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JUDITH L. CORLEY
(202) 434-1622

December 15, 1997

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

Re: MUR 4643 - Democratic Party of New Mexico

Dear Mr. Turley:

This is the response of the Democratic Party of New Mexico, Thomas Atcitty, Treasurer, to the supplemental complaint filed by the Republican Party of New Mexico. The supplemental complaint raises no new issues that warrant the Commission's attention and, as requested earlier, the complaint should be dismissed.

The supplemental complaint attempts to raise three new allegations of violations of the federal campaign laws. First, the Complainant continues the allegation of its original complaint that Respondent used nonfederal funds in connection with a federal election. As set out in Respondent's letter of August 11, 1997 responding to the original complaint (and incorporated here by reference), the Democratic Party of New Mexico has been engaged in legitimate party building activities, recognized by the Federal Election Commission's regulations as payable with an allocated mix of federal and nonfederal funds. The expenditures listed in the complaint are no different than those discussed in the August 11 letter. Those arguments stand equally for these expenditures.

The complaint also identifies five contributors reported on Respondent's post-special election report and alleges that their contributions were "earmarked" for a particular candidate. None of the contributions received by the Party were earmarked for a particular candidate. All receipts were related to the Party's general fundraising.

This allegation is apparently based on the notation on the Schedule A as submitted by Respondent with its report for receipts during that period. In the area of

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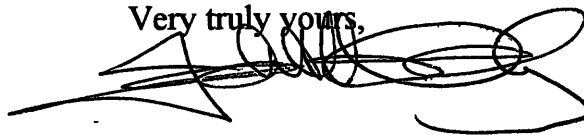
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the report asking for information on "Receipt for," the Party checked the box for "other" and filled in information about the closest election -- the special election. Because Respondent is a party committee, however, it did not need to check any box in this area of the form. Its contribution limits are calculated on a calendar year, not a per election, basis. Because the Commission uses the same Schedule A form for both authorized and unauthorized committees, this irrelevant (for an unauthorized committee) information appears, confusingly, on the schedules used by the Party. If the Commission would like the Party to amend its schedules to remove any notation in these boxes, it would be happy to do so.

Finally, the complaint again attempts to raise the issue of the use of nonfederal funds in connection with payments made to a party worker. The allegations appear to be the same as those raised earlier -- that the expenditures were in connection with a federal election. Again, as noted above, the Party has been engaged in party building activity, assisted in this activity by the individual identified. The payments to Randy Dukes were part of Respondent's efforts to build and organize a base of voters that will be used by the Party in future elections. Again, the Party's response of August 11 discusses this issue in greater detail and its arguments are incorporated here by reference.

Respondent continues to believe that this complaint was filed for political reasons and has no merit. The Commission should dismiss the complaint and take no further action.

Very truly yours,



Judith L. Corley
Counsel to Respondent

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