



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3946

DATE FILMED 4-27-95 CAMERA NO. 4

CAMERAMAN S.L.G.

95043634937

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RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

IN THE FEDERAL ELECTION COMMISSION
UNITED STATE OF AMERICA

MAR 14 9 23 AM '94

RANDALL GRADY,

Complainant,

v.

FRIENDS OF MARSHA MURPHY,

Respondent.

MUR 3946

94 MAR 14 PM 4:40

RECEIVED
FEDERAL ELECTION COMMISSION

COMPLAINT

COMES NOW Complainant and for Count I of his complaint states as follows:

1. Marsha Murphy is a candidate for the State of Missouri's United States Senate seat.

2. Friends of Marsha Murphy is the authorized principal campaign committee, F.E.C. Identification Number C00283838, of Marsha Murphy.

3. Friends of Marsha Murphy filed their 1993 year end report on January 31, 1994.

4. The year end report shows that the Friends of Marsha Murphy did not report an expenditure for a poll which was conducted for Marsha Murphy.

5. As set out in Exhibit A, the Friends of Marsha Murphy admit that the Murphy For County Executive Committee, a Missouri political committee, paid for the poll.

6. 11 C.F.R. 100.8(b)(1)(i) requires that the if an individual becomes a candidate all expenditures made for the purpose of determining whether an individual will become a candidate must be reported on the candidate's first report.

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7. Friends of Marsha Murphy will not be allowed to accept transfers from Marsha Murphy For County Executive unless, pursuant to 11 C.F.R. 110.3(c)(4), they can show that the transfer was made from contributions which would not have been a violation of the Act and they can prove that the transfer was made before July 1, 1993.

9. Effective July 1, 1993, transfers of funds or assets from a nonfederal campaign to a principal campaign committee or other authorized committee are prohibited pursuant to 11 C.F.R. 110.3(d).

8. Complainant's statements 1-7 are based on his personal knowledge.

WHEREFORE Complainant prays that the Federal Commission investigate this matter and take any and all actions they deem necessary.

Count II

COMES NOW Complainant and for Count II of his complaint states as follows:

1. Complainant realleges and restates the allegations in paragraphs 1-7 of Count I.

2. Marsha Murphy has traveled the state of Missouri to campaign for United States Senate.

3. Marsha Murphy has been on trips in 1993 to St. Louis, Missouri, and other locations throughout the State of Missouri for the sole purpose of campaigning for United States Senate.

4. Friends of Marsha Murphy has not reported any travel expenditures for 1993.

5. Travel expenditures for a candidate are required to be listed as expenditures even if the expenditure is made from the candidates personal funds, see 11 C.F.R. 106.3 (b)(1). Travel expenses for trips that involve both campaign related and noncampaign related stops must be allocated and reported as an expenditure. 11 C.F.R. 106.3 (b)(2).

6. Friends of Marsha Murphy and Marsha Murphy have failed to report these expenditures.

7. Complainants statements 1-6 above are based on his personal knowledge.

WHEREFORE Complainant prays that the Federal Commission investigate this matter and take any and all actions they deem necessary.

Count III

COMES NOW Complainant and for Count III of his complaint states as follows:

1. Complainant realleges and restates the allegations in Count I and Count II.

2. Friends of Marsha Murphy announced the campaign of Marsha Murphy on the letterhead of the Jackson County Executive as set out in Exhibit B.

3. Said announcement encourages donations to Friends of Marsha Murphy.

4. The only address or phone number listed on the announcement is the phone number and address of the Jackson County Executive.

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5. Friends of Marsha Murphy fails to list an expenditure or donation of in kind services from the office of the Jackson County Executive for either phone answering or office mail services.

6. 11 C.F.R. 100.8 defines payment as anything of value made by a person for the purpose of influencing an election.

7. Jackson County, Missouri pays money to maintain a phone in the office of the County Executive and to maintain and staff the office of the County Executive.

8. Since the phone of County Executive was used for campaign purposes and the office of the County Executive was used to receive campaign contributions, Friends of Marsha Murphy should have reported these services as contributions on their report for 1993 or made reimbursement to Jackson County.

9. Complainants statements 1-8 above are based on his personal knowledge.

WHEREFORE Complainant prays that the Federal Commission investigate this matter and take any and all actions they deem necessary.

Randall D. Grady

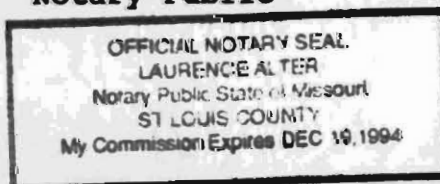
Randall D. Grady
101 South Hanley, Suite 1225
St. Louis, Missouri 63105

Subscribed, sworn to and signed before me this 8th day of March, 1994.

Laurence Alter

Notary Public

My Commission Expires:



Friends of Marsna Murphy
January 31 Year End Report
FEC I.D. # C00283838

Attachment to Detailed Summary Page of
Receipts and Disbursements - Line 11 (d)

On May 28, 1993, the Murphy for
County Executive Committee, a Missouri
political committee, contracted with
Hickman Brown to conduct a "testing
the waters" poll for \$24,000. This poll
was paid for by the Murphy for County
Executive Committee and disclosed on
its 1993 Annual Report which was filed
with the Missouri Ethics Commission.
We have been unable to determine
where this item should be reported on
this form.

95043634912



EXHIBIT B

Marsha Murphy
JACKSON COUNTY EXECUTIVE

010/001-3333

JACKSON COUNTY COURTHOUSE
415 EAST 12TH STREET
KANSAS CITY, MISSOURI 64108

September 8, 1993

Today I announced my decision to run for the U.S. Senate seat being vacated by Jack Danforth. You have been a friend and a supporter during my tenure in public office and I want to share with you my reasons for this decision.

In the almost three years that I have been Jackson County Executive, we have had real success in reforming county government. With your encouragement, the following goals have been achieved. We have:

- eliminated tax waste by cutting nearly \$500,000 from the Administration's annual operating budget.
- established a department of economic development to focus on creating and retaining jobs in Jackson County.
- eliminated the practice of patronage hiring in county government.
- instituted performance audits in county departments, thereby reducing force where necessary and eliminating duplication.
- successfully pushed through ethics legislation requiring stringent financial disclosure for public officials.
- successfully sponsored legislation to establish a commission to monitor conflicts of interest by elected officials.
- instituted a long-range, strategic plan for Jackson County that has produced coordination of service providers and a recommended plan for growth management.

Harry S. Truman, Presiding Judge, 1927-1934

Printed by Friends of Marsha Murphy, Mark H. Gagus, Treasurer

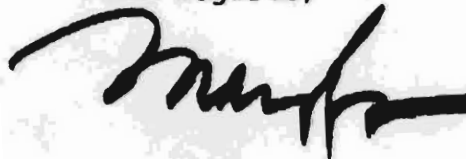
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I believe that an honest and hard-working public official with a desire to make government responsive to its citizens can produce meaningful change. I hope you agree and will support my Senate candidacy. Together we can make a difference in Washington, just as we've made a difference in Jackson County.

As I begin this race for the Senate, I know there are many obstacles ahead. One of the most significant challenges will be raising the money that it takes to run a successful statewide campaign. We estimate that it will cost \$4 million. In politics, the initial funds raised among one's home supporters establishes political credibility and produces additional financial support from people outside the home base. Therefore, I am asking you to give an early, significant contribution. Please consider contributing now what you might give cumulatively over the course of the primary campaign.

Together we can produce Senate leadership for Missouri that is in touch with the concerns of working families, that works only for the public interest, and that isn't wasting taxpayer dollars. Together we can make a difference.

Warm regards,



Marsha Murphy

P.S. Contributions or gifts to the Friends of Marsha Murphy are not tax deductible. Individual primary election contributions are limited to \$1,000. Please make checks payable to "Friends of Marsha Murphy." Also, federal law prohibits acceptance of contributions from the general treasury of a corporation or union.

95043634914



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MARCH 18, 1994

Randall D. Grady
101 South Hanley, Suite 1225
St. Louis, MO 63105

RE: MUR 3946

Dear Mr. Grady:

This letter acknowledges receipt on March 14, 1994, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 3946. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosure
Procedures

95043634915



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MARCH 18, 1994

Mark H. Gilgus, Treasurer
Friends of Marsha Murphy
P.O. Box 15521
Kansas City, MO 64146

RE: MUR 3946

Dear Mr. Gilgus:

The Federal Election Commission received a complaint which indicates that Friends of Marsha Murphy ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3946. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, 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.

95043634916

Mark H. Gilgus, Treasurer
Friends of Marsha Murphy
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

95043634917



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MARCH 18, 1994

**Treasurer
Murphy for County Executive Committee
c/o Friends of Marsha Murphy
P.O. Box 15521
Kansas City, MO 64146**

RE: MUR 3946

Dear Sir or Madam:

The Federal Election Commission received a complaint which indicates that the Murphy for County Executive Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3946. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, 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.

95043634918

Treasurer
Murphy for County Executive Committee
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

95043634919



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MARCH 18, 1994

Marsha Murphy
c/o Friends of Marsha Murphy
P.O. Box 15521
Kansas City, MO 64146

RE: MUR 3946

Dear Ms. Murphy:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3946. 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.

95043634950

Marsha Murphy
Page 2

If you have any questions, please contact Joan McNery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MARCH 18, 1994

Marsha Murphy, County Executive
Jackson County
Jackson County Courthouse
415 East 12th Street
Kansas City, MO 64106

RE: MUR 3946

Dear Ms. Murphy:

The Federal Election Commission received a complaint which indicates that Jackson County and you, as County Executive, 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 3946. 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 Jackson County and you, as County Executive, 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.

95043634952

Marsha Murphy, County Executive
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

95043634953

STATEMENT OF DESIGNATION OF COUNSEL

HUR 3946

NAME OF COUNSEL:

Steven Jehu

ADDRESS:

204 W. LinwoodKansas City, Missouri64111TELEPHONE: (816) 561-3755

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

3/29/94
DateMarsha Murphy
Signature

RESPONDENT'S NAME:

Friends of Marsha Murphy

ADDRESS:

P.O. Box 15521Kansas City, Mo. 64146

TELEPHONE: HOME()

BUSINESS(816) 842-2070

95043634954

STEVEN A. FEHR
ATTORNEY AT LAW
204 West Linwood Blvd.
Kansas City, Missouri 64111
Tel: (816) 561-3755
Fax: (816) 561-9355

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RECEIVED
FEDERAL ELECTION
COMMISSION
ADMINISTRATIVE DIVISION
Apr 19 11 27 AM '94

March 30, 1994

By Fax To: (202) 219-3923
Original By Mail

Joan McEnery, Esq.
Federal Election Commission
Washington, D.C. 20463

Re: MUR3946

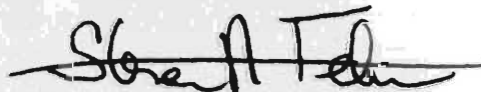
Dear Ms. McEnery:

I trust that by now you have received the designation of counsel which was faxed to you yesterday. I also am aware that you have talked by telephone with the campaign Treasurer, Mark Gilgus, and he has told you that we will be seeking an extension of time to respond.

I was out of town on business last week when your mailing was received, and was not able to meet with the individuals from the campaign to discuss this matter until yesterday. I will also be forced to be out of town on business most of the rest of this week and next week. Accordingly, in order to review this matter and to assemble the documents necessary to give you an appropriate response, I would respectfully request that Friends of Marsha Murphy be given until April 28 in which to file its response with your office.

Please let me know if there is any problem with this.

Very truly yours,



Steven A. Fehr

SAF:sr

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OFFICE OF GENERAL
COUNSEL
Apr 19 2 43 PM '94

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COMMISSION
JOLLEY, WALSH & JOLLEY, P.C.
ATTORNEYS

WILLIAM A. JOLLEY
JAMES G. WALSH, JR.
JOHN J. HAGER
JOHN P. HURLEY
SCOTT A. RAISHER
JANAE L. SCHAEFFER
WALTER R. ROHER

204 WEST LINCOLN BLVD
KANSAS CITY, MISSOURI 64111
TEL: (816) 561-3755
FAX: (816) 561-9355
APR 18 12 08 PM '94

FREDERIC O. WICKHAM
DALE L. INGRAM
DEBRA L. SNOKE
KATHLEEN A. McNAMARA
DONALD R. AUBRY
BRIAN P. WOOD
HOWARD L. SHROUT
JULIANNE H. CARTER

OF COUNSEL
STEVEN A. FEHR

April 14, 1994

By Fax To: (202) 219-3923
Original By Mail

Joan McEnery, Esq.
Federal Election Commission
Washington, D.C. 20463

Re: MUR3946

Dear Ms. McEnery:

Pursuant to the message you left at my office earlier today, with this letter I send you copies of my March 30 letter and the designation of counsel. Both were previously faxed and mailed to your office.

I spoke with you by telephone on April 4. At that time you told me that I could assume that the extension I requested would be approved unless I heard back from you later that day (which I did not).

Please telephone me if you have any questions. I anticipate being able to respond by April 28 and do not intend to seek any further extensions.

Very truly yours,



Steven A. Fehr

SAF:sr
Enclosures

95043634956



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

APRIL 21, 1994

Steven A. Fehr, Esq.
204 West Linwood Blvd.
Kansas City, MO 64111

RE: MUR 3946
Friends of Marsha Murphy

Dear Mr. Fehr:

This is to confirm that the Office of the General Counsel has granted the requested extension until April 28, 1994 to respond to the complaint filed in the above-noted matter. Accordingly, your response is due by the close of business on April 28, 1994.

If you have any questions, please contact Joan McEnery at (202) 219-3690.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

95043634957

STEVEN A. FEHR
ATTORNEY AT LAW
204 West Linwood Blvd.
Kansas City, Missouri 64111
Tel: (816) 561-3755
Fax: (816) 561-9355

OWC 1133

RECEIVED
FEDERAL ELECTION
COMMISSION
ADMINISTRATIVE DIVISION

APR 29 8 49 AM '94

April 25, 1994

By Fax To: (202) 219-3923
Original By Mail

Joan McEnery, Esq.
Federal Election Commission
Washington, D.C. 20463

Re: MUR3946

Dear Ms. McEnery:

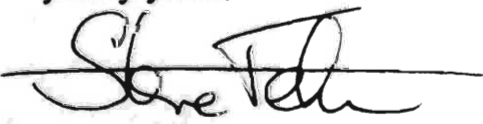
Pursuant to our telephone conversation of earlier today, I respectfully request an additional week in which to respond to this matter. The current due date is April 28, 1994, and I request that we be allowed until May 5, 1994.

The campaign received your correspondence on March 24, 1994. The original extension was requested because I have been out of the office traveling a good deal recently. I have begun work on the response, but I have been unable to locate some documents which will help me to be able to respond more completely. Accordingly, I think it is in everyone's interest that we be given the extra week in which to respond.

We should not have a need to ask for any further extensions.

As you indicated, unless I hear from you to the contrary, I will assume that this request has been approved.

Very truly yours,


Steven A. Fehr

SAF:sr

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COMMISSION
OFFICE OF GENERAL
COUNSEL
APR 29 9 08 AM '94

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STEVEN A. FEHR
ATTORNEY AT LAW
204 West Linwood Blvd.
Kansas City, Missouri 64111
Tel: (816) 581-3755
Fax: (816) 581-9355

06C 1197
RECEIVED
FEDERAL ELECTION
COMMISSION
ADMINISTRATIVE DIVISION
MAY 4 3 35 PM '94

May 3, 1994

By Federal Express

Joan McEnery, Esq.
Federal Election Commission
Office of the General Counsel
Washington, D.C. 20463

Re: MUR3946: *Grady v. Friends of Marsha Murphy*

Dear Ms. McEnery:

As you know, I have been designated as counsel for the Respondent, Friends of Marsha Murphy, in this matter. This letter will serve as the campaign's response, along with the enclosed attachments.

COUNT I

Paragraphs 1, 2, and 3 of Count I are correct. Ms. Murphy is a candidate for the Senate; the F.E.C. ID number is accurately stated; and a 1993 year-end Report was filed on or about January 31, 1994. However, paragraph 4 is not correct. As Exhibit A to the Complaint itself shows, a page attached to that year-end Report states:

Attachment to Detailed Summary Page of Receipts and Disbursements - Line 11(d)

On May 28, 1993, the Murphy for County Executive Committee, a Missouri political committee, contracted with Hickman Brown to conduct a "testing the waters" poll for \$24,000. This poll was paid for by the Murphy for County

FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
MAY 4 3 03 PM '94

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Joan McEnery, Esq.
May 3, 1994
Page Two

Executive Committee and disclosed on its 1993 Annual Report which was filed with the Missouri Ethics Commission. We have been unable to determine where this item should be reported on this form.

Thus, the poll was reported, and in fact it was reported in a manner which highlighted it for the Complainant (and the F.E.C.) to see. While it is true that the attachment expresses the respondent's uncertainty as to exactly where and how this item should be reported on the form, and in essence asks the F.E.C. for assistance, it is obviously incorrect to even suggest that the poll was not reported.

It is true, as set out in paragraph 5 of the Complaint, that the County Executive Committee paid for the poll. Moreover, the County Executive Committee contracted for the poll in May of 1993; the poll was invoiced to the County Executive Committee in June; and the check which paid for the poll is dated July 8, 1993. (See Attachment A).

As for paragraph 6, in which the Complaint states that testing the waters expenditures should be reported, as already noted, this expenditure was reported.

After studying the facts presented, it is my opinion that the act of the nonfederal candidate committee in contracting for the poll should be characterized as an in-kind contribution from that committee and as a testing the waters expense for the Senate campaign.

In paragraph 7 of Count I, the Complaint cites Section 11 C.F.R. 110.3(c)(4). However, that section is inapplicable because this situation does not involve a transfer of funds. In addition, based upon discussions I have had with individuals connected with both the federal and nonfederal committees, even if one were to analyze the funds which were used by the nonfederal committee to pay for the poll, the requirements of 11 C.F.R. 110.3(c)(4) would be met.

In response to paragraph 9 of Count I (which follows paragraph 7 in the Complaint), we note that 11 C.F.R. 110.3(d) is inapplicable because this situation does not involve a transfer of funds or assets. Moreover, as already stated, the nonfederal committee had contracted for the poll well before July 1, 1993.

Joan McEnery, Esq.
May 3, 1994
Page Three

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Finally, since the Complaint references Section 110.3(d), which first went into effect on July 1, 1993, the Commission should understand the context in which the relevant events occurred. In April of 1993, when Candidate Murphy was first contemplating exploring a Senate campaign, a volunteer for the County Committee telephoned the F.E.C. seeking assistance. Shortly thereafter she received through the mail a copy of the F.E.C. Regulations and the F.E.C. Campaign Guide, but not the April 1993 Campaign Guide or the January 1, 1993 Regulations which first referenced the coming of Section 110.3(d). (I believe that the version of the Campaign Guide which was sent was the July 1988 version, since as far as I am aware there were no versions issued between 1988 and 1993; and I assume the version of the Regulations was a 1992 version). Under those documents, transfers between the nonfederal and federal campaign committees are clearly permissible, and there is no reason to believe that a candidate's nonfederal committee is unable to pay for federal testing the waters expenses. It is only when another volunteer called the F.E.C. on July 21, 1993, asking other questions, that anyone connected with these events first learned of the new Regulations and F.E.C. Campaign Guide, which were sent shortly thereafter; and at some later point in time someone connected with the campaign first read about Section 110.3(d).

Once again, the facts here are not covered by Section 110.3(d). But in any event, no one from the campaign was aware of the pending change in the law when these actions were taken. Nor, in my opinion, could those individuals reasonably be expected to have been aware of the change that went into effect on July 1, 1993 (since they were relying in good faith upon documents received from the F.E.C.).

COUNT II

In paragraphs 1-7 of Count II the Complaint alleges that travel expenses by the candidate have not been reported. In fact, the candidate was reimbursed for travel expenses incurred in the sum of \$2,034.67 on January 10, 1994. This is, in fact, properly shown in the Report which the Respondent filed covering the first quarter of 1994.

Joan McEnery
May 3, 1994
Page Four

After studying the expenses which led to this reimbursement of the candidate on January 6, it appears that \$1,187.66 of this amount need not have been reported on the year-end 1993 Report because those items were reimbursed within 60 days of the closing date on the credit card billing statement on which those charges were placed. *See 11 C.F.R. Section 116.5(b).*

However, it appears that the remaining expenses, which total \$851.95, should have been noted on the 1993 year-end Report. This amount consists of \$775.00 of charges for travel expenses which were placed on credit cards and not reimbursed within 60 days; and also \$76.95 of cash expenses which were not reimbursed within 30 days. To correct this oversight, the following changes in the Reports filed need to be made:

1. In the year-end 1993 Report, the \$851.95 should be itemized as a contribution from the candidate on Schedule A for line 11(a);
2. The year-end 1993 Report should also be amended to show the amount of \$851.95 as a debt on Schedule D; and
3. The first quarter 1994 Report should be amended to show that \$851.95 (of the total of \$2,034.67 paid to the candidate) should be shown as an operating expenditure on Schedule B for line 17 with a cross-reference to the corresponding memo entries on Schedule A of the year-end 1993 Report.
(*See 11 C.F.R. Sections 116.5 and 104.11 and page 28 of the April 1993 F.E.C. Campaign Guide*).

I have discussed the necessary changes with the campaign Treasurer, and the Respondent will in short order file amended Reports making these changes.

COUNT III

Count III of the Complaint vaguely alleges that some violation may have occurred in connection with a letter which was sent by the candidate announcing her candidacy and seeking donations. Paragraphs 1-4 of Count III are accurate, although very incomplete.

Joan McEnery, Esq.
May 3, 1994
Page Five

The envelope in which this mailing was sent had the words "Paid For By Friends Of Marsha Murphy, Mark H. Gilgus, Treasurer" printed on the lower left. The same disclaimer was printed on the body of the letter itself, and also on the enclosed return envelope. That return envelope was not addressed to the candidate's County office but instead to the campaign at the Post Office box which was being used as the campaign's official mailing address. (See *Attachment B*).

In addition, the Jackson County Legislative Auditor conducted a study into this matter, specifically focusing upon the question of whether any Jackson County resources were used in connection with this mailing. The finding from the Auditor's report is that the paper, postage, and printing for this mailing were paid for by the campaign and not by the County. The Auditor concludes as follows:

CONCLUSIONS DRAWN FROM PROCEDURES

Form [sic] the evidence we accumulated and analyzed it would appear that no direct County resources were used in the composition or distribution of the campaign solicitation mailed by the County Executive. The listing on the letterhead used had displayed a County phone number, although no solicitation for phone calls was referenced in the body of the letter. At the residence of the Administrative Assistant were the returned mailing. At the date of our inspection there appeared to be approximately ten such pieces returned. As to mail returning contributions, the presence of the return envelope would appear to obviate the use of the County's mail facilities in the return of contributions. (See *Attachment C and its seven exhibits*).

Moreover, the office of Jackson County Counselor also issued an opinion letter in regard to whether any State laws were violated through this mailing and concluded that none were. (See *Attachment D*).

Further, a complaint was filed with the Missouri Ethics Commission in regard to this matter. After reviewing the matter, on October 28, 1993, the Missouri Commission voted to take no action and to close the complaint. (See *Attachment E*).

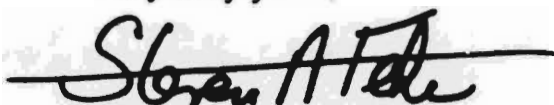
Joan McEnery, Esq.
May 3, 1994
Page Six

Paragraphs 6-9 of Count III allege that the Respondent should have reported as a contribution the use of the phones in the County Executive offices. However, upon my review of the facts, including the extensive findings of other bodies already discussed, there is no reason to believe that any such "contribution" was made or should have been reported. I spoke with individuals who worked in the County Executive office at that time, including the woman who served as the primary receptionist. She told me that she could not recall taking a single telephone call which was from someone who had received the letter and was a direct result of the solicitation contained in that letter. She did add that she recalled two telephone calls at a later point in time in which someone asked a question about the Senate campaign, at which time the receptionist immediately provided the campaign telephone number and then hung up the phone. To attempt to categorize such acts as "contributions" would seem to be the height of silliness.

CONCLUSION

For all of the reasons stated above, we respectfully submit that the Commission should take no action in regard to the complaint.

Very truly yours,



Steven A. Fehr

SAF:sr

95043634964

GRADY v. FRIENDS OF MARSHA MURPHY
MUR3946

List of Attachments to Steven Fehr's Letter of May 3, 1994

- 9 5 0 4 3 6 3 4 9 4 5
- Attachment A:** Contract for a poll between Hickman-Brown Research, Inc. and Murphy for County Executive dated May, 1993
- Attachment B:** A sample copy of the September 8, 1993 letter along with mailing and return envelopes
- Attachment C:** Report of the Jackson County Legislative Auditor (with 7 exhibits)
- Attachment D:** Memorandum of Jay D. Haden, Deputy Jackson County Counselor, dated October 1, 1993
- Attachment E:** Letter from Marion Sinnott of the Missouri Ethics Commission dated November 1, 1993

AGREEMENT

Agreement made and entered into this 25th day of May, 1993, by and between Murphy for County Executive ("The Committee") and Hickman-Brown Research, Inc., of Washington, D.C. ("HBR").

The Committee and HBR do hereby agree as follows:

1. Duties of HBR. HBR agrees to provide consulting services, including, but not limited to, drafting and executing a public opinion survey; providing counsel on various political issues; exploring public attitudes and various alternatives on major policy concerns; and other related matters as may be requested by the Committee in conjunction with Marsha Murphy's "testing the waters" activities for a possible campaign for the United States Senate.

2. Expenses of HBR. For performance of the services enumerated in paragraph 1, the Committee agrees to pay HBR in the following amounts on the following schedule:

(a) \$25,000 upon presentation of an invoice to be issued at the time of completion of the public opinion survey questionnaire, but not later than June 15, 1993.

The Committee also agrees to pay travel & lodging expenses for HBR personnel if the Committee and/or its representatives request consultation on the project outside of Washington, D.C. The Committee agrees to pay these expenses if incurred, within 10 days of receiving an expense statement from HBR.

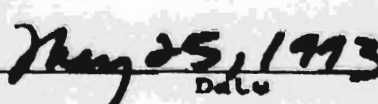
3. Cancellation of this Agreement. This Agreement may be cancelled by either party upon written notice.

4. Governing Law. This Agreement and any dispute arising hereunder shall be governed by the law of the District of Columbia.

5. Effective Date & Acceptance of Agreement. This Agreement is in full effect when signed by authorized representatives of both parties. Payment of any fee set forth in this Agreement constitutes acceptance of the Agreement as written.

IN WITNESS WHEREOF, the parties herto have caused their duly appointed representatives to hereunder set their hands as of the date first above written.


Murphy for County Executive Committee


Date

Hickman-Brown Research

Date

9504363496



Marsha Murphv

JACKSON COUNTY EXECUTIVE

316/881-3333

**JACKSON COUNTY COURTHOUSE
415 EAST 12TH STREET
KANSAS CITY, MISSOURI 64108**

September 8, 1993

**Ms. Cynthia Wendt
Mr. Steven Fehr
13007 Windsor Circle
Leawood, KS 66209**

Dear Cynthia & Steven:

Today I announced my decision to run for the U.S. Senate seat being vacated by Jack Danforth. You have been a friend and a supporter during my tenure in public office and I want to share with you my reasons for this decision.

In the almost three years that I have been Jackson County Executive, we have had real success in reforming county government. With your encouragement, the following goals have been achieved. We have:

- **eliminated tax waste by cutting nearly \$500,000 from the Administration's annual operating budget.**
- **established a department of economic development to focus on creating and retaining jobs in Jackson County.**
- **eliminated the practice of patronage hiring in county government.**
- **instituted performance audits in county departments, thereby reducing force where necessary and eliminating duplication.**
- **successfully pushed through ethics legislation requiring stringent financial disclosure for public officials.**
- **successfully sponsored legislation to establish a commission to monitor conflicts of interest by elected officials.**
- **instituted a long-range, strategic plan for Jackson County that has produced coordination of service providers and a recommended plan for growth management.**

Harry S. Truman, Presiding Judge, 1927-1934

Paid for by Friends of Marsha Murphy, Mark H. Calkins, Treasurer

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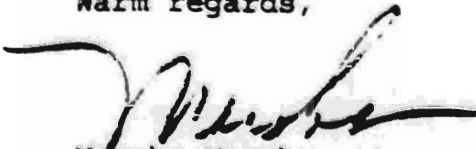
9 5 0 4 3 6 3 4 9 x 8

I believe that an honest and hard-working public official with a desire to make government responsive to its citizens can produce meaningful change. I hope you agree and will support my Senate candidacy. Together we can make a difference in Washington, just as we've made a difference in Jackson County.

As I begin this race for the Senate, I know there are many obstacles ahead. One of the most significant challenges will be raising the money that it takes to run a successful statewide campaign. We estimate that it will cost \$4 million. In politics, the initial funds raised among one's home supporters establishes political credibility and produces additional financial support from people outside the home base. Therefore, I am asking you to give an early, significant contribution. Please consider contributing now what you might give cumulatively over the course of the primary campaign.

Together we can produce Senate leadership for Missouri that is in touch with the concerns of working families, that works only for the public interest, and that isn't wasting taxpayer dollars. Together we can make a difference.

Warm regards,



Marsha Murphy

P.S. Contributions or gifts to the Friends of Marsha Murphy are not tax deductible. Individual primary election contributions are limited to \$1,000. Please make checks payable to "Friends of Marsha Murphy." Also, federal law prohibits acceptance of contributions from the general treasury of a corporation or union.

WHAT OTHERS SAY ABOUT MARSHA

Jeff Schrag of *The Villager* writes, "I would count the election of County Executive Marsha Murphy as the biggest plus to this area in the last few years. Since that election, I have seen a big improvement in the way county government deals with those of us in the east. There have also been major improvements in the County's economic development and countywide planning programs....Politicians with much bigger jobs and much bigger staffs could learn a thing or two from Murphy. Mostly they could learn that good leadership, and the willingness to take a stand, goes a long way toward making this world a better place."

Rich Hood, political columnist for *The Kansas City Star* wrote in his column that "top officials in Kansas City and Jackson County government are going to have to disclose more information about their business dealings than most of them ever wanted to do. The public will be well-served by that, and most of the credit goes to Marsha Murphy...the old-line Democratic factions won't thank Murphy for being the catalyst to force more sunshine into county and city government. In fact, this will be one more excuse for Murphy's critics to carp about 'St. Marsha.' I say, let them carp."

An editorial in *The Independence Examiner* states, "New County Executive Marsha Murphy has thus far lived up to her campaign pledges to stamp out patronage politics in county government, to conduct county business in a professional, businesslike manner and to ensure that county politicians and county workers are responsive to their constituents."

The Kansas City Star applauds Murphy on her long-range plan and strategy for Jackson County's future, citing the plan as "proactive rather than reactive in providing public services."

In 1990, Ed Eveld of *The Kansas City Star* wrote "Marsha Murphy, a political unknown a few months ago until she mounted a well-financed, hard-nosed campaign, pulled off a stunning victory over two-term incumbent Bill Waris..."

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Marsha Murphy
JACKSON COUNTY EXECUTIVE

JACKSON COUNTY COURTHOUSE
418 EAST 12TH STREET
KANSAS CITY, MISSOURI 64106



Ms. Cynthia Wendt
Mr. Steven Fehr
13007 Windsor Circle
Leawood, KS 66209

Post for Friends of Marsha Murphy, Marsha H. Gage, Treasurer

Paid for by Friends of Marsha Murphy, Marsha II, Treasurer

Friends of Marsha Murphy
P.O. Box 15521
Kansas City, MO 64106-0521

Amount Enclosed \$ _____
Contributions or gifts to the Friends of Marsha Murphy are not tax deductible.

Name _____
Address _____
City/State/Zip _____
Phone (H) _____ (W) _____
Occupation _____
Employer _____

9 5 0 4 3 6 3 4 9 7 1

ASSIGNMENT

At the request of the Finance and Audit Committee the Office of the Legislative Auditor was asked to conduct a study to determine if any County resources were used in the preparation of a fund raising letter mailed by and for the benefit of the County Executive.

SCOPE OF PROCEDURES

The letter which entreated our examination requested various amounts of information which would be of a legal nature. As no person on the Legislative Auditor's staff is trained in the field of law to the extent necessary to render a legal opinion, we are not addressing any of the issues which would require such knowledge and training.

The scope of our procedures included the following:

- 1) interviewing those individuals who prepared and mailed the letter,
- 2) obtaining samples of the letter and comparing such samples with an actual letter,
- 3) obtaining copies of receipts for printing and postage used in the mailing
- 4) obtaining documents from the printer of the letterhead,
- 5) interviewing representatives of the United States Postal Service.

ANALYSIS OF PROCEDURES

Printing of Letter

To determine if the letter was produced at a location other than on County premises we visited the office where the County Executive asserts that the letter was produced. This office is maintained at the home of the County Executive's administrative assistant. On the premises was computer equipment and a laser printer with the requisite features necessary to produce mass mailings. The administrative assistant printed a copy of the fund raising letter. Additionally the administrative assistant allowed us to take an unopened mailing returned due an incorrect address.

Presented in exhibit 1 are enlarged reproduction of the word September from 1) the letter which was returned, 2) a letter

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9 5 0 4 3 6 3 4 9 7 3
printed in our presence at the home office of the Administrative Assistant's, 3) a sample from the printer at the County Executive's Office in the Courthouse, 4) a sample from the printer in office of the Manager of Finance and 5) a sample from the laser printer at the home office of the Legislative Auditor. The printers used in all cases were various models of laser printers manufactured by Hewlett-Packard. In the order listed above the model of printers were 2) HP4Si, 3) HP1111, 4) HP1111SI and 5) HP111P.

The original letter was produced with WordPerfect Version 5.1 using standard courier typeface at 10 characters per inch. The paper used in the original mailing was a 25% cotton Gilbert Bond. All samples used in the comparisons were likewise produced using the same typeface and all paper used bore the same watermark as the original. All reproductions were enlarged to the same degree of magnification on the same photocopier.

Viewing the enlarged samples, the greatest similarity to the one which was in the returned envelope was the one reproduced at the administrative aide's home office. It would be logical to assume that if the solicitation was produced at the Courthouse the similarity between the returned letter and the sample produced from the County Executive's office would be greater. Additionally, the only other laser printer which is at the disposal of the Executive on the second floor is less similar from the returned solicitation than the one produced in our presence. Although no one the staff of the Auditor's office purports to be a technical expert in the field of printing identification, the examination of the type samples would support the fact that the letter in all probability was produced at the home office of the administrative aide.

During our visit to the aide's home office we examined the file date of the letter and noted that although the letter had been changed and was subsequent to the date of the first mailing, the file date was on a Saturday.

Payment for Solicitation

At our request, receipts and copies of canceled checks were provided to our office for the costs of printing the letterhead and envelopes and the postage for the mailing. Exhibits 2 through 5 are copies of such receipts and checks. To insure that the cost of the letter was not initially billed to the County we obtained a copy of the statement of account from the vendor who printed the envelopes and letterhead used in the mailing of the solicitation. Resolution #9434 awarded bid # 94-92 the term and supply contract for printing. The award for the County's printing for letterhead was awarded to Quality Printing. The letterhead used in the solicitation letter was from Consumers Printing Company. Consumers Printing was awarded a small portion of the current years contract but such award was not for letterhead. Attached as exhibit 6 is

the Jackson County Purchasing Department's statement of account for Consumers Printing.

Mailing

We spoke with U.S. Postal authorities to determine if the location of the mailing could be identified. The representatives of the Postal Service stated that the precise location of the drop box could not be determined from the cancellation mark. The specific piece which we showed the Postal authorities was canceled between Noon and 7:00 P.M. on Saturday September 11.

Return Envelope

Attached as exhibit # 7 is a return envelope which was taken from the returned solicitation.

CONCLUSIONS DRAWN FROM PROCEDURES

From the evidence we accumulated and analyzed it would appear that no direct County resources were used in the composition or distribution of the campaign solicitation mailed by the County Executive. The listing on the letterhead used had displayed a County phone number, although no solicitation for phone calls was referenced in the body of the letter. At the residence of the Administrative Assistant were the returned mailings. At the date of our inspection there appeared to be approximately ten such pieces returned. As to mail returning contributions, the presence of the return envelope would appear to obviate the use of the County's mail facilities in the return of contributions.

95043634974

1) RETURNED ENVELOPE

September

2) REPRODUCED IN AIDE'S HOME OFFICE

September

5
7
2
4
3
6
3
4
4
5
9

COUNTY EXECUTIVE'S OFFICE

September

FINANCE MANAGER'S OFFICE

September

5) AUDITOR'S HOME OFFICE

September

DRAFT

*Marsha Murphy
Jackson County, Mo.*

9-7-93

Job No.

1882

2500	Gilbert Bond envelope	138.50
2500	Hillen Bond Letterheads	125.00
		<u>\$263.50</u>
	Inf	17.06
		<u>\$280.56</u>

ALL bills due when received — 30 days Net, after 30 days _____

EXHIBIT # 2

9.50.43634976

DRAFT

*Marsha Murphy
Jackson County, Mo.*

9-8-73

Job No. 1890

2500 Remittance Envelope \$

	260.00
<i>Inc</i>	16.84
	\$ 276.84

AM BILLS due when received — 30 days Net, after 30 days _____

EXHIBIT # 3

9504
3634977

DRAFT



CASH RECEIPT

Received From <u>Friends of Hallett Haven</u>	
Amount (Written Out)	Amount (In Numbers) <u>464.00</u>
Purpose	
<u>STAMPS - 29¢</u>	
By (Signature and Title)	Date



EXHIBIT # 4

09-28-93 01:47PM

FROM OAK PARK JK

TO 8813133

P002/002

DRAFT

Friends of Martha Murphy
PO Box 15521
KC, Mo 64106

3

9/13 93

PAY TO THE ORDER OF Consumers Printing \$557.⁰⁰

Five hundred fifty-seven and 00/100 DOLLARS

HILLCREST BANK

MEMPHIS 7677 & 7281

Martha Murphy

NO 420 58 1727 NO 468 74 681

Friends of Martha Murphy
P.O. Box 15521 916-444-0065
KCMO 64106

001

Sept 8 93

PAY TO THE ORDER OF U. S. Parmaster \$464.⁰⁰

Four hundred sixty-four and 00/100 DOLLARS

HILLCREST BANK

MEMPHIS 7677 & 7281

Martha Murphy

EXHIBIT # 5

Jackson County
Purchasing Dept.
415 East 12th - 64106

June White

881-3297
Fax 881-331

FAX-881-3030

875	4-20-92	5000 Core Records	PA 126.00	267.00
1034	7-1-92	250 postcards	47.50 permit 45.00	95.41
1103	8-13-92	1A permit		75.00
1155	8-31-92	1000 postcards		370.00
1186	11-24-92	18.4 Onpity Records	each 8 1/2 x 11 blue 2 x 25.00	1625.00
1419	1-14-93	2 m post cards		740.00
1488	2-19-93	5000 finger Print Cards		300.00
1524	3-1-93	15000 (2000) 1500 x 10 10.00	29.00	148.00

DRAFT

EXHIBIT # 6

35043034980

Friends of Marsha Murphy
P.O. Box 15521
Kansas City, MO 64106-0521

DRAFT

95043634981



OFFICE OF THE COUNTY COUNSELOR

JACKSON COUNTY COURTHOUSE
415 EAST 12TH STREET
KANSAS CITY, MISSOURI 64108

916-881-3355
Fax 916-881-3355

MEMORANDUM

TO: MARY LOU SMITH
COUNTY LEGISLATOR, 5TH DISTRICT

FROM: JAY D. HADEN
DEPUTY COUNTY COUNSELOR *JH*

DATE: OCTOBER 1, 1993

RE: USE OF COUNTY RESOURCES IN POLITICAL
CANDIDATE CAMPAIGNS

This memo is in partial response to your memorandum of September 17, 1993, regarding the above-referenced matter. Many of the questions you have raised in your memorandum are not of a legal nature, so I shall address only the legal questions. Additionally, my responses to your questions are applicable not just to the County Executive's senate campaign, but to all County officials who hold and/or seek elective office. I should note that the statutory section cited in your memorandum is incorrect. The correct citation is §115.646, RSMo Supp. 1992. Your questions and my opinions thereon, are as follows:

1. Initially you have inquired as to whether the County office address, phones, employees, and other property may be used in a political candidate campaign. To respond to this question, it is appropriate to break it down into its components:

OFFICE ADDRESS. Jackson County has no protected interest, such as a trademark or copyright, in its office address. Therefore, subject to supervisory guidance, anyone who works for the County is free to provide his or her office address to anyone he or she chooses. Certainly, County elected officials may advertise or otherwise publicize their office addresses in any way they deem appropriate.

PHONES. Again subject to supervisory guidance, all County employees may make limited personal use of County fixed cost resources, those for which the cost is the same regardless of the

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level of use, such as local telephone service. There are no legal limitations on the use of such resources by elected officials, who are answerable only to the voters. With regard to County resources whose cost is not fixed, but is readily ascertainable, such as long distance telephone service, the rules are different. County officials and employees should keep track of any personal use of County long distance service and reimburse the County therefor immediately upon receipt of the monthly reconciliation.

EMPLOYEES. County employees should not be utilized to advance the political or other personal interests of County elected officials, unless the employees are on their own time. This is not to suggest that an on-duty County employee may not accept an incoming telephone call or fax, or open mail, and transfer or deliver it to an elected official, even if the employee knows the call, fax, or mail to be of a political nature. Such activity is minimal and perfectly legal. We must recognize that our elected officials, as representatives of the people, receive a wide variety of telephone calls and correspondence. They have no control over who calls or writes. County staff must be relied upon to deliver the mail, answer and return calls, and take messages.

Personal use of other County resources should be guided by these same principles.

8. You have asked whether reimbursement by an elected official to the County satisfies any issue created by the use of County resources in the campaign. I believe that prompt reimbursement of ascertainable personal expenses, such as long distance telephone services or fax, will resolve any legal issue created by its use in the first place.

10. Finally, you have asked, as near as I can tell, whether a County elected official may campaign, or spend any time on other political purposes, while at the same time holding County office. The County has three elected officials required to devote full time to the duties of office: the County Executive, Prosecuting Attorney, and Sheriff. As elected officials, they are not employees and are not subject to the direction or supervision of any other elected or appointed County official or employee. They each draw a salary which is a personal, and not a County, asset. None of these officials earns any vacation, sick leave, or holidays. Therefore, they are under no obligation to account for their time to anyone, except, perhaps, to the electorate. Over the years, various holders of each of these offices have been candidates for reelection and have sought other elective office, at least as unofficial candidates. This is the nature of the political process and was certainly within the contemplation of the

framers of the County charter. There is no legal provision which would limit the ability of these elected officials to campaign for reelection or election to another office, while holding County office.

Approved:

James B. Storkamp
James B. Storkamp, County Counselor

cc: Marsha J. Murphy
Chris Madden

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E

STATE OF MISSOURI
MISSOURI ETHICS COMMISSION
P.O. BOX 1254
JEFFERSON CITY, MISSOURI 65102

314/751-2020
1-800/392-8660

November 1, 1993

Marsha Murphy
415 East 12th Street
Kansas City, MO 64106

Dear Ms. Murphy:

At the October 28, 1993, meeting of the Missouri Ethics Commission, the complaint filed against you was considered.

After consideration of the facts, the commission voted to take no action, and close the complaint.

Sincerely,

Marion Sinnett
Marion Sinnett
Administrative Secretary

MS:sc

NOV 4 1993



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 5, 1994

Steven A. Fehr, Esq.
204 West Linwood Boulevard
Kansas City, Missouri 64111

RE: MUR 3946

Dear Mr. Fehr:

This letter confirms our telephone conversation during which I indicated that after considering the circumstances presented in your letter of April 25, 1994, the Office of the General Counsel granted your requested extension until May 5, 1994. On May 4, 1994, this Office received the response which included attachments.

If you have any questions regarding this matter, please contact Joan McEnery at (202) 219-3690.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

95043634986

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

SEP 12 10 04 AM '94

RECEIVED
FEDERAL ELECTION
COMMISSION
ADMINISTRATIVE SERVICES

SEP 12 9 05 AM '94

September 2, 1994

mur 3946

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

Re: Randall Grady v. Friends of Marsha Murphy

Dear Sir:

After considering the results of the primary election on August 2, 1994, I request that the General Counsel dismiss the Complaint that I filed against the Friends of Marsha Murphy.

Please let me know when this has been done.

Sincerely

Randall Grady
Randall Grady

RG

95043634937



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

SEPTEMBER 14, 1994

Randall D. Grady
101 South Hanley
Suite 1225
St. Louis, Missouri 63105

RE: MUR 3946

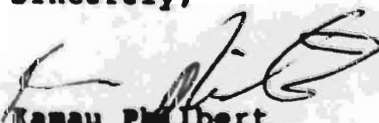
Dear Mr. Grady:

This is in reference to your letter dated September 2, 1994, requesting that the complaint you filed against Friends of Marsha Murphy be withdrawn.

Under 2 U.S.C. § 437g, the Federal Election Commission is empowered to review a complaint properly filed with it and to take action which it deems appropriate under the Federal Election Campaign Act of 1971, as amended ("the Act"). A request for withdrawal of a complaint will not prevent the Commission from taking appropriate action under the Act. Your request will become part of the public record within 30 days after the entire file is closed.

If you have any further questions about this procedure, please contact me at (202) 219-3960.

Sincerely,


Kamau Philbert
Attorney

95043634928

SENSITIVE

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

FEDERAL ELECTION COMMISSION ~~4~~ 10 32 AM '95
999 E Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

NUR # 3946
DATE COMPLAINT FILED: March 14, 1994
DATE OF NOTIFICATION: March 18, 1994
DATE ACTIVATED: July 1, 1994
STAFF MEMBER: Kamau Philbert

COMPLAINANT: Randall D. Grady

RESPONDENTS: Friends of Marsha Murphy and
Marsha Murphy, as treasurer
Murphy for County Executive Committee and
Treasurer
Marsha Murphy
Jackson County and
Marsha Murphy, as County Executive

RELEVANT STATUTES: 2 U.S.C. § 431(8)(A)
2 U.S.C. § 431(9)(A)
2 U.S.C. § 431(11)
2 U.S.C. § 434(b)
2 U.S.C. § 441d(a)(1)
11 C.F.R. § 100.5(g)(2)
11 C.F.R. § 110.3(d)
11 C.F.R. § 116.5

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

This matter was generated by a complaint filed on
March 14, 1994 by Randall D. Grady.¹ See Attachment 2. The

1. Mr. Grady subsequently requested that the complaint be dismissed. This Office informed Mr. Grady by letter dated September 14, 1994 that "the Federal Election Commission is empowered to review a complaint properly filed with it [and a] request for withdrawal of a complaint will not prevent the Commission from taking appropriate action under the Act." Attachment 1.

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complaint alleged certain reporting violations in the 1994 election cycle by Friends of Marsha Murphy, the principal campaign committee of Marsha Murphy, a candidate for the U.S. Senate from the State of Missouri.² Friends of Marsha Murphy filed a response on May 3, 1994. See Attachment 3.

II. FACTUAL AND LEGAL ANALYSIS

At the time of the complaint, Marsha Murphy was County Executive of Jackson County, Missouri. On May 25, 1993, Ms. Murphy's state political committee, the Murphy for County Executive Committee, arranged for a "testing the waters" poll at a cost of \$24,000. See Attachment 3 at 8. On September 9, 1993, Ms. Murphy filed her Statement of Candidacy with the Secretary of the Senate, and a Statement of Organization for Friends of Marsha Murphy was filed with the Commission on September 13, 1993. Friends of Marsha Murphy filed its first report, the 1993 Year-End Report, on February 3, 1994. A memo attachment to that report described the poll and its cost, and advised that the poll was paid for by the state committee. The attachment also explained that "[w]e have been unable to determine where this item should be reported on this form." See Attachment 2 at 5.

A. Complaint

Citing the 1993 Year-End Report and the memo attachment, the complaint alleged that Friends of Marsha Murphy failed to report the cost of the poll as an expenditure. The complaint

2. Ms. Murphy lost the August 2, 1994 primary with 38 percent of the vote.

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contended that Friends of Marsha Murphy could not lawfully accept transfers from the state committee after July 1, 1993 because such transfers were prohibited. The complaint also alleged that Friends of Marsha Murphy failed to report travel expenditures for 1993 although Ms. Murphy traveled to several locations in the State of Missouri as part of her federal campaign. The complaint did not provide details of the alleged travel. Finally, the complaint alleged that Ms. Murphy sent letters (dated September 8, 1993) on Jackson County Executive letterhead soliciting contributions but failed to report the cost of the solicitations as an expenditure or as an in-kind contribution from the Office of the Jackson County Executive.

B. Response

In response, Friends of Marsha Murphy advised that the poll was invoiced to the state committee in June of 1993, and was paid for by check dated July 8, 1993. It provided a copy of the contract for the poll which stipulated that the poll would be completed and invoiced by June 15, 1993. Friends of Marsha Murphy contended that the poll was disclosed in the 1993 Year End Report. It claimed that "in fact [the poll] was reported in a manner which highlighted it for the complainant (and the F.E.C.) to see," and "in essence asked the F.E.C. for assistance." Friends of Marsha Murphy also contended that "this situation does not involve a transfer of funds," but if it does, that it was permissible under the Commission's regulations. Friends of Marsha Murphy opined that, in retrospect, the cost of the poll should have been characterized on the 1993 Year End

Report as an in-kind contribution from the state committee and as a "testing the waters" expense for Friends of Marsha Murphy.³

With respect to travel expenses, Friends of Marsha Murphy pointed out that Ms. Murphy was reimbursed for travel expenses totaling \$2,034.67 on January 10, 1994, and that the reimbursement was reported on its April 15 Quarterly Report. Friends of Marsha Murphy also advised that "\$1,187.66 of this amount need not have been reported on the year-end 1993 Report (sic) because those items were reimbursed within 60 days of the closing date on the credit card billing statement." It acknowledged that \$851.95 in travel expenses should have been reported on the 1993 Year-End Report since that amount was not reimbursed timely. On May 26, 1994, Friends of Marsha Murphy amended its reports accordingly.

Regarding the September 8, 1994 solicitation, Friends of Marsha Murphy claimed that no contribution resulted from use of the Jackson County Executive's letterhead. It pointed out that the solicitation was paid for entirely by the campaign. Additionally, the mailing envelope contained the following disclaimer, "Paid For By Friends Of Marsha Murphy, Mark H. Gilgus, Treasurer." The same disclaimer appeared at the bottom of the solicitation and on the enclosed return envelope, which was addressed to the campaign's post office box. Documents show that 2500 solicitations were mailed to Ms. Murphy's constituency. Friends Of Marsha Murphy also advised that

3. Commission records do not reflect that the report was amended accordingly.

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several state agencies inquired into the propriety of the solicitation: the Jackson County Legislative Auditor conducted an investigation to determine whether any Jackson County resources were used in connection with the solicitation and concluded that none was. It concluded that the letterhead was generated independently by computer for the campaign. The Office of Jackson County Counselor also determined that no State laws were violated by the mailing. Finally, in response to a complaint, the Missouri Ethics Commission reviewed the matter and voted to take no further action and closed the file. See Attachment 3, at 14-26.

C. Law

The Federal Election Campaign Act, as amended, ("the Act") requires the treasurer of a political committee to report contributions from, and disbursements to, any person. See 2 U.S.C. § 434(b)(2)(A). Section 434(b)(3)(A) of the Act requires the identification of each person who contributes more than \$200 to the reporting committee, along with the date and amount of such contribution. Section 434(b)(4)(A) of the Act requires that all expenditures during the period and calendar year be reported. Section 434(b)(5)(A) of the Act requires a committee to report the name and address of each person to whom an expenditure in the aggregate of more than \$200 is made to meet a candidate's or committee's operating expense. Section 434(b)(8) of the Act requires a committee to report the amount and nature of outstanding debts and obligations owed by or to the committee. The term "contribution" includes anything of

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value made by any person for the purpose of influencing any election for federal office. See 2 U.S.C. § 431(8)(A). The term "expenditure" includes any purchase, payment, or anything of value, made by any person for the purpose of influencing any election for federal office. See 2 U.S.C. § 431(9)(A)(i).

All political committees established, financed, maintained, or controlled by the same person are affiliated. 11 C.F.R. § 100.5(g)(2).

Effective July 1, 1993, the Commission's regulations at 11 C.F.R. § 110.3(d) prohibit transfers of funds from a candidate's nonfederal campaign committee to the candidate's federal campaign committee.⁴

The Commission's regulations at 11 C.F.R. § 116.5 state that an individual's payment from his or her personal funds, including a personal credit card, for goods, services, or other expenditures made on behalf of a political committee is a contribution unless that payment is exempted from the definition of contribution under 11 C.F.R. § 100.7(b)(8). However, payment for an individual's own transportation or for usual and normal subsistence expenses incurred by an individual, other than a volunteer, while traveling on behalf of a candidate or political committee will not be considered a contribution if the individual is reimbursed within 60 days after the closing date of the billing statement on which the charges first appear if

4. Respondents claimed that they were not advised of the impending change in the regulations when they contacted the Commission in April of 1993 for assistance in setting up the federal campaign.

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the payment was made with a personal credit card, or 30 days after the date that expenses were incurred if cash was used. 11 C.F.R. § 116.5(b). In addition, the individual's payment shall be treated as an outstanding debt until reimbursed. 11 C.F.R. § 116.5(c) and (e).

Finally, the Act provides that whenever any person solicits any contribution through any direct mailing or any other type of general public political advertising, such communication, if paid for and authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication has been paid for by such authorized political committee. See 2 U.S.C. § 441d(a)(1).

D. Analysis

1. Poll

Under 11 C.F.R. § 100.5(g)(2), Murphy for County Executive Committee and Friends of Marsha Murphy are affiliated committees. See Advisory Opinion 1990-16; MUR 2743 (Swarts for Congress, et al.), General Counsel's Report dated December 13, 1989, at 7, 9. As such, the state committee's payment for the poll constitutes an "in-kind" transfer of funds to Friends of Marsha Murphy. See Advisory Opinions 1993-6, 1987-16 and 1981-11.; MUR 3134 (Bob Williams, et. al.), First General Counsel's Report dated August 23, 1991.

The transfer at issue overlapped the transfer prohibition regulations, which became effective July 1, 1993. The poll was contracted for and appears to have been turned over to Ms. Murphy prior to the transfer prohibition, however, it was

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paid for by the state committee on July 8, 1993, after the transfer prohibition took effect. Both the Revised Implementation Plan, 58 Fed. Reg. 14310, (March 17, 1993) and the Announcement of Effective Date for 11 C.F.R. § 110.3(d), 58 Fed. Reg. 17967 state:

Campaign committees that transfer funds before July 1, 1993 in anticipation of an election held after that date have not violated the rule. However, in order to prevent active commingling of federal and nonfederal campaign funds in the candidate's federal campaign account, any funds or assets transferred from a nonfederal committee that remain in the federal campaign account on July 1, 1993 must be removed from that account before July 31, 1993. 58 Fed. Reg. 14311, 17968.

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The above language shows that for purposes of the transfer regulations funds from a state committee had to be spent before the deadline to be considered permissible under the rule. Therefore, monies which were not spent prior to July 1, 1993 are subject to the transfer prohibition. Although the present matter involves an in-kind transfer, the above language indicates that Ms. Murphy's state committee could not expend funds on behalf of her federal campaign after July 1, 1993. Therefore, there is reason to believe that Friends of Marsha Murphy and Marsha Murphy, as treasurer, and Murphy for County Executive Committee and its treasurer violated 11 C.F.R. § 110.3(d).⁵

5. As the transfer was over \$1,000, under the prior regulations at 11 C.F.R. § 110.3(c)(6) the state committee would have become a political committee and would have been required to register and report as such, disclosing on its first report the sources of the funds in its account when the transfer was made. See 2 U.S.C. §§ 431(4), 433(a) and 434(a). As this Office has concluded that the transfer was prohibited and considering the circumstances

2. Travel Expenditures

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The complaint also alleged that Friends of Marsha Murphy failed to report travel expenditures for 1993 even though Ms. Murphy traveled to several locations in the State of Missouri as part of her campaign for the U.S. Senate. Friends of Marsha Murphy acknowledged that Ms. Murphy paid \$2,034.67 in campaign-related travel expenses from personal funds during 1993, but also advised that "\$1,187.66 was reimbursed within 60 days of the closing date on the credit card billing statement." The committee acknowledged that \$851.95 in travel expenses should have been reported on the 1993 Year-End Report since that amount was not reimbursed timely. Under the Commission's regulations at 11 C.F.R. § 116.5 the unreimbursed travel payment constitutes an in-kind contribution and was reportable as such and as an outstanding debt until reimbursed. Therefore, there is reason to believe that Friends of Marsha Murphy and Marsha Murphy, as treasurer, violated 2 U.S.C. §§ 434(b)(2)(A), 434(b)(3)(A), 434(b)(4)(A), 434(b)(5)(A), and 434(b)(8).

3. September 8 Solicitation

a. Disclaimer

Whenever a candidate solicits contributions from the public by direct mailing, the Act requires a disclaimer which clearly states that the solicitation has been paid for by the candidate's authorized political committee. See 2 U.S.C.

(Footnote 5 continued from previous page)
already mentioned, this Office does not recommend that the Commission pursue those registration and reporting obligations.

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§ 441d(a)(1). Friends of Marsha Murphy asserted that the solicitation on Jackson County Executive letterhead was paid for entirely by the campaign. It provided copies of the solicitation showing that the mailing and return envelopes, as well as the letter, contained an appropriate disclaimer: "Paid For By Friends Of Marsha Murphy, Mark H. Gilgus, Treasurer." In addition, Friends of Marsha Murphy provided documents showing that Missouri officials investigated the mailing and determined that no County Executive materials, not even the letterhead, were used for the solicitation. Therefore, this Office recommends that the Commission find no reason to believe that the mailing violated 2 U.S.C. § 441(d)(a)(1). See MUR 3592 (Congressman James P. Moran, et al.), First General Counsel's Report dated February 17, 1994.

b. Use of Jefferson County Executive letterhead

Another issue is whether Ms. Murphy's use of the Jackson County Executive's letterhead constitutes a contribution to her federal campaign. Information indicates that Jackson County is an unincorporated municipality, so this matter does not involve a prohibited contribution. As an unincorporated entity the County is allowed to contribute up to \$1,000 to Ms. Murphy's campaign.

Documents show that the letterhead was generated independently by computer away from County premises and that 2,500 solicitations were mailed to Ms. Murphy's constituency. In addition, all materials, including envelopes, stationery, printing, and postage, were paid for by Ms. Murphy's campaign.

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In fact, County officials determined that no direct County resources were used in the composition or distribution of the solicitations. Therefore, the only thing that would constitute a contribution is the intrinsic value of the County's letterhead and the accompanying logo. Clearly, the County letterhead was used to enhance Ms. Murphy's campaign appeal. As a result, the letterhead constitutes something of value to Ms. Murphy's campaign. But cf. MUR 3592, supra. However, measuring the value of the County's letterhead is particularly problematic because it neither involves a commercial entity nor a trademarked or copyrighted insignia. E.g. MUR 3455 (Waffle House, Inc., et al.), First General Counsel's Report May 29, 1992.

In any case, Friends of Marsha Murphy was required to report the use of the letterhead as an in-kind contribution pursuant to section 434(b) of the Act. Therefore, there is reason to believe that Friends of Marsha Murphy violated 2 U.S.C. §§ 434(b)(2)(A) and 434(b)(4)(A). Considering the minimal contribution involved and that County officials determined that no County laws were violated, this Office recommends that the Commission take no further action with respect to this violation.

E. Conclusion

It does not appear that further enforcement action is warranted in this case. The violations regarding the poll occurred during the transition to the current transfer regulations. Respondents claimed that they were unaware of the transfer prohibition at the time of the poll, and the fact that

they did not pay for the poll before July 1, 1993, when it appears that they could have done so, supports their claim. In fact, the complaint arose from Respondents' independent disclosure of the expenses for the poll in the 1993 Year-End Report. Furthermore, the unreported contributions arising from the travel expenses and from the use of the Jackson County Executive letterhead are minimal. Additionally, Ms. Murphy lost the primary election, and the complainant subsequently sought to withdraw the complaint. Therefore, this Office recommends that the Commission take no further action regarding the violations discussed above. However, this Office intends to admonish Respondents for the violations.

III. RECOMMENDATIONS

1. Find reason to believe that Friends of Marsha Murphy and Marsha Murphy, as treasurer, violated 2 U.S.C. §§ 434(b)(2)(A); 434(b)(3)(A); 434(b)(4)(A); 434(b)(5)(A); 434(b)(8) and 11 C.F.R. § 110.3(d), but take no further action.
2. Find reason to believe that Murphy for County Executive Committee and its treasurer violated 11 C.F.R. § 110.3(d), but take no further action.
3. Find no reason to believe that Friends of Marsha Murphy and Marsha Murphy, as treasurer, violated 2 U.S.C. § 441d(a)(1).

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4. Find no reason to believe that Marsha Murphy, Jackson County or Marsha Murphy as County Executive violated any provisions of the Act or Commission regulations regarding this matter.
5. Approve the appropriate letters.
6. Close the file.

Lawrence M. Noble
General Counsel

Date

4/4/95

BY:

Lois G. Lerner
Associate General Counsel

Attachments

1. General Counsel's 9/14/94 letter to complainant
2. Complaint
3. Response to complaint

9504363501

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Friends of Marsha Murphy and
Marsha Murphy, as treasurer;
Murphy for County Executive Committee
and Treasurer;
Marsha Murphy;
Jackson County and
Marsha Murphy, as County Executive.

MUR 3946

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 7, 1995, the Commission decided by a vote of 5-1 to take the following actions in MUR 3946:

1. Find reason to believe that Friends of Marsha Murphy and Marsha Murphy, as treasurer, violated 2 U.S.C. §§ 434(b)(2)(A); 434(b)(3)(A); 434(b)(4)(A); 434(b)(5)(A); 434(b)(8) and 11 C.F.R. §§ 110.3(d), but take no further action.
2. Find reason to believe that Murphy for County Executive Committee and its treasurer violated 11 C.F.R. § 110.3(d), but take no further action.
3. Find no reason to believe that Friends of Marsha Murphy and Marsha Murphy, as treasurer, violated 2 U.S.C. § 441d(a)(1).

(continued)

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4. Find no reason to believe that Marsha Murphy, Jackson County or Marsha Murphy as County Executive violated any provisions of the Act or Commission regulations regarding this matter.
5. Approve the appropriate letters, as recommended in the General Counsel's Report dated April 4, 1995.
6. Close the file.

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

Attest:

4-7-95
Date

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

Received in the Secretariat: Tues., Apr. 04, 1995 10:32 a.m.
Circulated to the Commission: Tues., Apr. 04, 1995 4:00 p.m.
Deadline for vote: Fri., Apr. 07, 1995 4:00 p.m.

lrd

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 19, 1995

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Randall D. Grady
101 South Hanley
Suite 1225
St. Louis, Missouri 63105

RE: MUR 3946

Dear Mr. Grady:

This letter is in reference to the complaint you filed with the Federal Election Commission on March 14, 1994, concerning Friends of Marsha Murphy.

On April 7, 1995, based on the information in the complaint and information provided by Friends of Marsha Murphy, the Commission found that there was reason to believe Friends of Marsha Murphy and Marsha Murphy, as treasurer, violated 2 U.S.C. §§ 434(b)(2)(A); 434(b)(3)(A); 434(b)(4)(A); 434(b)(5)(A); 434(b)(8), provisions of the Federal Election Campaign Act of 1971, as amended. The Commission also found that there was reason to believe Friends of Marsha Murphy and Marsha Murphy, as treasurer, and Murphy for County Executive Committee and its treasurer violated 11 C.F.R. § 110.3(d), a provision of the Commission's regulations. However, after considering the circumstances of this matter, the Commission simultaneously determined to take no further action regarding those violations. The Commission also found that there is no reason to believe Friends of Marsha Murphy and Marsha Murphy, as treasurer, violated 2 U.S.C. § 441d(a)(1). Finally, the Commission found that there is no reason to believe Marsha Murphy, Jackson County, and Marsha Murphy, as County Executive, violated any provision of the Act or Commission regulations regarding this matter. Accordingly, on April 7, 1995, the Commission closed the file in this matter.

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Randall D. Grady
Page 2

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).

Sincerely,

Lawrence M. Noble
General Counsel

BY:


Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

95043635005



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 19, 1995

Steven A. Fehr, Esq.
204 West Linwood Blvd.
Kansas City, MO 64111

RE: MUR 3946
Friends of Marsha Murphy and
Marsha Murphy, as treasurer

Dear Mr. Fehr:

On April 7, 1995, the Federal Election Commission found no reason to believe that your clients, Friends of Marsha Murphy and Marsha Murphy, as treasurer, violated 2 U.S.C. 441d(a)(1). However, the Commission found reason to believe that Friends of Marsha Murphy and Marsha Murphy, as treasurer, violated 2 U.S.C. §§ 434(b)(2)(A); 434(b)(3)(A); 434(b)(4)(A); 434(b)(5)(A); 434(b)(8); and 11 C.F.R. § 110.3(d), provisions of the Federal Election Campaign Act of 1971, as amended and the Commission's regulations. Nevertheless, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file. The General Counsel's Report, which formed a basis for the Commission's findings, is attached for your information.

The Commission reminds Friends of Marsha Murphy and Marsha Murphy, as treasurer, that the failure to report Ms. Murphy's travel expenditures is a violation of 2 U.S.C. §§ 434(b)(2)(A); 434(b)(3)(A); 434(b)(4)(A); 434(b)(5)(A); and 434(b)(8). Failure to report the use of Jackson County Executive's letterhead as an in-kind contribution to Ms. Murphy's federal campaign also is a violation of 2 U.S.C. § 434(b). Furthermore, the transfer of funds from a nonfederal committee to a federal committee is prohibited as of July 1, 1993. Your clients should take steps to ensure that those activities do not occur in the future.

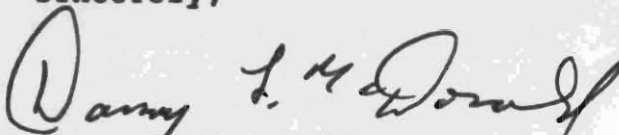
The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any 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.

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Steven A. Fehr, Esq.
Page 2

If you have any questions, please contact Kamau Philbert,
the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in dark ink, appearing to read "Danny L. McDonald". The signature is fluid and cursive, with the first name "Danny" being more prominent.

Danny L. McDonald
Chairman

Enclosure
General Counsel's Report

95043635007



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 19, 1995

**Treasurer
Murphy for County Executive Committee
c/o Friends of Marsha Murphy
P.O. Box 15521
Kansas City, MO 64146**

**RE: MUR 3946
Murphy for County Executive Committee
and its treasurer**

Dear Treasurer:

On April 7, 1995, the Federal Election Commission found reason to believe that Murphy for County Executive Committee and its treasurer violated 11 C.F.R. § 110.3(d), a provision of the Commission's regulations. However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file. The General Counsel's Report, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that the transfer of funds from a nonfederal committee to a federal committee is prohibited. You should take steps to ensure that this activity does not occur in the future.

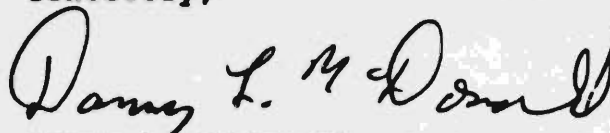
The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any 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.

95043635008

Murphy for County Executive Committee
Page 2

If you have any questions, please contact Kamau Philbert,
the attorney assigned to this matter, at (202) 219-3690.

Sincerely,



Danny L. McDonald
Chairman

Enclosure
General Counsel's Report

cc: Marsha Murphy

95043635009



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 19, 1995

Marsha Murphy
c/o Friends of Marsha Murphy
P.O. Box 15521
Kansas City, MO 64146

RE: MUR 3946

Dear Ms. Murphy:

On March 18, 1995, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On April 7, 1995, the Commission found, on the basis of the information in the complaint and information provided by Friends of Marsha Murphy, that there is no reason to believe you violated any provision of the Act or Commission regulations in this matter. Accordingly, the Commission closed its file.

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.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

95043635010



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 19, 1995

Jackson County
Marsha Murphy, as County Executive
Jackson County Courthouse
415 East 12th Street
Kansas City, MO 64106

RE: MUR 3946
Jackson County and
Marsha Murphy, as County Executive

Dear Ms. Murphy:

On March 18, 1995, the Federal Election Commission notified Jackson County and Marsha Murphy, as County Executive, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended (the Act").

On April 7, 1995, the Commission found, on the basis of the information in the complaint and information provided by Friends of Marsha Murphy, that there is no reason to believe Jackson County and Marsha Murphy, as County Executive, violated any provision of the Act or Commission regulations regarding this matter. Accordingly, the Commission closed its file.

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.

Sincerely,

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

95043635011



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3946

DATE FILMED 4-27-95 CAMERA NO. 4

CAMERAMAN S.E.G.

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