



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 4, 1998

ADVANCE COPY VIA FACSIMILE (609-695-0697)

Dorothy A. Harbeck, Esq.
Graham, Curtis & Sheridan
50 West State Street, Suite 1008
Trenton, NJ 08608

RE: MUR 4719
New Jersey Republican State
Committee and H. George
Buckwald, as Treasurer

Dear Ms. Harbeck :

This acknowledges receipt of your letter dated July 30, 1998, which you characterized as respondents' "response to the General Counsel's June 11, 1998 correspondence alleging that there is a reason to believe that the [respondents] used impermissible ratios to allocate administrative and generic voter drive expenses for shared federal and nonfederal activities in 1996." However, that characterization does not accurately describe the June 11, 1998 correspondence.

By letter dated June 11, 1998, the Chairman of the Federal Election Commission, not this Office, notified your firm that the Commission had found reason to believe your clients violated 2 U.S.C. §§ 441a and 441b of the Federal Election Act of 1971, as amended ("the Act"), and Commission regulations 11 C.F.R. §§ 102.5(a)(1)(i) and 106.5(g)(1)(i). The Factual and Legal Analysis, which formed a basis for the Commission's finding, was attached. We note that the Commission's finding, as discussed therein, applied to activities in both 1995 and 1996. In that same letter, your firm also was notified that the Commission decided to offer to enter into negotiations directed toward reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. A conciliation agreement approved by the Commission was enclosed.

As you know, your firm received two extensions to respond to the Commission's reason to believe finding and its offer to enter into conciliation negotiations. Your response dated July 30, 1998, however, contains basically the same information and contentions as your firm's

November 5, 1997 response to the Complaint in this matter. As the Factual and Legal Analysis provided to you shows, every point addressed in your November 5, 1997 letter was considered by the Commission in making its reason to believe finding. Your July 30, 1998 letter did refer to a Commission advisory opinion not previously cited. However, we note that the quoted language which you attribute to the Commission in AO 1997-21 was in fact an excerpt from the requester's counsel's letter, and that the Commission's conclusions were based on other grounds which are not relevant to your clients. As your July 30, 1998 response adds nothing to the record that was previously before the Commission when it made its reason to believe finding, there appear to be insufficient grounds for this Office to advise the Commission, as you requested, that the Commission dismiss the Complaint in this matter.

The 30 day period for pre-probable cause conciliation has elapsed. It appears that your clients are not interested in resolving this matter by conciliation at this time. Unless we receive a response to the conciliation agreement enclosed with the June 11, 1998 correspondence within 5 days of your receipt of this letter, this matter will proceed to the next step of the enforcement process.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script, reading "Susan L. Lebeaux".

Susan L. Lebeaux
Attorney