



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3667

DATE FILMED 5-11-91 CAMERA NO. 2

CAMERAMAN JML

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MUR 3667

BEFORE THE FEDERAL ELECTION COMMISSION  
OF THE UNITED STATES OF AMERICA

Complaint: Violations of 2 U.S.C. § 433(a); 11 CFR § 102.1  
Respondents: Roger Jones, Reginald Hamman, David Howell  
Complainant: Democratic National Committee

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OFFICE OF THE  
FEDERAL ELECTION COMMISSION

INTRODUCTION

The Democratic National Committee ("DNC") hereby brings this complaint against various individuals who have formed a de facto political committee named "Stand Up America" to raise and expend funds for the express purpose of advocating the defeat of Governor Bill Clinton in his campaign for president of the United States without registering with the Federal Election Commission ("FEC") or filing reports disclosing their activity, in violation of the Federal Election Campaign Act of 1971, 2 U.S.C. § 431, et seq., as amended ("FECA"). By evading the disclosure and reporting requirements of federal law, this group has sought to disseminate misleading and inaccurate material advocating the defeat of Governor Clinton without being held accountable to the American public for their assertions.

For the reasons explained more fully below, the DNC therefore respectfully requests that the FEC initiate an expeditious investigation of these matters and that the FEC:

(a) make a finding that the activities of Messrs. Jones, Hamman and Howell violate the FECA and the FEC's regulations, and

(b) order Messrs. Jones, Hamman and Howell to register as a political committee with the FEC and to report any past and future contributions and expenditures in accordance with the FECA.

STATEMENT OF FACTS

1. Complainant DNC is the national committee of the Democratic Party, as defined in 2 U.S.C. § 431(14), and is a political committee registered with the FEC. The DNC is located at 430 S. Capitol Street, S.E., Washington, DC 20003.

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2. Respondent Roger Jones is an individual whose mailing address is currently unknown to complainant. His office telephone number is 202-434-8792 and his home telephone number is 717-469-1326. Complainant will supply his address to the FEC as soon as it can be determined.

3. Respondent David Howell is an individual residing at 1 Treetops Lane, Little Rock, AR 72202.

4. Respondent Reginald Hamman is an individual residing at 1504 Northline Drive, North Little Rock, AR 72116.

#### APPLICABLE STATUTES AND REGULATIONS

5. For purposes of the FECA, a "political committee" means any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year. 2 U.S.C. § 431(4)(A); 11 CFR § 100.5. Political committees must register with the FEC within 10 days of becoming a committee, as defined in FECA. 2 U.S.C. § 433(a); 11 CFR § 102.1(d).

6. In addition to the requirement that all political committees register with the FEC, the political committees are required to file regular reports of their receipts and disbursements. 2 U.S.C. § 434; 11 CFR § 104.3. On these reports, disbursements for communications expressly advocating the election or defeat of a clearly identified candidate must be reported either as contributions to specific candidates or as independent expenditures. 2 U.S.C. § 434(b)(6); 11 CFR § 104.3(b)(1).

#### GROUND FOR COMPLAINT

7. In or about the fall of 1992, Messrs. Jones, Howell and Hamman, as well as other individuals not named in this complaint, joined together for the purpose of financing and implementing various projects designed to disseminate derogatory and inaccurate information concerning the presidential candidacy of Governor Bill Clinton throughout Arkansas and other states. In at least two meetings in October, 1992, Messrs. Jones, Howell and Hamman discussed specific projects to be pursued, including the distribution of communications advocating the defeat of Governor Clinton.

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These projects are to be carried out under the name "Stand Up America."

8. Messrs. Jones, Howell and Hamman have solicited contributions under the name "Stand Up America" in excess of \$1,000 for the purpose of advocating the defeat of Bill Clinton and have made expenditures for the same purpose.

9. Messrs. Jones, Howell and Hamman, acting as Stand Up America, constitute a "group of persons" that have received contributions in excess of \$1,000 for the purpose of influencing the election for president. The contributions to Stand Up America and the expenditures advocating the defeat of Bill Clinton are inextricably linked to and the result of the concerted activity of Messrs. Jones, Howell and Hamman. As such, this group is a "political committee" for purposes of FECA.

10. As of October 21, 1992, "Stand Up America" has not registered as a political committee with the FEC, nor filed any of the periodic reports required of political committees under FECA. Accordingly, the American public has been denied the legally required disclosure of the formation, purpose and organizers of this effort to influence the election, the identity of the significant contributors to the group and the purpose of their disbursements.

11. The allegations of paragraphs 7 through 10 are made on information and belief, based upon reliable information provided to the DNC by an individual with personal knowledge of the truth of the allegations.

#### CONCLUSION

Based upon the facts as known, the DNC has reason to believe that Messrs. Jones, Hamman and Howell have violated the FECA and FEC regulations and that such violations are continuing. The DNC respectfully urges the FEC to conduct a prompt and thorough investigation into the allegations of this complaint. The DNC further urges the FEC to declare that the respondents have violated the FECA, and impose penalties as provided by FECA. Finally, the DNC urges the FEC to investigate whether the violations described above were knowing



and willful so as to mandate the enhanced penalties set forth  
in 2 U.S.C. § 437g(a)(5)(B).

Respectfully submitted,

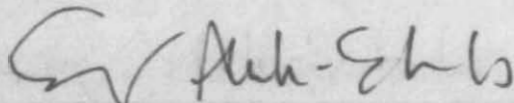


Carol C. Darr  
Democratic National Committee  
430 South Capitol Street  
Washington, DC 20003  
(202) 863-8000

City of Washington )

District of Columbia )

Sworn to and subscribed before me this 21<sup>st</sup> day of October, 1992



Notary Public

SUZANNE ABELE-EBANKS  
NOTARY PUBLIC, DISTRICT OF COLUMBIA  
My Commission Expires October 31, 1994

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FEDERAL ELECTION COMMISSION

WASHINGTON, D C 20463

October 28, 1992

Carol C. Darr  
Democratic National Committee  
430 South Capitol Street  
Washington, DC 20003

RE: MUR 3667

Dear Ms. Darr:

This letter acknowledges receipt on October 21, 1992, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by David Howell, Reginald Hamman, Roger Jones and Stand Up America. The respondents for whom we have mailing addresses 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, including the addresses for Mr. Jones and Stand Up America, 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 3667. 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.

Sincerely,

Lisa E. Klein  
Assistant General Counsel

Enclosure  
Procedures

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 28, 1992

Reginald Hamman  
1504 Northline Drive  
North Little Rock, AR 72116

RE: MUR 3667

The Federal Election Commission received a complaint which indicates that you and Stand Up America 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 3667. 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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Reginald Hamman  
Page 2

If you have any questions, please contact Xavier McDonnell, the attorney assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein  
Assistant General Counsel

Enclosures

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D C 20463

October 28, 1992

David Howell  
1 Treetops Lane  
Little Rock, AR 72202

RE: MUR 3667

Dear Mr. Howell:

The Federal Election Commission received a complaint which indicates that you and Stand Up America 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 3667. 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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David Howell  
Page 2

If you have any questions, please contact Xavier McDonnell, the attorney assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein  
Assistant General Counsel

Enclosures

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

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# STAND UP AMERICA

October 22, 1992

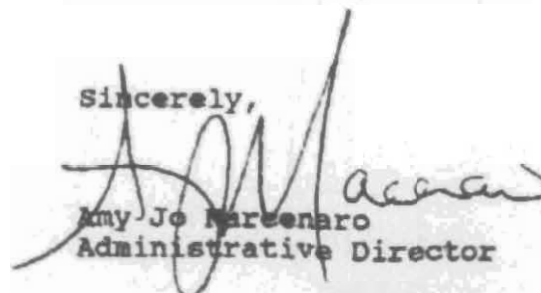
To Whom It May Concern:

This letter is to confirm that Mark Braden is the legal representative of Stand Up America.

If there are any further questions please call (202) 434-8772.

Thank you.

Sincerely,



Amy Jo Marzenaro  
Administrative Director

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 3667

NAME OF COUNSEL: MARK BRADEN

ADDRESS: BAKER & HOSTETLER  
1050 CONNECTICUT AVE #1100  
WASHINGTON, DC 20036

TELEPHONE: (202) 861-1504

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.

11 Nov '92  
Date

  
Signature

RESPONDENT'S NAME: REGINA D HAMMAN

ADDRESS: 1504 Northline  
N. Little Rock, AR 72116

TELEPHONE: HOME (501) 758-5557  
BUSINESS (501) 221-1102

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STATEMENT OF DESIGNATION OF COUNSEL

MUR \_\_\_\_\_

NAME OF COUNSEL: MARK BRADENADDRESS: BAKER and HOSTETTER1050 CONNECTICUTWASHINGTON D.C. 20036TELEPHONE: (202) 561-1504

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.

11-10-92  
DateM. David Howell  
SignatureRESPONDENT'S NAME: MR. DAVID HOWELLADDRESS: 5401 CANTRELL RD, SUITE 325  
LITTLE ROCK, AR 72207TELEPHONE: HOME( 501 ) 666-1661BUSINESS( 501 ) 228-7233

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BAKER  
&  
HOSTETLER  
COUNSELLORS AT LAW

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WASHINGTON SQUARE, SUITE 1100 • 1050 CONNECTICUT AVENUE, N.W. • WASHINGTON, D.C. 20036-5304 • (202) 861-1500  
FAX (202) 861-1783 • TELEX 2357276  
WRITER'S DIRECT DIAL NUMBER (202) 861-1504

November 17, 1992

Lisa E. Kline, Esquire  
Assistant General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

Attention: Xavier McDonnell, Esquire

Re: MUR 3667

Dear Ms. Kline:

I am writing in response to your October 28, 1992 letter to David Howell notifying him that the Federal Election Commission (the "Commission") had received a Complaint which indicated that he and Stand Up America may have violated the Federal Election Campaign Act of 1971 as amended (the "Act").

I have been retained by Mr. Howell to represent him in this matter. Enclosed is the designation of counsel form. Although Roger (sic) Roy Jones and Stand Up America have not received Commission notification of the Complaint, I have informed them of it and have been retained by them. Additionally, Reginald Hamman will be represented by this office. I would anticipate providing the Commission with a joint response for all respondents containing sufficient information so no further action will be taken in this matter against any of the individuals or Stand Up America by the Commission.

Because I have received only today the designation form from Mr. Howell, I am unable to respond in an adequate manner without an extension of time. I request that the Commission extend the response period until the end of the first week in December. By

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Lisa Kline, Esquire  
November 17, 1992  
Page 2

that time, I should have available sufficient documentation to permit this matter to be disposed of promptly by the Commission.

If you have any questions regarding this matter, please do not hesitate to contact me. I look forward to cooperating with you in this matter.

Sincerely,



E. Mark Braden

EMB/bss  
Enclosure

cc: Mr. David Howell  
Mr. Roy Jones  
Mr. Reginald Hamman  
Stand Up America

EMB:1735:Kline.Ltr.

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BAKER  
&  
HOSTETTLER  
COUNSELLORS AT LAW

WASHINGTON SQUARE, SUITE 1100 • 1050 CONNECTICUT AVENUE, N.W. • WASHINGTON, D.C. 20036-5304 • (202) 861-1500  
FAX (202) 861-1783 • TELEX 2357276  
WRITER'S DIRECT DIAL NUMBER (202) 861-1504

December 4, 1992

Lisa E. Kline, Esquire  
Assistant General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20643

Attention: Xavier K. McDonnell, Esquire

Re: MUR 3667

Dear Ms. Kline:

I am writing this letter in response to a Complaint received by the Federal Election Commission (the "Commission") from the Democratic National Committee ("DNC") which alleged that Roger Jones, Reginald Hamman and David Howell have violated the Federal Election Campaign Act of 1971, as amended ("the Act").

The Complaint is not sufficient on its face, and pursuant to the Commission's regulations should be dismissed. The Commission's regulations provide:

"The Complaint should conform to the following provisions:

(1) . . . ;

(2) Statements which are not based upon personal knowledge should be accompanied by an identification of the source of the information which gives rise to the complainants belief in the truth of such statements; . . . " 11 C.F.R. § 111.4 (d).

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Lisa Kline, Esquire  
December 4, 1992  
Page 2

The Complaint fails to meet this regulatory requirement. The statements contained in the Complaint are not based upon personal knowledge of the individual signing the Complaint, Carol Darr. The Complaint fails totally to identify the source of information which gives rise to the Complainant's belief in the truth of the statements contained therein.

Paragraph 11 of the complaint states allegations of paragraph 7 through 10, titled "Grounds For Complaint," are made on information belief, "based upon reliable information provided to the DNC by an individual with personal knowledge of the truth of the allegations." This paragraph does not identify the source of the information which gave rise to Ms. Darr's belief in the truth of such statements.

The Commission's regulations are specific. Anonymous allegations have never in our system provided the basis for an enforcement action. Anonymous allegations cannot provide the basis for an enforcement action at the Commission. In drafting its regulations, the Commission clearly recognized the inherent unfairness of anonymous accusations and specifically rejected them providing the grounds for a complaint. These respondents have no obligation to respond to faceless charges.

For this reason, the Commission should immediately dismiss this matter. Should you have further questions in regards to this issue, please do not hesitate to contact me.

Respectfully submitted,



E. Mark Braden

EMB/bss

cc: Mr. Roy Jones  
Mr. David Howell  
Mr. Reginald Hamman

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

**SENSITIVE**

**FIRST GENERAL COUNSEL'S REPORT**

MUR #3667  
DATE COMPLAINT RECEIVED  
BY OGC: October 21, 1992  
DATE OF NOTIFICATION TO  
RESPONDENTS: October 28, 1992  
STAFF MEMBER: Xavier K. McDonnell

COMPLAINANTS: Democratic National Committee  
Carol C. Darr

RESPONDENTS: Stand Up America  
Reginald Hamman  
David Howell  
Roy Jones

RELEVANT STATUTES: 2 U.S.C. § 431(4)(A)  
2 U.S.C. § 433(c)  
2 U.S.C. §§ 434(a), (b), (c)  
11 C.F.R. § 102.1(d)  
11 C.F.R. § 104.3  
11 C.F.R. § 111.4

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed by the Democratic National Committee ("DNC"), and Carol C. Darr, alleging that Reginald Hamman, David Howell and Roy Jones, acting through an entity known as Stand Up America ("respondents") may have raised contributions and made expenditures advocating the defeat of Bill Clinton without registering with the Commission and reporting disbursements, in knowing and willful violation of

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federal election law.<sup>1</sup>

## II. FACTUAL AND LEGAL ANALYSIS

### A. The Law

The Federal Election Campaign Act of 1971, as amended (the "Act") defines the term "political committee" as any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000, or makes expenditures aggregating in excess of \$1,000 during a calendar year. 2 U.S.C. § 431(4)(A); 11 C.F.R. § 100.5. The term "expenditure" includes any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(9)(A)(i). The term "contribution" includes any gift, subscription, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8)(A)(i).

A political committee must file a statement of organization within ten days after becoming a political committee. 2 U.S.C. § 433(a); see also 11 C.F.R. § 102.1(d). A treasurer of each political committee must file regularly scheduled disclosure reports of receipts and disbursements in accordance with the requirements set forth at 2 U.S.C. §§ 434(a) and (b); see also 11 C.F.R. §§ 104.1 and 104.3. Political committees which make independent expenditures must report them in accordance with

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1. The complaint identified the respondent as Roger Jones, but Counsel indicates the respondent's first name is actually Roy.

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2 U.S.C. § 434(b)(6)(B)(iii) and 11 C.F.R. § 104.3(b)(3)(vii).

**B. Analysis**

As a threshold matter, Counsel for the respondents, relying on Commission regulation Section 111.4(d)(2), challenges the sufficiency of the complaint and does not address the underlying allegations. Specifically, Counsel asserts that the complaint "is not sufficient on its face" because the statements "are not based upon personal knowledge" of Carol Darr, the individual who signed the complaint, and that the complaint "does not identify the source of the information which gives rise to the Complainant's belief in the truth of the statements contained therein." Attachment 2 at page 2.

Counsel for respondents has misstated the effect of complainants' failure to identify the source of the information. The Commission's regulations provide that a complaint "should differentiate between statements based upon personal knowledge and statements based upon information and belief." 11 C.F.R. § 111.4(c). The regulations further provide that statements which are not based upon personal knowledge "should be accompanied by an identification of the source of information which gives rise to the complainant[']s belief in the truth of such statements." 11 C.F.R. § 111.4(d)(2) (emphasis added).

The complaint in this matter makes clear that the allegations at issue are based upon the "information and belief" of Carrol Darr, the person who signed the complaint. Ms. Darr avers that the information was provided to the DNC by a reliable source, without identifying that source. Attachment 1 at page 3.

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Given that the regulations permit complaints to be based upon information and belief and that the identification of the source of such information is not mandatory, the complaint here is adequate for the Commission's consideration. See Matter Under Review ("MUR") 2675; see also MUR 3110 (Section 111.4(d)(3)'s statement of the facts requirement not mandatory); cf. 11 C.F.R. § 111.4(b) (complaint "shall provide the full name and address of the complainant," "the contents of the complaint shall be sworn to and signed in the presence of a notary and shall be notarized" (emphases added)).<sup>2</sup>

The complainants allege that the individually named respondents, as well as other individuals not named in the complaint, "joined together for the purpose of financing and implementing various projects designed to disseminate derogatory and inaccurate information concerning the presidential candidacy of Governor Bill Clinton throughout Arkansas and other states."

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2. In transmitting Part 111.4 to Congress, the Commission stated that Subsection (b) "sets forth the statutory requirements with which a complaint must comply in order for the Commission to act upon it," and that a "complaint is improper if it does not comply with [that] subsection, and shall not be acted upon. See Explanation and Justification ("E&J"), FEC regulation 11 C.F.R. part 111.4, 45 Fed. Reg. 15088, March 7, 1980. On the other hand, the E&J states that Subsection (d), the one at issue, "should be complied with in order to provide the Commission with sufficient information to address a complaint fully" and that the Commission may find that a complaint which does not comply with subsection (d) provides insufficient information, and for that reason, may vote to take no action" Id.

The purpose of Subsection (d)(2) of part 114 of the regulation is to give the Commission sufficient information to fully address a complaint and to permit it to make its initial determination. See MUR 2896, footnote 1. This Office concludes that there is sufficient information at hand to make the initial findings in this matter.

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Attachment 1 at page 2. The complaint further alleges that the respondents, acting as Stand Up America, distributed communications advocating the defeat of Bill Clinton, and solicited contributions in excess of the \$1,000 reporting threshold. Id. at pages 2 and 3. Complainants indicate that Stand Up America is not registered with the Commission, and that it has therefore violated 2 U.S.C. §§ 433 and 434.

In the response to the complaint, Messrs. Hamman, Jones and Howell have not denied the existence of Stand Up America and its alleged activities, and they have not denied that they are associated with and/or acted through the organization. The designation of counsel for Stand Up America reveals that it is located in Washington, D.C.

Although the information at hand is limited, given the unrefuted allegations and the unanswered questions, it appears that these individual respondents, acting as Stand Up America, may have made expenditures and/or solicited contributions for the purpose of influencing federal elections totaling in excess of \$1,000, rendering a "political committee" required to register and report pursuant to Sections 433 and 434. Accordingly, this Office recommends that the Commission deny respondents' request to dismiss/close this matter, and instead recommends that the Commission find reason to believe that Reginald Hamman, David Howell and Roy Jones, acting as Stand Up America violated 2 U.S.C.

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§§ 433 and 434.<sup>3</sup> However, this Office makes no recommendation at this point about whether these violations were knowing and willful.

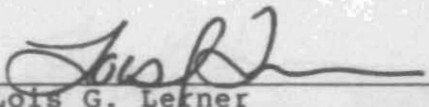
III. RECOMMENDATIONS

1. Deny respondents' request to close this matter.
2. Find reason to believe that Reginald Hamman, David Howell and Roy Jones, acting as Stand Up America violated 2 U.S.C. §§ 433 and 434.
3. Approve the attached factual and legal analysis and the appropriate letters.

Lawrence M. Noble  
General Counsel

Date 3/11/93

BY:

  
Lois G. Lerner  
Associate General Counsel

Attachments

1. Complaint
2. Response
3. Factual and Legal Analysis.

3. In light of the evidence at hand, this Office makes no recommendations at this time regarding the reporting of independent expenditures by persons/entities which are not political committees. See 2 U.S.C. § 434(c).

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FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20461

MEMORANDUM

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS /DONNA ROACH *DR*  
COMMISSION SECRETARY

DATE: MARCH 18, 1993

SUBJECT: MUR 3667 - FIRST GENERAL COUNSEL'S REPORT  
DATED MARCH 11, 1993.

The above-captioned document was circulated to the  
Commission on MONDAY, MARCH 15, 1993 at 11:00 A.M.

Objection(s) have been received from the  
Commissioner(s) as indicated by the name(s) checked below:

|                       |                   |
|-----------------------|-------------------|
| Commissioner Aikens   | <u>XXX</u>        |
| Commissioner Elliott  | <u>          </u> |
| Commissioner McDonald | <u>          </u> |
| Commissioner McGarry  | <u>          </u> |
| Commissioner Potter   | <u>          </u> |
| Commissioner Thomas   | <u>          </u> |

This matter will be placed on the meeting agenda  
for TUESDAY, MARCH 23, 1993

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

94030973494

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 3667  
Stand Up America; Reginald Hamman; )  
David Howell; Roy Jones. )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on March 23, 1993, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 3667:

1. Deny respondents' request to close this matter.
2. Find reason to believe that Reginald Hamman, David Howell and Roy Jones, acting as Stand Up America, violated 2 U.S.C. §§ 433 and 434.
3. Approve the factual and legal analysis and the appropriate letters as recommended in the General Counsel's report dated March 11, 1993.

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

Attest:

3-24-93  
Date

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 1, 1993

Mark Braden, Esquire  
Baker & Hostetler  
Washington Square, Suite 1100  
1050 Connecticut Avenue, N.W.  
Washington, D.C. 20036-5304

RE: MUR 3667  
Stand Up America  
Reginald Hamman  
David Howell  
Roy Jones

Dear Mr. Braden:

On October 21, 1992, the Federal Election Commission notified Stand Up America, Reginald Hamman, David Howell and Roy Jones ("your clients") of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). Copies of the complaint were forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint, the Commission, on March 23, 1993, found that there is reason to believe that Reginald Hamman, David Howell, and Roy Jones, acting as Stand Up America, violated 2 U.S.C. §§ 433 and 434, provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's findings, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against your clients. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, along with answers to the enclosed questions, within 30 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against your clients, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

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Mark Braden, Esquire  
Page 2

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 respondents.

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.

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.

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 have any questions, please contact Xavier K. McDonnell, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,



Scott E. Thomas  
Chairman

Enclosures  
Factual & Legal Analysis  
Questions and Document Requests

94030973497

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR 3667

RESPONDENTS: Stand Up America  
Reginald Hamman  
David Howell  
Roy Jones

I. GENERATION OF MATTER

This matter was generated by a complaint filed by the Democratic National Committee ("DNC"), and Carol C. Darr, alleging that Reginald Hamman, David Howell, Roy Jones, acting through an entity known as Stand Up America (collectively "respondents"), may have raised contributions and made expenditures advocating the defeat of Bill Clinton without registering with the Commission and reporting disbursements, in knowing and willful violation of federal election law.

II. FACTUAL AND LEGAL ANALYSIS

A. The Law

The Federal Election Campaign Act of 1971, as amended (the "Act") defines the term "political committee" as any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000, or makes expenditures aggregating in excess of \$1,000 during a calendar year. 2 U.S.C. § 431(4)(A); 11 C.F.R. § 100.5. The term "expenditure" includes any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(9)(A)(i). The term "contribution" includes any gift, subscription, advance, or deposit of money or

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anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8)(A)(i).

A political committee must file a statement of organization within ten days after becoming a political committee. 2 U.S.C. § 433(a); see also 11 C.F.R. § 102.1(d). A treasurer of each political committee must file regularly scheduled disclosure reports of receipts and disbursements in accordance with the requirements set forth at 2 U.S.C. §§ 434(a) and (b); see also 11 C.F.R. §§ 104.1 and 104.3. Political committees which make independent expenditures must report them in accordance with 2 U.S.C. § 434(b)(6)(B)(iii) and 11 C.F.R. § 104.3(b)(3)(vii).

**B. Analysis**

As a threshold matter, Counsel for the respondents, relying on Commission regulation Section 111.4(d)(2), challenges the sufficiency of the complaint and does not address the underlying allegations. Specifically, Counsel asserts that the complaint "is not sufficient on its face" because the statements "are not based upon personal knowledge" of Carol Darr, the individual who signed the complaint, and that the complaint "does not identify the source of the information which gives rise to the Complainant's belief in the truth of the statements contained therein."

Counsel for respondents has misstated the effect of complainants' failure to identify the source of the information. The Commission's regulations provide that a complaint "should differentiate between statements based upon personal knowledge and statements based upon information and belief." 11 C.F.R. § 111.4(c). The regulations further provide that statements which

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are not based upon personal knowledge "should be accompanied by an identification of the source of information which gives rise to the complainant[']s belief in the truth of such statements."

11 C.F.R. § 111.4(d)(2) (emphasis added).

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The complaint in this matter makes clear that the allegations at issue are based upon the "information and belief" of Carrol Darr, the person who signed the complaint. Ms. Darr avers that the information was provided to the DNC by a reliable source, without identifying that source. Given that the regulations permit complaints to be based upon information and belief and that the identification of the source of such information is not mandatory, the complaint here is adequate for the Commission's consideration. See Matter Under Review ("MUR") 2675; see also MUR 3110 (Section 111.4(d)(3)'s statement of the facts requirement not mandatory); cf. 11 C.F.R. § 111.4(b) (complaint "shall provide the full name and address of the complainant," "the contents of the complaint shall be sworn to and signed in the presence of a notary and shall be notarized" (emphases added)).<sup>1</sup>

1. In transmitting Part 111.4 to Congress, the Commission stated that Subsection (b) "sets forth the statutory requirements with which a complaint must comply in order for the Commission to act upon it," and that a "complaint is improper if it does not comply with [that] subsection, and shall not be acted upon. See Explanation and Justification ("E&J"), FEC regulation 11 C.F.R. part 111.4, 45 Fed. Reg. 15088, March 7, 1980. On the other hand, the E&J states that Subsection (d), the one at issue, "should be complied with in order to provide the Commission with sufficient information to address a complaint fully" and that the Commission may find that a complaint which does not comply with subsection (d) provides insufficient information, and for that reason, may vote to take no action" Id.

The complainants allege that the respondents "joined together for the purpose of financing and implementing various projects designed to disseminate derogatory and inaccurate information concerning the presidential candidacy of Governor Bill Clinton throughout Arkansas and other states." The complaint further alleges that the respondents, acting as Stand Up America, distributed communications advocating the defeat of Bill Clinton, and solicited contributions in excess of the \$1,000 reporting threshold. Complainants indicate that Stand Up America is not registered with the Commission, and that it has therefore violated 2 U.S.C. §§ 433 and 434.

In the response to the complaint, respondents have not denied the existence of Stand Up America and its alleged activities, and they have not denied they are associated with and/or acted through the organization. Given the unrefuted allegations and the unanswered questions, it appears that respondents, acting as Stand Up America, may have made expenditures and/or solicited contributions for the purpose of influencing federal elections totaling in excess of \$1,000, rendering a "political committee" required to register and report pursuant to Sections 433 and 434. Accordingly, there is reason to believe that Reginald Hamman, David Howell and Roy Jones, acting as Stand Up America violated 2 U.S.C. §§ 433 and 434.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)  
) MUR 3667  
)

INTERROGATORIES AND REQUESTS  
FOR PRODUCTION OF DOCUMENTS

Stand Up America  
Reginald Hamman  
David Howell  
Roy Jones  
c/o Mark Braden, Esquire  
Baker & Hostetler  
Washington Square, Suite 1100  
1050 Connecticut Avenue, N.W.  
Washington, D.C. 20036-5304

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In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 30 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C. 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

INSTRUCTIONS

In answering these interrogatories and requests 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, 1992 until the present.

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 respondents to whom these questions 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 the 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.

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QUESTIONS AND DOCUMENT REQUESTS

1. Identify Stand Up America, and describe what type of entity it is, i.e., a committee, corporation, membership organization.

2. Identify the board of directors, officers, founders, and employees of Stand Up America.

3. Identify and produce all documents relating to the purpose and organizational structure of Stand Up America, including but not limited to bylaws, charters, articles of incorporation, etc.

4. Identify Reginald Hamman, David Howell and Roy Jones. State whether Messrs. Hamman, Howell and Jones had any role in the formation and operation of Stand Up America.

5. Identify the source of Stand Up America's funds during the applicable period. With regard to the source of funds:

a. Identify the persons who donated/contributed to Stand Up America, and provide the date and amount received;

b. Indicate whether any of the persons who donated/contributed to Stand Up America are corporations or labor organizations.

6. State whether Stand Up America, and/or Messrs. Hamman, Howell or Jones, made payments or purchases in support of or in opposition to the election of Bill Clinton or any other federal candidate, committee or officeholder, including but not limited to payments for:

a. posters, yard signs, buttons, brochures, flyers and other campaign materials;

b. newspaper, radio or television advertisements;

c. direct mailings;

d. food, beverages or employee services for parties or fundraising events.

7. If the answer to question 6 is in the affirmative:

a. Indicate the amount, date and purpose of all such payments;

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b. Identify the federal candidates and committees referenced or referred to in the campaign materials, advertisements, mailings or fundraising events listed in question 6.

c. Identify and produce all documents related to such payments.

8. State whether Stand Up America and/or Messrs. Hamman, Howell or Jones solicited any funds to be used in connection with federal elections or used in connection with any campaign materials, advertisements, direct mailings or fundraising events listed above in question 6. If the answer to this question is in the affirmative:

- a. state the manner in which the funds were solicited;
- b. state the amount of funds received;
- c. indicate whether any of the funds were forwarded to any federal candidate or committee;
- d. identify all federal candidates and federal committees which were the recipients of such contributions.

9. State whether Stand Up America and/or Messrs. Hamman, Howell and Jones made any contributions to any federal candidates or federal committees. If the answer to this question is in the affirmative:

- a. identify the recipient candidate committees;
- b. indicate the amount contributed, and;
- c. identify and produce all documents relating to such contributions.

10. State whether Stand Up America is registered with any state election authorities. If so, identify the state(s) in which it is registered.

11. Identify and produce all documents related to any activities undertaken by Stand Up America in support of or in opposition to federal candidates and elections, including but not limited to correspondence, checks, invoices, solicitations, contributions, etc.

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**BAKER  
&  
HOSTETLER**  
COUNSELLORS AT LAW

WASHINGTON SQUARE, SUITE 1100 • 1050 CONNECTICUT AVENUE, N.W. • WASHINGTON, D.C. 20036 • (202) 861-1500  
FAX (202) 861-1783 • TELEX 2357276  
WRITER'S DIRECT DIAL NUMBER (202) 861-1504

May 4, 1993

VIA HAND DELIVERY

The Honorable Scott Thomas  
Chairman  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20643

Re: MUR 3667

Attention: Xavier K. McDonnell, Esquire  
General Counsel Office

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This letter and the accompanying materials are in response to the Federal Election Commission ("Commission") letter of April 1, 1993. The letter stated that the Commission had found reason to believe that Reginald Hamman, David Howell and Roy Jones acting as Stand Up American ("SUA") violated 2 U.S.C. §§ 433 and 434 of the Federal Election Campaign Act (the "Act").

This matter was generated by a complaint filed by the Democratic National Committee (DNC) and Carol Darr alleging that the individual respondents acting through an entity known as Stand Up American may have raised contributions and made expenditures advocating the defeat of Bill Clinton without registering with the Commission and reporting disbursements as required by the Act. Ms. Darr has no personal knowledge of any of the allegations contained in the Complaint, and she has failed to identify the person who provided the information to her on which she based her allegations. Even though these allegations are from an unidentified, although not unidentifiable source, the General Counsel's office has concluded they are sufficient for the Commission to consider this matter.

The named respondents continue strenuously to object to the Commission's requiring their response to anonymous charges. The Commission's course of action imposes significant costs upon these respondents without legal justification. The more equitable and

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FEDERAL ELECTION COMMISSION

CLEVELAND, OHIO  
(216) 621-0200

COLUMBUS, OHIO  
(614) 228-1541

DENVER, COLORADO  
(303) 861-0600

HOUSTON, TEXAS  
(713) 236-0020

LONG BEACH, CALIFORNIA  
(213) 432-2827

LOS ANGELES, CALIFORNIA  
(213) 624-2400

ORLANDO, FLORIDA  
(407) 649-4000



logical course would have been notification to Ms. Darr and the DNC of the deficiency in the complaint with direction to remedy prior to any Commission action. This would be a very modest request of and a simple task for Ms. Darr. The General Counsel concludes that the Commission's regulation which states that statements which are not based upon personal knowledge "should be accompanied by an identification of the source"<sup>1</sup> is only an optional provision. The regulation apparently only suggests that complaints be based on identifiable, so credible information. Since it is the Commission's apparent position that organizations or individuals should be permitted to file anonymous complaints through third parties, the Commission should amend its regulations so this process is clear. Since this anonymous process is at odds with all traditions of American jurisprudence and contrary to the Act's goals of public disclosure, the Commission should be explicit so other organizations and individuals can veil themselves with anonymity when making charges of misconduct.

The Complaint signed by Ms. Darr is without merit. Reginald Hamman, David Howell and Roy Jones have not acted through Stand Up America nor any other entity to raise contributions and make expenditures advocating the defeat of Bill Clinton. Stand Up America, Inc. is a not for profit corporation, organized as a social welfare organization under §501(c)(4) of the Internal Revenue Code. Stand Up America has raised no contributions and made no expenditures advocating the defeat of Bill Clinton or any other Federal candidate. (See affidavit of Roy Jones). Since Stand Up America has made no contributions or expenditures advocating the election or defeat of any political candidate, it has no obligation to register with the Commission nor to report its disbursements. The organization's activities and proposed activities are outside the jurisdiction of the Commission.

The affidavits of Messrs. Hamman, Howell and Jones are explicit. Stand Up American has not distributed communications advocating the defeat of Bill Clinton nor has it solicited contributions for such purposes. For this reason, the Office of General Counsel should recommend to the Commission that there is no probable cause to believe that Reginald Hamman, David Howell and Roy Jones acting as Stand Up America violated 2 U.S.C. §§ 433 and 434. The Commission should promptly end this matter with a finding that there is no probable cause to believe that a violation of the Act has occurred.

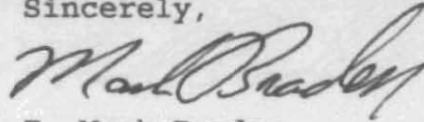
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<sup>1</sup> 11 C.F.R. § 111.4(d)(2).

The Honorable Scott Thomas, Chairman  
May 4, 1993  
Page 3

If you have any questions regarding this matter, please do not  
hesitate to contact me.

Sincerely,



E. Mark Braden

EMB/bss

cc: Mr. Roy Jones  
Mr. Reginald Hamman  
Mr. M. David Howell

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AFFIDAVIT OF ROY JONES

QUESTIONS AND DOCUMENT REQUESTS

1. Identify Stand Up America, and describe what type of entity it is, i.e., a committee, corporation, membership organization.

Answer - Stand Up America is a non profit corporation, organized and existing under the laws of the Commonwealth of Virginia, created and operated exclusively for the promotion of social welfare in accordance with § 501(c)(4) of the Internal Revenue Code.

2. Identify the board of directors, officers, founders, and employees of Stand Up America.

Answer - Initial trustees - (September 1992 - January 1994) - Roy Jones, RD 1 Box 454C, Palmyra, Pennsylvania 17078; Amy J. Marcenaro, 4833 27th Road, South, Arlington, Virginia 22206; Jean Norman Bishop, 1012 Tenney Lane, Marietta 23067.

Initial officers - (September 1992 - January 1994) President, Roy Jones, Secretary, Amy J. Marcenaro.

Current board of trustee - Bill Lee, Bob Heckman, Roy Jones Al Zapanta.

Current officers - Bill Lee, Chairman; Bob Heckman, President; Amy Marcenaro, Secretary/Treasurer.

Employees - Amy J. Marcenaro October 1, 1992 to December 31, 1992.

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3. Identify and produce all documents relating to the purpose and organizational structure of Stand Up America, including but not limited to bylaws, charters, articles of incorporation, etc.

**Answer** - attached as (addendum A through J) are all documents related to the organizational structure of Stand Up America.

4. Identify Reginald Hamman, David Howell and Roy Jones. State whether Messrs. Hamman, Howell and Jones had any role in the formation and operation of Stand Up America.

**Answer** - I am the former President of Stand Up America and serve on the Board of Trustees of Stand Up America. I have worked as a part time volunteer for Stand Up America. I never received any compensation of any kind for my work. My principal goal was to seek funds to begin the organization's activities. Reginald Hamman and David Howell had no role in the formation and/or operation of Stand Up America.

5. Identify the source of Stand Up America's funds during the applicable period. With regard to the source of funds:

- a. Identify the persons who donated/contributed to Stand Up America, and provide the date and amount received;
- b. Indicate whether any of the persons who donated/contributed to Stand Up America are corporations or labor organizations.

**Answer** - a) It is the judgement of the Board and is deemed in the best interests of the Corporation that the Corporation should, consistent with all disclosure requirements which may be required by applicable law, limit the dissemination of the



names of donors to Stand Up America. Since the information is not material nor relevant to the Commission's resolution of the M.U.R., this information is not being provided.

**Answer -** b) Stand Up America did not receive any donations or contributions from corporations or labor unions.

6. State whether Stand Up America, and/or Messrs. Hamman, Howell or Jones, made payments or purchases in support of or in opposition to the election of Bill Clinton or any other federal candidate, committee or officeholder, including but not limited to payments for:

- a. posters, yard signs, buttons, brochures, flyers and other campaign materials;
- b. newspaper, radio or television advertisements;
- c. direct mailings;
- d. food, beverages or employee services for parties or fundraising events.

**Answer -** Stand Up American did not make any payments or purchases in support of or in opposition to the election of Bill Clinton or any other federal candidate, committee or officeholder; including but not limited to the payments for any of the materials listed in Question 6a., b., c. or d.

I have no knowledge as to any payment or purchases made by Messrs. Hamman or Howell.

7. If the answer to question 6 is affirmative:

- a. Indicate the amount, date and purpose of all such payments;

- b. Identify the federal candidates and committees referenced or referred to in the campaign materials, advertisements, mailings or fundraising events listed in question 6.
- c. Identify and produce all documents related to such payments.

**Answer** - not applicable.

8. State whether Stand Up America and/or Messrs. Hamman, Howell or Jones solicited any funds to be used in connection with federal elections or used in connection with any campaign materials, advertisements, direct mailings or fundraising events listed above in question 6. If the answer to this question is in the affirmative:

- a. state the manner in which the funds were solicited;
- b. state the amount of funds received;
- c. indicate whether any of the funds were forwarded to any federal candidate or committee;
- d. identify all federal candidates and federal committees which were the recipients of such contributions.

**Answer** - Stand Up America did not solicit any funds to be used in connection with federal elections or used in connection with any campaign materials, advertisement, direct mailings or fundraising events listed above in Questions 6.

I have no knowledge as to this question regarding Messrs. Hamman and Howell.

9. State whether Stand Up America and/or Messrs. Hamman, Howell and Jones made any contributions to any federal candidates or federal committees. If the answer to this question is in the affirmative:
- a. identify the recipient candidate committees;
- b. indicate the amount contributed; and

- c. identify and produce all documents relating to such contributions.

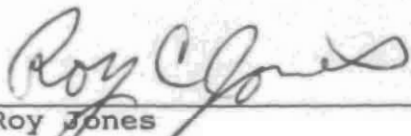
**Answer** - Stand Up America has made no contributions to any federal candidate or committee. I have no knowledge to any contributions made by Mr. Hamman or Howell.

10. State whether Stand Up America is registered with any state election authorities. If so, identify the state(s) in which it is registered.

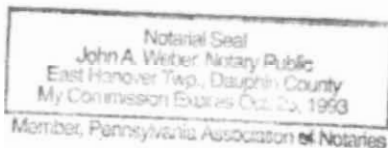
**Answer** - Stand Up America is not registered with any state election authorities.

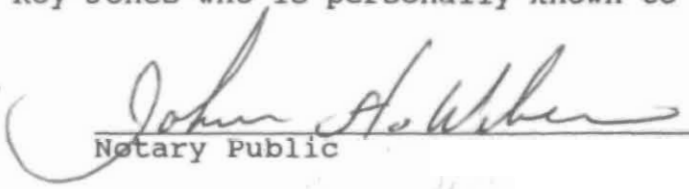
11. Identify and produce all documents related to any activities undertaken by Stand Up America in support of or in opposition to federal candidates and elections, including but not limited to correspondence, checks, invoices, solicitations, contributions, etc.

**Answer** - Stand Up America did not produce so does not possess any documents related to activities in support of or in opposition to federal candidates and elections, including but not limited to correspondence, checks, invoices, solicitation or contributions.

  
Roy Jones

The foregoing instrument was acknowledged before me this 1st day of May, 1993 by Roy Jones who is personally known to me.



  
Notary Public

**AFFIDAVIT OF M. DAVID HOWELL**

**QUESTIONS AND DOCUMENT REQUESTS**

1. Identify Stand Up America, and describe what type of entity it is, i.e., a committee, corporation, membership organization.

**Answer** - I lack the information or knowledge to identify and describe what type of entity Stand Up America is, i.e., a committee, corporation, membership organization.

2. Identify the board of directors, officers, founders, and employees of Stand Up America.

**Answer** - I lack information or knowledge to identify the Board of Directors, officers, founders or employees of Stand Up America. I do know that Roy Jones had some role in Stand Up America. I do not know what his specific position was in Stand Up America.

3. Identify and produce all documents relating to the purpose and organizational structure of Stand Up America, including but not limited to bylaws, charters, articles of incorporation, etc.

**Answer** - I possess no documents relating to the purpose and organizational structure of Stand Up America.

4. Identify Reginald Hamman, David Howell and Roy Jones. State whether Messrs. Hamman, Howell and Jones had any role in the formation and operation of Stand Up America.

**Answer** - I am a resident of Arkansas. I had no role in the formation and operation of Stand Up America.

5. Identify the source of Stand Up America's funds during the applicable period. With regard to the source of funds:

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- a. Identify the persons who donated/contributed to Stand Up America, and provide the date and amount received;
  - b. Indicate whether any of the persons who donated/contributed to Stand Up America are corporations or labor organizations.

**Answer** - I have no knowledge as to the source of Stand Up America's funds.

6. State whether Stand Up America, and/or Messrs. Hamman, Howell or Jones, made payments or purchases in support of or in opposition to the election of Bill Clinton or any other federal candidate, committee or officeholder, including but not limited to payments for:
- a. posters, yard signs, buttons, brochures, flyers and other campaign materials;
  - b. newspaper, radio or television advertisements;
  - c. direct mailings;
  - d. food, beverages or employee services for parties or fundraising events.

**Answer** - I do not know whether Stand Up America and/or Messrs. Hamman or Jones made payments or purchases in support or in opposition to the election of Bill Clinton or any other Federal candidate, committee, or officeholder. I have no knowledge of such expenditures by these persons or entity. Except as stated in this answer, I made no payments or purchases in support of or in opposition to the election of Bill Clinton or any other Federal candidate, committee or officeholder, including but not limited to, payments for: (a)

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postage, yard signs, buttons, brochures, flyers and other campaign materials; (b) newspapers, radio or television advertisement; (c) direct mailing; (d) food beverages or employee services for parties or fundraising events.

I paid personally \$677.84 to a Little Rock Production Company to have a video made of me asking people to vote for President Bush for President. The video was not used as a television advertisement, nor was it shown publicly in any manner at any time. The video was not made in connection with any Stand Up America activity, Mr. Hamman nor Mr. Jones.

7. If the answer to question 6 is affirmative:
- a. Indicate the amount, date and purpose of all such payments;
  - b. Identify the federal candidates and committees referenced or referred to in the campaign materials, advertisements, mailings or fundraising events listed in question 6.
  - c. Identify and produce all documents related to such payments.

Answer - Not applicable.

8. State whether Stand Up America and/or Messrs. Hamman, Howell or Jones solicited any funds to be used in connection with federal elections or used in connection with any campaign materials, advertisements, direct mailings or fundraising events listed above in question 6. If the answer to this question is in the affirmative:

- a. state the manner in which the funds were solicited;
- b. state the amount of funds received;
- c. indicate whether any of the funds were forwarded to any federal candidate or committee;
- d. identify all federal candidates and federal committees which were the recipients of such contributions.

**Answer** - I did not solicit any funds to be used in connection with any campaign materials, advertisements, direct mailings or fundraising events listed above in Question 6.

9. State whether Stand Up America and/or Messrs. Hamman, Howell and Jones made any contributions to any federal candidates or federal committees. If the answer to this question is in the affirmative:
- a. identify the recipient candidate committees;
  - b. indicate the amount contributed; and
  - c. identify and produce all documents relating to such contributions.

**Answer** - I made a single \$25.00 contribution to Arkansas Congressman Hutchinson. I made no other contributions to any Federal candidates or committees. I lack the information or knowledge to state whether Stand Up America or Messrs. Hamman and Jones made such contributions.

10. State whether Stand Up America is registered with any state election authorities. If so, identify the state(s) in which it is registered.

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Answer - I lack the information or knowledge to state whether Stand Up America is registered with any state election authorities.

11. Identify and produce all documents related to any activities undertaken by Stand Up America in support of or in opposition to federal candidates and elections, including but not limited to correspondence, checks, invoices, solicitations, contributions, etc.

Answer - I do not possess nor am I aware of any documents relating to any activities undertaken by Stand Up America in support of or opposition to Federal candidates and elections, including but not limited to correspondence, checks, invoices, solicitations and contributions.

M. David Howell  
M. David Howell

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of April, 1993 by M. David Howell who is personally known to me.

Janet Sinter  
Notary Public  
My Commission Expires: 1-12-03



**AFFIDAVIT OF REGINALD HAMMAN**

**QUESTIONS AND DOCUMENT REQUESTS**

1. Identify Stand Up America, and describe what type of entity it is, i.e., a committee, corporation, membership organization.

**Answer** - I lack the information or knowledge to identify and describe what type of entity Stand Up America is, i.e., a committee, corporation, membership organization.

2. Identify the board of directors, officers, founders, and employees of Stand Up America.

**Answer** - I lack information or knowledge to identify the Board of Directors, Officers, founders and/or employees of Stand Up America. I am aware that Roy Jones has some role in the organization. I do not know what his specific position was in Stand Up America.

3. Identify and produce all documents relating to the purpose and organizational structure of Stand Up America, including but not limited to bylaws, charters, articles of incorporation, etc.

**Answer** - I possess no documents relating to the purpose and organizational structure of Stand Up America, including but not limited to, by-laws, charters, articles of incorporation, etc.

4. Identify Reginald Hamman, David Howell and Roy Jones. State whether Messrs. Hamman, Howell and Jones had any role in the formation and operation of Stand Up America.

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**Answer** - I am a resident of Arkansas. I had no role in the formation and operation of Stand Up America. I am not a member or officer of Stand Up America.

5. Identify the source of Stand Up America's funds during the applicable period. With regard to the source of funds:
- a. Identify the persons who donated/contributed to Stand Up America, and provide the date and amount received;
  - b. Indicate whether any of the persons who donated/contributed to Stand Up America are corporations or labor organizations.

**Answer** - I have no knowledge of the source of funds received by Stand Up America during the applicable period.

6. State whether Stand Up America, and/or Messrs. Hamman, Howell or Jones, made payments or purchases in support of or in opposition to the election of Bill Clinton or any other federal candidate, committee or officeholder, including but not limited to payments for:
- c. posters, yard signs, buttons, brochures, flyers and other campaign materials;
  - d. newspaper, radio or television advertisements;
  - e. direct mailings;
  - f. food, beverages or employee services for parties or fundraising events.

**Answer** - I made no payments or purchases in support or in opposition to the election of Bill Clinton or any other Federal candidate, committee or officeholder through or in cooperation with Stand Up America, Messrs. Howell or Jones.

I do not know whether Stand Up America, Messrs. Howell or Jones made such payments or purchases.

I did produce and distribute the document, Arkansas Facts and Figures 1979-1992. (Attachment Hamman-A). It was constructed from newspaper stories and library materials. All the work involved in drafting the publication was performed by volunteers. The total expenses for production and distribution was less than \$800. I spent approximately \$300 of my personal funds, the rest was not solicited, but was received from friends and other individuals who received copies of the document. Stand Up America, Messrs. Howell and Jones had no role in the production, distribution or funding of this document.

7. If the answer to question 6 is affirmative:
- g. Indicate the amount, date and purpose of all such payments;
  - h. Identify the federal candidates and committees referenced or referred to in the campaign materials, advertisements, mailings or fundraising events listed in question 6.
  - i. Identify and produce all documents related to such payments.

**Answer** - See Attachment A and Answer 6.

8. State whether Stand Up America and/or Messrs. Hamman, Howell or Jones solicited any funds to be used in connection with federal elections or used in connection with any campaign materials, advertisements, direct mailings or fundraising events listed above in question 6. If the answer to this question is in the affirmative:

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- j. state the manner in which the funds were solicited;
  - k. state the amount of funds received;
  - l. indicate whether any of the funds were forwarded to any federal candidate or committee;
  - m. identify all federal candidates and federal committees which were the recipients of such contributions.

**Answer** - I did not solicit any funds to be used to make payments or purchases in support of or in opposition to the election of Bill Clinton or any other federal candidate, committee or officeholder as listed in Question 6.

I do not know whether Stand Up America, Messrs. Howell or Jones solicited such funds.

9. State whether Stand Up America and/or Messrs. Hamman, Howell and Jones made any contributions to any federal candidates or federal committees. If the answer to this question is in the affirmative:
- n. identify the recipient candidate committees;
  - o. indicate the amount contributed; and
  - p. identify and produce all documents relating to such contributions.

**Answer** - I contributed \$100 to the Mike Huckabee campaign for United States Senate. I made no other contributions to any Federal candidate or committee. I lack the information or knowledge to state whether Stand Up America, and/or Messrs. Howell and Jones made such contributions.



10. State whether Stand Up America is registered with any state election authorities. If so, identify the state(s) in which it is registered.

Answer - I lack the information or knowledge to state whether Stand Up America is registered with any state election authorities.

11. Identify and produce all documents related to any activities undertaken by Stand Up America in support of or in opposition to federal candidates and elections, including but not limited to correspondence, checks, invoices, solicitations, contributions, etc.

Answer - I do not possess nor am I aware of any documents related to any activities undertaken by Stand Up America in support or in opposition to Federal candidates and elections, including but not limited to, correspondence, checks, invoices, solicitation, contributions, etc.

  
Reginald Hamman

The foregoing instrument was acknowledged before me this 3rd day of May, 1993 by Reginald Hamman who is personally known to me.

  
Notary Public

My Commission Expires: June 9, 2000

# Arkansas

Facts & Figures  
1979-1992

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A SURVEY OF LEADING INDICATORS

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INTRODUCTION

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Bill Clinton became Attorney General of Arkansas in January 1977 and held that post until he became governor in January 1979. He served one two-year term as Governor and was defeated by Republican Frank White in November, 1980. Clinton defeated White two years later and became governor again in January 1983. Bill Clinton has been the Governor of Arkansas for a total of 12 years.

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GOVERNOR CLINTON'S SUPPORT IN ARKANSAS

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According to the results of the past six gubernatorial races in Arkansas, an average of 41.5 percent of voters consistently opposed Bill Clinton each time he ran for governor.

In 1980, after one term as governor, Arkansas voters rejected Bill Clinton by electing Republican Frank White, the state's second Republican governor since Reconstruction.

When Bill Clinton ran for governor in 1990, 46 percent of voters in his own Democratic party primary rejected him by voting for his opponents. Later that year, 42 percent of those casting ballots in the general election preferred Republican Sheffield Nelson.

■ *Why has such a sizable core group in Arkansas consistently opposed Bill Clinton as governor of their state?*

The course pursued by Governor Clinton since the late 1970's has been a major factor in the continued failure of this state. A sizable number of Arkansans have recognized this and do not support the policies of Governor Clinton.

Arkansas' national standing indicates failure in almost every significant category used to measure success and prosperity. Areas of even moderate progress are almost non-existent and, in some cases, Arkansas lags further behind the rest of the nation now than 15 years ago.

The purpose of this report is to balance the few existing Arkansas success stories highlighted by the Clinton campaign by publishing this comprehensive list of new and ongoing failures.

The work of several researchers has been assembled in this documented report. The American people need a clear and balanced view of the effects of Bill Clinton's tenure as governor of Arkansas for 12 years.

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# ECONOMY

## ■ Disposable Personal Income (national rank)

|           |      |
|-----------|------|
| 1980..... | 49th |
| 1989..... | 48th |

State and Metropolitan Area Data Book, 1991, 4th Ed.

## ■ Per Capita Income (national rank)

|      |                                         |      |
|------|-----------------------------------------|------|
| 1980 | 75 percent of the national average..... | 50th |
| 1988 | .....                                   | 48th |
| 1989 | 73 percent of the national average..... | 49th |
| 1992 | .....                                   | 47th |

State and Metropolitan Area Data Book, 1991, 4th Ed.

"Facts and Figures on Government Finance," Tax Foundation, 1990 Edition, The Johns Hopkins University Press  
Arkansas Democrat Gazette, September 12, 1992

## ■ Manufacturing Wages (national rank)

|      |                                           |           |
|------|-------------------------------------------|-----------|
| 1980 | 78.5 percent of the national average..... | Rank 47th |
| 1989 | 78.7 percent of the national average..... | Rank 50th |

Statistical Abstract of the United States, 1991, Table 1304

Though job growth in Arkansas ranks high, it is chiefly the low worker wages that attract industries to the state. In 1991, production workers on manufacturing payrolls worked an average of 42.1 hours a week—the 9th highest average in the nation. Yet, their average hourly earnings ranked 49th.

"State Rankings 1992," A Statistical View of the 50 United States, Morgan Outno, Lawrence, Kansas, 1992

"States in Profile," The State Policy Reference Book, Brinkus & Foster, State Policy Research, Inc., 1992

## ■ Economic Report Card

|                                 |      |
|---------------------------------|------|
| Employment.....                 | F    |
| Earnings & Job Quality.....     | D    |
| Equity.....                     | C    |
| Technology Resources.....       | F    |
| Human Resources.....            | D    |
| Financial Resources.....        | F    |
| Economic Performance Index..... | F    |
| Business Vitality Index.....    | C    |
| Development Capacity Index..... | F    |
| 1992 Development Capacity.....  | F    |
| Economic Performance.....       | F    |
| Overall Economic Grade.....     | F    |
| National Rank.....              | 47th |

"Economic Benchmarks for State & Corporate Decision Makers," 1992 Development Report Card for the States, 6th edition, Corporation for Enterprise Development

## ■ Unemployment and Average Pay

The 1992 Development Report Card for the States also ranks Arkansas in the following areas:

|                                     |             |
|-------------------------------------|-------------|
| Unemployment Rate.....              | 7th highest |
| Average Annual Pay of \$18,204..... | 46th lowest |

"Economic Benchmarks for State & Corporate Decision Makers," The 1992 Development Report Card for the States, 6th edition, Corporation for Enterprise Development

(Unemployment and Average Pay continued on next page)



In 1989 Arkansas ranked 50th with the highest annual unemployment rate of those ages 16 to 19.

"The State of America's Children 1991." *Arkansas Advocates for Children and Families*

#### ■ Poverty

1979 percent of population in poverty .....19.1  
1989 percent of population in poverty .....19

U.S. Census

Current percent of population in poverty .....22.7  
National Rank .....2nd Poorest State

"Help - Arkansas Children Need Help." *Arkansas Advocates for Children and Families*

### FISCAL RECORD

#### ■ Management of State Government

In 1990, *Financial World* magazine ranked the management of Arkansas' government among the 9 worst in the nation.

*Financial World*, April 17, 1990

Governor Clinton has balanced the state budget 11 times. He is required by law to do so.

Revenue Stabilization Law

#### ■ State Spending

State spending in Arkansas has more than doubled since Governor Clinton regained office in 1983.

1983: \$1.1 billion

1992: \$2.4 billion

State of Arkansas, 1983-85 Biennial Budget Revision

State of Arkansas, 1991-93 Biennial Budget

#### ■ Taxes and Fees

General sales tax in Arkansas makes up 32.93% of the state's total revenue—the 10th highest percentage in the nation.

"Economic Benchmarks for State & Corporate Decision Makers. *The 1992 Development Report Card for the States*, 6th edition, Corporation for Enterprise Development

Arkansas taxed food stamps the first 6 years Bill Clinton served as governor. In 1987, under pressure from the federal government, he signed Act 1033 abolishing the tax on food stamps.

Arkansas is one of the few states to apply sales taxes to store-bought food, however feed for chickens and pigs is exempt.

*Time*, April 13, 1992

The *Arkansas Gazette* reported on March 4, 1991 the "reality is that in the Clinton era the state tax system has become more and more regressive. It has become, step by step, a pretty bad system, stacked against the ordinary taxpayer and consumer, stacked for the rich and the special interests."

#### ■ Poor people in Arkansas pay 13.2 percent of their income in state and local taxes while the rich pay only 7.9 percent.

"Arkansas Family Taxes." *Citizens for Tax Justice*, Washington, D.C., 1991

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The *Arkansas Gazette* cited a study by Citizens for Tax Justice on April 23, 1991 that "the state's poor still carry an unfair tax burden." It reported that "Arkansas had made no progress toward a fairer tax system over the past 6 years." The study reported the following:

#### ■ *Arkansas Family Taxes for Families of Four 1991*

| Income          | Taxes as a Percent of Income |
|-----------------|------------------------------|
| \$10,200 .....  | 13.2                         |
| \$21,300 .....  | 10.0                         |
| \$29,400 .....  | 9.4                          |
| \$41,000 .....  | 8.8                          |
| \$65,000 .....  | 8.6                          |
| \$141,000 ..... | 8.4                          |
| \$537,100 ..... | 7.9                          |

Arkansas Family Taxes, Citizens for Tax Justice, Washington, D.C., 1991

#### ■ *Arkansas State Tax Increases 1981 - 1991*

|                            |                |
|----------------------------|----------------|
| Personal Income Tax .....  | Up 151 percent |
| Sales Tax .....            | Up 151 percent |
| Corporate Income Tax ..... | Up 65 percent  |

Census Bureau and Arkansas Department of Finance and Administration

#### ■ *1991 Tax and Fee Increases*

During the first 4 months of 1991, Governor Clinton signed 50 new laws increasing taxes and fees that amounted to an increase of \$320.4 million dollars a year. State fees on such diverse items as land fill disposal, drivers' licenses, water bills, beauty contests and elevator inspector exams were increased.

Arkansas Democrat, March 31, 1991

Listed below are a few of approximately 50 tax and fee increases signed into law by Governor Clinton from January through April 1991.

1. Sales tax increase of .5%
2. Tax on used cars, mobile homes and airplanes
3. Increase diesel fuel tax 6 cents per gallon
4. Gasoline tax increase of 5 cents per gallon
5. Increase corporate income taxes
6. Tax on property and casualty insurers
7. Monthly fee on each individual water bill
8. \$1.50 per tire fee on new tires

Department of Finance and Administration and Arkansas Bureau of Legislative Research's Office of Tax Research

The *Arkansas Democrat* reported on March 31, 1991 that under new tax and fee increases signed by Governor Clinton, a smoker who purchased a used car and mobile home could expect to pay \$879 in new state taxes that year. At any rate, the tax and fee increases of 1991 alone factor out to be \$139.30 for every man, woman and child in Arkansas.

Arkansas Democrat review of legislation, March 31, 1991

### ■ At Least 127 Tax and Fee Increases

The Arkansas Department of Finance and Administration, Governor Clinton's deputy campaign chairman, and a law professor working for the Clinton campaign released on September 3, 1992 a list of tax and fee increases signed into law by Governor Clinton. Their list includes 127 separate tax and fee increases signed into law by Governor Clinton.

List Compiled by Arkansas Department of Finance and Administration and the Clinton Campaign, Sept. 3, 1992

### ■ Smoke and Mirrors

The July 6, 1992 publication of *Arkansas Business* describes Governor Clinton's economic plan for America as "22 pages of smoke and mirrors produced by the Clinton campaign." The report goes on to say, "What we have is not a courageous plan. What we have is Slick Willie at his slickest."

## WELFARE

The following statistics on federal and state aid programs reveal a consistent increase in entitlements to the Arkansas population.

| ■ Food Stamps | Cases   |               |
|---------------|---------|---------------|
| 1979 .....    | 73,254  |               |
| 1992 .....    | 103,027 | Up 29 percent |

Arkansas Department of Human Services

| ■ Medicaid | Eligible |               |
|------------|----------|---------------|
| 1979 ..... | 258,705  |               |
| 1992 ..... | 369,926  | Up 31 percent |

Arkansas Department of Human Services

| ■ AFDC     | Cases  |              |
|------------|--------|--------------|
| 1989 ..... | 23,793 |              |
| 1992 ..... | 26,236 | Up 9 percent |

Arkansas Department of Human Services

## CIVIL RIGHTS

Arkansas and Alabama are the only two states in America with no civil rights law.

Arkansas NAACP

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■ **Arkansas ranks dead last for its environmental policy initiatives and proposals.**

*The Green Index, 1991-92*

■ **National Rankings for the Environment in Arkansas**

|                                         |      |
|-----------------------------------------|------|
| Overall environmental quality.....      | 48th |
| Automobile gas mileage.....             | 50th |
| Use of mass transit state-wide.....     | 50th |
| Use of mass transit in urban areas..... | 45th |
| Transportation efficiency.....          | 44th |
| Air pollution.....                      | 32nd |
| Toxic chemical waste.....               | 28th |

*The Green Index, 1991-92*

Based on information from several independent studies, the *Arkansas Democrat-Gazette* on July 3, 1992 reported the following about the environment in Arkansas and how the state ranks nationally:

- Environmental Policies.....Worst in the Nation

*The Green Index, 1991-92*

- Environmental health.....48th

*The Green Index, 1991-92*

- Toxins released into surface water.....3rd

*Institute for Southern Studies Report*

- Amount spent on state parks and recreation.....50th

*Institute for Southern Studies Report*

- Recycling.....29th

*World Resources Institute*

- Pollution reduction.....46th

*Fund For Renewable Energy*

- Forest management.....46th

*State of the States, 1989*

■ **Arkansas' Number One Environmental Problem**

Fish in 33 percent of the state's almost 12,000 miles of streams are threatened by animal manure runoff.

1991 report by the Arkansas Soil and Water Conservation Commission

Almost a fourth of the stream miles studied in Arkansas by Pollution Control and Ecology water were found polluted.

Study by the Arkansas Department of Pollution Control and Ecology

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Governor Clinton has said that animal manure runoff produced by livestock is the state's most urgent environmental problem. Yet, after almost 12 years as governor, Clinton still has not issued any regulations regarding liquid animal waste. Clinton appointed every member of the Arkansas Pollution Control and Ecology Commission, which is composed of a disproportionately high representation of industry and farming interests. *Arkansas Business* charged on December 17, 1990, "by design or by accident, the task force has been asleep".

*Arkansas Democrat-Gazette*, August 8, 1992.

## EDUCATION

### ■ Teacher Salaries

| Year      | Rank |
|-----------|------|
| 1982..... | 49th |
| 1992..... | 45th |

U.S. Statistical Abstract  
National Education Association

In 1980 Arkansas teacher salaries were 23.1 percent below the national average. By 1991 they had fallen to 30.3 percent below the national average.

*Rankings of the States*, National Education Association, 1981, 1991.

### ■ Per Pupil Expenditures

| Year | Average       | Rank |
|------|---------------|------|
| 1981 | \$1,571 ..... | 46th |
| 1990 | \$3,272 ..... | 48th |

U.S. Statistical Abstract 1991, 1982-83

Arkansas' per pupil expenditures increased 26.6 percent from 1983 to 1987, but in 1991 Arkansas still ranked 50th in per pupil expenditures.

*Rankings of the States*, National Education Association, 1983, 1987, 1991

### ■ High School Graduation

In 1989 Arkansas ranked 47th with only 43 percent of its population graduating from high school.

*State Rankings 1992, A Statistical View of the 50 United States*, Morgan Quitno; Lawrence, Kansas

### ■ Higher Education

Between 1987 and 1989, only 15 percent of those surveyed had finished four years of college, ranking Arkansas as 46th in the nation.

"Economic Benchmarks for State and Corporate Decision Makers," *The 1992 Development Report Card for the States*, 8th edition, Corporation for Enterprise Development

Arkansas ranked 46th in 1990 in average salaries of full-time instructors in institutions of higher education.

*Digest of Educational Statistics*, National Center for Education Statistics, 1991, table 220



College enrollment in Arkansas increased during Clinton's years in office, and the number of high school graduates going on to college. However, only 43% of Arkansas' high school graduates go on to college.

*Southern Regional Education Board Fact Book on Higher Education, 1990*

### ■ Test Scores and Remedial Instruction

Arkansas high school students have scored below the national average on the ACT test every year for the past five years.

*Arkansas Department of Education*

On April 13, 1992 *Time* magazine reported that standard college test scores achieved by Arkansas high school students have remained stagnant, with a dismaying 60 percent of those entering college require remedial instruction upon arrival.

### ■ Federal Aid to Education

Governor Clinton blames Arkansas' persistent national low standing in education on decreases in federal funding. Between 1987 and 1988, however, Arkansas ranked 9th in federal expenditures as a percentage of school revenues.

*State and Metropolitan Area Data Book, 1991*

### ■ Illiteracy

In 1985, an estimated 15 percent of Arkansans were illiterate, the 5th highest percentage in the nation.

*Status in Pro:OK, The State Policy Reference Book, 1991, 2nd edition, Briggs & Foster and State Policy Research, Inc.*

## CHILD WELFARE

### ■ Child Hunger in Arkansas

According to a Washington, D.C. report a large number of Arkansas children go hungry. The Food Research and Action Center in Washington, D.C. estimated in 1991 that 38.5% of Arkansas' children go hungry or are at risk of going hungry. This gave Arkansas the second highest rate in the nation .2% lower than Mississippi.

*Food Research and Action Center, Washington, D.C.*

### ■ Child Poverty

Almost one-third of all children in Arkansas live in poverty. One-half of all black children in Arkansas live in poverty. Nationally, one-fifth live in poverty.

*"Help - Arkansas' Children Need Help," Arkansas Advocates for Children and Families*

According to the *Kids Count Data Book, 1992* Arkansas ranks nationally as follows:

#### • Child Death Rate

1980 - 44.1 (per 100,000)

1989 - 45.0 ..... 5th highest

#### • Low Birth Weight Babies

1980 - 7.6%

1989 - 8.3 ..... 6th

*(Child Poverty continued on next page)*



• Percent of Children in Poverty

1979 - 23.4%

1990 - 27.6 ..... 4th

• High School Graduation Rates

1982 - 73.4%

1989 - 77.0 ..... 34th

• Percent of Births to Single Teens

1980 - 9.6%

1989 - 11.1 ..... 6th

• Teen Violent Death Rate

1984 - 70.2 (youths per 100,000)

1989 - 94.7 ..... 6th

## CRIME

### ■ Crime Increases

According to the Arkansas Crime Information Center, crime rose almost 9 percent in Arkansas in 1990, and rape increased 60 percent in Arkansas between 1980 and 1990.

A 1990 report by NORMAL based on information from the Drug Enforcement Administration says that Arkansas' number one cash crop is marijuana and that nationally Arkansas ranks 5th in the amount harvested.

1990 NORMAL Report based on data from the Drug Enforcement Administration

Violent crime in Arkansas nearly doubled (up 99 percent) between 1981 and 1991.

"Crime in Arkansas", Arkansas Crime Information Center, 1992

Between 1980 and 1989, violent crimes in Arkansas increased more than any other state in the nation.

State and Metropolitan Area Data Book, Bureau of Census, 1991

Between 1980 and 1989 Arkansas posted the third largest crime rate increase in the nation.

State and Metropolitan Area Data Book, Bureau of Census, 1991

### ■ Rankings on Crime Prevention in Arkansas

Police protection in Arkansas per 10,000 (1988) ..... 47th

Statistical Abstract of the United States, 1991, Table 318

State and local per capita expenditures ..... 50th

Per capita state and local spending on corrections ..... 47th

Per capita state and local spending on police protection ..... 49th

State Rankings 1992—A Statistical View of the 50 States

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## HEALTH CARE

The New York Times, April 2, 1992, described Governor Clinton's attention to state health care issues as "occasional". Statistics support this assertion:

### ■ Health Insurance

One in four Arkansans has no health insurance, compared to one in seven nationwide.

New York Times, April 2, 1992

### ■ Infant Mortality

Between 1987 and 1989, Arkansas ranked 14th highest in the country in infant mortality rates, with 10.4 deaths per 1,000 live births.

"Health in the United States," 1991, National Center for Health Statistics: Data Computed by the Division of Analysis is from data compiled by the Division of Vital Statistics

### ■ Deaths

In 1987 Arkansas ranked 5th highest nationally in deaths per 1,000.

Statistical Abstract of the United States, 1990, No. 109

### ■ Teen Pregnancies and Births

In 1988 Arkansas ranked 2nd in percent of all births to mothers under age 20.

"Sizes in Profile," The State Policy Reference Book 1991, Britus and Foster, and State Policy Research, Inc.

From 1980 through 1985 the teen pregnancy rate in Arkansas decreased 10 percent. In 1986 Governor Clinton and the director of the Arkansas Department of Health began a campaign to dispense contraceptives to public school students through school-based clinics. Approximately one out of every six school districts in Arkansas now has a school-based clinic. Several are dispensing contraceptives. The teen pregnancy rate in Arkansas rose 13 percent from 1985 through 1990.

Based on data supplied by the Arkansas Department of Health

### ■ Prenatal Care

In 1988, Arkansas ranked 46th in early prenatal care.

Kids Count Data Book, 1992

### ■ Arkansas' Medicaid Crisis

On August 19, 1992 the Arkansas Democrat Gazette reported that Governor Clinton has attempted to down play the state Medicaid budget crisis for the sake of his presidential race.

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## CONCLUSION

Hamman-A12

As the preceding statistics show, Arkansas, the recipient of 12 years of Bill Clinton's administration sadly lags behind the nation in virtually every developmental indicator at issue in this presidential election.

Though claiming significant advances in his home state, it has been proven that Arkansas under Bill Clinton ranks lowest in economic development, educational achievement and environmental responsibility and highest in poverty, welfare roles, unemployment, child hunger, teen births and violence.

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# Commonwealth of Virginia



## STATE CORPORATION COMMISSION

Richmond, September 22, 1992

*This is to Certify that the certificate of incorporation of*  
STAND UP AMERICA, INC.

*was this day issued and admitted to record in this office  
and that the said corporation is authorized to transact its  
business subject to all Virginia laws applicable to the  
corporation and its business. Effective date:*

September 22, 1992



*State Corporation Commission*

*William J. Bridge*

*Clerk of the Commission*

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## Articles of Incorporation of Stand Up America, Inc.

The undersigned, for the purpose of forming a nonstock corporation pursuant to the Virginian Nonstock Corporation Act, hereby certifies:

**FIRST:** The name of the corporation is Stand Up America, Inc.

**SECOND:** The Corporation shall have no members.

**THIRD:** At each annual meeting of the Board of Trustees, the trustees then in office shall elect trustees. Each trustee shall hold office for a term of one year until the next annual meeting of the Board and until his successor has been elected and qualified.

**FOURTH:** The address of the initial registered office of the Corporation is 4833 27th Road South, in the County of Arlington. The name of the initial registered agent of the Corporation at that office is Amy J. Marcenaro, a resident of the Commonwealth of Virginia who is a trustee of the Corporation.

**FIFTH:** The names and addresses of the individuals who are to serve as the initial trustees until the first annual meeting and until their successors are elected and qualify are:

Name

Address

Roy Jones

RD 1 Box 454C  
Palmyra, Pa. 17078

Amy J. Marcenaro

4833 27th Road South  
Arlington, Va. 22206

G. Norman Bishop

1012 Penny Lane  
Marietta, Ga. 30067

SIXTH: The Corporation is being organized as a not-for-profit corporation and in accordance with section 501(c)(4) of the Internal Revenue Code shall be exclusively operated for the promotion of social welfare. The purpose of the Corporation shall be to advance the common good and general welfare by stimulating a greater degree of interest and participation in the affairs of state and local governments and the federal government. To this end the Corporation shall prepare and distribute educational materials on a wide variety of issues and encourage citizens to register and vote.

SEVENTH: No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, any trustee or officer of the Corporation, or to any other individual, except that the Corporation shall be authorized to pay reasonable compensation for services rendered to or for the Corporation and to make payments in furtherance of the purposes set forth in Article SIXTH above.

The Corporation shall not, either directly or indirectly, participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office. Nor shall the Corporation, notwithstanding any other provision of these Articles, directly or indirectly carry on any activity which would either prevent it from obtaining an exemption from federal income taxation as a corporation described in section 501(c)(4) of the Internal Revenue Code or cause it to lose such exempt status.

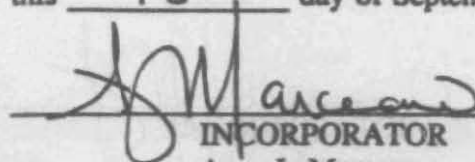
EIGHTH: In the event of dissolution, after all liabilities and obligations of the Corporation have been satisfied, any remaining assets shall be distributed to one or more corporations, societies or organizations which are exempt from federal income taxation under section 501(c)(4) of the Internal Revenue Code and which advance the common good and general

welfare by stimulating a greater degree of interest and participation in governmental affairs. In no event shall any of the assets be distributed to any trustee, officer or other individual.

**NINTH:** To the extent permitted by the Virginia Nonstock Corporation Act, no officer or trustee of the Corporation shall be personally liable for damages for any proceeding brought by or in the right of the Corporation, or in connection with any claim, action, suit or proceeding to which he or she may be or is made a party by reason of being or having been an officer or trustee of the Corporation.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation

this 18<sup>th</sup> day of September, 1992.

  
\_\_\_\_\_  
INCORPORATOR  
Amy J. Marcenaro

Minutes of the Organizational Meeting  
of the Board of Trustees of  
Stand Up America, Inc.

The organizational meeting of the Board of Trustees of Stand Up America, a Virginia nonstock corporation, was held at 11:20am, Eastern Standard Time, at 1200 G Street, N.W., Washington, D.C. Roy Jones and Amy Marcenaro were physically present and G. Norman Bishop was present by conference call, these individuals being the three initial trustees named in the Articles of Incorporation of the Corporation.

By unanimous vote, the initial trustees selected Roy Jones to chair this meeting and to be chairman of the Board of Trustees. The trustees also selected by unanimous vote Amy Marcenaro to be Secretary to the Board.

The Secretary presented the certificate of incorporation of Stand Up America, issued by the Virginia State Corporation Commission on September 22, 1992. The chairman suggested it would be desirable to secure a minute book for the Corporation where the certificate, board minutes and other organizational documents could be stored and the chairman further suggested that a corporate seal be obtained. Upon motion duly made, seconded and unanimously adopted, it was thereupon

RESOLVED, that the Secretary be directed to obtain a minute book and seal for the Corporation.

The Secretary then presented a copy of draft Bylaws for the Corporation. After review of these Bylaws, the chairman suggested that the Corporation approve and adopt the Bylaws as the Bylaws of the Corporation and place a copy in the minute book of the Corporation. Upon motion duly made, seconded and unanimously adopted, it was thereupon

RESOLVED, that the Bylaws attached hereto are hereby approved and adopted as the Bylaws of the Corporation, and the Secretary is directed to maintain the Bylaws of the Corporation, as they may hereafter be amended, in the minute book of the Corporation.

The chairman then suggested that the Corporation confirm that the initial trustees named in the Articles of Incorporation to serve until the first annual meeting are Roy Jones, Amy Marcenaro and G. Norman Bishop. Upon motion duly made, seconded and unanimously adopted, it was thereupon

RESOLVED, that Roy Jones, Amy Marcenaro and G. Norman Bishop are confirmed as the initial members of the Board of Trustees to serve until the first annual meeting and until their successors are elected and qualify.

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The chairman next suggested that the Corporation set Monday, September 20, 1993, as the date for first annual meeting at a time and place to be later determined. Upon motion duly made, seconded and unanimously adopted, it was thereupon

RESOLVED, that the first annual meeting of the Corporation is scheduled for Monday, September 20, 1993.

The chairman then suggested that the Corporation elect officers to serve at the pleasure of the Board. Upon motion duly made, seconded and unanimously adopted, it was thereupon

RESOLVED, that the persons whose names and addresses appear below are hereby elected to the offices of the Corporation set forth opposite their names to serve at the pleasure of the Board.

|                    |           |
|--------------------|-----------|
| Roy Jones          | President |
| RD 1 Box 454C      |           |
| Palmyra, Pa. 17078 |           |

|                      |           |
|----------------------|-----------|
| Amy J. Marcenaro     | Secretary |
| 4833 27th Road South |           |
| Arlington, Va. 22206 |           |

The chairman next suggested that the Secretary be directed to take the necessary steps to open a checking account in the Corporation's name at First ~~American~~ Bank with the President and the Secretary authorized to sign checks on the Corporation's behalf. Upon motion duly made, seconded and unanimously adopted, it was thereupon

RESOLVED, that the Secretary be instructed to open a checking account at ~~First~~ Bank in the name of the Corporation with the President and Secretary authorized to sign checks on behalf of the Corporation.

The chairman then suggested that the Corporation ratify a preincorporation agreement with Richard Messick to pay him reasonable compensation for legal services performed in incorporating the Corporation and to retain him as counsel to perform such services to the Corporation as the President or the Secretary shall request. Upon motion duly made, seconded and unanimously adopted, it was thereupon

RESOLVED, that the Corporation shall pay Richard Messick reasonable compensation for legal services performed in incorporating the Corporation and shall retain him as counsel to perform such services to the Corporation as the President or the Secretary shall request in the future.

The chairman then suggested that it would be appropriate for the Corporation to apply to the Internal Revenue Service for recognition as an entity exempt from federal income tax under

section 501(c)(4) of the Internal Revenue Code. Upon motion duly made, seconded and unanimously adopted, it was thereupon

RESOLVED, that the Corporation shall, with the assistance of counsel, prepare and file IRS Form 1024 and such other forms and documents as may be required in order for the Internal Revenue Service to recognize the Corporation as exempt from federal income taxes under section 501(c)(4).

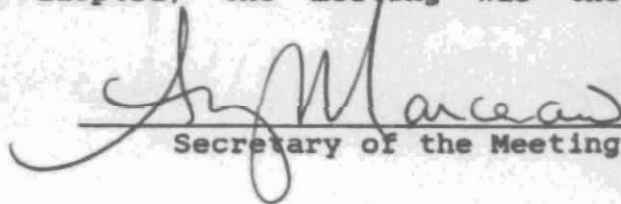
The chairman next suggested that the Corporation's officers, with the assistance of counsel, take the necessary steps to secure exemptions from Virginia taxes and register with the appropriate state officials as a tax-exempt entity. Upon motion duly made, seconded and unanimously adopted, it was thereupon

RESOLVED, that the Corporation's officers, with the assistance of counsel, are authorized to execute and file all documents necessary to secure exemptions from Virginia taxes and to register with the appropriate state officials as a tax-exempt entity.

The chairman then suggested that the Corporation adopt the calendar year as the its fiscal year. Upon motion duly made, seconded and unanimously adopted, it was thereupon

RESOLVED, that the Corporation adopt the calendar year as the its fiscal year.

There being no further business, upon motion duly made and seconded and unanimously adopted, the meeting was thereupon adjourned.

  
Secretary of the Meeting

EXHIBIT

C

ByLaws  
of  
Stand Up America

94030973544

Adopted September 30, 1992

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**Bylaws  
of  
Stand Up America**

**ARTICLE I  
Offices**

Section 1.01 *Location.* The principal office of the Corporation shall be located within the Commonwealth of Virginia at such place as the Board of Trustees shall designate. The Corporation may maintain additional offices at such other places as the Board of Trustees may designate. The Corporation shall continuously maintain within the Commonwealth of Virginia a registered office at such place as may be designated by the Board of Trustees.

**ARTICLE II  
Board of Trustees**

Section 2.01 *Power of Board and Qualification of Trustees.* All corporate powers shall be exercised by, or under the authority of, the Board of Trustees, and the Board of Trustees shall manage the business of the Corporation. An individual need not be a resident of the Commonwealth of Virginia to serve as a trustee.

Section 2.02 *Number of Trustees.* The Board of Trustees shall consist of three trustees. This number may be increased or decreased by amending these Bylaws.

Section 2.03 *Election and Term of Trustees.* As provided in the Articles of Incorporation, at each annual meeting of the Corporation the trustees then in office shall elect trustees to serve for the following year. A separate ballot shall be cast for each position of trustee. The trustees elected at the annual meeting shall assume office after the balloting for all trustees is completed. To be elected a trustee, an individual must receive an absolute majority of the votes of the trustees then in office. If no individual receives an absolute majority, the trustee then serving shall serve for an additional year.

Section 2.04 *Chairman of the Board.* At the first meeting of the Corporation, the trustees designated as initial trustees in the Articles of Incorporation shall choose a chairman from among themselves. Thereafter, once the balloting for trustees at the annual meeting is completed, the trustees then serving for the coming year shall choose a chairman for that year from among themselves. In the event the chairman dies, resigns or is otherwise incapable of exercising the duties of chairman, the remaining trustees shall meet within ten days to choose a new chairman from among themselves to serve until the balloting is completed at the next annual meeting.

Section 2.05 *Vacancies on the Board of Trustees.* In the event of a vacancy on the Board of Trustees, caused either by an increase in the number of

trustees as provided for in section 2.02 above, or by the death or resignation of a serving trustee, the remaining trustees then in office shall meet within 10 days to elect an individual to fill the vacant trusteeship. If the remaining trustees then in office constitute fewer than a quorum of the Board, the vacancy may be filled by the vote of a majority of trustees remaining in office. A trustee elected to fill a vacancy shall serve until the next annual meeting at which time ballots shall be cast for the trusteeship in accordance with section 2.03 above.

Section 2.06 *Removal of Trustees.* A trustee may be removed only by an absolute majority of the remaining trustees and only at a meeting where the meeting notice has stated that a vote on removal of the trustee is to be held.

Section 2.07 *Resignation.* Any trustee may resign at any time by delivering a written notice to the chairman of the Board of Trustees, the President or the Secretary. Such resignation shall take effect when the notice is delivered unless the notice specifies a later effective date.

Section 2.08 *Quorum of Trustees and Voting.* A majority of the number of trustees in office immediately before a meeting begins shall constitute a quorum for the transaction of business. Unless otherwise provided for by law or these bylaws, the vote of a majority of the trustees present at the meeting at the time of a vote, if a quorum is then present, shall be an act of the Board.

Section 2.09 *Meetings of the Board.* The chairman of the Board shall preside at all meetings of the Board, and if he is unable to attend any meeting, he shall designate another trustee to preside in his absence. Regular meetings of the Board shall be held at times fixed by the Board; special meetings may be held at anytime whenever called by the chairman or by a majority of the trustees then serving.

No notice need be given of regular meetings of the Board of Trustees unless removal of a trustee will be considered at the meeting. Notice of a special meeting and notice of a regular meeting where removal of a trustee is to be considered shall be delivered to each trustee at least 72 hours prior to the meeting. The notice shall be as prescribed by the Board or by the chairman in the absence of action by the Board.

A trustee's attendance at or participation in a meeting waives any notice required by this provision unless at the beginning of such meeting, or promptly upon his arrival, such trustee objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 2.10 *Informal Action by Trustees; Meetings by Conference Call.* Any action required or permitted to be taken at any meeting of the Board of Trustees may be taken without a meeting if all members of the Board consent in writing to such action. Such action shall be evidenced by one or more written consents stating the action taken and signed by each trustee either before or after the action taken. Such written consents shall be included in the minutes or filed with the corporate records reflecting the action taken.

Any one or more members of the Board of Trustees may participate in any regular, special or annual meeting of the Board by means of conference telephone or similar communications equipment so long as all persons participating in the

meeting may simultaneously hear each other during the meeting. A trustee participating in a meeting by such means is deemed present in person at the meeting.

Section 2.11 *Compensation of Trustees.* The Corporation shall not pay compensation to any trustee for any service rendered as trustee if that individual receives compensation in excess of \$2,500 per month from the Corporation for other services provided to the Corporation. The Corporation may pay compensation to trustees not providing such other services to the Corporation for services rendered as a trustee. Such compensation shall be set by an affirmative vote of a majority of the Board. All trustees may be reimbursed for reasonable expenses incurred in the performance of their duties. To be reimbursed, a trustee shall submit an itemized list of expenses, together with supporting documentation, to the chairman.

### ARTICLE III *Officers, Agents and Employees*

Section 3.01 *Officers.* The Board of Trustees shall appoint a President and a Secretary, and such other officers as determined by the Board of Trustees.

Section 3.02 *Term of Office and Removal.* Each officer shall hold office for the term for which he is appointed. Any officer may be removed by the Board of Trustees at any time with or without cause. The appointment of an individual to serve as an officer shall not, of itself, create any contract of employment or other right between that individual and the Corporation.

Section 3.03 *Resignation.* Any officer may resign at any time by delivering written notice to the Corporation. The resignation shall take effect upon receipt unless the notice specifies a later date.

Section 3.04 *Powers and Duties of Officers.* With the exception of the duties of the Secretary enumerated below, all officers between themselves and the Corporation shall have such authority and perform such duties in the management of the Corporation as may be provided by the Board of Trustees.

Section 3.05 *Duties of the Secretary.* The Secretary shall be responsible for preparing and maintaining custody of minutes of all meetings of the Board of Trustees and for authenticating the records of the Corporation, and shall give or cause to be given all notices in accordance with these Bylaws or as required by law. The Secretary of the Corporation shall have custody of the corporate seal of the Corporation and shall have the authority to affix the same to any instrument requiring it, and when so affixed, the Secretary may attest that the seal is genuine by signing his or her name beneath the seal.

Section 3.06 *Agents and Employees.* Only the Board of Trustees may appoint agents and employees of the Corporation, and any agent or employee appointed by the Board shall have such authority and perform such duties as may be prescribed by the Board. The Board may remove any agent or employee at any time with or without cause.

Section 3.07 *Compensation of Officers, Agents and Employees.* The Corporation may pay officers, agents or employees reasonable amounts for services rendered. The amount to be paid officers shall be fixed by the Board.



#### ARTICLE IV *Authorized Programs*

Section 4.01 *Purpose of Programs.* All programs and activities of the Corporation shall be designed and carried out for the purpose of stimulating citizen interest and participation in the affairs of federal, state and local government.

Section 4.02 *Means for Achieving Program Goals.* To stimulate citizen interest and involvement in the affairs of government, the Corporation shall prepare and distribute materials discussing the issues which government at all levels will confront during the next decade and explaining how government decisions on these issues will affect the lives of individual citizens. The Corporation will also prepare and distribute materials explaining how to register to vote in different states and different jurisdictions and urging citizens to register and vote.

Section 4.03 *Methods for Disseminating Educational Materials.* The Corporation shall use all mediums of communication — including radio, television, direct mail and print advertising — to disseminate its educational materials.

Section 4.04 *Regions of the Country Where Programs Will Operate.* The Corporation shall, to the extent financial resources are available, promote its program goals in every region of the country.

Section 4.05 *Nonpartisanship.* The Corporation's programs shall be designed so as to ensure that they do not favor one candidate or another or one political party or another, or give the appearance of favoring one candidate or party or another, in any election.

#### ARTICLE V *Miscellaneous*

Section 5.01 *Fiscal Year.* The fiscal year of the Corporation shall be the calendar year or such other period as may be fixed by the Board of Trustees.

Section 5.02 *Corporate Seal.* The corporate seal shall be circular in form, shall have the name of the Corporation inscribed thereon and shall contain the words "Corporate Seal" and "Virginia" and the year the Corporation was formed in the Center, or the seal shall be in such other form as may be approved by the Board of Trustees.

Section 5.03 *Checks, Notes and Contracts.* The Board of Trustees shall determine who shall be authorized from time to time on the Corporation's behalf to sign check, drafts, or other orders for payment of money; to sign acceptances, notes, or other evidences of indebtedness; to enter into contracts; or to execute and deliver other documents and instruments.

Section 5.04 *Books and Records.* The Corporation shall keep at its office correct and complete books and records of the account, the activities and transactions of the Corporation, the minutes of proceedings of the Board of

Trustees, and a current list of the trustees and officers of the Corporation along with their business and residence phone numbers and addresses.

Section 5.05 *Amendment of Articles of Incorporation and Bylaws.* The Articles of Incorporation of the Corporation and these bylaws may be amended or repealed by a two-thirds vote of the trustees then in office.

Section 5.06 *Indemnification and Insurance.* The Corporation shall provide indemnity to its officers and trustees who: (1) acted in good faith and reasonably believed that their conduct in their capacity as officers or trustees was in the best interest of the Corporation, or (2) in the case of all other conduct reasonably believed that this conduct was at least not opposed to the best interest of the Corporation, or (3) in the case of criminal proceedings did not have reasonable cause to believe that the conduct was criminal. Such indemnity extends to all actions or proceedings to which an officer or trustee is made a party by reason of holding an office or being a trustee.

Amounts paid in indemnification shall include counsel fees and others fees, costs and disbursements, judgments and fines, and penalties against, and amounts paid in settlement by, such officers and trustees. The Corporation may pay for or reimburse reasonable expenses in advance of final disposition of the proceeding provided that the provisions of section 13.1-878 of the Virginia Nonstock Corporation are met. Indemnification is limited only by the provisions of the Virginia Nonstock Corporation Act.

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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF  
STAND UP AMERICA, INC.

December 9, 1992

2:00pm

1200 G St., NW, 8th Floor

EXHIBIT

D

Directors present: Roy Jones, Amy Marcenaro  
Non-directors present: Bob Heckman, Bill Lee

Mr. Jones opened the meeting and entertained a motion to amend the By-Laws to expand the Board of Directors to five members. The motion passed unanimously.

Mr. Jones then moved to add the following individuals to the Board of Directors:

Mr. Bill Lee of Arlington, VA  
Mr. Robert Heckman of Arlington, VA  
Mr. John McNeil of Columbus, GA  
Mr. Al Zapanta of Annandale, VA

In order to accomodate these additions, the resignations of Mr. Bishop and Ms. Marcenaro would be accepted at this time. The motion passed unanimously.

Mr. Lee and Mr. Heckman being present, joined the Board's deliberations at this time.

Mr. Lee proposed the following resolutions:

that Mr. Heckman be elected President;  
that Mr. Lee be elected Chairman of the Board; and  
that Ms. Amy Marcenaro be elected Secretary and Treasurer.

The motion passed unanimously.

The Board also unanimously designated Mr. Heckman Chief Executive Officer and Ms. Marcenaro Administrative Director.

It was the unanimous sense of the Board that the following actions be taken:

Mr. Jones should draft a concept paper on the Evangelical coalition, should call Herb Ellingwood re same, and should design an approach to Mr. Bamieh.  
Mr. Heckman should approach David Lane about an equitable settlement.  
Mr. Lee should develop overall criteria for selling the "coalition concept" to the RNC.

It was agreed that Directors Heckman, Lee and Jones would meet via conference call on a weekly basis to review progress.

The meeting adjourned at 3:55p.m.

94030973552

MINUTES OF THE SPECIAL MEETING OF  
THE BOARD OF DIRECTORS OF  
STAND UP AMERICA, INC.

April 26, 1993; 2:00 p.m.  
via Teleconference

Directors participating: Roy Jones, Amy Marcenaro, G. Norman Bishop  
Non-Directors participating: Bob Heckman, Bill Lee

Mr. Jones opened the meeting by declaring it a Special Meeting of the Board of Directors, as per Section 2.09 of the SUA By-Laws.

Mr. Jones noted that Section 2.10 of the By-Laws permits meetings via teleconference so long as "all persons participating in the meeting may simultaneously hear each other", and that Section 2.09 provides that "a trustee's attendance at or participation in a meeting" waives any notice requirements for that meeting.

Mr. Jones called the role of the Board of Directors and asking all Directors if they could hear each other and if they agreed to waive notice of this Special Meeting. All three answered in the affirmative.

At the request of Mr. Jones, Mr. Heckman reported to the Board regarding discussions with counsel regarding two items:

- the meeting held December 9, 1993 at SUA headquarters; and
- the complaint filed with the Federal Election Commission against Stand Up America.

Ms. Marcenaro moved that Section 2.03 of the By-Laws be amended by inserting the word "seven" for the word "three". Mr. Bishop seconded, and the motion passed unanimously.

Ms. Marcenaro nominated Mr. Heckman to fill one of the vacancies on the Board of Directors. Mr. Bishop seconded, and the motion passed unanimously.

Mr. Heckman nominated Mr. Lee to fill one of the vacancies on the Board of Directors. Mr. Jones seconded, and the motion passed unanimously.

Mr. Lee nominated Mr. Al Zapanta to fill one of the vacancies on the Board of Directors. Mr. Heckman seconded, and the motion passed unanimously.

Mr. Jones tendered his resignation as Chairman of the Board of Directors, noting that he would remain as a Trustee of the corporation. Ms. Marcenaro moved that the Board accept his resignation. Mr. Bishop seconded, and the motion passed unanimously.

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Ms. Marcenaro nominated Mr. Lee to serve as Chairman of the Board of Directors, in accordance with Section 2.04 of the By-Laws. Mr. Heckman seconded, and the motion passed unanimously.

Mr. Lee nominated Mr. Heckman to serve as President and Chief Executive Officer of the corporation. Ms. Marcenaro seconded, and the motion passed unanimously.

Mr. Heckman nominated Ms. Marcenaro to serve as Administrative Director of the corporation, noting that she already serves as Secretary. Mr. Lee seconded, and the motion passed unanimously.

Mr. Heckman moved that the Board of Directors formally passed the resolution (having previously been drafted by counsel) which called for the corporation to keep names of donors to the corporation confidential. Mr. Heckman read relevant parts of the resolution to the Board, a full copy of which is attached. Mr. Lee offered an amendment that would permit the Board to release such information if upon the advice of counsel. Mr. Heckman accepted the amendment as a friendly amendment. Mr. Lee then seconded the motion, as amended. The motion passed unanimously.

Mr. Heckman then made the following motion:

Resolved, that all actions taken by the officers, employees and duly authorized representatives of the Corporation for, on behalf of and/or in the name of the corporation, since the date of the last meeting of the Board of Directors to the present, be, and they hereby are ratified, confirmed and approved; and

Be it further resolved that, for the purposes of this resolution, "duly authorized representatives" shall include those designated as corporate officers during the December 9, 1992 meeting at SUA corporate headquarters.

Mr. Lee seconded the motion, and the motion passed unanimously.

Mr. Heckman reported further to the Board on the status of the FEC complaint about SUA, noting that he and Mr. Braden, of counsel for this matter, would be meeting on the next day to finalize the SUA response.

There being no further business to transact, the meeting was duly adjourned at 2:32 p.m.

Secretary of the Meeting

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# **Reasons 12/9/92 SUA Board meeting was invalid:**

## **1. Insufficient notice**

Sec. 2.09 requires 72 hour notice

(all Bd. members may waive notice, but that was not possible on 12/9 since Bishop and Marcenaro did not participate)

## **2. Improper filling of Board vacancies**

Sec. 2.07 requires written notice of a Trustee's resignation

## **3. Election of more trustees than allowed**

Sec. 2.03 designates three trustees unless amended

(election of four additional trustees expanded Board to total of seven)

# **Actions to accomplish at 4/22/93 Board meeting**

1. All Directors waive notice of meeting, as required in Section 2.09 of By-Laws. Chairman declares this a "Special Meeting" of the Board as per Section 2.09. Directors Marcenaro, Jones and Bishop waive notice requirement.

2. Director Marcenaro moves that Sec. 2.03 of By-Laws be amended by inserting the word "seven" for the word "three". This would expand the size of the Board to seven.

3. Marcenaro nominates Bob Heckman to fill one of the vacancies. Vote is taken to fill vacancy.

Heckman nominates Lee to fill vacancy; vote is taken.

Lee nominates Zapanta to vacancy; vote is taken.

4. Chairman Jones announces his resignation as Chairman of the Board. Marcenaro nominates Lee to serve as Chairman of the Board. Vote is taken.

5. Lee nominates Heckman to serve as President and Chief Executive Officer. Vote is taken.

6. Heckman nominates Marcenaro to serve as Administrative Director (note: she already serves as Secretary). Vote is taken.

# **At this point, Board of Trustees consists of:**

Lee, Chairman

Heckman, President / CEO

Marcenaro, Secretary / Adm. Dir.

Jones

Bishop

Zapanta

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**Reasons 12/9/92 SUA Board meeting was invalid:****1. Insufficient notice**

Sec. 2.09 requires 72 hour notice

(all Bd. members may waive notice, but that was not possible on 12/9 since Bishop and Marcenaro did not participate)

**2. Improper filling of Board vacancies**

Sec. 2.07 requires written notice of a Trustee's resignation

**3. Election of more trustees than allowed**

Sec. 2.03 designates three trustees unless amended

(election of four additional trustees expanded Board to total of seven)

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**GUIDELINES WITH RESPECT TO  
LEGISLATIVE AND VOTER EDUCATION ACTIVITIES  
OF STAND UP AMERICA, INC.**

**Prepared by**

**E. Mark Braden, Esquire  
David L. Marshall, Esquire**

**October [7], 1992**

**Baker & Hostetler  
1050 Connecticut Avenue, N.W.  
Suite 1100  
Washington, D.C. 20036  
(202) 861-1500**



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B&amp;H DRAFT

**Guidelines With Respect to  
Legislative and Voter Education Activities  
of Stand Up America, Inc.**

Various restrictions and limitations apply to legislative and voter education activities which may be carried out by Stand Up America, an organization that is intended to be exempt from Federal income taxation pursuant to section 501(a) as an organization defined in 501(c)(4) of the Internal Revenue Code of 1986, as amended (the "Code"). The purpose of these guidelines is to address the Federal income tax consequences of such activities, including, where relevant, the consequences to contributors to the organization.

**A. Retaining Stand Up America's Tax-Exempt Status  
-- General Considerations.**

1. In general, Stand Up America's tax-exempt status under the Code will be predicated on its being primarily engaged in promoting the common good and general welfare of the people of the community.<sup>1</sup>
2. An organization so engaged (a "social welfare organization") may engage in legislative activities without jeopardizing its tax-exempt status.
3. The promotion of social welfare does not include direct or indirect participation or intervention in political campaigns on behalf of or in opposition

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<sup>1</sup> Treas. Reg. § 1.501(c)(4)-1(a)(2).

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## B&amp;H DRAFT

to any candidate for public office, although such activities are not prohibited absolutely.<sup>2</sup>

4. Expenditures for political campaign activities may cause an otherwise tax-exempt social welfare organization to incur some tax.<sup>3</sup> Stand Up America will engage in no political campaign activities and form no PAC.

B. Legislative Activities.

1. Social welfare organizations are free to engage in legislative activities provided such activities are related to the organization's exempt functions.<sup>4</sup>
2. Indeed, an organization may qualify as a tax-exempt social welfare organization although its only activities involve advocating changes in the law.<sup>5</sup>
3. A social welfare organization may work for legislative changes by engaging in direct lobbying as well as grassroots lobbying (but with certain

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<sup>2</sup> Id.

<sup>3</sup> I.R.C. § 527(f).

<sup>4</sup> See Treas. Reg. § 1.501(c)(4)-1(a)(2)(ii) (a social welfare organization may qualify for exemption even though it is an "action" organization that attempts to influence legislation or can only attain its gains by legislative change).

<sup>5</sup> Rev. Rul. 71-530, 1971-2 C.B. 237.

## B&amp;H DRAFT

consequences to its supporters from grassroots lobbying, which will be discussed below).<sup>6</sup>

C. Voter Education - Not Political Activities.

1. Stand Up America will not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office. This is similar to the wider prohibitions that apply to charitable organizations.<sup>7</sup> Accordingly, rulings with respect to charitable organizations are instructive and can serve to generally guide the activities of Stand Up America, so they are discussed below.
2. The term "candidate for public office" is defined as an individual who is proposed by others, or offers himself or herself, as a contestant for an elective public office, whether local, state or national;<sup>8</sup> it does not matter if the candidate is endorsed by a political party.<sup>9</sup>
3. Activities that constitute participation or intervention in a political campaign on behalf of or in opposition to a candidate include the

<sup>6</sup> Rev. Rul. 67-6, 1967-1 C.B. 135.

<sup>7</sup> I.R.C. § 501(c)(3).

<sup>8</sup> Treas. Reg. § 1.501(c)(3)-1(c)(3)(iii).

<sup>9</sup> IRS Exempt Organizations Handbook (IRM 7751) § 3(10)(2).



## B&amp;H DRAFT

publication or distribution of written or printed statements or the making of oral statements on behalf of or in opposition to such a candidate.<sup>10</sup>

4. Other activities can constitute participation or intervention in political activity. The IRS has found charitable organizations to be involved in political activities even though it appeared their activities involved no political campaigns.

- a. For example, in the case of a presidential inaugural committee that sponsored public and invitation-only inaugural activities, the Service found the committee to be involved in political activities and denied it tax-exempt status though no campaign was at issue.<sup>11</sup>

- b. The Tenth Circuit ruled similarly in Christian Echoes National Ministry, Inc. v. United States.<sup>12</sup> In that case, the Christian Echoes Ministry did not formally endorse specific candidates for office; rather, by means of publication and broadcasts, it attacked candidates and incumbents who were considered too liberal and endorsed conservative

<sup>10</sup> Treas. Reg. § 1.501(c)(3)-1(c)(3)(iii).

<sup>11</sup> Rev. Rul. 77-283, 1977-2 C.B. 72.

<sup>12</sup> 470 F.2d 489 (10th Cir. 1972), cert den., 414 U.S. 864 (1973).

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office-holders. The court reasoned that those attempts to defeat or elect certain politicians reflected the organization's goal to change the Federal government's political composition.

5. Certain activities relating to the political process, however, are not construed as participation or intervention and will not jeopardize even a charitable organization's exempt status.

a. Thus, a charitable organization may be involved in the election process when the involvement has a predominantly educational flavor and is strictly nonpartisan.

b. For example, the Service has held that a tax-exempt broadcasting station that provided equal air time to all electoral candidates in compliance with the Federal Communications Act did not make the expression of political views by the candidates the acts of the broadcasting station and, accordingly, such activity did not constitute participation by the station in political campaigns on behalf of candidates for public office.<sup>13</sup>

c. Similarly, an organization that conducted public forums, lectures and debates on

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<sup>13</sup> Rev. Rul. 70-321, 1970-1 C.B. 129.

## B&amp;H DRAFT

controversial political, social, and international concerns or issues was held to be educational and not involved in prohibited political activities since the organization adopted an objective position despite the controversy presented by its speakers.<sup>14</sup>

- d. Finally, an organization seeking to elevate the ethical standards in the conduct of political campaign practices was deemed by the IRS to be operated on a nonpartisan basis for the purpose of increasing citizens' knowledge and understanding of the election process and, accordingly, was not participating in political activities but rather serving an educational function.<sup>15</sup>

6. The Service has also sanctioned nonpartisan voter education as another form of political education.

- a. The line between impermissible "electioneering" and acceptable voter education depends upon the circumstances of each case.

- b. Two circumstances considered acceptable are:  
(1) the annual preparation and dissemination of the voting records of members of Congress

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<sup>14</sup> Rev. Rul. 66-256, 1966-2 C.B. 210.

<sup>15</sup> Rev. Rul. 76-456, 1976-2 C.B. 151.

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## B&amp;H DRAFT

on a wide range of subjects, without editorial comment and without implying approval or disapproval of any member's voting record; and (2) surveying candidates on a wide range of issues and publishing responses without a preference for any candidate or group.<sup>16</sup>

- c. The Service has also listed two impermissible activities that reflect a purpose other than "nonpartisan" voter education: (1) publishing candidates' answers to questions that indicate a bias on certain issues; and (2) restricting a voter guide to a candidate or Congressional member's voting record on selected issues of interest to the organization which is widely distributed to the electorate during an election campaign.<sup>17</sup>

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<sup>16</sup> Rev. Rul. 78-248, 1978-1 C.B. 153.

<sup>17</sup> Cf. Rev. Rul. 80-282, 1980-2 C.B. 178 where the IRS amplified its 1978 ruling and carved out an exception for a church which wished to publish a newsletter containing the voting records of Congressional incumbents on selected issues of interest to the Church. The IRS ruled that the church would not be "electioneering" if: (1) there was limited distribution of the newsletter to the organization's normal membership; (2) the publication did not coincide with a campaign or election; (3) candidates for reelection were not identified; and (4) no endorsement for or opposition to candidates for public office was made. Before relying on this ruling, however, a taxpayer should note that the ruling involved a religious organization, which is often accorded more leniency by the Service in order to avoid infringement on the organization's First Amendment rights.



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## D. Consequences to Contributors.

1. Contributions to an exempt social welfare organization like Stand Up America are not, per se, deductible. They are not charitable contributions.
2. A taxpayer, however, may deduct all of the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business.<sup>18</sup>
3. Dues paid, or contributions made, to a social welfare organization may qualify as an ordinary and necessary business expense. Moreover, regulations interpreting section 162 state that dues and other payments made to an organization are deductible in full if such payments otherwise meet the requirements of section 162.<sup>19</sup>
4. Even if otherwise deductible, however, the deductibility of contributions is limited if the donee organization engages in certain statutorily proscribed activities.
5. A deduction will be limited proportionately if more than an insubstantial part<sup>20</sup> of the organization's activities consists of:

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<sup>18</sup> I.R.C. § 162(a).

<sup>19</sup> Treas. Reg. § 1.162-15(c).

<sup>20</sup> A determination of what constitutes a "substantial part" will be based on all the facts and circumstances. Treas. Reg. § 1.162-20(c)(3).

## B&amp;H DRAFT

- a. Participating in, or intervening in, any political campaign on behalf of any candidate for public office (i.e., electioneering), or
- b. Activities in connection with any attempt to influence the general public or segments thereof with respect to legislative matters, elections, or referendums (i.e., grassroots lobbying).<sup>21</sup>

In the case of special assessments or similar payments to be used for such proscribed activities, no deduction is allowed at all.

- 6. Electioneering includes the support of or opposition to any candidate for public office.<sup>22</sup> For example, the Service has determined that the expenditures of a corporate sponsor for organizational and administrative expenses of its political action committee were for participation or intervention in a political campaign.<sup>23</sup> Primarily, the corporate sponsor had incurred legal fees relating to the cost of organizing the committee and had paid interest on bank loans to the committee.

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<sup>21</sup> See I.R.C. § 162(c)(2) and Treas. Reg. § 1.162-20.

<sup>22</sup> Treas. Reg. § 1.162-20(c)(1).

<sup>23</sup> PLR 8202019 (September 30, 1981).

7. Grassroots lobbying includes an attempt to influence the general public with respect to legislative matters and any other attempt to urge or encourage the public to contact members of a legislative body for the purpose of proposing, supporting or opposing legislation.<sup>24</sup>
8. Communications between a social welfare organization and its bona fide members generally do not constitute the influencing of the general public.<sup>25</sup> However, the employees and customers of the members constitute a segment of the general public, and a communication from a social welfare organization that is intended to go beyond its members and is either directly, or through its membership, directed at a segment of the public will constitute grassroots lobbying. For example, in Rev. Rul. 78-113,<sup>26</sup> the Service ruled that a tax-exempt organization that urged its members to contact their employees and customers to have them contact legislators to support the repeal of legislation considered detrimental to the organization was

<sup>24</sup> Treas. Reg. § 1.162-20(c)(4).

<sup>25</sup> I.R.C. § 162(e)(1)(B); Rev. Rul. 78-114, 78-1 C.B. 44.

<sup>26</sup> 78-1 C.B. 43.

## B&amp;H DRAFT

engaging in grassroots lobbying.<sup>27</sup> Similarly, an appeal by a tax-exempt organization to prospective members regarding legislation of direct interest to it or its members constituted grassroots lobbying, according to the Service.<sup>28</sup>

9. Grassroots lobbying has been defined to include attempts to influence legislation by way of advertisements or reports. For example, in Rev. Rul. 78-111,<sup>29</sup> the Service ruled that the publication and distribution of a report by a corporation to its shareholders of its president's remarks concerning opposition to proposed legislation constituted grassroots lobbying. In addition, in Rev. Rul. 78-112,<sup>30</sup> the Service ruled that preparing and placing advertisements in major state newspapers and regional magazines setting forth objections to proposed legislation constituted grassroots lobbying.<sup>31</sup>

<sup>27</sup> Id.

<sup>28</sup> Rev. Rul. 78-114, 78-1 C.B. 44.

<sup>29</sup> 78-1 C.B. 41.

<sup>30</sup> 78-1 C.B. 42.

<sup>31</sup> The discussion in this text is consistent with proposed regulations defining grassroots lobbying for section 162 purposes. See, Prop. Reg. § 1.162-20. These regulations were proposed in November 1980 and are presently on hold with the Service. Accordingly, it is unclear when, and if, they will be finalized.



B&amp;H DRAFT

CAMPAIGN ACTIVITIES IN THE FIELD  
BY 501 (c) (3)s and 501(c) (4)s: A SUMMARY

A. Nonpartisan Voter Registration and GOTV Drives.

Stand Up America may sponsor voter registration drives encouraging citizens to exercise their right to vote, provided no bias for or against any candidate or political party is evidenced, such as distributing partisan literature at a registration booth or providing rides to the polling places only for voters supporting a particular political candidate or party. All materials prepared for distribution to the general public in connection with federal elections must include the full name of all voter registration drive sponsors.

In determining whether or not a registration or GOTV is nonpartisan, the Federal Election Commission's regulations say three factors must be considered:

1. The communication neither names nor depicts any particular candidate or it names or depicts all candidates for a particular federal office without favoring any candidate over another;
2. The communication names no political party except that it may include the political affiliation of all candidates names who are depicted; and
3. The communication is limited to urging voting and registration and describing the hours and places of voting and registration. There is no candidate advocacy.

Nonpartisan and non-candidate issue materials may be used to encourage registration and voting.

B. Nonpartisan Public Forums, Debates, or Lectures.

Stand Up America may sponsor unbiased public forums, debates or lectures, in which candidates explain their views to the public. To avoid being characterized as political activity the organization should not indicate its views on the issues being discussed, comment on candidates responses or otherwise indicate bias for or against a particular candidates.

C. Permitted Voter Education Activity.

Permitted voter education activity includes distribution during election campaign of newsletters, pamphlets or other materials that include candidates' statements or voting records, or the results of candidate polls or questionnaires.

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#### D. Voting Records and Guides.

Voting records or guides of all members of legislature may be distributed on a wide range of subjects provided the structure and content of the material avoids bias and are nonpartisan. The material is biased if it indicates or implies that a legislator agrees or disagrees with the organization's position or that the organization agrees or disagrees with the legislator's vote.

The following factors determine whether a voting guide is nonpartisan:

1. The questions are directed to all of the candidates for a particular seat or office, giving the candidates equal time to respond;
2. The voter guide reprints verbatim the responses of each candidate to whom questions were sent, without any additional comment, editing, or emphasis, although the sponsoring organization may impose limitations on the number of words per response when the questions are initially sent to the candidates for their comments;
3. The wording of the questions presented does not suggest or favor any position on the issues covered;
4. The voter guide expresses no editorial opinion concerning the issues presented nor does it indicate any support for or opposition to any candidate or political party;
5. The sponsor may ask each candidate to provide biographical information such as education, employment positions, offices held, and community involvement and may impose a limitation on the number of words per submission; and
6. The voter guide is made available to the public in the geographic area in which the sponsoring organization normally operates.

#### E. Candidate Questionnaires.

Polling or submitting questionnaires to candidates concerning positions on issues is a neutral activity. It is only when the results of the polls or questionnaires are disseminated during the campaign that the issue of political activity arises. Generally,

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candidate questionnaire results can be distributed to the general public as a voter guide during an election campaign without that distribution being deemed campaign activity provided the poll or questionnaire itself was not biased, that is, it did not pose questions designed to make the candidates appear acceptable or unacceptable to the organization; the poll or questionnaire covered a wide range of issues selected on the basis of importance to the electorate as a whole, and the results of the poll are reported in an accurate and unbiased manner. Generally, no editorial comment is permitted.

## B&amp;H DRAFT

**CAMPAIGN ACTIVITIES AND 501(c)(3)s and 501(c)(4)s:  
A GUIDE TO THE LAW**

INDIVIDUALS have the right--indeed the duty--to participate in the elective and legislative processes of our government. This is true for the directors, officer, other volunteers, and staff of 501(c)(3) and 501(c)(4) organizations, provided they are acting as private citizens and not as official representatives of the nonprofit institution.

Federal tax law, however, imposes some restrictions on legislative and political campaign activities by NONPROFIT ORGANIZATIONS, particularly those classified by the Internal Revenue Service as 501(c)(3) or 501(c)(4).

**A 501(c)(3) OR A 501(c)(4) ORGANIZATION MAY:**

- Educate political candidates on issues of concern to your organization.
- Distribute questionnaires to candidates, requesting their views on your issues.
- Focus candidates' attention on your issues by attending political events.
- Arrange meetings to learn candidates' positions on your issues.
- Invite candidates to meetings of your organization.
- Send candidates literature on your issues.
- Publish candidates' views or voting records on your issues, provided (1) ALL candidates for a particular office are represented; (2) Responses are reprinted verbatim without editorial comment; and (3) Publication expresses no opinion as to favored position.

**A 501(c)(3) ORGANIZATION MAY NOT:**

- Endorse or oppose candidates for public office.
- Collect or distribute funds for political campaigns.
- Use facilities of the organization for political fundraising.
- Form or maintain a political action committee.

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## B&amp;H DRAFT

- Give lists of an organization's members or subscribers to political candidates.
- Engage in legislative activities to a "substantial" extent.
- Publish material that favors the views of one candidate over another.

Those organizations that are classified by the Internal Revenue Service as 501(c)(4) can do everything permitted a 501(c)(3), as well as engage in lobbying for their various programs without limitations. Such organizations may also participate in some additional political campaign activities as long as such activities are not the primary focus of the organization.

However, because of federal election law restrictions, 501(c)(4) corporations may not collect or distribute funds for political campaigns, although a political action committee (PAC) may be so used. In addition, 501(c)(4) organizations cannot donate facilities or other resources (such as mailing lists) to political candidates. They may endorse or oppose candidates for public office, as long as the pronouncements are confined to the organization's members.

All solicitations for money by a 501(c)(4) must contain the following disclaimer in a conspicuous location:

ANY CONTRIBUTION OR DUES PAYMENT TO THIS  
ORGANIZATION CANNOT BE DEDUCTED FOR FEDERAL  
INCOME TAX PURPOSES AS A CHARITABLE  
CONTRIBUTION.

# STAND UP AMERICA

Suite 800 1200 G Street NW Washington DC 20005 (202) 848772

EXHIBIT

G

## STAND UP AMERICA

### PURPOSE:

STAND UP AMERICA will be a public interest, non-profit (501c4) organization dedicated to promoting civic responsibility at all levels of government and enhancing non-partisan voter registration and participation throughout the United States.

### BACKGROUND:

Voter apathy and civic participation are at all time lows in America. The country's voters are frustrated with the sagging economy and the worn-out liberal solutions that have been proposed by Washington politicians over the last 20 years.

American voters are following a very dangerous trend that if left unchecked could seriously jeopardize the future of our electoral process. STAND UP AMERICA has been organized to energize the American electorate and restore pride in our great Republic.

### ORGANIZATION:

STAND UP AMERICA will be a volunteer organization with representation in all fifty states.

In 1992, STAND UP AMERICA proposes to raise \$10 million for civic and community voter registration and education programs. Less than 10 % of funds received will be used for staffing and administration.

### STAFF:

The organization would have a small staff in Washington. Roy Jones would serve as the executive director.

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*presents ...*

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## STANDUPAMERICA

Stand Up America — a family-oriented organization dedicated to traditional values — is pleased to have your involvement as a leader in this massive effort to register hundreds of eligible voters in your area, and we know you will be successful by following this proven formula for action . . .

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# OPERATION VOTE

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A call for family-loving patriots to stand up and protect the traditional values of our beloved America — to make every effort to identify and register 2,000,000 or more eligible voters nationwide to vote in the coming national election in November.



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**W**e invite you as a concerned American, to assume your leadership role in working toward . . .

## CAMPAIGN ACTIVITIES AND 501 (c) (3)s and 501 (c) (4)s: A GUIDE TO THE LAW

INDIVIDUALS have the right -- indeed the duty -- to participate in the elective and legislative processes of our government. This is true for the directors, officer, other volunteers, and staff of 501(c)(3) and 501(c)(4) organizations, provided they are acting as private citizens and not as official representatives of the non-profit institution.

Federal tax law, however, imposes some restrictions on legislative and political campaign activities by NONPROFIT ORGANIZATIONS, particularly those classified by the Internal Revenue Service as 501 (c)(3) or 501 (c)(4).

### A 501(c)(3) OR A 501(c)(4) ORGANIZATION MAY:

- Educate political candidates on issues of concern to your organization.
- Distribute questionnaires to candidates, requesting their views on your issues.
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- Arrange meetings to learn candidates' positions on your issues.
- Invite candidates to meetings of your organization.
- Send candidates literature on your issues.
- Publish candidates' views or voting records on your issues, provided (1) ALL candidates for a particular office are represented; (2) Responses are reprinted verbatim without editorial comment; and (3) Publication expresses no opinion as to favored position.

### A 501(c)(3) ORGANIZATION MAY NOT:

- Endorse or oppose candidates for public office.
- Collect or distribute funds for political campaigns.
- Use facilities of the organization for political fundraising.
- Form or maintain a political action committee.
- Give lists of an organization's members or subscribers to political candidates.
- Engage in legislative activities to a "substantial" extent.
- Publish material that favors the views of one candidate over another.

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Those organizations that are classified by the Internal Revenue Service as 501(c)(3), as well as engage in lobbying for their various programs without limitations. Such organizations may also participate in some additional political campaign activities as long as such activities are not the primary focus of the organization.

However, because of federal election laws restrictions, 501(c)(4) corporations may not collect or distribute funds for political campaigns, although a political action committee (PAC) may be so used. In addition, 501(c)(4) organizations cannot donate facilities or other resources (such as mailing lists) to political candidates. They may endorse or oppose candidates for public office, as long as the pronouncements are confined to the organization's members.

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# STAND UP AMERICA

★★ AMERICANS FOR A STRONG AND UNITED MILITARY ★★

EXHIBIT

H

## MEMORANDUM

Date: March 4, 1993

To: SUA Board of Directors

From: Robert Heckman *ROH*

Re: ASUM National Steering Committee Meeting

This morning we held the first meeting of the Americans for a Strong and United Military (ASUM) National Steering Committee. I believe the meeting was extremely successful; seven flag officers were signed up at the meeting, and our National Steering Committee list is now up to 11 people. I expect it will grow exponentially over the next few weeks.

Congratulations should go to all of those involved with the meeting; to Bill Lee for making a superb presentation on ASUM's plans, to Stuart Holliday for coordinating the attendance of several VIPs despite the inclement weather; and to Al Zapanta for recruiting several of the participants.

I would like to give special mention, however, to the initial job that Stuart Holliday has done in taking this project from the concept stage to the reality stage in several short weeks. The briefing book -- a copy of which is enclosed -- entailed a tremendous amount of work on his part, and itself was really the 'star' of our presentation. In addition, in working closely with Stuart, it has become obvious to me that he has the respect and trust of those military officers with whom we wish to work. We are lucky to have Stuart here as a virtually full-time volunteer; I hope the funding for this project will come through soon so it is possible for us to put him on a salary basis.

I am convinced that SUA/ASUM has a tremendous opportunity to have a huge impact on the success or failure of the Clinton administration. As Bill Lee convincingly put it at our meeting, gays in the military is the 'make or break' issue for Bill Clinton. Our ASUM effort has a chance to break Bill Clinton and, in the process, launch a vitally needed effort to force our government to rededicate itself to force preparedness and respect for the Armed Forces.

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# STAND UP AMERICA

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★★ AMERICANS FOR A STRONG AND UNITED MILITARY ★★

4 MARCH 1993

**AMONG THOSE ATTENDING FIRST STEERING COMMITTEE MEETING:  
(NAMES WILL BE ADDED)**

Lieutenant General Robert Schweitzer, USA (Ret)  
Lieutenant General Herb Temple, USANG (Ret)  
Major General John K. Singlaub, USA (Ret)  
Rear Admiral James Carey, USNR  
Rear Admiral Spencer Matthews, USN (Ret)  
Rear Admiral Larry Chambers, USN (Ret)  
Brigadier General Bill Weiss, USMC (Ret)  
Brigadier General James Herbert, USA (Ret)  
Brigadier General William Shea, USA (Ret)  
The Honorable Everett Alvarez Jr.  
Colonel (P) Albert C. Zapanta USAR

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## NATIONAL CATHOLIC COALITION

## SUMMARY

The National Catholic Coalition (NCC) was formed by concerned Catholic leaders dedicated to building a national network of grass roots Catholic activists. The NCC is committed to providing a vehicle for concerned Catholics to have an effective role in national public policy debates -- and a decisive say in the selection of candidates for public office.

## THE CHALLENGE

The election of Bill Clinton, coupled with the renewed influence of ultra-left special interest groups, poses a direct threat to traditional Catholic values. These groups now have an unprecedented opportunity to put into law their most radical proposals, including:

- o The "Freedom of Choice Act" which would allow for unrestricted abortions, and would eliminate all parental consent or notification requirements. The Act would force Catholic hospitals to perform abortions on demand -- or face financial ruin when they refuse.
- o So-called "School Choice" proposals which would, in reality, condemn Catholic schools to financial ruin by excluding parochial schools from participation.
- o "Multi-Cultural Curriculum" for elementary school children, which would force the teaching of alternative (gay and lesbian) lifestyles to young Catholic children, through the required reading of books such as Daddy's Roommate and Heather Has Two Mommies.
- o Mandatory sex education and condom distribution in elementary schools without parental notification or consent.

Some of the more extreme members of these groups have even embraced an indisputable anti-Catholic agenda, having been involved in the defacing of St. Patrick's Cathedral, and the public humiliation of Pennsylvania Governor Bob Casey. The resurgence of these liberal extremists, a sympathetic president, and a Democrat controlled Congress present a threat that should concern each and every one of America's 53 million Catholics.

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## THE PROBLEM

One out of every four voters in the United States is a self-identified Catholic; yet the Catholic community has historically wielded little or no collective influence on public policy or on the selection of local, state and national leaders. Currently, no vehicle exists to promote those values shared by the overwhelming majority of American Catholics -- values such as strong families, safe neighborhoods, respect for the traditional work ethic, and commitment to God and Country.

In essence, **Catholics have been short-changed in the political process** because of the absence of the kind of grass roots organizations which have given other ethnic and religious interests their powerful voice.

## THE SOLUTION

The **National Catholic Coalition** will play a unique role in the political process -- seeking to solve this problem with a dynamic program of education, outreach and activism on behalf of Catholic values in thousands of communities throughout the United States.

## ACTION ITEMS

Network: One of the top priorities of the NCC will be to recruit and train an extensive network of Catholic clergy and lay leaders. These local activists will enable Catholics to wield an unprecedented impact on the local level. A subscription/membership drive will identify Catholics who wish to become more informed in areas of public policy, and active in shaping policies of the future. NCC Periodicals will help concerned Catholics become better informed as they become more involved.

Unite: A national meeting of concerned Catholic leaders will be hosted by the NCC in the spring of 1994, and again in the spring of 1996. These meetings will bring together leaders in the Catholic community and provide an opportunity for Catholics to put forward their united agenda. Through two days of meetings, workshops, and presentations, the **National Catholic Coalition** will refine its programs so that the Catholic voice will have maximum impact on the 1994 and 1996 elections.

Inform: Through *The Catholic Current*, a bimonthly newsletter, NCC members will be kept abreast of current issues, alerted to where their elected representatives stand on matters of interest, and advised as to how changes in public policy could affect issues on the Catholic agenda.

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Research: The National Survey of Catholic Attitudes will comprise the most comprehensive effort ever to assess the attitudes of American Catholics on a variety of public policy issues. A critical part of the study will be an analysis of what drives Catholic attitudes, how Catholics can be reached with various messages, and what issues are likely to motivate Catholics in the 1990s. The wide publication and promotion of the survey's findings will ensure that Catholic concerns will be fully represented in the making of public policy in the decade ahead.

## CONCLUSION

It has never been more important for Catholics to stand together and defend those basic principles at the heart of our faith. With the National Catholic Coalition, American Catholics will have an opportunity to fight for those values.

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National Catholic Coalition  
1200 G St., N.W.  
Suite 800  
Washington, D.C. 20005  
(202) 434-8772



**NATIONAL CATHOLIC COALITION  
ORGANIZATION**

**STEERING COMMITTEE:**  
(in formation)

Henry Cashen  
Robert C. Heckman  
Michael Uhlmann  
Robert Van Dine  
Al Zapanta

**PROJECT DIRECTOR:**

Robert C. Heckman

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The National Catholic Coalition will operate as a subsidiary of Stand Up America, a 501(c)(4) tax exempt organization incorporated in the state of Virginia.

## NATIONAL CATHOLIC COALITION

SIX MONTH BUDGET

## DEVELOPMENT/ADMINISTRATIVE

|   |                                             |            |
|---|---------------------------------------------|------------|
| o | Rent, phone, etc.                           | \$12,000   |
| o | Development Director                        | 12,000     |
| o | Support staff                               | 9,000      |
| o | Printing, preparation of proposals          | 3,500      |
| o | Travel and meetings, presentations          | 1,500      |
| o | List development/maintenance                | 2,000      |
| o | Initial mail tests (reflects net loss only) | 5,000      |
| o | Miscellaneous                               | <u>500</u> |

**TOTAL** Development/Administrative budget \$45,500

## PROGRAMMATIC

|   |                                                    |              |
|---|----------------------------------------------------|--------------|
| o | National Meeting of Concerned Catholics            | \$35,000     |
| o | Publication of 6 issues of <b>Catholic Current</b> | 30,000       |
| o | Travel for spokesmen                               | 12,500       |
| o | Miscellaneous                                      | <u>2,500</u> |

**TOTAL** Programmatic budget \$80,000

**TOTAL** National Catholic Coalition Budget \$125,500

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## BIOGRAPHY OF ROBERT C. HECKMAN

Robert C. Heckman is the co-founder and President of Stand Up America, a conservative grass-roots lobbying organization, through which he serves as the Director of the National Catholic Coalition. The National Catholic Coalition was designed to give Catholics greater influence in the making of public policy and the selection of our Nation's leaders.

Mr. Heckman is currently the Chairman of the Fund for a Conservative Majority (FCM), the oldest of the nation's conservative Political Action Committees. Fund for a Conservative Majority assisted more than 200 conservative candidates for the House and Senate during the 1980s. Mr. Heckman has served as FCM's Chairman and spokesman since March of 1979. He recently served as Deputy Director for National Coalitions on the Bush/Quayle 1992 Presidential campaign, putting special emphasis on building and managing the Catholics for Bush Coalition, which served as a model for all other coalition operations.

Since 1989, Mr. Heckman has been the Washington representative for Free the Fathers, an international organization committed to resolving grievous human rights abuses against over two hundred Catholic priests currently imprisoned in communist China. Among those is Bishop Joseph Fan, the world's longest-held prisoner of conscience. Free the Fathers has been successful in focusing world-wide attention on this problem, and has already obtained the release of several priests and nuns from brutal captivity.

During the 1988 Presidential campaign, Mr. Heckman served as a Senior Political Consultant to the Jack Kemp for President Committee. He assumed management of Mr. Kemp's political action committee, Campaign for Prosperity, in the Spring of 1986 and directed that organization until Kemp officially declared his presidential candidacy.

Mr. Heckman co-founded and served as first Chairman of the lobbying group Citizens for Reagan. He is a former Director of the Charles Edison Memorial Youth Fund and the National Center for Legislative Research. He served a two-year term as National Executive Director of Young Americans for Freedom, and is the founder and President of the Foundation for American Ideals.

Robert Heckman has traveled on fact finding tours to Central America and the Far East. He is a magna cum laude graduate of Adelphi University and attended St. John's University School of Law.

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## NATIONAL CATHOLIC COALITION Levels of Support

### **FOUNDING MEMBERS:** \$25,000 contributed or raised, annually.

Founding Members will have an opportunity to represent the National Catholic Coalition to candidates, public opinion makers, and political leaders at private meetings, as well as dinners and receptions hosted by the National Catholic Coalition. Founding Members will be invited attend our annual meeting as special guests of the Coalition. Founding Members will be listed on National Catholic Coalition letterhead and recognized in all coalition literature and publications. Founding Members receive The Catholic Current and special insider-reports on topical matters. Special events limited to Founding Members and their guests will be scheduled.

### **BENEFACTORS:** \$10,000 contributed or raised, annually.

Benefactors will also be recognized on all Coalition materials and publications, and will be invited to candidate receptions and meetings with political and opinion leaders. Benefactors receive a year-long subscription to The Catholic Current and are invited to the Coalition's annual meeting as special guests of the Coalition. Special events for Benefactors and their guests will be scheduled.

### **PATRONS:** \$5,000 annual contribution.

Patrons will be recognized on Coalition publications, will be invited to Coalition events, and will receive a year-long subscription to The Catholic Current. Special events for Patrons and their guests will be scheduled.

### **ASSOCIATES:** \$1,000 annual contribution.

Associates will be invited to Coalition events, and will receive a year-long subscription to The Catholic Current. Associates will be able to participate in the Associates Lecture Series, at which leaders in public opinion and policy will present a variety of positions on current issues. Recordings and transcripts of the lecture series will be available by request, and at no charge to Associates.

### **MEMBERS:** \$25 annually.

Membership in the National Catholic Coalition includes a subscription to The Catholic Current and other special-issue publications. Members may call the Coalition Hotline for information regarding specific public policies which affect the Catholic Community, and will be invited to purchase tickets to the Associates Lecture Series for a modest fee, and be able to purchase transcripts and tapes. Members will be invited to our annual meeting.



## NATIONAL SURVEY OF CATHOLIC ATTITUDES

**SUMMARY:** The National Survey of Catholic Attitudes will comprise the most comprehensive effort ever to assess the attitudes of American Catholics on a variety of public policy issues.

Relatively little data currently exists in this area beyond raw numbers of how Catholics have voted in past Presidential elections. Indeed, even that data, based on exit polls by major media outlets, has never been fully evaluated. No analysis has ever been done as to why Catholic voters have shifted dramatically from being heavily Democratic (1952 through 1968) to being a classic "swing" constituency (1972 through 1992). No data has ever been collected on what motivates American Catholics, what issues are most important to them, and what qualities they look for in a candidate or leader.

**FOCUS GROUPS:** The National Survey of Catholic Attitudes will begin with a series of focus group studies. Those studies, to be conducted in early January, 1993, will seek to develop insights to Catholic attitudes towards public policy issues, Catholic institutions (including the Church itself), and major national leaders. The focus group studies will also help frame the questionnaire language for the national study that will follow.

**NATIONAL SURVEY:** A national quantitative study of American Catholics -- the actual survey itself -- will be launched in late January of 1993. A minimum of 1200 American Catholics will be interviewed; questions asked will seek to profile Catholics' attitudes and positions on a wide range of public policy issues. The survey will also seek to identify primary factors which influence attitudes, such as age, gender, frequency of church attendance, and the like. Catholic attitudes will be gauged on targeted issues (school choice, abortion, Church involvement in public policy, etc.) and general issues (taxes, the economy, America's role in the world, etc.).

**ANALYSIS:** Perhaps the most important aspect of this project will be the comprehensive evaluation to be performed after the focus groups and survey are completed. The data will be used to develop overall profiles, or "typologies", of different types of Catholics (e.g., "baby boomer Catholics", "traditional Catholics", etc.). A critical part of the evaluation will be an analysis of what drives Catholic attitudes, how Catholics can be reached with various messages, and what issues are likely to drive Catholics in the 1990s.

**PUBLICATION:** An analysis of the National Survey of Catholic Attitudes will be published in February, 1993, in book form. Special presentations will be made to both National political parties, major public policy leaders, and members of the national media. Such wide publication and promotion of the survey's findings will ensure that Catholic concerns will be fully represented in the making of public policy in the decade ahead.

**CONSULTANTS:** The National Survey of Catholic Attitudes will be conducted by Public Opinion Strategies, the widely respected Alexandria, Virginia based firm which recently concluded and published the results of a major, nationally acclaimed post-election survey.

**FUNDING:** The National Survey of Catholic Attitudes can be funded through tax deductible donations.

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PUBLIC OPINION  
STRATEGIES

MEMORANDUM

TO: BOB HECKMAN  
FROM: NEIL NEWHOUSE  
SUBJECT: AVAILABLE CATHOLIC PUBLIC OPINION RESEARCH  
DATE: DECEMBER 14, 1992

=====

As we have discussed, the public opinion data regarding Catholics and vote preferences is extremely light, with Catholic voters treated as a homogenous group, rather than as a diverse cultural and partisan grouping of voters.

For example, a search of data available provides clear evidence of the dearth of current research:

1. A Roper public opinion data search shows a significant quantity of public opinion research on attitudes toward Catholics in the early 1960's when Americans were faced with voting for a Catholic for President.
2. More recent surveys focus their efforts on the abortion issue and the relationship between a political candidate and the Catholic Church.
3. Finally, 1992 exit polling data shows Catholic voters opted for the Bill Clinton by a 44%-36% margin, but fails to delve in more depth into the Catholic constituency.

There is no question that little effort has been made to explore attitudes within the Catholic constituency, and that this failure has contributed to the lack of understanding of basic attitudinal differences within this diverse group.

## CATHOLIC VOTERS

The following are some key findings from a national survey of 1,000 Americans who voted in the 1992 election. The survey was completed by Public Opinion Strategies on November 4-5, 1992.

1. Catholics who attend church frequently tend to be significantly older than those who attend infrequently, while there is no difference by either income or education.
2. Catholics who are regular church attenders are evenly divided in their partisan affiliation, while those who do not attend church frequently are strongly Democrat - (47%-22%).

These two significant findings alone account for a considerable discrepancy between regular Catholic church-goers and infrequent Catholic church-goers throughout this survey.

3. As there is in the general electorate, there is a gender gap, a generation gap, and a regional gap among Catholics. However, contrary to the national data, there is no marriage gap and the family gap is reversed among Catholics.
4. Both frequent (40%-29%) Catholic church-goers and infrequent church-goers (39%-19%) supported Bill Clinton over George Bush. Catholics residing in the Northeast and West were significantly more likely to support Clinton than those in the South and Midwest.

These findings demonstrate that Catholics reflect many of the trends present in the general electorate.

5. Fully 46% of Catholics say they attend church either every week or almost every week, while 14% say they attend once or twice a month and 40% either a few times a year or never.
6. Catholics are evenly divided on their issue position on abortion, with 48% taking pro-life positions and 43% pro-choice positions. Men, older Catholics, those with children, and those residing in the Midwest are significantly more likely to be pro-life.
7. As expected, pro-choice Catholics are significantly less likely to be frequent church-goers than pro-life Catholics. However, even 22% of frequent Catholic church-goers take pro-choice positions on the issue.
8. Despite the differences on the issue of abortion, both pro-life Catholics and pro-choice Catholics supported Clinton over Bush, by scores of 35%-28% and 49%-16%, respectively.

These findings reinforce the conventional wisdom that abortion is a significant dividing issue among Catholics.

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## NATIONAL SURVEY OF CATHOLIC ATTITUDES

BUDGET

## FOCUS GROUPS

|   |                        |            |
|---|------------------------|------------|
| o | Two Groups:            | \$ 7,000   |
| o | Travel Expenses:       | 500        |
| o | Printing:              | <u>250</u> |
|   | Total for Focus Groups | \$ 7,750   |

## NATIONAL QUANTITATIVE STUDY

|   |                                  |               |
|---|----------------------------------|---------------|
| o | 12,000 Interviews/16 Minutes:    | \$ 51,000     |
| o | Printing/Presentation Materials: | <u>15,000</u> |
|   | Total for Quantitative Study     | \$ 66,000     |

Total Budget for National Survey of Catholic Attitudes: \$ 75,750

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# STAND UP AMERICA

EXHIBIT

J

★★ AMERICANS FOR A STRONG AND UNITED MILITARY ★★

## AMERICANS FOR A STRONG AND UNITED MILITARY

**Americans for a Strong and United Military (ASUM)** is the military veterans project of Stand Up America. The group is dedicated to using the power of America's 27 million veterans and their families to lobby for legislation and action that will keep America's defense forces strong, united and prepared. The initial **ASUM** project, launched in January, 1993, is to organize politically active veterans into a massive, nationwide grass roots force in favor of retaining the ban on gays in the military. Among tactics to be used will be the staging of local hearings featuring senior military veterans in a dozen key locations and a series of hard-hitting radio and newspaper advertisements.

**Stand Up America (SUA)** is a public interest, non profit 501(c)(4)\* tax exempt organization. Its purpose is to encourage increased civic activity and voter participation by several key voter blocs. The special focus of **SUA** is on organizing politically active members of traditionally conservative communities.

\* Contributions to Americans for a Strong and United Military/Stand Up America are not subject to any limitations or reporting requirements. Both Personal and corporate contributions can be accepted. Such contributions are not tax deductible.

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## AMERICANS FOR A STRONG AND UNITED MILITARY

### SUMMARY

Americans for a Strong and United Military (ASUM) was formed by a group of prominent veterans, retired high-ranking military leaders, and concerned citizens who share our commitment to a strong defense and sound national security policies. ASUM is a grass roots vehicle for this important segment of the American public to have an effective role in national public policy debates and a say in the selection of candidates for public office throughout the nation.

### THE CHALLENGE

5 An increasingly uncertain geopolitical situation and reordered national  
priorities have raised the level of concern of those of us who consider  
2 preservation of the nation's security and interests to be the most important  
5 function of government.

3 The election of a President who avoided military service in the armed forces,  
7 and who shows little understanding of national security needs, has heightened  
2 that concern.

0 Americans are a diverse group with myriad backgrounds. When it comes to  
3 our military, however, almost all agree with the concept of "Peace through  
Strength". The following challenges to a strong and effective national defense  
0 are among ASUM's first priorities:

4 The lifting of the ban on gays in the military. The Joint Chiefs of Staff  
2 together have over 180 years of military experience among them. Their  
opinions should be given paramount weight on this question as should those  
of respected congressional leaders, many of whom also served in the armed  
forces. Most importantly the administration should heed the views of the two  
thirds of the American people who oppose lifting the ban.

Budget Cuts in Defense which go beyond the level needed to keep our  
military strong and effective. We must not return to the late 1970s era of  
malaise in the military and a gutted national defense. Thanks to prudent  
defense spending in the 80s, America went from stalled helicopters in the  
desert to victory in the desert.

Lack of military advocates within the administration. It is no secret that President Clinton chose not to serve in the military; less well known is the lack of understanding of the importance of military strength and respect for military culture throughout the Clinton White House.

Prudent use of American forces abroad. The President has the awesome power to send US forces into harm's way. ASUM wants to insure that this power is used responsibly and in a coherent, effective fashion. We have all seen what happens when our military is used in the wrong way.

## THE PROBLEM

There are over 27 million veterans in the United States, the extended "family of veterans" in this country includes over 75 million Americans. Other important segments of the population include those on active duty, in the reserves and guard and those civilians involved in defense industry.

Many in the current administration and most new members of Congress lack military experience or an appreciation of the vigorous defense posture which brought us victory in the Cold War. In short: those who share our commitment to a strong and united military have little voice in the Clinton administration and a dwindling voice in a Democrat controlled congress. Our mission is to make sure that the voices of the tens of millions who share our views are heard and have a powerful impact.

## THE PROBLEM

The issue of whether to allow homosexuals in the Armed Forces is a political watershed for both Bill Clinton and those interested in preserving a viable defense for the United States.

Never again will an issue draw so much united opposition from the larger defense family and its extended community. Individual veterans of all races, creeds, colors and philosophies are clearly opposed. If organized and rallied around this issue, these veterans will be predisposed to oppose further disastrous proposals. If, on the other hand, Clinton succeeds in this social experiment, it will be much more difficult to mount a cohesive, unified effort to stop the dismantling of America's defense community.

## THE SOLUTION

Americans for a Strong and United Military will play a unique role in the political process with a dynamic program of education, outreach and activism on behalf of the millions of veterans and concerned citizens throughout the United States. A key aspect of this program will be the active involvement of prominent military veterans in the public policy debate.

## ACTION ITEMS

\* **RESEARCH.** Both survey and focus group research designed to demonstrate the depth of opposition to the Clinton/homosexual proposal, and to identify other key issues around which the defense community and its veterans can be campaign.

\* **MOBILIZATION.** ASUM already has compiled lists of over 27,000 veterans activist leaders known to be opposed to Clinton proposals, and is gathering and preparing to mail to literally hundreds of thousands to recruit them for the campaign.

### \* THE CAMPAIGN: OPERATION VETERAN STORM

**HEARINGS.** ASUM will hold its own public "congressional" hearings in 12 selected states in defense oriented communities, led by prominent veteran activists to demonstrate to the news media the opposition of America's defense/veteran community.

**PAID MEDIA.** Cable television, radio and newspaper ads in a minimum of 17 markets where veterans and the defense community are predominant and where members of Congress can be influenced.

**THE RESULTS:** A flood of petitions and phone calls to targeted members of Congress and to the White House before the proposed July drafting of the Executive Order to allow homosexuals in the military.

## CONCLUSION

Americans for a Strong and United Military has the potential to have a major impact on national public policy debates which will affect our defense/veterans community and our national security into the next century. The importance of affecting the policy debates in this area now cannot be underestimated. Throughout history, when nations have abandoned their military or put national security on the "back burner", those nations have ultimately suffered greatly for it. ASUM will do its best not to let that happen in the United States.



## STAND UP AMERICA

### AMERICANS FOR A STRONG AND UNITED MILITARY

Al Zapanta was selected for promotion to Brigadier General in the U.S. Army Reserves. He served as a Special Forces company commander in Vietnam where he was decorated with the Silver Star, Bronze Star and Purple Heart. As a Colonel, he recently commanded the UN Peacekeeping force in the Spanish Sahara. His political experience includes a White House Fellowship in the Ford Administration, Assistant Secretary of the Interior, Regional Political Director of the 1976 Ford Campaign, Member of the Reagan Transition Team, Senior Advisor on Hispanic Affairs to the 1988 Bush campaign, and most recently as Director of the Veterans and National Security Coalition as the Bush/Quayle '92 campaign. Mr. Zapanta is on the Board of Directors of Stand Up America. In the private sector he served as director of Government Relations for ARCO.

Bill Lee is a well known Republican/Conservative political consultant who is President of the Coalitions Group Inc. and on the Board of Directors of Stand Up America. Lee is best known as a strategist and planner in the field of coalition development. He has been involved with Presidential, statewide and local campaigns in over 40 states and several foreign countries. In addition, he is one of only twenty Special Forces Warrant Officers in the US Army Reserves.

Stuart Holliday was Associate Director of the Veterans and National Security Coalition at the Bush campaign and has worked for Senator Henry M. Jackson. He served as an active duty Naval Officer and is currently in the Naval Reserves. He is a veteran of Operation Desert Storm and has served on the US Delegation to the NATO Military Committee. With degrees from both the School of Foreign Service at Georgetown and the London School of Economics, he is a specialist in National Security Affairs.

Robert C. Heckman is the President of Stand Up America. Mr. Heckman was the Senior Deputy Director of National Coalitions for the Bush/Quayle '92 campaign, and served as principle liaison for the campaign to a number of key voter groups, coordinating the activities of over 50,000 local volunteers. He was also a Senior Political Advisor to Jack Kemp's presidential campaign. He served as Chairman of the board of two key groups that generated grassroots support for Ronald Reagan in the 1980s: the Fund for a Conservative Majority and Citizens for Reagan. Together those groups recruited close to 250,000 members in local efforts in support of Reagan's tax and budget cuts and defense build up.

# STAND UP AMERICA

J-6

★ ★ AMERICANS FOR A STRONG AND UNITED MILITARY ★ ★

Date

1~  
2~  
3~  
4~

Dear 5~:

Please join with me in a nationwide effort to stop President Clinton's attempt to lift the ban on gays in the military.

Like most veterans, I am convinced that removing the gay ban would have a disastrous affect on morale and discipline -- and thus pose a real threat to our beloved nation's security. Frankly, the way in which President Clinton has handled this matter calls into question his commitment to a strong defense.

The Chairman of the Joint Chiefs, virtually every current and former member of the Joint Chiefs, and a clear and vocal majority of Americans disagree with him on this issue. Yet, at the current time, he seems bound and determined to proceed. It seems that a campaign promise to a vocal minority is more important to Bill Clinton than America's security.

Americans for Strong and United Military is a growing group of concerned veterans who share the belief that vigilance is required by those who have served in uniform -- and that, as private citizens, we retain an obligation to duty, honor and country. The issue of gays in the military is just one of the important national security issues with which we are concerned.

We stand against force level reductions which would cut far beyond minimum levels necessary to maintain our nation's security.

We seek to make certain that the current administration understands hard fought lessons of the past, and follows a clear and coherent policy when deciding to put U.S. forces in harm's way.

And we support policies that will help maintain the level of quality training, discipline and morale which brought us victory in the desert, and an end to the Cold War.

But the clear and present danger is President Clinton's rapid move to end the ban on gays in the military. We agree with Chairman Powell that such a move would jeopardize unit integrity.

Senator Bob Dole of Kansas called Clinton's actions "A big mistake -- regrettably, President Clinton has decided to ignore the overwhelming majority of American people, military experts,

Well, as Ronald Reagan used to say, "If you can't make them see the light -- make them feel the heat."

As a veteran, concerned citizen, and leader, your help is crucial to making the case for a strong, unified military.

Please join the National Steering Committee of **Americans for a Strong and United Military**. Together we can insure that the voice of America's 27 million veterans is heard.

**Americans for a Strong and United Military** intends to launch a nationwide campaign supporting Congressional efforts to retain the ban on gays in the military.

Our action plan includes three major components:

1. Hearings in at least a dozen key states, featuring respected current and former military leaders.

2. Full-page advertisements in more than 50 newspapers, featuring the names and affiliations of the distinguished veterans who join our committee.

3. Hard-hitting radio ads in the states of key House and Senate members.

In short, we will "turn on the heat" and do everything in our power to stop this disastrous proposal. But to have such an impact at such a critical time I need your help.

First, I need you to join **Americans for a Strong and United Military**. Just check off the "yes" box on the enclosed card and send it back to me right away.

Second, please make a donation to help defray our costs.

Our current funding has come from contributions made by me and other founding members -- and that money will soon be spent.

If you can, please try to match my own \$1,000 commitment. Or, if you cannot, please send at least \$100 to indicate your support.

We have less than six months to win this battle -- six months to preserve the strong and united military in which you and I were both privileged to serve. Please let me hear from you today.

Sincerely,

COL Al Zapanta, ARMY

P.S. Try to send a check of at least \$100 if you can. But whatever you do, join the Americans for a Strong and United Military National Steering Committee today. Thank you again.

- ( ) Please add my name to the National Steering Committee list for **Americans for a Strong and United Military** -- and let me know what else I can do to help.
- ( ) I have also enclosed a contribution to help defeat President Clinton's plan to lift the ban on gays in the military. My check is in the amount of:

☐ \$1,000    ☐ \$500    ☐ \$250    ☐ \$100    ☐ Other \$ \_\_\_\_\_

Name: \_\_\_\_\_ Telephone: \_\_\_\_\_

Address: \_\_\_\_\_

Branch of service: \_\_\_\_\_ Rank: \_\_\_\_\_

*Americans for a Strong and United Military is a project of Stand Up America, a 501 (C)(4) tax exempt organization incorporated in the State of Virginia.*

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ASUM START - UP BUDGET  
(MARCH - AUGUST, 1993)

**I. ADMINISTRATION/STAFF**

**Office**

|                           |              |
|---------------------------|--------------|
| Rent, 6 months            | \$ 11,700    |
| Equipment, Supplies, etc. | 1,800        |
| Phone                     | <u>3,000</u> |
| Total Office              | \$ 16,500    |

**staff**

|                          |              |
|--------------------------|--------------|
| Senior Project Director  | \$ 24,000    |
| Executive Director       | 21,000       |
| Senior Military Advisor  | 15,000       |
| Senior Political Advisor | 15,000       |
| Research Director        | 12,000       |
| Support Staff (2)        | 18,000       |
| Temps/Clerical           | 3,000        |
| FICA, etc.               | <u>8,500</u> |
| Total Staff              | \$116,500    |

**TOTAL, ADMINISTRATION/STAFF**

**\$133,000**

**II. PROGRAMATIC**

**Mail - Steering Committee**

|                                |               |
|--------------------------------|---------------|
| Drop #1 -- 200 pieces          | \$ 120        |
| Drop #2 -- 2500 pieces         | 1,500         |
| Drop #3 -- 20,000 pieces       | 11,000        |
| Updates, Action Grams, etc.    | 10,000        |
| Selected Phone Follow-up       | <u>14,400</u> |
| Total Mail, Steering Committee | \$ 37,020     |

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**Hearings (12 Regional)**

|                           |                  |
|---------------------------|------------------|
| Travel (5 people/hearing) | \$ 30,000        |
| Rooms                     | 7,500            |
| Publication, presentation | 30,000           |
| Miscellaneous             | <u>2,000</u>     |
| <b>Total Hearings</b>     | <b>\$ 69,500</b> |

**Survey/Research**

|                                |                  |
|--------------------------------|------------------|
| Focus Group                    | \$ 4,000         |
| Quantitative Study             | 21,000           |
| Printing/presentation material | <u>4,000</u>     |
| <b>Total Survey/Research</b>   | <b>\$ 29,000</b> |

**Press and Public Relations**

|                                         |                  |
|-----------------------------------------|------------------|
| Communications Director                 | \$ 18,000        |
| Satellite/News Feeds                    | 10,000           |
| Mail (Regional release, etc.)           | 3,000            |
| Travel, etc.                            | <u>3,000</u>     |
| <b>Total Press and Public Relations</b> | <b>\$ 34,000</b> |

|                                                 |                  |
|-------------------------------------------------|------------------|
| <b>Advertising -- Phase I</b><br>(see attached) | <b>\$203,133</b> |
|-------------------------------------------------|------------------|

|                            |  |
|----------------------------|--|
| <b>TOTAL, PROGRAMMATIC</b> |  |
|----------------------------|--|

|                  |
|------------------|
| <b>\$372,653</b> |
|------------------|

**III. UNBUDGETED ITEMS**

|                           |
|---------------------------|
| Direct Mail (fundraising) |
|---------------------------|

|                         |
|-------------------------|
| Advertising -- Phase II |
|-------------------------|

|                           |
|---------------------------|
| <b>TOTAL BUDGET, ASUM</b> |
|---------------------------|

|                  |
|------------------|
| <b>\$505,653</b> |
|------------------|

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## EDMONDS ASSOCIATES, INC.

## NEWSPAPER MEDIA COSTS

| State                 | Market         | Newspaper         | Cir.    | Full Page |
|-----------------------|----------------|-------------------|---------|-----------|
| VA                    | Norfolk        | VA Pilot          | 158,000 | \$ 9,450  |
|                       | Newport News   | Daily Press       | 102,000 | 5,700     |
|                       | Northern VA    | Washington Times  | 97,000  | 6,900     |
| TX                    | Wichita Falls  | Times Record News | 48,000  | 2,700     |
|                       | El Paso        | The Herald Post   | 91,000  | 7,700     |
|                       | Galveston      | Daily News        | Unrprtd | 3,225     |
|                       | Corpus Christi | The Caller Times  | 67,000  | 6,063     |
|                       | Temple         | The Telegram      | 24,500  | 2,032     |
| MS                    | Mobile         | Mississippi Press | 123,000 | 5,124     |
| FL                    | Jacksonville   | FL Times Union    | 193,000 | 14,448    |
|                       | Pensacola      | News Journal      | 58,000  | 8,127     |
| AZ                    | Sierra Vista   | Herald            | 10,100  | 1,193     |
| CO                    | Clrdo Springs  | Gazette Telegram  | 118,000 | 6,450     |
| NC                    | Fayetteville   | Observer Times    | 71,000  | 4,193     |
|                       | Wilmington     | Star News         | 51,000  | 4,257     |
|                       | Goldsboro      | News Argus        | 22,200  | 1,355     |
| SC                    | Charleston     | Post Courier      | 17,000  | 7,686     |
| Total for newspapers: |                |                   |         | \$96,603  |

900 Second Street, NE, Suite 110  
 Washington, DC 20002  
 TEL: (202) 371-0110  
 FAX: (202) 371-9597

Member, American Association  
 of Political Consultants



## CABLE TELEVISION MEDIA COSTS

| State            | Market         | HH      | Channels               | Spots | Cost     |
|------------------|----------------|---------|------------------------|-------|----------|
| VA               | Tidewater      | 271,000 | CNN/ESPN/HDLN          | 60x   | 7,500    |
|                  | Wash, DC/NOVA  | 297,000 | CNN/ESPN/HDLN/<br>CNBC | 80x   | 12,000   |
| TX               | Wichita Falls  | 26,000  | CNN/ESPN/HDLN          | 60x   | 1,500    |
|                  | El Paso        | 95,000  | CNN/ESPN/HDLN          | 60x   | 3,600    |
|                  | Galveston      | 115,000 | CNN/ESPN/HDLN          | 60x   | 3,660    |
|                  | Corpus Christi | 165,000 | CNN/ESPN/HDLN          | 60x   | 2,100    |
|                  | Temple         | 87,000  | CNN/ESPN/HDLN          | 60x   | 1,800    |
| MS               | Pascagoula     | 25,000  | CNN/ESPN               | 50x   | 850      |
| FL               | Jacksonville   | 190,000 | CNN/ESPN/HDLN/<br>CNDC | 80x   | 6,000    |
|                  | Pensacola      | 72,000  | CNN/ESPN/HDLN          | 60x   | 3,300    |
| AZ               | Sierra Vista   | 39,250  | CNBC/HDLN              | 50x   | 1,500    |
| NC               | Fayetteville   | 101,000 | CNN/ESPN/HDLN          | 60x   | 4,800    |
|                  | Wilmington     | 91,000  | CNN/ESPN/HDLN          | 60x   | 3,600    |
|                  | Goldsboro      | NA      |                        |       |          |
| SC               | Charleston     | 95,000  | CNN/ESPN               | 40x   | 4,720    |
| Total for cable: |                |         |                        |       | \$56,930 |

9403097  
Total for cable:

\$56,930



## RADIO MEDIA COSTS

| State            | Market          | No. of Stations | Spots | Cost     |
|------------------|-----------------|-----------------|-------|----------|
| VA               | Tidewater       | 3               | 28x/  | \$ 5,000 |
|                  | Wash, DC (NOVA) | 3               | 28x/  | 10,000   |
| TX               | Wichita Falls   | 3               | 28x/  | 1,500    |
|                  | El Paso         | 3               | 28x/  | 1,800    |
|                  | Galveston       | 3               | 28x/  | 12,000   |
|                  | Corpus Christi  | 3               | 28x/  | 1,500    |
|                  | Temple          | 3               | 28x/  | 1,000    |
| MS               | Pascagoula      | 3               | 28x/  | 1,200    |
| FL               | Jacksonville    | 3               | 28x/  | 2,600    |
|                  | Pensacola       | 3               | 28x/  | 2,200    |
| AZ               | Sierra Vista    | 3               | 28x/  | 3,500    |
| CO               | Clrdo Springs   | 3               | 28x/  | 1,800    |
| NC               | Fayetteville    | 3               | 28x/  | 1,100    |
|                  | Wilmington      | 3               | 28x/  | 1,500    |
|                  | Goldsboro       | 3               | 28x   | 700      |
| SC               | Charleston      | 3               | 28x   | 2,200    |
| Total for radio: |                 |                 |       | \$49,600 |

9403097360

# STAND UP AMERICA

★★ AMERICANS FOR A STRONG AND UNITED MILITARY ★★

## NATIONAL STEERING COMMITTEE (IN FORMATION)

### Americans for a Strong and United Military Co-Chairs

Lieutenant General Robert Schweitzer, USA (Ret)

Lieutenant General Herb Temple, USANG (Ret)

Major General Hugh Overholt, USA (Ret)

Major General John K. Singlaub, USA (Ret)

Rear Admiral James Carey, USNR

Rear Admiral Spencer Matthews, USN (Ret)

Rear Admiral Larry Chambers, USN (Ret)

Brigadier General Bill Weise, USMC (Ret)

Brigadier General James Herbert, USA (Ret)

Brigadier General William Shea, USA (Ret)

Brigadier General John C. Burney, USA (Ret)

Colonel (P) Albert C. Zapanta USAR

Colonel Will Ebel, USAR (Ret)

Lieutenant Colonel Daniel Dederick, USMC (Ret)

Major Robert Withers, USMC

Captain Curt Pederson, USMC

Captain Ronnie Wheeler, USMC

Captain Mark P. Voorhis, USAFR

SGT James Fennessy, USMC (Ret)

**Defense Readiness Council Advisory Board**

Admiral Thomas Moorer, USN (Ret)

General Robert Barrow, USMC (Ret)

General Charles Donnelly, Jr., USAF (Ret)

Admiral Jerome Johnson, USN (Ret)

Lieutenant General Edward Bronars, USMC (Ret)

Lieutenant General Charles Cooper, USMC (Ret)

Lieutenant General Clifford Rees, Jr., USAF (Ret)

Lieutenant General Robert Schweitzer, USA (Ret)

Brigadier General Hugh Aitken, USMC (Ret)

Rear Admiral Roberta Hazard, USN (Ret)

Brigadier General Michael McRaney USAF (Ret)

Brigadier General William Weise, USMC (Ret)

Master Chief Petty Officer of the Navy Duane Bushey, USN (Ret)

Master Chief Petty Officer of the Navy Chuck Jackson, USN (Ret)

Chief Master Sergeant of the Air Force Sam Parish, USAF (Ret)

Sergeant Major of the Marine Corps David Sommers, USMC, (Ret)

Sergeant Major of the Army Bill Gates, USA (Ret)

**\* Americans for a Strong and United Military is a member of the Defense Readiness Council**

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# STAND UP AMERICA

★★ AMERICANS FOR A STRONG AND UNITED MILITARY ★★

## ASUM BOOK DISTRIBUTION PROJECT

### SUMMARY

Americans for a Strong and United Military (ASUM) seeks to distribute 6,200 copies of Exclusion: Homosexuals and the Right to Serve directly to retired flag officers. The books and accompanying material would be used to provide these retired officers with a thorough briefing on the issue, and with region-specific information on how they can become effective local spokesmen against homosexuals in the military. The target mail date for these packages is May 15, 1993.

### THE BOOK

Exclusion: Homosexuals and the Right to Serve explains clearly and concisely why the ban on homosexuals was instituted -- and why it must remain. Written by Major Melissa Wells-Petry (USA), it examines the legal, constitutional and military arguments for excluding homosexuals from the Armed Services. Heavily footnoted, this book enables any local activist to make the most comprehensive case possible against the changes proposed by President Clinton.

Exclusion, published by Regnery Gateway, has a cover price of \$20.

### BUDGET

|                                    |                 |
|------------------------------------|-----------------|
| Books (\$7.50/ea.)                 | \$46,500        |
| Briefing material (printing, etc.) | 1,000           |
| Packaging                          | 1,000           |
| Postage                            | 15,407          |
| Labor, inserting, & misc.          | 1,000           |
| Total Budget, ASUM Book Project    | <u>\$64,907</u> |

### CONCLUSION

The distribution of Exclusion to retired officers could be a major factor in the battle against gays in the military by creating effective grass roots pressure in thousands of communities.

### AMERICANS FOR A STRONG AND UNITED MILITARY

Americans for a Strong and United Military (ASUM) is dedicated to using the power of America's 27 million veterans to lobby for legislation and action that will keep America's defense forces strong, united and prepared.

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BEFORE THE FEDERAL ELECTION COMMISSION

JAN 11 AM 10:43

In the Matter of

Stand Up America  
Roy Jones  
Reginald Hamman  
David Howell

)  
) MUR 3667  
)  
)  
)  
)

**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On March 23, 1993, the Commission found reason to believe that Roy Jones, Reginald Hamman, and David Howell, acting as Stand Up America ("SUA"), violated 2 U.S.C. §§ 433 and 434 for failure to register and report as a political committee. The finding was based on the allegation that respondents apparently made expenditures and/or solicited contributions totaling in excess of \$1,000 for the purpose of influencing federal elections without registering and reporting.<sup>1</sup>

II. RECOMMENDED ACTIONS IN LIGHT OF FEC v. NRA

Consistent with the Commission's November 9, 1993 decisions concerning compliance with the opinion in FEC v. NRA Political Victory Fund, 6 F.3d 821 (D.C. Cir. 1993), petition for cert. filed, 62 U.S.L.W. 3511 (U.S. Jan. 18, 1994) (No. 93-1151) ("NRA"), this Office recommends that the Commission revoke the determination to find reason to believe that Roy Jones, Reginald Hamman, and David Howell, acting as Stand Up America, violated 2 U.S.C. §§ 433 and 434. See Attachment B.

1. Counsel did not respond to the complaint on its merits. Instead, relying on 11 C.F.R. § 111.4(d)(2), counsel challenged the sufficiency of the complaint.

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### III. ANALYSIS

#### **Complaint**

The complainants alleged in this matter that the respondents "joined together for the purpose of financing and implementing various projects designed to disseminate derogatory and inaccurate information concerning the presidential candidacy of Governor Bill Clinton throughout Arkansas and other states." Complaint at 2. The complaint further alleged that the respondents, acting as Stand Up America, distributed communications advocating the defeat of Bill Clinton, and solicited contributions in excess of the \$1,000 reporting threshold. Complainants alleged that, based on these actions, Stand Up America constitutes a political committee that is not registered with the Commission, in violation of 2 U.S.C. §§ 433 and 434.

#### **Stand Up America**

In response to the Commission's findings, interrogatories, and document requests, respondents provided affidavits, Articles of Incorporation, by-laws, meeting minutes, and documents related to certain projects sponsored by Stand Up America. The Articles of Incorporation attest that SUA is a not-for-profit corporation, organized under Section 501(c)(4) of the Internal Revenue Code. SUA describes itself as a social welfare organization whose activities are outside the Commission's jurisdiction. The former president of SUA denies that the group solicited contributions for or distributed communications advocating the defeat of Bill Clinton or of any other federal candidate. Affidavit of Roy Jones, Attachment A at 4-8. Based on this assertion, SUA argues

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that its activities do not fall within the Act's jurisdiction.

SUA bylaws state that its programs "shall be for the purpose of stimulating citizen interest and participation in the affairs of . . . government." To achieve this purpose, SUA would, according to the bylaws, "prepare and distribute materials discussing the issues which government . . . will confront during the next decade and explaining how to register to vote . . . and urging citizens to register and vote." The bylaws authorize SUA to carry out its programs through all mediums of communication and in every region of the country. These programs would be designed not to favor one candidate or party in any election. Attachment A at 38-45. SUA's literature states that its "special focus . . . is on organizing politically active members of traditionally conservative communities." Attachment A at 88.

#### SUA Projects

According to SUA documents, the respondent launched two post-election projects concerning public policy issues, both focusing opposition on Bill Clinton and the new administration's proposals. SUA sponsors a program called the Americans for a Strong and United Military (ASUM). ASUM's initial project organized politically active veterans to support the ban on gays in the military. In a memorandum touting ASUM, SUA's co-founder and then-president, Robert Heckman, stated that this issue "is the 'make or break' issue for Bill Clinton. Our ASUM effort has a chance to break Bill Clinton . . ." Attachment A at 75. To fund its efforts, ASUM projected a 1993 six-month start-up budget of \$505,653. SUA provided copies of a fundraising letter and

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contributor card used in ASUM's mass mailing solicitation.

SUA also sponsors a program called the National Catholic Coalition ("NCC"). Budgeted at \$125,000, this project was to provide Catholics "an effective role in national public policy debates -- and a decisive say in the selection of candidates for public office." NCC's literature states that "[t]he election of Bill Clinton . . . poses a direct threat to traditional Catholic values." Attachment A at 77. In connection with this program, SUA apparently conducted a National Survey of Catholic Attitudes with an additional budget of \$75,750. Planned NCC "action items" include recruiting and training local Catholic activists in shaping future public policy, hosting a national meeting of concerned Catholic leaders, and producing a bimonthly newsletter of current issues and views of elected officials. NCC literature indicates significant fundraising efforts, describing various "levels of support" from \$25 memberships to \$25,000 "Founding Members."

SUA also provided flyers promoting "Operation Vote," described as an effort to "register 2,000,000 or more eligible voters nationwide to vote in the coming national election in November." Attachment A at 72.

Our review of SUA's response and its supporting documents indicates that the candidate references noted above appear in program literature that opposes issues raised by a new administration. However, the content of the SUA program literature does not appear to go beyond issue discussion to express electoral advocacy as described in FEC v. Furgatch, 807

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F.2d 857, 864 (9th Cir.), cert. denied, 108 S.Ct. 151 (1987). In that case, the United States Court of Appeals for the Ninth Circuit determined that for speech to be express advocacy under the Act "it must, when read as a whole, and with limited reference to external events, be susceptible of no other reasonable interpretation but as an exhortation to vote for or against a specific candidate." Id. Under this test, speech is express "if its message is unmistakable and unambiguous, suggestive of only one plausible meaning," and constitutes advocacy only if "it presents a clear plea for action," and it is clear what that action is. Id. The SUA material makes no such plea for electoral action. Its post-election rhetoric promotes the issues SUA advocates, specifically the ban on gays in the military and traditional Catholic values. As such, it falls into the category of issue advocacy rather than election advocacy, and SUA's expenditures for these issue advocacy programs do not appear to require reporting as independent expenditures under the Act.

With regard to the allegation that SUA has failed to register as a political committee in violation of 2 U.S.C. §§ 433 and 434, some of SUA's materials allude to SUA taking a "decisive" role in future candidate selection. However, there is no evidence at this time that SUA has, in fact, taken any such action, or that SUA received contributions or made expenditures in excess of \$1,000 to influence a federal election. 2 U.S.C. §§ 431(4), 431(8)(A), and 431(9)(A).

#### Individual Respondents

Of the three individuals named in the complaint, only Roy

Jones is named in SUA documents and project information. Roy Jones' affidavit, SUA Articles of Incorporation and meeting minutes identify Mr. Jones as an uncompensated volunteer, a trustee, and SUA's first president. Attachment A at 5, 32, and 36. Responding to interrogatories, all three individual respondents disavowed any involvement by Reginald Hamman and David Howell in the formation and operation of SUA. Although they both know Roy Jones and all three are represented by the same counsel, it appears that respondents Hamman and Howell had no official connection with SUA.

However, according to their affidavits, Mr. Hamman and Mr. Howell each engaged in independent advocacy efforts during the 1992 presidential campaign: Hamman paid \$300 of the \$800 cost to develop and distribute a "fact sheet" about Governor Clinton's record in Arkansas that portrays a negative Clinton bias;<sup>2</sup> Howell paid \$670 for a video urging voters to support George Bush. Attachment A at 11 and 16.

2 U.S.C. § 434(c) requires that every person who makes independent expenditures in excess of \$250 during a calendar year shall file a statement indicating the candidates supported or opposed, certifying the independent nature of the expenditure, and identifying contributors. The Federal Election Campaign Act of 1971, as amended ("the Act") defines an "independent expenditure"

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2. Respondent Hamman stated that the \$500 balance was not solicited, but came from individuals who received the document. Respondents SUA, Howell and Jones apparently had no role in the production, distribution or funding of the document. Attachment A at 16.

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as "an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate. . . ." 2 U.S.C. § 431(17).

Although Mr. Howell conceded that his video urged viewers to vote for Bush, he asserted that it was not used as a television advertisement or shown publicly, nor was it made in connection with SUA. However, by asking voters to support George Bush, Mr. Howell's video clearly constitutes a communication expressly advocating the election of a clearly identified candidate. 2 U.S.C. § 434(c), 2 U.S.C. § 431(17). Thus, the payments for the video should have been reported as independent expenditures pursuant to 2 U.S.C. § 434(c).

Mr. Hamman's "fact sheet" also appears to qualify as an independent expenditure subject to the reporting requirements of Section 434(c). After stating that a significant number of Arkansas voters repeatedly rejected Bill Clinton's gubernatorial bids, the document shows why voters should continue to reject Clinton in the ongoing presidential campaign. The 12-page "Arkansas Facts and Figures 1979-1992" purports "to balance the few existing Arkansas success stories highlighted by the Clinton campaign by publishing this comprehensive list of new and ongoing failures." Attachment A at 19. The document lists information regarding Arkansas during the Clinton governorship in such areas as economic development, education, welfare, and health care. Quoting the Clinton presidential campaign and statistical sources dated as late as September 1992, the paper was clearly prepared for use during the 1992 general election. The document concludes

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that "Arkansas, the recipient of 12 years of Bill Clinton's administration sadly lags behind the nation in virtually every developmental indicator at issue in this presidential election." Attachment A at 30. The clear meaning here is to influence voters to join with Arkansans who opposed Clinton for governor and to reject his current bid for the Presidency. Accordingly, it appears that respondent Hamman made independent expenditures that should have been reported under 2 U.S.C. § 434(c).

For the foregoing reasons, this Office recommends that the Commission find reason to believe that Reginald Hamman and David Howell violated 2 U.S.C. § 434(c). However, based on the amounts involved, we recommend that the Commission take no further action with regard to the Section 434(c) violations. Moreover, given the information and documentation produced during discovery, this Office recommends that the Commission take no further action against SUA and Roy Jones regarding Sections 433 and 434, and close the file.

IV. RECOMMENDATIONS

1. Find reason to believe that Roy Jones, Reginald Hamman, and David Howell, acting as Stand Up America, violated 2 U.S.C. §§ 433 and 434.
2. Find reason to believe that Reginald Hamman and David Howell violated 2 U.S.C. § 434(c).
3. Take no further action against the following respondents:
  - a) Stand Up America;
  - b) Roy Jones;
  - c) Reginald Hamman;
  - d) David Howell.
4. Close the file.

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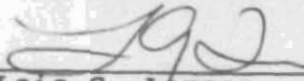
5. Approve the appropriate letter.

Lawrence M. Noble  
General Counsel

Date

4/8/94

BY:

  
Lois G. Lerner  
Associate General Counsel

Attachment

A. Responses to reason to believe finding

Staff assigned: Frances B. Hagan

94030973618



FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE J. ROSS   
COMMISSION SECRETARY

DATE: APRIL 14, 1994

SUBJECT: MUR 3667 - GENERAL COUNSEL'S REPORT  
DATED APRIL 8, 1994.

The above-captioned document was circulated to the  
Commission on Monday, April 11, 1994 at 4:00 p.m.

Objection(s) have been received from the  
Commissioner(s) as indicated by the name(s) checked below:

|                       |                   |
|-----------------------|-------------------|
| Commissioner Aikens   | <u>XXX</u>        |
| Commissioner Elliott  | <u>XXX</u>        |
| Commissioner McDonald | <u>          </u> |
| Commissioner McGarry  | <u>          </u> |
| Commissioner Potter   | <u>XXX</u>        |
| Commissioner Thomas   | <u>XXX</u>        |

This matter will be placed on the meeting agenda  
for Tuesday, April 19, 1994

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

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 3667  
Stand Up America; )  
Roy Jones; )  
Reginald Hamman; )  
David Howell. )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on April 19, 1994, do hereby certify that the Commission took the following actions in MUR 3667:

1. Decided by a vote of 4-2 to find reason to believe that Roy Jones, Reginald Hamman, and David Howell, acting as Stand Up America, violated 2 U.S.C. §§ 433 and 434.

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

2. Decided by a vote of 6-0 to find reason to believe that Reginald Hamman and David Howell violated 2 U.S.C. § 434(c).

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

(continued)

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3. Decided by a vote of 6-0 to take no further action against the following respondents: Stand Up America; Roy Jones; Reginald Hamman; and David Howell.

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

4. Decided by a vote of 6-0 to close the file.

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

5. Decided by a vote of 6-0 to approve the appropriate letter, as recommended in the General Counsel's report dated April 8, 1994, subject to the provision that certain warning language will be included in the letter as agreed during the Commission discussion.

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

Attest:

4-20-94  
Date

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

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 28, 1994

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Democratic National Committee  
Attn: Mr. Joseph Sandler, General Counsel  
430 South Capitol Street  
Washington, D.C. 20003

RE: MUR 3667

Dear Mr. Sandler:

This is in reference to a complaint filed with the Federal Election Commission on October 21, 1992, by Carol Darr, on behalf of the Democratic National Committee, concerning David Howell, Reginald Hamman, Roger Jones and Stand Up America.

Based on that complaint, the Commission found that there was reason to believe Roy Jones, Reginald Hamman, and David Howell, acting as Stand Up America, violated 2 U.S.C. §§ 433 and 434, provisions of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation of this matter. Subsequently, the Commission also found reason to believe that Reginald Hamman and David Howell violated 2 U.S.C. § 434(c). However, after considering the circumstances of this matter, the Commission determined to take no further action against Roy Jones, Reginald Hamman, David Howell and Stand Up America, and closed the file on April 19, 1994. 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).

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

*Frances B. Hagan*

Frances B. Hagan  
Paralegal Specialist

Enclosure  
General Counsel's Report  
Certification

94030973622



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 28, 1994

E. Mark Braden, Esquire  
Baker & Hostetler  
Washington Square, Suite 1100  
1050 Connecticut Avenue, N.W.  
Washington, D.C. 20036-5304

RE: MUR 3667  
Stand Up America  
Reginald Hamman  
David Howell  
Roy Jones

Dear Mr. Braden:

On April 1, 1993, your clients Stand Up America, Reginald Hamman, David Howell and Roy Jones, were notified that the Federal Election Commission found reason to believe that they violated 2 U.S.C. §§ 433 and 434. On May 5, 1993, you submitted a response to the Commission's reason to believe findings.

As you may be aware, on October 22, 1993, the D.C. Circuit declared the Commission unconstitutional on separation of powers grounds due to the presence of the Clerk of the House of Representatives and the Secretary of the Senate or their designees as members of the Commission. FEC v. NRA Political Victory Fund, 6 F.3d 821 (D.C. Cir. 1993), petition for cert. filed, 62 U.S.L.W. 3511 (U.S. Jan. 18, 1994) (No. 93-1151). Since the decision was handed down, the Commission has taken several actions to comply with the court's decision. While the Commission petitions the Supreme Court for a writ of certiorari, the Commission, consistent with that opinion, has remedied any possible constitutional defect identified by the Court of Appeals by reconstituting itself as a six member body without the Clerk of the House and the Secretary of the Senate or their designees. In addition, the Commission has adopted specific procedures for revoting or ratifying decisions pertaining to open enforcement matters.

In this matter, on April 19, 1994, the Commission revoted to find reason to believe that Roy Jones, Reginald Hamman, and David Howell, acting as Stand Up America, violated 2 U.S.C. §§ 433 and 434. In addition, the Commission found reason to believe that Reginald Hamman and David Howell violated 2 U.S.C. § 434(c). However, at the same time, after considering the circumstances of this matter, the Commission determined to take no further action against Roy Jones, Reginald Hamman, and David Howell, and Stand Up America in this matter and closed the file. Enclosed is a copy of the General Counsel's Report that formed the basis of the

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E. Mark Braden, Esquire  
Page 2

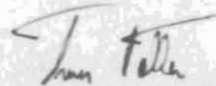
Commission's decision.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

The Commission reminds your clients that if they receive contributions or make expenditures in excess of \$1,000 during a calendar year for the purpose of influencing a federal election, they must register and report as a political committee pursuant to 2 U.S.C. §§ 433 and 434. In addition, independent expenditures aggregating in excess of \$250 during a calendar year must be reported pursuant to 2 U.S.C. § 434(c).

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

For the Commission,



Trevor Potter  
Chairman

Enclosure  
General Counsel's Report

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3667

DATE FILMED 5-11-94 CAMERA NO. 2

CAMERAMAN JMH

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