



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 19, 1999

Mr. Brian Lewis, Deputy General Counsel
National Republican Senatorial Committee
425 Second Street, NE
Washington, D.C. 20002

RE: MUR 4827

Stuart D. Roy; The Honorable Ben Nighthorse Campbell; Campbell Victory Fund;
Aaron L. Clark, Treasurer; National Republican Senatorial Committee; and Stan
Huckaby, Treasurer

Dear Mr. Lewis:

On October 27, 1998, the Federal Election Commission notified your clients of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against your clients. See attached narrative. Accordingly, the Commission closed its file in this matter on May 19, 1999.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Jennifer H. Boyt on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Andrew Turley".

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

99-04-391-3706

MUR 4827

NATIONAL REPUBLICAN SENATORIAL COMMITTEE

The Colorado Democratic Party alleges that the National Republican Senatorial Committee ("NRSC") made a series of excessive and unlawful in-kind contributions to the Campbell Victory Fund ("CVF"). The primary allegation is that CVF hired NRSC staffer Stuart Roy as campaign manager on March 6, 1998, but the NRSC continued to pay Roy's salary and some travel expenses until April 15, 1998. The complainant maintains that CVF's failure to pay Roy for the period March 6, 1998 to April 15, 1998 constituted an in-kind contribution of services valued at \$10,000, the fair value of Roy's services during this period, that were allegedly not reported by CVF. It also maintains that the NRSC had paid Roy over \$3,000 during this same period (\$1,000 of which was in non-federal funds) that were not reported as contributions to CVF. The Colorado Democratic party contends that NRSC made, and CVF accepted, contributions in excess of the contribution limits from a national party committee to a federal candidate committee, since the NRSC disbursed a total of \$30,418.86 to or on behalf of CVF, including the payments to Roy, between June 30, 1997 and July 31, 1998. Ben Nighthorse Campbell won the 1998 General election for Colorado's Senate seat by 62% to Dottie Lamm's 35%.

The NRSC, CVF and Roy respond jointly. They maintain that Roy was employed by NRSC from March 1, 1997 to March 27, 1998, and did not begin to work for CVF until April 1, 1998. Respondents state that Roy traveled to Colorado on NRSC business on March 10, 1998 before winding up his responsibilities to NRSC later in the month. While in Colorado, Roy reportedly worked primarily on behalf of NRSC, but also did some work for CVF. NRSC states that it paid Roy's full salary through March, 1998, and itemized the payments on its March FEC report; CVF then began to pay Roy's salary in April, and itemized the payments on its own FEC reports. Though the parties deny any wrongdoing, they advised that CVF reimbursed the NRSC for Roy's salary, payroll taxes, and health benefits (totaling \$2,981.28) for the period March 13-31, 1998 to "remove any doubt" about the propriety of these payments. Respondents lastly deny, based on its analysis summarized above, that NRSC expended the full amount of the coordinated spending authority applicable to the Colorado race.

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