



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4479

DATE FILMED 6-19-57 CAMERA NO. 1

CAMERAMAN Imv

97043821073



National Republican Congressional Committee

Bill Paxton, M.C.
Chairman

Maria Cino
Executive Director

ORIGINAL

September 20, 1996

BEFORE THE FEDERAL ELECTION COMMISSION

Steve Owens for Congress Committee

MUR # 4479

COMPLAINT

The NRCC, by and through its Executive Director, Maria Cino, brings this complaint pursuant to 2 U.S.C. § 437g(a)(1) (1994). The N.R.C.C. is located at 320 First Street, S.E., Washington, D.C. 20003.

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
SEP 24 2 26 PM '96

I. SUMMARY

On Saturday, March 2, 1996, the Owens for Congress Committee held a \$500 per-plate fund-raising luncheon at the Arizona Biltmore Resort in Phoenix. The featured guest at this luncheon was Vice President Al Gore, who flew to Phoenix *exclusively* for the campaign event. Although the Owens for Congress Committee reports payments of \$11,692.45 to the Biltmore Resort for fundraising expenses, *the cost of flying Mr. Gore into Phoenix for this event has never been revealed or reimbursed by the Owens Campaign*. Whether treated as a Committee expense or an in-kind contribution from an outside entity, the costs of the Gore fly-in -- well over \$53,000 to the taxpayers and roughly \$1,282 to the Owens campaign -- must be disclosed and reimbursed to the U.S. Treasury.

II. FACTS

1. The Steve Owens for Congress Committee ("Owens Committee") is the principal campaign committee of Arizona Democratic Congressional candidate Steve Owens.
2. Mr. Owens, a Tennessee native who recently moved into Arizona's Sixth District in the summer of 1995, is a former staffer to Vice President Al Gore.
3. On March 2, 1996, the Owens Committee held a \$500-a-plate fundraising luncheon that featured Vice President Al Gore as keynote speaker. *See "Gore Seeks Votes, Money For State Pal," Associated Press, Mar. 3, 1996 (attached hereto as Exhibit 1).*

320 First Street, S.E.
Washington, D.C. 20003
(202) 479-7020

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4. Mr. Gore flew aboard Air Force Two, directly from Andrews Air Force Base to Phoenix for this event. See "Schedule for Vice President Gore," Reuters Daybook, Mar. 1, 1996 (Exh. 2).
5. Following the Owens fund-raiser, Mr. Gore left Phoenix en route to Denver, Colorado. Id. Upon information and belief, and according to Arizona Democratic Chief Sam Coppersmith, this trip was intended and conducted exclusively for purposes of assisting the Owens for Congress Committee. See "The Gore the Merrier," The Arizona Republic, Feb. 16, 1996 (Exh. 3).
6. Mr. Gore's flight from Andrews Air Force Base in Washington, D.C. to Phoenix, Arizona lasted approximately five hours. See Reuters Daybook (Exh. 2). Immediately following the Owens luncheon, Mr. Gore flew to Denver Colorado. Id. The flight to Denver took approximately one hour and one-half. Id.
7. As of 1991, the hourly cost of flying an Air Force 707 (such as Mr. Gore's Air Force Two) was \$8,200. See Babcock, "Flights' Cost in '91," The Washington Post, Dec. 31, 1991 (Exh. 4) (citing a memo prepared for President Jimmy Carter's 1980 reelection campaign). It is therefore reasonable to estimate the actual taxpayer cost of Mr. Gore's flights to and from Phoenix for Mr. Owens' fund-raiser at over \$53,000 (\$8,200 x 6.5 hours), not counting inflation and not including the extra security costs incurred by Arizona taxpayers for the Vice President's campaign visit.
8. According to U.S. Air, the price of a direct, one-way, first-class airplane ticket from Washington, D.C. (National Airport) to Phoenix, AZ is presently \$737. See U.S. Air Toll-Free Number, 1-800-428-4322. The cost of flying America West airlines first-class, one-way from Phoenix to Denver, CO is \$545.
9. The Owens Committee *never reports paying or receiving any amounts for Gore's Air Force Two expenses* on any of its 1996 FEC reports. See Owens for Congress 4/15/96 FEC Report & Amendment; see also Owens for Congress 7/13/96 FEC Report; Owens for Congress 8/26/96 FEC Report.

III. DISCUSSION

The 1996 public disclosure reports filed by the Owens for Congress Committee are blatantly false and/or woefully inaccurate. *Owens has clearly received a primary election contribution -- costing the taxpayers over \$53,000 and valued for FEC purposes at roughly \$1,282 -- that remains unreported, was excessive if made by an individual or campaign committee, and came from a prohibited source as long as taxpayers remain on the hook for Gore's costs.* Six months after incurring these costs, the Owens Committee (or DNC if it chooses to pay for the flight) still owes the U.S. Treasury \$1,282.

Campaign committees are required by law to report all contributions, disbursements or expenditures over \$200. 11 C.F.R. § 104.3(b). This requirement is neither optional nor arbitrary, and the Owens campaign is not exempt from disclosing its practices and activities to the voters of Arizona. On March 2, 1996, Vice President Gore flew aboard Air Force Two from Andrews Air Force Base to Phoenix, Arizona, for the express and exclusive purpose of attending a campaign fund-raising luncheon for his former aide and current Congressional candidate, Steve Owens. The actual, taxpayer-incurred costs incurred by the White House to fly Mr. Gore to Phoenix (and from there to Denver) can reasonably estimated at a minimum of \$53,000. Under extant FEC rules, the reportable (and reimbursable) costs of campaign travel at government conveyance:

is the rate for comparable commercial conveyance or accommodation

11 C.F.R. § 106.3(e) (1996). The rate of comparable commercial conveyance in this case -- first class, one-way airfare aboard U.S. Air & America West -- is valued at roughly \$1,282, according to representatives from those airlines.

The Owens Committee does not report paying \$1,282 for Gore's flight expense on any of its FEC reports in 1996. *See Owens for Congress 4/15/96 FEC Report; see also Owens for Congress 7/13/96 FEC Report; Owens for Congress 8/26/96 FEC Report.* Likewise, there is no indication that the DNC or Arizona State Party paid these costs -- the Owens Committee neither reimburses the party nor reports receipt of an in-kind contribution from it. The Clinton-Gore campaign could not make such a large contribution to a congressional race, nor could the Owens fund-raiser be termed a Clinton-Gore event in any good faith. Therefore, the Steve Owens for Committee has stuck the U.S. taxpayers with the bill for ferrying Vice President Gore aboard Air Force Two to a partisan political fund-raising reception and continues to illegally conceal the expense.

If the campaign itself paid the cost of flying Mr. Gore from Washington to Phoenix, this expenditure would have been reported, even if made personally by the candidate himself. *See 11 C.F.R. 100.7(a)(1) (campaign expenditures from personal funds are reported as in-kind contributions from the candidate).* Similarly, if another person or committee paid for Mr. Gore's visit to Phoenix on the Owens Committee's behalf, the payment is considered an in-kind contribution and must be reported as both a receipt and disbursement. The Owens

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Committee has never reported this cost from six months ago. It must amend its disclosure reports and reimburse the U.S. Treasury.

IV. PRAYER FOR RELIEF

The Commission should investigate the campaign practices of the Steve Owens for Congress Campaign and demand that it reveal the true financing of Al Gore's Air Force Two hop to Phoenix for the Owens Committee fund-raiser held at the Arizona Biltmore Resort. Public disclosure laws serve an important function essential to our Democracy. The Commission should determine whether Mr. Owens' frustration and rejection of these laws was knowing and willful or simply negligent. Penalties and other appropriate actions should be imposed as required under 2 U.S.C. § 437g(a) to deter future violations of the law.

Respectfully Submitted,

Maria Cino

Maria Cino
Executive Director

District of Columbia

Signed and sworn to before me this 20th day of Sept, 1996.

M. D. Acton

NOTARY PUBLIC

My commission expires: _____

M. D. Acton
Notary Public, District of Columbia
My Commission Expires July 14, 1999

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MAR - 3 1996

ARIZONA PRESS CLIPPING

BUREAU - Phoenix

Al Gore

Gore seeks votes, money for state pal

PHOENIX (AP) — Vice President Al Gore gave a big boost to Democrat Steve Owens' congressional campaign Saturday, flying into Phoenix for a fund-raising luncheon Owens said would bring in more than \$100,000.

Owens, a Phoenix attorney and former state Democratic Party chairman, is challenging incumbent Republican Rep. J.D. Hayworth in Arizona's 6th Congressional District.

Gore told the crowd of more than 400 Democrats at the Arizona Biltmore that the contest represents "the difference between looking toward the future with confidence and turning back the clock with fear."

He also accused Hayworth of leading congressional opposition to legislation signed into law by President Clinton that will require television sets to be equipped in the future with devices that allow parents to block out violent or sexually explicit programs.

"Every public opinion poll shows that people overwhelmingly support this idea," Gore said.

He said children see 20,000 "simulated murders" and countless acts of violence on television before they graduate from high school. And while TV violence isn't the only reason for the rise in violent crime among young people, it has been shown to be one of the factors, Gore said.

"Some have nightmares, while other watch countless acts of violent and mimic them," he said.

Owens served as Gore's chief of staff when Gore was a senator from Tennessee. State Democratic Party Chairman Sam Coppersmith said Owens was the only congressional candidate for whom Gore has personally campaigned this year.

CASA GRANDE DISPATCH
Casa Grande - 3 3,487

MAR 4 1996

ARIZONA PRESS CLIPPING
BUREAU - Phoenix

Gore attends Owens fundraiser

PHOENIX (AP) — Vice President Al Gore gave a big boost to Democrat Steve Owens' congressional campaign Saturday, flying into Phoenix for a fund-raising luncheon Owens said would bring in more than \$100,000.

Owens, a Phoenix attorney and former state Democratic Party chairman, is challenging incumbent Republican Rep. J.D. Hayworth in Arizona's 6th Congressional District. Gore told the crowd of more than 400 Democrats at the Arizona Biltmore that the contest represents "the difference between looking toward the future with confidence and turning back the clock with fear."

He also accused Hayworth of leading congressional opposition to legislation signed into law by President Clinton that will require television sets to be equipped in the future with devices that allow parents to block out violent or sexually explicit programs.

"Every public opinion poll shows that people overwhelmingly support this idea," Gore said.

Gore Stumps for Owens' Congressional Run

PHOENIX (AP) — Vice President Al Gore gave a big boost to Democrat Steve Owens' congressional campaign, landing out at Arizona Congressman J.D. Hayworth for opposing a television rating system.

Gore accused Hayworth, a Republican, of leading congressional opposition to legislation signed into law by President Clinton that will require television sets to be equipped in the future with devices that

allow parents to block out violent or sexually explicit programs.

Gore flew to Phoenix for a fund-raising luncheon Owens said would bring in more than \$100,000.

Owens, a Phoenix attorney and former state Democratic Party chairman, is Hayworth in Arizona's 6th Congressional District.

Gore told the crowd of more than 400 Democrats at the Arizona Biltmore that the contest represents "the difference between looking toward the future with confidence and turning back the clock with fear."

Owens served as Gore's chief of staff when Gore was a senator from Tennessee. State Democratic Party Chairman Sam Coppersmith said Owens was the only congressional candidate for whom Gore has personally campaigned this year.

EXHIBIT 1

Copyright 1996 Reuters Limited
Reuters Daybook

March 1, 1996, Friday, BC cycle

LENGTH: 270 words

EXHIBIT 2

HEADLINE: SCHEDULE FOR VICE PRESIDENT GORE

BODY:

Saturday, March 2 through Monday, March 4, 1996

The daybook editor is Peter Ramjug. Barbara Hagenbaugh, Lisa Richwine and Tim Ryan also are available to help you. If you have information for the daybook or any questions, please call 202-898-8345 or fax 202-898-8401. For service problems call 1-800-435-0101.

All times listed below are eastern, and all addresses and telephone numbers are in Washington, unless noted.

9 -----

7 ----

0 Saturday, March 2

1 VICE PRESIDENT GORE'S SCHEDULE

2 In Washington, Phoenix and Denver (all times local)

3 8:20 a.m.: Departs Andrews Air Force Base, Md., enroute
Phoenix

4 11:15 a.m.: Arrives at GTA Aviation Service, Phoenix.

0 12:45 p.m.: Speaks at a fundraising luncheon for Steve
Owens. Arizona Biltmore Hotel, Gold Room

9 2:15 p.m.: Departs Phoenix enroute Denver

3:40 p.m.: Arrives at Denver International Airport, AMR
Combs

4:15 p.m.: Tours and makes remarks at the South Platte River
Park.

6:45 p.m.: Makes remarks at the Colorado Jefferson-Jackson
Day dinner. Denver Convention Center, Main Ballroom

8:45 p.m.: Departs Denver enroute Andrews AFB, Md.

3 a.m. (Sunday): Arrives Andrews

February 16, 1996 Friday, Final Chaser

SECTION: VALLEY AND STATE; Pg. B1

LENGTH: 531 words

EXHIBIT 3

HEADLINE: MONEY WOES DON'T STOP FIFE'S SKIING

BYLINE: Compiled by the politics staff of The Arizona Republic and The Phoenix Gazette. You can reach us by phone at 271-8546 or at mmurphy759@aol.com via e-mail.

BODY:

Personal bankruptcy apparently hasn't interrupted Gov. Fife Symington's life of swank.

Symington, who claims \$25 million in debts, spent Monday through Wednesday in Aspen, Colorado's chi-chi ski mecca, hitting the slopes with confidant and former state Commerce Department Director Jim Marsh.

○ The governor stayed in Aspen's Ritz-Carlton hotel, which offers winter rates ranging from \$295 to \$595 a night.

○ Contacted by telephone Wednesday, Symington said that even a recent shoulder injury wouldn't stand in the way of his annual ski trip.

— "Skiing, as you know, is my favorite sport," he said.

— Symington still receives a \$75,000-a-year salary, spokesman Doug Cole said when asked how the gov could afford to vacation in Aspen.

Besides, Cole said, Symington gets a discount at the Ritz hotels because, as a developer, he built the Phoenix Ritz-Carlton.

○ Cole said one member of Symington's Department of Public Safety security detail traveled to Aspen with the gov.

○ DPS rejected a Freedom of Information Act request for the details on the trip's cost, citing security reasons.

○ Symington also had planned to spend the President's Day weekend skiing in Park City, Utah, with wife, Ann, but Cole said Thursday that the trip had been canceled because Symington's wife isn't feeling well.

Turnaround of the week . . . "First of all, I'd like to let the body cool." -- Sen. John McCain, responding Wednesday to questions on whether he would endorse Bob Dole after Phil Gramm dropped out of the presidential race. On Thursday, McCain told KTAR radio, "I love Bob Dole."

* Sumitomo-O-Rama . . . "Diapers and politicians need to be changed often, for the same reason." -- Steve Brittle of Don't Waste Arizona, urging a recall of Phoenix Mayor Skip Rimsza and Vice Mayor Frances Emma Barwood over their role in bringing the Sumitomo silicon-wafer plant to town.

* Snipe of the week . . . "I used to have hair as long as Peggy's (Bilsten). Now I'm starting to look like Barry Starr. Look, it's almost gone." -- Phoenix City Councilman Sal DiCiccio, speaking about aging at a City Council

subcommittee meeting.

* The Gore the merrier . . . Vice President Al Gore will make a one-day Arizona stop next month to campaign for his pal Steve Owens in the state's hottest congressional race.

Owens, who once served as director of Gore's U.S. Senate office in Tennessee, is waging an aggressive campaign to unseat freshman GOP Rep. J.D. Hayworth in the state's sprawling Congressional District 6.

Gore's March 2 appearance in Phoenix is the Veep's only campaign stop for a congressional candidate in the country, according to state Democratic chief Sam Coppersmith.

Tipper Gore, the Veep's wife, stopped in Arizona this week to endorse a mandatory uniform policy at Phoenix Preparatory Academy.

During her visit, The Tipster managed to mispronounce the name of Rep. Ed Pastor, the state's only Democratic member of Congress. Speaking to students, Tipper said she was proud to be accompanied by "Congressman Paster."

GRAPHIC: Color photos (2)

Photo

; 1) Fife Symington

2) Al Gore

John McCain

8

LANGUAGE: ENGLISH

0

COLUMN: POLITICAL INSIDER

LOAD-DATE: February 29, 1996

970438

Copyright 1991 The Washington Post
The Washington Post

December 31, 1991, Tuesday, Final Edition

SECTION: FIRST SECTION; PAGE A15; THE FEDERAL PAGE

LENGTH: 439 words

HEADLINE: Flights' Cost in '91: \$ 41,875 per Hour;
Pentagon Says Figure Will Drop in '92

SERIES: Occasional

EXHIBIT 4

BYLINE: Charles R. Babcock

BODY:

The Air Force press office can cite flying hour costs for any plane in its inventory -- any plane except Air Force One, that is.

During the controversy last spring over then-White House Chief of Staff John H. Sununu's use of military aircraft for personal and political travel, several news organizations asked the Pentagon for the flying-hour costs of Air Force One. The answer most frequently supplied was, "We're working on it," or "You'll have to check with the White House on that."

Last week the Air Force still didn't have a figure for public release. But Pete Williams, assistant secretary of defense for public affairs, did. He said it cost \$ 33.5 million to operate and maintain the two new specially configured 747s that served as Air Force Ones for fiscal 1991. The planes are expected to fly 800 hours a year, which works out to a flying-hour cost of \$ 41,875.

Because of lower-than-expected maintenance costs, Williams said, the Air Force One budget for fiscal year 1992 will be less: \$ 20.6 million, or about \$ 25,750 per flying hour. About \$ 6 million of the \$ 13 million drop in cost was for engineering studies that were done last year instead of this one.

Fuel in the new fiscal year is also cheaper: 70 cents per gallon as compared to \$ 1.05 last year.

Bob Hall, another Pentagon spokesman, said the cost for maintaining the 747s does not include the salaries of the crews, who are attached to the VIP 89th Military Airlift Wing, or the \$ 410 million purchase price of the two planes or the special hangar that houses them at Andrews Air Force Base.

Boeing built the two 747s specifically for the president and delivered the first one in August 1990 and the second that December. The planes are outfitted with anti-missile defenses, 85 telephones, seven bathrooms, a shower and an emergency medical suite.

The Air Force One designation applies to any plane carrying the president, even the much smaller C-20 Gulfstream executive jet that Bush occasionally flies.

The Washington Post, December 1991

The new 747s can fly more than 7,000 miles without refueling, and can be refueled in midair. This capability will allow the president to cut several refueling stops on his trip today to Australia. The travel cost for Air Force One to carry Bush to the Far East will be about \$ 1.3 million.

The 747s replaced Boeing 707s, which remain in the White House fleet and usually serve as Air Force Two, the vice president's plane. When the 707s carried President Gerald R. Ford in 1976, the cost per flying hour was about \$ 2,300, according to a memo prepared for President Jimmy Carter's 1980 reelection campaign. It is now about \$ 8,200.

LANGUAGE: ENGLISH

97043821083



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 1, 1996

Maria Cino, Executive Director
National Republican Congressional Committee
320 First Street, SE
Washington, DC 20003

RE: MUR 4479

Dear Ms. Cino:

This letter acknowledges receipt on September 24, 1996, of the complaint you filed alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 4479. 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 or seal.

Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosure
Procedures

97043821084



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 1, 1996

John A. Eck, Treasurer
Steve Owens for Congress
PO Box 8129
Scottsdale, AZ 85252

RE: MUR 4479

Dear Mr. Eck:

The Federal Election Commission received a complaint which indicates that Steve Owens for Congress ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4479. Please refer to this number in all future correspondence.

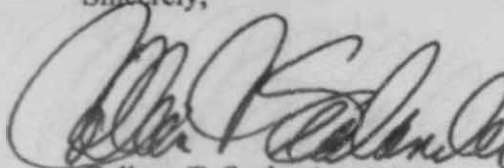
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements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

97043821085

If you have any questions, please contact Erik Morrison 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

cc: Steve Owens

97043821086



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 1, 1996

White House Counsel's Office
1600 Pennsylvania Ave., NW
Washington, DC 20500

RE: MUR 4479

Dear Counsel:

The Federal Election Commission received a complaint which indicates that the White House Military Office 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 4479. Please refer to this number in all future correspondence.

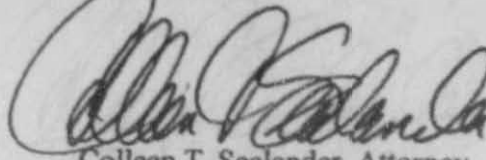
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the White House Military Office in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements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

97043821087

If you have any questions, please contact Erik Morrison 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

97043821088



FEDERAL ELECTION COMMISSION

Washington, DC 20463

October 1, 1996

Honorable Janet Reno
Attorney General of the United States
Department of Justice
950 Pennsylvania Avenue, NW
Room 4400
Washington, DC 20530-0001

RE: MUR 4479

Dear Ms. Reno:

The Federal Election Commission received a complaint which indicates that the United States 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 4479. Please refer to this number in all future correspondence.

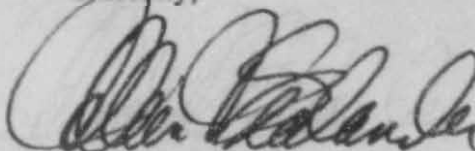
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the United States in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted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

97043821089

If you have any questions, please contact Erik Morrison 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

9704382109C



U.S. Department of Justice
Civil Division
Federal Programs Branch
901 E St. N.W. Rm 940
Washington, D.C. 20530

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COMMISSION
OFFICE OF GENERAL
COUNSEL

OCT 17 2 26 PM '96

Richard R. Brown
Trial Attorney

Tel: (202) 514-5751
Fax: (202) 616-8202

October 16, 1996

VIA TELEFAX TO (202) 219-3923 & UNITED STATES MAIL

Colleen T. Sealander, Esquire
Central Enforcement Docket
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: MATTER UNDER REVIEW (MUR) 4479

Dear Ms. Sealander:

I write on behalf of the Attorney General to request a two week enlargement of time, through and including November 1, 1996, in which to file a response to the complaint at issue in this MUR. Your letter to the Attorney General requesting a response on behalf of the United States was received by the Department of Justice's Executive Secretariat on October 4, 1996, so that the 15-day period for filing a response with the Federal Election Commission ("FEC") would ordinarily expire on October 18, 1996. I previously spoke with Erik Morrison of your staff on October 15, 1996 regarding this enlargement and was advised to submit my request in writing.

I am the Department of Justice attorney responsible for preparation of the Department's response to the allegation that "the United States may have violated the Federal Election Campaign Act" in connection with this MUR. I only received your letter, after it was processed through Department correspondence channels, on October 11, 1996. The requested enlargement of time will allow me sufficient time to analyze the allegations of the complaint and prepare an appropriate response.

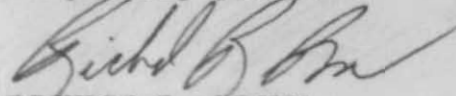
Thank you in advance for your cooperation in this matter.

97043821091

Colleen T. Sealander, Esquire
October 16, 1996
Page 2

Please contact me if you have any questions.

Very truly yours,



RICHARD R. BROWN
Trial Attorney

Federal Programs Branch, Rm. 940
Civil Division, U.S. DOJ
P.O. Box 883
Washington, D.C. 20044

97043821092



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 18, 1996

Richard R. Brown, Esq.
U.S. Department of Justice
Federal Programs Branch, Room 940
Civil Division
P.O. Box 883
Washington, D.C. 20044

RE: MUR 4479

Dear Mr. Brown:

This is in response to your letter dated October 16, 1996 which we received on October 17, 1996 requesting an extension 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 November 1, 1996.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Erik Morrison, Paralegal
Central Enforcement Docket

97043821093

BROWN & BAIN

A PROFESSIONAL ASSOCIATION

2901 NORTH CENTRAL AVENUE
PHOENIX, ARIZONA 85012-2788

(602) 351-8000

CHARLES A. BLANCHARD

DIRECT DIAL: (602) 351-8455

MAILING ADDRESS
P. O. BOX 400
PHOENIX, ARIZONA 85001-0400
FACSIMILE: (602) 351-8516
CABLE: BRAINS
TWX: 910-951-0646

October 22, 1996

Complaint Against Steve Owens for Congress Committee
(Complaint No. MUR 4479)

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
OCT 23 2 34 PM '96

Dear Ms. Sealander:

This firm represents the Steve Owens for Congress Committee (the "Committee"). I am responding to your October 1, 1996 letter to John Eck, Committee treasurer, alerting him to the complaint numbered **MUR 4479** which was filed against the Committee by the National Republican Campaign Committee ("NRCC") and enclosing a copy of the complaint. Mr. Eck received that letter October 7.

The complaint concerns an appearance by Vice President Gore at Mr. Owens' March 2, 1996 fund raiser in Phoenix. The complaint alleges that the Owens Committee was required to a) report to your agency the cost of flying Vice President Gore to Phoenix either as a contribution made or an expense chargeable to the Committee per 11 C.F.R. § 104.3(b); and b) reimburse the United States Treasury that cost. As is detailed below, the Committee was not required to report or reimburse these amounts because the Vice President's trip was a Clinton-Gore '96 event, and the Vice President's transportation was properly paid for by the Clinton-Gore '96 Committee as a Clinton-Gore '96 campaign expense.

The regulations that govern travel by Vice Presidential candidates mandated both that the trip by the Vice President be treated as a Clinton-Gore '96 event, and that these expenses could not be allocated in part to the Steve Owens for Congress Committee. The applicable regulation provides that "expenditures for travel relating to the campaign of a candidate seeking nomination for election to the office of President by any individual . . . shall . . . be qualified campaign expenses and be reported by the candidate's authorized committee(s) as expenditures." 11 C.F.R. § 9034.7(a). While Vice President Gore appeared at the Owens fund raiser, he travelled to Arizona principally as a candidate for the Democratic Party's Vice Presidential nomination. The March 2 visit occurred only nine days before Arizona's Democratic primary, and was intended to influence the conduct of that primary. Indeed, the Vice President's remarks at the Owens event focussed predominantly on the record of the Clinton Administration, and the case for its reelection, and not on Steve Owens. Moreover, in addition to attending the Owens event, the Vice President had several meetings in Phoenix during his time here, including meetings with donors to organize a fund raiser in Phoenix

Ms. Colleen T. Sealander

-2-

October 22, 1996

scheduled for the following month for the Democratic National Committee, at which the Vice President was to appear, and did in fact appear, to support Clinton-Gore '96 campaign efforts. The Vice President also met with Native American Leaders and others -- again, with the intent to promote the reelection of Clinton and Gore.

Under these circumstances, the applicable regulation required the Clinton-Gore '96 Committee to treat this trip as Presidential Campaign related. The regulation provides:

"If any campaign activity, other than incidental contacts, is conducted at a stop, that stop shall be considered campaign related. Campaign activities include soliciting, making or accepting contributions, and expressly advocating the election or defeat of the candidate. Other factors, including the setting, timing and statements or expressions of the remarks or speech made, will also be considered in determining whether a stop is campaign related."

11 C.F.R. § 9034.7(b)(2). Vice President Gore's travel expenses thus were clearly related to the Clinton-Gore '96 primary campaign, and were reported by the Clinton-Gore Re-election Committee in its filings with the Commission as required per § 9034.7. The Clinton-Gore Committee also reimbursed the United States Government for the cost of the flight.

Because the Vice President's travel to Arizona was a Clinton-Gore '96 travel expense, the regulations prohibited the allocation of any portion of Vice President Gore's flight expenses to the Owens Committee. 11 C.F.R. § 9004.7(e) requires that the Clinton-Gore committee report "[t]he total amount paid" for Vice President Gore's campaign related travel. Thus, the Owens Committee properly refrained from double-reporting of expenses chargeable to the Clinton-Gore re-election effort.

In fact, the Clinton-Gore '96 campaign refused several offers by the Owens Committee to reimburse the Vice President's travel expenses. It was the position of the Clinton-Gore '96 Committee that such reimbursement would be inappropriate and improper in light of 11 C.F.R. § 9034.7(a). For this same reason it would have been inappropriate for the Owens Committee to double-report the travel expense, or any portion of it, as a campaign contribution.

The Owens Committee properly reported all expenses in connection with its March 2 fund raiser. The Committee reported nearly \$12,000 in payments to the Arizona Biltmore Hotel for catering and rental of space, as well as for facilities to accommodate the press corps who covered the event. The Committee also reported \$4,268.08 in payments to Audio Visual America for expenses for "on-the-ground" items and equipment required by the Vice Presidential advance team and the United States Secret Service in connection with the March 2 event. The Owens Committee thus clearly paid for and reported all expenses attributable to Steve Owens for Congress.

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Ms. Colleen T. Sealander

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October 22, 1996

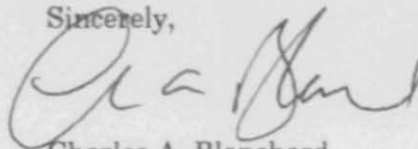
In summary, no violation of the Election Campaign Act of 1971 has occurred. The expenditures identified in the complaint are appropriately charged to the Clinton-Gore campaign and accordingly reported in reports filed with the Commission by the Clinton-Gore '96 Committee. The Owens Committee was not required to report or reimburse these costs.

In closing, I would point out that the complaint is not just errant; it is deliberately misleading, grounded in "facts" that simply are not so. As an example, the complaint states that "according to Arizona Democratic Chief Sam Coppersmith, this trip was intended and conducted exclusively for the purposes of assisting the Owens for Congress Committee." The complaint cites as support for its statement an article from the Arizona Republic, entitled "The Gore the Merrier" (attached to the complaint). The article, however, relates no such statement from Mr. Coppersmith or any other source, stating only that "Gore's March 2 appearance in Phoenix is the Veep's only campaign stop for a congressional candidate in the country, according to state Democratic chief Sam Coppersmith."

Moreover, it is clear that the sole purpose for this complaint was to attempt to influence the election contest between Steve Owens and U.S. Representative J.D. Hayworth. The NRCC did not file the complaint until just six weeks before the November 5 election, even though the March 2 event had occurred over six months earlier and all expenses for the event were made public on the Owens Committee's report filed with the Commission on April 15, 1996, over five months before the complaint was filed.

Ungrounded, frivolous complaints such as the instant one serve no purpose but to waste the resources of your agency in investigating them and campaigns like Mr. Owens' in responding to them.

Sincerely,



Charles A. Blanchard

Ms. Colleen T. Sealander
Central Enforcement Docket
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

VIA FACSIMILE [202.219.3923]
& FEDERAL EXPRESS

CAB:cac

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STATEMENT OF DESIGNATION OF COUNSEL

RECEIVED
FEDERAL ELECTION
COMMISSION MAIL ROOM

OCT 23 9 38 AM '96

MUR 4479

NAME OF COUNSEL: Charles A. Blanchard
ADDRESS: Brown & Bain P.A.
2901 North Central
Post Office Box 400
Phoenix, Arizona 85001
TELEPHONE: 602.351.8000

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
OCT 23 2 34 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.

10-22-96
Date

John A Eck
John Eck, Committee Treasurer

RESPONDENT'S NAME: Steve Owens for U.S. Congress
ADDRESS: P.O. Box 8129
Scottsdale, Arizona 85252
PHONE: 602.665.6707

97043821097



U. S. Department of Justice

Civil Division

TCH:RRBrown
145-0-4632

Washington, D.C. 20530

Telephone:
(202) 514-5751

November 1, 1996

VIA HAND DELIVERY

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

Attn: Colleen T. Sealander, Esquire

RE: MATTER UNDER REVIEW (MUR) 4479

Dear Mr. Noble:

By letter dated October 1, 1996, Ms. Colleen Sealander of your staff wrote to the Attorney General regarding the complaint filed with the Federal Election Commission ("FEC") in the above-captioned Matter Under Review. That complaint alleged that the Steve Owens for Congress Committee had failed to report on campaign disclosure forms Vice President Gore's travel expenses, arising from his March 2-3 1996 trip to Phoenix, Arizona, where he appeared at a fundraiser on behalf of Mr. Owens, and that the Owens committee had also failed to reimburse the United States Treasury for the Vice President's travel expenses. Ms. Sealander's letter sought a response from the Department of Justice regarding whether the United States Government had violated the Federal Election Campaign Act (the "Act"). For the reasons stated below, the United States Government has not violated the Act and, therefore, no action should be taken against the United States Government in this matter.

The complaint apparently asserts that the unreimbursed travel expenses of the Vice President in connection with his trip to Arizona may have constituted an unreported in-kind campaign contribution by the United States Government to the Steve Owens campaign. However, in 1979, the statutory definitions of "contribution" and "person" contained in the Act were amended by the Federal Election Campaign Act Amendments of 1979, Pub. L. No. 96-187, to emphasize that the use of appropriated funds by the Federal Government does not constitute a "contribution" within the meaning of the Act. Specifically, the definition of "contribution" was narrowed by adding the phrase "by any person," see 2 U.S.C. § 431(8), to ensure that only a "person" can make a campaign contribution as defined in the Act. At the same time,

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OFFICE OF GENERAL
COUNSEL

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Mr. Lawrence Noble
November 1, 1996
Page 2

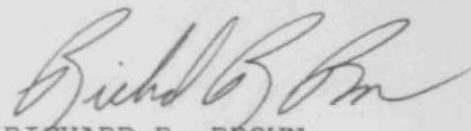
the Act's definition of "person" was explicitly narrowed to provide that the "term [person] does not include the Federal Government or any authority of the Federal Government." See 2 U.S.C. § 431(11).

Since only persons, as defined in the Act, may make campaign contributions, and the Federal Government is not a "person" within the meaning of the Act, even if there were any expenditure of appropriated funds by the United States Government, such an expenditure does not constitute a political campaign contribution within the meaning of the Act. See H. Rep. 96-422, 96th Cong., 1st Sess. at 7-8 (1979), reprinted in 1979 U.S.C.C.A.N. 2860, 2866 (explaining that the definitions of "contribution" and "person" within the Act were amended to "incorporate the [Federal Election] Commission opinion that the use of appropriated funds of the Federal Government is not a [campaign] contribution").

Moreover, similar allegations of in-kind campaign contributions by the United States government, based on unreimbursed travel expenses incurred by the President and First Lady, were previously considered and dismissed by the FEC in Matters Under Review 4026 (dismissed Feb. 28, 1995), 4132 (dismissed March 5, 1996) and 4216 (dismissed March 5, 1996).

Since the United States Government cannot make a campaign contribution, as defined in the Act, it has not violated the Federal Election Campaign Act.

Respectfully submitted,



RICHARD R. BROWN
Trial Attorney
Federal Programs Branch
Civil Division
U.S. Department of Justice
P.O. Box 883
Washington, D.C. 20044

(202) 514-5751

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THE WHITE HOUSE
WASHINGTON

Nov 1 3 41 PM '96

November 1, 1996

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

RE: 4479

Dear Mr. Noble:

I am writing in response to a September 20, 1996, letter from Ms. Colleen Sealander regarding a complaint filed with the Federal Election Commission (FEC) by the National Republican Congressional Committee (Complainant) against the Steve Owens for Congress Committee. I received this letter on October 17, 1996. It is our understanding that Ms. Sealander forwarded a copy of this complaint to our Office to address any potential violations of the Federal Election Campaign Act (the Act) by the White House Military Office, which bills entities for the President's and Vice President's use of government aircraft for political activity.

On March 2, 1996, the Vice President attended a fundraiser on behalf of Congressional candidate Steve Owens in Phoenix, Arizona. The Complainant alleges that the Owens for Congress Committee violated the Act by accepting an unauthorized in-kind campaign contribution from the federal government, in particular, the costs of the Vice President's travel to Phoenix, Arizona on government aircraft. The Complainant bases these allegations on FEC reports that purportedly do not reflect payments by the Owens Campaign for the Vice President's travel to Phoenix. The Complainant's allegations with respect to the Vice President's travel costs do not state a violation of the Act.

First, under the Act's definition of "person" and "contribution," the use of appropriated funds does not constitute a "contribution" within the meaning of the Act. See 11 C.F.R. §§ 100.7, 100.10; see also H. Rep. 96-422, 96th Cong., 1st Sess. at 6-7 (1979), reprinted in 1979 U.S.C.C.A.N. 2860, 2866. Thus, by the Act's definitions, the Federal Government cannot make a campaign contribution. Id.

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Mr. Noble
November 1, 1996
Page Two

Second, on March 2, 1996, the Vice President, in addition to attending the Owens fundraiser, attended a private Clinton/Gore'96 meeting in Phoenix, at which he advocated the election of President Clinton. See Attachment 1. Since the Vice President traveled to Phoenix, Arizona on government aircraft and engaged in campaign activity, FEC regulations require the Federal Government to be reimbursed at the first class rate for the Vice President's (and accompanying political travellers') travel to and from Phoenix, Arizona. See 11 C.F.R. § 9004.7(b)(5). There can be no allocation of these travel costs. See 11 C.F.R. §§ 9004.7(a), (b)(1). Accordingly, the White House Military Office billed the Clinton/Gore'96 Committee for entire amount of the Vice President's travel costs to and from Phoenix, Arizona.

In light of these facts and the failure by the Complainant to state a violation of the Federal Election Campaign Act by the White House Military Office, we request that your agency dismiss the White House Military Office as a respondent in this matter.

Please contact me if you have any questions or need additional information.

Sincerely,

Cheryl Mills

Cheryl Mills
Associate Counsel to the President

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BEFORE THE FEDERAL ELECTION COMMISSION

MAY 6 2 45 PM '97

In the Matter of

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ENFORCEMENT PRIORITY

GENERAL COUNSEL'S REPORT

SENSITIVE

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 28 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.

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¹ These cases are: MUR 4419 (*Weinzapfel for Congress*); MUR 4423 (*Davis for Congress*); MUR 4424 (*Nevadans for "Spike" Wilson*); MUR 4429 (*Delahunt for Congress*); MUR 4430 (*Jean Leising for Congress*); MUR 4431 (*Engel for Congress*); MUR 4433 (*Delahunt for Congress*); MUR 4437 (*DiNicola for Congress Committee*); MUR 4440 (*Sue Kelly for Congress*); MUR 4450 (*National Treasury Employees*); MUR 4452 (*Mid-Suffolk N.O.W.*); MUR 4455 (*City of Milwaukee*); MUR 4456 (*Jackson Mint Ltd.*); MUR 4457 (*U.S. Department of Health and Human Services*); MUR 4458 (*KMA-AM Radio*); MUR 4461 (*Americans For Freedom Of Choice PAC*); MUR 4462 (*Ellen O. Tauscher*); MUR 4464 (*Norwood for Congress*); MUR 4465 (*Lincoln for Congress*); MUR 4469 (*Moseley-Braun for Senate*); MUR 4475 (*Manpower Temporary Services, Inc.*); MUR 4479 (*Owens for Congress Committee*); MUR 4482 (*Mike McCormack for Congress*); MUR 4487 (*Citizens for A Strong America*); MUR 4488 (*Ortiz for Congress*); MUR 4489 (*Gill for Congress*); MUR Pre-MUR 338 (*Richard Chrysler Inc.*); and Pre-MUR 339 (*Mammel & Associates, Inc.*).

We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective May 19, 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.

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III. RECOMMENDATIONS.

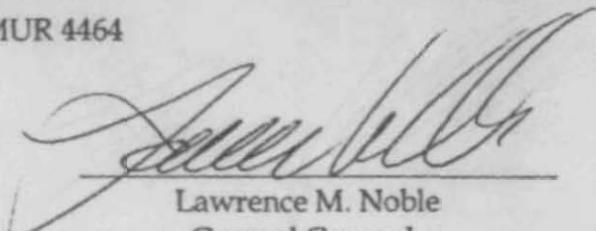
A. Decline to open a MUR, close the file effective May 19, 1997, and approve the appropriate letters in the following matters:

1. Pre-MUR 338
2. Pre-MUR 339

B. Take no action, close the file effective May 19, 1997, and approve the appropriate letters in the following matters:

- | | | |
|-------------|--------------|--------------|
| 1. MUR 4419 | 10. MUR 4450 | 19. MUR 4465 |
| 2. MUR 4423 | 11. MUR 4452 | 20. MUR 4469 |
| 3. MUR 4424 | 12. MUR 4455 | 21. MUR 4475 |
| 4. MUR 4429 | 13. MUR 4456 | 22. MUR 4479 |
| 5. MUR 4430 | 14. MUR 4457 | 23. MUR 4482 |
| 6. MUR 4431 | 15. MUR 4458 | 24. MUR 4487 |
| 7. MUR 4433 | 16. MUR 4461 | 25. MUR 4488 |
| 8. MUR 4437 | 17. MUR 4462 | 26. MUR 4489 |
| 9. MUR 4440 | 18. MUR 4464 | |

5/6/97
Date


Lawrence M. Noble
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Enforcement Priority.

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CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that the Commission decided by a vote of 5-0 on May 12, 1997, to take the following actions with respect to the General Counsel's May 6, 1997 report on enforcement priority:

- A. Decline to open a MUR, close the file effective May 19, 1997, and approve the appropriate letters in the following matters:

1. Pre-MUR 338
2. Pre-MUR 339

- B. Take no action, close the file effective May 19, 1997, and approve the appropriate letters in the following matters:

- | | | |
|-------------|--------------|--------------|
| 1. MUR 4419 | 10. MUR 4450 | 19. MUR 4465 |
| 2. MUR 4423 | 11. MUR 4452 | 20. MUR 4469 |
| 3. MUR 4424 | 12. MUR 4455 | 21. MUR 4475 |
| 4. MUR 4429 | 13. MUR 4456 | 22. MUR 4479 |
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| 8. MUR 4437 | 17. MUR 4462 | 26. MUR 4489 |
| 9. MUR 4440 | 18. MUR 4464 | |

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

Attest:

5-13-97
Date

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

Received in the Secretariat: Tues., May 06, 1997 2:45 p.m.
Circulated to the Commission: Wed., May 07, 1997 11:00 a.m.
Deadline for vote: Mon., May 12, 1997 4:00 p.m.

bjr

97043821106



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Sam Dawson, Executive Director
National Republican Congressional Committee
320 First Street, SE
Washington, DC 20003

RE: MUR 4479

Dear Mr. Dawson:

On September 24, 1996, the Federal Election Commission received Maria Cino's 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 May 19, 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

97043821107

MUR 4479

OWENS FOR CONGRESS COMMITTEE

Maria Cino, Executive Director of the National Republican Congressional Committee, alleges that Steve Owens and Steve Owens for Congress Committee (the "Committee") accepted an in-kind contribution by failing to reimburse the Vice President for travel costs for his appearance at a fundraising luncheon in Phoenix, AZ. Though complainant estimates that Mr. Gore's actual travel costs exceeded \$53,000, the value of the excessive contribution to Owens was \$1,282, the estimated fare for comparable commercial flight between Washington, D.C. and Phoenix, which she asserts should be reimbursed to the United States.

Cheryl Mills, Associate Counsel to the President, responds that Mr. Gore attended a private Clinton/Gore '96 meeting in Phoenix in addition to attending Steve Owens' fundraiser. After claiming that the complaint fails to state a FECA violation, she asserts that the White House Military Office billed the Clinton/Gore '96 Committee for the Vice President's travel costs to and from Phoenix, since such costs cannot be allocated in part to the Steve Owens Committee.

The Committee responds that the Vice President's trip was a Clinton-Gore '96 event, properly paid for by Clinton/Gore '96 as a campaign expense without allocation in whole or in part to the Owens campaign. The Committee further postulates that Vice President traveled to Arizona principally as a candidate. The trip occurred nine days before Arizona's primary. The Vice President held several meetings during this trip with the alleged purpose of influencing the outcome of the primary in favor of Clinton/Gore '96. The Committee claims that, since the trip qualifies as campaign activity under 11 C.F.R. § 9034.7(b)(2), Clinton/Gore 96 was required to pay all travel-related costs. The Owens Committee asserts that it paid for and reported all expenses attributable to it, and had offered to provide reimbursement for the Vice President's travel costs.

Responding for the United States, the Justice Department asserts that it is not a "person" capable of making "contributions" as defined in the Federal Election Campaign Act Amendments of 1979. Therefore, no expenditures made by the United States Government constitute a political campaign contribution.

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1997

Charles A. Blanchard, Esq.
Brown & Bain P.A.
2901 North Central
P. O. Box 400
Phoenix, AZ 85001

RE: MUR 4479
Steve Owens for U.S. Congress and John Eck, Treasurer

Dear Mr. Blanchard:

On October 1, 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 May 19, 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 Jennifer Henry on our toll-free number, (800)-424-9530. Our local number is (202) 219-3690.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

97043821109

MUR 4479

OWENS FOR CONGRESS COMMITTEE

Maria Cino, Executive Director of the National Republican Congressional Committee, alleges that Steve Owens and Steve Owens for Congress Committee (the "Committee") accepted an in-kind contribution by failing to reimburse the Vice President for travel costs for his appearance at a fundraising luncheon in Phoenix, AZ. Though complainant estimates that Mr. Gore's actual travel costs exceeded \$53,000, the value of the excessive contribution to Owens was \$1,282, the estimated fare for comparable commercial flight between Washington, D.C. and Phoenix, which she asserts should be reimbursed to the United States.

Cheryl Mills, Associate Counsel to the President, responds that Mr. Gore attended a private Clinton/Gore '96 meeting in Phoenix in addition to attending Steve Owens' fundraiser. After claiming that the complaint fails to state a FECA violation, she asserts that the White House Military Office billed the Clinton/Gore '96 Committee for the Vice President's travel costs to and from Phoenix, since such costs cannot be allocated in part to the Steve Owens Committee.

The Committee responds that the Vice President's trip was a Clinton-Gore '96 event, properly paid for by Clinton/Gore '96 as a campaign expense without allocation in whole or in part to the Owens campaign. The Committee further postulates that Vice President traveled to Arizona principally as a candidate. The trip occurred nine days before Arizona's primary. The Vice President held several meetings during this trip with the alleged purpose of influencing the outcome of the primary in favor of Clinton/Gore '96. The Committee claims that, since the trip qualifies as campaign activity under 11 C.F.R. § 9034.7(b)(2), Clinton/Gore 96 was required to pay all travel-related costs. The Owens Committee asserts that it paid for and reported all expenses attributable to it, and had offered to provide reimbursement for the Vice President's travel costs.

Responding for the United States, the Justice Department asserts that it is not a "person" capable of making "contributions" as defined in the Federal Election Campaign Act Amendments of 1979. Therefore, no expenditures made by the United States Government constitute a political campaign contribution.

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 19, 1997

Cheryl Mills, Esq.
Associate Counsel to the President
White House Counsel's Office
1600 Pennsylvania Ave., NW
Washington, DC 20500

RE: MUR 4479

Dear Ms. Mills:

On October 1, 1996, the Federal Election Commission notified your office 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 the White House Military Office. See attached narrative. Accordingly, the Commission closed its file in this matter on May 19, 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 Jennifer Henry at (202) 219-3400.

Sincerely

F. Andrew Tarley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

9704382111

MUR 4479

OWENS FOR CONGRESS COMMITTEE

Maria Cino, Executive Director of the National Republican Congressional Committee, alleges that Steve Owens and Steve Owens for Congress Committee (the "Committee") accepted an in-kind contribution by failing to reimburse the Vice President for travel costs for his appearance at a fundraising luncheon in Phoenix, AZ. Though complainant estimates that Mr. Gore's actual travel costs exceeded \$53,000, the value of the excessive contribution to Owens was \$1,282, the estimated fare for comparable commercial flight between Washington, D.C. and Phoenix, which she asserts should be reimbursed to the United States.

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Responding for the United States, the Justice Department asserts that it is not a "person" capable of making "contributions" as defined in the Federal Election Campaign Act Amendments of 1979. Therefore, no expenditures made by the United States Government constitute a political campaign contribution.

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1997

Honorable Janet Reno
Attorney General of the United States
Department of Justice
950 Pennsylvania Avenue, NW
Room 4400
Washington, DC 20530-0001

RE: MUR 4479

Dear Ms. Reno:

On October 1, 1996, the Federal Election Commission notified you 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 the United States. See attached narrative. Accordingly, the Commission closed its file in this matter on May 19, 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 Jennifer Henry on our toll-free number, (800)-424-9530. Our local number is (202) 219-3690.

Sincerely,

F. Andrew Tuttle
Supervisory Attorney
Central Enforcement Docket

Attachment

9704382113

MUR 4479

OWENS FOR CONGRESS COMMITTEE

Maria Cino, Executive Director of the National Republican Congressional Committee, alleges that Steve Owens and Steve Owens for Congress Committee (the "Committee") accepted an in-kind contribution by failing to reimburse the Vice President for travel costs for his appearance at a fundraising luncheon in Phoenix, AZ. Though complainant estimates that Mr. Gore's actual travel costs exceeded \$53,000, the value of the excessive contribution to Owens was \$1,282, the estimated fare for comparable commercial flight between Washington, D.C. and Phoenix, which she asserts should be reimbursed to the United States.

Cheryl Mills, Associate Counsel to the President, responds that Mr. Gore attended a private Clinton/Gore '96 meeting in Phoenix in addition to attending Steve Owens' fundraiser. After claiming that the complaint fails to state a FECA violation, she asserts that the White House Military Office billed the Clinton/Gore '96 Committee for the Vice President's travel costs to and from Phoenix, since such costs cannot be allocated in part to the Steve Owens Committee.

The Committee responds that the Vice President's trip was a Clinton-Gore '96 event, properly paid for by Clinton/Gore '96 as a campaign expense without allocation in whole or in part to the Owens campaign. The Committee further postulates that Vice President traveled to Arizona principally as a candidate. The trip occurred nine days before Arizona's primary. The Vice President held several meetings during this trip with the alleged purpose of influencing the outcome of the primary in favor of Clinton/Gore '96. The Committee claims that, since the trip qualifies as campaign activity under 11 C.F.R. § 9034.7(b)(2), Clinton/Gore 96 was required to pay all travel-related costs. The Owens Committee asserts that it paid for and reported all expenses attributable to it, and had offered to provide reimbursement for the Vice President's travel costs.

Responding for the United States, the Justice Department asserts that it is not a "person" capable of making "contributions" as defined in the Federal Election Campaign Act Amendments of 1979. Therefore, no expenditures made by the United States Government constitute a political campaign contribution.

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4479

DATE FILMED 6-19-97 CAMERA NO. 1

CAMERAMAN JmD

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