House Managers PAC

Defending the Constitution and the Rule of Law

RECEIVED
FEC MAIL ROOM
2000 DEC 13 P 1:30

December 12, 2000

Alva E. Smith, Esq.
Office of General Counsel
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 5142 (House Managers PAC)

Dear Ms. Smith:

I submit the following in response to the Federal Election Commission's notification filed against the House Managers PAC and me, as treasurer, alleging violations of the Federal Election Campaign Act of 1971, as amended:

- On June 4, 2000, the House Managers PAC (hereinafter "HMPAC") entered into a contract with American Target Advertising, Inc. (hereinafter "ATA"), of 9625 Surveyor Court, Suite 400, Manassas, VA 20110. HMPAC retained ATA for the purpose of fund raising via direct mail. ATA sent a direct mail solicitation using Rep. Bob Barr's name to a list generated, managed, and/or obtained solely by ATA.
- HMPAC neither provided ATA with names and addresses, nor was aware as to the origin from whence the data used in the mailing came.
- The HMPAC requested a letter from ATA detailing the origins of the names used in behalf of HMPAC to provide the FEC with further evidence absolving HMPAC from wrongdoing and to provide a path detailing receipt of the name and address in question, Mr. Tery Spataro.
    - Our request to ATA was denied.

Therefore, the House Managers PAC and I, as treasurer, held no involvement in generating or maintaining Mr. Tery Spataro's name and address for the purpose of sending the unsolicited mailing in question. Further, had HMPAC been provided by ATA with the 1.2 million names and addresses used in HMPAC's behalf, we would have had no way of determining the validity and legal obtainment of each address.

Based this committee's findings, as treasurer, I request to that no action be taken against the House Managers Political Action Committee. If necessary, I seek consideration to have this matter resolved according to the Alternative Dispute Resolution (ADR) program. Attached, is a signed commitment to submit the matter to the ADR program.

Sincerely,

Gregory D. Roney
Treasurer, House Managers PAC

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
DEC 13 2 35 PM '00

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Enclosures:
1. Signed copies of MOU's between ATA and HMPAC
2. ADR Commitment Statement

21 '04 '05 04:07 PM

AMERICAN TARGET ADVERTISING, INC.

9625 Surveyor Court, Suite 400
Manassas, VA 20110

Telephone (703) 392-7676 - Fax (703) 335-5092

FAX TRANSMITTAL SHEET

TO: GREG ROONEY/DIRECTOR & TREASURER
HOUSE PAC COMMITTEE

FAX#:

FROM: KAREN RILEY FOR BEN HART

DATE: 5/17/00

PAGES BEING FAXED (INCLUDING THIS PAGE): 6

ATTACHED IS THE LETTER FROM BEN HART, THE CONTRACT AND AN ARTICLE BY DICK MORRIS. THE ABOVE PACKAGE IS BEING FEDERAL EXPRESSED TO YOU FOR ARRIVAL THURSDAY AM.

21 "404 "505 "0730

AMERICAN TARGET ADVERTISING, INC.
9625 Surveyor Court, Suite 400 • Manassas, Virginia 20110
(703) 392-7676 • Fax (703) 392-7654

May 17, 2000

Mr. Greg Roney
Director & Treasurer/
House PAC Committee
611 Pennsylvania Avenue, SE
Suite 360
Washington, DC 20003

Dear Greg,

Enclosed you will find a direct mail fundraising contract. We've tried to make it as simple as possible so we can get started immediately.

As I mentioned to you on the phone the other day, you are getting a very late start. It would have been far better to begin this program six months ago.

Nevertheless, I believe we can still raise a significant amount of money for the House Managers PAC. While we can make no guarantees, I expect we will be able to raise about $750,000 net dollars for the PAC if we start immediately.

If we had started six months ago, we surely could have raised upwards of $2,000,000 in net dollars for you.

Most of your net income will come in the final two months because it will take us some time to build a list of donors to the PAC.

As you probably know, it's rare to raise net dollars in the donor acquisition (or prospecting) phase of the program. Net money is generated by mailing to your "housefile" (those people who have already contributed at least once to the PAC).

So it will take us at least 90 days to build your housefile.

But the net income should start rolling into the PAC in the final eight weeks. I've attached an article by Dick Morris on our direct mail program for Giuliani which explains the process well.

If we're to achieve our goal of delivering $750,000 in net income into the PAC, we'll need to start today. Every day that passes means less money for the PAC.

21 "04 "405 "0740

If the agreement meets with your approval, please have it signed and faxed back to me as quickly as possible. Feel free to call me at ATA with any questions you might have.

My fax number is: (703) 392-7654.

Sincerely,

Ben

Ben Hart
President

Enclosures

T-CR.504.40.T2

MEMORANDUM OF AGREEME

This Memorandum shall constitute an agreement between American Target Advertising, Inc. (hereinafter "ATA") and the House Managers Political Action Committee (hereinafter the "Committee").

The Committee hereby retains ATA to provide fundraising services on a non-exclusive basis. ATA will write and design all packages hereunder, and will secure all production services. ATA will select lists and coordinate mail dates. ATA will send to the Committee letter copy and a mail plan for the number of pieces to be mailed, the approximate costs of the package and the approximate dates for the package to be mailed (the "Mail Plan"). The Committee shall review the Mail Plan, and if it approves the Mail Plan, shall fax signed approval of the letter copy and the Mail Plan to ATA. Once the Committee has approved the Mail Plan, payments from the Escrow (as described below) shall be made without further need of approval by the Committee.

The Committee shall pay ATA (1) $4,000 for each prospect and/or housefile package written, produced and mailed hereunder, and (2) $1,500 for each "thank-you" package produced and mailed hereunder. Additionally, for each prospect letter the Committee shall pay ATA a fee of forty cents ($.40), which covers all costs of creative, production, printing, lettershop and data processing (i.e., all costs of getting the letters to the post office except postage and back-end expenses). All costs for creation and production of the packages shall be paid by ATA out of the forty cents. The Committee will pay postage and back-end costs for prospect letters mailed hereunder. Housefile pricing will be submitted to the Committee for approval on a mailing-by-mailing basis.

The Committee shall pay all such costs only out of funds raised by the program. All vendor and back-end services (to include caging and escrow) provided hereunder by ATA and third parties shall be billed to the Committee care of ATA.

The Committee and ATA shall select a mutually agreed upon independent cager and escrow agent (the "Escrow Agent) who shall through a post office lock box established in the Committee's name retrieve responses, cage and deposit funds into an escrow account (the "Escrow Account") from communications under this Agreement. The Escrow Agent shall provide daily reports about the responses to ATA and the Committee.

The Escrow Agent shall disburse funds at least once per week in the manner herein described. The Escrow Agent shall first disburse funds to repay funds advanced, then to all vendors and suppliers, including ATA, per a weekly (or more frequent) disbursement sheet prepared by ATA. After payment of all such invoices, all money in excess of $50,000 in the Escrow Account shall be paid to the Committee; but as of October 30, 2000, all money after payment of expenses shall be disbursed to the Committee.

21.04.405.0742

The Committee and ATA shall agree upon a data processing company to perform any computer and data processing work under this Agreement. All names, addresses (both postal and e-mail) and other relevant information of respondents developed as a result of this Agreement (the "Housefile") shall be stored and maintained at the said data processing company. ATA shall keep its own copy of the Housefile (at ATA's cost) as the Housefile is developed to use in any way ATA sees fit, and as and for partial consideration of its services hereunder. ATA shall be entitled to keep any and all income derived from its use of the Housefile as and for partial consideration of its services herreunder.

The direct mail letters and other communications under this Agreement shall be designed to collect certain e-mail data and information ("e-mail data"). Such e-mail data shall become part of the Housefile. The Committee hereby authorizes that language be included in the direct mail and other communications that seeks to authorize permission from the recipients of such communications to send them e-mail messages and communications, including from third parties, such that the e-mail messages would not be considered to be spam. Such authorization is for the purpose of collecting permission opt-in from the recipients of the communications created hereunder.

Either party may terminate this Agreement upon thirty days written notice to the other. If the Committee terminates this Agreement, it shall pay all outstanding unpaid expenses hereunder within thirty days after the date of the final mailing hereunder.

This Agreement shall be governed and construed under the laws of Virginia.

In witness whereof, the parties do hereby execute this Agreement on this the ____ day of May, 2000.

HOUSE MANAGERS POLITICAL ACTION COMMITTEE

By: _____ Date: June 4, 2000

AMERICAN TARGET ADVERTISING, INC

By: Richard A. Viguerie Date: May 17, 2000

21.04.405.0743

American Target Advertising, Inc.
HOUSE Managers PAC

Date: 04-Oct
House Managers
Print Vendors: Premier Personalization & Mail Shop: SMS
ATA Job Number: M1-001P
Listed below are the estimated costs for this mailing:

Prospect: 800,000 House: 0

	Cost P/P	Cost P/P
Printing and Mailing:	.040	.000
SUB TOTAL:	.040	.000
Agency Fees	.000	.000
Postage Out	.290	.000
List Costs	.135	.000
Backend	.000	.000
TOTAL PACKAGE COST:	.465	.000
Fulfillment	.000	.000
FINAL PACKAGE COST:	.465	.000

Budget Summary:

Combind Average Cost P/P:	$.465
Total Quantity:	800,000
Total Cost:	$372,000
Agency Creative Fee	$4,000
GRAND TOTAL	$376,000

Please review the proposed budget for the proposed House Managers mailing
If this meets with your approval, please sign, date and fax back to us a copy with your signature and date (below).

APPROVED BY: Gregory D Roney DATE: 10/4/2000

21-04-405-0741

FEDERAL ELECTION COMMISSION
Washington, DC 20463

COMMITMENT TO SUBMIT MATTER TO ADR PROGRAM

I have read the material describing the Federal Election Commission's (FEC) Alternative Dispute Resolution (ADR) program and request that my case be considered for it. In the event that my case is accepted and determined to be appropriate for ADR, I agree:

1) to engage in the FEC's ADR program as described in the brochure enclosed with the complaint notification letter;

2) to participate in, and try to negotiate a settlement of my case and, if unsuccessful to engage in mediation with the aim of achieving a mutually acceptable resolution; and

3) to waive the Statute of Limitations provisions governing my case as long as it is being processed in the FEC's ADR program.

I understand that I will be advised by the FEC of its determination regarding my case's appropriateness for ADR and, if selected, given time to prepare for negotiations with a representative of the FEC and to arrange a mutually agreeable time to meet and discuss the case.

12/12/2000
Date

Gregory D. Roney
Signature

Respondents Name: Gregory D. Roney
Address: 611 Pennsylvania Ave, SE Suite 360
Washington, DC 20003

Home Phone: 703/897-5529
Business Phone: 703/597-5953
Fax Number: 202/484-5696

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