. PERKINS STREET  
P.O. BOX 337  
RUSHVILLE, INDIANA 46173-0337

TELEPHONE  
317/932-2000  
TELEFAX  
317/932-4787

August 13, 1990

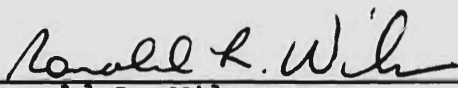
Federal Election Commission  
General Counsel's Office  
999 E. Street, N.W.  
Washington, D.C. 20463

RE: MUR 3101

Dear Sirs:

Please be advised that I categorically denied the allegations contained in this complaint. There has been no investigation conducted and no findings of any party other than a newspaper article. Whenever I acted, I acted as the Prosecutor of Rush County, Indiana, and I am certainly entitled to do that in that capacity. Samuel Dawson has not spoken to me and I would not know him if he were looking me in the face. And for that reason, I am sure that he knows nothing about the matter other than what he has read in the newspaper, which is apparently very little.

Very truly yours,

  
\_\_\_\_\_  
Ronald L. Wilson  
Prosecuting Attorney  
65th Judicial Circuit

RLW/dmw

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE GENERAL COUNSEL

90 AUG 15 PM 2:04

210040324778

**STATEMENT OF DESIGNATION OF COUNSEL**

OGC 7-560

**NR** 3101

90 AUG 22 AM 10:27

**NAME OF COUNSEL:** Judith L. Corley

Melissa H. Maxman

**ADDRESS:** Perkins Coie

1110 Vermont Ave., N.W., #1200

Washington, D.C. 20005

**TELEPHONE:** (202) 867-9030

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.

8/20/90  
Date

[Signature]  
Signature

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF LEGAL COUNSEL  
90 AUG 22 PM 12:54

**RESPONDENT'S NAME:** Dr. Joseph B. Black, Jr.

**ADDRESS:** Friends of Phil Sharp, Inc.

600 South Tillotson

Muncie, IN 47304

**HOME PHONE:** (317) 288-1681

**BUSINESS PHONE:** (317) 284-3083

91040324779

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# PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS  
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

August 23, 1990

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

Attention: Tamara Kapper

Re: MUR 3101 - Friends of Phil Sharp, Inc. and  
Dr. Joseph B. Black, Jr., as Treasurer

Dear Mr. Noble:

This is the response of Friends of Phil Sharp, Inc. (the "Sharp Committee") to the Commission's notification that a complaint had been filed against it by National Republican Congressional Committee Political Director Samuel O. Dawson alleging violations of the Federal Election Campaign Act of 1971, as amended ("FECA"). Because there is no factual or legal basis on which to sustain the NRCC allegations, no action should be taken by the Commission in response to this complaint.

A. No Factual Basis to Sustain the Complaint

The NRCC complaint incorrectly alleges that the Sharp Committee was the recipient of an illegal corporate contribution from Badell & Wilson, the private law firm of Rush County Prosecutor Ronald Wilson.<sup>1/</sup> Although Mr. Wilson did file a complaint with the FEC against Mike Pence for Congress and Harcourt Outlines, Inc. in July, 1990, no funds from Badell & Wilson were used to this end, nor did he ever cause such

<sup>1/</sup> The Rush County Prosecutor position is a part-time position.

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
30 AUG 23 PM 3:48

funds to be so used. On the contrary, all resources used to file this complaint, and to conduct the press activities in conjunction with it, were provided and paid for by the Sharp Committee. Any efforts by Wilson personally were not done under the auspices of his law firm. Sworn affidavits by Prosecutor Wilson and by Sharp Committee Campaign Manager Billy Linville are enclosed attesting to the truth of these statements.

Two documents were issued under Wilson's name in these matters. The first was the FEC complaint itself, and the second was a press statement issued to explain the content of the allegations in the complaints. Neither document was drafted by Wilson. He did review, edit, and approve and sign these documents, but he did so on his own time volunteered on behalf of the Sharp Campaign. Similarly, he was acting as a volunteer when he responded to telephone press inquiries about his complaint.

Neither were any funds or resources from Badell & Wilson used in the production or distribution of the FEC complaint or the press statement. Sharp Committee facilities were used for typing and photocopying, and for mailing and faxing these documents to intended recipients. In fact, the Sharp Committee produced letterhead for Wilson's use in these matters so as to avoid using Badell & Wilson's stationery.

Because of these facts, the Sharp Committee categorically denies the NRCC complaint's allegations. The complaint cites no evidence to substantiate that Badell & Wilson resources were used to pursue the complaint because no evidence exists that could support this erroneous claim.

B. No Legal Basis to Sustain the Complaint

From a purely legal perspective, we question whether the filing of a complaint against a campaign for violating the FECA could ever properly be considered a "contribution" under 2 U.S.C. § 431(8)(A)(i) ("any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office"). Does the NRCC really mean to suggest that every time a complaint is filed against a candidate, the costs of the complaint must be allocated as an in-kind contribution to the candidate's opponent? Such an interpretation would severely inhibit the making of bona fide complaints and thereby restrict the FEC's enforcement efforts, because bona fide complainants would have to make sure that their contributions were

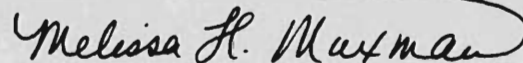
Lawrence M. Noble, Esq.  
August 23, 1990  
Page 3

sufficiently below legal limitations that their complaint would not render them in violation of the FECA. And, of course, the NRCC itself presumably does not believe such an interpretation to be viable: Witness the fact that it never allocates the cost of producing complaints against Democrats to its own contribution limits for its Republican candidates, including in this very matter, MUR 3101.

Accordingly, we respectfully request that the Commission find no reason to believe that the complaint sets forth a possible violation of the FECA, and close the file in this matter.

If you have any further questions, please do not hesitate to contact me at (202) 887-9030.

Sincerely,



Judith L. Corley  
Melissa H. Maxman  
Counsel to Friends of Phil Sharp, Inc.

0042m

21040324782

BEFORE THE FEDERAL ELECTION COMMISSION

MUR 3101

AFFIDAVIT OF RONALD L. WILSON

STATE OF INDIANA )  
 ) SS:  
COUNTY OF RUSH )

I, Ronald L. Wilson, being duly sworn according to law,  
hereby depose and state as follows:

1. I have personal knowledge of the facts set forth  
herein, and if called on to testify in this matter, I would  
testify as set forth herein.

2. I am the county prosecutor for Rush County, Indiana,  
a part-time position. I also have a private law practice, with  
the firm of Badell & Wilson, P.C.

3. I filed a complaint against Harcourt Outlines and  
Mike Pence for Congress in July of this year with the Federal  
Election Commission ("FEC"). This complaint alleged a violation  
of the federal prohibition against corporate contributions in  
connection with federal political campaigns. I also issued a  
press statement alleging these same violations sometime before  
the FEC complaint was filed.

4. All materials and resources used to produce and to  
disseminate the press statement and the FEC complaint were pro-  
vided to me by the campaign of Phil Sharp. These included among  
other things, drafting of the documents, typing services,  
telephone services, photocopying services, facsimile machine ser-  
vices, stationery and postage.

91040324783

5. My only involvement was the reviewing, editing and signing of the documents, and answering press questions as to the substance of the allegations. I did this in my capacity as a volunteer on behalf of the Sharp campaign.

6. I spent no time on these activities in my role as a private attorney for Badell & Wilson, P.C.

7. No funds or resources from Badell & Wilson, P.C. were used to pursue either this FEC complaint or the press activities surrounding it.

Pursuant to 28 U.S.C., §1746, I declare under penalty of perjury under the Laws of the United States of America that the foregoing is true and correct. Executed this 22nd day of August, 1990.

Ronald L. Wilson  
Ronald L. Wilson

91040324784

BEFORE THE FEDERAL ELECTION COMMISSION

MUR 3101

AFFIDAVIT OF BILLY LINVILLE

Muncie, Indiana

)  
)  
)

-

ss.

I, Billy Linville, being duly sworn according to law, hereby depose and state as follows:

1. I have personal knowledge of the facts set forth herein, and if called on to testify in this matter, I would testify as set forth herein.

2. I am the Campaign Manager for Friends of Phil Sharp, Inc. (the "Sharp Campaign").

3. I organized the production of the FEC complaint against Harcourt Outlines and Mike Pence for Congress, and the release to the press of the allegations in it, in July of this year.

4. The only involvement of Ronald Wilson was to review and approve the FEC complaint and the press statement, and to respond to press inquiries.

5. All materials used to produce and distribute the press statement and the FEC complaint were provided and paid for by the Sharp Campaign, including stationery, typing, photocopying and facsimile services, and postage.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the Laws of the United States of America that the foregoing is true and correct. Executed this day 22 of August, 1990.

Billy Linville  
Billy Linville

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**SENSITIVE**

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

**FIRST GENERAL COUNSEL'S REPORT**

MUR# 3101  
DATE COMPLAINT RECEIVED  
BY OGC: August 7, 1990  
DATE OF NOTIFICATION TO  
RESPONDENTS: August 9, 1990  
STAFF MEMBER: Tamara Kapper

COMPLAINANT: National Republican Congressional Committee  
by Samuel O. Dawson, Political Director

RESPONDENTS: Ronald L. Wilson  
Badell and Wilson P.C.  
Friends of Phil Sharp, Inc. and Dr. Joseph B.  
Black, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 441b

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

**I. GENERATION OF MATTER**

On August 7, 1990, the Commission received a complaint from Mr. Samuel O. Dawson, Political Director of the National Republican Congressional Committee ("NRCC"), alleging that Mr. Ronald L. Wilson made a prohibited in-kind corporate contribution to Friends of Phil Sharp, Inc. and Dr. Joseph B. Black, as treasurer (the "Sharp Committee"). The complaint alleged that Wilson used funds from his law firm, Badell and Wilson P.C., to file a complaint with the Commission against the Mike Pence for Congress Committee and Harcourt Outlines.

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The respondents were notified of the NRCC complaint on August 9, 1990 and submitted responses shortly thereafter.

## II. FACTUAL AND LEGAL ANALYSIS

Contributions or expenditures by national banks, corporations, and labor unions, in connection with any federal election to any federal office are prohibited. 2 U.S.C. § 441b(a). Pursuant to 2 U.S.C. § 441b(b)(2), a "contribution or expenditure" includes any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value to any candidate, campaign committee, or political party or organization, in connection with any election to any federal office.

### A. Relevant Facts

#### 1. Improper Complaint

Michael Pence and incumbent Congressman Phillip Sharp were opposing candidates for the U.S. House of Representatives in the second congressional district from the state of Indiana in 1988 and 1990. Friends of Phil Sharp and Dr. Joseph B. Black, Jr., as treasurer, is the authorized principal campaign committee for Congressman Sharp's 1990 congressional race. Ronald L. Wilson is the Prosecuting Attorney for Rush County, Indiana. Wilson's law firm, Badell and Wilson, P.C., is a professional corporation organized under the laws of the state of Indiana.

On July 9, 1990, Mr. Wilson attempted to file a complaint with the Commission against the Mike Pence for Congress Committee

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regarding an alleged corporate contribution by Harcourt Outlines.<sup>1</sup> Attachment 1. Although the complaint was not on letterhead of any sort, Mr. Wilson signed the complaint as Rush County Prosecuting Attorney and the envelope was addressed using a mailing label from the Prosecutor's Office. Id.

On July 19, 1990, this Office notified Mr. Wilson that the complaint was improperly filed because it was unclear whether he was filing the complaint in his personal capacity, or referring the matter to the Commission in his official capacity as Prosecuting Attorney. Attachment 2. The notification also stated that if he was referring the matter in his official capacity, it did not appear that any investigation had been conducted. Alternatively, if the "complaint" was submitted in his personal capacity, it was defective because his address did not appear on the document.

In response to the Commission's improper complaint notification, Mr. Wilson stated in an August 6, 1990 letter that his "complaint" was filed in his capacity as Prosecuting Attorney and claimed to have investigated the matter as such.

Attachment 3. Mr. Wilson submitted his response on his official letterhead, once again signed the response as Prosecuting

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1. The Wilson complaint named the wrong committee as a respondent. The Mike Pence for Congress Committee ("MPCC") was the authorized principal campaign committee for Michael Pence during the 1987-1988 election cycle. On September 15, 1989, MPCC was notified by the Commission that their 1989 Mid-Year Report had been accepted as a valid termination report. The current authorized principal campaign committee for Mr. Pence is People for Mike Pence and Michael W. Redford, as treasurer, (the "Pence Committee").

Attorney, and the submission was mailed in an official preprinted envelope from the Prosecutor's Office. Id.

On August 20, 1990, this Office notified Mr. Wilson that, since it still appeared that his office had not conducted an investigation into the matter as previously stated, the Commission was unable to process the information as a referral from a government agency. Mr. Wilson was advised, however, that his "complaint" would satisfy the requirements of 11 C.F.R. § 111.4 if he requested the Commission to consider the complaint as filed by an individual. Attachment 4. No further correspondence was received from Mr. Wilson regarding his improper complaint.

## 2. NRCC Complaint

The NRCC filed the complaint generating this matter on August 7, 1990, after Mr. Wilson had resubmitted his allegations but before the final correspondence discussed above was sent to Mr. Wilson. In this complaint, the NRCC alleges that Mr. Wilson used funds from his law firm to prepare, file and disseminate the July 9th complaint against the Pence Committee and thus made a prohibited in-kind contribution to the Sharp Committee. Attachment 5. In support of this allegation, the NRCC provided a copy of a newspaper article published in the Greensburg Daily News on July 12, 1990. The complainant underlined a portion of the article for emphasis. The emphasized portion stated that, "Wilson admitted to using some funds from his private law firm, Badell and Wilson, to pursue the matter." Attachment 5 at page 4.

Mr. Wilson apparently was a supporter of Congressman Sharp. According to the news article in the Greensburg Daily News,

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although Mr. Wilson was quoted as denying any contact or collaboration with the Sharp Campaign, a spokesman for the campaign admitted that they had coordinated their efforts in preparing and filing the complaint with the Commission, and distributing copies of the formal complaint to the news media. Attachment 5 at page 3. Furthermore, the news article provided by the complainant specifically quoted Mr. Wilson as saying that the expenses incurred for filing the complaint were paid by his private law practice, Badell and Wilson, P.C.

3. Responses

On August 11, 1990, this Office received a response from Mr. Wilson whereby he "categorically denied the allegations in this complaint." Furthermore, he contradicts his August 6, 1990 correspondence to the Commission by stating, "There has been no investigation conducted and no findings of any party other than a newspaper article." Attachment 6.

Thereafter, on August 23, 1990 this Office received a response from Counsel for the Sharp Committee, supported by sworn statements from both Mr. Wilson and Billy Linville, Campaign Manager for the Sharp Committee, which also denied the NRCC complaint's allegations. According to the Committee's response,

[n]o funds from Badell & Wilson were used [to file the improper complaint], nor did [Wilson] ever cause such funds to be so used. On the contrary, all resources used to file this complaint, and to conduct the press activities in conjunction with it, were provided and paid for by the Sharp Committee.

Attachment 7 at 1 and 2. In this regard, the Sharp Committee

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asserted that neither the complaint nor the accompanying press release

was drafted by Wilson. He did review, edit, and approve and sign these documents, but he did so on his own time volunteered on behalf of the Sharp Campaign. Similarly, he was acting as a volunteer when he responded to telephone press inquiries about his complaint.

Id. Furthermore,

Sharp Committee facilities were used for typing and photocopying, and for mailing and faxing these documents to intended recipients. In fact, the Sharp Committee produced letterhead for Wilson's use in these matters so as to avoid using Badell & Wilson's stationery.

Id.

B. Legal Analysis

Based on the responses from the respondents in this matter, including the affidavits they provided, it appears that the Sharp Committee provided and paid for nearly all the resources used to produce the improper complaint against the Pence Committee and the related press activities.<sup>2</sup> According to Mr. Wilson, he acted as a volunteer to the Sharp Committee by offering his services as an individual. Attachment 7 at 5.

Mr. Wilson's sworn affidavit does not address his statements to the press that "the expenses were paid by his private law practice." In addition, Wilson's sworn affidavit does not

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2. While Wilson did use at least one piece of stationary, one mailing label and one preprinted envelope from the Prosecutor's Office, that position is an elected governmental position. Thus, the provision of those supplies does not support the allegations in the complaint regarding a prohibited corporate contribution.

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reconcile his contradictory statements to the Commission regarding his purported investigation of the Pence Committee as Prosecuting Attorney for Rush County, Indiana. However, the only evidence to support the complainant's claim that Mr. Wilson's law firm, Badell and Wilson, P.C., paid the expenses associated with the filing of the improper complaint (not the Sharp campaign as it now appears) was Wilson's statements quoted in the Greensburg Daily News article as reported in the paper. Respondents have now directly refuted this allegation in their recent sworn affidavits and no further evidence has been received by the Commission.

The Office of General Counsel notes that, unlike Mr. Wilson, the Sharp campaign's statements regarding Wilson's activities have been consistent throughout the entire sequence of events here. Indeed, both the campaign and the candidate are quoted in the press as admitting from the outset that Wilson's activities were coordinated despite Wilson's statements to the contrary. See Attachment 5 at 3. Furthermore, Wilson's initial denials of collaboration to the press and the Commission must be viewed with some skepticism. A spokesman for Wilson is quoted in the newspaper article attached to the complaint in this matter as refusing to comment on the apparent contradiction between the campaign's public statements and his own.

It's just politics. This stuff happens in Washington all the time. I wouldn't call it a lie, just a political sleight of hand.

Id. Wilson may simply have been trying to make it appear that his actions were independent for personal or political reasons.

Based on the foregoing, the Office of General Counsel

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recommends that the Commission find no reason to believe that Ronald L. Wilson, Badell and Wilson, P.C. and Friends of Phil Sharp, Inc. and Dr. Joseph B. Black, as treasurer violated 2 U.S.C. § 441b.

**III. RECOMMENDATIONS**

1. Find no reason to believe that Ronald L. Wilson, Badell and Wilson P.C., and Friends of Phil Sharp, Inc. and Dr. Joseph B. Black, as treasurer violated 2 U.S.C. § 441b.
2. Close the file.
3. Approve the appropriate letters.

Lawrence M. Noble  
General Counsel

Date 1/24/91

BY:   
Lois G. Lerner  
Associate General Counsel

**Attachments**

1. Improper complaint filed by Ronald Wilson, dated 7/9/90
2. Letter to Ronald Wilson, dated 7/19/90
3. Response to improper complaint letter, dated 8/6/90
4. Second letter to Ronald Wilson, dated 8/20/90
5. Complaint filed by NRCC, dated 8/6/90
6. Response from Ronald Wilson, dated 8/13/90
7. Response from the Committee, dated 8/23/90

Staff person: Tamara Kapper

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 3101  
Ronald L. Wilson; )  
Badell and Wilson P.C.; )  
Friends of Phil Sharp, Inc. )  
and Dr. Joseph B. Black, )  
as treasurer. )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 30, 1991, the Commission decided by a vote of 4-0 to take the following actions in MUR 3101:

1. Find no reason to believe that Ronald L. Wilson, Badell and Wilson P.C., and Friends of Phil Sharp, Inc. and Dr. Joseph B. Black, as treasurer violated 2 U.S.C. § 441b.
2. Close the file.
3. Approve the appropriate letters, as recommended in the General Counsel's Report dated January 24, 1991.

Commissioners Elliott, Josefiak, McGarry and Thomas voted affirmatively for the decision; Commissioners Aikens and McDonald did not cast votes.

Attest:

Jan. 30, 1991  
Date

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

Received in the Secretariat: Friday, Jan. 25, 1991 5:20 p.m.  
Circulated to the Commission: Monday, Jan. 25, 1991 11:00 a.m.  
Deadline for vote: Wednesday, Jan. 30, 1991 11:00 a.m.

dh

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**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

**February 20, 1991**

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Samuel O. Dawson, Political Director  
National Republican Congressional  
Committee  
320 First Street, S.E.  
Washington, D.C. 20003

**RE: MUR 3101**

Dear Mr. Dawson:

On January 30, 1991, the Federal Election Commission reviewed the allegations of your complaint dated August 6, 1990, and found that on the basis of the information provided in your complaint, and information provided by Friends of Phil Sharp, Inc. and Dr. Joseph B. Black, as treasurer, Ronald L. Wilson, and Badell and Wilson, P.C., there is no reason to believe the previously mentioned respondents violated 2 U.S.C. § 441b. Accordingly, on January 30, 1991, the Commission closed the file in this matter.

The Federal Election Campaign Act of 1971, as amended ("the Act") allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

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**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

February 20, 1991

**Badell and Wilson  
Professional Corporation  
110 North Perkins Street  
Rushville, IN 46173**

**RE: MUR 3101  
Badell and Wilson, P.C.**

**Dear Sir or Madam:**

On August 9, 1990, the Federal Election Commission notified you of a complaint alleging a violation of 2 U.S.C. § 441b of the Federal Election Campaign Act of 1971, as amended.

On January 30, 1991, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe that Badell and Wilson, P.C., violated 2 U.S.C. § 441b. Accordingly, the Commission closed its file in this matter. A copy of the Office of the General Counsel's report to the Commission is enclosed for your information.

This matter will become a part of the public record within 30 days. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

Sincerely,

Lawrence M. Noble  
General Counsel

  
BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

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**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

February 20, 1991

Ronald L. Wilson, Esquire  
110 North Perkins Street  
Rushville, IN 46173

RE: MUR 3101  
Ronald L. Wilson

Dear Mr. Wilson:

On August 9, 1990, the Federal Election Commission notified you of a complaint alleging a violation of 2 U.S.C. 441b of the the Federal Election Campaign Act of 1971, as amended.

On January 30, 1991, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe that you violated 2 U.S.C. § 441b. Accordingly, the Commission closed its file in this matter. A copy of the Office of the General Counsel's report to the Commission is enclosed for your information.

This matter will become a part of the public record within 30 days. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 20, 1991

Judith L. Corley, Esquire  
Melissa H. Maxman, Esquire  
Perkins Coie  
1110 Vermont Avenue, N.W., #1200  
Washington, D.C. 20005

RE: MUR 3101  
Friends of Phil Sharp, Inc.  
and Joseph B. Black, as  
treasurer

Dear Ms. Corley and Ms. Maxman:

On August 9, 1990, the Federal Election Commission notified your clients of a complaint alleging a violation of 2 U.S.C. § 441b of the Federal Election Campaign Act of 1971, as amended.

On January 30, 1991, the Commission found, on the basis of the information in the complaint, and information provided by your clients, that there is no reason to believe that Friends of Phil Sharp, Inc. and Dr. Joseph B. Black, as treasurer, violated 2 U.S.C. § 441b. Accordingly, the Commission closed its file in this matter. A copy of the Office of the General Counsel's report to the Commission is enclosed for your information.

This matter will become a part of the public record within 30 days. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

Sincerely,

Lawrence M. Noble  
General Counsel

A handwritten signature in dark ink, appearing to read "L. G. Lerner", is written over a horizontal line.

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3101

DATE FILMED 2/27/91 CAMERA NO. 7

CAMERAMAN AS

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