

National Republican Senatorial Committee

SENATOR MITCH McCONNELL
CHAIRMAN

STEVEN J. LAW
EXECUTIVE DIRECTOR

December 23, 1998

Commissioners
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

RE: Response to MUR 4827

Dear Commissioners:

Pursuant to 2 U.S.C. §437g(a)(1) this response is made on behalf of the National Republican Senatorial Committee ("NRSC"), Campbell Victory Committee ("campaign"), Stuart D. Roy and Senator Ben Nighthorse Campbell to the Colorado Democratic Party's complaint numbered MUR 4827. Each respondent to this complaint has personal knowledge of all facts and circumstances related to this matter.

FACTS

Mr. Stuart Roy was hired as the Deputy Communications Director for the NRSC on March 1, 1997. His duties included communications with the media on behalf of the NRSC. Further, as is the function of the NRSC, Mr. Roy worked with candidates and committees on various communication strategies. This is

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done from the NRSC's offices as well as by traveling to the various campaigns. All of these communications serve a legitimate NRSC function.

On March 6th, 1998 Mr. Roy was hired by the Campbell Victory Fund as campaign manager. It was intended that Mr. Roy would continue in his position with the NRSC through the end of March and that his position with the campaign would be effective April 1, 1998.

On March 10th, 1998 Mr. Roy traveled to Colorado on behalf of the NRSC. This trip was scheduled prior to his being hired by the campaign. While in Colorado Mr. Roy worked on behalf of the NRSC but also did some work on behalf of the campaign. On March 23rd Mr. Roy returned to the NRSC to wrap up his duties as Deputy Communications Director. Mr. Roy held his exit interview with the NRSC on March 27, 1998. Following his exit interview, Mr. Roy moved to Colorado to assume his duties as campaign manager effective April 1st.

The NRSC paid Mr. Roy his full salary through the month of March. The NRSC makes payroll disbursements on the 15th and 31st of each month for the 1st-15th, 16-31st respectively. The NRSC's March FEC report correctly itemized the payroll disbursements to

Mr. Roy. The Campbell Victory Fund also makes payroll disbursements on the 15th and the 31st of each month. Thus, for Mr. Roy's services to the campaign from April 1st-15th, he was paid on the 15th of April. The campaign's April FEC report correctly itemized the payroll disbursements to Mr. Roy.

The Campbell Victory Fund also appropriately reported a reimbursement to Mr. Roy \$342.00 on March 21, 1998. This reimbursement was for travel expenses related to a campaign trip to Durango while he was in Colorado.

LAW & ANALYSIS

Although the complaint does not specifically refer to any statute or regulation, the statute defines a contribution to include "(i) any gift, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office; or (ii) the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose." 2 U.S.C. §431(8) (A).

The FEC has stated that "occasional visits by party committee field staff [to] assess the progress and viability of

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campaigns is a routine function of national party committees. Field operations provide the committees necessary firsthand information from which to identify opportunities for contributions and coordinated expenditures, as well as the ability to oversee the actual making of such party expenditures. These visits may include communicating information about party efforts nationally and providing advice based upon national research and experience, but such generalized consultations are not allocable contributions." Statement of Reasons, MUR 3218, May 23, 1991.

Thus, the pre-arranged visit by Mr. Roy on behalf of the NRSC served a valuable, and permissible, function for the NRSC. As the FEC has recognized, working relationships between the NRSC and the Republican candidates for United States Senate are critical. What can be accomplished by fax, phone and e-mail is no substitute for on the ground work. This is precisely the reason the NRSC chose to send Mr. Roy to the Campbell campaign in March of 1998.

As the Commission well knows, things happen (or need to happen) very fast in political campaigns. It is important for party field staff to quickly and accurately assess the needs of political campaigns. This was certainly the case in Mr. Roy's

initial visits to the Campbell campaign. While he was in Colorado, Mr. Roy certainly engaged in the type routine, generalized consulting the Commission has found to be non-allocable party building expenses. This included extensive visits with campaign personnel and the state party. And as we previously stated, this visit had been scheduled long before it was decided and announced that Mr. Roy was to become the Campbell campaign's manager.

But, in order to remove any doubt and resolve this issue as expeditiously as possible, the Campbell campaign has reimbursed the NRSC for Mr. Roy's salary, \$2,083.33, payroll taxes of \$749.27, and health benefits, \$148.68, for the period March 15th-31st. The total reimbursement was \$2,981.28. This will be disclosed on each committee's year end report. At no time was it intended that Mr. Roy would become a campaign employee prior to March 31st. However, once he accepted the job, the campaign occupied a portion of his time prior to his official start date of April 1st, 1998. By treating the entire amount as an expense of the campaign this more than covers any work done by Mr. Roy on behalf of the campaign during the balance of the month of March.

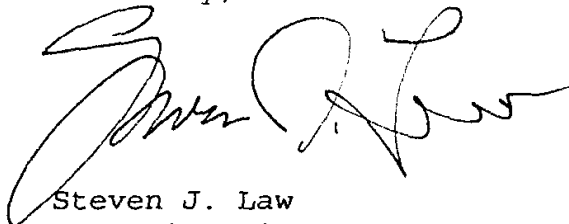
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While we do not concede that this was in fact an expenditure on behalf of the campaign by the NRSC, in the interest of resolving this dispute with the greatest efficiency of time and resources the committees have agreed to make the reimbursements outlined above. Further, as the NRSC did not expend the full amount of the coordinated spending authority in Colorado, no violation of the expenditure limits could have occurred.

10-23-74

We trust that this will conclude the investigation of this matter and that the FEC will take no further action related to this complaint.

Sincerely,

A handwritten signature in dark ink, appearing to read "Steven J. Law". The signature is fluid and cursive, with the first name "Steven" being more prominent.

Steven J. Law
Executive Director, NRSC

and

A handwritten signature in dark ink, appearing to read "Stuart Roy". The signature is more compact and stylized than the one above, with a large initial "S" and "R".

Stuart Roy

On behalf of himself, Campbell Victory
Fund and Senator Ben Nighthorse
Campbell

99-04-391-3695

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CAMPBELL VICTORY FUND
NINETY EIGHT GENERAL ACCOUNT
P O BOX 480166 (303) 757-8611
DENVER, CO 80248-0166

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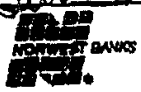
DATE 21 Dec 98

PAY
TO THE
ORDER OF

National Republican Senatorial Committee

\$ 2,981²⁸

Two thousand nine hundred eighty-one dollars + 28/100 - DOLLARS



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Virginia Korbak

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