



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4374

DATE FILMED 4-25-97 CAMERA NO. 1

CAMERAMAN JMW

97043792403

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

MAY 28 10 15 AM '96

MUR 4374

May 16, 1996

Federal Election Commission
Legal Division
Washington, DC 200001

RE: Formal Complaint Against Mark Stodola
Campaign, 2nd Congressional District, Arkansas

Legal Division:

I would like to file a formal complaint with the FEC against Mr. Mark Stodola a candidate for United States Congress, Second Congressional District in the State of Arkansas for the following items:

1. The candidate has used campaign funds raised for his current state office, Prosecuting Attorney, 6th District of Arkansas, to benefit his campaign for Congress. Please refer to the October 1995 State Report on file with the Pulaski County Clerk's Office and the Arkansas Secretary of State's office. Mr. Stodola used state funds on at least three (3) occasions for polling, research and to pay staff for his Congressional campaign.
2. The candidate, Mr. Stodola and his staff, in particular, Ann Henderson had contributors alter campaign documents and back date or alter checks that were presented as donations. One specific incident occurred when a contributor, Emmet Jones of Little Rock, was contacted and told that Ann Henderson would be coming to his office to pick up a check and that the check must be back dated to a date in December of 1995. The check was written by Mr. Jones on or about January 5, 1996, but dated December 31, 1995. December 31, 1995 was on a Sunday. I was informed by Mr. Jones in the presence of two (2) other individuals that this incident occurred. I was at Mr. Jones restaurant having lunch when told this fact and observed Ann Henderson at the business. It appears the candidate wanted the check to be shown on his end of the year report so his funds would be inflated for that reporting period. December 1995.

97043792404

3. A review of the candidate's federal report will reflect a large number (at least 15) checks that were dated between December 25 and December 31, 1995. An investigation should reveal that the candidate asked many if not all of these persons to date the checks in December 1995 although they were received by him and his staff after January 1, 1996.

Sincerely,

Bill McCuen

W. J. "Bill" McCuen

Subscribed and sworn to before me, a notary public, on this 17th
day of May, 1996.

Rhonda Langster
Rhonda Langster

My Commission expires:

March 30, 2001

97043792405



FEDERAL ELECTION COMMISSION

Washington, DC 20463

May 30, 1996

W.J. "Bill" McCuen
P.O. Box 251906
Little Rock, AR 72225

RE: MUR 4374

Dear Mr. McCuen:

This letter acknowledges receipt on May 28, 1996, 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.

The respondents 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 4374. 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,

A handwritten signature in dark ink, appearing to read "Colleen T. Sealander", is written over a circular stamp that partially overlaps the signature.

Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosure
Procedures

97043792406



FEDERAL ELECTION COMMISSION

Washington, DC 20463

May 30, 1996

Bill Spivey, Treasurer
Mark Stodola for Congress Primary Committee
1818 North Taylor
P.O. Box 327
Little Rock, AR 72207

RE: MUR 4374

Dear Mr. Spivey:

The Federal Election Commission received a complaint which indicates that the Mark Stodola for Congress Primary 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 4374. Please refer to this number in all future correspondence.

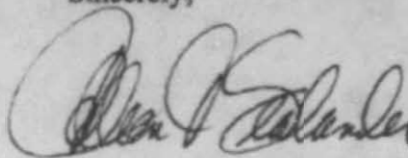
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements 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.

97043792407

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

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

97043792408



FEDERAL ELECTION COMMISSION

Washington, DC 20463

May 30, 1996

Mark Stodola
1923 North Tyler
Little Rock, AR 72202

RE: MUR 4374

Dear Mr. Stodola:

The Federal Election Commission received a complaint which indicates that you and your state committee may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4374. Please refer to this number in all future correspondence.

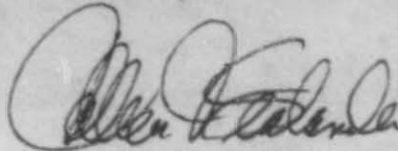
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and your state committee in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 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.

97043792409

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

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

9704379241C

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUN 6 9 48 AM '96

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

JUN 6 8 52 AM '96

June 3, 1996

Federal Election Commission
Complaint Division
Street "E" NW
Washington, DC 20463

MUR 4374

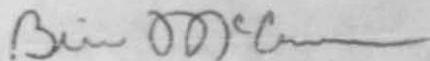
RE: Complaint on Mr. Mark Stodola
Candidate for 2nd Congressional District - Arkansas

To Whom it May Concern:

I have previously mailed a complaint to you regarding Mr. Mark Stodola, a candidate for 2nd Congressional District - Arkansas.

Enclosed is a copy of a newspaper article that pertains to this complaint. Please file along with complaint.

Sincerely,



W. J. "Bill" McCuen

97043792411

FRIDAY, MAY 31, 1996 • 39



Arkansas Democrat-Gazette/TOM CHWART

new clothes inmate Rick Little models one of the old-fashioned white striped uniforms Benton County Sheriff Andy Lee (right) is replacing the orange and blue scrubs prisoners wear. The sheriff said the new uniforms fit the tough, no-nonsense reputation he will. Lee made one concession to style — women will wear pink.

Ive

on Page 28

and social potential. Twenty, 23 students, Dumb and Hender is schools, have spent rock at the building ceremony Thursday. Stanley Barnes and handed out achievements to the students for

for SBC, offered the students even more encouragement to stay with the program. Ross said his company would give the first program graduate a \$2,500 scholarship and \$2,500 each school year for maintaining a C average at an Arkansas college or university.

"Someone asked me if I thought I had arrived," said Jackson, who played football for the University of Oklahoma and four NFL teams after graduating from Prairieview High

Stodola fliers' ride in city van leads to reprimand for worker

BY ELIZABETH CALDWELL
Democrat-Gazette Capitol Bureau

A North Little Rock city employee has been reprimanded for using a city van to distribute campaign fliers for Pulaski County Prosecuting Attorney Mark Stodola of Little Rock, one of two remaining Democratic candidates in the 2nd Congressional District.

The incident spurred North Little Rock Mayor Patrick Henry Hays to issue a memorandum reminding city employees that campaigning on city time or using city property violates policy.

Hays said Lewis Shepard, coordinator of the city's midnight basketball program for teen-agers, used a city-owned van to distribute literature for Stodola the weekend before the May 21 preferential primary.

Stodola finished first in a three-man field with 48 percent of the vote. He was followed by state Sen. Vic Snyder of Little Rock with 32 percent and John Edwards of Little Rock with 20 percent.

Stodola will face Snyder in a June 11 runoff.

Stodola could not be reached for comment Thursday.

Sheila Bronfman, a Little Rock political consultant who is running Stodola's campaign, said Shepard was not hired directly by the campaign but through another company.

Shepard said he took the job not

knowing what he was to distribute. He said that when he found out it was campaign material for Stodola, he thought there might be a problem.

"But I didn't have any other means of transportation," Shepard said.

He said he agreed to the job to help six teen-agers earn money. The 15- and 16-year-olds were each paid \$50 a day for two days of work.

"That was my motivation — to get work for these guys," Shepard said.

Joe Smith, North Little Rock director of administration, said Shepard has access to a city van on weekends to use in youth outings.

"It's such a shame he got himself into this situation," Smith said.

Hays learned of the incident Tuesday from Snyder, who called the mayor to complain after a campaign worker was told about Shepard's actions.

William Knief of Sherwood said he was handed campaign literature by a man in a van sporting Stodola signs.

Knief said he left a message on Stodola's voice mail asking why he was using public property to campaign. He said he never received a reply.

Several days later, Knief fell into a Snyder campaign worker and relayed his concerns. Snyder traced the van to the city of North Little Rock.

Called about possible bomb, police find woman's bed bugged

The Associated Press

RUSSELLVILLE — A woman called police after finding what she thought was a bomb attached to the headboard of her bed. It turned out to be a bugging device.

Russellville police said a bomb squad from Little Rock Air Force Base went to the woman's house Monday evening to destroy the device and discovered it was a radio transmitter.

Patrolman Roby Rhoads said the device included a microphone and a cassette tape case containing two batteries and a circuit board with a switch on top.

The woman, who was not identified, said she woke up about 2:30 p.m. Monday and noticed a red wire on the headboard of her water bed. She told police she has a protection order against her husband, who also lives in the city.

Hendrix to give degrees to 200 Saturday

Democrat-Gazette Capitol Bureau

CONWAY — More than 200 Hen-

der of campus. Paul Brownlee, president of the Association of Colleges

TOTAL P. 01

97043792412



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 11, 1996

W.J. "Bill" McCuen
P.O. Box 251906
Little Rock, AR 72225

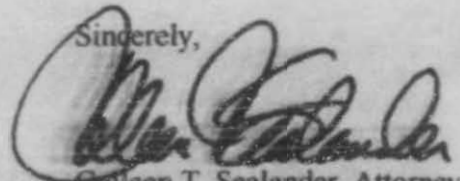
RE: MUR 4374

Dear Mr. McCuen:

This letter acknowledges receipt on June 6, 1996, of the amendment to the complaint you filed on May 28, 1996. Insofar as the amendment names an additional respondent, it is required to meet the statutory requirements for a proper complaint.

Under 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4, a complaint must be in writing, contain the name and address of the complainant, and be signed and sworn to in the presence of a notary public and notarized. The notary must represent as part of the jurat that such swearing occurred. The preferred form is "Subscribed and sworn to before me on this ___ day of ___, 199_." If the defects are not cured and the allegations are not refiled, no action will be taken on the basis of this amendment.

Sincerely,


Colleen T. Sealander, Attorney
Central Enforcement Docket

cc: Mark Stodola
Bill Spivey, Treasurer
Mark Stodola for Congress Primary Committee
Randall Morley, City Attorney

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

97043792413

John William Spivey III
2200 Boatmen's Bank Building
200 West Capitol Avenue
Little Rock, Arkansas 72201

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
JUN 26 1 00 PM '96

June 10, 1996

Ms. Alva Smith
Federal Election Commission
Washington, D.C. 20463

Via Facsimile
202-219-3923

RE: MUR 4374

Dear Ms. Smith:

I am the Treasurer for the Stodola for Congress Campaign.

By letter dated May 30, 1996, which was written by Colleen T. Sealander to Mr. Stodola and mailed to his home address, the Federal Election Commission ("FEC") notified Mr. Stodola of the filing of a complaint which has been assigned the above referenced number. Because Mr. Stodola is presently involved in an intense primary run-off campaign, he did not immediately discover the letter and it was not brought to my attention until Wednesday, June 5, 1996. In addition, a copy of the May 30, 1996 letter addressed to me was delivered to campaign headquarters on Friday, June 7, 1996. However, the Campaign Committee is now aware of the subject complaint and will, in accordance with FEC rules and regulations, respond within an appropriate time period.

For your information we enclose a Statement of Designation of Counsel which has been prepared on the form provided in your letter of May 30, 1996.

We also request that you consider this as Mr. Stodola's and the Campaign Committee's formal request for an extension of time beyond the initial 15 days as specified in your letter of notification. The extension is needed for the following reasons:

1. Mr. Stodola and the entire Campaign Committee are presently engaged in an intensely contested primary run-off campaign which will conclude on Tuesday, June 11, 1996. Substantially all of the energy and resources of the candidate and Campaign Committee are presently committed to this campaign.

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June 10, 1996

Page Two

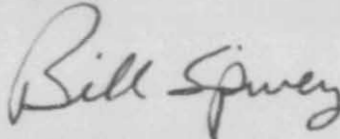
2. Immediately following the primary run-off election on June 11, 1996, I will be away from Little Rock and involved in longstanding prior commitments through Saturday, June 15, 1996. My participation in the investigation of the circumstances complained of and preparation of the response to the complaint is absolutely essential to a full and accurate report to the FEC.

3. For the reasons stated hereinabove, we respectfully request a reasonable extension of the time in which to respond to the subject complaint. We ask that the deadline for response be extended through and including Friday, June 28, 1996 for both Mr. Stodola and the Campaign Committee.

On behalf of Mr. Stodola and the Campaign Committee, we request that the proceedings related to the complaint remain confidential unless we notify the Commission in writing that we agree that such proceedings may be made public. Furthermore, we request that copies of all further communications from the Commission concerning this matter also be sent to the undersigned as the designated Treasurer for the Campaign Committee.

If we may be of further service or assistance in your investigation, please contact either Mr. Tisdale or me at your earliest convenience. Your prompt attention is sincerely appreciated.

Cordially,



Bill Spivey, Treasurer

Mark Stodola for Congress Campaign Committee

JWS:jh

j:jh4484.033

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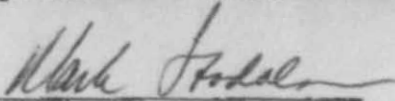
STATEMENT OF DESIGNATION OF COUNSEL

MUR 4374NAME OF COUNSEL: John R. TisdaleFIRM: Wright, Lindsey & JenningsADDRESS: 200 West CapitolSuite 2200Little Rock, AR 72201TELEPHONE: (501) 371-0808FAX: (501) 376-9442

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.

06/10/96

Date



Signature

RESPONDENT'S NAME: Mark Stodola for Congress Primary Committee
and Mark StodolaADDRESS: 5213 North GrandviewLittle Rock, AR 72207TELEPHONE: HOME (501) 663-8600BUSINESS (501) 663-8600RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUN 26 1 00 PM '96

97043792416



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 14, 1996

John R. Tisdale, Esq.
WRIGHT, LINDSEY & JENNINGS
200 West Capitol, Suite 2200
Little Rock, AR 72201

RE: MUR 4374
Bill Spivey, Treasurer
Mark Stodola for Congress Primary Committee
Mark Stodola

Dear Mr. Tisdale:

This is in response to your letter dated June 10, 1996, requesting an extension until June 28, 1996, to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on June 28, 1996.

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

Sincerely,

Alva E. Smith, Paralegal
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

97043792417

EDWARD L. WRIGHT
(1903-1977)
ROBERT S. LINDSEY
(1913-1991)
ISAAC A. SCOTT, JR.
JOHN G. LILE
GORDON S. RATHER, JR.
TERRY L. MATHEWS
DAVID M. POWELL
ROGER A. GLASGOW
C. DOUGLAS BUFORD, JR.
PATRICK J. GOSS
ALSTON JENNINGS, JR.
JOHN R. TISDALE
KATHLYN GRAVES
M. SAMUEL JONES III
JOHN WILLIAM SPIVEY III
LEE J. MULBROW
N. M. NORTON
EDGAR J. TYLER
CHARLES C. PRICE
CHARLES T. COLEMAN
JAMES J. GLOVER
EDWIN L. LORTHER, JR.
CHARLES L. SCHLUMBERGER
SAMMYE L. TAYLOR
WALTER E. MAY
ANNA HIRAI GIBSON
GREGORY T. JONES

WRIGHT, LINDSEY & JENNINGS
ATTORNEYS AT LAW

200 WEST CAPITOL AVENUE
SUITE 2200
LITTLE ROCK, ARKANSAS 72201-3699

(501) 371-0808

FAX (501) 376-8442

OF COUNSEL
ALSTON JENNINGS
RONALD A. MAY
BEVERLY BASSETT SCHAFFER

June 18, 1996

H. KEITH MORRISON
BETTINA E. BROWNSTEIN
WALTER MCPADDEN
ROGER D. ROWE
NANCY BELLHOUSE MAY
JOHN D. DAVIS
JUDY SIMMONS HENRY
KIMBERLY WOOD TUCKER
RAY F. COX, JR.
HARRY S. HURST, JR.
TROY A. PRICE
PATRICIA SIEVERS LEWALLEN
JAMES M. MOODY, JR.
KATHRYN A. PRYOR
J. MARK DAVIS
CLAIRE SHOWS HANCOCK
KEVIN W. KENNEDY
JERRY J. SALLINGS
FRED M. PERKINS III
WILLIAM STUART JACKSON
MICHAEL D. BARNES
STEPHEN R. LANCASTER
JUDY M. ROBINSON
BETSY MEACHAM
AINSLEY H. LANG
KYLE R. WILSON
DON S. MCKINNEY
MICHELE L. SIMMONS
KRISTI M. MOODY

Ms. Alva Smith
Federal Election Commission
Washington, D.C. 20463

Via Facsimile
202-219-3923

RE: MUR 4374

Dear Ms. Smith:

When I wrote you last week, I was unaware that it would be necessary to designate myself as an attorney along with Mr. Tisdale in order to be able to communicate directly with Ms. Sealander and you. Therefore, I have enclosed an amended Statement of Designation of Counsel form for your records.

I have also been informed today by Mr. Tisdale that the requested extension to respond to the above referenced matter has been approved and that both Mr. Stodola's and the Committee's response will be due on June 28, 1996.

We sincerely appreciate your prompt response to our request. If I may be of other assistance or service, please contact me at your convenience.

Cordially,

WRIGHT, LINDSEY & JENNINGS

Bill Spivey

John William Spivey III

JWS:jlh
Enclosure
j:jh4514.033

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUN 24 4 13 PM '96

97043792418

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4374

NAME OF COUNSEL: John William Spivey III

FIRM: Wright, Lindsey & Jennings

ADDRESS: 200 West Capitol, Suite 2200

Little Rock, AR 72201

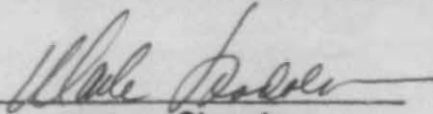
TELEPHONE: (501) 371-0808

FAX: (501) 376-9442

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
JUN 24 4 13 PM '96

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.

6/12/96
Date


Signature

RESPONDENT'S NAME: Mark Stodola for Congress Primary Committee and
Mark Stodola

ADDRESS: 5213 North Grandview

Little Rock, AR 72207

TELEPHONE: HOME (501) 663-8600

BUSINESS (501) 663-8600

97043792419

June 11, 1996

Enforcement Division
Office of The General Counsel
Federal Election Commission
999 "E" Street, NW
Washington, DC 20463

RE: MUR 4374

Legal Division:

My Complaint referenced above did not include the names of those who witnessed my discussion with Mr. Emmet Jones concerning his contribution to the Respondent. Present during the conversation was Mr. Q. Byrum Hurst, Jr. an attorney whose address is: 201 Woodbine, Hot Springs, AR 71901. His telephone number is 501-623-2565. Also present was an employee of Mr. Hurst. These two persons can verify what was reported by Mr. Jones.

Mr. Jones' contribution was reported to have been received in the month of December, 1995. The date the check was actually written and picked-up by Ann Henderson, a representative of the Respondent was January 5, 1996. Mr. Jones stated he was delayed for our meeting because he had been requested to write a check for a contribution on that date, January 5, 1996, and back date it to December of 1995 so it could be reported on the Respondent's end of the year report. This was for the purpose of inflating the amount of money available to the candidate to try to discourage others from filing for the office. The end of year report, due in January, was the last report to be filed before the official office filing period opened in Arkansas. This was the last opportunity to discourage others from filing for the office.

Please note the large number of contributions between December 20, 1995 and December 31, 1995. This is a time when it is difficult to receive contributions because of the Christmas season. I believe others were asked to backdate or alter the date in which their contributions were delivered to the campaign. I also believe those who made contributions were unaware of the violations they were asked to commit. Mr. Jones stated that he had been told by Ann

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUN 17 1 14 PM '96

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Stodola Complaint

MUR 4374

Page 2

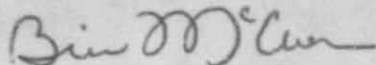
Henderson that others were doing the same for the Respondent and she was collecting the checks on that date, January 5, 1996. I witnessed Ann Henderson enter and leave Mr. Jones' business on January 5, 1996.

As to the other aspect of the Complaint, the use of funds previously raised for the State Campaign for the Federal Campaign, I wish to add the following:

The Respondent contracted with a campaign consulting firm to do work for his Congressional race around October 1995. This was after the Respondent announced that he would be a candidate for Congress earlier in the year. I spoke with a representative of that company and they verified that the Respondent was a client of that company and also verified that the work was for a Congressional race. The service was paid for from the Respondent's State Campaign account as verified by the records on file with the Pulaski County Clerk and the Secretary of State.

Please let me know if you need additional information.

Sincerely,



W. J. "Bill" McCuen

97043792421



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 24, 1996

W.J. "Bill" McCuen
PO Box 251906
Little Rock, AR 72225

RE: MUR 4374

Dear Mr. McCuen:

This letter acknowledges receipt on June 17, 1994, of the supplement to the complaint you filed on May 28, 1996. The respondent(s) will be sent copies of the supplement. You will be notified as soon as the Federal Election Commission takes final action on your complaint.

Sincerely,

Colleen Sealander, Attorney
Central Enforcement Docket

97043792422

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 24, 1996

John R. Tisdale, Esq.
WRIGHT, LINDSEY & JENNINGS
200 West Capitol, Suite 2200
Little Rock, AR 72201

RE: MUR 4374
Bill Spivey, Treasurer
Mark Stodola for Congress Primary Committee
Mark Stodola

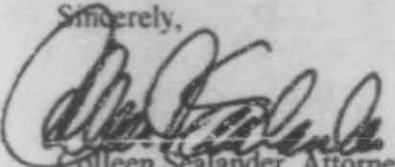
Dear Mr. Tisdale:

On May 30, 1996, your clients were notified that the Federal Election Commission received a complaint from W.J. McCuen alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time your clients were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

On June 17, 1996, the Commission received additional information from the complainant pertaining to the allegations in the complaint. Enclosed is a copy of this additional information.

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

Sincerely,


Colleen Sealander, Attorney
Central Enforcement Docket

cc: John William Spivey

Enclosure

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

97043792423

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUN 27 12 42 PM '96

June 20, 1996

Federal Election Commission
999 E Street, NW
Washington, DC 20463

RE: ^{MUR 4374} Previously filed complaint of W.J. "Bill" McCuen against Mark Stodola a candidate for 2nd Congressional District - AR

Complaint Division:

The enclosed newspaper article relates to the campaign planning of the candidate. I refer to paragraph seven:

"When Rep. Ray Thornton, D - Ark., announced in May 1995 that he wouldn't seek a fourth term from the 2nd District, Stodola wasted little time. He began soliciting support and planning a campaign."

This is additional information that reflects that the candidate was planning his campaign before the payments were made from his state campaign account. The payments should be considered in violation of Federal law.

Sincerely,

Bill McCuen

W.J. "Bill" McCuen

Sworn to and subscribed to before me, Rhonda Lampert,
a notary public this 21st day of
June, 1996.

My Commission Expires:

March 20, 2001

97043792424

The primary runoffs

2nd Congressional District

Race pits veteran underdog History lesson: Curnmins, against longtime rising star Powell know possibilities

BY REX NELSON
Democrat-Gazette Political Editor

He burst onto the Arkansas political scene in the 1970s. He was a coiner in the Arkansas Democratic Party — a Minnesota native and University of Iowa graduate who came to the state to attend law school at the University of Arkansas at Fayetteville and then moved to Little Rock to practice law.

In 1974, while completing law school, Mark Stodola was scheduling coordinator for the unsuccessful congressional campaign of a young law professor named Bill Clinton.

Two years later, after moving to Central Arkansas, Stodola was hired as public defender for the city of North Little Rock. A year after that, he was elected president of the Pulaski County chapter of the Young Democrats.

By 1980, he was president of the Young Democrats of Arkansas.

By 1981, he was president of the Young Democrats of America.

It seemed inevitable that he would one day run for Congress.

When Rep. Ray Thornton, D-



Vic Snyder

Ark., announced in May 1986 that he wouldn't seek a fourth term from the 2nd District, Stodola wasted little time. He began soliciting support and planning a campaign.

Most political observers expect



Mark Stodola

ed a large field in the Democratic primary. But with money scarce — Clinton lost \$1 million out of the state last year for his presidential re-election campaign and five De-

See DEMOCRATS, Page 18A

BY REX NELSON
Democrat-Gazette Political Editor

He is, in a sense, an outsider in his own party.

Battered loafers cover white socks. There is no tie, no blazer, no button-down shirt. Just an open-neck shirt and faded slacks.

"You know the thing I miss most about newsrooms?" asks Bill Powell, 62, who spent a career in broadcast casting. "The cigarette smoke. You no longer have the smell of cigarettes."

No one has ever accused Powell of being politically correct. As a radio talk-show host on KBIS-AM, which became KSYG-AM and then went off the air, Powell regularly blasted callers he considered to be liberal hypocrites. He gave up his radio career in 1984 to run for Congress in the 2nd District and shocked those who fancy themselves as political experts by garnering 43 percent of the vote against Democratic incumbent Ray Thornton despite being outspent \$423,587 to \$50,916.

Powell was the only person —



Bud Cummins

Democrat or Republican — to challenge Thornton in 1984. Just six months after defeating Powell, Thornton announced he would not seek a fourth term from the 2nd District. Powell knew there would be



Bill Powell

more than two candidates this time.

Three Democrats — Prosecuting Attorney Mark Stodola, state Sen. Vic Snyder and former congressional aide John Edwards, all of Little Rock — are also running.

See GOP, Page 18A

1st Congressional District



Spend Your Money On

Secondly Tom Donaldson (left) and Marlon Berry, candidates for the 1st District congressional seat, go over the rules Thursday for their debate in Jonesboro. Richard Wang (second from left) moderated. At right is Laquita Saunders, president of the Jonesboro League of Women Voters.

Down to the wire, Berry, Donaldson up to necks in mud

BY KEVIN FREDING
Democratic County Capital Bureau

The two remaining Democratic candidates in the 1st Congressional District don't like each other.

That becomes more clear each day.

Consider recent news releases from Marlon Berry of Gillett and Tom Donaldson of West Memphis.

"Donaldson is obviously just a young, inexperienced, overly aggressive political wanna-be who is willing to say anything in hopes of getting into public office," Berry said Friday. "He is exactly the kind of person that has led to the current do-nothing Republican Congress because he is willing to compromise his morals for his personal gain."

Donaldson, 38, provided his own blistering attack: "The people of this district don't deserve a congressman who will resort to lying in order to get elected. This garbage from a tired old political hack like Mr. Berry is just another example of how low he and his big money insider friends will go to win this race."

The candidates will find out Tuesday how well east Arkansas voters are taking the campaign.

Will they stay away in droves? Or will they be excited about voting in such a hotly contested race?

Berry, 33, enjoyed a comfortable lead in the preferential primary three weeks ago, capturing 48 percent of the vote. Donaldson followed with 30 percent, and Brookland electrician Kirby Smith had 22 percent.

Many political analysts, though, considered it a surprise that Berry didn't escape without a runoff against two previously unknown opponents. Berry appeared to be the party's hand-

picked candidate to take on Republican lawyer Warren Dugwe of Jonesboro in the fall.

Dugwe received 47 percent of the vote against Rep. Blanche Lambert Lincoln, D-Ark., in 1984. He never stopped running in essence, Dugwe is in the fourth year of a four-year campaign.

Winning the Democratic nomination once was considered tantamount to election in the 1st District. That no longer is the case. So the Clinton administration got behind Berry, who had been President Clinton's liaison to the Department of Agriculture. So did Lincoln. Several Agriculture Department officials came to the district on Berry's behalf. Lincoln, who is not seeking re-election because she is pregnant with twins, co-hosted a fund-raising event for him in Washington.

Before the May 21 primary, Berry spent more than his two opponents combined.

Donaldson, a deputy prosecuting attorney, picked up the endorsement of Smith, a former labor union business manager who appealed to blue-collar workers.

Berry and Donaldson both said the campaign has become more negative than they thought it would.

"It's sure a shame we allowed this to happen," Berry said Saturday. "I realize I participated in that."

Berry said Donaldson started the negative campaign.

Donaldson said the "really, really dirty business was started by Marlon. Personally, I wish the campaign had been more positive and we had talked about the issues more. The problem is the issues aren't getting out there."

Berry was a burner for 27 years. See FBST, Page 15A.

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Democrats

• Continued from Page 17A

Stodola jumped into this race for the seat being relinquished by Sen. David Pryor, D-Ark. — the large 2nd District field that had been anticipated never materialized.

For the longest, it seemed that Stodola's only Democratic primary opponent would be John Edwards, 33, a former Pryor aide who had never sought office before. But just three months before the primary, state Sen. Vic Snyder of Little Rock announced that he would run. Still, many in Central Arkansas predicted that Stodola, the prosecuting attorney for Pulaski and Perry counties since 1991, would capture the nomination without a runoff.

But Snyder, 46, raised more money than expected. Aided by an effective television ad campaign, he held Stodola to 49 percent of the vote and got 22 percent to finish second in the May 21 primary.

STODOLA WILL FIGHT

Stodola, 47, was a well-known political commodity by the time Snyder entered politics in 1995. Stodola had fought the prosecuting attorney's job in 1994 in a high-profile race against Chris Piazza. Piazza was a deputy prosecutor at the time. Both men were articulate and well-framed.

Piazza won the Democratic primary by less than 4,000 votes out of almost 80,000 votes cast. But Stodola found a way to stay in the spotlight. He became Little Rock city attorney and often was mentioned in newspaper stories during the next six years. When Piazza decided to give up the prosecutor's job in 1993 to run for circuit judge, Stodola ran unopposed for the position.

While Stodola was scoring off opposition in 1995, Snyder was taking on Doug Brundson, a Democrat and member of the Senate since 1993.

Snyder, a Medford, Ore., native, had come to Little Rock after medical school for his residency at the University of Arkansas for Medical Sciences. After his residency, he stayed in Little Rock as a family physician. He also took part in medical missions to the Sudan, Thailand, Honduras and Sierra Leone.

In 1988, Snyder sent more than 700 letters to delegates and alternates to the Democratic State Convention, urging them not to allow Rep. Tommy Robinson to be a delegate to the party's national convention. He considered Robinson an embarrassment to the party. His effort failed.

Also in 1988, Snyder tried to get records of the taxes paid by bill com-

Senate district in Arkansas, maybe the only one in which being out front on the need to repeal the archaic sodomy law used not to be a political problem." John Brummett wrote in the *Arkansas Democrat-Gazette* in April 1992. "And Snyder has pulled together a pretty strong political organization. The district encompasses the Hillcrest and racially mixed midtown sections of Little Rock, dominated by upscale and middle-class professionals, along with a portion of blue-collar Southwest Little Rock, where people aren't politically active unless voting against a tax increase."

The expert testified he couldn't be elected to the Legislature in 1990. They had said he couldn't be re-elected in 1992. These days, Snyder smiles when he hears people say he can't overtake Stodola, once considered the heir apparent to Thornton's seat.

Snyder is counting on a good turnout Tuesday in his state Senate district.

COME CONSERVATIVE

Stodola, who has painted himself as more conservative, is counting on large margins of victory in the district's other seven counties — Saline, Faulkner, White, Yell, Van Buren, Conway and Perry.

There has been a whispering campaign in some counties about Snyder's attempts to change the sodomy statute. Stodola insists his campaign has never brought the issue up, but supporters mentioned it several times on a recent visit to Clinton.

"I'm running a positive campaign," Stodola says. "We haven't touched on these types of issues. A person's legislative record will speak for itself."

He says the major difference between the Democratic candidates is that "I am proposing new solutions to our problems, and he is proposing the same old solutions."

Stodola talks about his political philosophy as the campaign war heats south on U.S. 65 out of Clinton. He has cast himself as a "New Democrat," a disciple of the teachings of the Democratic Leadership Council, a group of party moderates.

"I don't see anything new there," Snyder says of Stodola's views.

Snyder says he will present Central Arkansas voters a clear choice against either Republicans, Bud Cummins or Bill Powell, rather than taking GOP positions and putting them under a "New Democrat" heading.

"Part of the value of a two-party system is that you can present differences to the voters," Snyder says. "You can show them the path the Republican Congress has taken and

lobbying strength. To me, staying out of the economy and letting the free market work is a conservative position. But I am labeled a liberal. That's why labels don't mean anything to me."

He says his strength is "in those areas where people know both candidates well. I carried my precinct, and I carried the precinct where Mark lives. But we're campaigning in all eight counties. We're not writing anything off. My problem in the other counties is still a lack of name familiarity. If people will just look at the whole record, I think my record will appeal to them."

"In addition to opposing tax increases, I have been one of the strongest advocates in the Legislature of cracking down on drunk driving. That part of my record is never pointed out. I also sponsored a bill allowing local school boards to decide whether a moment of silence can be observed in classrooms. That's not pointed out, either."

Snyder munches on a sandwich at Vito's, a downtown Little Rock restaurant and brew pub popular with a younger crowd.

One of his signs is next to the building that houses the restaurant. Patrons and employees are on a first-name basis with him.

He says Stodola has been diplomatic with his support of a balanced-budget amendment to the U.S. Constitution and his frequent references to bills he has helped legislators draft through the years.

"The balanced-budget amendment is one of those things in the wind tunnel," Snyder says. "It is easy for a candidate to go out there and promise he will vote for a balanced-budget amendment. It is another thing to say you will actually sit down and try to find ways to balance the budget."

Snyder fears that an amendment could lead to unintended consequences, like a minority in Congress holding out to get its way and federal judges issuing rulings that necessitate tax increases.

"We must grapple with the growth of Medicare and Medicaid," he says. "Everything must be on the table. Republicans got in trouble by putting big tax cuts on the table at the same time as spending reductions. That was not only bad policy, it was bad politics."

APPROACH OF NEW SOLUTIONS

Stodola replies that Snyder is afraid to try new solutions to problems. He says the balanced-budget amendment is such a new solution. Snyder is, in Stodola's view, the kind of traditional liberal Democrat that is becoming rare.

GOP

• Continued from Page 17A

Rock — sought their party's nomination. Stodola and Snyder will meet in a Democratic primary runoff Tuesday.

Six Republicans ran in the May 21 primary. Spending far more money than any of his opponents, Bud Cummins, a 36-year-old Little Rock lawyer and businessman, attracted 39 percent of the vote. He was followed by Powell with 22 percent, Little Rock financial consultant Jim Klotz with 17 percent, El Paso business consultant Ken Coon with 13 percent, Conway businessman and farmer Don Melton with 7 percent and North Little Rock paramedic Ronnie Stephenson with 2 percent.

ENDORSEING CUMMINS

Last Tuesday morning at the state Capitol, Coon and Melton gave their endorsements to Cummins. Klotz wasted no time, endorsing Cummins on the night of the preferential primary as soon as it became obvious he would not make the runoff.

Republican insiders expect Cummins to win the nomination easily Tuesday. But Cummins would be well-advised to remember the name Bob Faulkner.

Faulkner was a federal magistrate for the Eastern District of Arkansas from 1971 until he resigned in October 1985 to begin a campaign for Congress. Political analysts took for granted that Faulkner, then 46, would defeat his 1986 GOP primary opponent, a 28-year-old political novice named Keith Hamaker.

Faulkner, a Malvern native, had strong Republican credentials. He was a legislative liaison and executive secretary for the Republican Gov. Winthrop Rockefeller before being appointed to the bench during the Nixon administration on the recommendation of then Rep. John Paul Hammerschmidt, R-Ark.

Hamaker, a political novice, was president of a ceiling fan business in Little Rock. While Faulkner planned his fall campaign against Rep. Tommy Robinson, then a Democrat, Hamaker knocked on hundreds of doors in strong Republican precincts of west Little Rock.

Hamaker shocked Faulkner, winning by less than 100 votes out of 4,800 votes cast. Faulkner, a Rockefeller Republican, later blamed his defeat on the "radical right."

"The subculture of the radical right is alive and well," he said. "They turned out in great numbers to defeat someone who disagreed with them on one issue."

Although the winner of Tuesday's Democratic runoff will be cast as the front-runner going into the fall campaign, Republicans think Cummins can defeat either Stodola or Snyder in November.

"Put me one-on-one with either of those guys, and I win," Cummins says. "A lot of people looked at the original field of six Republicans and decided none of us could win in November. I don't think that's the case at all."

Cummins says he and Powell probably would vote the same way in Congress. He adds, "You have to be able to beat the Democrat in November to get to Congress. I tell conservatives they better support the guy with the best chance to win this fall or else we will be on the couch watching C-SPAN as Vic Snyder or Mark Stodola votes for higher taxes and more government regulation."

Cummins says he can raise the money necessary "to be on TV, to have phone banks, to send out direct mail. We're going to be able to push all the buttons, and I don't think the other camp can say that."

POWELL PLUGS ON

Powell readily admits he entered the three-week runoff period broke. The week before the May 21 primary, his two full-time campaign workers quit and headed to Texas. But Powell plugs on, hoping to pull off the same type of upset Hamaker engineered in a Republican primary a decade ago.

"Bill earned the right to be a candidate in this race by virtue of his performance two years ago," Cummins says. "I supported him against Ray Thornton in 1994, and I would have supported him again this year if I thought he had a chance to win in November. I just don't think he can put together the kind of organization we need to win in the fall."

Powell counters that because it is an open seat, the candidate who wins Tuesday is assured of solid support from the Republican National Committee and the National Republican Senatorial Committee.

"I tried to convince people in Washington two years ago that it was a winnable race," he says. "I couldn't do it. I didn't get a dime out of them. When Haley Barbour (the party chairman) was in Little Rock last month, he assured us that this time the nominee will receive the maximum amount of money allowed by law from party committees."

For now, though, Powell is running on empty.

"They tell you the three things you should never do in politics are

stewers. "I was the Republican nominee in 1994, but I tried to run as independently as possible. I agree philosophically with the party's principles, but I'm not afraid to tell its leaders when I think they are wrong. I remember going to Washington two years ago and telling John Kasich (the Ohio Republican who is now chairman of the House Budget Committee) that they weren't going far enough in their plans to scale down the federal government. The best way to run for office is to declare who you are and then go directly to the voters rather than the party leaders for support."

He is asked why he would be a stronger Republican candidate in the fall than Cummins. Again, Powell takes his time before answering.

"I've articulated the principles of less government, less taxes and less intrusion in our lives for years, and I'm confident I can do that against Stodola or Snyder," he says. "I alienated some Republican leaders in 1994 because they weren't moving quickly enough to enact those principles. They were putting a Band-Aid on the problem, and I thought radical surgery was needed."

"We should leave to the federal government only what it is constitutionally empowered to do and leave everything else to the states. I have the moral fiber to stand up for the things that need to be done and not cave in to pressure from interest groups. If it's right, it's right. That's the type of candidate we need out there in the fall."

Powell will not criticize Cummins personally.

"I adhere to Ronald Reagan's 11th Commandment," he says loudly in his rich radio voice. "Thou shalt not criticize a fellow Republican."

The closest he comes is when he says he will be 63 before the Nov. 5 election. It seems to be a bit of a dig at Cummins' youth.

"If I haven't developed the character in those 63 years that is needed to be a good legislator, then there is no hope left for me," Powell says.

NOT NATIVES

Like many of the new breed of Arkansas Republicans, Cummins and Powell are not natives of the state.

Powell, a Kirksville, Mo., native, came to Arkansas as a sportscaster for Little Rock station KTHV-TV, Channel 11. He moved to KLRT-TV, Channel 16, before heading back into radio, the medium that had given him his start in

ningham of Helena. His request was denied. Snyder then tried to get an opinion from Attorney General Steve Clark on whether it was constitutional to deny access to records of how much wholesale fuel dealers were allowed to keep as a credit on state fuel taxes they collected from retailers.

Snyder has never been afraid to take on his party's power structure.

In his race against Brandon, he conducted a tour of the Senate's inner sanctum to point out lavish furnishings purchased from Brandon House furniture in Little Rock. He used photographs of a Little Rock School District teacher's lounge, a teacher's chair and a student's desk to contrast with the leather-upholstered chairs and highly polished tables in the Senate quiet room.

As the low bidder, Brandon had sold \$153,000 worth of furniture to the Senate in 1985 and \$101,000 worth of furniture to the House in 1989.

Snyder said he was trying to change the political process so it would no longer be controlled by the wealthy. His campaign approach worked. He beat Brandon by about 500 votes of more than 13,000 votes cast in the 1990 Democratic primary.

"Two months ago, a lot of folks said we couldn't beat an incumbent with name recognition," Snyder said in 1990.

Newspaper columnists wrote Snyder's political obituary in 1991 when he filed a bill to decriminalize sodomy. But in 1992, no one ran against Snyder when he was up for re-election.

"It should not go unreported that Snyder resides in the most liberal

the fabric mean. You can go out there and tell voters you're a fiscal conservative, but who doesn't say that these days? Who is going to say he is in favor of driving up the deficit? My opponent says he's a social moderate. What does that mean? I don't know."

In a speech to about 20 supporters at the Western Sirkin in Clinton, Stodola says the issues in the race revolve around how best to "take care of our children and grandchildren, our parents and grandparents. As a prosecutor, you see the real problems out there, and they are the problems Congress must grapple with. The system is not working. We must find some way to save kids before the bullet leaves the barrel. Our children are growing up fatherless, they're growing up jobless and they're growing up poor. Government can't solve all of these problems, but we must take steps where we can."

Snyder received a law degree from the University of Arkansas at Little Rock but has never practiced law.

As he campaigns around the square in Clinton, Stodola tells voters repeatedly, "We got 46 percent the first time. We just need another 2 percent."

He is hopeful a runoff for Stodola will help the turnout in Van Buren County, where he attracted almost twice as many votes as either Snyder or Edwards on May 21. He mentions that there is a runoff for prosecutor in Conway and Yell counties and a hotly contested runoff for alderman at Oppelo in Conway County.

"We're doing all we can to enhance the turnout in all eight counties," Stodola says.

Despite his solid support in the seven other counties, Stodola understands that almost half the votes cast Tuesday will be in Pulaski County. To win, he must ensure that Snyder doesn't carry the county by a wide margin.

In the May 21 primary, Stodola got 15,824 votes in the county, compared with 13,508 votes for Snyder. Edwards got 4,902 votes.

Stodola says he consistently has opposed giving tax exemptions to businesses as an industrial recruitment tool.

"That is a classic example of government intervention into the economy," he says. "Too often, exemptions are based on who has the most

of these bills, but that's what attorneys are for. He's not running for congressional staff attorney. There's a lot more to being a legislator than drafting bills. You must have the ability to bring various constituencies together to support legislation, and you also must be prepared to be beat up by those who disagree with you. Drafting bills is only the first step in the process. What Stodola is saying, in essence, is that you need to be a lawyer to be a legislator. I reject that."

Cummins insists it is a lesson he learned long ago. He has worked in and contributed to Republican campaigns in Arkansas for a dozen years. He understands the unexpected twists they can take.

"I watched the field of Republican candidates form in the district," Cummins says. "They were good guys and good conservatives, but I didn't think any of them could win."

Cummins, who gave up his law practice about 18 months ago to concentrate on other business investments, says he didn't "structure my life wanting to be a congressman."

But he says he quickly learned business are "overregulated, overtaxed and overruled." He wanted to do something about it.

"I have been committed my entire adult life to the conservative cause," he says. "I thought we had won the war in 1980 when Ronald Reagan captured the presidency and Republicans took over the Senate. I discovered we had only won a battle."

In the first five months of this year in Crittenden County, Donaldson said the plea-bargain involving Ronnie Earl Thompson helped lead to the conviction of "about 10 major drug dealers." Thompson received a 10-year suspended sentence on two robbery charges and was allowed to move to Florida.

Donaldson said the other cases, dismissed because of a speedy-trial act, are municipal court appeals he doesn't oversee. He said he has a 98 percent conviction rate.

Both candidates support an increase in the federal minimum wage from \$4.25 per hour to \$5.15 per hour. They also both support time limits for welfare benefits.

The candidates have discussed entitlement programs only in broad terms. They say changes

must be made, but that senior citizens, children and the disabled must be protected. Donaldson has said the government should explore privatizing some parts of the Social Security program.

Donaldson said he would reform is the key to reducing the budget deficit.

Berry said he probably would vote to overturn the ban on 19 categories of so-called assault weapons. Donaldson supports the ban.

The candidates also differ on the subject of abortion. Berry opposes abortion except in cases of rape, incest or when the life of the mother is in danger. Donaldson favors legalized abortions.

Donaldson said Berry's positions are similar to Dupree's.

"You can't out-Republican the Republican in November," he

said. "I think I am," he finally answered.

Added if he is indeed an outsider in the party, Powell thinks for a moment. Unlike his radio persona — a man quick to answer questions and ready to offer his opinions with the slightest nudge — Powell takes his time when meeting with reporters.

"I think I am," he finally answered.

With little money and no campaign staff, what does Powell do at this point?

"Just keep on working," he says. "I've never had a lot of money. Listen, you don't miss what you have until it's gone. I've put \$3,000 miles on my car since the start of this campaign. I'm putting as many additional miles on it as I can, shaking as many hands as I can and talking to as many people as I can."

While Cummins and his well-dressed supporters, parked at a downtown Little Rock restaurant on the night of May 21, Powell was at home in shorts and a T-shirt watching a baseball game on television. He had never predicted he would make the runoff.

"I thought my opponents with six candidates in the race, but I didn't have a clue which two candidates would be in it," he says. "Klotz had done a lot of hard work to make himself known among Republicans. Coon had party connections going back more than 20 years. I thought it was a toss-up between Cummins, Klotz, Coon and me as to who would make the runoff."

OUTSIDER TAG

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main construction co. of Moss, Okla., which specialized in bridges, dams and highway construction. He came to the state to attend the University of Arkansas at Fayetteville, where he earned a degree in finance and real estate in 1981. Cummins later moved to Little Rock to work for Kinco Inc., a construction company, and earned a degree from the University of Arkansas at Little Rock Law School.

He is quick to acknowledge that he and Powell rarely d "e, meaning that the campaign attracted little media attention.

"It was a very cordial primary, even when there were six of us in it," Cummins says. "That spoke well for all of us. We were a group of gentlemen with similar beliefs who were trying to give this party the best nominee possible."

He re-emphasizes his contention that he is the only one of the two remaining Republican candidates who can defeat Snyder or Stodola.

"I know construction people across the district," Cummins says. "I know lawyers. There is also a whole network of University of Arkansas graduates who will support me. I can build the coalition it will take for us to capture this seat. I hope Republican voters Tuesday are looking for a guy who is not only with them on most issues but one who also can win in November."

Sounding almost stoic, Powell says: "We'll be all right. I trust the people to do what they think is best. If I win Tuesday, I don't slow down until November. If I lose, I will still be out knocking o "x. This time, though, I will b g for a job rather than a vote.

The most recent controversy to arise in the campaign concerns the Berry family's use of Mexican laborers on a Southeast Arkansas farm. Donaldson said the use of "foreign nationals" on the farm takes jobs away from Arkansas County residents.

Berry said some employees are legal migrant laborers who receive \$6 per hour and are eligible to participate in a profit sharing plan. He said he hasn't overseen farming operations since late 1992.

"I always gave work to anyone who wanted it, and I have never asked anyone to do a job that I didn't do myself right there along with them," Berry said. "It's all part of being a responsible and fair employer."

First

Continued from Page 17A

before becoming Clinton's agriculture liaison in November 1993. He resigned in January and moved home from Washington to run for Congress in the 25-county district.

Berry's farming background and his performance in Washington have come under the strongest attacks from Donaldson.

Berry has taken heat for the farm bill approved by Congress earlier this year. The bill does away with market-based subsidies. Farmers will receive gradually declining payments even if they don't produce a crop. Payments will be based on a percentage of what they received in the past.

Berry said the bill was designed by Republican congressional leaders but accepted by Clinton because of needed provisions such as conservation and child-nutrition programs. Berry said he disagreed with eliminating market-based subsidies, under which farmers receive more if prices are low.

While Donaldson acknowledges Republicans played a key role in developing the bill, he blames Berry for not doing enough to stop it.

Donaldson also has charged that Berry abused the subsidy system by participating in several corporate entities at the same time in order to get more money from the government. Farmers are allowed to participate in up to three entities if they meet certain regulations. The maximum sub-

sidy payment is \$100,000 annually.

Berry said he participated in two corporate entities in 1993 and received from \$45,000 to \$50,000 in government subsidies. He said some of the corporations to which Donaldson has referred actually belong to other family members.

Donaldson has likened the use of multiple corporations to corporate welfare. When Berry left Gillett to join the Clinton administration, he gave some of his ownership stake in the corporations to his brothers and put the remainder of his business interests in a blind trust.

Donaldson has worked as a deputy prosecutor in Crittenden County for more than two years. Berry has attacked Donaldson as being soft on crime because of a plea-bargain he allowed and because of the dismissal of 117 cases

in the first five months of this year in Crittenden County.

Donaldson said the plea-bargain involving Ronnie Earl Thompson helped lead to the conviction of "about 10 major drug dealers." Thompson received a 10-year suspended sentence on two robbery charges and was allowed to move to Florida.

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(1903-1977)
ROBERT S. LINDSEY
(1913-1991)
ISAAC A. SCOTT, JR.
JOHN G. LILE
GORDON S. RATHER, JR.
TERRY L. MATHEWS
DAVID M. POWELL
ROGER A. GLASGOW
C. DOUGLAS BUFORD, JR.
PATRICK J. GOSS
ALSTON JENNINGS, JR.
JOHN R. TISDALE
KATHLYN GRAVES
M. SAMUEL JONES III
JOHN WILLIAM SPIVEY III
LEE J. MULBROW
N. M. NORTON
EDGAR J. TYLER
CHARLES C. PRICE
CHARLES T. COLEMAN
JAMES J. GLOVER
EDWIN L. LOWTHER, JR.
CHARLES L. SCHLUMBERGER
SAMMYE L. TAYLOR
WALTER E. MAY
ANNA HIRAI GIBSON
GREGORY T. JONES

WRIGHT, LINDSEY & JENNINGS
ATTORNEYS AT LAW

200 WEST CAPITOL AVENUE
SUITE 2200
LITTLE ROCK, ARKANSAS 72201-3699

(501) 371-0808

FAX (501) 376-9442

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NANCY BELLHOUSE MAY
JOHN D. DAVIS
JUDY SIMMONS HENRY
KIMBERLY WOOD TUCKER
RAY F. COX, JR.
HARRY S. HURST, JR.
TROY A. PRICE
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JAMES M. MOODY, JR.
KATHRYN A. PRYOR
J. MARK DAVIS
CLAIRE SHOWS HANCOCK
KEVIN W. KENNEDY
JERRY J. SALLINGS
FRED M. PERKINS III
WILLIAM STUART JACKSON
MICHAEL D. BARNES
STEPHEN R. LANCASTER
JUDY M. ROBINSON
BETSY MEACHAM
AINSLEY H. LANG
KYLE R. WILSON
DON S. MCKINNEY
MICHELE L. SIMMONS
KRISTI M. MOODY

June 27, 1996

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

Attn: Alva E. Smith

RE: MUR 4374

Dear Ms. Smith:

On today's date, June 27, 1996, we received the letter of Colleen Sealander, Attorney, Central Enforcement Docket, dated June 24, 1996, which was addressed to John R. Tisdale at Wright, Lindsey & Jennings in Little Rock. A copy of this letter was also sent to the undersigned.

This letter enclosed an additional letter from the complainant, W. J. "Bill" McCuen, pertinent to MUR 4374.

By virtue of the extension granted by the Commission, the candidate's and the Committee's response to the original complaint is presently due on Friday, June 28, 1996. The response is substantially complete, however in order to provide the Commission with a comprehensive response to all of the complainant's allegations, including those set forth in his letter of June 11, 1996, we request an additional extension of five (5) days through and including Wednesday, July 3, 1996, in order that we may adequately respond to the additional matters raised in the complainant's June 11, 1996 letter. This extension is also necessary because the candidate and his principal campaign consultant, Mrs. Sheila Bronfman, are both away from Little Rock and will not return until Monday, July 1, 1996. Their responses to the matters set forth in the June 11, 1996 letter are critical to providing you with a full and complete response to the complaint.

Via Facsimile
202-219-3923

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COMMISSION
OFFICE OF GENERAL
COUNSEL

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June 27, 1996

Page Two

If you could provide us with a response to this request before 5:00 p.m. Central Daylight Time today, it would be extremely helpful to us.

Your prompt attention will be sincerely appreciated.

Cordially,

WRIGHT, LINDSEY & JENNINGS

Bill Spivey

John William Spivey III

JWS:jh
jjh4538.033

9704379243C



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 28, 1996

John William Spivey, III
WRIGHT, LINDSEY & JENNINGS
200 West Capitol Avenue
Little Rock, Arkansas 72201

RE: MUR 4374
Bill Spivey, Treasurer
Mark Stodola for Congress Primary Committee
Mark Stodola

Dear Mr. Spivey:

This is in response to your letter dated June 27, 1996, requesting an additional extension until July 3, 1996, to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on July 3, 1996.

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

Sincerely,

Alva E. Smith, Paralegal
Central Enforcement Docket

cc: John R. Tisdale, Esq.

EDWARD L. WRIGHT
(1903-1977)
ROBERT S. LINDSEY
(1913-1991)
ISAAC A. SCOTT, JR.
JOHN G. LILE
GORDON S. RATHER, JR.
TERRY L. MATHEWS
DAVID M. POWELL
ROGER A. GLASSCOE
C. DOUGLAS BUFORD, JR.
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SAMMYE L. TAYLOR
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COUNSEL
JUL 8 10 07 AM '96
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BETSY MEACHAM
AINSLEY H. LANG
KYLE R. WILSON
DON S. MCKINNEY
MICHELE L. SIMMONS
KRISTI M. MOODY

July 1, 1996

Ms. Alva Smith
Federal Election Commission
999 "E" Street
Washington, D.C. 20463

Via Facsimile
202-219-3923

RE: MUR 4374

Dear Ms. Smith

I am writing to acknowledge receipt of your telephone call at approximately 4:30 p.m. Central Daylight Time on Thursday, June 27, 1996, during which you acknowledged the granting of our request for extension to respond in the above referenced matter through and including the close of business on Wednesday, July 3, 1996.

We sincerely appreciate your prompt attention to our request and look forward to submitting our response on July 3, 1996.

Sincerely,

Mark Stodola and Mark Stodola for
Congress Primary Committee

By Bill Spivey
Bill Spivey, Treasurer and
Attorney in Fact

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUL 1 10 20 AM '96

June 3, 1996

Federal Election Commission
Complaint Division
Street "E" NW
Washington, DC 20463

RE: Complaint on Mr. Mark Stodola mur 4374
Candidate for 2nd Congressional District - Arkansas

To Whom it May Concern:

I have previously mailed a complaint to you regarding Mr. Mark Stodola, a candidate for 2nd Congressional District - Arkansas.

Enclosed is a copy of a newspaper article that pertains to this complaint. Please file along with complaint.

Sincerely,

Bill McCuen

W. J. "Bill" McCuen

Swoon to & subscribed to before me a notary public
on this 25th day of Jun 1996

Rhonda Langest

Commission expires:

March 20, 2001

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Arkansas Democrat-Gazette/TOM EWART

new clothes Inmate Rick Mille models one of the old-fashioned and white striped uniforms Benton County Sheriff Andy Lee (right) to replace the orange and blue scrubs prisoners now wear. The Thursday that the new uniforms fit the tough, no-frills reputation he's jail. Lee made one concession to style — women will wear pink

tive

from Page 2B

ic and social potential. ebruary, 23 students, 1 Dunbar and Henderigh schools, have spent week at the building. e ceremony Thursday. rs Stanley Barnes and handed out achievements to the students for he first three months of

for SBC, offered the students even more encouragement to stay with the program. Ross said his company would give the first program graduate a \$2,500 scholarship and \$2,500 each school year for maintaining a C average at an Arkansas college or university.

"Someone asked me if I thought I had arrived," said Jackson, who played football for the University of Oklahoma and four NFL teams after graduating from Parkview High School.

Stodola fliers' ride in city van leads to reprimand for worker

BY ELIZABETH CALDWELL
Democrat-Gazette Capitol Bureau

A North Little Rock city employee has been reprimanded for using a city van to distribute campaign fliers for Pulaski County Prosecuting Attorney Mark Stodola of Little Rock, one of two remaining Democratic candidates in the 2nd Congressional District.

The incident spurred North Little Rock Mayor Patrick Henry Hays to issue a memorandum reminding city employees that campaigning on city time or using city property violates policy.

Hays said Lewis Shepard, coordinator of the city's midnight basketball program for teen-agers, used a city-owned van to distribute literature for Stodola the weekend before the May 21 preferential primary.

Stodola finished first in a three-man field with 48 percent of the vote. He was followed by state Sen. Vic Snyder of Little Rock with 32 percent and John Edwards of Little Rock with 20 percent.

Stodola will face Snyder in a June 11 runoff.

Stodola could not be reached for comment Thursday.

Sheila Bronfman, a Little Rock political consultant who is running Stodola's campaign, said Shepard was not hired directly by the campaign but through another company.

Shepard said he took the job not

knowing what he was to distribute. He said that when he found out it was campaign material for Stodola, he thought there might be a problem.

"But I didn't have any other means of transportation," Shepard said.

He said he agreed to the job to help six teen-agers earn money. The 15- and 16-year-olds were each paid \$50 a day for two days of work.

"That was my motivation — to get work for these guys," Shepard said.

Joe Smith, North Little Rock director of administration, said Shepard has access to a city van on week-ends to use in youth outings.

"It's such a shame he got himself into this situation," Smith said.

Hays learned of the incident Tuesday from Snyder, who called the mayor to complain after a campaign worker was told about Shepard's actions.

William Knief of Sherwood said he was handed campaign literature by a man in a van sporting Stodola signs.

Knief said he left a message on Stodola's voice mail asking why he was using public property to campaign. He said he never received a reply.

Several days later, Knief ran into a Snyder campaign worker and relayed his concerns. Snyder traced the van to the city of North Little Rock.

Called about possible bomb, police find woman's bed bugged

The Associated Press

RUSSELLVILLE — A woman called police after finding what she thought was a bomb attached to the headboard of her bed. It turned out to be a bugging device.

Russellville police said a bomb squad from Little Rock Air Force Base went to the woman's house Monday evening to destroy the device and discovered it was a radio transmitter.

Patrolman Roby Rhoads said the device included a microphone and a cassette tape case containing two batteries and a circuit board with a switch on top.

The woman, who was not identified, said she woke up about 2:50 p.m. Monday and noticed a red wire on the headboard of her water bed. She told police she has a protection order against her ex-husband, who also lives in the city.

Hendrix to give degrees to 200 Saturday

Democrat-Gazette Conway Bureau

CONWAY — More than 200 Hendrix College students will receive

ter of campus. Paul Brownlee, president of the Association of Colleges and Universities, will be the gradu-

June 11, 1996

Enforcement Division
Office of The General Counsel
Federal Election Commission
999 "E" Street, NW
Washington, DC 20463

RE: MUR 4374

Legal Division:

My Complaint referenced above did not include the names of those who witnessed my discussion with Mr. Emmet Jones concerning his contribution to the Respondent. Present during the conversation was Mr. Q. Byrum Hurst, Jr. an attorney whose address is: 201 Woodbine, Hot Springs, AR 71901. His telephone number is 501-623-2565. Also present was an employee of Mr. Hurst. These two persons can verify what was reported by Mr. Jones.

Mr. Jones' contribution was reported to have been received in the month of December, 1995. The date the check was actually written and picked-up by Ann Henderson, a representative of the Respondent was January 5, 1996. Mr. Jones stated he was delayed for our meeting because he had been requested to write a check for a contribution on that date, January 5, 1996, and back date it to December of 1995 so it could be reported on the Respondent's end of the year report. This was for the purpose of inflating the amount of money available to the candidate to try to discourage others from filing for the office. The end of year report, due in January, was the last report to be filed before the official office filing period opened in Arkansas. This was the last opportunity to discourage others from filing for the office.

Please note the large number of contributions between December 20, 1995 and December 31, 1995. This is a time when it is difficult to receive contributions because of the Christmas season. I believe others were asked to backdate or alter the date in which their contributions were delivered to the campaign. I also believe those who made contributions were unaware of the violations they were asked to commit. Mr. Jones stated that he had been told by Ann

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Stodola Complaint

MUR 4374

Page 2

Henderson that others were doing the same for the Respondent and she was collecting the checks on that date, January 5, 1996. I witnessed Ann Henderson enter and leave Mr. Jones' business on January 5, 1996.

As to the other aspect of the Complaint, the use of funds previously raised for the State Campaign for the Federal Campaign, I wish to add the following:

The Respondent contracted with a campaign consulting firm to do work for his Congressional race around October 1995. This was after the Respondent announced that he would be a candidate for Congress earlier in the year. I spoke with a representative of that company and they verified that the Respondent was a client of that company and also verified that the work was for a Congressional race. The service was paid for from the Respondent's State Campaign account as verified by the records on file with the Pulaski County Clerk and the Secretary of State.

Please let me know if you need additional information.

Sincerely,

Bill McCuen

W. J. "Bill" McCuen

Sworn to & subscribed to before me a notary public
on this 25th day of June 1996.

Rhonda Langst

my commission expires:
March 20, 2001

97943792436



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 10, 1996

W.J. "Bill" McCuen
PO Box 251906
Little Rock, AR 72225

RE: MUR 4374

Dear Mr. McCuen:

This letter acknowledges receipt on June 27, and July 1, 1996, of a supplement and an amendment, respectively, to the complaint you filed on May 28, 1996. The respondent(s) will be sent copies of the additional information. You will be notified as soon as the Federal Election Commission takes final action on your complaint.

Sincerely,

Colleen T. Sealander, Attorney
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

97043792437



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 10, 1996

John R. Tisdale, Esq.
WRIGHT, LINDSEY & JENNINGS
200 West Capitol, Suite 2200
Little Rock, AR 72201

RE: MUR 4374
Bill Spivey, Treasurer
Mark Stodola for Congress Primary Committee
Mark Stodola

Dear Mr. Tisdale:

On May 30, 1996, your clients were notified that the Federal Election Commission received a complaint from W.J. McCuen alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time your clients were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

On June 27, 1996, the Commission received additional information from the complainant pertaining to the allegations in the complaint. Enclosed is a copy of this additional information.

The Commission also received additional information on July 1, 1996, from the complainant pertaining to the allegations in the complaint. Enclosed is a copy of this additional information. As this new information is considered an amendment to the original complaint, you are hereby afforded an additional 15 days in which to respond to the allegations.

Celebrating the Commission's 20th Anniversary

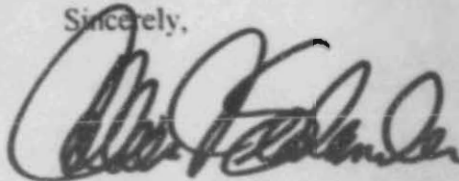
YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

97043792438

John R. Tisdale, Esq.
Page 2

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

Sincerely,

A handwritten signature in dark ink, appearing to read "Colleen T. Sealander". The signature is fluid and cursive, with a large initial "C" and "S".

Colleen T. Sealander, Attorney
Central Enforcement Docket

cc: John William Spivey

Enclosure

97043792439



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 10, 1996

Randall Morley, City Attorney
601 Main Street
North Little Rock, AR 72114

RE: MUR 4374

Dear Mr. Morley:

On July 1, 1996, the Federal Election Commission received an amendment to a complaint which indicates that may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the original complaint and amendment is enclosed. On June 17 and June 27, 1996, the Commission also received additional information from the complainant pertaining the allegations in the complaint. Enclosed is a copy of this additional information. We have numbered this matter MUR 4374. 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.

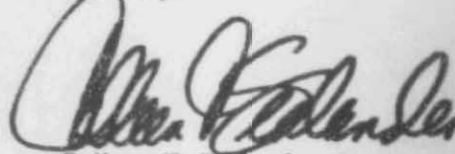
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed 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.

9704379244C

Randall Morley
Page 2

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

Sincerely,



Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosures

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

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUL 8 2 44 PM '96

July 2, 1996

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

UPS OVERNIGHT DELIVERY

Attn: Ms. Colleen Sealander

RE: MUR 4374

Dear Ms. Sealander:

On behalf of Mark Stodola (sometimes referred to hereinafter as the "Candidate") and the Mark Stodola for Congress Primary Campaign Committee (the "Committee"), I am writing to respond directly to the Complaint filed by Mr. W.J. "Bill" McCuen and dated May 16, 1996. Before responding to each of the specific allegations set forth in Mr. McCuen's Complaint, we wish to provide the Commission with information which we believe demonstrates Mr. McCuen's animus toward Mr. Stodola and calls into question his motives in filing the Complaint.

Mr. McCuen formerly served as the Secretary of State for the State of Arkansas having been first elected to that position in November, 1984. At the General Election in November of 1994, Mr. McCuen was defeated in his bid for re-election. For some time during Mr. McCuen's tenure as the Arkansas Secretary of State, questions had been raised concerning the integrity of his office and certain of his actions as Secretary of State. Following a lengthy investigation by the Arkansas State Police, the matter was referred to Mr. Stodola who, as the Prosecuting Attorney for the Sixth Judicial District of Arkansas which includes Little Rock and Pulaski County, charged Mr. McCuen on December 18, 1995, with four felony and one misdemeanor counts all of which concerned public servant bribery and tax evasion. On January 5, 1996, Mr. McCuen pled guilty to each of these charges. Subsequently, on April 29, 1996, Mr. McCuen was sentenced to 17 years in the Arkansas Department of Corrections. He currently resides in the Cummins Unit at Grady, Arkansas.

Following his sentencing, Mr. McCuen filed a motion seeking to vacate the sentence and requesting permission to withdraw the guilty pleas. Mr. Stodola, as the Sixth Judicial District

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Prosecuting Attorney, opposed this petition and pursuant to an Order entered on June 26, 1996, Mr. McCuen's petition was denied in its entirety. We believe that the current complaint initiated by Mr. McCuen against Mr. Stodola and his Committee are an effort by Mr. McCuen to discredit Mr. Stodola and his Congressional campaign and to gain some advantage in the pending criminal proceedings.

Mr. Stodola is currently serving his third term as the Sixth Judicial District Prosecuting Attorney. Prior to his election to this office in 1990, he served as City Attorney for the City of Little Rock for a period of six (6) years. In Arkansas, prosecuting attorneys are required to run for re-election in party primaries every two years. Having already been elected to the office of Sixth Judicial District Prosecuting Attorney, Mr. Stodola had maintained a "grass roots" campaign organization which included the payment of fees to a campaign consulting organization, Creative Exchange operated by Ms. Sheila Bronfman, and to his campaign treasurer, Ann Gilbert. Arkansas campaign election laws permit the maintenance of campaign funds and the expenditure of such funds for appropriate purposes between elections. Reports such as that filed by Mrs. Gilbert on October 12, 1995, a copy of which is attached hereto as Exhibit "A," are made in accordance with Arkansas laws. This report covers income and expenditures for the period July 1, 1995 through September 30, 1995.

In the balance of this response, we will address each of the allegations raised in Mr. McCuen's complaint:

I. *"The candidate has used campaign funds raised for his current state office, Prosecuting Attorney, Sixth District of Arkansas to benefit his campaign for Congress. Please refer to the October 1995 State Report on file with the Pulaski County Clerk's Office and the Arkansas Secretary of State's Office. Mr. Stodola used state funds on at least three (3) occasions for polling, research and to pay staff for his Congressional Campaign."*

RESPONSE: Mr. McCuen's allegation is false and without basis in fact. Mr. Stodola did not finally decide to enter the race for the Second District congressional seat until mid-October of 1995 or later. He gave strong consideration to another race for prosecuting attorney as well as the possibility of a number of other offices. See, Affidavit of Larry Jegley attached hereto as Exhibit "B" and Affidavit of Vincent Insalaco attached hereto as Exhibit "C" and made parts hereof. Mr. Stodola did not formally become a candidate until November 16, 1995, the date on which his statement of candidacy was filed with the Commission. He filed his organizational papers for the establishment of the Committee on November 16, 1995. A bank account for the Congressional race was first opened on November 10, 1995. All funds expended from Mr. Stodola's Prosecuting Attorney campaign account were spent for expenses relating to the maintenance of his prosecuting attorney's campaign fund and his record in office, all of which were incurred or paid prior to his decision to enter the Congressional race.

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With specific reference to the October 12, 1995, Report of Contributions and Expenditures attached hereto as Exhibit "A", there are only three expenditures identified. We have interviewed each of the payees identified in the report, or the principals of the companies shown therein, and have verified that the payments received by them were exclusively related to Mr. Stodola's prosecuting attorney's campaign activities. The names, addresses and telephone numbers of each of the payees and the substance of the information each has provided to the Campaign Committee are as follows:

1. Campaigns Plus, P.O. Box 4182, Falls Church, Virginia 22044. Principal: Mr. Jeff Browne, (703) 237-0104. The Candidate first met with Mr. Browne in late May of 1995 and consulted with him during the summer. Mr. Browne submitted an invoice and was paid by a check dated August 30, 1996. Mr. Browne has informed us that he was engaged for the purpose of assisting Mr. Stodola in evaluating a re-election campaign for the prosecuting attorney's office. In addition, Mr. Browne also assisted Mr. Stodola in evaluating other possible state races. Mr. Browne's work consisted of reviewing information about the Mr. Stodola's background in an effort to develop a candidate profile. He did no polling and did no opposition candidate research for any office which might have been under consideration by Mr. Stodola. Following Mr. Stodola's announcement of his candidacy for the Second District congressional seat, Mr. Browne's new employer, Campaign Options, was engaged by the Committee to do work which was specifically related to Mr. Stodola's race for Congress. It was always the Committee's intention and Mr. Browne's understanding that his firm would be separately compensated from congressional campaign funds for this work for the Candidate and Committee.

2. Creative Exchange, 5213 North Grandview, Little Rock, Arkansas 72207. Principal: Ms. Sheila Bronfman, (501) 663-8600. Ms. Bronfman and her firm, Creative Exchange, provided political consultation and services to Mr. Stodola in each of his 1990, 1992 and 1994 races for the office of Sixth Judicial Prosecuting Attorney. Following his election in each of the aforementioned years, Ms. Bronfman continued as his political advisor until he began his race for Congress. For her services for consulting and expenses during the years she worked for Mr. Stodola on prosecuting attorney matters, Ms. Bronfman or her firm billed the Prosecuting Attorney fund and were paid the sums of \$3,815.75 in 1990; \$10,000.00 in 1994 and \$15,000.00 in 1995. According to Mrs. Gilbert, the 1995 payment was made by check dated August 30, 1996. All of these fees and expenses were paid from Mr. Stodola's prosecuting attorney campaign funds. Ms. Bronfman has informed us that during the time she provided services for Mr. Stodola's prosecuting attorney races, she never contracted with anyone to do polling for Mr. Stodola. She did contract with Campaigns Plus to do candidate research for Mr. Stodola, however, this was prior to his decision to run for another office. In early fall 1995, Ms. Bronfman merged her firm, Creative Exchange, with another consulting firm to form Southern Strategy Group. Because of her long standing relationship with the Candidate, following the announcement of Mr. Stodola's decision to run for Congress, Ms. Bronfman's firm, Southern Strategy Group, was engaged to assist him with that race. Ms. Bronfman has

indicated that at no time during her work for Mr. Stodola did she use state campaign funds for purposes related to Mr. Stodola's congressional race.

3. Ann Gilbert, 14 Oakwood Drive, Little Rock, Arkansas 72202 (501) 663-4441 (home). Mrs. Gilbert served as campaign treasurer for each of Mr. Stodola's three races for Sixth Judicial District Prosecuting Attorney. In this capacity, she was responsible for receiving contributions to Mr. Stodola's campaign fund, preparing deposit slips and depositing funds into the account, receiving and paying invoices received by the campaign, reconciling the campaign checkbook and bank statements, retaining records of contributions and expenditures as required by state law and preparing and filing all Reports of Contributions and Expenditures with the Arkansas Secretary of State and the Pulaski County Clerk. Pursuant to an agreement with Mr. Stodola, Mrs. Gilbert was to receive \$215.00 per month for her services as Treasurer. She received a payment of \$3,010.00 on June 22, 1994 for services from November 1, 1993 through December 31, 1994. On September 30, 1995, Mrs. Gilbert submitted her invoice and was paid for her services to the Prosecutor's campaign for 1995. The payment of \$2,580.00 shown on the October 12, 1995 Report was for services rendered from January 1, 1995 through December 31, 1995. She continues to file quarterly Supplemental Reports reflecting accrued interest on the campaign funds and showing any disbursements which are solely related to the Prosecuting Attorney's account. She has received no payment from the Prosecutor's fund in 1996 for her work. Mrs. Gilbert has categorically stated that at no time has she made any disbursements from the Prosecutor's fund for polling. She acknowledges paying the invoice of Campaigns Plus which, she indicates, was for work done for the benefit of Mr. Stodola's consideration of a re-election bid for Prosecuting Attorney and other possible races.

Mrs. Gilbert did not serve as campaign treasurer or in any other paid capacity with the congressional campaign.

All the persons interviewed above have indicated that at no time have they received or have they directed that monies be disbursed from the Prosecuting Attorney's campaign account to pay for polling, research or staffing related to Mr. Stodola's recent unsuccessful race for the Arkansas Second District congressional seat. The expenditure of Prosecuting Attorney campaign funds expended prior to Mr. Stodola's congressional announcement were in connection with prosecutor responsibilities and a review of Mr. Stodola's past record all done in conformance with state law. Payments were made prior to a decision on a future race in order to distinguish payments for past campaign services from payments for future campaign services.

II. *The candidate, Mr. Stodola and his staff, in particular, Ann Henderson Gilbert had contributors alter campaign documents and back date or alter checks that were presented as donations. One specific incident occurred when a contributor, Emmett Jones of Little Rock, was contacted and told that Ann Gilbert would be coming to his office to pick up a check and that the check must be back dated to a date in December of 1995. The check was written by Mr. Jones on or about January 5, 1996, but dated December 31, 1995. December*

31, 1995, was on a Sunday. I was informed by Mr. Jones in the presence of two (2) other individuals that this incident occurred. I was at Mr. Jones (sic) restaurant having lunch when told this fact and observed Ann Gilbert at the business. It appears that the candidate wanted the check to be shown on his end of the year report so his funds would be inflated for the reporting period December 1995.

RESPONSE: Mr. Stodola, Mrs. Gilbert, and other members of the Committee deny that at any time were contributors to Mr. Stodola's congressional campaign asked to "alter campaign documents" or to "back date or alter checks" that were received as contributions to the congressional campaign account.

Mrs. Gilbert served as a volunteer campaign worker in Mr. Stodola's congressional campaign race and has received no campaign funds in payment of any services she has rendered to or on behalf of the congressional campaign or the Committee. She has actively engaged in fund raising on behalf of the campaign and has been responsible for contacts with many of the campaign contributors of which there are presently over 1,000.

With specific reference to the allegation that Mrs. Gilbert asked Emmett Jones to back date a check in December of 1995, Mrs. Gilbert has informed us that she contacted Mr. Jones in either late October or early November and asked if he would be a host for a fund-raiser which was scheduled for mid-November. Mr. Jones agreed to be responsible for raising \$1,000.00. Mr. Jones agreed to serve as a host but, subsequently did not attend the event which was held on November 16, 1995. Mrs. Gilbert contacted Mr. Jones numerous times during the months of November and December of 1995 and requested that he make his contribution before December 31, 1995. Mrs. Gilbert acknowledges that her personal fund raising goal was to collect the contributions of all hosts for the November fund-raiser before the end of 1995 so that they would be reflected on the December 31, 1995 campaign finance report.

During the first week of January 1996, Mrs. Gilbert learned that Mr. Jones' contribution had not been received by the Campaign. She contacted him to ask if he had mailed his contribution. She offered to personally come to his office and pick up his check. Mr. Jones informed her that the check had not been mailed and that he would be in his office if Mrs. Gilbert wished to pick up the check personally. Mrs. Gilbert subsequently drove to Mr. Jones' place of business, collected a check representing a contribution of \$500.00 and delivered it to the campaign office. She does not recall any specific conversation she had with Mr. Jones on the day she picked up his check, but acknowledges that she had requested on many occasions that he honor his pledge before December 31, 1995. To the best of Mrs. Gilbert's knowledge no other member of the campaign's staff had any direct contact with Mr. Jones.

Although the Committee has made diligent efforts to reach Mr. Jones in connection with this response, he has not returned our telephone calls and we have not had an opportunity to discuss this matter with him directly. However, in a newspaper article describing Mr. McCuen's

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complaint, which appeared in the Arkansas Democrat-Gazette on Thursday, June 6, 1996, Mr. Jones stated that "he was never asked to back date a check." A copy of the newspaper article is attached hereto as Exhibit "D" for your information.

Finally, the complainant's suggestion that "It appears the candidate wanted the check to be shown on his end of the year report so that his funds would be inflated for that reporting period" is not only speculative, but irrelevant. All campaign contributions were reported in a timely fashion and within the appropriate reporting period.

III. *A review of the candidate's federal report will reflect a large number (at least 15) checks that were dated between December 25 and December 31, 1995. An investigation should reveal that the candidate asked many if not all of these persons to date the checks in December 1995 although they were received by him and his staff after January 1, 1996.*

RESPONSE: The Committee has identified 27 checks received as contributions bearing dates between December 25 and December 31, 1995. Mr. Ken Chitester, Campaign Director for the Stodola for Congress Campaign has diligently attempted to contact each of these contributors and through the date of this response had succeeded in contacting 22 of these persons. A detailed list showing the names, addresses, telephone numbers and the amounts of contribution for each of the persons the Committee has succeeded in contacting is attached to this response as Exhibit "E". Also shown in Exhibit "E" to this response are the names, addresses, telephone numbers and amounts of contribution for each of the persons whom the campaign has for a variety of reasons been unable to contact. Mr. Chitester has summarized the responses to his inquiries in a statement which is attached hereto as Exhibit "F." Based upon Mr. Chitester's investigations, we believe the Committee can state that at no time was any campaign contributor ever asked to back date or alter any campaign contribution so as to make it appear that the contribution was made on a date other than that shown on the contributor's check. As Mrs. Gilbert has already indicated, diligent efforts were made to collect as many campaign contributions as possible before December 31, 1995. These efforts were made not, as the complainant has suggested, for the purpose of inflating the December 1995 campaign finance report, but to ensure that commitments or commitments for contributions made in connection with the November 16, 1995, fundraiser were collected within a reasonable amount of time following the event. None of the contributions identified in Exhibit "E" to this response exceeded any campaign contribution limit, was made by a person who was for any reason not authorized to make such a contribution or was for any other reason illegal or inappropriate.

On June 27, 1996, one day before this response was due, we received a copy of Ms. Sealander's letter dated June 24, 1996, which enclosed a copy of a letter dated June 11, 1996, written by the complainant, Mr. McCuen. In response to the matters raised in Mr. McCuen's June 11, 1996 letter, the Candidate and the Committee offer the following:

1. With respect to the additional information concerning alleged backdating of contribution checks, we believe this response adequately addresses the information contained in Mr. McCuen's June 11, 1996 letter. The statements made in Mr. McCuen's letter are either redundant or irrelevant to the complaint as previously stated.

2. With regard to the use of funds in the Prosecuting Attorney's campaign account for the Second District congressional race, the complainant's additional allegations are both vague and indefinite. These allegations are also premised upon the incorrect assumption that Mr. Stodola was a candidate long before October of 1995. This assumption is false and not supported by the facts. However, the Committee has contacted each of the payees shown in the October 1995 report of the Prosecuting Attorney's campaign fund filed by Mrs. Gilbert and has verified that in October of 1995, none of those companies was under contract with Mr. Stodola to perform work in connection with any future congressional campaign. Mr. Stodola has also verified that he had not entered into any contracts with any "campaign consulting firm" prior to his decision to enter the congressional race in mid-to-late October of 1995. Mr. Stodola's announcement of his candidacy occurred on November 16, 1995. No monies were disbursed from the Prosecuting Attorney's campaign fund at any time for work related to Mr. Stodola's race for the Second District congressional seat.

In conclusion, Mr. Stodola and the Stodola for Congress Primary Campaign Committee hereby respectfully request that the Complaint be dismissed in its entirety and that the Commission enter its order stating that there is no basis for any of the allegations set forth in Mr. McCuen's Complaint.

Respectfully submitted,

Mark Stodola and the
Mark Stodola for Congress
Primary Campaign Committee

By

Bill Spivey
Bill Spivey, Treasurer and
Attorney in Fact

j:jb4537.033
Enclosure

EXHIBIT "A"

501 663 3106

State of Arkansas

FILED

FILED

W. J. "BILL" McCUEN

SECRETARY OF STATE


Ethics Division

Little Rock, Arkansas 72201-1094

OCT 13 1996

SHARON PRIEST
SECRETARY OF STATE

REPORTS OF CONTRIBUTIONS AND EXPENDITURES

NAME OF CANDIDATE <u>CAROLYN STALEY</u> <u>Mack Alton Steele</u>	
ADDRESS (STREET, P.O. BOX OR RURAL ROUTE) <u>1923 Tyler Street</u>	
CITY <u>Little Rock</u>	STATE <u>AR</u> ZIP <u>72207</u>
TITLE OF OFFICE SOUGHT TO WHICH THIS REPORT IS APPLICABLE <u>Prosecuting Attorney - District 6</u>	
TYPE OF ELECTION (CHECK ONE OF THE FOLLOWING) <input type="checkbox"/> Preferential Primary Election <input type="checkbox"/> General Primary Election (Run-Off) <input checked="" type="checkbox"/> General Election <input type="checkbox"/> Special Election	
Date of Election <u>Nov. 8, 1994</u>	
TYPE OF REPORT (CHECK ONE OF THE FOLLOWING) <input type="checkbox"/> First Monthly Report _____ Date of Report _____ <input type="checkbox"/> Monthly Report _____ Date of Report _____ <input type="checkbox"/> 10 Day Preelection Report (Due 7 days prior to any election) <input type="checkbox"/> Final Monthly Report <input type="checkbox"/> April 15 Quarterly Supplemental Report For period of January 1 to March 31 <input type="checkbox"/> July 15 Quarterly Supplemental Report For period of April 1 to June 30 <input checked="" type="checkbox"/> October 15 Quarterly Supplemental Report For period of July 1 to September 30 <input type="checkbox"/> January 15 Quarterly Supplemental Report For period of October 1 to December 31	
Covering Period <u>July 1, 1995</u> through <u>September 30, 1995</u>	
Total Contribution Amount Carried Forward. \$ <u>74,403.08</u>	
Total Contributions Received This Reporting Period. \$ <u>403.93</u>	
Total Expenditures Made This Reporting Period \$ <u>26,080.00</u>	
Current Surplus or Debt of Campaign Funds at Close of Reporting Period \$ <u>48,727.01</u> (USE BRACKETS TO INDICATE DEBT)	
Disposal of Surplus Campaign Funds: (Check on Final Report Only) <input type="checkbox"/> Treasurer of State for benefit of General Revenue Fund Account of the State Apportionment Fund; <input type="checkbox"/> An organized Political Party; <input type="checkbox"/> Contributors to the Candidate's Campaign	
If you have not received any contributions or made any expenditures this reporting period, please check the No Activity Box. If you have checked the No Activity Box, you may complete this page only. There is no need to complete the following Campaign Contribution Report and the Campaign Expenditure Report pages 1 and 2. If you have not checked the No Activity Box, please continue. <div style="text-align: right;">NO ACTIVITY <input type="checkbox"/></div>	
The law provides for a maximum penalty of \$1,000 and/or imprisonment for not more than one year for any person who knowingly or willfully fails to comply with the provisions of this Act. (Arkansas Code of 1987 Annotated §§ 7-6-201 — 7-6-219) — THIS REPORT CONSTITUTES A PUBLIC RECORD —	
PRIMARY ELECTION: Any election held by a political party in the manner provided by law for the purpose of selecting nominees of said political party for certification as candidates for election at any general or special election in this state. GENERAL OR SPECIAL ELECTION: The regular biennial or annual elections for election of United States, state, district, county, township, and municipal officials and the special elections to fill vacancies therein.	
— Affidavit —	
STATE OF ARKANSAS	
COUNTY OF <u>Pulaski</u>	SS.
I, <u>Ann Henderson Gilbert</u> , being duly sworn, depose (affirm) and state that I have read the attached report; and, to the best of my knowledge and belief, the information disclosed therein is a complete, true and accurate financial statement of the candidate's or committee's campaign contributions and/or expenditures for the election so indicated above.	
<u>Ann Henderson Gilbert</u> (Signature of Candidate or Candidate's Representative)	
Sworn to and subscribed before me, a Notary Public, in and for <u>Pulaski</u> County, Arkansas, on this <u>12th</u> day of <u>June</u> , 19 <u>95</u> .	
 <u>Georgia Simmons</u> (Signature of Notary Public)	
My Commission expires:	

501 663 3106 Arkansas

W. J. "BILL" McCUEN

SECRETARY OF STATE

Ethics Division

Little Rock, Arkansas 72201-1094

CAMPAIGN CONTRIBUTION REPORT

Mark Allan Stodola
Name of CandidateOctober 12, 1995 Page 1 of 1
Date of This Report

PLEASE TYPE OR PRINT

Do not list contributions previously reported.
Itemize contributions over \$100.

1. Full Name, Mailing Address and ZIP Code of Contributor	Employer and Principal Place of Business	Amount of Each Contribution This Period
Interest earned for July	Occupation	
	Aggregate This Election ➤ \$	135.86
2. Full Name, Mailing Address and ZIP Code of Contributor	Employer and Principal Place of Business	Amount of Each Contribution This Period
Interest earned for August	Occupation	
	Aggregate This Election ➤ \$	136.11
3. Full Name, Mailing Address and ZIP Code of Contributor	Employer and Principal Place of Business	Amount of Each Contribution This Period
Interest earned for September	Occupation	
	Aggregate This Election ➤ \$	131.96
4. Full Name, Mailing Address and ZIP Code of Contributor	Employer and Principal Place of Business	Amount of Each Contribution This Period
	Occupation	
	Aggregate This Election ➤ \$	
5. Full Name, Mailing Address and ZIP Code of Contributor	Employer and Principal Place of Business	Amount of Each Contribution This Period
	Occupation	
	Aggregate This Election ➤ \$	
6. Full Name, Mailing Address and ZIP Code of Contributor	Employer and Principal Place of Business	Amount of Each Contribution This Period
	Occupation	
	Aggregate This Election ➤ \$	
7. Full Name, Mailing Address and ZIP Code of Contributor	Employer and Principal Place of Business	Amount of Each Contribution This Period
	Occupation	
	Aggregate This Election ➤ \$	

(Fill in total on last page of Contribution Report)

Total Contributions this Report (itemized and unitemized) \$ 403.93

State of Arkansas

W. J. "BILL" McCUEN
SECRETARY OF STATE
 Ethics Division

Little Rock, Arkansas 72201-1094

October 12, 1995
Date of This Report

RECEIVED TIME JUN. 21. 9:56AM

State of Arkansas

Little Rock, Arkansas 72201-1094

AFFIDAVIT

The undersigned states on oath:

1. I am Chief Deputy Prosecutor for the Sixth Judicial District of Arkansas and have served in that capacity since December 1991 as Mark Stodola's first assistant, and have had continuing daily contact with him that entire time.

2. I have been a close friend, confidante, and advisor to Mark Stodola for about 20 years.

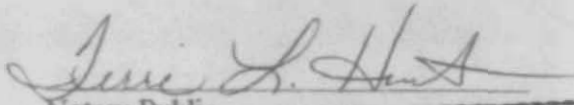
3. In mid- October, 1995, Mark and I had several discussions focusing on whether Mark should run for re-election to another two year term as Prosecuting Attorney or whether some other election was worth pursuing at that juncture of his career. These discussions had been preceded for several months by "generic" discussions and analysis including elective offices at both the State and Federal levels, centering on a number of factors including family considerations, current obligations of the office, career satisfaction, timing, and the like.

4. The resolution of these discussions and issues remained an open issue until mid to late October 1995, when Mark decided to begin the formalities predicate to a run for the democratic party's nomination for the Second Congressional District seat in the U.S. House of Representatives.

5. Until that time, I was never impressed that Mark had firmly decided upon any particular course and, in fact, often had the impression that a re-election bid for Prosecuting Attorney would be his ultimate choice. This recollection is accentuated by the fact that my personal career choices were largely dependent on the outcome of Mark's decision making process. Ultimately, I decided to run for Prosecuting Attorney and was often asked the reason why I waited so long to decide to run for the office; my candid response was and remains that I was waiting for Mark to resolve whether he would seek reelection or another office before I could chart my own course, which I commenced in early December 1995 following Mark's November announcement for the congressional race.


Larry Jegley, Affiant

Subscribed and sworn to this 27th day of June, 1996.


Notary Public



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EXHIBIT "C"

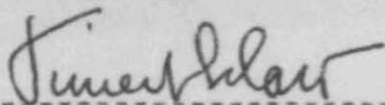
AFFIDAVIT

The undersigned states on oath:

1. I am president and CEO of a local retail company and have served in this capacity since October, 1985.

2. I have known Mark Stodola since 1974, and have been a friend and advisor since that time.

3. Beginning sometime in September, 1995, Mark and I began a series of discussions regarding his future political career. At that time, he voiced an interest in seeking the Second Congressional District seat, but had lingering doubts for a variety of reasons, most of them having to do with his family. I told Mark that if he was going to run, we needed to start very soon. Several weeks went by and Mark still had not reached a decision. In mid-October, we discussed the possibility of starting an exploratory committee so work could begin on fundraising in the event he did run. A November fundraiser was planned. As recent as 10 days before the event itself, Mark still had not finalized his decision. I encouraged him to make that decision before the fundraiser. It was only a few days before the event itself that Mark had made a final decision to formally announce at the fundraiser in November, 1995.



Vincent Insalaco

Subscribed and sworn to this 26th day of June, 1996.

* THURSDAY, JUNE 6, 1996

Pulaski

Arkansas Democrat-Gazette

From prison, McCuen files complaint against prosecutor

BY GRANT TENNILLE
Democrat-Gazette Staff Writer

Former Secretary of State Bill McCuen has prepared a complaint against the man who put him there.

McCuen filed a complaint last month with the Federal Election Commission against Prosecuting Attorney Mark Stodola of Little Rock, who is seeking the 2nd Congressional District seat being vacated by Rep. Ray Thornton, D-Ark. Stodola's investigation of McCuen's activities in office led to Mc-



Bill McCuen

Cuen's guilty plea on felony political corruption and tax evasion charges. In April, McCuen was sentenced to 17 years in prison by Pulaski County Circuit Judge John Langston.

On May 16 — eight days after entering the state Department of Correction Diagnostic Unit in Pine

Bluff — McCuen sent a letter to Washington accusing Stodola of misusing campaign funds. The letter was notarized by former McCuen employee and frequent travel companion Rhonda Langster.

McCuen claimed in the letter that Stodola transferred money left over from a 1994 campaign for prosecuting attorney to his congressional campaign.

"Stodola used state funds on at least three occasions for polling, research and to pay staff for his congressional campaign," Mc-

Cuen wrote.

He also alleged that Stodola asked contributors to his congressional campaign to backdate contribution checks to inflate fund-raising totals for 1995.

Stodola's response to the allegations was brief.

"Consider the source," said Stodola, who will face state state Sen. Vic Snyder, D-Little Rock, in a Democratic primary runoff Tuesday.

Stodola's campaign manager, Sheila Bronfman of Little Rock,

elaborated.

"He is very vindictive and a sworn enemy of Mark Stodola," she said of McCuen. "We will certainly check everything out thoroughly, but there is nothing to it. We have kept scrupulous records and accounted for every penny."

Bronfman said the campaign received notification of the investigation from the commission Wednesday.

McCuen claimed that Emmet Jones of Little Rock, owner of Jones Harley-Davidson and the Hawg

Diner, was asked in January to backdate a check to Stodola's campaign for Dec. 31, 1995.

"I was informed by Mr. Jones in the presence of two other individuals that this incident occurred," wrote McCuen, a Harley-Davidson owner. "I was at Mr. Jones' restaurant having lunch when told this fact."

Jones told the *Arkansas Democrat-Gazette* that he was never asked to backdate a check.

"I did give Stodola \$5,000," he said. "I just don't remember if I gave it to him."

EXHIBIT "E"
LIST OF CONTRIBUTORS TO MARK ETODOLA FOR CONGRESS
December 25-31, 1995

I. The campaign contacted the following June 18-25, 1996:

Name Address	Check Date Employer	Amount Phone
Raymond Abramson P.O. Box 281 Clarendon, AR 72029	12-26-96 self-employed attorney	\$25 H:462-3463 W:747-3377
Michael D. Booker P.O. Box 45154 Little Rock, AR 72214	12-31-95 self-employed attorney	\$250 H:224-8988 W:375-2221
Larry W. Bowden 815 Beechwood Little Rock, AR 72205	12-29-95 Stephens, Inc. vice president	\$100 H:663-1401 W:377-2079
Sheila Campbell 613 Colynwood North Little Rock, AR 72120	12-31-95 Walker, Campbell, et al lawyer	\$500 H:835-1917 W:372-4623
Joe Childers 4707 Stonewall Little Rock, AR 72207	12-29-95 Pulaski County admin. coordinator	\$100 H:664-0969 W:340-8000
Sheila Evans 10 W. Ash Fayetteville, AR 72702	12-29-95 Evans Property owner	\$500 H:443-1900 W:unknown
Dennis Hankinson #10 Shackelford Plaza Little Rock, AR 72211	12-29-95 Hankinson Feed Products feed merchandiser	\$350 H:227-0308 W:224-2133
Ron Harrod 700 E. 9th St. #3E Little Rock, AR 72202	12-29-95 self-employed consultant	\$500 H:375-3233 W:same
Norman L. Hodges Jr. 5123 Crestwood Dr. Little Rock, AR 72207	12-29-95 State of Arkansas department director	\$100 H:664-6033 W:682-1619
Paul W. "Pete" Hoover Jr. 111 Center St., 11th floor Little Rock, AR 72201	12-31-95 Hoover Dougherty et al lawyer	\$250 H:663-2992 W:376-8500
Fred Hudson 104 Devon North Little Rock, AR 72116	12-29-95 Hudson Properties retailer	\$100 H:835-4107 W:unknown
David J. Jones	12-29-95	\$1,000

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11219 Financial Ctr Pkwy #230 Little Rock, AR 72211	Vogel Realty owner	H:224-6211 W:225-6018
Noal Lawhon 114 Illinois Bayou Dr. North Little Rock, AR 72116	12-29-95 self-employed feed supply/farming	\$500 H:835-2340 W:731-5484
Kenneth W. "Buck" Matthews 4500 Burrow Dr. North Little Rock, AR 72116	12-29-95 self-employed architectural consultant	\$500 H:758-5966 W:758-7443
James "Jim" May III P.O. Box 1329 Little Rock, AR 72203	12-29-95 May Construction president	\$200 H:unknown W:663-0276
R. Gregg Reep 409 N. Walnut Warren, AR 71671	12-29-95 City of Warren mayor	\$50 H:226-7108 W:226-6743
Bobby W. Robinson P.O. Box 160 Cotton Plant, AR 72036	12-29-95 self-employed farmer	\$500 H:1-800- 467-8050
Belinda H. Shults 5108 Edgewood Little Rock, AR 72207	12-29-95 no employer community volunteer	\$500 H:664-7117 W:same
Bradley D. "Brad" Sipe 13500 Chenal Parkway #280B Little Rock, AR 72211	12-29-95 no employer student	\$20 H:221-1788 W:same
John Ray White 4301 Stoneview Ct. Little Rock, AR 72212-1950	12-29-95 Pulaski County lawyer	\$1,000 H:868-8919 W:340-8000
Larry Yancey 3901 Lookout Little Rock, AR 72205	12-31-95 Catlett & Yancey lawyer	\$500 H:664-0812 W:372-2121
Dennis R. Young P.O. Box 1835 Texarkana, AR 75504	12-29-95 Dennis Young Insurance insurance agent	\$100 H:773-4139 W:774-3669

II. The campaign was unable to contact the following June 18-26, 1996:

Name Address	Check Date Employer	Amount Phone
F. Michael "Mike" Bauer * #5 St. Vincent Circle Little Rock, AR 72214	12-25-95 Watkins, Bauer & Meadows cardiovascular surgeon	\$1,000 H:unknown W:666-2894

Bo Denton **
P.O. Box 1545
Conway, AR 72032

12-29-95
Denton Insurance
insurance

\$50
H:unknown
W:327-3888

Emmett Jones ***
10210 Interstate 30
Little Rock, AR 72209

12-31-95
Jones Harley Davidson
owner

\$500
H:568-3552
W:568-3160

William K. "Keith" McAfee
1705 N. Pierce
Little Rock, AR 72207

12-29-95
unknown
unknown

\$50
H:666-0276
W:unknown

William G. Thompson
Route 2, Box 150
Austin, AR 72007

12-29-96
self-employed
cattleman/grocer

\$250
H:843-3486
W:982-5052

* Dr. Bauer was out of town the week the campaign attempted to contact him.

** The campaign spoke to Mr. Denton's wife (whose name, but not signature, was on the check).

*** Mr. Jones made a statement regarding this matter to the Arkansas Democrat-Gazette in a story published June 6, 1996 (see Exhibit "D").

Despite making up to seven calls to each, the campaign was unable to contact either of the other contributors.

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EXHIBIT "F"
STATEMENT BY KEN CHITESTER
June 27, 1996

I am Ken Chitester, and I served as campaign director for Mark Stodola's Congressional campaign from March to June 1996. I live in Little Rock, Arkansas.

In response to a complaint dated May 16, 1996, filed with the Federal Election Commission, the Mark Stodola For Congress Primary Campaign Committee sought information on when and how some contributions were made. The complaint claimed checks dated December 25-31, 1995, actually were received after January 1, 1996.

Working in conjunction with the accounting firm of Baird, Kurtz and Dobson, the campaign found 27 checks dated December 25-31, 1995. The campaign then attempted June 18-26, 1996, to contact each of the contributors. Contributors were called repeatedly, both during the day and in the evening, at home and at work. The campaign made more than 90 calls in this effort, phoning each contributor up to seven times.

Of the 27 contributors, the campaign reached 22 (nearly 82 percent). Including a statement one contributor made to the Arkansas Democrat-Gazette (see Exhibit "D") and information provided to the campaign by another contributor's wife (whose name but not signature was on the check), the campaign received information from all but three of the 27 who gave checks December 25-31, 1996 (a total of nearly 89 percent). At least one of the three was on vacation during the week the campaign attempted to contact him.

The campaign used a script to ensure that all contributors were asked the same questions. After identifying himself, the caller verified that the contributor gave a check for a certain amount on a certain date. The campaign then asked the contributor if he actually wrote the check on the date listed. Finally, the campaign asked the contributor who solicited him and to whom he gave the check.

Despite allegations in the complaint, none of the contributors indicated that the candidate or his staff had asked them to back date or alter checks. Also contrary to allegations in the complaint, none of the contributors indicated they were asked to date checks in December 1995 which were received by the candidate or his committee after January 1, 1996.

Most contributors indicated the campaign's records (amount of check and date given) were correct but that they did not recall specifically when they wrote their check. Many said they were friends of Mr. Stodola's and gave of their own initiative. Others said they gave their checks at a fundraising event. Again, none said they were asked to alter or back date checks, and none said they did so.

Ken R. Chitester

Ken Chitester

6-27-96

Date

97043792459

EDWARD L. WRIGHT
(1903-1977)
ROBERT S. LINDSEY
(1913-1991)
ISAAC A. SCOTT, JR.
JOHN G. LILE
GORDON S. RATHER, JR.
TERRY L. MATHEWS
DAVID M. POWELL
ROGER A. GLASSGOW
C. DOUGLAS BUFORD, JR.
PATRICK J. GOSS
ALSTON JENNINGS, JR.
JOHN R. TISDALE
KATHLYN GRAVES
M. SAMUEL JONES III
JOHN WILLIAM SPIVEY III
LEE J. MULBROW
N. M. NORTON
EDGAR J. TYLER
CHARLES C. PRICE
CHARLES T. COLEMAN
JAMES J. GLOVER
EDWIN L. LOWTHER, JR.
CHARLES L. SCHLUMBERGER
SAMMYE L. TAYLOR
WALTER E. MAY
ANNA HIRAI GIBSON
GREGORY T. JONES

WRIGHT, LINDSEY & JENNINGS
ATTORNEYS AT LAW

200 WEST CAPITOL AVENUE
SUITE 2200
LITTLE ROCK, ARKANSAS 72201-3699

(501) 371-0808

FAX (501) 376-9442

OF COUNSEL
ALSTON JENNINGS
RONALD A. MAY
BEVERLY BASSETT SCHAFFER

H. KEITH MORRISON
BETTINA E. BROWNSTEIN
WALTER McSPADDEN
ROGER D. ROWE
NANCY BELLHOUSE MAY
JOHN D. DAVIS
JUDY SIMMONS HENRY
KIMBERLY WOOD TUCKER
RAY F. COX, JR.
HARRY S. HURST, JR.
TROY A. PRICE
PATRICIA SIEVERS LEWALLEN
JAMES M. MOODY, JR.
KATHRYN A. PRYOR
J. MARK DAVIS
CLAIRE SHOWS HANCOCK
KEVIN W. KENNEDY
JERRY J. SALLINGS
FRED M. PERKINS III
WILLIAM STUART JACKSON
MICHAEL D. BARNES
STEPHEN R. LANCASTER
JUDY M. ROBINSON
BETSY MEACHAM
AINSLEY H. LANG
KYLE R. WILSON
DON S. MCKINNEY
MICHELE L. SIMMONS
KRISTI M. MOODY

July 17, 1996

Ms. Alva Smith
Federal Election Commission
999 "E" Street
Washington, D.C. 20463

Re: MUR 4374

Dear Ms. Smith:

I am writing to acknowledge receipt today, July 16, 1996 of the July 10, 1996, letter written by Colleen Sealander in the above referenced matter. Based upon our receipt today, it is my understanding that the fifteen (15) day response time to these additional matters will expire on Wednesday, July 31, 1996. If I am in error in my calculation of the deadline for response, I ask that you contact me immediately.

Cordially,

WRIGHT, LINDSEY & JENNINGS

Bill

John William Spivey III

JWS:jh
j:jh4570.033

cc: Mr. Mark Stodola

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
JUL 22 9 55 AM '96

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EDWARD L. WRIGHT
(1903-1977)
ROBERT S. LINDSEY
(1913-1991)
ISAAC A. SCOTT, JR.
JOHN G. LILE
GORDON E. RATHER, JR.
TERRY L. MATHEWS
DAVID M. POWELL
ROGER A. GLASGOW
C. DOUGLAS BUFORD, JR.
PATRICK J. GOSS
ALSTON JENNINGS, JR.
JOHN R. TISDALE
KATHLYN GRAVES
M. SAMUEL JONES III
JOHN WILLIAM SPIVEY III
LEE J. MULROW
N. M. NORTON
EDGAR J. TYLER
CHARLES C. PRICE
CHARLES T. COLEMAN
JAMES J. GLOVER
EDWIN L. LOWTHER, JR.
CHARLES L. SCHLUMBERGER
SAMMYE L. TAYLOR
WALTER E. MAY
ANNA HIRAI GIBSON
GREGORY T. JONES

WRIGHT, LINDSEY & JENNINGS
ATTORNEYS AT LAW

200 WEST CAPITOL AVENUE
SUITE 2200
LITTLE ROCK, ARKANSAS 72201-3699

(501) 371-0808

FAX (501) 376-9442

OF COUNSEL
ALSTON JENNINGS
RONALD A. MAY
BEVERLY BASSETT SCHAFFER

H. KEITH MORRISON
BETTINA E. BROWNSTEIN
WALTER MCSADDEN
ROGER D. ROWE
NANCY BELLHOUSE MAY
JOHN D. DAVIS
JUDY SIMMONS HENRY
KIMBERLY WOOD TUCKER
RAY F. COX, JR.
HARRY S. HURST, JR.
TROY A. PRICE
PATRICIA SIEVERS LEWALLEN
JAMES M. MOODY, JR.
KATHRYN A. PRYOR
J. MARK DAVIS
CLAIRE SHOWS HANCOCK
KEVIN W. KENNEDY
JERRY J. SALLINGS
FRED M. PERKINS III
WILLIAM STUART JACKSON
MICHAEL D. BARNES
STEPHEN R. LANCASTER
JUDY M. ROBINSON
BETSY MEACHAM
AINSLEY H. LANG
KYLE R. WILSON
DON S. MCKINNEY
MICHELE L. SIMMONS
KRISTI M. MOODY

July 29, 1996

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

Attn: Ms. Colleen Sealander

RE: MUR 4374

UPS OVERNIGHT DELIVERY

JUL 30 2 32 PM '96

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Dear Ms. Sealander:

On July 16, 1996, we received Ms. Sealander's letter dated July 10, 1996, under which she transmitted to us copies of two separate, supplemental filings made by the complainant, Mr. McCuen. The purpose of this letter is to provide you with the response of the Candidate and Committee to each of these additional filings.

1. In Mr. McCuen's first letter dated June 3, 1996, he makes reference to a newspaper article which appeared in the Arkansas Democrat-Gazette on May 31, 1996, concerning the alleged use of a publicly owned vehicle to distribute "Stodola for Congress" campaign materials. The incident which is the subject of the newspaper article was thoroughly investigated by the campaign staff at the time of its occurrence. According to Ms. Sheila Bronfman, the campaign contracted with an independent vendor, Direct Dispatch, to distribute campaign literature door-to-door. The vendor, in turn, employed persons to distribute the materials. The individual identified in the newspaper article as having used a vehicle owned by the City of North Little Rock in these activities was unknown to the campaign, was not the employee or agent of the campaign and never had any direct contact with any member of the campaign staff. Neither the Candidate nor the Committee nor any member of the campaign staff ever authorized Direct Dispatch to employ any persons who were otherwise public employees, did not acquiesce in or condone the such employment and, once the problem was brought to Ms. Bronfman's attention, she took immediate steps to prevent reoccurrence of the situation.

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July 29, 1996

Page Two

2. In Mr. McCuen's second letter dated June 20, 1996, he makes reference to a second article which appeared in the Arkansas Democrat-Gazette on June 9, 1996. The complainant cites the article as credible evidence that the Candidate and the Committee used funds from Mr. Stodola's prosecuting attorney's campaign fund to finance his congressional campaign.

First, the June 9, 1996 article appeared two days prior to the Democratic runoff election on June 11, 1996. It is not, therefore, a contemporaneous account of the Candidate's activities following the announcement by Congressman Thornton of his intention not to seek re-election. The article was written by Mr. Rex Nelson who was at that time the political editor for the Arkansas Democrat-Gazette. Mr. Nelson recently left his employment with the Arkansas Democrat-Gazette to become Director of Communications for the Republican Governor of the State of Arkansas, Mike Huckabee, who recently succeeded to the governorship following the resignation of Governor Jim Guy Tucker on July 15, 1996. The Committee contacted Mr. Nelson directly and inquired whether the article published on June 9, 1996 was based upon Mr. Nelson's specific knowledge of the Candidate's activities prior to the formal announcement of his candidacy on November 16, 1995. A copy of Mr. Nelson's response is attached as Exhibit "A" to this letter.

On behalf of the Candidate and the Committee, we respectfully submit that the supplemental filings made by the complainant, offer no credible evidence to support the allegations outlined in the original complaint and represent a continuation of Mr. McCuen's frivolous and baseless attempts to embarrass the Candidate. We further respectfully request that the complaint together with all supplemental filings be dismissed at your earliest convenience.

Should you have questions concerning the information set forth herein, we ask that you contact the undersigned immediately.

Sincerely,

Mark Stodola and the
Mark Stodola for Congress
Primary Campaign Committee

By John R. Tisdale
John R. Tisdale, Attorney in Fact

j:jh4599.033
Enclosure

97043792462

EXHIBIT "A"

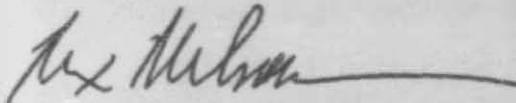
July 29, 1996

John Tisdale
Wright Lindsey and Jennings
200 West Capitol
Suite 2200
Little Rock, AR 72201

Dear Mr. Tisdale:

In an article I wrote June 9, 1996, as political editor of the "Arkansas Democrat-Gazette," I wrote in the seventh paragraph about Mark Stodola's possible interest in running for Congress. I referred only to my impression of preliminary inquiries and speculation. Mr. Stodola did not begin his campaign until November 1995. I am not aware of any polling, advertising or other campaign activities that occurred prior to November 1995.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rex Nelson", followed by a horizontal line extending to the right.

Rex Nelson
Director of Policy and Communications
Office of the Governor

97043792463

Mar 5 11 40 AM '97

In the Matter of

)
)
)
)

ENFORCEMENT PRIORITY

SENSITIVE

GENERAL COUNSEL'S REPORT

MAR 11 1997

EXECUTIVE SESSION

I. INTRODUCTION

The cases listed below have been identified as either stale or of low priority based upon evaluation under the Enforcement Priority System (EPS). This report is submitted to recommend that the Commission no longer pursue these cases.

II. CASES RECOMMENDED FOR CLOSURE.

A. Cases Not Warranting Further Action Relative to Other Cases Pending Before the Commission

EPS was created to identify pending cases which, due to the length of their pendency in inactive status or the lower priority of the issues raised in the matters relative to others presently pending before the Commission, do not warrant further expenditure of resources. Central Enforcement Docket (CED) evaluates each incoming matter using Commission-approved criteria which results in a numerical rating of each case.

Closing such cases permits the Commission to focus its limited resources on more important cases presently pending before it. Based upon this review, we have identified 25 cases which do

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not warrant further action relative to other pending matters.¹ Attachment 1 to this report contains summaries of each case, the EPS rating, and the factors leading to assignment of a low priority and recommendation not to further pursue the matter.

B. Stale Cases

Effective enforcement relies upon the timely pursuit of complaints and referrals to ensure compliance with the law. Investigations concerning activity more remote in time usually require a greater commitment of resources, primarily due to the fact that the evidence of such activity becomes more remote and consequently more difficult to develop. Focusing investigative efforts on more recent and more significant activity also has a more positive effect on the electoral process and the regulated community.

¹ These cases are: MUR 4332 (Bill Thomas Campaign Committee); MUR 4347 (Anonymous Respondent); MUR 4354 (Brian Steel for Congress); MUR 4367 (Philipstown Republicans); MUR 4371 (Employment Group); MUR 4373 (Cannon for Congress); MUR 4374 (Mark Stodola for Congress Primary Committee); MUR 4375 (Westchester County Conservative Party); MUR 4377 (Braxton for Congress); MUR 4379 (Teamsters Local Union No. 135); MUR 4383 (Pauken for Congress); MUR 4384 (Willie Colon for U.S. Congress); MUR 4388 (Bill Witt for Senate and Congress); MUR 4390 (Kolbe 96); MUR 4391 (Pat Roberts for Congress Committee); MUR 4393 (Cecil J. Banks); MUR 4397 (AFL-CIO); MUR 4405 (Katz for Congress Committee); MUR 4411 (First Evangelical Presbyterian Church); MUR 4414 (Turietta-Koury for Congress Committee); MUR 4418 (Bell Atlantic); MUR 4421 (Butler for Mayor); MUR 4448 (Friends for Jim Rapp); Pre-MUR 334 (Kinnamon for Congress); and Pre-MUR 335 (Davis for Congress).

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We have identified cases which have remained on the Central Enforcement Docket for a sufficient period of time to render them stale 12 are not worthy of further action, and merit closure.⁴

We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective April 1, 1997. Closing these cases as of this date will permit CED and the Legal Review Team the necessary time to prepare closing letters and case files for the public record.

⁴ These cases are: MUR 4139 (*Enid 94*); MUR 4150 (*Frank Fasi*); MUR 4257 (*DSCC*); MUR 4258 (*NRSC*); MUR 4260 (*Packwood & Auto Dealers*); MUR 4261 (*NRA Institute for Legis.*); MUR 4262 (*Oregon Republican Party*); MUR 4265 (*NRSC; Sen. Phil Gramm*); MUR 4272 (*Bishop for Congress*); MUR 4279 (*Russ Berrie Co.*); MUR 4284 (*United We Stand America*); and Pre-MUR 322 (*Royal Hawaiian Country Club*).

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III. RECOMMENDATIONS.

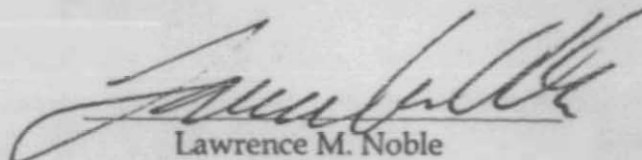
A. Decline to open a MUR, close the file effective April 1, 1997, and approve the appropriate letters in the following matters:

1. Pre-MUR 322
2. Pre-MUR 334
3. Pre-MUR 335.

B. Take no action, close the file effective April 1, 1997, and approve the appropriate letters in the following matters:

- | | | |
|--------------|--------------|--------------|
| 1. MUR 4139 | 13. MUR 4347 | 25. MUR 4390 |
| 2. MUR 4150 | 14. MUR 4354 | 26. MUR 4391 |
| 3. MUR 4257 | 15. MUR 4367 | 27. MUR 4393 |
| 4. MUR 4258 | 16. MUR 4371 | 28. MUR 4397 |
| 5. MUR 4260 | 17. MUR 4373 | 29. MUR 4405 |
| 6. MUR 4261 | 18. MUR 4374 | 30. MUR 4411 |
| 7. MUR 4262 | 19. MUR 4375 | 31. MUR 4414 |
| 8. MUR 4265 | 20. MUR 4377 | 32. MUR 4418 |
| 9. MUR 4272 | 21. MUR 4379 | 33. MUR 4421 |
| 10. MUR 4279 | 22. MUR 4383 | 34. MUR 4448 |
| 11. MUR 4284 | 23. MUR 4384 | |
| 12. MUR 4332 | 24. MUR 4388 | |

3/5/97
Date


Lawrence M. Noble
General Counsel

97043792467

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) Agenda Document #X97-16
Enforcement Priority)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on March 11, 1997, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions with respect to the above-captioned matter:

- A. Decline to open a MUR, close the file effective April 1, 1997, and approve the appropriate letters in the following matters:

1. Pre-MUR 322;
2. Pre-Mur 334;
3. Pre-MUR 335.

- B. Take no action, close the file effective April 1, 1997, and approve the appropriate letters in the following matters:

- | | |
|--------------|---------------|
| 1. MUR 4139; | 10. MUR 4279; |
| 2. MUR 4150; | 11. MUR 4284; |
| 3. MUR 4257; | 12. MUR 4332; |
| 4. MUR 4258; | 13. MUR 4347; |
| 5. MUR 4260; | 14. MUR 4354; |
| 6. MUR 4261; | 15. MUR 4367; |
| 7. MUR 4262; | 16. MUR 4371; |
| 8. MUR 4265; | 17. MUR 4373; |
| 9. MUR 4272; | 18. MUR 4374; |

(continued)

97043792468

Federal Election Commission
Certification: Enforcement Priority
March 11, 1997

Page 2

19. MUR 4375;	27. MUR 4393;
20. MUR 4377;	28. MUR 4397;
21. MUR 4379;	29. MUR 4405;
22. MUR 4383;	30. MUR 4411;
23. MUR 4384;	31. MUR 4414;
24. MUR 4388;	32. MUR 4418;
25. MUR 4390;	33. MUR 4421;
26. MUR 4391;	34. MUR 4448.

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

Attest:

3-12-97
Date

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

97043792469



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 1, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

W.J. "Bill" McCuen
PO Box 251906
Little Rock, AR 72225

RE: MUR 4374

Dear Mr. McCuen:

On May 28, 1996, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the respondents. See attached narrative. Accordingly, the Commission closed its file in this matter on April 1, 1997. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

9704379247C

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MUR 4374

MARK STODOLA FOR CONGRESS PRIMARY COMMITTEE

W.J. "Bill" McCuen filed a complaint alleging that Mark Stodola, an Arkansas 2nd District candidate for Congress who lost the 1996 General Election, used campaign funds raised for his state office, Prosecuting Attorney, to benefit his congressional campaign. Mr. McCuen also alleges that Mr. Stodola and his staff, especially Ann Henderson, urged contributors to alter campaign documents and back date or alter checks that were presented as donations. Finally, the complainant alleges that a large number of checks, dated between December 25, 1995, and December 31, 1995, were actually received after January 1, 1996. In an amendment to the complaint, Mr. McCuen also alleges that Mark Stodola's campaign used a van owned by the City of North Little Rock to distribute congressional campaign literature. In a supplement to the complaint, the complainant alleges that the state committee paid a consultant for congressional work.

In their response to the complaint, respondents, Mark Stodola; Mark Stodola for Congress Primary Committee; and Bill Spivey, as treasurer, assert that Mr. Stodola did not become a candidate until November 16, 1995, and that a bank account for the Congressional race was opened on November 10, 1995. All funds expended from Mr. Stodola's Prosecuting Attorney campaign account were spent for expenses relating to the maintenance of his prosecuting attorney's campaign fund and his record in office, all of which were incurred prior to his entry into the Congressional race. Respondents further assert that the complainant's allegations are premised upon the incorrect assumption that Mr. Stodola was a candidate before October of 1995.

Mr. Stodola and his staff, particularly Ann Henderson Gilbert, deny that contributors were asked to alter campaign documents or back date or alter checks. Ms. Gilbert served as a volunteer campaign worker in Mr. Stodola's congressional campaign and received no campaign funds in payment of any services she rendered. She asked Emmet Jones in late October or early November if he would host a fund-raiser which was scheduled for mid-November. Mr. Jones agreed to be responsible for raising \$1,000. Ms. Gilbert contacted Mr. Jones several times during November and December 1995 and requested that he make his contribution before December 31, 1995. Ms. Gilbert's fundraising goal was to collect contributions from all hosts before the end of 1995 so that it would be reflected on the December 31, 1995, campaign finance report. During the first week of January 1996, Ms. Gilbert learned that Mr. Jones' contributions had not been received by the campaign. Ms. Gilbert went to Mr. Jones' office to pick up a \$500 check and acknowledges that she had requested on many occasions that he honor his pledge before December 31, 1995. After investigating the substance of the allegations, the Campaign Director concluded that none of the contributors were ever asked to back date or alter any contribution. His assertions appear to support Ms. Gilbert's assertion that the campaign sought to collect as many contributions as possible before December 31, 1995, to ensure that commitments for contributions made in connection with the November 1995 fund-raiser were collected within a reasonable amount of time.

Page 2
MUR 4374

Respondents note that Mr. McCuen, a former Secretary of State for the State of Arkansas, is presently serving a sentence of 17 years with the Arkansas Department of corrections. This jail sentence resulted from McCuen's conviction of four felony and one misdemeanor charges related to bribery and tax evasion. Mr. Stodola was the Prosecuting Attorney in the case. Respondent's point to this fact in support of their inference that the filing of this complaint was prompted by questionable motives on the part of the complainant.

This matter is less significant relative to others pending before the Commission.

97043792472



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 1, 1997

John R. Tisdale, Esquire
John William Spivey, III, Esquire
WRIGHT, LINDSEY & JENNINGS
200 West Capital, Suite 2200
Little Rock, AR 72201

RE: MUR 4374

Mark Stodola, Mark Stodola for Congress Primary Committee, and Bill Spivey, as
treasurer

Dear Messrs. Tisdale and Spivey:

On May 30, 1996, the Federal Election Commission notified your clients of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against your clients. See attached narrative. Accordingly, the Commission closed its file in this matter on April 1, 1997.

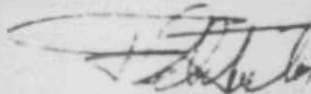
The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any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

97043792473

John R. Tisdale, Esquire
John William Spivey, III, Esquire
Page 2

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

Sincerely,



F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

97043792474

MUR 4374

MARK STODOLA FOR CONGRESS PRIMARY COMMITTEE

W.J. "Bill" McCuen filed a complaint alleging that Mark Stodola, an Arkansas 2nd District candidate for Congress who lost the 1996 General Election, used campaign funds raised for his state office, Prosecuting Attorney, to benefit his congressional campaign. Mr. McCuen also alleges that Mr. Stodola and his staff, especially Ann Henderson, urged contributors to alter campaign documents and back date or alter checks that were presented as donations. Finally, the complainant alleges that a large number of checks, dated between December 25, 1995, and December 31, 1995, were actually received after January 1, 1996. In an amendment to the complaint, Mr. McCuen also alleges that Mark Stodola's campaign used a van owned by the City of North Little Rock to distribute congressional campaign literature. In a supplement to the complaint, the complainant alleges that the state committee paid a consultant for congressional work.

In their response to the complaint, respondents, Mark Stodola; Mark Stodola for Congress Primary Committee; and Bill Spivey, as treasurer, assert that Mr. Stodola did not become a candidate until November 16, 1995, and that a bank account for the Congressional race was opened on November 10, 1995. All funds expended from Mr. Stodola's Prosecuting Attorney campaign account were spent for expenses relating to the maintenance of his prosecuting attorney's campaign fund and his record in office, all of which were incurred prior to his entry into the Congressional race. Respondents further assert that the complainant's allegations are premised upon the incorrect assumption that Mr. Stodola was a candidate before October of 1995.

Mr. Stodola and his staff, particularly Ann Henderson Gilbert, deny that contributors were asked to alter campaign documents or back date or alter checks. Ms. Gilbert served as a volunteer campaign worker in Mr. Stodola's congressional campaign and received no campaign funds in payment of any services she rendered. She asked Emmet Jones in late October or early November if he would host a fund-raiser which was scheduled for mid-November. Mr. Jones agreed to be responsible for raising \$1,000. Ms. Gilbert contacted Mr. Jones several times during November and December 1995 and requested that he make his contribution before December 31, 1995. Ms. Gilbert's fundraising goal was to collect contributions from all hosts before the end of 1995 so that it would be reflected on the December 31, 1995, campaign finance report. During the first week of January 1996, Ms. Gilbert learned that Mr. Jones' contributions had not been received by the campaign. Ms. Gilbert went to Mr. Jones' office to pick up a \$500 check and acknowledges that she had requested on many occasions that he honor his pledge before December 31, 1995. After investigating the substance of the allegations, the Campaign Director concluded that none of the contributors were ever asked to back date or alter any contribution. His assertions appear to support Ms. Gilbert's assertion that the campaign sought to collect as many contributions as possible before December 31, 1995, to ensure that commitments for contributions made in connection with the November 1995 fund-raiser were collected within a reasonable amount of time.

97043792475

Respondents note that Mr. McCuen, a former Secretary of State for the State of Arkansas, is presently serving a sentence of 17 years with the Arkansas Department of corrections. This jail sentence resulted from McCuen's conviction of four felony and one misdemeanor charges related to bribery and tax evasion. Mr. Stodola was the Prosecuting Attorney in the case. Respondent's point to this fact in support of their inference that the filing of this complaint was prompted by questionable motives on the part of the complainant.

This matter is less significant relative to others pending before the Commission.

97043792476



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 1, 1997

Randall Morley, City Attorney
601 Main Street
North Little Rock, AR 72114

RE: MUR 4374

Dear Mr. Morley:

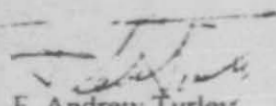
On July 10, 1996, the Federal Election Commission notified you of an amendment to a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against you. See attached narrative. Accordingly, the Commission closed its file in this matter on April 1, 1997.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

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

Sincerely,


F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

97043792477

MUR 4374

MARK STODOLA FOR CONGRESS PRIMARY COMMITTEE

W.J. "Bill" McCuen filed a complaint alleging that Mark Stodola, an Arkansas 2nd District candidate for Congress who lost the 1996 General Election, used campaign funds raised for his state office, Prosecuting Attorney, to benefit his congressional campaign. Mr. McCuen also alleges that Mr. Stodola and his staff, especially Ann Henderson, urged contributors to alter campaign documents and back date or alter checks that were presented as donations. Finally, the complainant alleges that a large number of checks, dated between December 25, 1995, and December 31, 1995, were actually received after January 1, 1996. In an amendment to the complaint, Mr. McCuen also alleges that Mark Stodola's campaign used a van owned by the City of North Little Rock to distribute congressional campaign literature. In a supplement to the complaint, the complainant alleges that the state committee paid a consultant for congressional work.

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Page 2
MUR 4374

Respondents note that Mr. McCuen, a former Secretary of State for the State of Arkansas, is presently serving a sentence of 17 years with the Arkansas Department of corrections. This jail sentence resulted from McCuen's conviction of four felony and one misdemeanor charges related to bribery and tax evasion. Mr. Stodola was the Prosecuting Attorney in the case. Respondent's point to this fact in support of their inference that the filing of this complaint was prompted by questionable motives on the part of the complainant.

This matter is less significant relative to others pending before the Commission.

97043792479



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4374

DATE FILMED 4-25-97 CAMERA NO. 1

CAMERAMAN Jm H

9704379248C



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Date: 4/28/97

✓ Microfilm

 Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED RMR 4374

97043801061

April 14, 1997

CLOSED

F. Andrew Turley, Supervisory Attorney
Central Enforcement Docket
Federal Election Commission
Washington, DC 20463

RE: MUR 4374

Dear Mr. Turley:

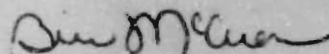
Thank you for your response of April 1, 1997. Could you please send me a copy of USC-437g(a)(8)?

I am also wondering if you could provide me with information concerning your review of bank records for individuals who made contributions during the month of December 1995. As I believe I stated in my complaint, I, along with two other persons, was present when a back dated check was written for the Congressional Campaign and picked up by Ann Henderson. This check was written after January 1, 1996. Did you review the checkbooks of the persons who wrote the December checks? What type of fund raiser did Mr. Jones host? What does he assert? Who was the Campaign director? Was he present when the checks were picked up by Ms. Henderson? Did he advise her to return the checks dated after January 1 and pick up replacements back dated to December 1995? May I have copies of these individuals statements? Were they given under oath?

I also would like to know if you inquired as to the nature of the work done by the public relations consulting firm in Falls Church, VA. Mr. Stodola was unopposed for re-election as Prosecuting Attorney. His chief deputy sought the office after he (Stodola) announced for Congress. The chief deputy was unopposed. Why would Mr. Stodola spend \$30,000.00 or any amount to see if he could be re-elected to a post to which he had no opponent? My call to this firm indicated they were testing the waters for a congressional race.

What makes this apparent violation of the Federal law less significant than others? My motive to this complaint is fairness and justice. That, I believe to be your purpose at the FEC. Thank you for your cooperation.

Sincerely,



Bill McCuen

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
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FEDERAL ELECTION COMMISSION
Washington, DC 20463

CLOSED

April 28, 1997

Mr. W. J. "Bill" McCuen
PO Box 251906
Little Rock, AR 72225

re: MUR 4374

Dear Mr. McCuen:

Thank you for your letter of April 14th, which we received in our office this morning.

Enclosed is a copy of our compendium of federal election laws. The section you requested, 2 U.S.C. § 437g(a)(8), is located at page 33.

The Federal Election Commission's file on this case is now a matter of public record. You may request a copy of this file by calling our Office of Public Records at 1-800-424-9530, ext. 3, or by writing at:

Office of Public Records
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Many thanks for your consideration.

Very truly yours,

P. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

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