

October 30, 2006

FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

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Office of General Counsel  
Federal Election Commission  
999 E Street  
Washington, DC 20463

MUR 5870

**Re: Complaint against Alan Mollohan, candidate for U.S. House of Representatives in the First District of West Virginia, the Alan Mollohan for Congress Committee, Richard S. Pizatella, Treasurer, and West Virginia Values, LLC**

Dear Sir:

This is an addendum to the complaint previously filed against Alan Mollohan and West Virginia Values, LLC. The attached articles published in the *Parkersburg News and Sentinel* and on *US News and World Report's* website contain admissions by Mollohan's campaign manager that Jeffery Burum, the principal donor to West Virginia Values, has been in continuing contact with Alan Mollohan.

Under the conduct standard of 11 CFR 109, "A discussion is substantial within the meaning of this paragraph if information about the candidate's or political party committee's campaign plans, projects, activities, or needs is conveyed to a person paying for the communication, and that information is material to the creation, production, or distribution of the communication."

Due to the nature of Burum's involvement in non-profit organizations associated with and dependent upon Mollohan, Burum has a vested interest in Mollohan's political career. Burum sits on the board of directors of the Vandalia Heritage Foundation, which is dependent on Mollohan earmarks for 96% of its revenue (*New York Times*, 4/8/06). Moreover, Burum is the co-chairman and CEO of the National Housing Development Corporation which received \$31 million in earmarks since 2000 (*Wall Street Journal*, 4/7/06). Furthermore, Burum has donated \$1,000 to each of Mollohan's last two campaigns and \$50,000 to West Virginia Values during the current election cycle.

Given Burum's vested interest in Mollohan's campaign and his documented history of involvement in past campaigns, it is implausible that Burum and Mollohan did not discuss aspects of the campaign that were material to the creation of the advertisements during the admitted conversations.

Sincerely,

William J.M. Holley  
P.O. Box 2176  
Wheeling, WV 26003

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10/27/06

**US News and World Report**

**Wakim Files Election Complaint Against Mollohan**

The campaign to elect Republican Chris Wakim to the First Congressional District of West Virginia filed a Federal Election Commission complaint Thursday alleging that Democrat incumbent Alan Mollohan coordinated illegally with a 527 political group.

The Mollohan campaign denies the accusation, calling the complaint a "fairy tale."

Federal law prohibits any coordination between campaigns and 527 organizations, which are allowed to raise and spend an unlimited amount of money to advocate for or against candidates but may not expressly say "vote for" or "vote against" a certain candidate.

The complaint states that Jeffrey Burum, the principal donor to West Virginia Values, a 527 political group running anti-Wakim television ads, is the cochairman of the National Housing Development Corp., which has allegedly received \$31 million from the federal government through Mollohan earmarks over the past five years.

Burum also sits on the board of directors of the Vandalia Heritage Foundation, a nonprofit organization founded by Mollohan, says the complaint. The foundation has received \$28 million through Mollohan earmarks over the past five years, says the complaint, and Burum and his corporation have directly donated in excess of \$20,000 to Mollohan's political committees or his family foundation since 2002.

"It is probable, in light of the long relationship and vast sums of money that Mollohan has directed to Burum's organizations (and vice versa), that coordination between them has occurred," says the complaint. The complaint argues that the \$55,000 allegedly spent by West Virginia Values against Wakim constitutes an in-kind contribution because of the possible coordination and therefore exceeds the spending limit for political donations. No concrete evidence of any actual communication between the Mollohan campaign and the 527 group or Burum about the 527 group's activities was described.

Gerry Griffith, campaign manager for Mollohan, says there has been no coordination between the campaign and any 527 group, including West Virginia Values. Mollohan has communicated with Burum, says Griffith, but never about the group's activities. Burum's office did not respond to requests for comment.

West Virginia Values was founded by several state political players including Lane Bailey, a former staffer for Democratic Sen. Jay Rockefeller of West Virginia.

-Danielle Knight

[http://www.usnews.com/usnews/politics/campaign\\_diary/wvirginia/archive/2006/10/wakim\\_files\\_election\\_complaint.htm](http://www.usnews.com/usnews/politics/campaign_diary/wvirginia/archive/2006/10/wakim_files_election_complaint.htm)

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10/27/06

**Parkersburg News and Sentinel**

**Wakim campaign files election complaint**

**By EVAN BEVINS, Staff Writer**

PARKERSBURG — First Congressional District candidate Chris Wakim is accusing Congressman Alan Mollohan of illegally coordinating with a 527 group. The incumbent Democrat's campaign calls this accusation a "fairy tale" and "wishful thinking."

The Republican Wakim's campaign announced Thursday it was filing a complaint with the Federal Election Commission, alleging Mollohan and his campaign have collaborated on anti-Wakim ads aired by West Virginia Values LLC.

An FEC spokeswoman said the complaint had not been received Thursday afternoon.

California resident Jeffrey Burum contributed \$50,000 to the group, according to FEC data. Burum is a member of the board of directors of the Vandalia Heritage Foundation, a regional economic development and historical preservation group set up by Mollohan, and CEO of the National Housing Development Corp., which Wakim's campaign said has been on the receiving end of millions of dollars in Mollohan earmarks.

"It is probable, in light of the long relationship and vast sums of money that Mollohan has directed to Burum's organization (and vice versa), that coordination between them has occurred," the complaint says. "This coordination seems all the more likely since Burum has a longstanding history of donating to Mollohan's political campaigns, but in this cycle ... Burum donated to West Virginia Values instead."

The complaint offers no further evidence of the alleged collusion.

"More fairy tales," Mollohan campaign manager Gerry Griffith said of the accusation. "It's nonsense to even imply it. It's just crazy."

Griffith said Mollohan has communicated with Burum, but never about West Virginia Values or its commercials. ←

"To coordinate would be inappropriate. Congressman Mollohan would never do that. And to imply it is just wishful thinking on Mr. (Wakim's) part," Griffith said.

West Virginia Values is a 527 group, referring to the section of Internal Revenue Service Code governing such political groups.

If candidates coordinate with a 527, the money the group spends advocating for that candidate or against an opponent could count as a direct contribution. Those expenditures are limited, but independent ones are not.

The Wakim campaign's complaint says West Virginia Values' spending should count as an in-kind contribution to the Mollohan campaign, "vastly exceeding the amount that West Virginia Values could legally donate."

West Virginia Values isn't the only 527 taking an active role in the race. The California-based Economic Freedom Fund has frequently run anti-Mollohan ads on Wakim's behalf.

Contact Evan Bevins at [ebbevins@newsandsentinel.com](mailto:ebbevins@newsandsentinel.com)

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