



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR #

471





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 4, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

J. Curtis Herge, Esquire
7600 Old Springhouse Road
McLean, Virginia 22101

Re: MUR 471(77)

Dear Mr. Herge: :

On August 1, 1978, the Commission voted to accept the conciliation agreements which your clients, George McMath and the Republican Party of Virginia signed.

Accordingly, upon my recommendation, the Commission has decided to close the file in this matter.

If you have any questions, please contact Suzanne Callahan (202-523-4058), the staff member assigned to this matter.

Sincerely yours,

William C. Oldaker
General Counsel



CERTIFIED MAIL
RETURN RECEIPT REQUESTED

J. Curtis Herge, Esquire
7600 Old Springhouse Road
McLean, Virginia 22101

Re: MUR (78-77)

Dear Mr. Herge:

On July , 1978, the Commission voted to accept the conciliation agreements which your clients, George McMath and the Republican Party of Virginia signed.

Accordingly, upon my recommendation, the Commission has decided to close the file in this matter.

If you have any questions, please contact Suzanne Callahan (202-523-4058), the Staff member assigned to this matter.

Sincerely yours,

William C. Oldaker
General Counsel

JK
8-2-78

78040062168

Before the Federal Election Commission

April 20, 1978

In the Matter of
George N. McMath

)
)
)

MUR 471 (77)

Conciliation Agreement

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, George N. McMath, violated 2 U.S.C. §441a:

Now, therefore, the respective parties herein, the Federal Election Commission and respondent George N. McMath having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. The respondent, George N. McMath, loaned \$11,500 and contributed \$150 to the Republican Party of Virginia after May 11, 1976, the effective date of the \$5,000 annual limit set forth in the Act.

Therefore, respondent George N. McMath agrees:

78040062169

I. Respondent's action in contributing in excess of the limitations is in violation of 2 U.S.C. §441a.

II. Respondent agrees that it will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et seq.

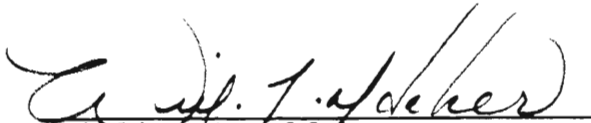
GENERAL CONDITIONS

I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter of issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent George N. McMath shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

Date: 8/4/78


William C. Oldaker
General Counsel
Federal Election Commission

78040062170

DATE July 18, 1978

George N. McMath
George N. McMath

78040062171

Before the Federal Election Commission

April 20, 1978

In the Matter of)
) MUR 471 (77)
Republican Party of Virginia)

Conciliation Agreement

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Republican Party of Virginia violated 2 U.S.C. §441a:

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Republican Party of Virginia having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

A. The Republican Party of Virginia accepted and retained \$11,500 in loans and a \$150 contribution from George McMath after May 11, 1976, the effective date of the \$5000 annual limit set forth in the Act.

78040062172

B. The Republican Party of Virginia accepted contributions in excess of the limitations set forth in the Federal Election Campaign Act of 1971, as amended.

Therefore, respondent Republican Party of Virginia agrees:

I. Respondent's action in accepting contributions in excess of the limitations is in violation of 2 U.S.C. §441a.

II. Respondent agrees that it will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

Virgin. It is agreed that respondent Republican Party of
ll have 30 days from the date of this agreement

to implement and comply with the requirements contained herein,
or to so notify the Commission.

DATE: 8/4/78

William C. Oldaker
William C. Oldaker
General Counsel
Federal Election Commission

DATE: 7/12/78

Dorothy B. Meldrum
Dorothy B. Meldrum
Treasurer
Republican Party of Virginia

78040062174

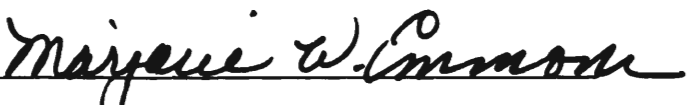
BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 471 (77)
Republican Party of Virginia)
George N. McMath)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on August 1, 1978, the Commission determined by a vote of 5-0 to approve the conciliation agreements in the above-captioned matter submitted by the General Counsel with his memorandum dated July 28, 1978.

Commissioner Harris abstained from voting on this matter.


Marjorie W. Emmons

Secretary to the Commission

Date: 8/1/78

Received by the Office of the Commission Secretary: 7-28-78,
11:41
Circulated on a 48 hour vote basis: 7-28-78, 3:00

78040062175

July 28, 1978

MEMORANDUM TO: Marge Hanson
FROM: Elissa T. Carr
SUBJECT: MUR 471

Please have the attached Memo and conciliation agreements on MUR 471 distributed to the Commission on a 48 hour tally basis.

Thank you.

78040062176



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 28, 1978

MEMORANDUM

TO: The Commission
FROM: William C. Oldaker *WCO*
SUBJECT: MUR 471(77) Conciliation Agreements

Attached are conciliation agreements which have been signed by George McMath and the Republican Party of Virginia.

The attached agreements include all the provisions which the Commission determined should be included.

The Office of General Counsel recommends the acceptance of these agreements.



78040062177

Before the Federal Election Commission

April 20, 1978

In the Matter of
George N. McMath

)
)
)

MUR 471 (77)

Conciliation Agreement

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, George N. McMath, violated 2 U.S.C. §441a:

Now, therefore, the respective parties herein, the Federal Election Commission and respondent George N. McMath having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. The respondent, George N. McMath, loaned \$11,500 and contributed \$150 to the Republican Party of Virginia after May 11, 1976, the effective date of the \$5,000 annual limit set forth in the Act.

Therefore, respondent George N. McMath agrees:

78040062178

I. Respondent's action in contributing in excess of the limitations is in violation of 2 U.S.C. §441a.

II. Respondent agrees that it will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter of issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent George N. McMath shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

Date: _____

William C. Oldaker
General Counsel
Federal Election Commission

78040062179

DATE

July 18, 1978

George N. McMath

78040062180

Before the Federal Election Commission

April 20, 1978

In the Matter of)
Republican Party of Virginia) MUR 471 (77)

Conciliation Agreement

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Republican Party of Virginia violated 2 U.S.C. §441a:

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Republican Party of Virginia having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

A. The Republican Party of Virginia accepted and retained \$11,500 in loans and a \$150 contribution from George McMath after May 11, 1976, the effective date of the \$5000 annual limit set forth in the Act.

72040062181

B. The Republican Party of Virginia accepted contributions in excess of the limitations set forth in the Federal Election Campaign Act of 1971, as amended.

Therefore, respondent Republican Party of Virginia agrees:

I. Respondent's action in accepting contributions in excess of the limitations is in violation of 2 U.S.C. §441a.

II. Respondent agrees that it will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Republican Party of Virginia shall have 30 days from the date of this agreement

78040062182

to implement and comply with the requirements contained herein,
or to so notify the Commission.

DATE: _____

William C. Oldaker
General Counsel
Federal Election Commission

DATE: 7/12/78

Dorothy B. Meldrum
Dorothy B. Meldrum
Treasurer
Republican Party of Virginia

78040062183



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

J. Curtis Herge, Esquire
7600 Old Springhouse Road
McLean, Virginia 22101

Re: MUR 471(77)

Dear Mr. Herge:

On July , 1978, the Commission voted to accept the conciliation agreements which your clients, George McMath and the Republican Party of Virginia signed.

Accordingly, upon my recommendation, the Commission has decided to close the file in this matter.

If you have any questions, please contact Suzanne Callahan (202-523-4058), the staff member assigned to this matter.

Sincerely yours,

William C. Oldaker
General Counsel





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 24, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *mwe*

SUBJECT: MUR 471 - Interim Conciliation Report dated
7-18-78
Signed: 7-20-78
Received in Office of Commission
Secretary: 7-20-78, 4:40

The above-mentioned document was circulated on a 24
hour no-objection basis at 9:30 a.m., July 21, 1978.

As of 10:00 a.m. this date, no objections have been
received in the Office of Commission Secretary to the
Interim Conciliation Report.

78040062185

July 28, 1978

MEMORANDUM TO: Marye Hanson
FROM: Elisee T. Carr
SUBJECT: MUR 471

Please have the attached Interim Conciliation Report
on MUR 471 distributed to the Commission.

Thank you.

78040062186

BEFORE THE FEDERAL ELECTION COMMISSION
July 18, 1978

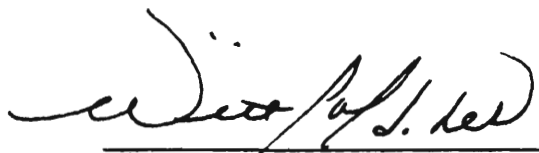
In the Matter of)
) MUR 471 (77)
Republican Party of Virginia)
George N. McMath)

INTERIM CONCILIATION REPORT

On June 28, 1978, the Commission voted to direct the Office of General Counsel to enter into conciliation agreements containing no civil penalty with the Republican Party of Virginia and George McMath. The respondents were notified of the Commission's determination on July 6th.

We have been advised by counsel that the agreements are in the process of being signed and will be forwarded to this office shortly.

7/20/78
Date


William C. Oldaker
General Counsel

78040062187



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

July 6, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

J. Curtis Herge, Esq.
Sedam and Herge
7600 Old Springhouse Road
McLean, VA 22101

Re: MUR 471 (77)

Dear Mr. Herge:

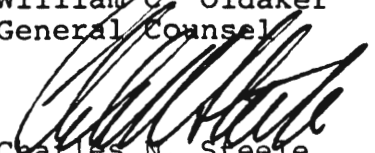
On June 28, 1978, the Commission voted to accept your proposal to eliminate a civil penalty from the proposed conciliation agreements in this matter.

Enclosed are the conciliation agreements which the Commission offers as settlement of this case. If your clients decide to comply with the terms of these agreements, they should sign and return them to the Commission within ten days of your receipt of this notification.

If you have any questions, please contact Suzanne Callahan (202/523-4058).

Sincerely,

William C. Oldaker
General Counsel


Charles N. Steele
Associate General Counsel

Enclosures

78040062183

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

#71 Columbia

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).

☐ Show to whom and date delivered.

☒ Show to whom, date, and address of delivery.

☐ RESTRICTED DELIVERY
Show to whom and date delivered.

☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Curtis Hargraves, Esq.

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>943530</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

P. Jeffery

4. DATE OF DELIVERY POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

MILAN JUL 1978
CLEVER'S INITIALS

GPO : 1977-O-234-337

78040062139

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
George N. McMath)
Republican Party of Virginia)

MUR 471 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 28, 1978, the Commission determined by a vote of 4-2 to direct the Office of the General Counsel to enter into conciliation agreements containing no civil penalty in the above-captioned matter.

Voting for this determination were Commissioners Aikens, Springer, Staebler, and Thomson. Commissioners Harris and Tiernan dissented.

Attest:

6/30/78
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

78040062190

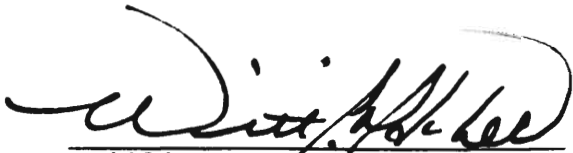
This office feels that a civil penalty of \$100 is appropriate for the violations committed and should not be deleted from the proposed agreements.

RECOMMENDATION

Notify respondents with the attached letter that the Commission has determined a civil penalty of \$100 should be made part of both conciliation agreements.

Date

6/22/78


William C. Oldaker
General Counsel

78040062192

5823

SEDAM & HERGE

ATTORNEYS AT LAW
7800 OLD SPRINGHOUSE ROAD
MCLEAN, VIRGINIA 22101

(703) 821-1000

RECEIVED
FEDERAL ELECTION
COMMISSION

JUN 16 AM 11:42

1700 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D. C. 20006
(202) 821-1000

GLENN J. SEDAM, JR.
J. CURTIS HERGE

THOMAS M. DAVIS, III
MICHAEL D. HUGHES
ROBERT R. SPARKS, JR.
CHRISTOPHER M. WAS

June 14, 1978

803670

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: MUR 471(77)

Dear Mr. Oldaker:

We are writing with reference to your letter, dated June 5, 1978, in which you reported the denial of the request contained in our letter, dated May 19, 1978, that the Federal Election Commission review its finding of reasonable cause to believe that the Republican Party of Virginia (the Party) and Mr. George N. McMath had violated the provisions of 2 U.S.C. 441a. You reported, as a basis for the denial, that the Commission had considered the facts set forth in our request during the course of their deliberations on May 3, 1978.

We respectfully disagree with the conclusion that all the facts contained in our letter of May 19, 1978 were before the Commission on May 3, 1978. Nevertheless, in an effort to determine whether an appropriate resolution of this matter might be found at the administrative level, we would like to address ourselves to the terms of the conciliation agreements which were proposed by your office. In so doing, however, the Party and Mr. McMath reserve the right to challenge the validity of the Commission's determination of May 3, 1978 and the validity of the administrative determination not to resubmit the matter to the Commission for review.

With reference to the proposed conciliation agreements, it has been suggested by your office that the Party and Mr. McMath each acknowledge the violation and, in addition, each

73040062193

William C. Oldaker, Esq.
Page Two
June 14, 1978

pay a civil penalty of \$100.00. We suggest that the imposition of any civil penalty would be harsh and unwarranted under the circumstances. The rationale for this position is, as follows:

1. The loans made by Mr. McMath to the Party in 1976 followed a pattern established in 1974 and were intended solely to provide the Party with the capability of remaining in operation. As explained in our letter to the Commission, dated March 9, 1978, Mr. McMath recognized that the Party had critical financial problems when he was first elected Chairman of the Party on September 28, 1974. As a result, on November 5, 1974, Mr. McMath loaned the Party the initial sum of \$20,000.00. In 1975, Mr. McMath loaned the Party additional sums in three installments on February 13, March 5, and March 14, 1975, which aggregated \$10,000.00. In 1976, prior to the effective date of the contribution limitations contained in the Federal Election Campaign Act of 1976, Mr. McMath loaned the Party the additional sum of \$10,000.00.

These loans were repaid by the Party as cash flow permitted, but it is evident from the record that each loan was made to enable the Party to meet its basic, fundamental operating requirements. The loans made after May 11, 1976 followed the same established pattern, they were made for the same purposes, they were made in the absence of knowledge of the existence of the Federal Election Campaign Act of 1976 and they were never intended to be "contributions" for Federal purposes.

Thus, at the very most, the Party and Mr. McMath inadvertently and innocently violated one of the more technical provisions of 2 U.S.C. 441a. While this violation might be acknowledged, it would be inappropriate to also impose a civil penalty.

2. In 1976, subsequent to the effective date of the Federal Election Campaign Act of 1976, Mr. McMath contributed the sum of \$150.00 to the Party and loaned the Party the additional sum of \$11,500.00. Of the amount loaned, the Party repaid Mr. McMath the sum of \$1,500.00 in 1976. Since this inadvertant violation of 2 U.S.C. 441a was brought to their attention, the Party voluntarily repaid Mr. McMath the

Mr. William C. Oldaker
Page Three
June 14, 1978

sum of \$10,000.00 to discharge the balance of the indebtedness from 1976. While this voluntary act resulted in financial hardship to the Party, it was done in an effort to correct the record. In view of the fact that the record has been voluntarily corrected, the imposition of a civil penalty should be unnecessary.

3. The loans in question were made by Mr. McMath on July 23, July 30 and September 30, 1976. The regulations of the Federal Election Commission, issued as a consequence of the Federal Election Campaign Act of 1976 did not become effective until April 13, 1977. It thus seems inappropriate to impose a civil penalty for conduct which took place prior to the effective date of the Commission's regulations, particularly for inadvertent violations of this nature. The fact that loans, endorsements and guarantees may constitute contributions is one of the less well known and technical provisions of the law.

4. As the record reflects, Mr. McMath did not know of the limitations contained in the Federal Election Campaign Act of 1976 until sometime in October, 1977. He was then advised that the limitations did not apply to contributions made for non-federal purposes. No corrective action was taken, either by Mr. McMath or the Party, because the loans were, in fact, made for non-federal purposes. Because no evidence to the contrary exists, the imposition of a civil penalty is unjustified.

5. The funds loaned to the Party by Mr. McMath were used to pay general operating expenses of the Party, as set forth in detail in our letter of May 19, 1978, and no part of the funds were used in connection with a Federal election. These were non-allocable expenditures that related to state, not Federal, activity. Because the spirit of the Federal law has not been violated, the imposition of a civil penalty is unnecessary.

6. The assistance rendered by the Party to Federal candidates and committees in 1976 was limited to in-kind contributions having a value, in the aggregate, of only \$1,754.89. This amounted to 0.4% of the total expenditures (\$389,309) made by the Party in 1976. Even if it were argued that a portion of the loans made to the Party by Mr. McMath were used for, or had to be allocated toward, Federal elections, the amount would be less than the \$5,000.00 contribution limitation permitted Mr. McMath.

78040062195

William C. Oldaker, Esq.
Page Four
June 14, 1978

7. The sole reason this matter is before the Federal Election Commission is because the Party had been operating under the good faith, but erroneous belief, that full and complete disclosure of every financial transaction, including non-federal receipts and expenditures, was required by Federal law. If the Party had been versed in the requirements of 11 C.F.R. 102.6 (finally approved on April 13, 1977), accounting and bookkeeping procedures would have been adopted in 1976 that would have caused these loans to be reflected - as they were intended to be - as contributions to the non-federal account. This appears, therefore, to have been a technical violation caused by improper bookkeeping and reporting procedures.

8. The Federal Election Commission determined on May 3, 1978, that the Party did not violate the provisions of 11 C.F.R. 102.6, because the receipts there in question were used for non-federal activity. The proceeds of the loans from Mr. McMath were similarly used by the Party for non-federal activity. Therefore, it would be inconsistent and harsh to impose a civil penalty.

9. The matter at hand must be distinguished from other compliance matters which involve concealment or a failure to report. To the contrary, this matter is before the Commission because of complete disclosure. It is also submitted that the record is clear that there has been demonstrated a good faith effort to comply with the law and to correct mistakes promptly and straightforwardly. Such cooperation should not be subject to a penalty.

Thus, while we believe that the Commission erred in finding reasonable cause to believe that the Party and Mr. McMath had violated the provision of 2 U.S.C. 441a, we are willing to continue to work with you in an effort to dispose of this matter as expeditiously as possible. We are of the view, however, that the mitigating circumstances must be considered. Not the least of these are the fact the Party has voluntarily, and at some sacrifice to itself, repaid the subject loans. As a result, we would like to propose for your consideration the elimination of the civil penalty from the proposed conciliation agreements.

78040062196

William C. Oldaker, Esq.
Page Five
June 14, 1978

We look forward to meeting with you and your
associates to discuss this matter further if you so desire.

Sincerely yours



J. Curtis Herge

cc: Mr. George N. McMath
Republican Party of Virginia

78040062197



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

J. Curtis Herge, Esq.
7600 Old Springfield Road
McLean, Va. 22101

RE: MUR 471 (77)

Dear Mr. Herge:

The Commission has reviewed the facts set forth in your letter of June 14th. On June , 1978, the Commission determined that a civil penalty of \$100 is appropriate for the violations at issue and should be made part of the conciliation agreements which this office has proposed.

If you have any questions, please direct them to Suzanne Callahan (202/523-4058), the staff member assigned to this matter.

Sincerely,

William C. Oldaker
General Counsel

78040062198

SEDAM & HERGE

ATTORNEYS AT LAW
7600 OLD SPRINGHOUSE ROAD
MCLEAN, VIRGINIA 22101

(703) 821-1000

GLENN J. SEDAM, JR.
J. CURTIS HERGE

THOMAS M. DAVIS, III
MICHAEL D. HUGHES
ROBERT R. SPARKS, JR.
CHRISTOPHER M. WAS

RECEIVED
FEDERAL ELECTION
COMMISSION

78 JUL 20 AM 11:56
1700 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20006
(202) 821-1000

July 19, 1978

804647

Miss Suzanne Callahan
Federal Election Commission
1325 K Street, Northwest
Washington, D.C. 20463

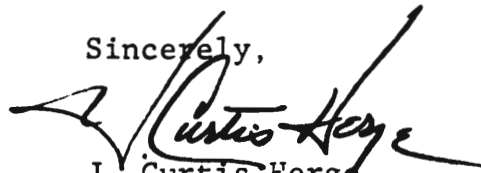
RE: MUR 471 (77)

Dear Miss Callahan:

We are writing with reference to the letter to us from Mr. Charles N. Steele, Associate General Counsel, dated July 6, 1978, with which he forwarded the conciliation agreements the Commission offered in settlement of the above captioned matter. Those agreements have been accepted and signed by our clients, the Republican Party of Virginia and Mr. George N. McMath, and are enclosed herewith.

On behalf of our clients, we would like to thank you for your assistance and cooperation in resolving this matter.

Sincerely,


J. Curtis Herge

Enclosure

78040062199

78 JUL 20 AM 11:56

RECEIVED
FEDERAL ELECTION

78040062200



SEDAM & HERGE

ATTORNEYS AT LAW
7600 OLD SPRINGHOUSE ROAD
MCLEAN, VIRGINIA 22101

To:

Miss Suzanne Callahan
Federal Election Commission
1325 K Street, Northwest
Washington, D.C. 20463

FIRST CLASS MAIL

Acc 3823

SEDAM & HERGE

ATTORNEYS AT LAW
7600 OLD SPRINGHOUSE ROAD
MCLEAN, VIRGINIA 22101

(703) 821-1000

RECEIVED
FEDERAL ELECTION
COMMISSION

JUN 16 AM 11:42

1700 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20006
(202) 821-1000

GLENN J. SEDAM, JR.
J. CURTIS HERGE

THOMAS M. DAVIS, III
MICHAEL D. HUGHES
ROBERT R. SPARKS, JR.
CHRISTOPHER M. WAS

June 14, 1978

803670

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: MUR 471(77)

Dear Mr. Oldaker:

We are writing with reference to your letter, dated June 5, 1978, in which you reported the denial of the request contained in our letter, dated May 19, 1978, that the Federal Election Commission review its finding of reasonable cause to believe that the Republican Party of Virginia (the Party) and Mr. George W. McMath had violated the provisions of 2 U.S.C. 441a. You reported, as a basis for the denial, that the Commission had considered the facts set forth in our request during the course of their deliberations on May 3, 1978.

We respectfully disagree with the conclusion that all the facts contained in our letter of May 19, 1978 were before the Commission on May 3, 1978. Nevertheless, in an effort to determine whether an appropriate resolution of this matter might be found at the administrative level, we would like to address ourselves to the terms of the conciliation agreements which were proposed by your office. In so doing, however, the Party and Mr. McMath reserve the right to challenge the validity of the Commission's determination of May 3, 1978 and the validity of the administrative determination not to resubmit the matter to the Commission for review.

With reference to the proposed conciliation agreements, it has been suggested by your office that the Party and Mr. McMath each acknowledge the violation and, in addition, each

78040062201

pay a civil penalty of \$100.00. We suggest that the imposition of any civil penalty would be harsh and unwarranted under the circumstances. The rationale for this position is, as follows:

1. The loans made by Mr. McMath to the Party in 1976 followed a pattern established in 1974 and were intended solely to provide the Party with the capability of remaining in operation. As explained in our letter to the Commission, dated March 9, 1978, Mr. McMath recognized that the Party had critical financial problems when he was first elected Chairman of the Party on September 28, 1974. As a result, on November 5, 1974, Mr. McMath loaned the Party the initial sum of \$20,000.00. In 1975, Mr. McMath loaned the Party additional sums in three installments on February 13, March 5, and March 14, 1975, which aggregated \$10,000.00. In 1976, prior to the effective date of the contribution limitations contained in the Federal Election Campaign Act of 1976, Mr. McMath loaned the Party the additional sum of \$10,000.00.

These loans were repaid by the Party as cash flow permitted, but it is evident from the record that each loan was made to enable the Party to meet its basic, fundamental operating requirements. The loans made after May 11, 1976 followed the same established pattern, they were made for the same purposes, they were made in the absence of knowledge of the existence of the Federal Election Campaign Act of 1976 and they were never intended to be "contributions" for Federal purposes.

Thus, at the very most, the Party and Mr. McMath inadvertently and innocently violated one of the more technical provisions of 2 U.S.C. 441a. While this violation might be acknowledged, it would be inappropriate to also impose a civil penalty.

2. In 1976, subsequent to the effective date of the Federal Election Campaign Act of 1976, Mr. McMath contributed the sum of \$150.00 to the Party and loaned the Party the additional sum of \$11,500.00. Of the amount loaned, the Party repaid Mr. McMath the sum of \$1,500.00 in 1976. Since this inadvertant violation of 2 U.S.C. 441a was brought to their attention, the Party voluntarily repaid Mr. McMath the

78040062202

Mr. William C. Oldaker
Page Three
June 14, 1978

sum of \$10,000.00 to discharge the balance of the indebtedness from 1976. While this voluntary act resulted in financial hardship to the Party, it was done in an effort to correct the record. In view of the fact that the record has been voluntarily corrected, the imposition of a civil penalty should be unnecessary.

3. The loans in question were made by Mr. McMath on July 23, July 30 and September 30, 1976. The regulations of the Federal Election Commission, issued as a consequence of the Federal Election Campaign Act of 1976 did not become effective until April 13, 1977. It thus seems inappropriate to impose a civil penalty for conduct which took place prior to the effective date of the Commission's regulations, particularly for inadvertant violations of this nature. The fact that loans, endorsements and guarantees may constitute contributions is one of the less well known and technical provisions of the law.

4. As the record reflects, Mr. McMath did not know of the limitations contained in the Federal Election Campaign Act of 1976 until sometime in October, 1977. He was then advised that the limitations did not apply to contributions made for non-federal purposes. No corrective action was taken, either by Mr. McMath or the Party, because the loans were, in fact, made for non-federal purposes. Because no evidence to the contrary exists, the imposition of a civil penalty is unjustified.

5. The funds loaned to the Party by Mr. McMath were used to pay general operating expenses of the Party, as set forth in detail in our letter of May 19, 1978, and no part of the funds were used in connection with a Federal election. These were non-allocable expenditures that related to state, not Federal, activity. Because the spirit of the Federal law has not been violated, the imposition of a civil penalty is unnecessary.

6. The assistance rendered by the Party to Federal candidates and committees in 1976 was limited to in-kind contributions having a value, in the aggregate, of only \$1,754.89. This amounted to 0.4% of the total expenditures (\$389,309) made by the Party in 1976. Even if it were argued that a portion of the loans made to the Party by Mr. McMath were used for, or had to be allocated toward, Federal elections, the amount would be less than the \$5,000.00 contribution limitation permitted Mr. McMath.

78040062203

William C. Oldaker, Esq.
Page Four
June 14, 1978

7. The sole reason this matter is before the Federal Election Commission is because the Party had been operating under the good faith, but erroneous belief, that full and complete disclosure of every financial transaction, including non-federal receipts and expenditures, was required by Federal law. If the Party had been versed in the requirements of 11 C.F.R. 102.6 (finally approved on April 13, 1977), accounting and bookkeeping procedures would have been adopted in 1976 that would have caused these loans to be reflected - as they were intended to be - as contributions to the non-federal account. This appears, therefore, to have been a technical violation caused by improper bookkeeping and reporting procedures.

8. The Federal Election Commission determined on May 3, 1978, that the Party did not violate the provisions of 11 C.F.R. 102.6, because the receipts there in question were used for non-federal activity. The proceeds of the loans from Mr. McMath were similarly used by the Party for non-federal activity. Therefore, it would be inconsistent and harsh to impose a civil penalty.

9. The matter at hand must be distinguished from other compliance matters which involve concealment or a failure to report. To the contrary, this matter is before the Commission because of complete disclosure. It is also submitted that the record is clear that there has been demonstrated a good faith effort to comply with the law and to correct mistakes promptly and straightforwardly. Such cooperation should not be subject to a penalty.

Thus, while we believe that the Commission erred in finding reasonable cause to believe that the Party and Mr. McMath had violated the provision of 2 U.S.C. 441a, we are willing to continue to work with you in an effort to dispose of this matter as expeditiously as possible. We are of the view, however, that the mitigating circumstances must be considered. Not the least of these are the fact the Party has voluntarily, and at some sacrifice to itself, repaid the subject loans. As a result, we would like to propose for your consideration the elimination of the civil penalty from the proposed conciliation agreements.

78040062204

William C. Oldaker, Esq.
Page Five
June 14, 1978

We look forward to meeting with you and your
associates to discuss this matter further if you so desire.

Sincerely yours



J. Curtis Herge

cc: Mr. George N. McMath
Republican Party of Virginia

78040062203

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SEDAM & HERGE

ATTORNEYS AT LAW

7600 OLD SPRINGHOUSE ROAD

MCLEAN, VIRGINIA 22101

11-12 AL ELL 107
13 JUN 16 AM 11:42

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

7 2 0 7
SEDAM & HERGE

ATTORNEYS AT LAW

7600 OLD SPRINGHOUSE ROAD

MCLEAN, VIRGINIA 22101

100
FEDERAL ELECTION COMMISSION
100

73 JUN 16 AM 11:52

Miss Suzanne Callahan
Federal Election Commission
1325 K Street, N. W.
Washington D. C. 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 5, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

J. Curtis Herge, Esq.
Sedam and Herge
7600 Old Springhouse Road
McLean, Virginia 22101

Re: MUR 471 (77)

Dear Mr. Herge:

This is in reference to your letter of May 19, 1978, in which you request that the Commission review its May 3rd finding of reasonable cause to believe the Republican Party of Virginia and George McMath violated 2 U.S.C. §441a.

The facts which you set forth in your letter concerning the §441a violation were considered by the Commission prior to it's making the reasonable cause to believe finding; therefore, I will not recommend to the Commission that they review their May 3rd determination.

If you wish to continue negotiations in this matter, please advise this office, in writing, by the close of business June 16, 1978.

If we are unable to reach an agreement in this matter, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. §437g(a)(5)(B).

If you have any questions, please contact Suzanne Callahan (202/523-4058).

Sincerely,

A handwritten signature in black ink, appearing to read "W. C. Oldaker", is written over the typed name.

William C. Oldaker
General Counsel

78040062209

Callahan MUR 471

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 4.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
☐ Show to whom and date delivered. _____
☒ Show to whom, date, and address of delivery. _____
☐ RESTRICTED DELIVERY
 Show to whom and date delivered. _____
☐ RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery. \$ _____
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: *Herge*
7600 Springhouse Rd
McLean Va 22101

3. ARTICLE DESCRIPTION:
 REGISTERED NO. _____ CERTIFIED NO. *438526* INSURED NO. _____
 (Always obtain signature of addressee or agent)

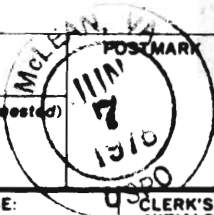
I have received the article described above.
 SIGNATURE ☐ Addressee ☒ Authorized agent
C. Waddell

4. DATE OF DELIVERY _____

5. ADDRESS (Complete only if requested) _____

6. UNABLE TO DELIVER BECAUSE: _____

CLERK'S INITIALS _____





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 31, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *mwe*

SUBJECT: MUR 471 (77) - Interim Conciliation Report
Dated: 5-24-78, Signed: 5-26-78
Received in Office of Commission
Secretary: 5-26-78

The above-mentioned document was circulated on a 24
hour no-objection basis at 1:30 p.m., May 30, 1978.

There were no objections to the Interim Conciliation Report.

78040062210

May 26, 1978

MEMORANDUM TO: Marge Emons
FROM: Elissa T. Garr
SUBJECT: MUR 471

Please have the attached Interim Conciliation Report
on MUR 471 distributed to the Commission.

Thank you.

78040062211

BEFORE THE FEDERAL ELECTION COMMISSION

May 24, 1978

In the Matter of)

)
)
)
Republican Party of Virginia)
George McMath

MUR 471 (77)

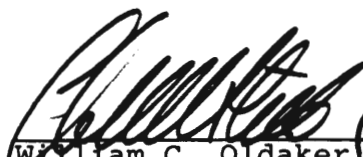
INTERIM CONCILIATION REPORT

The facts of this case are detailed in the General Counsel's report presented to the Commission May 3, 1978. At that meeting, the Commission adopted the recommendation of the General Counsel to find reasonable cause to believe that the Republican Party of Virginia and George McMath violated 2 U.S.C. §441a.

On May 5, 1978, the respondents were notified of the Commission's May 3rd determination and sent a conciliation agreement which included those findings.

This office is currently negotiating with the respondents in this matter.

26 May 1978
Date



William C. Oldaker
General Counsel

79040062212

SEDAM & HERGE

ATTORNEYS AT LAW
7600 OLD SPRINGHOUSE ROAD
MCLEAN, VIRGINIA 22101

GLENN J. SEDAM, JR.
J. CURTIS HERGE

THOMAS M. DAVIS, III
MICHAEL D. HUGHES
ROBERT R. SPARKS, JR.
CHRISTOPHER M. WAS

(703) 821-1000

May 19, 1978

802944 *Doc 3600*
RECEIVED
FEDERAL ELECTION
COMMISSION

'78 MAY 22 AM 9:42
1700 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20006
(202) 821-1000

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 471 (77)

Dear Mr. Oldaker:

This letter is written in acknowledgement of the receipt of your letter, dated May 5, 1978, in which you reported that the Federal Election Commission voted to take no further action regarding the alleged violation of 11 C.F.R. § 102.6 by the Republican Party of Virginia (the Party) for having accepted contributions from non-federally registered committees which might not be in compliance with the requirements of the Act. You reported that the decision of the Commission was predicated on the fact that the Party had indicated that the funds from the non-federal committees would be used exclusively for non-federal activity.

It was also reported in your letters, however, that the Commission had determined there is reasonable cause to believe that Mr. George N. McMath violated 2 U.S.C. § 441a for loaning the Party funds in excess of the limits in the Act and had found reasonable cause to believe that the Party violated 2 U.S.C. § 441a for accepting and retaining those funds. As a consequence, your office proposed, as a settlement of the aforementioned violation, a written acknowledgment of the violation by Mr. McMath and the Party and the payment, by both parties, of civil penalties of \$100.00.

It is respectfully submitted that the finding by the Commission of reasonable cause to believe that Mr. McMath and the Party violated 2 U.S.C. § 441a is contrary to the facts and is inconsistent with the determination of the Commission in connection with the alleged violation of 11 C.F.R. § 102.6. Accordingly, it is requested that the matter be re-submitted to the Commission for review in light of the following:

78040062213

William C. Oldaker, Esq.
May 19, 1978
Page Two

The rationale of the Commission, in voting to take no further action regarding the alleged violation by the Party of 11 C.F.R. § 102.6, applies with equal force and effect to the alleged violation by Mr. McMath and the Party of 2 U.S.C. §441a. In other words, the overwhelming evidence before the Commission is that the proceeds of the loans made by Mr. McMath in 1976 were intended by Mr. McMath to be used, and were in fact used by the Party, exclusively for non-federal activity.

As noted in our letter to the Commission, dated March 9, 1978, the loan proceeds were used by the Party to pay telephone bills, purchase office furniture, to pay staff salaries and benefits and to defray a portion of the Party's debt. An examination of the Reports filed by the Party with the Commission in respect of 1976 will reveal a correlation between the dates when the loans were made by Mr. McMath and the dates when expenditures were made by the Party to pay operating expenses incurred in connection with non-federal activity. (See attached Exhibit A). It will be recalled that the subject Reports were prepared under the assumption that full and complete disclosure, in good faith, of all financial transactions, including those incurred in connection with non-federal activity, constituted compliance with the Act. Therefore, the use of the loan proceeds may be traced through an examination of the Reports.

In addition, attached to our March 9, 1978 letter to the Commission was a sworn statement by Mr. McMath to the effect that it was not then, nor has it ever been, his intention that the proceeds of the loans would be used in connection with Federal elections. Attached to that affidavit was a copy of a letter from Mr. McMath to the Party, dated December 19, 1977, in which he stated: "These funds are advanced, as in the case of all the loans made by me to the Party, with the understanding that the funds will be used strictly on State Party activities and that none of the dollars will in any way to used in connection with Federal elections." This assertion was confirmed in the sworn statement submitted to the Commission by the Treasurer of the Party.

Furthermore, as the Commission is aware, the assistance rendered by the Party to Federal candidates and committees in 1976 was limited to in-kind contributions

78040062214

William C. Oldaker, Esq.
May 19, 1978
Page Three

having a value, in the aggregate, of only \$1,754.89. This amounted to 0.4% of the total expenditures (\$386,309) made by the Party in 1976. Even if it were argued that a portion of the loans made to the Party by Mr. McMath were used for, or had to be allocated toward, Federal elections, the amount would be less than the \$5,000.00 contribution limitation permitted Mr. McMath.

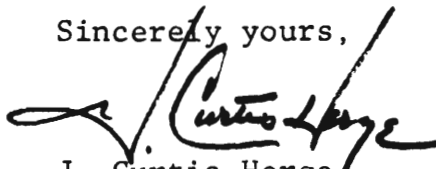
Finally, the Commission has taken cognizance of the fact that the Party has established a separate segregated Federal account. It should be noted that the unreimbursed portion of the loans made by Mr. McMath were not, and will not be, reflected as an obligation of the Federal account.

It is respectfully submitted that, because the proceeds of the loans made by Mr. McMath to the Party were used exclusively for nonfederal activity, there is no reasonable cause to believe that either the Party or Mr. McMath violated 2 U.S.C. § 441a. In fact, no credible evidence to the contrary has come to our attention. It is suggested that this issue has arisen solely because the Party had been operating under the good faith, but erroneous, belief that full and complete disclosure of every financial transaction, including non-federal receipts and expenditures, was required by Federal law. The subject loans were not intended to be Federal contributions and they were not used for Federal purposes. If there exists some evidence to the contrary, we would welcome the opportunity to meet with you to discuss it.

We appreciate the cooperation and assistance you and your colleagues have manifested to date and you can be assured that we will continue to work with you in resolving this matter.

We look forward to being advised of the determination of the Commission.

Sincerely yours,



J. Curtis Herge

cc: Mr. George N. McMath
Republican Party of Virginia

78040062215

EXHIBIT A

Utilization by the Party of the Proceeds
of the Subject Loans made by Mr. McMath
in 1976

- I. Use by the Party of the proceeds of the \$1,000.00 loan made by Mr. McMath on July 23, 1976:
- (a) Payment of \$1,100.53 to Meyer & Meyer on July 27, 1976 for office furniture.
- II. Use by the Party of the proceeds of the \$7,500.00 loan made by Mr. McMath on July 30, 1976:
- (a) Payment, in the aggregate, of \$4,333.72 to the following Party employees on July 30, 1976, for salaries:
- | | |
|-----------------|-----------------|
| Donna S. Rhodes | Irma Koch |
| Linda Royall | Myrtle Turner |
| Gordon Musch | Duane Livick |
| Linda Lindsey | Devi Moore |
| Carol Nelson | William Royall |
| Roz Kreshin | William Bayliss |
| Sonia Schwarz | John Doswell |
| Karen Kimbrough | Dennis Peterson |
| Deborah Elliott | Joyce Fulk |
| Martha Cianelli | Susan Gardner |
| Diane Leseman | Dorothy Meldrum |
- Karl Rove
- (b) Payment of \$432.60 to United Virginia Bank on July 30, 1976 for FICA taxes.
- (c) Payment of \$148.00 to Virginia Employment Commission on July 30, 1976 for unemployment insurance
- (d) Payment of \$1,605.68 to Virginia Department of Taxation on July 31, 1976 for withholding taxes.
- (e) Payment of \$2,832.37 to C & P Telephone Company on August 2, 1976 for telephone services.
- III. Use by the Party of the proceeds of the \$3,000.00 loan made by Mr. McMath on September 29, 1976:
- (a) Payment of \$5,064.22 to Value Engineering on September 30, 1976 for computer services in preparing lists which the Party sold at a profit.

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FEDERAL ELECTION COMMISSION
78 MAY 22 AM 9:39

SEDAM & HERGE

ATTORNEYS AT LAW

7600 OLD SPRINGHOUSE ROAD

MCLEAN, VIRGINIA 22101



William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

1003600

SEDAM & HERGE

ATTORNEYS AT LAW
3800 OLD SPANISH TRAIL ROAD
MCLEAN, VIRGINIA 22101

RECEIVED
FEDERAL ELECTION
COMMISSION

GLENN J. SEDAM, JR.
J. CURTIS HERGE

(703) 821-1000

18 MAY 1978 9:50
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20006
(202) 821-1000

THOMAS M. DAVIS, III
MICHAEL D. HUGHES
ROBERT R. SPARKS, JR.
CHRISTOPHER M. WAS

May 19, 1978

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

000933

Re: MR 471 (77)

Dear Mr. Oldaker:

This letter is written in acknowledgement of the receipt of your letter, dated May 5, 1978, in which you reported that the Federal Election Commission voted to take no further action regarding the alleged violation of 11 C.F.R. § 102.6 by the Republican Party of Virginia (the Party) for having accepted contributions from non-federally registered committees which might not be in compliance with the requirements of the Act. You reported that the decision of the Commission was predicated on the fact that the Party had indicated that the funds from the non-federal committees would be used exclusively for non-federal activity.

It was also reported in your letters, however, that the Commission had determined there is reasonable cause to believe that Mr. George H. McMath violated 2 U.S.C. § 441a for loaning the Party funds in excess of the limits in the Act and had found reasonable cause to believe that the Party violated 2 U.S.C. § 441a for accepting and retaining these funds. As a consequence, your office proposed, as a settlement of the aforementioned violation, a written acknowledgment of the violation by Mr. McMath and the Party and the payment, by both parties, of civil penalties of \$100.00.

It is respectfully submitted that the finding by the Commission of reasonable cause to believe that Mr. McMath and the Party violated 2 U.S.C. § 441a is contrary to the facts and is inconsistent with the determination of the Commission in connection with the alleged violation of 11 C.F.R. § 102.6. Accordingly, it is requested that the matter be re-submitted to the Commission for review in light of the following:

78040062218

William C. Oldaker, Esq.
May 19, 1978
Page Two

The rationale of the Commission, in voting to take no further action regarding the alleged violation by the Party of 11 C.F.R. § 102.6, applies with equal force and effect to the alleged violation by Mr. McMath and the Party of 2 U.S.C. §441a. In other words, the overwhelming evidence before the Commission is that the proceeds of the loans made by Mr. McMath in 1976 were intended by Mr. McMath to be used, and were in fact used by the Party, exclusively for non-federal activity.

As noted in our letter to the Commission, dated March 9, 1978, the loan proceeds were used by the Party to pay telephone bills, purchase office furniture, to pay staff salaries and benefits and to defray a portion of the Party's debt. An examination of the Reports filed by the Party with the Commission in respect of 1976 will reveal a correlation between the dates when the loans were made by Mr. McMath and the dates when expenditures were made by the Party to pay operating expenses incurred in connection with non-federal activity. (See attached Exhibit A). It will be recalled that the subject Reports were prepared under the assumption that full and complete disclosure, in good faith, of all financial transactions, including those incurred in connection with non-federal activity, constituted compliance with the Act. Therefore, the use of the loan proceeds may be traced through an examination of the Reports.

In addition, attached to our March 9, 1978 letter to the Commission was a sworn statement by Mr. McMath to the effect that it was not then, nor has it ever been, his intention that the proceeds of the loans would be used in connection with Federal elections. Attached to that affidavit was a copy of a letter from Mr. McMath to the Party, dated December 19, 1977, in which he stated: "These funds are advanced, as in the case of all the loans made by me to the Party, with the understanding that the funds will be used strictly on State Party activities and that none of the dollars will in any way to be used in connection with Federal elections." This assertion was confirmed in the sworn statement submitted to the Commission by the Treasurer of the Party.

Furthermore, as the Commission is aware, the assistance rendered by the Party to Federal candidates and committees in 1976 was limited to in-kind contributions

78040062219

William C. Oldaker, Esq.
May 19, 1978
Page Three

having a value, in the aggregate, of only \$1,754.69. This amounted to 0.4% of the total expenditures (\$386,309) made by the Party in 1976. Even if it were argued that a portion of the loans made to the Party by Mr. McMath were used for, or had to be allocated toward, Federal elections, the amount would be less than the \$5,000.00 contribution limitation permitted Mr. McMath.

Finally, the Commission has taken cognizance of the fact that the Party has established a separate segregated Federal account. It should be noted that the unreimbursed portion of the loans made by Mr. McMath were not, and will not be, reflected as an obligation of the Federal account.

It is respectfully submitted that, because the proceeds of the loans made by Mr. McMath to the Party were used exclusively for nonfederal activity, there is no reasonable cause to believe that either the Party or Mr. McMath violated 2 U.S.C. § 441a. In fact, no credible evidence to the contrary has come to our attention. It is suggested that this issue has arisen solely because the Party had been operating under the good faith, but erroneous, belief that full and complete disclosure of every financial transaction, including non-federal receipts and expenditures, was required by Federal law. The subject loans were not intended to be Federal contributions and they were not used for Federal purposes. If there exists some evidence to the contrary, we would welcome the opportunity to meet with you to discuss it.

We appreciate the cooperation and assistance you and your colleagues have manifested to date and you can be assured that we will continue to work with you in resolving this matter.

We look forward to being advised of the determination of the Commission.

Sincerely yours,

(Sgd) J. Curtis Herge

J. Curtis Herge

cc: Mr. George N. McMath
Republican Party of Virginia

7804006220

EXHIBIT A

**Utilisation by the Party of the Proceeds
of the Subject Loans made by Mr. McMath
in 1976**

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- II. Use by the Party of the proceeds of the \$7,500.00 loan made by Mr. McMath on July 30, 1976:
- (a) Payment, in the aggregate, of \$4,333.72 to the following Party employees on July 30, 1976, for salaries:
- | | |
|-----------------|-----------------|
| Donna S. Rhodes | Irma Koch |
| Linda Royall | Myrtle Turner |
| Gordon Musch | Duane Livick |
| Linda Lindsey | Devi Moore |
| Carol Nelson | William Royall |
| Roz Kreshin | William Rayliss |
| Sonia Schwarz | John Doewell |
| Karen Kimbrough | Dennis Peterson |
| Deborah Elliott | Joyce Fulk |
| Martha Cianelli | Susan Gardner |
| Diane Leseman | Dorothy Meldrum |
- Karl Rove
- (b) Payment of \$432.60 to United Virginia Bank on July 30, 1976 for FICA taxes.
- (c) Payment of \$148.00 to Virginia Employment Commission on July 30, 1976 for unemployment insurance
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- (e) Payment of \$2,832.37 to C & P Telephone Company on August 2, 1976 for telephone services.
- III. Use by the Party of the proceeds of the \$3,000.00 loan made by Mr. McMath on September 29, 1976:
- (a) Payment of \$5,064.22 to Value Engineering on September 30, 1976 for computer services in preparing lists which the Party sold at a profit.

78040062221

78040762222

SEDAM & HERGE

ATTORNEYS AT LAW

7600 OLD SPRINGHOUSE ROAD

MCLEAN, VIRGINIA 22101

RECEIVED
FEDERAL ELECTION
COMMISSION

78 MAY 22 AM 9:52



Miss Suzanne Callahan
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 5, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William A. Royall, Jr.
Special Assistant to the
Governor
Office of the Governor
Richmond, Virginia 23219

Re: MUR 471 (77)

Dear Mr. Royall:

On May 3, 1978, the Commission voted to terminate its inquiry into possible violations of 2 U.S.C. §§433 and 434 by the Dalton for Governor Citizens Committee.

The Commission has concluded that on the basis of the information contained in your letter of February 28, 1978, the Federal Election Campaign Act of 1971, as amended, has not been violated.

Accordingly, the Commission intends to take no further action and close its file in this matter.

If you have any questions, please contact Suzanne Callahan (202/523-4058), the staff member assigned to this matter.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "W. C. Oldaker", is written over the typed name.

William C. Oldaker
General Counsel

7804006223

78040062224

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

471-32

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
☐ Show to whom and date delivered. _____
☒ Show to whom, date, and address of delivery. _____
☐ RESTRICTED DELIVERY
Show to whom and date delivered. _____
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ _____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
*William A. Royle II, Jr. - Spec. Asst. to
the Governor, Office of the Governor,
Richmond, Va. 23219*

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
438035

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☒ Authorized agent
D.C. Doran

4. DATE OF DELIVERY
MAY 10 1978

5. ADDRESS TO COMPLETE ONLY IF REQUESTED
*10TH & MAIN STREETS
RICHMOND, VIRGINIA 23219*

6. UNABLE TO DELIVER BECAUSE OF _____

POSTMARK
RICHMOND, VA CAPITO
MAY 10 1978
U.S. POST OFFICE
RICHMOND, VA

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William A. Royall, Jr.
Special Assistant to the
Governor
Office of the Governor
Richmond, Virginia 23219

Re: MUR 471 (77)

Dear Mr. Royall:

On April , 1978, the Commission voted to terminate its inquiry into possible violations of 2 U.S.C. §§433 and 434 by the Dalton for Governor Citizens Committee.

The Commission has concluded that on the basis of the information contained in your letter of February 28, 1978, the Federal Election Campaign Act of 1971, as amended, has not been violated.

Accordingly, the Commission intends to take no further action and close its file in this matter.

If you have any questions, please contact Suzanne Callahan (202/523-4058), the staff members assigned to this matter.

Sincerely yours,

smc
5/5/78

William C. Oldaker
General Counsel

78040062225



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

May 5, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

J. Curtis Herge, Esq.
7600 Old Springfield Road
McLean, Virginia 22101

Re: MUR 471 (77)

Dear Mr. Herge:

As you are aware, on November 8, 1977, the Commission found reason to believe that the Republican Party of Virginia (the Party) violated 11 C.F.R. §102.6 by accepting contributions from non-federally registered committees which might not be in compliance with the requirements of the Act.

In light of the fact the Party has indicated that the funds from the non-federal committees will be used exclusively for non-federal activity, the Commission voted, on May 3, 1978, to take no further action regarding the §102.6 violation.

On that same date, the Commission determined there is reasonable cause to believe that George N. McMath violated 2 U.S.C. §441a for loaning the Party funds in excess of the limits in the Act and found reasonable cause to believe that the Party violated 2 U.S.C. §441a for accepting and retaining those funds.

The Commission has a duty to correct such violations by informal methods of conference, conciliation, and persuasion and to enter into a conciliation agreement. 2 U.S.C. §437g(a) (5) (A).

We have attached a copy of the Conciliation Agreements this office would offer as settlement of the aforementioned violation.

78040062226

If your clients decide to comply with the terms of these Agreements, they should sign and return them to the Commission within ten days. If you have any questions, you should contact Suzanne Callahan (202/523-4058).

Sincerely,

William C. Oldaker

William C. Oldaker
General Counsel

78040062227

471-52

PS Form 3811, Apr. 1977

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
☐ Show to whom and date delivered. _____
☒ Show to whom, date, and address of delivery. _____
☐ RESTRICTED DELIVERY
Show to whom and date delivered. _____
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$ _____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
J. Curtis Hays, Esq.
7600 Old Springfield Rd.
McLean, Va. 22101

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
439032

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☒ Authorized agent
Kenneth A. Smith

4. DATE OF DELIVERY _____ POSTMARK
MAY 1978

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE _____ CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

☆ GPO : 1977-O-234-337



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

J. Curtis Herge, Esq.
7600 Old Springfield Road
McLean, Virginia 22101

Re: MUR 471 (77)

Dear Mr. Herge:

As you are aware, on November 8, 1977, the Commission found reason to believe that the Republican Party of Virginia (the Party) violated 11 C.F.R. §102.6 by accepting contributions from non-federally registered committees which might not be in compliance with the requirements of the Act.

In light of the fact the Party has indicated that the funds from the non-federal committees will be used exclusively for non-federal activity, the Commission voted, on May 3, 1978, to take no further action regarding the §102.6 violation.

On that same date, the Commission determined there is reasonable cause to believe that George N. McMath violated 2 U.S.C. §441a for loaning the Party funds in excess of the limits in the Act and found reasonable cause to believe that the Party violated 2 U.S.C. §441a for accepting and retaining those funds.

The Commission has a duty to correct such violations by informal methods of conference, conciliation, and persuasion and to enter into a conciliation agreement. 2 U.S.C. §437g(a)(5)(A).

We have attached a copy of the Conciliation Agreements this office would offer as settlement of the aforementioned violation.

78040062228

If your clients decide to comply with the terms of these Agreements, they should sign and return them to the Commission within ten days. If you have any questions, you should contact Suzanne Callahan (202/523-4058).

Wmc
5/5/78
Sincerely,

William C. Oldaker
General Counsel

78040062229
Enclosure

Before the Federal Election Commission

April 20, 1978

In the Matter of)
) MUR 471 (77)
Republican Party of Virginia)

Conciliation Agreement

7 3 0 4 0 0 5 2 2 3 0
This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Republican Party of Virginia violated 2 U.S.C. §441a:

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Republican Party of Virginia having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

A. The Republican Party of Virginia accepted and retained \$11,500 in loans and a \$150 contribution from George McMath after May 11, 1976, the effective date of the \$5000 annual limit set forth in the Act.

B. The Republican Party of Virginia accepted contributions in excess of the limitations set forth in the Federal Election Campaign Act of 1971, as amended.

Therefore, respondent Republican Party of Virginia agrees:

I. Respondent's action in accepting contributions in excess of the limitations is in violation of 2 U.S.C. §441a.

II. That respondent will pay a civil penalty in the amount of \$100 pursuant to 2 U.S.C. §437g(a)(6)(B).

III. Respondent agrees that it will not undertake any activity which is in violation of the Federal Election Campaigning Act, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Republican Party of Virginia shall have 30 days from the date of this agreement

78040062231

to implement and comply with the requirements contained herein,
or to so notify the Commission.

DATE: _____

William C. Oldaker
General Counsel
Federal Election Commission

DATE: _____

Dorothy B. Meldrum
Treasurer
Republican Party of Virginia

78040062232

Before the Federal Election Commission

April 20, 1978

In the Matter of
George N. McMath

)
)
)

MUR 471 (77)

Conciliation Agreement

7 8 0 4 0 0 6 2 2 3 3
This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, George N. McMath, violated 2 U.S.C. §441a:

Now, therefore, the respective parties herein, the Federal Election Commission and respondent George N. McMath having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. The respondent, George N. McMath, loaned \$11,500 and contributed \$150 to the Republican Party of Virginia after May 11, 1976, the effective date of the \$5,000 annual limit set forth in the Act.

Therefore, respondent George N. McMath agrees:

I. Respondent's action in contributing in excess of the limitations is in violation of 2 U.S.C. §441a.

II. That respondent will pay a civil penalty in the amount of \$100 pursuant to 2 U.S.C. §437g(a)(6)(B).

III. Respondent agrees that it will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent George N. McMath shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

DATE: _____

William C. Oldaker
General Counsel
Federal Election Commission

78040062234

DATE _____

George N. McMath

78040062235

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Republican Party of Virginia)
George N. McMath)
Dalton for Governor Citizens Committee)

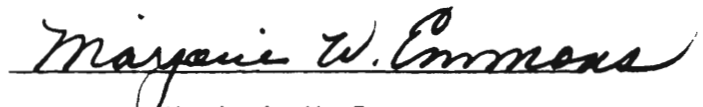
MUR 471 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on May 3, 1978, the Commission determined by a vote of 5-0 to take the following actions in the above-captioned matter:

1. Find no reasonable cause to believe that Dalton for Governor Citizens Committee is in violation of 2 U.S.C. Sections 433 and 434.
2. Take no further action regarding 11 C.F.R. Section 102.6 violation by the Republican Party of Virginia.
3. Find reasonable cause to believe that a violation of 2 U.S.C. Section 441a has been committed by the Republican Party of Virginia and George McMath and send the notification and conciliation agreements attached to the General Counsel's Report signed on April 28, 1978.

Commissioner Aikens was not present at the time of the vote on this matter.


Marjorie W. Emmons
Secretary to the Commission

Date: May 4, 1978

78040062236

BEFORE THE FEDERAL ELECTION COMMISSION
April 28, 1978

In the Matter of)
) MUR 471 (77)
Republican Party of Virginia)
George N. McMath)
Dalton for Governor Citizens Committee)

GENERAL COUNSEL'S REPORT

Background of Case

This matter was referred to the Office of General Counsel on November 15, 1977, by the Reports Analysis Division after its review of the 30 day post, April 10, July 10, and October 10, 1977 quarterly reports of the Republican Party of Virginia (the Party) indicated that violations of the Act may have been committed.

On November 8, 1977, the Commission, upon Reports Analysis' recommendation, found reason to believe that the Party had violated 11 CFR 102.6 for accepting contributions from non-federal committees.

On December 21, 1977, the Commission approved the recommendation of the General Counsel to find reason to believe that George N. McMath had violated 2 U.S.C. §441a for loaning the Party funds in excess of the \$5,000 limit set forth in the Act and found reason to believe that the Party had violated §441a for accepting and retaining those funds. The Commission also approved the recommendation of the General Counsel to find reason to believe that the Dalton for Governor Citizens Committee had violated 2 U.S.C. §433 and §434 for contributing in excess of \$1,000 to the Party as a non-federally registered committee.

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LEGAL ANALYSIS

Dalton for Governor Citizens Committee

On February 24, 1978, the Dalton for Governor Citizens Committee (the Committee) responded to the Commission's reason to believe notification of violations of 2 U.S.C. §433 and §434.

The respondent committee indicated that the \$2,752 payment to the Party on September 26, 1977, was not a contribution but rather, was a "... reimbursement of salaries for staff borrowed from the Party."

Since the \$2,752 transferred from Dalton's committee to the Party was for payment of services and not a contribution, the Committee would not be considered a political committee as defined by §431(d) and therefore is not required to register and file disclosure statements with the Commission. If the payment for services had been in excess of the value of those services then, of course, there would be a possible §441a violation; however, there is no evidence to indicate that such was the case.

Republican Party of Virginia
(11 CFR 102.6 violation)

On March 6, 1978, a meeting was held with counsel for the Republican Party of Virginia and George McMath. Counsel submitted statements and documents relevant to this matter on March 17th.

The Party has indicated that on September 30, 1977, a separate federal account was established upon the advice of FEC staff. According to the year end report filed by the Party, a separate federal account was established with a cash on hand balance of \$49.00. The funds which the Party received from non-federally registered committees has been retained in

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the original account of the Party; these funds will support only non-federal activity.

As set forth in 2 U.S.C. §434(b)(12), a committee is required to report all outstanding debts and obligations until such time as they are extinguished. At the time the non-federal account was established by the Party, it had debts and obligations owed by the Committee totalling \$78,130 and debts and obligations owed to the Committee totalling \$21,919. Therefore, the establishment of a federal account, exclusive of the outstanding debts and obligations incurred before the federal account was established, would not be permissible under the Act. The Party should be notified that such is the case. However, since most of the Party's activities were non-federal, it appears that the debts and obligations of the Party should be proportioned between the two accounts.

Republican Party of Virginia and George McMath (441a violation)

George McMath made a contribution of \$150 and loaned \$11,500 to the Party after May 11, 1976, the effective date of the \$5,000 annual limit set forth in §441a.

Mr. McMath has stated, by affidavit, that the loans made by him were made for the purpose of paying the operating expenses of the Party, and were not intended to be used in connection with federal elections.^{1/}

^{1/}The Party's support of federal candidates from 1974, the time the Party registered as a political committee, to the present was limited to in-kind contributions which occurred between August 23 and October 25, 1976, totalling \$1,755. Reports filed by the Party indicate that \$8,500 of the \$11,650 contributed by McMath in 1976, occurred prior to August 23, the date on which federal activity exceeded \$1,000. Operating expenditures listed by the Party indicate that from July 27 to August 2, 1976, a payment of \$8926 was paid for telephone service of the Party. Therefore, it appears that a portion of the excessive contribution was expended from the account prior to the time the party expended in excess of \$1,000 on behalf of federal elections.

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At the time the excessive contribution occurred, the Party was registered as a political committee and did not have a non-federal account in which to deposit the excess funds. Therefore, McMath and the Party have exceeded the limitations set forth in §441a by \$6550. In light of the fact that only \$1,755 of the \$6550 excessive contribution could in fact have gone to support federal candidates, a nominal penalty seems appropriate.

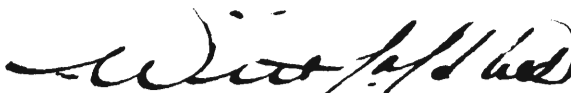
RECOMMENDATION

1. Find no reasonable cause to believe that Dalton for Governor Citizens Committee is in violation of 2 U.S.C. §433 and §434.
2. Take no further action regarding 11 C.F.R. §102.6 violation by the Republican Party of Virginia.

a. Advise Republican Party of Virginia that the non-federal account cannot assume the total amount of debts and obligations of the federal committee; suggest that the debts and obligations be proportioned according to the amount of federal activity of the Party as compared to the total activity of the Party.

3. Find reasonable cause to believe that a violation of §441a has been committed by the Republican Party of Virginia and George McMath and send the attached notification and conciliation agreements to respondents.

78040062240
4/28/78
Date


William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

J. Curtis Herge, Esq.
7600 Old Springfield Road
McLean, Virginia 22101

Re: MUR 471 (77)

Dear Mr. Herge:

As you are aware, on November 8, 1977, the Commission found reason to believe that the Republican Party of Virginia (the Party) violated 11 C.F.R. §102.6 by accepting contributions from non-federally registered committees which might not be in compliance with the requirements of the Act.

In light of the fact the Party has indicated that the funds from the non-federal committees will be used exclusively for non-federal activity, the Commission voted, on May , 1978, to take no further action regarding the §102.6 violation.

Reports filed by the Party indicate that the original account of the Party has been retained as the non-federal account and a new federal account has been established with a cash on hand balance of \$49.00. The original account of the committee, before the establishment of the separate accounts, had debts and obligations owed by the committee totalling \$78,130 and debts and obligations owed to the committee totalling \$21,919.

Please be advised that 2 U.S.C. §434(b)(12) requires that a committee must report all outstanding debts and obligations until such time they are extinguished. The total amount of debts and obligations of a federal committee cannot be assumed by a non-federal committee. Please advise this office of how you intend to separate your federal and non-federal accounts in order that they be in compliance with the Act. The Commission suggests

that the debts and obligations be proportioned according to the amount of federal activity of the Party as compared to the total activity of the Party.

On May , 1978, the Commission determined there is reasonable cause to believe that George N. McMath violated 2 U.S.C. §441a for loaning the Party funds in excess of the limits in the Act and found reasonable cause to believe that the Party violated 2 U.S.C. §441a for accepting and retaining those funds.

The Commission has a duty to correct such violations by informal methods of conference, conciliation, and persuasion and to enter into a conciliation agreement. 2 U.S.C. §437g(a)(5)(A).

The provisions of the Federal Election Campaign Act which allow the Commission to determine there is reasonable cause to believe that a violation has occurred and to enter into a conciliation agreement apply regardless of whether or not the violation is found to be knowing and willful. Upon consideration of the circumstances of your client's case, the Commission has determined that a penalty of \$100 should be made part of the Conciliation Agreements. We have attached a copy of the Conciliation Agreements this office would offer as settlement of the aforementioned violation.

If your clients decide to comply with the terms of these Agreements, they should sign and return them to the Commission within ten days. If you have any questions, you should contact Suzanne Callahan (202/523-4058).

Sincerely yours,

William C. Oldaker
General Counsel

Before the Federal Election Commission

April 20, 1978

In the Matter of)
) MUR 471 (77)
Republican Party of Virginia)

Conciliation Agreement

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Republican Party of Virginia violated 2 U.S.C. §441a:

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Republican Party of Virginia having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. That the pertinent facts in this matter are as follows:

A. The Republican Party of Virginia accepted and retained \$11,500 in loans and a \$150 contribution from George McMath after May 11, 1976, the effective date of the \$5000 annual limit set forth in the Act.

78040062243

B. The Republican Party of Virginia accepted contributions in excess of the limitations set forth in the Federal Election Campaign Act of 1971, as amended.

Therefore, respondent Republican Party of Virginia agrees:

I. Respondent's action in accepting contributions in excess of the limitations is in violation of 2 U.S.C. §441a.

II. That respondent will pay a civil penalty in the amount of \$100 pursuant to 2 U.S.C. §437g(a)(6)(B).

III. Respondent agrees that it will not undertake any activity which is in violation of the Federal Election Campaigning Act, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent Republican Party of Virginia shall have 30 days from the date of this agreement

73040062244

to implement and comply with the requirements contained herein,
or to so notify the Commission.

DATE: _____

William C. Oldaker
General Counsel
Federal Election Commission

DATE: _____

Dorothy B. Meldrum
Treasurer
Republican Party of Virginia

78040062245

Before the Federal Election Commission

April 20, 1978

In the Matter of
George N. McMath

)
)
)

MUR 471 (77)

Conciliation Agreement

This matter having been initiated on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, George N. McMath, violated 2 U.S.C. §441a:

Now, therefore, the respective parties herein, the Federal Election Commission and respondent George N. McMath having duly entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent and the subject of this proceeding.

II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. The respondent, George N. McMath, loaned \$11,500 and contributed \$150 to the Republican Party of Virginia after May 11, 1976, the effective date of the \$5,000 annual limit set forth in the Act.

Therefore, respondent George N. McMath agrees:

78040062246

I. Respondent's action in contributing in excess of the limitations is in violation of 2 U.S.C. §441a.

II. That respondent will pay a civil penalty in the amount of \$100 pursuant to 2 U.S.C. §437g(a)(6)(B).

III. Respondent agrees that it will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS

I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

II. It is mutually agreed that this agreement shall become effective as to the date that all parties have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent George N. McMath shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

DATE: _____

William C. Oldaker
General Counsel
Federal Election Commission

78040062247

DATE _____

George N. McMath _____

73040062248



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William A. Royall, Jr.
Special Assistant to the
Governor
Office of the Governor
Richmond, Virginia 23219

Re: MUR 471 (77)

Dear Mr. Royall:

On April , 1978, the Commission voted to terminate its inquiry into possible violations of 2 U.S.C. §§433 and 434 by the Dalton for Governor Citizens Committee.

The Commission has concluded that on the basis of the information contained in your letter of February 28, 1978, the Federal Election Campaign Act of 1971, as amended, has not been violated.

Accordingly, the Commission intends to take no further action and close its file in this matter.

If you have any questions, please contact Suzanne Callahan (202/523-4058), the staff member assigned to this matter.

Sincerely yours,

William C. Oldaker
General Counsel

73040062249



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

April 6, 1978

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
SUBJECT: MUR 471 (77) - Interim Investigatory Report
dated 3-31-78
Signed by General Counsel 4-3-78
Received in Office of Commission
Secretary 4-4-78, 2:20

The above-mentioned document was circulated to the
Commissioners on a 24 hour no-objection basis at 9:00 a.m.,
April 5, 1978.

As of 9:00 a.m., this date, no objections have been
received in the Office of Commission Secretary to the
Interim Investigatory Report.

pc

78040062250

April 4, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 471

Please have the attached Interim Investigatory
Report on MUR 471 distributed to the Commission on a
24 hour no-objection basis.

Thankyyou.

78040062251

Before the Federal Election Commission

March 31, 1978

In the Matter of)
)
Republican Party of Virginia) MUR 471 (77)
George McMath)
Dalton for Governor Citizens)
Committee)

Interim Investigatory Report

On December 21, 1977, the Commission found reason to believe that the Republican Party of Virginia and George N. McMath may have violated 2 U.S.C. §441a and that the Dalton for Governor Citizens Committee may have violated 2 U.S.C. §433 and §434.

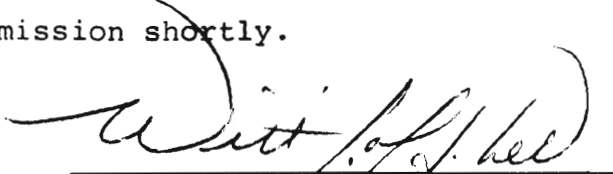
The respondents were notified of the Commission's determination on February 8, 1978.

On February 28th, the Dalton for Governor Citizens Committee responded to the Commission's RTB notification.

On March 6th a meeting was held with counsel for the Republican Party of Virginia and George McMath. Counsel submitted statements and documents relevant to this matter on March 17, 1978.

A General Counsel's report is currently being prepared and will be presented to the Commission shortly.

4/3/78
Date


William C. Oldaker
General Counsel

100 2993
801034

SEDAM & HERGE

ATTORNEYS AT LAW

7600 OLD SPRINGHOUSE ROAD

MCLEAN, VIRGINIA 22101

(703) 821-1000

March 9, 1978

GLENN J. SEDAM, JR.
J. CURTIS HERGE

THOMAS M. DAVIS, III
MICHAEL D. HUGHES
ROBERT R. SPARKS, JR.
CHRISTOPHER M. WAS

18 MAR 17 AM 8:39

1700 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20006
(202) 821-1000

Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Attention: Miss Suzanne Callahan

Re: MUR 471(77)

Dear Gentlemen and Madam:

This letter is written on behalf of our clients, Mr. George N. McMath and the Republican Party of Virginia (hereinafter referred to as "the Party"), in response to the letters from the General Counsel of the Federal Election Commission, dated February 9, 1978, in which it was reported that the Commission had found reason to believe that: (1) Mr. McMath and the Party may have violated Sections 441a and 431(e) of the Federal Election Campaign Act of 1971, as amended (hereinafter referred to as "the Act"), by reason of the fact that the aggregate amount of loans made by Mr. McMath to the Party, in 1976, exceeded the limitation contained in Section 441(a)(1)(C) of the Act; and, (2) the Party may have violated the provisions of 11 C.F.R. 102.6 by accepting contributions from non-federally registered political committees. Your reference number for this matter is MUR 471(77).

On behalf of Mr. McMath and the Party, we are pleased to have this opportunity to respond and to demonstrate that no action should be taken against either of them. In so doing, it will be shown that neither Mr. McMath, nor the Party, has committed any knowing and willful violation of the Act. In fact, we suggest that this matter is before the Commission only because the parties were unfamiliar with the technical requirements of 11 C.F.R. 102.6 and had been operating under the assumption that full and complete disclosure, in good faith, of all financial transactions constituted compliance with the Act. The subject loans and receipts were not intended to be, and should not have been reported as, Federal contributions under the Act.

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When the subject deficiencies were initially called to the attention of the Party by the Commission, the Party made a good faith effort to comply with the Act by establishing a segregated Federal account. As a result, it is respectfully submitted that this is a matter which requires only the assistance of the staff of the Commission in making the requisite adjusting entries in the public reports of the Party and no additional formal action.

Background of the Party

The Republican Party of Virginia is the political committee which represents the Republican Party at the state level in the Commonwealth of Virginia. Its Chairman is Mr. George N. McMath and its Treasurer is Mrs. Dorothy B. Meldrum.

Historically, the Party has filled a parochial and narrowly defined role in partisan political activity in the Commonwealth. Federal, state and local candidates in Virginia traditionally conduct their campaigns through their respective campaign committees. During the period here in question, for instance, the Republican Party did not field a candidate for election to the United States Senate; and, the Presidential candidate and the candidates for election to the United States House of Representatives ran their campaigns virtually in toto through their respective campaign committees. The receipts and expenditures of the Party were dedicated almost entirely to meeting operating expenses and to general Party development programs.

When Mr. McMath was first elected Chairman of the Party on September 28, 1974, he immediately recognized that the organization had critical financial problems. He was faced with one basic alternative: either close the doors, or find the funds necessary to meet the mounting debt and basic overhead expenses. The Party never had the financial resources to become confronted with sophisticated issues under the Act, such as limitations on party committee expenditures, nor did it have available the services of legal counsel familiar with the Act. Efforts at compliance were made with the resources at hand and on the basis of full and complete disclosure.

The limited capabilities of the Party, in rendering assistance to Federal candidates or committees, is shown on attached Exhibit A. Those contributions were limited to a brief period between August and October, 1976, consisting entirely of in-kind contributions of computer lists and

mailing labels for use in preparing fund-raising appeals. The aggregate total amounted to \$1,754.89.

Apparently, the only other service rendered by the Party to Federal candidates or committees also took place in 1976 when the Party served as a vendor of computerized voting lists. The Party acquired lists of registered voters from the central registrar, had them placed in a computer and then sold the lists at a small profit to various Federal and subordinate party committees.

Loans from Mr. McMath

The letters from the Commission, dated February 9, 1978, noted that the reports filed by the Party indicate that Mr. McMath made a gift of \$150.00 and loaned \$11,500.00 to the Party in 1976 after the 1976 Amendments to the Act became effective.

As noted, when Mr. McMath was first elected Chairman of the Party on September 28, 1974, he immediately recognized that the organization had critical financial problems. In order to keep the doors open, Mr. McMath loaned the Party the initial sum of \$20,000, the proceeds of which were used to meet the payroll, pay the rent and to defray a portion of the accumulated debt. While the cash position of the Party began to improve, Mr. McMath nevertheless found it necessary, from time to time, to make additional loans to the Party to enable it to meet its basic obligations. The Party, in turn, repaid those loans as cash flow permitted. An examination of the reports filed by the Party with the Commission will show that, in 1976, the loan proceeds were immediately used to pay for items such as Party telephone bills, office furniture and staff salaries, withholding taxes and employee benefits.

Attached to this letter and made a part of this response is an Affidavit from Mr. McMath. In paragraph 11 of that Affidavit, Mr. McMath makes the statement that it was never his intention that the proceeds of the loans made by him to the Party would be used in connection with Federal elections. In fact, the record is clear that the proceeds of these loans were used for non-federal purposes. Mr. McMath supports his statement by attaching to his Affidavit a copy of a letter he wrote to the Party on December 19, 1977, in which he stated that "...as in the case of all loans made by me to the Party..." the funds would be used "...strictly on State Party activities and that none of the dollars will be used in connection with Federal elections."

As Mr. McMath stated in his Affidavit, his exposure to and understanding of the requirements and limitations of the Act were limited. It appears that he did attend a conference in March, 1975, at which time there was a discussion of the 1974 Amendments to the Act. At that time, he was properly advised that there was no limitation on the amount one could contribute to the Party (the limitations contained in Section 441a(a)(1)(C) of the Act first appeared in the 1976 Amendments). His mind at ease, Mr. McMath continued to render what he believed to be lawful assistance to the Party. Subsequently, in October, 1977, he was advised by counsel that Federal law had been amended and did contain contribution limitations, but that those limitations did not apply to contributions made for non-Federal purposes. Because this was consistent with his reasoning in making the loans, Mr. McMath did not believe any other course of conduct was required. (See, McMath Affidavit, ¶12. See also, Meldrum Affidavit ¶9.)

Contributions to the Party from Non-federally
Registered Committees

The letter from the Commission to the Party, dated February 9, 1978, noted that the reports filed by the Party reflected the receipt of contributions from nonfederally registered committees, a possible violation of the provisions of 11 C.F.R. 102.6. This issue was initially called to the attention of the Party by the Staff Director of the Commission in an undated letter (believed to have been mailed on October 12, 1977) and confirmed by the Commission to the Party in a letter dated November 8, 1977.

In her initial response to the Commission, dated November 14, 1977, the Treasurer of the Party, Mrs. Meldrum, attempted to explain the source of these contributions, displaying in the process an innocent lack of sophistication about the complexities of the Act. Faced, for the first time, with the stark complexities of 11 C.F.R. 102.6 and without the benefit of legal counsel, Mrs. Meldrum reported to the Commission:

"We have opened a set of books to be used exclusively for Federal Candidates. Any contribution or expense made on behalf of Federal Candidates will be properly entered in this set of books."

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Federal Election Commission
Page Five
March 9, 1978

While we later discuss in this letter the creation of this separate Federal account, it is suggested that Mrs. Meldrum was demonstrating a good faith effort to comply with the Act.

The receipts from non-federally registered political committees, which have been questioned by the Commission, are as follows:

<u>Date of Receipt</u>	<u>Source</u>	<u>Amount</u>
April 20, 1977	Greater McLean Republican Women's Club <u>Purpose:</u> Contribution	\$ 50.00
April 26 and June 20, 1977	Winchester Republican Committee <u>Purpose:</u> \$500 was a contribu- tion from the County Committee; \$500 was a contribution from the City Committee; and, \$60.00 was a fee paid for a Candidate's School sponsored by the Party.	1,060.00
April 25, 1977	Republican Party of Hampton <u>Purpose:</u> Payment of an assessment made on that committee by the Party in 1974.	340.00
May 20, 1977	Republican Party of Nelson County <u>Purpose:</u> Payment of an assessment made on that committee by the Party in 1974.	102.00
June 20, 1977	King George County Republican Committee <u>Purpose:</u> Fee paid for a Candidate's School sponsored by the Party.	30.00
June 20, 1977	Callahan Campaign Committee <u>Purpose:</u> Fee paid for a Candidate's School sponsored by the Party.	30.00
July 7, 1977	Kansas City Delegation Committee <u>Purpose:</u> Reimbursement of residual funds previously collected from Delegates to maintain a hospitality suite at the Convention.	483.84

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August 9, 1977 Third District Republican Committee 212.90
 Purpose: Payment for rooms at the
 State Convention which were, in
 turn, disbursed by the Party to
 the hotel.

September 26, 1977 Dalton for Governor 2,752.65
 Citizens Committee
 Purpose: Reimbursement to the
 Party for salaries paid to Fay
 Ann Dutton and Dennis Peterson
 during the time they worked for
 that Committee.

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It will be noted that these collections constituted reimbursements, fees for services, payment of debts and, in a few cases, contributions. None was intended as a contribution for Federal purposes and should not, in fact, have been reported as such. As noted, it had been the policy of the Party, in the absence of an understanding of the requirements of 11 C.F.R. 102.6, to report all fiscal transactions to the Commission, in the belief that such was required. When notified that that procedure might not be correct, the segregated Federal account was created in the belief that the foregoing receipts had been properly isolated into a non-federal account. (See, Meldrum Affidavit ¶11.)

It should also be called to the attention of the Commission the receipts here in question were received in 1977 and it appears that the Party made no contributions to Federal candidates subsequent to those made in 1976.

Segregated Federal Account

In response to the initial letter from the Staff Director of the Commission, setting forth the requirements of 11 C.F.R. 102.6, the Party reported, in its letters of November 14, 1977 and January 31, 1978, that it had established a separate Federal account. Copies of the account summaries are attached. That account, numbered 13-20-564 at United Virginia Bank, had a zero balance on July 11, 1977. A single contribution of \$50.00 was deposited into that account on November 15, 1977. By reason of two \$1.00 service charges imposed on that account by the Bank, the account has a present balance of \$48.00. As stated in the attached Affidavit from Mrs. Meldrum, this action was taken in the belief that it constituted compliance with the provisions of 11 C.F.R. 102.6(a)(2)(i) and that all other receipts and obligations of the Party had been effectively isolated. (See, Meldrum Affidavit, ¶11.)

Conclusion

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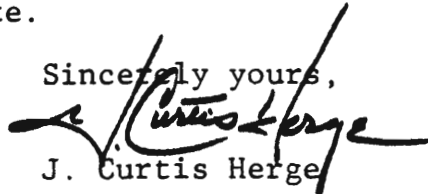
This matter is before the Commission for review for the reasons that (1) the Party had been operating under the good faith belief that full and complete disclosure of every financial transaction, including non-federal receipts and expenditures, was required by Federal law; and, (2) a lack of knowledge of the requirements of 11 C.F.R. 102.6. With the exception of a limited number of in-kind contributions made in 1976, the activities of the Party have been limited to state party-building activities. The loans made by Mr. McMath were not intended as contributions as defined in the Act, but were made for the purpose of meeting basic operating expenses (salaries, supplies, telephone bills, etc.) of the Party headquarters. Similarly, the receipts from non-federally registered committees were listed as contributions for the reasons stated above and, in any event, were received after the last Federal contribution made by the Party. When the requirements of 11 C.F.R. 102.6 were called to the attention of the Party, a segregated Federal account was established.

The Party has made a good faith effort to comply with the Act. It is evident, however, that the issues under review relate to the failure to understand...or, in fact, to know of... the requirements of 12 C.F.R. 102.6 and, upon learning of those requirements, the failure to make technical adjusting entries in its reports.

It is respectfully suggested that there is no reason to believe that the Act has been violated, but rather that the appropriate course of action is for the Party to make such appropriate amendments to its reports as may be necessary to conform them to reality.

In the event that there are any questions with respect to the foregoing, or if we may otherwise be of assistance to you in the examination of this matter, we would be pleased to cooperate.

Sincerely yours,



J. Curtis Herge

enclosure

cc: Mr. George N. McMath
Republican Party of Virginia

EXHIBIT A

REPUBLICAN PARTY OF VIRGINIA

Details of Contributions to Federal
Candidates or Committees

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A.	<u>Tate for Congress</u>		
	Aug. 23, 1976 In-kind	\$ 55.63	
	Sept. 8, 1976 In-kind	70.58	
	Oct. 14, 1976 In-kind	<u>23.05</u>	\$ 149.26
B.	<u>Callahan for Congress Committee</u>		
	Sept. 8, 1976 In-kind	\$ 36.72	
	Oct. 25, 1976 In-kind	<u>18.02</u>	54.74
C.	<u>Paul Tribel for Congress Committee</u>		
	Aug. 23, 1976 In-kind	\$263.39	
	Oct. 14, 1976 In-kind	<u>143.30</u>	406.69
D.	<u>Wampler for Congress Committee</u>		
	Aug. 23, 1976 In-kind	\$ 47.49	
	Oct. 14, 1976 In-kind	<u>6.26</u>	53.75
E.	<u>Bob Daniel for Congress Committee</u>		
	Aug. 23, 1976 In-kind	10.65	
	Sept. 8, 1976 In-kind	33.85	
	Oct. 14, 1976 In-kind	<u>17.15</u>	61.65
F.	<u>Butler '76 Committee</u>		
	Aug. 23, 1976 In-kind	122.45	
	Sept. 8, 1976 In-kind	35.15	
	Oct. 14, 1976 In-kind	11.98	
	Oct. 25, 1976 In-kind	<u>39.61</u>	209.19
G.	<u>3rd District Republican Committee</u>		
	Oct. 25, 1976 In-kind		18.77
H.	<u>8th District Republican Committee</u>		
	Aug. 23, 1976 In-kind		<u>800.84</u>
	TOTAL		<u>\$1,754.89</u>

AFFIDAVIT
OF
GEORGE N. McMATH

STATE OF VIRGINIA)

COUNTY OF *Richmond*)

City

to-wit:

GEORGE N. McMATH, being duly sworn on the *11th* day of March, 1978, deposes and says:

1. That he is the Chairman of the Republican Party of Virginia, having its principal office at Suite 1600, Fidelity Building, Ninth and Main Streets, Richmond, Virginia 23219; and, that he resides at Onley, Virginia 23418.

2. That the purpose of this statement, which is given voluntarily and of his own free will, is to provide a response to the notifications from the Federal Election Commission, dated February 9, 1978, addressed to your deponent and to Ms. Dorothy B. Meldrum, Treasurer of the Republican Party of Virginia, respectively, bearing the reference: MUR 471(77).

3. That, in the referenced notifications, it was reported that the Federal Election Commission had found reason to believe that the Republican Party of Virginia may have accepted and retained contributions which exceed the limits set forth in Title 2, §441a of the Federal Election Campaign Act of 1971, as amended; and, specifically, that gifts and loans made to the Republican Party of Virginia by your deponent in 1976 may, in the aggregate, have exceeded the aforesaid limitations.

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4. That, when he was initially elected Chairman of the Republican Party of Virginia on September 28, 1974, your deponent immediately recognized that that organization was in critical financial difficulty and that an immediate infusion of capital was required in order to permit operations to continue.

5. That, as a consequence of the facts set forth in paragraph 4 hereof, your deponent initially loaned the sum of \$20,000.00 to the Republican Party of Virginia on or about November 5, 1974, the proceeds thereof all being used to pay current operating expenses and, in part, certain prior debts of the Republican Party of Virginia.

6. That, from time to time subsequent to November 5, 1974, your deponent made additional loans to the Republican Party of Virginia, all such loans being made by your deponent, and the proceeds thereof being used by the Republican Party of Virginia, for the purpose of meeting the operating expenses of the Republican Party of Virginia.

7. That, on or about March 5, 1975, your deponent and Dorothy B. Meldrum, Treasurer of the Republican Party of Virginia, attended a National Leadership Conference, sponsored by the Republican National Committee, at which time, among other things, discussion was had about the provisions of the Federal Election Campaign Act Amendments of 1974.

8. That your deponent was advised by the said Dorothy B. Meldrum that, upon independent inquiry made by her at said Conference, she had been advised that Federal law

contained no limitation on the amount that could be loaned by your deponent to the Republican Party of Virginia for its general operating purposes.

9. That, from that date forward until October, 1977, your deponent was of the belief that Federal law contained no limitation on the amount an individual could loan to the Republican Party of Virginia for its general purposes.

10. That, in October, 1977, your deponent learned in conversation with others (whose identity cannot be recalled) that Federal law might contain a limitation on the amount an individual could loan to a political committee which is subject to the provisions of the Federal Election Campaign Act of 1971, as amended; that your deponent thereupon telephoned Gordon Strauss, Esq., an attorney associated with the law firm of Cramer, Haber & Becker (now known as Cramer, Visser, Lipsen & Smith), 475 L'Enfant Plaza, Washington, D.C. 20024, which firm served as counsel to the Republican National Committee; that your deponent was advised by Mr. Strauss that such loans were deemed, under Federal law, to be contributions to the extent that the obligations remained outstanding, but that such loans could be made to the Republican Party of Virginia, without reference to the limitation contained in Federal law, if made under the condition that the proceeds thereof would not in any way be used in connection with Federal political campaigns or any efforts of the Republican Party of Virginia which are associated with Federal elections.

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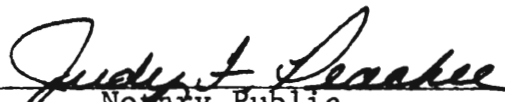
11. That it was not then, nor has it ever been, the intention of your deponent that the proceeds of the loans made by him to the Republican Party of Virginia be used in connection with Federal elections. (In that regard, your deponent attaches hereto and makes a part hereof a true and correct copy of a letter he sent to the Republican Party of Virginia on or about December 19, 1977, in which it was stated: "These funds are advanced, as in the case of all loans made by me to the Party, with the understanding that the funds will be used strictly on State Party activities and that none of the dollars will in any way be used in connection with Federal elections." Emphasis added.)

12. That, for the foregoing reasons, your deponent is of the belief that the loans made by him to the Republican Party of Virginia were not subject to the limitations imposed by Title 2, §441 of the Federal Election Campaign Act of 1971, as amended.



GEORGE N. McMATH

Sworn to and subscribed before me, a Notary Public, in and for the State and County first above written, on the ~~11th~~ day of March, 1978. *City*



Notary Public

My commission expires: 8-7-79

December 19, 1977

Mrs. Myrt Turner
Republican Party of Virginia
1600 Fidelity Building
9th & Main Streets
Richmond, Va. 23219

Dear Myrt:

I am enclosing a check in the amount of \$2,500 which represents a loan to the Republican Party of Virginia. These funds are advanced, as in the case of all the loans made by me to the Party, with the understanding that the funds will be used strictly on State Party activities and that none of the dollars will in any way be used in connection with Federal elections.

I hope the enclosed will be of help — and best wishes.

Sincerely yours,

George N. McMath

GM/jf

Enclosure

AFFIDAVIT
OF
DOROTHY B. MELDRUM

STATE OF VIRGINIA)
COUNTY OF *Richmond*)
City

to-wit:

DOROTHY B. MELDRUM, being duly sworn on the *10th* day
of March, 1978, deposes and says:

1. That she is the Treasurer of the Republican Party
of Virginia, having its principal office at Suite 1600 Fidelity
Building, Ninth and Main Streets, Richmond, Virginia 23219.

2. That the purpose of this statement, which is
given voluntarily and of her own free will, is to provide a
response to the notifications from the Federal Election Commission
dated February 9, 1978, addressed to your deponent, as Treasurer
of the Republican Party of Virginia, and to Mr. George N. McMath,
respectively, bearing the reference: MUR 471(77).

3. That, in the referenced notifications, it was
reported that the Federal Election Commission had found reason
to believe that the Republican Party of Virginia may have
accepted and retained contributions which exceed the limits
set forth in Title 2, §441a of the Federal Election Campaign
Act of 1971, as amended; and, specifically, that gifts and loans
made to the Republican Party of Virginia by Mr. McMath in 1976
may, in the aggregate, have exceeded the aforesaid limitations.

4. That, commencing on or about November 5, 1974 and
from time to time thereafter, Mr. McMath loaned various sums of

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money to the Republican Party of Virginia to enable it to meet its general operating expenses.

5. That, on or about March 5, 1975, your deponent and Mr. McMath attended a National Leadership Conference, sponsored by the Republican National Committee, at which time your deponent learned (and so advised Mr. McMath) that Federal law contained no specific limitation on the amount that could be loaned to a political committee subject to the provisions of the Federal Election Campaign Act of 1971, as amended, and that an individual was subject, however, to only one overall limitation of \$25,000.00 as the aggregate amount that could be so contributed in a calendar year.

6. That your deponent was not subsequently advised of any other limitation until October, 1977.

7. That your deponent, in preparing reports for submission to the Federal Election Commission, reported all fiscal transactions engaged in by the Republican Party of Virginia in the belief that such was required; and, your deponent was not aware of the requirements contained in 11 C.F.R. §102.6 until on or about October 12, 1977, when such requirements were communicated to her by letter from the Federal Election Commission.

8. That, upon being advised of the requirements contained in 11 C.F.R. §102.6, your deponent established a separate segregated Federal account in United Virginia Bank (Account Number 13-20-564).

9. That your deponent is of the view that the loans made to the Republican Party of Virginia by Mr. McMath were not made for the purposes expressed in 11 C.F.R. §100.4(a)(1), but were made for the purpose of assisting the Republican Party of Virginia in meeting its general operating expenses and that they were, in fact, so used.

10. That your deponent was not aware of the requirement contained in 11 C.F.R. 102.6(b)(2), relative to the prohibition against receiving contributions from a political committee which was not a registered Federal campaign committee, until on or about October 11, 1977, when such requirement was communicated to her by letter from the Federal Election Commission.

11. That your deponent was of the belief that, through the establishment of the separate segregated Federal account referred to in paragraph 8 herein, contributions previously received from non-federally registered committees had been properly isolated into a non-federal account.

Dorothy B. Meldrum
DOROTHY B. MELDRUM

Sworn to and subscribed before me, a Notary Public, in and for the State and County first above written, on the 10th day of March, 1978. *City*

Judy J. Peacker
Notary Public

My commission expires: 8-7-79

REPUBLICAN PARTY OF VIRGINIA
SPECIAL PROJECTS ACCOUNT
1600 FIDELITY BLDG
9TH AND MAIN ST
RICHMOND VA 23219

30
1

United Virginia Bank

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Your Checking Account Summary

YOUR ACCOUNT NUMBER	DATE OF LAST STATEMENT	NUMBER OF DEPOSITS	NUMBER OF DEDUCTIONS	AVERAGE BALANCE	DATE OF THIS STATEMENT
13-20-564	06/30/77	0	1	20	07/29/77
	BEGINNING BALANCE	AMOUNT DEPOSITED	AMOUNT DEDUCTED	SERVICE CHARGE	ENDING BALANCE
	72.93	.00	72.93	NONE	.00

FOR INFORMATION CONTACT UNITED VIRGINIA BANK

DESCRIPTION OF YOUR ACCOUNT TRANSACTIONS	AMOUNT	DATE	BALANCE
BEGINNING BALANCE			72.93
CHECK	72.93	0711	0.00

REPUBLICAN PARTY OF VIRGINIA
SPECIAL PROJECTS ACCOUNT

No. 469

68-2
510

July 8 19 77

PAY
TO THE
ORDER OF

R. William Bayliss, III

\$ 72.93

Seventy Two and 93/100

DOLLARS

FOR Expense Account

REPUBLICAN PARTY OF VIRGINIA



United Virginia Bank

Richmond - Petersburg - Hopewell - Manassas

72.93-5

R. William Bayliss III

Exec. Director

05100000

13-20 564

0000007293

REPUBLICAN PARTY OF VIRGINIA
SPECIAL PROJECTS ACCT
1600 FIDELITY BLDG
9TH AND MAIN STS
RICHMOND VA 23219

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United Virginia Bank

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Your Checking Account Summary

YOUR ACCOUNT NUMBER 13-20-564	DATE OF LAST STATEMENT NONE	NUMBER OF DEPOSITS 1	NUMBER OF DEDUCTIONS	AVERAGE BALANCE 50	DATE OF THIS STATEMENT 11/30/77
	BEGINNING BALANCE .00	AMOUNT DEPOSITED 50.00	AMOUNT DEDUCTED .00	SERVICE CHARGE NONE	ENDING BALANCE 50.00

FOR INFORMATION CONTACT UNITED VIRGINIA BANK

CHECKS AND OTHER DEBITS

DEPOSITS

DATE

BALANCE

50.00 11/15

50.00

EARNINGS ALLOWANCE ON NET INVESTABLE BALANCES FOR DECEMBER: 6.7%

TYPE OF ACCOUNT

(Checking, unless otherwise noted)

- ☐ Savings
☐ Loan
☐ Other



United Virginia Bank
Richmond, Virginia

ALL ITEMS ARE CREDITED SUBJECT TO PAYMENT
THIS IS YOUR RECEIPT

ACCOUNT IDENTIFICATION

AMOUNT DEPOSITED OR PAID

TELLER AND DATE

* 13-20-564

\$ 50.00

PLEASE RETAIN UNTIL VERIFIED ON YOUR STATEMENT

P & R 13 (Rev 4/76)

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United Virginia Bank

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Your Checking Account Summary

YOUR ACCOUNT NUMBER 13-20-564	DATE OF LAST STATEMENT	NUMBER OF DEPOSITS	NUMBER OF DEDUCTIONS	AVERAGE BALANCE	DATE OF THIS STATEMENT
	11/30/77	0		50	12/30/77
	BEGINNING BALANCE	AMOUNT DEPOSITED	AMOUNT DEDUCTED	SERVICE CHARGE	ENDING BALANCE
	50.00	.00	.00	1.00	49.00

FOR INFORMATION CONTACT UNITED VIRGINIA BANK

CHECKS AND OTHER DEBITS	DEPOSITS	DATE	BALANCE
SERVICE CHARGE 1.00		1230	49.00
EARNINGS ALLOWANCE ON NET INVESTABLE BALANCES FOR JANUARY: 6.6%			

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United Virginia Bank U.

YOUR ACCOUNT NUMBER

DATE OF LAST STATEMENT	NUMBER OF DEPOSITS	NUMBER OF DEDUCTIONS	AVERAGE BALANCE	DATE OF THIS STATEMENT
12/30/77	0		0	01/31/78
BEGINNING BALANCE	AMOUNT DEPOSITED	AMOUNT DEDUCTED	SERVICE CHARGE	ENDING BALANCE
49.00	.00	.00	1.00	48.00

CHECKS AND OTHER DEBITS

DEPOSITS

DAIRY

BALANCE

SERVICE CHARGE

1.00

1931-1932

4.00

EARNINGS ALLOWANCE ON NET INVESTABLE BALANCES FOR FEBRUARY: 7.0%

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FIRST CLASS

MAR 17 AM 8:39

FIRST CLASS



FEDERAL ELECTION

SEDAM & HERGE ATTORNEYS AT LAW 7600 OLD SPRINGHOUSE ROAD MCLEAN, VIRGINIA 22101
To: Federal Election Commission 1325 K Street, N.W. Washington, D. C. 20463 Attention: Miss Suzanne Callahan
FIRST CLASS MAIL



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 7, 1978

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
SUBJECT: MUR 471 (77) - Interim Investigatory Report
dated March 1, 1978
Signed by General Counsel
March 3, 1978
Received in Office of Commission
Secretary - March 3, 1978, 5:11 p.m.

The above-mentioned document was circulated to the Commissioners at 11:00 a.m., March 6, 1978, on a 24 hour no-objection basis.

As of 3:00 p.m., this date, no objections have been received in the Office of Commission Secretary.

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March 3, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 482

Please have the attached Interim Investigatory
Report on MUR 471 distributed to the Commission on a
24 hour no-objection basis.

Thank you.

78040062275

BEFORE THE FEDERAL ELECTION COMMISSION
March 1, 1978

In the Matter of)

Republican Party of Virginia)

George N. McMath)

Dalton for Governor Citizens Committee)

MUR 471 (77)

INTERIM INVESTIGATORY REPORT

On December 21, 1977, the Commission found reason to believe that the Republican Party of Virginia and George N. McMath may have violated 2 U.S.C. §441a and that the Dalton for Governor Citizens Committee may have violated 2 U.S.C. §433 and §434. At that time, the Commission also determined that the notification letters to the respondents should be revised.

The respondents were notified of the Commission's determinations on February 8, 1978.

J. Curtis Herge has been retained as counsel by the Republican Party of Virginia and George N. McMath. A meeting with Mr. Herge has been scheduled for March 6, 1978 to discuss the Commission's finding against his clients and to submit documents relevant to this case.

As of this writing, the Dalton for Governor Citizens Committee has not responded to the Commission's reason to believe notification.

The Office of General Counsel will be prepared to make a recommendation to the Commission shortly.

3/3/78
Date


William C. Oldaker
General Counsel

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LOC 2826



RECEIVED
FEDERAL ELECTION
COMMISSION

COMMONWEALTH of VIRGINIA! AM 11:58

John N. Dalton
Governor

Office of the Governor
Richmond 23219

MUR 471

February 24, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Dear Mr. Oldaker:

In response to your letter of February 9, 1978, I would contend the Dalton for Governor Citizens Committee was not in violation of the Federal Election Campaign Act of 1971, since it in no way intended nor did in fact influence a Federal election.

The Dalton for Governor Citizens Committee check for \$2,752 drawn to the Republican Party of Virginia on September 26, 1977, was for reimbursement of salaries for staff borrowed from the Party. It was my understanding that that check would be deposited in the Party's non-Federal election bank account which they are authorized to use for political activities which in no way affects the outcome or activities surrounding a Federal election.

If you have any further questions, please contact me in the Governor's Office, 804/786-2211, so that we may clear up this matter.

I appreciate your concern and will cooperate with you should you need additional documentation of this transaction.

With all best wishes, I am

Sincerely yours,

William A. Royall, Jr.
Special Assistant to the Governor

cc: Mr. George N. McMath, Chairman-Republican Party of Virginia
Mr. Joseph B. Wright, Treasurer-The Dalton Committee
Mrs. Marilyn Lussen, Comptroller-The Dalton Committee

78040062277

COMMONWEALTH of VIRGINIA

Office of the Governor

Richmond 23219

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

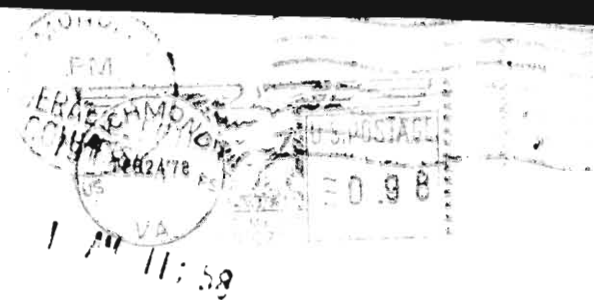
William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

CERTIFIED

No.

229773

MAIL



AC2749

SEDAM & HERGE

ATTORNEYS AT LAW

7600 OLD SPRINGHOUSE ROAD

MCLEAN, VIRGINIA 22101

200501

GLENN J. SEDAM, JR.
J. CURTIS HERGE

(703) 821-1000

1700 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20006
(202) 821-1000

THOMAS M. DAVIS, III
MICHAEL D. HUGHES
ROBERT R. SPARKS, JR.
CHRISTOPHER M. WAS

February 17, 1978

Miss Suzanne Callahan
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 471 (77)

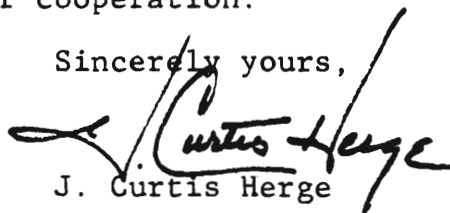
Dear Miss Callahan:

This will serve to confirm the substance of our conversation over the telephone on Thursday, February 16, 1978, at which time I advised you that I had just been retained by the Republican Party of Virginia and by Mr. George N. McMath to advise and represent them before the Federal Election Commission in connection with MUR 471 (77).

The earliest opportunity I will have to consult with my clients in detail about this matter will be on Thursday, February 23, 1978. I assured you that I will get in touch with you again on Friday, February 24, 1978, to discuss and set a reasonable time within which to file my clients' responses.

We appreciate your cooperation.

Sincerely yours,


J. Curtis Herge

73040062270

7 3 0 4 0 0 6
SEDAM & HERGE

ATTORNEYS AT LAW

7600 OLD SPRINGHOUSE ROAD

LEAN, VIRGINIA 22101



Miss Suzanne Callahan
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 9, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Chairman
Dalton for Governor Citizens
Committee
210 East Main Street
Richmond, Virginia 23219

Re: MUR 471

Dear Mr. Chairman:

On December 21, 1977, the Commission found reason to believe that the Dalton for Governor Citizens Committee may have committed a violation of the Federal Election Campaign Act of 1971, as amended (the Act) for failure to register and file as a Federal committee.

In particular, 2 U.S.C. §431(d) defines "political committee" to mean any committee, club, association or other group of persons which receives contributions or makes expenditures in excess of \$1,000 during a calendar year for the purpose of influencing a Federal election. Reports filed by the Republican Party of Virginia (the Party) with the Commission indicate that the Dalton for Governor Citizens Committee contributed \$2,752 to the Party on September 26, 1977.

The Party supports Federal candidates and is therefore permitted to accept only those contributions allowable under the Act, and in particular, 11 CFR 102.6.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.



The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days of your receipt of this notification.

If you have any questions, contact Suzanne Callahan, the staff member assigned to this matter (202-523-4166).

Sincerely yours,



William C. Oldaker
General Counsel

MUR 471 Callahan

PS Form 3811, Apr. 1977

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
☐ Show to whom and date delivered.
☒ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY
Show to whom and date delivered.
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
*Carmy
Damon for Gov Citizens
Comm*

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
438010

(Always obtain signature of addressee or agent)
I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
M. Surser

4. DATE OF DELIVERY
FEB 16 1978

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

POSTMARK
FEB 16 1978

CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

7 8 0 4 0 0 6 2 2 8 3
Chairman
Dalton for Governor Citizens
Committee
210 East Main Street
Richmond, Virginia 23219

Re: MUR 471

Dear Mr. Chairman:

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The Party supports Federal candidates and is therefore permitted to accept only those contributions allowable under the Act, and in particular, 11 CFR 102.6.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days of your receipt of this notification.

If you have any questions, contact Suzanne Callahan, the staff member assigned to this matter (202-523-4165).

Sincerely yours,

SWC
2/8/78

William C. Oldaker
General Counsel

78040062284



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 9, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Dorothy B. Meldrum, Treasurer
Republican Party of Virginia
9th and Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471(77)

Dear Ms. Meldrum:

On December 21, 1977, the Commission found reason to believe that the Republican Party of Virginia (hereinafter, the Party), may have accepted and retained contributions which exceed the limits set forth in 2 U.S.C. §441a.

Title 2, §441a of the Federal Election Campaign Act of 1971, as amended, precludes an individual from making contributions to a political committee in any calendar year in excess of \$5,000 and §431(e) defines a contribution to include a loan.

Your reports indicate that Mr. George McMath made a gift of \$150 and loaned another \$11,500 to the Party in 1976 after the effective date of the 1976 Amendments. The \$5,000 annual limit was effective May 11, 1976. Therefore, Mr. McMath may have exceeded this limit.

On November 8, 1977, you were notified that the Commission had reason to believe the Party may have violated 11 C.F.R. §102.6 by accepting contributions from non-federally registered committees which might not be in compliance with the requirements of the Act.



Your response of November 14, 1977 does not specifically clarify the entries in question. In addition, a review of your October 10, 1977 report indicates that the Party has accepted four additional contributions from non-federally registered committees. The entries in question are enclosed so that a review of your records can be made.

In your response to this notification, please state the original source of the funds given to the Party by the unregistered committees. In your letter of November 14, you state that the Party has a non-federal account. However, you have not stated whether the funds in question have been removed from the Federal account. Please so state.

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

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, contact Suzanne Callahan, the staff member assigned to this matter (202/523-4057).

Sincerely,

[Handwritten signature]

Oldaker
Counsel

Callahan mud-471

1. The following service is requested (check one): ☐ Show to whom and date delivered. ☒ Show to whom, date, and address of delivery. ☐ RESTRICTED DELIVERY ☐ Show to whom and date delivered. ☐ RESTRICTED DELIVERY ☐ Show to whom, date, and address of delivery. (CONSULT POSTMASTER FOR FEES)		2. ARTICLE ADDRESSED TO: <i>Dorothy Melham 9th & Main Streets 1600 Fidelity Bldg. Richmond, Va. 23219</i>		3. ARTICLE DESCRIPTION: <i>438007</i>		4. REGISTERED NO. INSURED NO.	
5. ADDRESS (Complete only if requested): <i>1600 Fidelity Bldg.</i>		6. UNABLE TO DELIVER BECAUSE:		7. DATE OF DELIVERY <i>FEB 13 1978</i>		8. POSTMASTER'S OFFICE <i>RICHMOND, VA</i>	

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Dorothy B. Meldrum, Treasurer
Republican Party of Virginia
9th and Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

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- 2 -

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The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, contact Suzanne Callahan, the staff member assigned to this matter (202/523-4057).

W.C.
2/8/78

Sincerely,

William C. Oldaker
General Counsel

Enclosures

Republican Party of Virginia

Name, mailing address and ZIP code King George County Republican Committee c/o Mrs. Dorothy E. Harrison RD 1, Box 41, King George, Va. 22485 Principal place of business		Date (month, day, year) 6/20/77	Amount of each receipt this period 30.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 30.00			
Name, mailing address and ZIP code Callahan Campaign Committee D.O. Box 697, McLean, Virginia 22101 Principal place of business		Date (month, day, year) 6/20/77	Amount of each receipt this period 30.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$			
Full Name, mailing address and ZIP code Principal place of business		Date (month, day, year)	Amount of each receipt this period
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$			
Name, mailing address and ZIP code Principal place of business		Date (month, day, year)	Amount of each receipt this period
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$			
Full Name, mailing address and ZIP code Principal place of business		Date (month, day, year)	Amount of each receipt this period
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$			
Full Name, mailing address and ZIP code Principal place of business		Date (month, day, year)	Amount of each receipt this period
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$			
Subtotal of receipts this page (optional) ▶			\$ 60.00
Total this period (last page this line number only) ▶			\$ 120.00

Republican Party of Virginia

Name, mailing address and ZIP code Carter McLean Republican Women's Club 12 Beverly Avenue McLean, Va. 22101 (Contribution) Principal place of business		Date (month, day, year) 4/20/77	Amount of each receipt this period 50.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date > \$ 50.00			
Name, mailing address and ZIP code Linchester Republican Committee 00 North Avenue Linchester, Va. 22601 Principal place of business		Date (month, day, year) 4/26/77 6/20/77	Amount of each receipt this period 1,000.00 60.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date > \$ 1,060.00			
Name, mailing address and ZIP code Republican National Committee 310 First Street, SE Washington, D. C. 20003 Principal place of business		Date (month, day, year) 4/29/77 6/6/77	Amount of each receipt this period 2,000.00 4,000.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date > \$ 15,333.32			
Name, mailing address and ZIP code Sixth District Republican Committee 2211 Pommel Drive SW Roanoke, Va. 24018 (Assessment for Lexington/Rockbridge) Principal place of business		Date (month, day, year) 4/1/77	Amount of each receipt this period 90.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date > \$ 90.00			
Name, mailing address and ZIP code Republican Party of Hampton 32 Deerfield Blvd. Hampton, Va. 23666 Principal place of business		Date (month, day, year) 4/25/77	Amount of each receipt this period 340.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date > \$ 540.00			
Name, mailing address and ZIP code Republican Party of Nelson County C/o Joe Lee McClellan Lexington, Va. 22949 (\$36.00 sent to 7th Dist. Rep. Com.) Principal place of business		Date (month, day, year) 5/20/77	Amount of each receipt this period 102.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date > \$ 102.00			
Subtotal of receipts this page (optional) > \$ 7,000.00			
Total this period (last page this line number only) > \$			

Party of Virginia

National Committee
St., SE
Richmond, D. C. 20003

7/6/77	3,999.00
7/11/77	4,000.00
7/29/77	4,000.00
8/29/77	4,000.00
9/1/77	18,350.00
9/19/77	4,000.00

53,583.31

Kansas City Delegation Committee
1800 Fidelity Bldg.
Richmond, Va. 23219

7/7/77	483.84
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483.84

Republican Committee of Hanover Co., Va.
614 Ma Donna Rd.
Mechanicsville, Va. 23114

7/22/77	170.00
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170.00

Third District Republican Committee
1001 E. Main St., Suite 322
Richmond, Va. 12119

8/9/77	212.90
--------	--------

212.90

Dalton for Governor Citizens Committee
P. O. Box 25877
Richmond, Va. 23260

9/26/77	2,752.65
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2,752.65

Subtotal this page 41,889.71Total this period 41,889.71

77030602543



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 9, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. George N. McMath
9th and Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471 (77)

Dear Mr. McMath:

On December 21, 1977, the Commission found reason to believe that you may have committed a violation of the Federal Election Campaign Act of 1971, as amended, by contributing in excess of the limits allowed for an individual to a political committee.

In particular, 2 U.S.C. §441a precludes an individual from making contributions to a political committee in any calendar year in excess of \$5,000 and §431(e) defines a contribution to include a loan. Reports filed by the Republican Party of Virginia (hereinafter the Party) with the Commission indicate that you made a gift of \$150 and loaned \$11,500 to the Party in 1976 after the 1976 Amendments became effective.

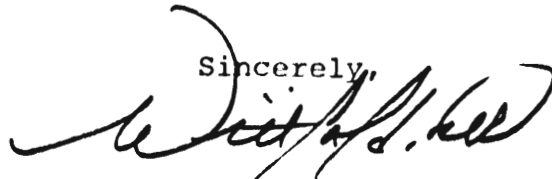
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If you have any questions, please contact Suzanne Callahan, the staff member assigned to this matter (202/523-4057).

Sincerely,



William C. Oldaker
General Counsel

Callahan *MUR-471(22)*

PS Form 3811, Apr. 1977

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
☐ Show to whom and date delivered
☒ Show to whom, date, and address of delivery
☐ RESTRICTED DELIVERY
Show to whom and date delivered
☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. \$
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
George N. McMath
9th Main Street
1600 Fidelity Bldg.
Richmond, Va. 23219

3. ARTICLE DESCRIPTION:
REGISTERED NO. *438008* CERTIFIED NO. INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
[Signature]

4. DATE OF DELIVERY *WTO*

5. ADDRESS (Complete only if requested)
1600 Fidelity Bldg

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

POSTMARK
RICHMOND, VA
13
1978
USPO
VIA REGISTERED MAIL



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. George N. McMath
9th and Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471 (77)

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- 2 -

If you have any questions, please contact Suzanne Callahan, the staff member assigned to this matter (202/523-4057).

WMC
2/5/78

Sincerely,

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 8, 1978

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
SUBJECT: MUR 471 (77) Revised Notification Letters

The above-mentioned documents were circulated to the Commissioners on February 6, 1978 at 2:30.

As of 1:00 p.m., this date, no objections have been received in the Office of Commission Secretary to the revised letters.



78040062296



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 3, 1978

MEMORANDUM

TO: Commissioners
FROM: William Oldaker *Wic*
SUBJECT: MUR 471 (77)

On December 21, 1977, the Commission approved the recommendation of the General Counsel to find reason to believe that the Republican Party of Virginia and George N. McMath have violated 2 U.S.C. §441a and that the Dalton for Governor Citizens Committee has violated 2 U.S.C. §433 and §434 with the proviso that the notification letter to the Republican Party of Virginia be revised.

On January 4, 1978, the notification letters were circulated to the Commission on a no objection basis. Commissioner Aikens submitted an objection, placing MUR 471 on the agenda for the January 18th meeting.

As requested by the Commission on January 18th, attached are the revised notification letters to the respondents in connection with MUR 471 (77).



78040062297

February 3, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 471

Please have the attached Memo and letters distributed
to the Commission on a 24 hour no-objection basis.

Thank you.

78040062298



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. George N. McMath
9th and Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471 (77)

Dear Mr. McMath:

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- 2 -

If you have any questions, please contact Suzanne Callahan, the staff member assigned to this matter (202/523-4057).

Sincerely,

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Dorothy B. Meldrum, Treasurer
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9th and Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

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73040062301

Your response of November 14, 1977 does not specifically clarify the entries in question. In addition, a review of your October 10, 1977 report indicates that the Party has accepted four additional contributions from non-federally registered committees. The entries in question are enclosed so that a review of your records can be made.

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If you have any questions, contact Suzanne Callahan, the staff member assigned to this matter (202/523-4057).

Sincerely,

William C. Oldaker
General Counsel

Enclosures

73040062302

Republican Party of Virginia

Full Name, mailing address and ZIP code

King George County Republican Committee
C/o Mrs. Dorothy E. Harrison
RFD 1, Box 41, King George, Va. 22485

Date (month, day, year)

6/20/77

Amount of each receipt this period

30.00

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$30.00

Full Name, mailing address and ZIP code

Callahan Campaign Committee
B.O. Box 697, McLean, Virginia 22101

Date (month, day, year)

6/20/77

Amount of each receipt this period

30.00

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$

Full Name, mailing address and ZIP code

Date (month, day, year)

Amount of each receipt this period

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$

Full Name, mailing address and ZIP code

Date (month, day, year)

Amount of each receipt this period

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$

Full Name, mailing address and ZIP code

Date (month, day, year)

Amount of each receipt this period

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$

Full Name, mailing address and ZIP code

Date (month, day, year)

Amount of each receipt this period

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$

Subtotal of receipts this page (optional) ▷ \$

Total this period (last page this line number only) ▷ \$

Republican Party of Virginia

Name, mailing address and ZIP code Greater McLean Republican Women's Club 612 Beverly Avenue McLean, Va. 22101 (Contribution) Principal place of business		Date (month, day, year) 4/20/77	Amount of each receipt this period 50.00
Occupation ☒ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$ 50.00			
Name, mailing address and ZIP code Winchester Republican Committee 100 North Avenue Winchester, Va. 22601 Principal place of business		Date (month, day, year) 4/26/77 6/20/77	Amount of each receipt this period 1,000.00 60.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$ 1,060.00			
Full Name, mailing address and ZIP code Republican National Committee 310 First Street, SE Washington, D. C. 20003 Principal place of business		Date (month, day, year) 4/29/77 6/6/77	Amount of each receipt this period 2,000.00 4,000.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$ 15,333.32			
Full Name, mailing address and ZIP code Sixth District Republican Committee 2211 Pommet Drive SW Roanoke, Va. 24018 (Assessment for Lexington/Rockbridge) Principal place of business		Date (month, day, year) 4/1/77	Amount of each receipt this period 90.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$ 90.00			
Full Name, mailing address and ZIP code Republican Party of Hampton 32 Deerfield Blvd. Hampton, Va. 23666 Principal place of business		Date (month, day, year) 4/25/77	Amount of each receipt this period 340.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$ 540.00			
Full Name, mailing address and ZIP code Republican Party of Nelson County C/o Joe Lee McClellan Lovingson, Va. 22949 (\$36.00 sent to 7th Dist. Rep. Com.) Principal place of business		Date (month, day, year) 5/20/77	Amount of each receipt this period 102.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$ 102.00			
Subtotal of receipts this page (optional) ▷			\$ 7,642.00
Total this period (last page this line number only) ▷			\$

Republican Party of Virginia

Republican National Committee
310 First St., SE
Washington, D. C. 20003

7/6/77	3,999.
7/11/77	4,000.
7/29/77	4,000.
8/29/77	4,000.
9/1/77	18,350.
9/19/77	4,000.

53,583.31

Kansas City Delegation Committee
1600 Fidelity Bldg.
Richmond, Va. 23219

7/7/77 483.

483.84

Republican Committee of Hanover Co., Va.
614 Ma Donna Rd.
Mechanicsville, Va. 23114

7/22/77 170.

170.00

Third District Republican Committee
1001 E. Main St., Suite 322
Richmond, Va. 12119

8/9/77 212.

212.90

Dalton for Governor Citizens Committee
P. O. Box 25877
Richmond, Va. 23260

9/26/77 2,752.

2,752.65

Subtotal this page 41,969

Total this period 41,969

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Dalton for Governor Citizens Committee
George M. McMath
Republican Party of Virginia

MUR 471 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on January 18, 1978, the Commission determined by a vote of 5-0 to direct the Office of the General Counsel to redraft the letters to the respondents in the above-captioned matter and circulate them to the Commission on a no-objection basis.

Commissioner Harris was not present at the time of the vote in this matter.



Marjorie W. Emmons
Secretary to the Commission

780400062306



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

January 5, 1978

MEMORANDUM TO: CHARLES STEELE

FROM:

MARJORIE W. EMMONS

MJE by pe

SUBJECT:

MUR 471 (78)

The above-mentioned document was circulated to the Commissioners on January 4, 1978 at 12:00.

Commissioner Aikens submitted an objection at 10:00 a.m., January 5, 1978.

MUR 471 (77) will be placed on the Executive Session Agenda for January 18, 1978.

78040062307

December 30, 1977

MEMORANDUM TO: Marge Emmons
FROM: Jeff Bowman
SUBJECT: MUR 471(77) Team#2 Staff Member-Callahan

Please have the attached letters on MUR 471(77)
distributed to the Commission on a 24 hour no-objection
basis.

Thank you.

78040062308



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dorothy B. Meldrum, Treasurer
Republican Party of Virginia
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471 (77)

Dear Ms. Meldrum:

During Commission review of your October 10, 1977 quarterly report, we noticed entries indicating that the Republican Party of Virginia (the Party), may have accepted contributions which exceed the limits set forth in 2 U.S.C. §441a.

In particular, your records indicate an outstanding loan balance of \$20,000 owed to George N. McMath as well as the fact that in 1977 Mr. McMath contributed \$1,375 to the Party. Title Two, §441a of the Federal Election Campaign Act of 1971, as amended, precludes an individual from making contributions to a political committee in any calendar year in excess of \$5,000, and §431(e) defines a contribution to include a loan.

On December 21, 1977, the Commission found reason to believe the Party had accepted and retained contributions in violation of §441a.

The Commission requests that the contributions in excess of \$5,000 which you received, be repaid to the donor.

On November 8, 1977, you were notified that the Commission had reason to believe the Party may have violated 11 CFR 102.6 for accepting contributions from non-federally registered committees which might not be in compliance with the requirements of the Act.

Your response of November 14th does not specifically



78040062309

clarify the entries in question. In addition, a review of your October 10, 1977 report indicates that the Party has accepted four additional contributions from non-federally registered committees. The entries in question are enclosed so that a review of your records can be made.

In your response to this notification, please state the original source of the funds given to the Party by the unregistered committees. In your letter of November 14th, you state that the Party has a non-federal account. However, you have not stated whether the funds in question have been removed from the Federal account. Please so state.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, contact Suzanne Callahan, the staff member assigned to this matter (202/523-4166).

Sincerely,

William C. Oldaker
General Counsel

enclosure

78040062310

Republican Party of Virginia

Republican National Committee
310 First St., SE
Washington, D. C. 20003

7/6/77	3,999.
7/11/77	4,000.
7/29/77	4,000.
8/29/77	4,000.
9/1/77	18,350.
9/19/77	4,000.

53,583.31

Kansas City Delegation Committee
1600 Fidelity Bldg.
Richmond, Va. 23219

7/7/77	483.
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483.84

Republican Committee of Hanover Co., Va.
614 Ma Donna Rd.
Mechanicsville, Va. 23114

7/22/77	170.
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170.00

Third District Republican Committee
1001 E. Main St., Suite 322
Richmond, Va. 12119

8/9/77	212.
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212.90

Dalton for Governor Citizens Committee
P. O. Box 25877
Richmond, Va. 23260

9/26/77	2,752.
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2,752.65

Subtotal this page 41,959

Total this period 41,959

78040062311

Republican Party of Virginia

Full Name, mailing address and ZIP code King George County Republican Committee C/o Mrs. Dorothy E. Harrison RFD 1, Box 41, King George, Va. 22485		Date (month, day, year) 6/20/77	Amount of each receipt this period 30.00
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$30.00		
Full Name, mailing address and ZIP code Callahan Campaign Committee D.O. Box 697, McLean, Virginia 22101		Date (month, day, year) 6/20/77	Amount of each receipt this period 30.00
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$		
Full Name, mailing address and ZIP code		Date (month, day, year)	Amount of each receipt this period
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$		
Full Name, mailing address and ZIP code		Date (month, day, year)	Amount of each receipt this period
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$		
Full Name, mailing address and ZIP code		Date (month, day, year)	Amount of each receipt this period
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$		
Full Name, mailing address and ZIP code		Date (month, day, year)	Amount of each receipt this period
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$		
Subtotal of receipts this page (optional) ▷		\$	60.00
Total this period (last page this line number only) ▷		\$	120.00

Republican Party of Virginia

Full Name, mailing address and ZIP code Greater McLean Republican Women's Club 632 Beverly Avenue McLean, Va. 22101 (Contribution) Principal place of business		Date (month, day, year) 4/20/77	Amount of each receipt this period 50.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$ 50.00			
Full Name, mailing address and ZIP code Winchester Republican Committee 100 North Avenue Winchester, Va. 22601 Principal place of business		Date (month, day, year) 4/26/77 6/20/77	Amount of each receipt this period 1,000.00 60.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$ 1,060.00			
Full Name, mailing address and ZIP code Republican National Committee 310 First Street, SE Washington, D. C. 20003 Principal place of business		Date (month, day, year) 4/29/77 6/6/77	Amount of each receipt this period 2,000.00 4,000.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$ 15,333.32			
Full Name, mailing address and ZIP code Sixth District Republican Committee 2211 Pommel Drive SW Roanoke, Va. 24018 Principal place of business		Date (month, day, year) 4/1/77	Amount of each receipt this period 90.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$ 90.00			
Full Name, mailing address and ZIP code Republican Party of Hampton 32 Deerfield Blvd. Hampton, Va. 23666 Principal place of business		Date (month, day, year) 4/25/77	Amount of each receipt this period 340.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$ 540.00			
Full Name, mailing address and ZIP code Republican Party of Nelson County C/o Joe Lee McClellan Levinston, Va. 22949 (\$36.00 sent to 7th Dist. Rep. Com.) Principal place of business		Date (month, day, year) 5/20/77	Amount of each receipt this period 102.00
Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$ 102.00			
Subtotal of receipts this page (optional) ▷			\$ 7,602.00
Total this period (last page this line number only) ▷			\$



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dorothy B. Meldrum, Treasurer
Republican Party of Virginia
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471 (77)

Dear Ms. Meldrum:

During Commission review of your October 10, 1977 quarterly report, we noticed entries indicating that the Republican Party of Virginia (the Party), may have accepted contributions which exceed the limits set forth in 2 U.S.C. §441a.

In particular, your records indicate an outstanding loan balance of \$20,000 owed to George N. McMath as well as the fact that in 1977 Mr. McMath contributed \$1,375 to the Party. Title Two, §441a of the Federal Election Campaign Act of 1971, as amended, precludes an individual from making contributions to a political committee in any calendar year in excess of \$5,000, and §431(e) defines a contribution to include a loan.

On December 21, 1977, the Commission found reason to believe the Party had accepted and retained contributions in violation of §441a.

The Commission requests that the contributions in excess of \$5,000 which you received, be repaid to the donor.

On November 8, 1977, you were notified that the Commission had reason to believe the Party may have violated 11 CFR 102.6 for accepting contributions from non-federally registered committees which might not be in compliance with the requirements of the Act.

Your response of November 14th does not specifically



78040062314

clarify the entries in question. In addition, a review of your October 10, 1977 report indicates that the Party has accepted four additional contributions from non-federally registered committees. The entries in question are enclosed so that a review of your records can be made.

In your response to this notification, please state the original source of the funds given to the Party by the unregistered committees. In your letter of November 14th, you state that the Party has a non-federal account. However, you have not stated whether the funds in question have been removed from the Federal account. Please so state.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, contact Suzanne Callahan, the staff member assigned to this matter (202/523-4166).

Sincerely,

William C. Oldaker
General Counsel

enclosure



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dorothy B. Meldrum, Treasurer
Republican Party of Virginia
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471 (77)

Dear Ms. Meldrum:

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In particular, your records indicate an outstanding loan balance of \$20,000 owed to George N. McMath as well as the fact that in 1977 Mr. McMath contributed \$1,375 to the Party. Title Two, §441a of the Federal Election Campaign Act of 1971, as amended, precludes an individual from making contributions to a political committee in any calendar year in excess of \$5,000, and §431(e) defines a contribution to include a loan.

On December 21, 1977, the Commission found reason to believe the Party had accepted and retained contributions in violation of §441a.

The Commission requests that the contributions in excess of \$5,000 which you received, be repaid to the donor.

On November 8, 1977, you were notified that the Commission had reason to believe the Party may have violated 11 CFR 102.6 for accepting contributions from non-federally registered committees which might not be in compliance with the requirements of the Act.

Your response of November 14th does not specifically



78040062316

clarify the entries in question. In addition, a review of your October 10, 1977 report indicates that the Party has accepted four additional contributions from non-federally registered committees. The entries in question are enclosed so that a review of your records can be made.

In your response to this notification, please state the original source of the funds given to the Party by the unregistered committees. In your letter of November 14th, you state that the Party has a non-federal account. However, you have not stated whether the funds in question have been removed from the Federal account. Please so state.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, contact Suzanne Callahan, the staff member assigned to this matter (202/523-4166).

Sincerely,

William C. Oldaker
General Counsel

enclosure

78040062317



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. George N. McMath
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471 (77)

Dear Mr. McMath:

On December 21, 1977, the Commission found reason to believe that you may have committed a violation of the Federal Election Campaign Act of 1971, as amended, by contributing in excess of the limits allowed for an individual to a political committee.

In particular, 2 U.S.C. §441a precludes an individual from making contributions to a political committee in any calendar year in excess of \$5,000, and §431(e) defines a contribution to include a loan. Reports filed by the Republican Party of Virginia (the Party) with the Commission indicate that the Party still owes you \$20,000 for loans you made to it, as well as the fact that in 1977 you contributed \$1,375 to the Party.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days of your receipt of this notification.



78040062318

- 2 -

If you have any questions, contact Suzanne Callahan,
the staff member assigned to this matter (202-523-4166).

Sincerely yours,

William C. Oldaker
General Counsel

78040062319



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. George N. McMath
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471 (77)

Dear Mr. McMath:

On December 21, 1977, the Commission found reason to believe that you may have committed a violation of the Federal Election Campaign Act of 1971, as amended, by contributing in excess of the limits allowed for an individual to a political committee.

In particular, 2 U.S.C. §441a precludes an individual from making contributions to a political committee in any calendar year in excess of \$5,000, and §431(e) defines a contribution to include a loan. Reports filed by the Republican Party of Virginia (the Party) with the Commission indicate that the Party still owes you \$20,000 for loans you made to it, as well as the fact that in 1977 you contributed \$1,375 to the Party.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days of your receipt of this notification.



73040062320

- 2 -

If you have any questions, contact Suzanne Callahan,
the staff member assigned to this matter (202-523-4166).

Sincerely yours,

William C. Oldaker
General Counsel

202-523-4166



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. George N. McMath
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471 (77)

Dear Mr. McMath:

On December 21, 1977, the Commission found reason to believe that you may have committed a violation of the Federal Election Campaign Act of 1971, as amended, by contributing in excess of the limits allowed for an individual to a political committee.

In particular, 2 U.S.C. §441a precludes an individual from making contributions to a political committee in any calendar year in excess of \$5,000, and §431(e) defines a contribution to include a loan. Reports filed by the Republican Party of Virginia (the Party) with the Commission indicate that the Party still owes you \$20,000 for loans you made to it, as well as the fact that in 1977 you contributed \$1,375 to the Party.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days of your receipt of this notification.



- 2 -

If you have any questions, contact Suzanne Callahan,
the staff member assigned to this matter (202-523-4166).

Sincerely yours,

William C. Oldaker
General Counsel

78040062323

78040062324

Mr. George M. McMath
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471

Dear Mr. McMath:

On , 1977, the Commission found reason to believe that you may have committed a violation of the Federal Election Campaign Act of 1971, as amended, by contributing in excess of the limits allowed for an individual to a multi-candidate committee.

In particular, 2 U.S.C. §441a precludes an individual from making political contributions to a multicandidate committee in any calendar year in excess of \$5,000, and §431(e) defines a contribution to include a loan. Reports filed by the Republican Party of Virginia (the Party) with the Commission indicate that the Party still owes you \$20,000 for loans you made to it, as well as the fact that in 1977 you contributed \$1,375 to the Party.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days of your receipt of this notification.

If you have any questions, contact Eugene Callahan,
the staff member assigned to this matter (100-100-115).

Sincerely yours,

William C. Oldaker
General Counsel

78040062325



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. George N. McMath
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471 (77)

Dear Mr. McMath:

On December 21, 1977, the Commission found reason to believe that you may have committed a violation of the Federal Election Campaign Act of 1971, as amended, by contributing in excess of the limits allowed for an individual to a political committee.

In particular, 2 U.S.C. §441a precludes an individual from making contributions to a political committee in any calendar year in excess of \$5,000, and §431(e) defines a contribution to include a loan. Reports filed by the Republican Party of Virginia (the Party) with the Commission indicate that the Party still owes you \$20,000 for loans you made to it, as well as the fact that in 1977 you contributed \$1,375 to the Party.

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The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days of your receipt of this notification.



If you have any questions, contact Suzanne Callahan,
the staff member assigned to this matter (202-523-4166).

Sincerely yours,

William C. Oldaker
General Counsel

78040062327



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. George N. McMath
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471 (77)

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On December 21, 1977, the Commission found reason to believe that you may have committed a violation of the Federal Election Campaign Act of 1971, as amended, by contributing in excess of the limits allowed for an individual to a political committee.

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The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days of your receipt of this notification.



If you have any questions, contact Suzanne Callahan,
the staff member assigned to this matter (202-523-4166).

Sincerely yours,

William C. Oldaker
General Counsel

7 8 0 A 0 0 6 2 3 2 0



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 30, 1977

MEMORANDUM TO: Commissioners

FROM: William Oldaker *W.O.*

SUBJECT: MUR 471 (77)

On December 21, 1977, the Commission approved the Recommendation of the General Counsel to find reason to believe that the Republican Party of Virginia and George N. McMath have violated 2 U.S.C. §441a and that the Dalton for Governor Citizens Committee has violated 2 U.S.C. §433 and §434.

The Commission requested that the notification letter to the Republican Party of Virginia be clarified.

Attached are the notification letters to the respondents in connection with MUR 471, which we are having circulated on a no objection basis.



78040062330



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dorothy B. Meldrum, Treasurer
Republican Party of Virginia
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471 (77)

Dear Ms. Meldrum:

During Commission review of your October 10, 1977 quarterly report, we noticed entries indicating that the Republican Party of Virginia (the Party), may have accepted contributions which exceed the limits set forth in 2 U.S.C. §441a.

In particular, your records indicate an outstanding loan balance of \$20,000 owed to George N. McMath as well as the fact that in 1977 Mr. McMath contributed \$1,375 to the Party. Title Two, §441a of the Federal Election Campaign Act of 1971, as amended, precludes an individual from making contributions to a political committee in any calendar year in excess of \$5,000, and §431(e) defines a contribution to include a loan.

On December 21, 1977, the Commission found reason to believe the Party had accepted and retained contributions in violation of §441a.

The Commission requests that the contributions in excess of \$5,000 which you received, be repaid to the donor.

On November 8, 1977, you were notified that the Commission had reason to believe the Party may have violated 11 CFR 102.6 for accepting contributions from non-federally registered committees which might not be in compliance with the requirements of the Act.

Your response of November 14th does not specifically



7 9 0 4 0 0 6 2 3 3 1

clarify the entries in question. In addition, a review of your October 10, 1977 report indicates that the Party has accepted four additional contributions from non-federally registered committees. The entries in question are enclosed so that a review of your records can be made.

In your response to this notification, please state the original source of the funds given to the Party by the unregistered committees. In your letter of November 14th, you state that the Party has a non-federal account. However, you have not stated whether the funds in question have been removed from the Federal account. Please so state.

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The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, contact Suzanne Callahan, the staff member assigned to this matter (202/523-4166).

Sincerely,

William C. Oldaker
General Counsel

enclosure

Republican Party of Virginia

Republican National Committee
310 First St., SE
Washington, D. C. 20003

7/6/77	3,999.
7/11/77	4,000.
7/29/77	4,000.
8/29/77	4,000.
9/1/77	18,350.
9/19/77	4,000.

53,583.31

Kansas City Delegation Committee
1600 Fidelity Bldg.
Richmond, Va. 23219

7/7/77	483.
--------	------

483.84

Republican Committee of Hanover Co., Va.
614 Ma Donna Rd.
Mechanicsville, Va. 23114

7/22/77	170.
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170.00

Third District Republican Committee
1001 E. Main St., Suite 322
Richmond, Va. 12119

8/9/77	212.
--------	------

212.90

Dalton for Governor Citizens Committee
P. O. Box 25877
Richmond, Va. 23260

9/26/77	2,752.
---------	--------

2,752.65

Subtotal this page 41,969Total this period 41,969

7 6 0 1 0

Full Name, mailing address and ZIP code

Republican Party of Virginia

Full Name, mailing address and ZIP code

Center McLean Republican Women's Club
612 Beverly Avenue
McLean, Va. 22101 (Contribution)
Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$ 50.00

Date (month, day, year)

4/20/77

Amount of each receipt this period

50.00

Full Name, mailing address and ZIP code

Winchester Republican Committee
100 North Avenue
Winchester, Va. 22601
Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$ 1,060.00

Date (month, day, year)

4/26/77

6/20/77

Amount of each receipt this period

1,000.00

60.00

Full Name, mailing address and ZIP code

Republican National Committee
310 First Street, SE
Washington, D. C. 20003
Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$ 15,333.32

Date (month, day, year)

4/29/77

6/6/77

Amount of each receipt this period

2,000.00

4,000.00

Full Name, mailing address and ZIP code

Sixth District Republican Committee
2211 Pommet Drive SW
Roanoke, Va. 24018 (Assessment for Lexington/
Principal place of business

Rockbridge)

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$ 90.00

Date (month, day, year)

4/1/77

Amount of each receipt this period

90.00

Full Name, mailing address and ZIP code

Republican Party of Hampton
32 Deerfield Blvd.
Hampton, Va. 23666
Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$ 540.00

Date (month, day, year)

4/25/77

Amount of each receipt this period

340.00

Full Name, mailing address and ZIP code

Republican Party of Nelson County
C/o Joe Lee McClellan
Livingston, Va. 22949 (\$36.00 sent to 7th Dist. Rep. Com.)
Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$ 102.00

Date (month, day, year)

5/20/77

Amount of each receipt this period

102.00

Subtotal of receipts this page (optional) ▷

\$ 2,642.00

Total this period (last page this line number only) ▷

\$

Republican Party of Virginia

Full Name, mailing address and ZIP code King George County Republican Committee C/o Mrs. Dorothy E. Harrison RFD 1, Box 41, King George, Va. 22485		Date (month, day, year) 6/20/77	Amount of each receipt this period 30.00
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$ 30.00		
Full Name, mailing address and ZIP code Callahan Campaign Committee P.O. Box 697, McLean, Virginia 22101		Date (month, day, year) 6/20/77	Amount of each receipt this period 30.00
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$		
Full Name, mailing address and ZIP code _____		Date (month, day, year)	Amount of each receipt this period
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$		
Full Name, mailing address and ZIP code _____		Date (month, day, year)	Amount of each receipt this period
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$		
Full Name, mailing address and ZIP code _____		Date (month, day, year)	Amount of each receipt this period
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$		
Full Name, mailing address and ZIP code _____		Date (month, day, year)	Amount of each receipt this period
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▷ \$		
Subtotal of receipts this page (optional) ▷		\$	_____
Total this period (last page this line number only) ▷		\$	_____



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. George N. McMath
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471 (77)

Dear Mr. McMath:

On December 21, 1977, the Commission found reason to believe that you may have committed a violation of the Federal Election Campaign Act of 1971, as amended, by contributing in excess of the limits allowed for an individual to a political committee.

In particular, 2 U.S.C. §441a precludes an individual from making contributions to a political committee in any calendar year in excess of \$5,000, and §431(e) defines a contribution to include a loan. Reports filed by the Republican Party of Virginia (the Party) with the Commission indicate that the Party still owes you \$20,000 for loans you made to it, as well as the fact that in 1977 you contributed \$1,375 to the Party.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days of your receipt of this notification.



78040062336

- 2 -

If you have any questions, contact Suzanne Callahan,
the staff member assigned to this matter (202-523-4166).

Sincerely yours,

William C. Oldaker
General Counsel

7 8 0 4 0 0 6 2 3 3 7



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Chairman
Dalton for Governor Citizens
Committee
210 East Main Street
Richmond, Virginia 23219

Re: MUR 471

Dear Mr. Chairman:

On December 21, 1977, the Commission found reason to believe that the Dalton for Governor Citizens Committee may have committed a violation of the Federal Election Campaign Act of 1971, as amended (the Act) for failure to register and file as a Federal committee.

In particular, 2 U.S.C. §431(d) defines "political committee" to mean any committee, club, association or other group of persons which receives contributions or makes expenditures in excess of \$1,000 during a calendar year for the purpose of influencing a Federal election. Reports filed by the Republican Party of Virginia (the Party) with the Commission indicate that the Dalton for Governor Citizens Committee contributed \$2,752 to the Party on September 26, 1977.

The Party supports Federal candidates and is therefore permitted to accept only those contributions allowable under the Act, and in particular, 11 CFR 102.6.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.



- 2 -

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days of your receipt of this notification.

If you have any questions, contact Suzanne Callahan, the staff member assigned to this matter (202-523-4166).

Sincerely yours,

William C. Oldaker
General Counsel

78040062339



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 16, 1977

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwc*
SUBJECT: MUR 471 (77) - First General Counsel's Report
OBJECTION

MUR 471 (77) was circulated to the Commissioners on
December 15, 1977 at 12:30.

Commissioner Aikens has submitted an objection to MUR 471 (77)
thereby placing it on the Executive Session Agenda for Wednesday,
December 21, 1977.

73040062340

December 13, 1977

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 471

Please have the attached 7 Day Report on MUR 471 distributed to the Commission on a 24 hour no objection basis.

Thank you.

78040062341

BEFORE THE FEDERAL ELECTION COMMISSION

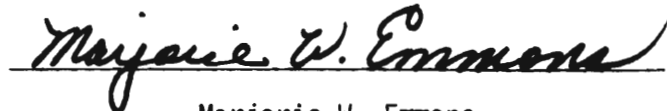
In the Matter of

Dalton for Governor Citizens Committee)
George M. McMath
Republican Party of Virginia)

MUR 471 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on December 21, 1977, the Commission approved the recommendation of the General Counsel to find reason to believe that the Republican Party of Virginia and George N. McMath have violated 2 U.S.C. Section 441a and that the Dalton for Governor Citizens Committee has violated 2 U.S.C. Sections 433 and 434 in the above-captioned matter and to so inform the respondents of these findings.



Marjorie W. Emmons
Secretary to the Commission

78040062342

FEDERAL ELECTION COMMISSION
1325 K Street N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION _____

MUR NO. 471
DATE COMPLAINT RECEIVED
BY OGC 11/15/77

ATTORNEY _____

STAFF MEMBER CALLAHAN

COMPLAINANT'S NAME:

RESPONDENT'S NAME: Dalton for Governor Citizens Committee
George M. McMath
Republican Party of Virginia

RELEVANT STATUTE: 2 U.S.C. §441a, §433, §434

INTERNAL REPORTS CHECKED: Republican Party of Virginia

FEDERAL AGENCIES CHECKED: N/A

SUMMARY OF ALLEGATIONS

This matter was developed by the Disclosure Division after its review of the July 10 and October 10, 1977 quarterly reports of the Republican Party of Virginia (the Party). On November 8, 1977, the Commission, upon Disclosure's recommendation, found reason to believe that the Party had violated 11 CFR 102.6 for accepting contributions from non-federal committees which might not be in compliance with the requirements of the Act.

During Disclosure's review of the Party's October 10 report it was noted that on September 26, 1977 it accepted \$2,752 from the Dalton for Governor Citizens Committee, a group not registered with the Commission. The Party's October 10 report also indicates that additional contributions from non federally registered committees have been accepted.

Party records also indicate that the Party's chairman, George N. McMath, has made a series of loans to the Party from 1974 to the present. In this regard the October 10 report indicates that the Party still owes Mr. McMath \$20,000 for such loans and that, in 1977, Mr. McMath has contributed an aggregate amount of \$1,375 to the Committee.

LEGAL ANALYSIS

As defined by 2 U.S.C. §431(e), a contribution "means a gift, subscription, loan, advance, or deposit of money or anything of value ...". Therefore, both the \$20,000 loan still owed by the Party to McMath, as well as the outright contribution of \$1,375 by McMath to the Party, are contributions under §431(e).

Furthermore, §441a precludes individuals from making contributions in excess of \$5,000 in any calendar year to multicandidate political committees such as the Republican Party of Virginia. Mr. McMath has therefore contributed \$16,375 to the Committee in 1977, in excess of the limit allowed by §441a.

Section 110.9(a) of the Commission Regulations states that "No candidate or political committee shall accept any contribution or make any expenditures in violation of the provisions of Part 110." Therefore, the acceptance of a contribution made in violation of §441a, puts the recipient in violation of this regulation.

As set forth in 11 CFR 102.6(a)(2), political committees supporting candidates for Federal office shall ...

"...(i) Establish a separate Federal campaign committee which shall register as a political committee. The Federal campaign committee shall establish a segregated Federal account in either a national or State bank; or

(ii) Establish a single committee with a single account to make contributions to Federal and non-Federal candidates, but only if all contributions received are permissible under the Act, and all contributors are informed that all contributions are subject to the limitations of §§110.1, 110.2, and 110.5." 1/

On November 14, 1977, the Party responded to the Commission's notification regarding the §102.6 violation. Its response appears to be inadequate in that the Party did not clarify whether the contributions it received were permissible under the Act or whether the contributors were informed that they were subject to the limitations of §§110.1, 110.2, and 110.5.

The Dalton for Governor Citizens Committee was one of the committees cited in the October 10 report and listed as contributing \$2,752 to the committee. As defined by 2 U.S.C. §431(d), the Dalton for Governor Citizens Committee may be a political committee and required to register and file with the Commission according to 2 U.S.C. §433 and §434 for contributing in excess of \$1,000 to the respondent committee.

1/ The Republican Party of Virginia should have notified the Dalton for Governor Citizens Committee of this requirement before accepting the contribution.

7 9 0 4 0 0 6 2 3 4 4

RECOMMENDATION

The Commission should find reason to believe that the Republican Party of Virginia and George N. McMath have violated §441a and that the Dalton for Governor Citizens Committee has violated §433 and §434 and send the attached notifications to the respondents.

78040062345



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Dorothy B. Meldrum, Treasurer
Republican Party of Virginia
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471

Dear Ms. Meldrum:

During Commission review of your 30 Day Post Election Report of 1976 and the April 10 and July 10 quarterly reports of 1977, we noticed entries indicating that the Republican Party of Virginia (the Party) may have accepted contributions which exceed the limits set forth in 2 U.S.C. §441a. We are attaching copies of those portions of your reports for your information.

In particular, your records indicate an outstanding loan balance of \$20,000 owed to George N. McMath. The Act precludes an individual from making political contributions to a multi-candidate committee in any calendar year in excess of \$5,000.

On , 1977, the Commission found reason to believe the Party had accepted and retained contributions in violation of §441a.

The Commission requests that the contributions in excess of \$5,000 which you received, be repaid to the donor.

On November 8, 1977, you were notified that the Commission had reason to believe the Party may have violated 11 CFR 102.6 for accepting contributions from non-federally registered committees which might not be in compliance with the requirements of the Act.



Your response of November 14th does not specifically clarify the entries in question. In addition, a review of your October 10, 1977 report indicates that the Party has accepted four additional contributions from non-registered committees.

The entries in question are enclosed so that a review of your records can be made. Please clarify these entries as part of your response to this notification.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, contact Suzanne Callahan, the staff member assigned to this matter (202-523-4166).

Sincerely yours,

William C. Oldaker
General Counsel

78040062347



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Mr. George M. McMath
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Re: MUR 471

Dear Mr. McMath:

On , 1977, the Commission found reason to believe that you may have committed a violation of the Federal Election Campaign Act of 1971, as amended, by contributing in excess of the limits allowed for an individual to a multi-candidate committee.

In particular, 2 U.S.C. §441a precludes an individual from making political contributions to a multicandidate committee in any calendar year in excess of \$5,000, and §431(e) defines a contribution to include a loan. Reports filed by the Republican Party of Virginia (the Party) with the Commission indicate that the Party still owes you \$20,000 for loans you made to it, as well as the fact that in 1977 you contributed \$1,375 to the Party.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days of your receipt of this notification.



- 2 -

If you have any questions, contact Suzanne Callahan,
the staff member assigned to this matter (202-523-4166).

Sincerely yours,

William C. Oldaker
General Counsel

7 2 2 4 0 0 6



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Chairman
Dalton for Governor Citizens
Committee
210 East Main Street
Richmond, Virginia 23219

Re: MUR 471

Dear Mr. Chairman:

On , 1977, the Commission found reason to believe that the Dalton for Governor Citizens Committee may have committed a violation of the Federal Election Campaign Act of 1971, as amended (the Act) for failure to register and file as a Federal committee.

In particular, 2 U.S.C. §431(d) defines "political committee" to mean any committee, club, association or other group of persons which receives contributions or makes expenditures in excess of \$1,000 during a calendar year for the purpose of influencing a Federal election. Reports filed by the Republican Party of Virginia (the Party) with the Commission indicate that the Dalton for Governor Citizens Committee contributed \$2,752 to the Party on September 26, 1977.

The Party supports Federal candidates and is therefore permitted to accept only those contributions allowable under the Act, and in particular, 11 CFR 102.6.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.



The Commission is under a duty to investigate this matter expeditiously; therefore, your response should be submitted within ten days of your receipt of this notification.

If you have any questions, contact Suzanne Callahan, the staff member assigned to this matter (202-523-4166).

Sincerely yours,

William C. Oldaker
General Counsel

780.40062351

CHRONOLOGICAL LIST OF MCMATH LOANS/CONTRIBUTIONS TO
THE REPUBLICAN PARTY OF VIRGINIA 1974-77

DATE SCHEDULE LOCATION AMOUNT BALANCE NOTES

LOANS AND LOAN REPAYMENTS

11-5-74	E, part 12	76030331457	\$20,000	\$20,000	This category includes loans received and repaid only; does not reflect additional debts such as interest or expenses paid by McMath and reimbursed by the Rep. Party of VA.
2-14-75	A, part 3	-	5,000	25,000	
3-5-75	A, part 3	76030180715	2,000	27,000	
3-14-75	A, part 3	76030180715	3,000	30,000	
4-21-75	C, part 9	76030180723	(10,000)	20,000	
2-11-76	A, line 16	76030241907	10,000	30,000	
6-16-76	B, line 21	76030253569	(15,000)	15,000	
7-23-76	A, line 16	76030364527	1,000	16,000	
7-30-76	A, line 16	76030364527	7,500	23,500*	
9-30-76	A, line 16	76030364527	3,000	26,500	
10-4-76	B, line 22	76030400557	(500)	26,000	*At this point excessive contribution- not including contributions other than unrepaid loans.
11-24-76	B, line 22	76030401128	(1,000)	25,000	
8-10-77	B, line 22	77030602549	(5,000)	20,000	

CONTRIBUTIONS

2-27-75	A, part 1	-	600	25,600	This category comprises the actual donations of McMath to the Rep. Party of VA; 'balance' in this case is combined with the outstanding loan balance given above to provide a more accurate picture of the contribution figure on the day that each contribution was received.
3-21-75	A, part 1	-	600	31,200	
		(note: A-Y-T-D contributions= \$1,200)			

1-5-76	A, line 15	76030241898	75	21,275	*Since excessive amount was not repaid until 8-10-77, '75 and '76 contributions are included in balance.
2-10-76	A, line 15	76030241898	600	21,875	
9-13-76	A, line 15	76030364518	100	24,275	
12-2-76	A, line 15	77030481121	50	25,825	
		(note: A-Y-T-D contributions= \$825)			

1-14-77	A, line 15	77030520683	200	26,025**	*Since excessive amount was not repaid until 8-10-77, '75 and '76 contributions are included in balance.
1-31-77	A, line 15	77030520683	800	26,825	
3-23-77	A, line 15	77030520683	300	27,125	
6-9-77	A, line 15	77030571363	75	27,200	

25269006086



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

10/27

Dorothy B. Meldrum, Treasurer
Republican Party of Virginia
1600 Fidelity Building
Richmond, Virginia 23219

Dear Ms. Meldrum:

This letter is prompted by the Commission's interest in assisting candidates and committees who wish to comply with the Federal Election Campaign Act, (the Act) as amended. During the review of the July 10 Quarterly Report of Receipts and Expenditures filed with the Federal Election Commission, we noticed entries indicating that you may have accepted contributions from non-federal committees which do not comply with the requirement that each committee either:

- "...(i) Establish a separate Federal campaign committee which shall register as a political committee. The Federal campaign committee shall establish a segregated Federal account in either a national or State bank; or
- (ii) Establish a single committee with a single account to make contributions to Federal and non-Federal candidates, but only if all contributions received are permissible under the Act, and all contributors are informed that all contributions are subject to the limitations of §§110.1, 110.2, and 110.5."

The Act prohibits the acceptance of contributions from committees which do not comply with the requirement. A copy of that portion of your report in question is enclosed so that a review of your records can be made.

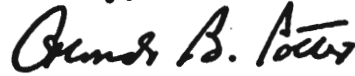
If you find the entries are incomplete or incorrect, please submit a statement which would clarify these particular matters for the public record. You may do so by amending your original report by letter.

Alternatively, if you find you have accepted prohibited contributions, the Commission advises you to return the full amounts to the donors or transfer those funds to an account not used for Federal purposes. These returns or transfers should be reported immediately by letter and should be reflected as expenditures on your next report of receipts and expenditures.



Please notify the Commission within ten (10) days of receipt of this letter of the determination made on these matters. If you have any questions, please do not hesitate to contact Chadwick Gore (800)-424-9530, our Reports Analyst assigned to you. Our local number is 523-4048.

Sincerely,



Orlando B. Potter
Staff Director

Enclosure
Certified Mail:
Return Receipt Requested

78040062334

**Contributions, Ticket Purchases, Loans,
Rebates, and Transfers for Line
Numbers 15, 16, 17 and/or 18 of FEC Form 3**
(See instructions on back)

LINE NUMBER 18D
(Use separate schedule(s) for each
numbered line)

Candidate or Committee in full

Republican Party of Virginia

(July 10 report)

Name, mailing address and ZIP code

Cater McLean Republican Women's Club
12 Beverly Avenue
McLean, Va. 22101 (Contribution)

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$ 50.00

Date (month,
day, year)

4/20/77

Amount of each
receipt this period

50.00

Name, mailing address and ZIP code

Winchester Republican Committee
10 North Avenue
Winchester, Va. 22601

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$ 1,060.00

Date (month,
day, year)

4/26/77

6/20/77

Amount of each
receipt this period

1,000.00

60.00

Name, mailing address and ZIP code

Republican National Committee
10 First Street, SE
Washington, D. C. 20003

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$ 15,333.32

Date (month,
day, year)

4/29/77

6/6/77

Amount of each
receipt this period

2,000.00

4,000.00

Name, mailing address and ZIP code

Sixth District Republican Committee
211 Pommel Drive SW
Roanoke, Va. 24018 (Assessment for Lexington/
Rockbridge)

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$ 90.00

Date (month,
day, year)

4/1/77

Amount of each
receipt this period

90.00

Name, mailing address and ZIP code

Republican Party of Hampton
2 Deerfield Blvd.
Hampton, Va. 23666

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$ 540.00

Date (month,
day, year)

4/25/77

Amount of each
receipt this period

340.00

Name, mailing address and ZIP code

Republican Party of Nelson County
/o Joe Lee McClellan
Lovingston, Va. 22949 (\$36.00 sent to 7th Dist. Rep. Com.)

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▷ \$ 102.00

Date (month,
day, year)

5/20/77

Amount of each
receipt this period

102.00

Total of receipts this page (optional) ▷

\$ 7,642.00

For this period (last page this line number only) ▷

\$

**Itemized Receipts,
Contributions, Ticket Purchases, Loans,
Rebates, and Transfers for Line
Numbers 15, 16, 17 and/or 18 of FEC Form 3**
(see instructions on back)

Page 2 of 2 for

LINE NUMBER 18b

(Use separate schedule(s) for each numbered line)

Commission
Reg. N.W.
Ch. 11C, 20463

Name of Candidate or Committee in full

Republican Party of Virginia

(July 10 report)

Full Name, mailing address and ZIP code King George County Republican Committee C/o Mrs. Dorothy E. Harrison RFD 1, Box 41, King George, Va. 22485		Date (month, day, year) 6/20/77	Amount of each receipt this period 30.00
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$30.00		
Full Name, mailing address and ZIP code Callahan Campaign Committee P.O. Box 697, McLean, Virginia 22101		Date (month, day, year) 6/20/77	Amount of each receipt this period 30.00
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$		
Full Name, mailing address and ZIP code		Date (month, day, year)	Amount of each receipt this period
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$		
Full Name, mailing address and ZIP code		Date (month, day, year)	Amount of each receipt this period
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$		
Full Name, mailing address and ZIP code		Date (month, day, year)	Amount of each receipt this period
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$		
Full Name, mailing address and ZIP code		Date (month, day, year)	Amount of each receipt this period
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$		
Full Name, mailing address and ZIP code		Date (month, day, year)	Amount of each receipt this period
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$		
Subtotal of receipts this page (optional)		▶	\$ 120.00
Total this period (last page this line number only)		▶	\$ 120.00



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

11/24

November 8, 1977

Dorothy Meldrum, Treasurer
Republican Party of Virginia
1600 Fidelity Building
Richmond, Virginia 23219

Dear Ms. Meldrum:

On October 12, 1977, you were notified that certain entries in the July 10 Quarterly Report of Receipts and Expenditures filed by your committee raised problems under 11 C.F.R. 102.6.

As of this date, however, we have received no response from you. Your failure to respond gives the Commission reason to believe that you may have committed a violation of 11 C.F.R. 102.6.

The Commission intends to take no action against you until you have had a reasonable opportunity to respond to this letter. This response should be mailed to the Commission within ten (10) days of receipt of this letter.

If you have responded to the above or you require additional information, please contact Chadwick Gore, our Reports Analyst assigned to you on our toll free number (800)424-9530. Our local number is 523-4048.

Sincerely,

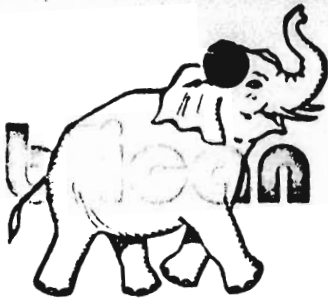
Thomas E. Hand

Commissioner

Certified Mail:
Return Receipt Requested



Republican Party of Virginia



November 14, 1977

George N. McMath, Chairman

1:14

Mr. Chadwick Gore
Federal Election Commission
1325 K. Street, NW
Washington, D. C. 20463

Re: 3SV1/77 - 150

Dear Mr. Gore:

With reference to your letter dated November 8 and to a recent telephone conversation with Mr. McGreevy, the items in question can be explained as follows:

1. Greater McLean Republican Women's Club
This was a contribution made to the State Party from the club's treasury and the money was not raised for any specific candidate or purpose.
2. Winchester Republican Committee/Frederick Co. Rep. Comm.
The \$1000 contribution was erroneously listed as being from the Winchester City Committee, whereas \$500 came from that Committee and \$500 from the Frederick Co. Rep. Comm. The \$500 contributions were made to the State Party and were not raised for any specific candidate or purpose. The \$60 was for fees to a Candidate's School.
3. The Republican Party of Hampton
This was an assessment made prior to 1974 and was paid from the Hampton treasury. The money was not raised for any specific candidate or purpose.
4. Republican Party of Nelson County
This was an assessment made prior to 1974 and was paid from the Nelson treasury. The money was not raised for any specific candidate or purpose.
5. King George County Republican Committee
This was for fees for a Candidate's School, and the money was not raised for any specific candidate or purpose.
6. Callahan Campaign Committee (State office campaigning comm.)
This was for fees for a Candidate's School and was money raised for a state campaign for House of Delegates.

We have opened a set of books to be used exclusively for Federal Candidates. Any contribution or expense made on behalf of Federal Candidates will be properly entered in this set of books.

Yours very truly,

Dorothy B. Meldrum
Treasurer

78040062353

Republican Party of Virginia

(October 10 report)

Republican National Committee
310 First St., SE
Washington, D. C. 20003

7/6/77	3,999.96
7/11/77	4,000.00
7/29/77	4,000.00
8/29/77	4,000.00
9/1/77	18,350.00
9/19/77	4,000.00

53,583.31

Kansas City Delegation Committee
1600 Fidelity Bldg.
Richmond, Va. 23219

7/7/77	483.8
--------	-------

483.84

Republican Committee of Hanover Co., Va.
614 Ma Donna Rd.
Mechanicsville, Va. 23114

7/22/77	170.0
---------	-------

170.00

Third District Republican Committee
1001 E. Main St., Suite 322
Richmond, Va. 12119

8/9/77	212.9
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212.90

Dalton for Governor Citizens Committee
P. O. Box 25877
Richmond, Va. 23260

9/26/77	2,752.6
---------	---------

2,752.65

Subtotal this page 41,969.Total this period 41,969.778040062359
778030602548



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

To: Jarr

MUR 471

A-87

360

assigned a
MUR
assigned to E.S. Callahan.
Brie

MEMORANDUM TO: BILL OLDAKER, GENERAL COUNSEL
THROUGH: BILL LOUGHERY, DEPUTY STAFF DIRECTOR
FROM: IRENE ALLEN/PAM BROWN 11/9/77
PARTY TEAM, DISCLOSURE
SUBJECT: GEORGE MCMATH CONTRIBUTIONS TO THE REPUBLICAN
PARTY OF VIRGINIA

At the request of the Deputy Staff Director, the following matter is being referred to your office. Because our 1977 review of documents initiated a surface violation letter, we will assume that your office will send it out or carry forward the matter. Subsequent to this matter surfacing, a telephone conversation took place between the concerned committee and the Party Team (see attached telecon).

The attached list provides a chronological history of McMath loans outstanding/contributions from 1974 to the present. McMath serves as the State Chairman for the party. Although he does not receive a salary, in that capacity, he does receive money for his expenses. In addition, at various times over the past few years, he has received interest payments for his loans, and the Republican Party of Virginia has often listed his unreimbursed expenses among their debts and obligations. Due to the complexity of this relationship, I have included three lists: first, a list which contains only the loans made by McMath to the Republican Party of Virginia and subsequent loan repayments; second, a list enumerating the donations made by McMath with a combined outstanding loan/contribution balance; and third, a list detailing the various expenditures made by the Republican Party of Virginia to McMath over the same period.

Attachments



78040062360

CHRONOLOGICAL LIST OF MCMATH LOANS/CONTRIBUTIONS TO
THE REPUBLICAN PARTY OF VIRGINIA 1974-77

MICROFILM

DATE	SCHEDULE	LOCATION	AMOUNT	BALANCE	NOTES
------	----------	----------	--------	---------	-------

LOANS AND LOAN REPAYMENTS

11-5-74	E, part 12	76030331457	\$20,000	\$20,000	This category includes loans received and repaid only; does not reflect additional debts such as interest or expenses paid by McMath and reimbursed by the Rep. Party of VA.
2-14-75	A, part 3	-	5,000	25,000	
3-5-75	A, part 3	76030180715	2,000	27,000	
3-14-75	A, part 3	76030180715	3,000	30,000	
4-21-75	C, part 9	76030180723	(10,000)	20,000	
2-11-76	A, line 16	76030241907	10,000	30,000	
6-16-76	B, line 21	76030253569	(15,000)	15,000	
7-23-76	A, line 16	76030364527	1,000	16,000	
7-30-76	A, line 16	76030364527	7,500	23,500*	
9-30-76	A, line 16	76030364527	3,000	26,500	
10-4-76	B, line 22	76030400557	(500)	26,000	*At this point excessive contribution- not including unpaid loans.
11-24-76	B, line 22	76030401128	(1,000)	25,000	
8-10-77	B, line 22	77030602549	(5,000)	20,000	

CONTRIBUTIONS

2-27-75	A, part 1	-	600	25,600	This category comprises the actual donations of McMath to the Rep. Party of VA; 'balance' in this case is combined with the outstanding loan balance given above to provide a more accurate picture of the contribution figure on the day that each contribution was received.
3-21-75	A, part 1	-	600	31,200	
		(note: A-Y-T-D contributions= \$1,200)			
1-5-76	A, line 15	76030241898	75	21,275	**Since excessive amount was not repaid until 8-10-77, '75 and '76 contributions are included in balance.
2-10-76	A, line 15	76030241898	600	21,875	
9-13-76	A, line 15	76030364518	100	24,275	
12-2-76	A, line 15	77030481121	50	25,825	
		(note: A-Y-T-D contributions= \$825)			
1-14-77	A, line 15	77030520683	200	26,025**	
1-31-77	A, line 15	77030520683	800	26,825	
3-23-77	A, line 15	77030520683	300	27,125	
6-9-77	A, line 15	77030571363	75	27,200	

19829004082

CHRONOLOGICAL LIST OF EXPENSES PAID
MCMATH BY THE REPUBLICAN PARTY OF
VIRGINIA 1974-77

DATE	SCHEDULE	MICROFILM LOCATION	AMOUNT
11-30-74-			
12-31-74	E, part 12	-	\$1,296
3-1-75-			
6-30-75	D, part 7	-	1,923
7-1-75-			
9-30-75	D, part 7	-	1,444
10-24-75-			
12-31-75	D, part 7	-	2,217
2-11-76	B, line 20	76030241915	2,453
12-3-76	B, line 20	77030481124	1,811
3-25-77	B, line 20	77030520700	2,199
3-28-77	B, line 20	77030520700	63
4-4-77	B, line 20	77030563958	95
4-8-77	B, line 20	77030563958 (1976)	1,500
5-31-77	B, line 20	77030563958	654
6-23-77	B, line 20	77030563958	344
7-28-77	B, line 20	77030602556	227
8-31-77	B, line 20	77030602556	344
		TOTAL	\$16,570

78040062362

MEMORANDUM: FOR FILES

RE: TELECON

FROM: Dorothy Meldrum, Treasurer to Irene Allen *ja*

DATE: 10/26/77

NAME OF COMMITTEE: Republican Party of Virginia

Ms. Meldrum discussed the possibility that the committee may not be a political committee as defined by the Act. She informed me they do not support Federal candidates.. Their main activity is a convention (which selects candidates), seminars for candidates, and voter registration lists sold to candidates. I instructed Ms. Meldrum to have the committee's legal counsel submit an AOR outlining the activities of the committee and request an opinion regarding their reporting requirements under the Act, as I did not have the authority to make a judgement on this matter because they are a registered reporting committee and their activity may indirectly support Federal candidates.

In addition, we discussed contributor limitations including individual loans. We did not discuss specific individuals and/or loans.

78040062363



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Dorothy B. Meldrum, Treasurer
Republican Party of Virginia
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia 23219

Dear Ms. Meldrum:

This letter is prompted by the Commission's interest in assisting candidates and committees who wish to comply with the Federal Election Campaign Act, (the Act) as amended. During review of the 30 Day Post Election, April 10 Quarterly and July 10 Quarterly Reports of Receipts and Expenditures, we noticed entries indicating that you may have received contributions which exceed the limits set forth in the Act. A copy of that portion of your reports is attached so that a review of your records can be made.

The Act precludes an individual from making political contributions to a multicandidate committee in any calendar year in the excess of \$5,000. Contribution is defined to include "The extension of credit for a length of time beyond normal business or trade practice, unless the creditor has made a commercially reasonable attempt to collect the debt." (11 C.F.R. 100.4(a)(6)).

7 8 0 4 0 0 6 2 3 6 4
must
The Commission recommends that if you find the debts or obligations you reported are contributions in excess of the limits set forth in the Act, you repay the amount in excess of \$5,000 to the donor. This repayment should be reported immediately by letter and should be reflected as a refund or cumulative payment to date on your next report of receipts and expenditures. If you find that the entries in question are incomplete or incorrect, please submit a statement which would clarify these particular matters for the public record. You may do so by amending your original report by letter.

Please notify the Commission within ten (10) days of receipt of this letter of the determination made on these matters. If you have any questions concerning these matters, please do not hesitate to contact Pam Brown (800)424-9530, our Reports Analyst assigned to you. Our local telephone number is (202)523-4048.

Sincerely,

Orlando B. Potter
Staff Director



Certified Mail:

Return Receipt Requested

July C
 176
 Federal Election Commission
 1100 K Street, N.W.
 Washington, D.C. 20043

Debts and Obligations for

Line Numbers 26 and/or 27 of FEC Form 3

Page 2 of 2 for

LINE NUMBER 27

(Use separate schedule(s) for each numbered line)

(See Instructions on back)

Name of Candidate or Committee in full		Amount of Original Debt, Contract, Agreement, or Promise	Cumulative Payment To Date	Outstanding Balance Close of This Period
Republican Party of Virginia				
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
Preferred Lists, Inc. 203 N. Main St. Culpeper, Va. 22701 Mailing Lists	8/31/76 12/31/76	696.84 229.61		926.45
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
Value Engineering Co. 2550 Huntington Ave. Alexandria, Va. 22303 Computer Services	12/31/76 5/31/77 6/28/77	15,000.00 3,233.33 2,441.03	5,000.00	15,674.36
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
George N. McMath C/o Eastern Shore News Accomac, Va. 22301 Laon	11/5/74 2/13/75 3/5/75 4/21/75	20,000.00 5,000.00 2,000.00	10,000.00	
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
	3/14/75 2/11/76 6/16/76 7/23/76	3,000.00 10,000.00 1,000.00	15,000.00	
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
	7/30/76 9/30/76 10/4/76 11/23/76	7,500.00 3,000.00	500.00 1,000.00	25,000.00
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
Subtotals this period this page (optional) ▶		\$ 73,100.81	\$ 31,500.00	\$ 41,600.81
Total this period (last page this line number only) ▶		\$ 108,631.45	\$ 39,844.15	\$ 68,787.30
Carry outstanding balance only, to appropriate line of summary.				

Schedule A

July 1976

Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

**Itemized Receipts,
Contributions, Ticket Purchases, Loans,
Rebates, and Transfers for Line
Numbers 15, 16, 17 and/or 18 of FEC Form 3**

(See instructions on back)

of 13 for

LINE NUMBER 15

(Use separate schedule(s) for each
numbered line)

Name of Candidate or Committee in full

Republican Party of Virginia

Full Name, mailing address and ZIP code

Mr. & Mrs. Lucius J. Kellam
Belle Haven
Va. 23306Date (month,
day, year)

7/14/76

Amount of each
receipt this period

25.00

9/30/76

500.00

Principal place of business

Kellam Distributing Co.
Belle Haven, Va.

Occupation

Oil dealer

☒ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$

Full Name, mailing address and ZIP code

Dr. Edwin L. Kendig, Jr.
5801 Bremono Rd.
Richmond, Va. 23226Date (month,
day, year)

8/10/76

Amount of each
receipt this period

100.00

9/30/76

100.00

Principal place of business

5801 Bremono Rd.
Richmond, Va. 23226

Occupation

Physician

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 200.00

Full Name, mailing address and ZIP code

Maj. Helen King
228 Monticello Ave., Apt. 11
Williamsburg, Va. 23185Date (month,
day, year)

9/1/76

Amount of each
receipt this period

25.00

9/13/76

10.00

Principal place of business

Occupation

Retired

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 235.00

Full Name, mailing address and ZIP code

Mr. & Mrs. Homer Long, Jr.

Date (month,
day, year)

9/7/76

Amount of each
receipt this period

50.00

Rt. 3, Box 20, Edinburg, Va. 22824

Principal place of business

Occupation

Turkey Breeders

☒ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 175.00

Full Name, mailing address and ZIP code

George N. McMath

Date (month,
day, year)

9/13/76

Amount of each
receipt this period

100.00

Onley, Va. 23418

Principal place of business

Occupation

Owner & Publisher

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 775.00

Full Name, mailing address and ZIP code

J. D. Marsh

Date (month,
day, year)

8/27/76

Amount of each
receipt this period

100.00

6305 Catharpin Rd.

Principal place of business

Occupation

Owner

☒ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$1,000.00

Gainesville, Va. 22065

Marsh Thoroughbred Farm

Gainesville, Va. 22065

Subtotal of receipts this page (optional) ▶ \$1,000.00

Total this period (last page this line number only) ▶ \$

Itemized Receipts,
Contributions, Ticket Purchases, Loans,
Rebates, and Transfers for Line
Numbers 15, 16, 17 and/or 18 of FEC Form 3
(see instructions on back)

Page 1 of 2 for
LINE NUMBER 15a
(Use separate schedule(s) for each
numbered line)

Name of Candidate or Committee in full

Republican Party of Virginia

Full Name, mailing address and ZIP code

Ridgeway B. Espy, Jr.
861 Canal Drive
McLean, Virginia 22101

Date (month,
day, year)

12/14/76

Amount of each
receipt this period

100.00

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 125.00

Full Name, mailing address and ZIP code

Dr. R. P. Lumpkin
8414 Yolanda Road
Richmond, Va. 23229

Date (month,
day, year)

12/2/76

Amount of each
receipt this period

\$ 25.00

Principal place of business

Occupation

Medical Doctor

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 170.00

Full Name, mailing address and ZIP code

George N. McMath
Onley
Va. 23418

Date (month,
day, year)

12/2/76

Amount of each
receipt this period

\$ 50.00

Principal place of business

Occupation

Newspaper Publisher

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 825.00

Full Name, mailing address and ZIP code

Date (month,
day, year)

Amount of each
receipt this period

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$

Full Name, mailing address and ZIP code

Date (month,
day, year)

Amount of each
receipt this period

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$

Full Name, mailing address and ZIP code

Date (month,
day, year)

Amount of each
receipt this period

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$

Subtotal of receipts this page (optional) ▶ \$

Total this period (last page this line number only) ▶ \$

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

Dorothy B. Meldrum, Treasurer
Republican Party of Virginia
9th & Main Streets
1600 Fidelity Building
Richmond, Virginia

POSTAGE AND FEES PAID



89229004082

Line No. 26

Republican Party of Virginia

Value Engineering Co.	12/31/76	15,000.00	5,000.00	
2550 Huntington Ave.	7/14/77	784.65		
Alexandria, Va. 22303	7/26/77	2,168.96		
Computer services	8/5/77	423.00		
	8/29/77	4,178.82		
	9/30/77	935.27		
	9/30/77	5,223.01		23,713.71
 Xerox Corp.	7/27/77	186.69		
P. O. Box 8500 K-145	8/11/87	44.74		
Philadelphia, Pa. 19178	8/29/77	197.71		
Copier rental & supplies	9/12/77	220.33		649.41
 George N. McMath	11/5/74	20,000.00		
C/o Eastern Shore News	2/13/75	5,000.00		
Accomac, Va. 22301	3/5/75	2,000.00		
Loan	4/21/75		10,000.00	
	3/14/75	3,000.00		
	2/11/76	10,000.00		
	6/16/76		15,000.00	
	7/23/76	1,000.00		
	7/30/76	7,500.00		
	9/30/76	3,000.00		
	10/4/76		500.00	
	11/23/76		1,000.00	
	8/10/77		5,000.00	20,000.00

Subtotal this page 44,363.18Total this period 78,130.47

7 8 0 4 0 0 6 2 3 6 7
7 7 0 3 0 6 0 2 5 6 7

Republican Party of Virginia

Value Engineering Co.	12/31/76	15,000.00	5,000.00	
2550 Huntington Ave.	7/14/77	784.65		
Alexandria, Va. 22303	7/26/77	2,168.96		
Computer services	8/5/77	423.00		
	8/29/77	4,178.82		
	9/30/77	935.27		
	9/30/77	5,223.01		23,713.7
 Xerox Corp.	7/27/77	186.69		
P. O. Box 8500 K-145	8/11/87	44.74		
Philadelphia, Pa. 19178	8/29/77	197.71		
Copier rental & supplies	9/12/77	220.33		649.4
 George N. McMath	11/5/74	20,000.00		
C/o Eastern Shore News	2/13/75	5,000.00		
Accomac, Va. 22301	3/5/75	2,000.00		
Loan	4/21/75		10,000.00	
	3/14/75	3,000.00		
	2/11/76	10,000.00		
	6/16/76		15,000.00	
	7/23/76	1,000.00		
	7/30/76	7,500.00		
	9/30/76	3,000.00		
	10/4/76		500.00	
	11/23/76		1,000.00	
	8/10/77		5,000.00	20,000.

Subtotal this page 44,363.18Total this period 78,130.47

7 8 0 4 0 0 6 2 3 7 0
7 7 0 3 3 6 0 2 5 6 7

DISCLOSURE DIVISION
TRANSMITTAL TO WORD PROCESSING

- ☒ 1ST NOTICE SURFACE VIOLATION (CHECK LETTER CODE)
☐ 2ND NOTICE SURFACE VIOLATION (CHECK APPENDIX)
☐ 3RD NOTICE SURFACE VIOLATION (CHECK APPENDIX)

1. GEORGE N. Mc MATH
(full name of committee making the contribution)

(address)

ONLEY, VA 23418
(city, state, zip)

NO letter

DOROTHY B. MELDRUM
(treasurer, if given)

TYPE OF REPORT: 30D, Q1, Q2

DATE RESPONSE WAS RECEIVED (IF APPLICABLE):

TEAM ANALYST: GOBE, CHADWICK R. 441a (a)(1)(c)
REF 431 (e)(1)

ATTACH TWO COPIES OF ENTRIES IN
QUESTION, HIGHLIGHTED IN YELLOW

LETTER CODE:

CODED BY: CG3

DATE: SEP 6 1977

SV#

☐ APPENDIX XII

☐ APPENDIX XII(R)

☐ APPENDIX XII(NR)

2. REPUBLICAN PARTY OF VIRGINIA
(full name of committee receiving the contribution)

9th & Main Streets, 1600 Fidelity Building
(address)

RICHMOND, VIRGINIA
(city, state, zip)

DOROTHY B. MELDRUM
(treasurer, if given)

TYPE OF REPORTS ~~30D, Q1, Q2~~ 30D, Post Election April 10 and July 10

DATE RESPONSE WAS RECEIVED (IF APPLICABLE):

TEAM ANALYST: ~~CHADWICK R. Gore~~ CHADWICK R. Gore 441a (a)(1)(c) ref 431 (e)(1)

ATTACH TWO COPIES OF ENTRIES IN
QUESTION, HIGHLIGHTED IN YELLOW

LETTER CODE: L(8)(P)

CODED BY: CG3

DATE: 9/6/77

SV# 3SVI/77-148

☐ APPENDIX XII

☐ APPENDIX XII(R)

☐ APPENDIX XII(NR)

78040062371

July 1976
Federal Election Commission
11 K Street, N.W.
Washington, D.C. 20463

Debts and Obligations for Line Numbers 26 and/or 27 of FEC Form 3

Page 2 of 2 for

LINE NUMBER 27

(Use separate schedule(s) for each numbered line)

(See Instructions on back)

Name of Candidate or Committee in full		Amount of Original Debt, Contract, Agreement, or Promise	Cumulative Payment To Date	Outstanding Balance Close of This Period
Republican Party of Virginia				
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
Preferred Lists, Inc. 203 N. Main St. Culpeper, Va. 22701 Mailing Lists	8/31/76 12/31/76	696.84 229.61		926.45
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
Value Engineering Co. 2550 Huntington Ave. Alexandria, Va. 22303 Computer Services	12/31/76 5/31/77 6/28/77	15,000.00 3,233.33 2,441.03	5,000.00	15,674.36
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
George N. McMath C/o Eastern Shore News Accomac, Va. 22301 Laon	11/5/74 2/13/75 3/5/75 4/21/75	20,000.00 5,000.00 2,000.00	10,000.00	
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
	3/14/75 2/11/76 6/16/76 7/23/76	3,000.00 10,000.00 1,000.00	15,000.00	15,000.00
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
	7/30/76 9/30/76 10/4/76 11/23/76	7,500.00 3,000.00	500.00 1,000.00	25,000.00
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
Full Name, mailing address and ZIP code, and nature of obligation	Date (month, day, year)	\$	\$	\$
Subtotals this period this page (optional) ▶		\$ 73,100.81	\$ 31,500.00	\$ 41,600.81
Total this period (last page this line number only) ▶		\$ 108,103.45	\$ 39,844.15	\$ 68,259.30
Carry outstanding balance only, to appropriate line of summary.				

Schedule A

July 1976

Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463Itemized Receipts,
Contributions, Ticket Purchases, Loans,
Rebates, and Transfers for Line
Numbers 15, 16, 17 and/or 18 of FEC Form 3
(see instructions on back)of 13 for
LINE NUMBER 15(Use separate schedule(s) for each
numbered line)

Name of Candidate or Committee in full		Date (month, day, year)	Amount of each receipt this period
Republican Party of Virginia			
Full Name, mailing address and ZIP code Mr. & Mrs. Lucius J. Kellam Belle Haven Va. 23306		7/14/76 9/30/76	25.00 500.00
Principal place of business Kellam Distributing Co. Belle Haven, Va.	Occupation Oil dealer ☒ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$		
Full Name, mailing address and ZIP code Dr. Edwin L. Kendig, Jr. 5801 Bremono Rd. Richmond, Va. 23226		8/10/76 9/30/76	100.00 100.00
Principal place of business 5801 Bremono Rd. Richmond, Va. 23226	Occupation Physician ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 200.00		
Full Name, mailing address and ZIP code Maj. Helen King 228 Monticello Ave., Apt. 11 Williamsburg, Va. 23185		9/1/76 9/13/76	25.00 10.00
Principal place of business	Occupation Retired ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 235.00		
Full Name, mailing address and ZIP code Mr. & Mrs. Homer Long, Jr. Rt. 3, Box 20, Edinburg, Va. 22824		9/7/76	50.00
Principal place of business Edinburg, Va. 22824	Occupation Turkey Breeders ☒ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 175.00		
Full Name, mailing address and ZIP code George N. McMath Onley, Va. 23418		9/13/76	100.00
Principal place of business The Eastern Shore News Onley, Va. 23418	Occupation Owner & Publisher ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$ 775.00		
Full Name, mailing address and ZIP code J. D. Marsh 6305 Catharpin Rd. Gainesville, Va. 22065		8/27/76	100.00
Principal place of business Marsh Thoroughbred Farm Gainesville, Va. 22065	Occupation Owner ☒ Check if Contributor is self-employed Aggregate Year-to-date ▶ \$1,000.00		
Subtotal of receipts this page (optional)		▶	\$1,910.00
Total this period (last page this line number only)		▶	\$

Itemized Receipts,
Contributions, Ticket Purchases, Loans,
Rebates, and Transfers for Line
Numbers 15, 16, 17 and/or 18 of FEC Form 3
(see instructions on back)

Page 1 of 2 for
LINE NUMBER 15a
(Use separate schedule(s) for each
numbered line)

Name of Candidate or Committee in full

Republican Party of Virginia

Full Name, mailing address and ZIP code

Ridgeway B. Espy, Jr.
861 Canal Drive
McLean, Virginia 22101

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 125.00

Date (month,
day, year)
12/14/76

Amount of each
receipt this period
100.00

Full Name, mailing address and ZIP code

Dr. R. P. Lumpkin
8414 Yolanda Road
Richmond, Va. 23229

Principal place of business

Occupation

Medical Doctor

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 170.00

Date (month,
day, year)
12/2/76

Amount of each
receipt this period
\$ 25.00

Full Name, mailing address and ZIP code

George N. McMath
Onley
Va. 23418

Principal place of business

Occupation

Newspaper Publisher

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$ 825.00

Date (month,
day, year)
12/2/76

Amount of each
receipt this period
\$ 50.00

Full Name, mailing address and ZIP code

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$

Date (month,
day, year)

Amount of each
receipt this period

Full Name, mailing address and ZIP code

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$

Date (month,
day, year)

Amount of each
receipt this period

Full Name, mailing address and ZIP code

Principal place of business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-to-date ▶ \$

Date (month,
day, year)

Amount of each
receipt this period

Subtotal of receipts this page (optional) ▶ \$

Total this period (last page this line number only) ▶ \$



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 471

