



FEDERAL ELECTION COMMISSION

1125 K STREET NW
WASHINGTON, D.C. 20461

THIS IS THE END OF MUR # 895

Date Filmed 6/26/79 Camera No. --- 2

Cameraman BPC

19040134670

PS Form 3811 Apr 1977 RETURN RECEIPT REGISTERED INSURED AND CERTIFIED MAIL

● SENDER Complete items 1, 2, and 3 Add your address in the RETURN TO space on reverse		
1 The following service is requested (check one): ☐ Show to whom and date delivered c ☐ Show to whom, date, and address of delivery c ☐ RESTRICTED DELIVERY Show to whom and date delivered c ☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery \$ (CONSULT POSTMASTER FOR FEES)		
2 ARTICLE ADDRESSED TO: <i>Warren Nelson</i>		
3 ARTICLE DESCRIPTION REGISTERED NO CERTIFIED NO INSURED NO <i>94342-</i>		
(Always obtain signature of addressee or agent)		
I have received the article described above SIGNATURE ☐ Addressee ☐ Authorized agent <i>[Signature]</i>		
4 DATE OF DELIVERY		
5 ADDRESS (Complete only if required)		
6 UNABLE TO DELIVER BECAUSE CERK'S INITIALS		



895

Callahan

PS Form 3811, Apr. 1977 RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

Callahan 395

● SENDER Complete items 1, 2, and 3.
Add your address in the RETURN TO space on reverse

1 The following service is requested (check one):
☐ Show to whom and date delivered *c*
☒ Show to whom, date, and address of delivery *c*
☐ RESTRICTED DELIVERY
Show to whom and date delivered *c*
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery \$
(CONSULT POSTMASTER FOR FEES)

2 ARTICLE ADDRESSED TO *Berns*
One Fairmont Sq.
Wash DC 20026

3 ARTICLE DESCRIPTION
REGISTERED NO CERTIFIED NO INSURED NO
438269

(Always obtain signature of addressee or agent)

I have received the article described above
SIGNATURE ☐ Addressee ☐ Authorized agent
Sally J. Myers

4 DATE OF DELIVERY *3/13* POSTMARK

5 ADDRESS (Complete only if requested)

6 UNABLE TO DELIVER BECAUSE CLERK'S INITIALS

PS Form 3811, Apr 1977

RETURN RECEIPT REGISTERED INSURED AND CERTIFIED MAIL

Carroll MUR 895

● SENDER Complete items 1, 2, and 3.
Add your address in the RETURN TO space on reverse.

1. The following service is requested (check one):

☐ Show to whom and date delivered

☐ Show to whom, date, and address of delivery

☐ RESTRICTED DELIVERY

☐ Show to whom and date delivered

☐ RESTRICTED DELIVERY

☐ Show to whom, date, and address of delivery

(CONSULT POSTMASTER FOR FEES) *12:31*

2. ARTICLE ADDRESSED TO:

F. James Barnes

3. ARTICLE DESCRIPTION:

REGISTERED NO. CERTIFIED NO. INSURED NO.

943774

(Always obtain signature of addressee or agent)

I have received the article described above:

SIGNATURE ☒ Addressee ☐ Authorized agent

Sally Myers

4. DATE OF DELIVERY POSTMARK

APR 27 1979

5. ADDRESS (if different from that on registered mail)

6. UNABLE TO DELIVER BECAUSE

CLERK'S INITIALS

67093105067



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

April 24, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Warren L. Nelson
Office of Congressman Aspin
439 Cannon Office Building
Washington, D.C. 20515

Re: MUR 895

Dear Mr. Nelson:

On April 19, 1979, the Commission voted to terminate its investigation in MUR 895. Accordingly, the Commission intends to close its file in this matter.

If further information comes to your attention which you believe establishes a violation of the Federal Election Campaign Act of 1971, as amended, please contact me.

Sincerely,

William C. Oldaker
General Counsel





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

April 24, 1979

Mr. A. James Barnes
Beveridge, Fairbanks and Diamond
One Farragut Square, South
Washington, D.C. 20006

Re: MUR 895

Dear Mr. Barnes:

On April 19, 1979, the Commission found reasonable cause to believe that the Beloit Corporation violated 2 U.S.C. § 441b. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter.

If you have any questions, please direct them to Suzanne Callahan at (202) 523-4529.

Sincerely,

William C. Oldaker
General Counsel





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
DATE: APRIL 11, 1979
SUBJECT: OBJECTION - MUR 895 General Counsel's
Report dated 3-23-79; Signed by GC
4-6-79; Received in OCS 4-9-79, 10:44

The above-named document was circulated on a 48
vote basis at 4:30, April 9, 1978.

Commissioner Thomson submitted an objection at
2:03, April 11, 1979, thereby placing MUR 895 on the
Executive Session Agenda for April 19, 1979.

79040134676

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
The Beloit Corporation)

MUR 895

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, certify that on April 19, 1979, the Commission, meeting in an Executive Session at which a quorum was present, determined by a vote of 4-2 to take the following actions in MUR 895:

1. Find REASONABLE CAUSE TO BELIEVE that the Beloit Corporation has violated 2 U.S.C. §441b.
2. Take no further action and close the file in this matter.

Commissioners Friedersdorf, Harris, McGarry and Thomson voted affirmatively for the above determinations; Commissioners Aikens and Tiernan dissented.

Attest:

4/22/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

79040134677

April 9, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 895

Please have the attached General Counsel's Report on MUR 895 distributed to the Commission on a 48 hour tally basis.

Thank you.

79040134678

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION
March 23, 1979

79 APR 9 A10:44

In the Matter of
The Beloit Corporation

)
)
)

MUR 895

GENERAL COUNSEL'S REPORT

BACKGROUND

On January 25, 1979, the Commission found reason to believe that the Beloit Corporation ("the Corporation") may have violated 2 U.S.C. §441b by expending corporate funds for communications which it distributed to individuals other than its stockholders and executive or administrative personnel and their families.

EVIDENCE

Counsel for the respondent submitted an affidavit from Karl Salzberg, Assistant General Counsel of the Corporation and a detailed statement as to the facts surrounding the mailing at issue. According to the affidavit of Mr. Salzberg, the corporation decided, at a meeting held in September of 1978, "to send two communications from Mr. Neese [president of Beloit corporation] to selected employees concerning the forthcoming election in the First Congressional District of Wisconsin." At that time it appeared that sending the communication to all monthly salaried personnel would encompass a group permitted by the FEC regulations to receive the mailing."

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On October 31, 1978, it was brought to Mr. Salzberg's attention, through a press release from Congressman Aspin, that the first mailing, dated October 4th, had been sent to ineligible employees. A subsequent investigation conducted by Salzberg indicated that of the 1,183 letters which were sent, 665 letters were received by ineligible employees. ^{1/} Salzberg states in part "that the cause of the incorrect mailing was due to a lack of communication during the period between those planning the mailing and those actually implementing it." According to the respondent, the second mailing, dated November 4, 1978, was only sent to those individuals eligible to receive such a mailing. ^{2/}

LEGAL ANALYSIS

As set forth in 2 U.S.C. § 441b, corporations are prohibited from making contributions or expenditures in connection with Federal elections unless such expenditures fall within the communication exemption of § 441b(b)(2)(A) which permits corporations to send communications to its stockholders and executive or administrative personnel and their families on any subject.

Under 11 C.F.R. 114.4(c), the conditions under which a corporation may make communications to its employees is limited to:

(1) non-partisan communications which urge acts of participation in the electoral process without mentioning political affiliation

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1. According to the affidavit of Salzberg, these figures are approximations.
 2. On March 9, 1979, the Office of General Counsel requested the corporation to submit financial data on all political communications financed by it so that we could ascertain if the corporation had exceeded the \$2,000 threshold requiring reporting under 11 CFR 100.7(b)(5). The corporation submitted invoices in connection with the two mailings sent by the Corporation which indicated that the total cost was \$792. Therefore the corporation has no reporting requirements under the above referenced section of the Commission's regulations.

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and references made to particular candidates are limited to reprinting "the entire list of names and political affiliation of candidates on the official ballot." or

(2) the distribution of materials which "do not favor one candidate over another; and the materials are obtained from a civic or other non profit organization which does not endorse or support or is not affiliated with any candidate or political party."

The mailing at issue does not fall within the above-stated provisions of 11 CFR 114.4(c)(1) or (3) nor the communication exemption of § 441b. Therefore, a corporate expenditure has been made by the Beloit Corporation placing it in violation of 2 U.S.C. § 441b.

Counsel for the respondent does not deny that the communication was sent to ineligible employees; however, he contends that since the communication at issue was inadvertently sent, and that prompt action was taken to insure that future communications would be sent to only eligible "executive and administrative personnel," its action should not be considered a violation of the Act based on the Commission's past interpretation of 11 CFR 114.5(h) which states in part:

Accidental or inadvertent solicitations by a corporation... of persons apart from and beyond those whom it is permitted to solicit will not be deemed a violation, provided that such corporation... has used its best efforts to comply with the limitations regarding the persons it may solicit and that the method of solicitation is corrected forthwith after the discovery of such erroneous solicitation."

In support of his contention that the Commission should find no violation, Counsel also relies on the following Advisory Opinions: 1978-97, 1978-83, 1978-26, 1978-27, 1978-17, and 1976-75.

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While the contentions of respondent's counsel are not without merit, it is the opinion of this office that the provisions of 11 CFR 114.5(h) and the Commission's position in the Advisory Opinions relied on should not be extended to cover the instant matter. 11 CFR 114.5(h) is designed to cover those fluid situations in which a shareholder of record on a given date loses his or her status by trading the corporate stock involved before the solicitation thus becoming an illegal target of the solicitation on the date of the mailing or receipt of the soliciting correspondence; it can be readily understood that such accidental or inadvertent solicitation can and often does happen where the stock is publicly traded.

This same reasoning applies in connection with labor organizations. Loss or change of jobs, decisions to enter another line of work, and the like can cause a union member to become a non-member overnight and, hence, an illegal target of a solicitation if the membership rolls are not always up to date.^{3/} This is different from the present situation. Beloit may have inadvertently mailed this message to some 665 ineligible employees through a lack of attention to detail, but this inadvertence should not be the basis for a finding of no violation.

All of the AO's referenced by respondent's counsel refer to questions surrounding the solicitation of ineligible individuals, not political communications to ineligible individuals. The issue

3. See Page 108, House Document No. 95-44, Communication from the Chairman, Federal Election Commission, Transmitting the Commission's Proposed Regulations Covering Federal Elections pursuant to Section 316(c) of the Federal Election Campaign Act of 1971, as amended, January 12, 1977, referred to the House Administration Committee.

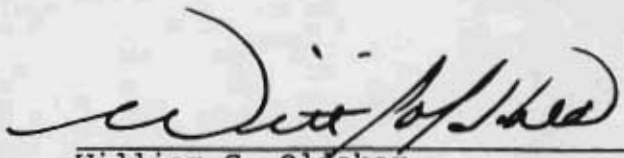
of inadvertent solicitations can be distinguished from inadvertent communications in that funds solicited and received from ineligible individuals are either not accepted, or, if accepted, can be returned. In the case of inadvertent communications, no remedy exists whereby the effect of the communication can be negated. Such a course of action, i.e. a second explanatory communication by Beloit Corporation, was considered and rejected, according to the Assistant General Counsel for Beloit because the proposed second communication might have, in effect, compounded the error. ^{4/}

RECOMMENDATIONS

1. Find reasonable cause to believe that the Beloit Corporation has violated 2 U.S.C. § 441b.
2. Send attached notification letter and conciliation agreement to respondent.

Date

4/6/79


William C. Oldaker
General Counsel

Attachments
Response
Conciliation Agreement
Notification Letter

^{4/} See P. 4 of Karl Salzberg's affidavit attached hereto.

79040134683

LAW OFFICES
BEVERIDGE, FAIRBANKS & DIAMOND
ONE FARRAGUT SQUARE SOUTH
WASHINGTON, D. C. 20006

HENRY L. DIAMOND
RICHARD M. FAIRBANKS, III
ALBERT J. BEVERIDGE, III
GARY H. BAISE
A. JAMES BARNES
HAROLD HIMMELMAN
CHRISTOPHER H. BUCKLEY, JR.
JONATHAN Z. CANNON
ANDREW E. MISHKIN
CHARLES A. PATRIZIA
SCOTT W. BOWEN
CATHERINE M. DUNLAP
CYNTHIA A. LEWIS
KARL S. BOURDEAU
JOHN N. HANSON

TELEPHONE
(202) 636-7800

CARL EARDLEY
ELLIOTT GOLDSTEIN
OF COUNSEL

CABLE ADDRESS
IRDOAL

TELECOPIER
(202) 636-4194

79 FEB 28 AM 10:15

February 27, 1979

Mr. William Oldaker
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

Reference: MUR895(78)--Beloit Corporation

Dear Mr. Oldaker:

By letter dated January 25, 1979 you advised the Beloit Corporation that the Federal Election Commission had received a complaint against the company alleging certain violations of the Federal Election Campaign Act and that the Commission had reason to believe that the matters alleged on the complaint stated a violation of 2 U.S.C. §441b. You requested that the company submit any factual and legal materials relevant to the Commission's consideration of whether action should be taken against the company.

Beloit's officials who are familiar with the activities alleged in the complaint have reviewed those allegations. The facts as they are known to the company have been set forth in the notarized statement of Karl Salzberg, Assistant General Counsel of Beloit Corporation. A telecopy of Mr. Salzberg's statement is attached to this letter; the original is being hand carried to Washington, D.C. and will be submitted to you tomorrow. Beloit believes that its actions in this matter are clearly covered by §114.5(h) of the Commission's regulations implementing 2 U.S.C. §441b. Section 114.5(h) provides that an accidental or inadvertent solicitation by a corporation will not, under certain circumstances, be deemed a violation of the Act. The application of this provision to the facts of this case is detailed in the memorandum attached to this letter.

Should you have any further questions or need clarification of the matters set forth in Mr. Salzberg's statement or the memorandum, please contact Mr. Salzberg or me.

79040134684

BEVERIDGE, FAIRBANKS & DIAMOND

Mr. William Oldaker
Federal Election Commission
....2

February 27, 1979

As you indicated in your letter, Beloit would like to have this matter remain confidential until such time as the company advises you in writing that it wishes the matter made public.

Sincerely yours,

A. James Barnes

A. James Barnes

AJB/ap
Attachments

cc: Karl Salzberg

79040134685

BELOIT CORPORATION

BELOIT, WISCONSIN U.S.A., 53511
AREA CODE 908/385-3311
INTERNATIONAL TELEX 028-7458
CABLE ADDRESS: PAPERCHINE

February 26, 1979



Mr. William Oldaker
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 895 (78) - Beloit Corporation

Dear Mr. Oldaker:

Your letter of January 25, 1979 addressed to Mr. E. H. Neese, President of Beloit Corporation requests in part that the company submit factual materials to you which would be relevant to the Commission's analysis of the matter and that, where appropriate, the statement should be submitted under oath. This statement is submitted to you pursuant to that request.

I am currently, and have been during the relevant time period for this matter, the Assistant General Counsel and Secretary of Beloit Corporation. On October 31, 1978 it was brought to my attention that a communication dated October 4, 1978 from Mr. Neese to certain salaried employees may have been mailed to employees not eligible to receive it under the federal election laws. At that time I considered it important to determine the background of the October 4th mailing so that if an error had in fact been made there would be a record of the matter and so that appropriate corrective action could be taken if the company decided to make subsequent communications to selected employees. It is the policy of Beloit Corporation to make such communications only within the allowable limits of the applicable law and regulations. If an error had been made in the earlier mailing, the company wanted to make every effort to insure that it would not recur. Accordingly, I initiated an investigation into the sequence of events that led to the October 4th mailing. My investigation revealed the following facts and information:

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Mr. William Oldaker
Page Two
February 26, 1979



The October 4th Mailing

At a meeting on September 26, 1978, in which I participated, Beloit Corporation decided to send two communications from Mr. Neese to selected employees concerning the forthcoming election in the First Congressional District of Wisconsin. Discussion at the meeting concerned the general tenor of the communications, the timing of the communications, and the definition of the appropriate target group of employees eligible to receive such communications. At the meeting, the FEC's regulations limiting such communications to "executive and administrative personnel" were reviewed. Discussion then followed as to how to identify the eligible group so that a computer listing with home address mailing labels could be obtained. At that time it appeared that sending the communication to all monthly salaried personnel would encompass a group permitted by the FEC regulations to receive the mailing. It was estimated that this group of executive and administrative personnel would number approximately 600 and would not include any clerical, secretarial or bargaining unit personnel.

Following the September 26th meeting several draft letters were prepared and circulated among most of the individuals who had been present at the meeting. Individuals in the Personnel Department, some of whom had not been present at the September 26th meeting, were consulted concerning the content of the letter. However, in suggesting changes in the wording of the letter, these individuals indicated that they understood that the letter would receive distribution only to a limited group of company employees which would not include members of the bargaining unit.

On October 3, 1978 a mailing label list was requested from the Systems Department by a member of the Personnel Department who had neither attended the meeting on September 26th nor participated in the review of the draft letter. I have not been

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able to ascertain exactly who gave the instructions to this individual to obtain the employee mailing list or exactly what those instructions were.

At the same time, the letter was being typed in the form of a master which was taken to the print shop where it was reproduced, stuffed in envelopes and the mailing labels affixed. The letters were taken to the mailroom and run through the postage meter and then delivered to the Post Office on or about October 4, 1978. The letter, as mailed to selected employees, is attached to this statement as Exhibit A.

The Investigation

As previously indicated, on October 31, 1978 I learned for the first time that ineligible employees might have received the October 4th letter. The source of this information was a press release from Congressman Aspin dated October 30, 1978 which indicated a complaint would be filed with the FEC.

I began with the mailroom and sought to ascertain the postage cost of the mailing. This was determined to be \$177.45 which, by using a cost of .15 cents per mailing, made it readily apparent that approximately 1,183 pieces had been mailed. Because at the September 26th planning meeting it had been estimated that approximately 600 employees would fall within the classification of executive and administrative personnel, it appeared that an error had been made in the mailing. An effort was immediately made to reconstruct the actual mailing list used for the October 4th communication but this was not possible as the practice of the Personnel Department is to preserve only the three most recent tapes and the oldest of the tapes available at that time was dated October 19, 1978.

I then went on to interview those individuals who were involved in the planning of the project, the implementation of the project and the mechanical aspects of the mailing. Based on

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these interviews I reached the following findings and conclusions: (a) that approximately 1,183 employees were sent the mailing; (b) among the addressees were approximately 665 employees who by their job classifications probably were not within the executive and administrative categories as defined in FEC regulations; (c) that none of the ineligible employees were members of a bargaining unit; (d) that individuals responsible for the planning of the mailing were aware that such communications were limited to executive and administrative personnel; (e) that individuals who implemented the mailing were generally aware that union members were not proper subjects to receive a communication; (f) that individuals who actually carried out the tasks of mailing the October 4th letter were not aware of any limitations on the scope of the communication; and (g) that the cause of the incorrect mailing was due to a lack of communication during the period between those planning the mailing and those actually executing it.

Consideration of Corrective Action Concerning
the October 4th Mailing

Once the company concluded that ineligible employees had received the initial mailing, it considered whether corrective action might be taken concerning that mailing. One option which it considered, but rejected, was sending a letter to those individuals who were believed to have received the first communication but who were ineligible to receive it. The purpose of the corrective letter would obviously have been to advise the individual of the inadvertency of the October 4th mailing and to ask that it be disregarded. This option was rejected for several reasons. Primarily, the company felt that sending such a mailing shortly before the election stood a substantial chance of being misinterpreted. It would be subject to being considered a last minute effort to again call attention to the earlier commu-

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Mr. William Oldaker
Page Five
February 26, 1979



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nication. There was also no certainty that the company could reach the exact group that had received the initial mailing and thus the risk that either individuals who had received the first letter might not get the second letter as well as the possibility that ineligible individuals who had not received the first letter would receive the second letter. Accordingly, it was determined that the best course of action for the company was not to make any further attempt to take corrective action as to the first mailing but to make sure that any subsequent mailings would be sent only to executive and administrative personnel permitted to receive such communication under the FEC regulations.

The Subsequent Mailing on November 4th

During the above course of events the company was following through with the second planned communication to selected employees. The mailing list for this mailing was very carefully constructed to insure that ineligible employees would not be recipients of the communication.

The Systems Department provided a tab run listing of employees by job title as well as a corresponding mailing label run for all employees on the company's so-called "exempt" payroll. This includes only salaried, non-union personnel. The total number of names on the mailing list was 1,125. The job title list and the mailing label list were then placed side by side and the following categories of employees were eliminated from the proposed mailing by placing a red dot on their mailing list: secretarial, clerical, foremen, supervisors of hourly employees. Individuals who were residents of states other than Wisconsin and Illinois were also eliminated. A black dot was placed on the mailing labels for those employees who had been identified as eligible to receive the second communication. Then, as each mailing label was placed on an envelope, the name was double checked against the job title run. The envelopes with the

Mr. William Oldaker
Page Six
February 26, 1979



mailing labels affixed totaling 518 were taken to the print shop where they were run through a machine which inserted a copy of a letter signed by Mr. Neese dated November 4th and sealed each envelope. After all 518 envelopes had been sealed, the unused copies of the letter were shredded with the exception of five copies which were retained in the company's files. The job title list and the mailing label list were also preserved. The sealed envelopes were then run through the postage meter and taken to the Post Office on November 4th for mailing.

The foregoing sets forth to the best of my knowledge and belief the facts and sequence of events in this matter. If you should have any questions concerning it please contact me.

Sincerely yours,

BELOIT CORPORATION

By

Karl Salzberg
Assistant General Counsel
& Secretary

Sworn before me this
26 day of February, 1979.

Karen Hahn
Notary Public

MY COMMISSION EXPIRES 5/3/81

79040134691

BELOIT CORPORATION

BELOIT, WISCONSIN 53511, U.S.A.
AREA CODE 608/365-3311
INTERNATIONAL TELEX 027-7458
CABLE ADDRESS: PAPERCHINE



October 4, 1978

Dear Fellow Employee:

I am sure that you will agree with me that our American economic system has contributed in a large part to providing us with one of the most free and progressive societies the world has ever known. However, at a time when our way of life is under challenge from a number of directions, we find ourselves in a political environment that is often unresponsive, and even hostile, to free enterprise and individual initiative. The continued erosion of our free enterprise system can only accelerate the deterioration of the society which it supports.

I firmly believe that as concerned citizens and business participants, we all must become more active politically if we are to slow and ultimately reverse the trend in government toward burdensome bureaucracy, confiscatory taxes, inflation, and unresponsiveness to individual initiative.

There are a number of ways in which you can become personally involved in the political process ranging from being a candidate yourself, to making a financial contribution to the candidate of your choice, working on behalf of a candidate, voting, etc. The current election campaign for Congressman, First Congressional District, Wisconsin, for example, provides an opportunity to become actively involved in a campaign. The incumbent, Congressman Les Aspin, is being challenged by Bill Petrie. Beloit Corporation's Legislative Affairs Committee has prepared an assessment report of these candidates. This report is enclosed. I encourage your thoughtful review of the information it presents.

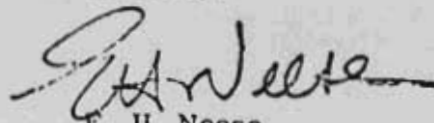
A survey of Political Interest and Awareness is also enclosed. Your response to this questionnaire will provide the Legislative Affairs Committee with an indication of the level of political interest among Beloit Corporation employees. Your completion of this questionnaire

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is voluntary and your identity need not be revealed unless you wish to do volunteer work. A postage paid envelope is enclosed for your convenience.

I am convinced that those of us closely affiliated with industry and business must assume a more active role in directing our political affairs. You have my personal thanks for your recognition of the problems which face us, and for your support of Beloit Corporation's efforts to make a meaningful contribution to our American political process.

Sincerely,



E. H. Neese
President

encl.

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February 27, 1979

MEMORANDUM

Reference: October 4, 1978 Mailing By Beloit Corporation

INTRODUCTION

This memorandum will set forth: (1) a very brief description of Beloit Corporation ("Beloit"); (2) the factual background of the mailing Beloit sent to certain salaried non-union personnel on or about October 4, 1978; and (3) Beloit's legal position concerning the application of the federal election laws and regulations to this mailing.

BACKGROUND—BELOIT CORPORATION

Beloit is a privately owned corporation organized under the laws of Delaware with its principal office and one of its manufacturing facilities at Beloit, Wisconsin. Beloit is primarily engaged in the manufacture and sale of machinery used in the papermaking industry. Beloit has established a Political Action Committee, the Beloit Corporation Political Action Committee, which is registered with the Federal Election Commission. Beloit also has a separate Wisconsin PAC which makes contributions to candidates for state offices.

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FACTUAL BACKGROUND OF THE MAILING

On September 26, 1978 the Beloit Corporation decided to send communications from E. H. Neese, the President of Beloit, to selected personnel concerning the election of a Representative from the First Congressional District of Wisconsin. In a meeting that day Beloit management discussed in general terms the definition of the appropriate target group of employees eligible to receive such communications and understood that under the Federal Election Commission regulations the eligible group was limited to executive and administrative personnel and shareholders. There was some discussion as to how to identify the eligible group so that a computer run using home address mailing labels could be used. Consideration was given to sending a communication to all monthly salary personnel and it was estimated that this group of executive and administrative personnel would number approximately 600 and would not include any clerical or secretarial workers, supervisors of hourly workers, or bargaining unit personnel.

Following the meeting, a series of draft letters were prepared and circulated for review. Agreement was reached on the language contained in the letter attached as Exhibit A to Mr. Salzberg's statement. At the same time, the Personnel Department was consulted about pulling the appropriate mailing list. On October 3 a mailing list was requested from

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the Systems Department by a member of the Personnel Department. Although those individuals involved in the mailing were interviewed, the company was not able to ascertain exactly what instructions were given to that individual in the Personnel Department or exactly who gave the instructions to the person. After the letter dated October 4 was typed, it was reproduced in the Print Shop where it was stuffed in envelopes and the mailing labels affixed. The letters were taken to the Mail Room, run through the postage meter and delivered to the post office on or about October 4, 1978.

About October 31, at a time when a second letter to selected executive and administrative personnel concerning the Congressional election was under consideration, Beloit officials learned for the first time that the October 4 letter might have been received by ineligible employees. Upon learning of this possibility, Karl Salzberg, the Assistant General Counsel who had participated in the September 26 meeting, immediately undertook an investigation to ascertain the scope of the October 4 mailing. He focused in particular on whether any employees other than "executive and administrative employees" as defined in the federal election laws and regulations had received the communication.

At that time he consulted with the Mail Room to ascertain the postage cost of the mailing which was discovered to be \$177.45. At a cost for postage of 15 cents. per envelope it appeared that approximately 1,183 pieces of mail had been sent out. Because at the September 26 planning

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meeting it had been estimated that approximately 600 employees would fall within the classification of executive and administrative personnel, it became apparent that an error had probably been made in the mailing. An effort was immediately made to reconstruct the actual mailing list used for the October 4 communication. This was not possible as the practice of the Personnel Department is to preserve only the most recent three tapes and the oldest of those tapes on hand as of October 31 was one dated October 19, 1978.

Following interviews with the individuals who were involved in the planning of the project, the implementation of the project and the mechanical elements of the mailing, Mr. Salzberg reached the following conclusions: (a) approximately 1,183 salaried employees had been sent the October 4 mailing, (b) among the 1,183 addressees there were approximately 665 who by their job classifications were not within the executive and administrative categories as defined in FEC regulations; (c) none of the 665 employees who were ineligible to receive the mailing were members of a bargaining unit; (d) the individuals who were responsible for the planning of the mailing were aware of the limitations on communications with other than executive and administrative employees and intended that those limitations would be followed; (e) the individuals who implemented the proposed mailing were generally aware that union members were not proper subjects to receive the communication but it was unclear as to whether they understood the precise line to be drawn between various types

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of salaried non-union personnel; and (f) the individuals who carried out the mechanical tasks of the mailing were apparently unaware of the limitations on the scope of the communication. Thus, Mr. Salzberg concluded that there had been a breakdown in the company's internal communication process during the October 4 mailing.

After it became apparent the initial mailing had inadvertently been made to too large a group of employees, the company considered the possibility of sending a letter to those individuals believed to have received the October 4 letter, but who were ineligible to receive it, advising them of this fact and asking that they disregard the earlier letter. After consideration this option was not adopted for several reasons. First, and most critically, the company felt any such letter, no matter how carefully drafted, could be misinterpreted and viewed as merely a second attempt to reach ineligible recipients for such a communication from the company. Second, it was not possible to reconstruct with precise accuracy the list of individuals who had received the initial communication. Thus there was the risk that individuals who had received the October 4 letter would not receive the corrective letter and that individuals who had not obtained the earlier letter (and who are not eligible to receive such communications) would get the second letter.

On November 1, the company began preparing the previously planned second mailing to administrative and executive personnel. A number of very precise steps were undertaken to insure that

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the subsequent mailing would not reach any ineligible recipients. The company began with a tab run listing of all employees by job title and a corresponding mailing label run for all employees on Beloit's so-called "exempt payroll" which includes only salaried personnel and does not include individuals who are members of a bargaining unit. The total number of names on the mailing list was 1,125. The job classification list and the mailing label list were placed side by side. All employees whose duties included secretarial, clerical, or supervision of hourly employees were eliminated from the proposed mailing list as well as all individuals who were residents of states other than Wisconsin and Illinois. The mailing labels for those employees who had not been eliminated were placed on envelopes and then the names were double-checked against the job classification run. This mailing totalling 518, was taken to the Print Shop and the November 4 letter was inserted. After the envelopes were sealed all unused copies of the letter were shredded with the exception of five copies which were retained by the company. An official of the company then delivered 518 envelopes to the Beloit post office for mailing.

79040134699

II. APPLICATION OF THE FEDERAL ELECTION LAWS
AND REGULATIONS TO THIS MATTER

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In his letter of January 25, 1979 addressed to Beloit, Mr. Oldaker stated that the Federal Election Commission ("FEC") had "reason to believe" that the matters alleged in the complaint it had received from Warren L. Nelson constituted a violation of 2 U.S.C. §441b of the Federal Election Campaign Act. Beloit submits that the facts in this matter, as outlined above and developed in more detail in the accompanying notarized statement of Karl Salzberg, clearly do not constitute a violation of Section 441b.

Section 441b-(a) prohibits any corporation from making any "contribution or expenditure in connection with any election at which . . . a representative in . . . Congress [is] to be voted for" Section 441b-(b)(2) specifically excludes from the definition of "contribution or expenditure" a "communication by a corporation to its stockholders and executive or administrative personnel and their families . . . on any subject." Section 441b-(b)(7) then defines "executive and administrative personnel" to include "individuals employed by a corporation who are paid on a salary rather than hourly and who have managerial, professional or supervisory responsibilities."

The October 4, 1978 letter from E. H. Neese to selected Beloit personnel was a "communication by a corporation". It was intended by the corporate officials who initiated it

to be directed to "executive and administrative personnel" of the company within the meaning of the Federal Election Campaign Act. Distribution of the communication was in fact limited to salaried non-union personnel of the company. Through an inadvertent breakdown in communications within the company it was distributed to some individuals who although paid on a salaried basis, do not have "managerial, professional or supervisory responsibilities. In addition certain other individuals who can be characterized as "salaried foremen and other salaried lower level supervisors having direct supervision over hourly employees" ^{*}/ are believed to have received the communication.

When the company later learned that the communication had been sent to ineligible employees, it (1) promptly initiated an investigation into the matter, (2) considered what, if any, corrective action could appropriately be taken concerning that mailing, and (3) took steps to insure that subsequent communications by the company would not be sent to ineligible employees.

^{*}/Individuals whose jobs meet these criteria would be within the term "administrative and executive personnel" as it is defined in the Act but they have been excluded from the definition of the term in Reg. 114.1(c)(2). However, the Commission has on at least two occasions issued advisory opinions which would allow foremen in certain cases (AO 1976-75) and supervisors of hourly workers who themselves perform manual labor no more than 40 percent of their time (AO 1978-27) to come within the "executive and administrative personnel" category to whom corporate communications may be sent.

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Beloit does not contest the fact that its communication was received by employees other than those whom it intended to receive the communication and that it is likely this included ineligible salaried employees. However, Beloit submits that such an inadvertent communication is precisely the kind which the FEC in its regulations has exempted from being deemed a violation of the Federal Election Campaign Act.

Section 114.5(h) of the FEC's regulations provides that:

Accidental or inadvertent solicitation.
Accidental or inadvertent solicitation by a corporation or labor organization, or the separate segregated fund of either, of persons apart from and beyond those whom it is permitted to solicit will not be deemed a violation, provided that such corporation or labor organization or separate segregated fund has used its best efforts to comply with the limitations regarding the persons it may solicit and that the method of solicitation is corrected forthwith after the discovery of such erroneous solicitation.

Beloit recognizes that Section 114.5 is primarily concerned with "solicitations" to contribute monies to separate segregated funds. A corporation, except for the broader solicitation permitted twice a year, is limited to soliciting its "executive and administrative personnel" for such contributions. However, the FEC made no distinction between "solicitations" and "communications" to ineligible recipients in AO 1978-97 where it allowed both communications and solicitations to be sent to a minimal (1,000) number of

79040134702

ineligible recipients. And, the basic rationale and policy considerations that support not treating inadvertent "solicitations" as violations militate for the same treatment for inadvertent "communications". Indeed, the inadvertent communication poses less of a problem than an inadvertent solicitation. The ineligible employee receiving a communication can cast his or her ballot without the employer knowing how he or she voted whereas the ineligible employee who receives an inadvertent solicitation and does not respond could become known to the employer if the list of those employees who did contribute ever came to the employer's attention.

In this instance, there was an accidental, inadvertent communication directed to ineligible non-union salaried employees more than a month before the election. When the company discovered the error, it took appropriate steps to correct the mailing list to insure that further erroneous communications would not occur. This matter is within the letter and spirit of Regulation §114.5(h) and should be determined by the Commission not to constitute a violation of the Act.

Moreover, a finding by the FEC that the inadvertent communication involved in the single mailing in this matter does not constitute a violation would be consistent with the position the FEC has taken in the other matters that have come before it involving communications and/or solicitations to ineligible recipients.

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For example, in AO 1978-97 the FEC advised the National Association of Postal Supervisors (NAPS) that it could communicate its views as well as solicit contributions to its PAC through the NAPS magazine even though three percent of the circulation list (1,000 individuals) for the magazine are not NAPS members. A caveat was required to be included in each PAC article and solicitation, but the basic fact remains, the FEC approved a knowing communication and/or solicitation with non-members who under the federal election law may not be sent communications or solicited, presumably on the grounds the solicitation of non-members would be de minimus.^{*/}

In OR 835 the General Counsel of the FEC was asked for an opinion concerning an ad for a corporate PAC "mistakenly" placed in a newsletter sent to all employees. The General Counsel advised the requester that such an accidental or inadvertent solicitation would not be deemed a violation of the Act if the corporation used its best efforts to comply with the limitations and if the method of solicitation was corrected after the discovery of the erroneous solicitation.

^{*/}In AO 1978-83 the FEC also permitted a trade association PAC, under certain circumstances, to communicate with individuals who are not within the explicitly permitted group under the Federal Election Campaign Act so long as contributions would be accepted only from those individuals eligible to be solicited.

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In AO 1978-77 the FEC advised Congressman Aspin**/ that it was permissible for him to use a corporate officer identified by name and title as such, in a paid political commercial in which he would describe the Congressman's efforts to help that company get "federal loan guarantees and keep jobs in the Kenosha area". Beloit respectfully submits that the intentional communication in that instance linking a company official--identified as such--with an appeal for the candidate and what he had done for the company and its employees--raises readily apparent and considerably more serious problems than are presented by the instant inadvertent communication.

In AO 1978-26 the FEC recognized that in soliciting contributions for a corporate PAC the solicitations might have to pass through persons who were not themselves eligible donors or solicitees of the PAC. Similarly, in AO 1978-17 incidental solicitations of non-members of a trade association PAC were deemed permissible where no contributions would be accepted from non-stockholders, executive or administrative

**/It is somewhat ironic that Congressman Aspin, who sought FEC approval to provide wide public exposure (beyond the executive and administrative officials of the company) of a company official stating what the Congressman had done, chose to complain in this instant matter about an internal corporate communication that inadvertently reached only a few unintended salaried non-union employees. Congressman Aspin is not entitled to have Section 441b of the Act broadly interpreted to allow wide and deliberate dissemination of corporate views supporting him and at the same time narrowly construed against excusing accidental dissemination of corporate views opposing him.

personnel of members. And, In AO 1978-27, the FEC permitted a corporate PAC to solicit salaried managers who directly supervised hourly employees and who to a certain extent (less than 40% of their time) performed manual tasks themselves.

In short, Beloit submits that its actions in this matter do not constitute a violation of the Act as it has consistently been interpreted by the FEC in its regulations and opinions. The actions involved (1) a de minimus accidental or inadvertent corporate communication, and (2) prompt, appropriate and effective company action to insure that any further communications would be sent only to eligible "executive and administrative personnel".

Accordingly, Beloit respectfully requests that the FEC make a formal determination finding no violation and close its file in this matter.

79040134706

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
)
The Beloit Corporation) MUR 895 (79)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained through a notarized complaint filed with the Federal Election Commission, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Beloit Corporation, violated 2 U.S.C. §441b;

Now therefore, the respective parties herein, the Federal Election Commission and respondent Beloit Corporation, having entered into conciliation pursuant to §437g(a)(5), do hereby agree as follows:

- I. That the Federal Election Commission has jurisdiction over respondent and the subject of this proceeding.
- II. That respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. That the Beloit Corporation mailed a communication dated October 4, 1978, under the signature of E. H. Neese, President of Beloit Corporation, to approximately 665 employees not eligible to receive such a communication under the Federal Election Campaign Act of 1971, as amended.

79040134707

Wherefore, respondent Beloit Corporation agrees:

- I. Respondent's action in mailing a communication to employees other than its stockholders and executive or administrative personnel and their families is a violation of 2 U.S.C. §441b.
- II. That respondent will pay a civil penalty in the amount of \$2000 pursuant to 2 U.S.C. §437g(a)(6)(B).
- III. Respondent agrees that it will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431, et. seq.

GENERAL CONDITIONS

- I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- II. It is mutually agreed that this agreement shall become effective as to the date that all parties hereto have executed same and the Commission has approved the entire agreement.

79040134708

III. It is agreed that respondent Beloit Corporation Shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

Date: _____

William C. Oldaker
General Counsel

Date: _____

E. H. Neese, President
Beloit Corporation

79040134709



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. A. James Barnes
One Farragut Square, South
Washington, D.C. 20006

Re: MUR 895

Dear Mr. Barnes:

On , 1979, the Commission determined there is reasonable cause to believe that the Beloit Corporation committed a violation of 2 U.S.C. § 441b of the Federal Election Campaign Act of 1971, as amended.

The Commission has a duty to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion and to enter into a conciliation agreement. 2 U.S.C. § 437g(a)(5)(A). If we are unable to reach an agreement during that period, the Commission may, upon finding of probable cause to believe a violation has occurred, institute civil suit. 2 U.S.C. § 437g(a)(5)(B).

The provisions of the Federal Election Campaign Act which allow the Commission to determine there is reasonable cause to believe that a violation has occurred and to enter into a conciliation agreement apply regardless of whether or not the violation is found to be knowing and willful. Upon consideration of your case, the Commission has determined that a civil penalty of \$2,000 should be made a part of the conciliation agreement that this office would offer as settlement of the aforementioned violation.



- 2 -

If your client decides to comply with the terms of this agreement, you should have him sign and return it to the Commission within 10 days. If you have any additional questions, you should contact Suzanne Callahan, the staff member assigned to this case, at (202) 523-4529.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

19040134711

HENRY L. DIAMOND
RICHARD M. FAIRBANKS, III
ALBERT J. BEVERIDGE, III
GARY H. BAISE
A. JAMES BARNES
HAROLD HIMMELMAN
CHRISTOPHER H. BUCKLEY, JR.
JONATHAN J. CANNON
ANDREW E. MISHKIN
CHARLES A. PATRIZIA
SCOTT W. BOWEN
CATHERINE M. DUNLAP
CYNTHIA A. LEWIS
KARL S. BOURDEAU
JOHN N. HANSON

LAW OFFICES
BEVERIDGE, FAIRBANKS & DIAMOND
ONE FARRAGUT SQUARE SOUTH
WASHINGTON, D. C. 20006

TELEPHONE
(202) 638-7800

RECEIVED
FEDERAL ELECTION
COMMISSION

CARL EARDLEY
ELLIOTT GOLDSTEIN
OF COUNSEL

CABLE ADDRESS
"FELAW"
TELECOPIER
(202) 638-4194

79 MAR 19 AM 11:29

HAND DELIVERED

March 16, 1979

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

901610

Reference: MUR 895

Dear Mr. Oldaker:

By letter dated March 9, 1979 and received by us on March 13, you requested that we furnish to you on behalf of Beloit Corporation certain information in addition to that which we provided with our letter of February 27, 1979.

Enclosed pursuant to your request are:

- (1) a xerox copy of the letter from Mr. Neese to selected executive and administrative personnel dated November 4, 1978; and
- (2) copies of two Beloit invoices on which the company accumulated the costs of preparing and mailing the October 4 and November 4 letters.

These costs were accumulated and the invoices prepared contemporaneously with the mailings. The company did so in order to gauge whether or not the \$2,000 threshold reporting requirement in Reg. §100.7(b)(5) had been crossed.

Other than the October 4 and November 4 letters of which you are already aware, the company did not during 1977 and 1978 send any communications that might be considered partisan communications.

Sincerely yours,

A. James Barnes
A. James Barnes

cc: K. Salzberg

79040134712

Invoice Date 11-16-78

INVOICE 195495

FILE COPY 8P



BELOIT CORPORATION

PAPER MACHINERY DIVISION

BELOIT, WISCONSIN 53511

Customer P.O. -----

Beloit Order No. N2936

Terms: NET 30 DAYS

TO: DELOIT CORP. [REDACTED]
1 ST. LAWRENCE
BELOIT, WISCONSIN 53511

MAIL REMITTANCE ONLY TO BELOIT CORPORATION AT NEAREST P.O. BOX	
P.O. BOX 1141 BELOIT WIS. 53511	P.O. BOX 2707 BIRMINGHAM, ALA. 35202

P.O. BOX 37449 SAN FRANCISCO CALIF. 94117

PAYABLE IN U.S. FUNDS

8005-15 9800

SHIPPING DATE: 10-17-78

QUANTITY	SYMBOL - DESCRIPTION - TAG NO.	UNIT PRICE	TOTAL
	POLITICAL MAILING COSTS (LETTER dated October 4, 1978)		
	ENVELOPES	\$	16.86
	POSTAGE		177.45
	RETURN POSTAGE		18.45
	PRINTING EXPENSE		229.27
	COMPUTER MAILING LIST		<u>5.56</u>
		\$	448.59
	STAFF TIME: 11.0 hours at \$13.00/hr.		<u>143.00</u>
			614.59
	--F		
	ESCALATION TO BE BILLED LATER. FREIGHT IF ANY TO BE BILLED LATER.		

WE HEREBY CERTIFY THAT THESE GOODS WERE PRODUCED IN COMPLIANCE WITH ALL APPLICABLE REQUIREMENTS OF SECTIONS 8, 7 AND 12 OF THE FAIR LABOR STANDARDS ACT, AS AMENDED, AND OF REGULATIONS AND ORDERS OF THE UNITED STATES DEPARTMENT OF LABOR ISSUED UNDER SECTION 14 THEREOF, UNLESS YOUR ORIGINAL ORIGINATOR INDICATES TO THE CONTRARY. DELIVERY WAS MADE BY US TO CARRIER FOR YOUR ACCOUNT. P.O. & SHIPPING POINT: AT WHICH PLACE AND TIME TITLE AND POSSESSION OF SHIPMENT PASSED TO YOU.

79040134713

Invoice Date: 11-16-78

INVOICE 195494

FILE COPY 8P

Customer P.O. -----

Beloit Order No: N2943

Terms: NET 30 DAYS

TO: BELOIT CORP. [REDACTED]
1 ST. LAWRENCE
BELOIT, WIS. 53511



BELOIT CORPORATION
PAPER MACHINERY DIVISION
BELOIT, WISCONSIN 53511

MAIL REMITTANCE ONLY TO BELOIT CORPORATION AT NEAREST P.O. BOX	
P.O. BOX 1141 BELOIT, WIS. 53511	P.O. BOX 2705 BIRMINGHAM, ALA. 35202

P.O. BOX 37449
SAN FRANCISCO
CALIF 94137

PAYABLE IN U.S. FUNDS

8005-15 9800

SHIPPING DATE: 11-10-78

79040134714

QUANTITY	SYMBOL - DESCRIPTION - TAG NO.	MILL ITEM NO.	UNIT PRICE	TOTAL
	POLITICAL MAILING COSTS (LETTER dated November 4, 1978)			
	POSTAGE			77.70
	PRINTING			19.74
	MAIL HANDLING			5.72
	COMPUTER MAILING LIST			6.56
				109.72
	STAFF TIME: 4.5 hours AT \$15.00/hr.			67.50
				<u>177.22</u>
	--P			
	ESCALATION TO BE BILLED LATER.			
	FREIGHT IF ANY TO BE BILLED LATER.			

WE HEREBY CERTIFY THAT THESE GOODS WERE PRODUCED IN COMPLIANCE WITH ALL APPLICABLE REQUIREMENTS OF SECTIONS 8, 7 AND 12 OF THE FAIR LABOR STANDARDS ACT AS AMENDED AND OF REGULATIONS AND ORDERS OF THE UNITED STATES DEPARTMENT OF LABOR ISSUED UNDER SECTION 14 THEREOF UNLESS OUR ORIGINAL QUOTATION INDICATES TO THE CONTRARY. DELIVERY WAS MADE BY US TO CARRIER FOR YOUR ACCOUNT. P.O. & SHIPPING POINT AT WHICH PLACE AND TIME TITLE AND POSSESSION OF SHIPMENT PASSED TO YOU.

BELOIT CORPORATION

BELOIT, WISCONSIN 53511, U.S.A.
AREA CODE 608/365-3311
INTERNATIONAL TELEX 025-7455
CABLE ADDRESS: PAPERCHINE



November 4, 1978

Dear Fellow Employee:

As you are aware from the reports in the press, Congressman Aspin has taken strong exception to the assessment of himself and his challenger Bill Petrie which was enclosed with my October 4th letter to you.

I also want you to know that John Franz, Tom Jones and I each received a heated telephone call from the Congressman in reaction to my letter, during which he threatened each of us that he would "tangle" the efforts of Beloit Corporation in securing an order for Argentina through the assistance of the Export-Import Bank. We consider this to be blatant intimidation and were shocked that a member of the United States Congress would stoop to this level.

It would appear that he has chosen to threaten our business in an attempt to silence our rightful participation in the political process. Ironically, as appalled as we are, we are not in a position to make public release of this information prior to the election because of the fact that it might be construed as interference with the election process.

The issues of inflation, tax reform, unbridled Federal spending, and big government are the real issues at stake in the forthcoming election and I must reiterate that Congressman Aspin has given us no indication whatsoever that he recognizes these as vital issues. We know from his record that he is against what we consider to be an adequate national defense posture. These were the reasons that we chose to endorse Bill Petrie and why we continue to believe that he is the best choice for Congress from Wisconsin's First Congressional District.

I ask that you carefully consider the issues that confront us as business people and citizens concerned with the best possible representation in Washington. I urge your support for the election of Bill Petrie on Tuesday, November 7th and hope that you will share your views with your family and friends.

Sincerely,

President

79040134715

LAW OFFICES

BEVERIDGE, FAIRBANKS & DIAMOND

ONE FARRAGUT SQUARE SOUTH

WASHINGTON, D. C. 20006

HAND DELIVER

William C. Oldaker

General Counsel

Federal Election Commission

1325 K Street, N.W.

Washington, DC 20463

Attention: S. Callahan

79 MAR 19 AM 11:24

RECEIVED
FEDERAL ELECTION
COMMISSION

79040134716



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO

CHARLES STEELE

FROM:

MARJORIE W. EMMONS *MWE*

DATE:

MARCH 13, 1979

SUBJECT:

MUR 895 - Interim Investigatory Report
dated 3-7-79; Signed in OGC
3-9-79; Received in OCS 3-9-79,
2:36

The above-named document was circulated on a 24
hour no-objection basis at 4:30, Monday, March 12, 1979.

The Commission Secretary's Office has received
no objections to the Interim investigatory Report as of
4:30 this date.

79040134717

March 9, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 895

Please have the attached Interim Invest Report
on MUR 895 distributed to the Commission.

Thank you.

79040134718

BEFORE THE FEDERAL ELECTION COMMISSION
March 7, 1979

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

'9 MAR 9 P2: 36

In the Matter of)
)
)
Beloit Corporation)

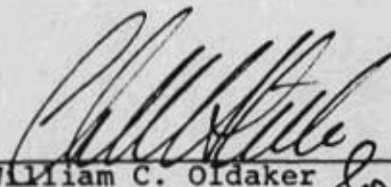
MUR 895

Interim Investigatory Report

On January 25, 1979, the Commission found reason to believe that the Beloit Corporation may have violated 2 U.S.C. §441b.

The corporation responded to the Commission's notification on February 27, 1979. We have determined that further questions need to be asked of the respondent before a recommendation is made to the Commission. We expect to be in a position to make a recommendation to the Commission shortly.

Date: 9 March 1979


William C. Oldaker
General Counsel

79040134719



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 9, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. A. James Barnes
Beveridge, Fairbanks & Diamond
One Farragut Square South
Washington, D.C. 20006

RE: MUR 895

Dear Mr. Barnes:

In furtherance of its investigation into the above referenced matter, the Commission requests that you provide certain information in addition to that provided by your letter of February 27, 1979.

Please advise the Commission, within five days of your receipt of this letter, as to the amount of money which the Beloit Corporation spent in connection with the letter from E. H. Neese addressed "Dear Fellow Employee", dated October 4, 1978, as well as the November 4th letter mentioned in the affidavit of Karl Salzberg. In this connection, please submit a copy of the November 4th letter. Additionally, if other letters of similar import were prepared and sent by the Beloit Corporation from 1977 through 1978, please submit copies along with financial data on each. Please note that "amount of money" should include but is not limited to the costs of: materials, drafting, printing, production, mailing preparations, stamps and staff time. In your response to the above, please provide the Commission with separate figures for each specific mailing or other type communication made, including the dates on which such action occurred.

This letter shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public.

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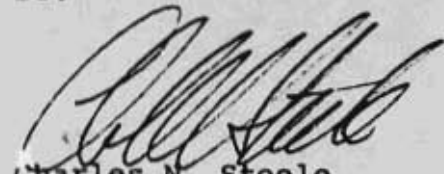
- 2 -

Should you have any questions, contact Suzanne Callahan at
202/523-4058.

Sincerely,

WILLIAM C. OLDAKER
GENERAL COUNSEL

BY:



Charles N. Steele
Associate General Counsel

19040134721

GC# 946

LAW OFFICES
BEVERIDGE, FAIRBANKS & DIAMOND
ONE FARRAGUT SQUARE SOUTH
WASHINGTON, D. C. 20006

HENRY L. DIAMOND
RICHARD M. FAIRBANKS, III
ALBERT J. BEVERIDGE, III
GARY H. BAISE
A. JAMES BARNES
HAROLD HIMMELMAN
CHRISTOPHER H. BUCKLEY, JR.
JONATHAN Z. CANNON
ANDREW E. MISHKIN
CHARLES A. PATRIZIA
SCOTT W. BOWEN
CATHERINE M. DUNLAP
CYNTHIA A. LEWIS
KARL S. BOURDEAU
JOHN N. HANSON

TELEPHONE
(202) 638-7800

'79 FEB 28 PM 4:24

CARL EARDLEY
ELLIOTT GOLDSTEIN
OF COUNSEL

CABLE ADDRESS
"INDLAW"

TELECOPIER
(202) 638-4194

HAND DELIVERED

February 28, 1979

901118

Mr. William Oldaker
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

Reference: MUR 895 (78) - Beloit Corporation

Dear Mr. Oldaker:

In my letter to you dated February 27, 1978 concerning this matter I enclosed a telecopy of Mr. Karl Salzberg's notarized statement and advised you that the original would be forthcoming today. Enclosed for your files is the original statement.

Please let me know if you have any further questions concerning this matter.

Sincerely yours,

A. James Barnes
A. James Barnes

AJB/ap
Enclosure

cc: Karl Salzberg

79040134722

BELOIT CORPORATION

BELOIT, WISCONSIN U.S.A., 53511
AREA CODE 608/365-3311
INTERNATIONAL TELEX 028-7458
CABLE ADDRESS: PAPERCHINE

February 26, 1979

Mr. William Oldaker
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 895 (78) - Beloit Corporation

Dear Mr. Oldaker:

Your letter of January 25, 1979 addressed to Mr. E. H. Neese, President of Beloit Corporation requests in part that the company submit factual materials to you which would be relevant to the Commission's analysis of the matter and that, where appropriate, the statement should be submitted under oath. This statement is submitted to you pursuant to that request.

I am currently, and have been during the relevant time period for this matter, the Assistant General Counsel and Secretary of Beloit Corporation. On October 31, 1978 it was brought to my attention that a communication dated October 4, 1978 from Mr. Neese to certain salaried employees may have been mailed to employees not eligible to receive it under the federal election laws. At that time I considered it important to determine the background of the October 4th mailing so that if an error had in fact been made there would be a record of the matter and so that appropriate corrective action could be taken if the company decided to make subsequent communications to selected employees. It is the policy of Beloit Corporation to make such communications only within the allowable limits of the applicable law and regulations. If an error had been made in the earlier mailing, the company wanted to make every effort to insure that it would not recur. Accordingly, I initiated an investigation into the sequence of events that led to the October 4th mailing. My investigation revealed the following facts and information:

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Mr. William Oldaker
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The October 4th Mailing

At a meeting on September 26, 1978, in which I participated, Beloit Corporation decided to send two communications from Mr. Neese to selected employees concerning the forthcoming election in the First Congressional District of Wisconsin. Discussion at the meeting concerned the general tenor of the communications, the timing of the communications, and the definition of the appropriate target group of employees eligible to receive such communications. At the meeting, the FEC's regulations limiting such communications to "executive and administrative personnel" were reviewed. Discussion then followed as to how to identify the eligible group so that a computer listing with home address mailing labels could be obtained. At that time it appeared that sending the communication to all monthly salaried personnel would encompass a group permitted by the FEC regulations to receive the mailing. It was estimated that this group of executive and administrative personnel would number approximately 600 and would not include any clerical, secretarial or bargaining unit personnel.

Following the September 26th meeting several draft letters were prepared and circulated among most of the individuals who had been present at the meeting. Individuals in the Personnel Department, some of whom had not been present at the September 26th meeting, were consulted concerning the content of the letter. However, in suggesting changes in the wording of the letter, these individuals indicated that they understood that the letter would receive distribution only to a limited group of company employees which would not include members of the bargaining unit.

On October 3, 1978 a mailing label list was requested from the Systems Department by a member of the Personnel Department who had neither attended the meeting on September 26th nor participated in the review of the draft letter. I have not been

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able to ascertain exactly who gave the instructions to this individual to obtain the employee mailing list or exactly what those instructions were.

At the same time, the letter was being typed in the form of a master which was taken to the print shop where it was reproduced, stuffed in envelopes and the mailing labels affixed. The letters were taken to the mailroom and run through the postage meter and then delivered to the Post Office on or about October 4, 1978. The letter, as mailed to selected employees, is attached to this statement as Exhibit A.

The Investigation

As previously indicated, on October 31, 1978 I learned for the first time that ineligible employees might have received the October 4th letter. The source of this information was a press release from Congressman Aspin dated October 30, 1978 which indicated a complaint would be filed with the FEC.

I began with the mailroom and sought to ascertain the postage cost of the mailing. This was determined to be \$177.45 which, by using a cost of .15 cents per mailing, made it readily apparent that approximately 1,183 pieces had been mailed. Because at the September 26th planning meeting it had been estimated that approximately 600 employees would fall within the classification of executive and administrative personnel, it appeared that an error had been made in the mailing. An effort was immediately made to reconstruct the actual mailing list used for the October 4th communication but this was not possible as the practice of the Personnel Department is to preserve only the three most recent tapes and the oldest of the tapes available at that time was dated October 19, 1978.

I then went on to interview those individuals who were involved in the planning of the project, the implementation of the project and the mechanical aspects of the mailing. Based on

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these interviews I reached the following findings and conclusions: (a) that approximately 1,183 employees were sent the mailing; (b) among the addressees were approximately 665 employees who by their job classifications probably were not within the executive and administrative categories as defined in FEC regulations; (c) that none of the ineligible employees were members of a bargaining unit; (d) that individuals responsible for the planning of the mailing were aware that such communications were limited to executive and administrative personnel; (e) that individuals who implemented the mailing were generally aware that union members were not proper subjects to receive a communication; (f) that individuals who actually carried out the tasks of mailing the October 4th letter were not aware of any limitations on the scope of the communication; and (g) that the cause of the incorrect mailing was due to a lack of communication during the period between those planning the mailing and those actually executing it.

Consideration of Corrective Action Concerning
the October 4th Mailing

Once the company concluded that ineligible employees had received the initial mailing, it considered whether corrective action might be taken concerning that mailing. One option which it considered, but rejected, was sending a letter to those individuals who were believed to have received the first communication but who were ineligible to receive it. The purpose of the corrective letter would obviously have been to advise the individual of the inadvertency of the October 4th mailing and to ask that it be disregarded. This option was rejected for several reasons. Primarily, the company felt that sending such a mailing shortly before the election stood a substantial chance of being misinterpreted. It would be subject to being considered a last minute effort to again call attention to the earlier commu-

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Mr. William Oldaker
Page Five
February 26, 1979

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nication. There was also no certainty that the company could reach the exact group that had received the initial mailing and thus the risk that either individuals who had received the first letter might not get the second letter as well as the possibility that ineligible individuals who had not received the first letter would receive the second letter. Accordingly, it was determined that the best course of action for the company was not to make any further attempt to take corrective action as to the first mailing but to make sure that any subsequent mailings would be sent only to executive and administrative personnel permitted to receive such communication under the FEC regulations.

The Subsequent Mailing on November 4th

During the above course of events the company was following through with the second planned communication to selected employees. The mailing list for this mailing was very carefully constructed to insure that ineligible employees would not be recipients of the communication.

The Systems Department provided a tab run listing of employees by job title as well as a corresponding mailing label run for all employees on the company's so-called "exempt" payroll. This includes only salaried, non-union personnel. The total number of names on the mailing list was 1,125. The job title list and the mailing label list were then placed side by side and the following categories of employees were eliminated from the proposed mailing by placing a red dot on their mailing list: secretarial, clerical, foremen, supervisors of hourly employees. Individuals who were residents of states other than Wisconsin and Illinois were also eliminated. A black dot was placed on the mailing labels for those employees who had been identified as eligible to receive the second communication. Then, as each mailing label was placed on an envelope, the name was double checked against the job title run. The envelopes with the

Mr. William Oldaker
Page Six
February 26, 1979

mailing labels affixed totaling 518 were taken to the print shop where they were run through a machine which inserted a copy of a letter signed by Mr. Neese dated November 4th and sealed each envelope. After all 518 envelopes had been sealed, the unused copies of the letter were shredded with the exception of five copies which were retained in the company's files. The job title list and the mailing label list were also preserved. The sealed envelopes were then run through the postage meter and taken to the Post Office on November 4th for mailing.

The foregoing sets forth to the best of my knowledge and belief the facts and sequence of events in this matter. If you should have any questions concerning it please contact me.

Sincerely yours,

BELOIT CORPORATION

By

Karl Salzberg
Karl Salzberg
Assistant General Counsel
& Secretary

Sworn before me this
26th day of February, 1979.

Karen Hahn

Notary Public

MY COMMISSION EXPIRES 5/3/81

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BELOIT CORPORATION

BELOIT, WISCONSIN 53511, U.S.A.
AREA CODE 608/365-3311
INTERNATIONAL TELEX 021-7450
CABLE ADDRESS: PAPERCHINE



October 4, 1978

Dear Fellow Employee:

I am sure that you will agree with me that our American economic system has contributed in a large part to providing us with one of the most free and progressive societies the world has ever known. However, at a time when our way of life is under challenge from a number of directions, we find ourselves in a political environment that is often unresponsive, and even hostile, to free enterprise and individual initiative. The continued erosion of our free enterprise system can only accelerate the deterioration of the society which it supports.

I firmly believe that as concerned citizens and business participants, we all must become more active politically if we are to slow and ultimately reverse the trend in government toward burdensome bureaucracy, confiscatory taxes, inflation, and unresponsiveness to individual initiative.

There are a number of ways in which you can become personally involved in the political process ranging from being a candidate yourself, to making a financial contribution to the candidate of your choice, working on behalf of a candidate, voting, etc. The current election campaign for Congressman, First Congressional District, Wisconsin, for example, provides an opportunity to become actively involved in a campaign. The incumbent, Congressman Les Aspin, is being challenged by Bill Petrie. Beloit Corporation's Legislative Affairs Committee has prepared an assessment report of these candidates. This report is enclosed. I encourage your thoughtful review of the information it presents.

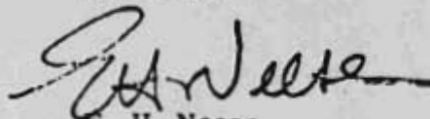
A survey of Political Interest and Awareness is also enclosed. Your response to this questionnaire will provide the Legislative Affairs Committee with an indication of the level of political interest among Beloit Corporation employees. Your completion of this questionnaire

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is voluntary and your identity need not be revealed unless you wish to do volunteer work. A postage paid envelope is enclosed for your convenience.

I am convinced that those of us closely affiliated with industry and business must assume a more active role in directing our political affairs. You have my personal thanks for your recognition of the problems which face us, and for your support of Beloit Corporation's efforts to make a meaningful contribution to our American political process.

Sincerely,



E. H. Neese
President

encl.

79040134730

HENRY L. DIAMOND
RICHARD M. FAIRBANKS, III
ALBERT J. BEVERIDGE, III
GARY H. BAISE
A. JAMES BARNES
HAROLD HIMMELMAN
CHRISTOPHER H. BUCKLEY, JR.
JONATHAN Z. CANNON
ANDREW E. MISHKIN
CHARLES A. PATRIZIA
SCOTT W. BOWEN
CATHERINE M. DUNLAP
CYNTHIA A. LEWIS
KARL S. BOURDEAU
JOHN N. HANSON

LAW OFFICES
BEVERIDGE, FAIRBANKS & DIAMOND
ONE FARRAGUT SQUARE SOUTH
WASHINGTON, D. C. 20006

TELEPHONE
(202) 638-7800

RECEIVED
FEDERAL ELECTION
COMMISSION

CARL EARDLEY
ELLIOTT GOLDSTEIN
OF COUNSEL

'79 FEB 28 AM 10:15

TELECOPIER
(202) 638-4194

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February 27, 1979

Mr. William Oldaker
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

Reference: MUR895(78)--Beloit Corporation

Dear Mr. Oldaker:

By letter dated January 25, 1979 you advised the Beloit Corporation that the Federal Election Commission had received a complaint against the company alleging certain violations of the Federal Election Campaign Act and that the Commission had reason to believe that the matters alleged on the complaint stated a violation of 2 U.S.C. §441b. You requested that the company submit any factual and legal materials relevant to the Commission's consideration of whether action should be taken against the company.

Beloit's officials who are familiar with the activities alleged in the complaint have reviewed those allegations. The facts as they are known to the company have been set forth in the notarized statement of Karl Salzberg, Assistant General Counsel of Beloit Corporation. A telecopy of Mr. Salzberg's statement is attached to this letter; the original is being hand carried to Washington, D.C. and will be submitted to you tomorrow. Beloit believes that its actions in this matter are clearly covered by §114.5(h) of the Commission's regulations implementing 2 U.S.C. §441b. Section 114.5(h) provides that an accidental or inadvertent solicitation by a corporation will not, under certain circumstances, be deemed a violation of the Act. The application of this provision to the facts of this case is detailed in the memorandum attached to this letter.

Should you have any further questions or need clarification of the matters set forth in Mr. Salzberg's statement or the memorandum, please contact Mr. Salzberg or me.

BEVERIDGE, FAIRBANKS & DIAMOND

Mr. William Oldaker
Federal Election Commission
....2

February 27, 1979

As you indicated in your letter, Beloit would like to have this matter remain confidential until such time as the company advises you in writing that it wishes the matter made public.

Sincerely yours,

A. James Barnes

A. James Barnes

AJB/ap
Attachments

cc: Karl Salzberg

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BELOIT CORPORATION

BELOIT, WISCONSIN U.S.A., 53511
AREA CODE 800/800-9311
INTERNATIONAL TELEX 008-7468
CABLE ADDRESS: PAPERCHINE

February 26, 1979

Mr. William Oldaker
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 895 (78) - Beloit Corporation

Dear Mr. Oldaker:

Your letter of January 25, 1979 addressed to Mr. E. H. Neese, President of Beloit Corporation requests in part that the company submit factual materials to you which would be relevant to the Commission's analysis of the matter and that, where appropriate, the statement should be submitted under oath. This statement is submitted to you pursuant to that request.

I am currently, and have been during the relevant time period for this matter, the Assistant General Counsel and Secretary of Beloit Corporation. On October 31, 1978 it was brought to my attention that a communication dated October 4, 1978 from Mr. Neese to certain salaried employees may have been mailed to employees not eligible to receive it under the federal election laws. At that time I considered it important to determine the background of the October 4th mailing so that if an error had in fact been made there would be a record of the matter and so that appropriate corrective action could be taken if the company decided to make subsequent communications to selected employees. It is the policy of Beloit Corporation to make such communications only within the allowable limits of the applicable law and regulations. If an error had been made in the earlier mailing, the company wanted to make every effort to insure that it would not recur. Accordingly, I initiated an investigation into the sequence of events that led to the October 4th mailing. My investigation revealed the following facts and information:

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Mr. William Oldaker
Page Two
February 26, 1979

The October 4th Mailing

At a meeting on September 26, 1978, in which I participated, Beloit Corporation decided to send two communications from Mr. Neese to selected employees concerning the forthcoming election in the First Congressional District of Wisconsin. Discussion at the meeting concerned the general tenor of the communications, the timing of the communications, and the definition of the appropriate target group of employees eligible to receive such communications. At the meeting, the FEC's regulations limiting such communications to "executive and administrative personnel" were reviewed. Discussion then followed as to how to identify the eligible group so that a computer listing with home address mailing labels could be obtained. At that time it appeared that sending the communication to all monthly salaried personnel would encompass a group permitted by the FEC regulations to receive the mailing. It was estimated that this group of executive and administrative personnel would number approximately 600 and would not include any clerical, secretarial or bargaining unit personnel.

Following the September 26th meeting several draft letters were prepared and circulated among most of the individuals who had been present at the meeting. Individuals in the Personnel Department, some of whom had not been present at the September 26th meeting, were consulted concerning the content of the letter. However, in suggesting changes in the wording of the letter, these individuals indicated that they understood that the letter would receive distribution only to a limited group of company employees which would not include members of the bargaining unit.

On October 3, 1978 a mailing label list was requested from the Systems Department by a member of the Personnel Department who had neither attended the meeting on September 26th nor participated in the review of the draft letter. I have not been

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Mr. William Oldaker
Page Three
February 26, 1979

able to ascertain exactly who gave the instructions to this individual to obtain the employee mailing list or exactly what those instructions were.

At the same time, the letter was being typed in the form of a master which was taken to the print shop where it was reproduced, stuffed in envelopes and the mailing labels affixed. The letters were taken to the mailroom and run through the postage meter and then delivered to the Post Office on or about October 4, 1978. The letter, as mailed to selected employees, is attached to this statement as Exhibit A.

The Investigation

As previously indicated, on October 31, 1978 I learned for the first time that ineligible employees might have received the October 4th letter. The source of this information was a press release from Congressman Aspin dated October 30, 1978 which indicated a complaint would be filed with the FEC.

I began with the mailroom and sought to ascertain the postage cost of the mailing. This was determined to be \$177.45 which, by using a cost of .15 cents per mailing, made it readily apparent that approximately 1,183 pieces had been mailed. Because at the September 26th planning meeting it had been estimated that approximately 600 employees would fall within the classification of executive and administrative personnel, it appeared that an error had been made in the mailing. An effort was immediately made to reconstruct the actual mailing list used for the October 4th communication but this was not possible as the practice of the Personnel Department is to preserve only the three most recent tapes and the oldest of the tapes available at that time was dated October 19, 1978.

I then went on to interview those individuals who were involved in the planning of the project, the implementation of the project and the mechanical aspects of the mailing. Based on

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Mr. William Oldaker
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February 26, 1979

these interviews I reached the following findings and conclusions: (a) that approximately 1,183 employees were sent the mailing; (b) among the addressees were approximately 665 employees who by their job classifications probably were not within the executive and administrative categories as defined in FEC regulations; (c) that none of the ineligible employees were members of a bargaining unit; (d) that individuals responsible for the planning of the mailing were aware that such communications were limited to executive and administrative personnel; (e) that individuals who implemented the mailing were generally aware that union members were not proper subjects to receive a communication; (f) that individuals who actually carried out the tasks of mailing the October 4th letter were not aware of any limitations on the scope of the communication; and (g) that the cause of the incorrect mailing was due to a lack of communication during the period between those planning the mailing and those actually executing it.

Consideration of Corrective Action Concerning
the October 4th Mailing

Once the company concluded that ineligible employees had received the initial mailing, it considered whether corrective action might be taken concerning that mailing. One option which it considered, but rejected, was sending a letter to those individuals who were believed to have received the first communication but who were ineligible to receive it. The purpose of the corrective letter would obviously have been to advise the individual of the inadvertency of the October 4th mailing and to ask that it be disregarded. This option was rejected for several reasons. Primarily, the company felt that sending such a mailing shortly before the election stood a substantial chance of being misinterpreted. It would be subject to being considered a last minute effort to again call attention to the earlier commu-

Mr. William Oldaker
Page Five
February 26, 1979

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nication. There was also no certainty that the company could reach the exact group that had received the initial mailing and thus the risk that either individuals who had received the first letter might not get the second letter as well as the possibility that ineligible individuals who had not received the first letter would receive the second letter. Accordingly, it was determined that the best course of action for the company was not to make any further attempt to take corrective action as to the first mailing but to make sure that any subsequent mailings would be sent only to executive and administrative personnel permitted to receive such communication under the FEC regulations.

The Subsequent Mailing on November 4th

During the above course of events the company was following through with the second planned communication to selected employees. The mailing list for this mailing was very carefully constructed to insure that ineligible employees would not be recipients of the communication.

The Systems Department provided a tab run listing of employees by job title as well as a corresponding mailing label run for all employees on the company's so-called "exempt" payroll. This includes only salaried, non-union personnel. The total number of names on the mailing list was 1,125. The job title list and the mailing label list were then placed side by side and the following categories of employees were eliminated from the proposed mailing by placing a red dot on their mailing list: secretarial, clerical, foremen, supervisors of hourly employees. Individuals who were residents of states other than Wisconsin and Illinois were also eliminated. A black dot was placed on the mailing labels for those employees who had been identified as eligible to receive the second communication. Then, as each mailing label was placed on an envelope, the name was double checked against the job title run. The envelopes with the

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Counsel

February 27, 1979

MEMORANDUM

Reference: October 4, 1978 Mailing By Beloit Corporation

INTRODUCTION

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This memorandum will set forth: (1) a very brief description of Beloit Corporation ("Beloit"); (2) the factual background of the mailing Beloit sent to certain salaried non-union personnel on or about October 4, 1978; and (3) Beloit's legal position concerning the application of the federal election laws and regulations to this mailing.

BACKGROUND—BELOIT CORPORATION

Beloit is a privately owned corporation organized under the laws of Delaware with its principal office and one of its manufacturing facilities at Beloit, Wisconsin. Beloit is primarily engaged in the manufacture and sale of machinery used in the papermaking industry. Beloit has established a Political Action Committee, the Beloit Corporation Political Action Committee, which is registered with the Federal Election Commission. Beloit also has a separate Wisconsin PAC which makes contributions to candidates for state offices.

FACTUAL BACKGROUND OF THE MAILING

On September 26, 1973 the Beloit Corporation decided to send communications from E. H. Neese, the President of Beloit, to selected personnel concerning the election of a Representative from the First Congressional District of Wisconsin. In a meeting that day Beloit management discussed in general terms the definition of the appropriate target group of employees eligible to receive such communications and understood that under the Federal Election Commission regulations the eligible group was limited to executive and administrative personnel and shareholders. There was some discussion as to how to identify the eligible group so that a computer run using home address mailing labels could be used. Consideration was given to sending a communication to all monthly salary personnel and it was estimated that this group of executive and administrative personnel would number approximately 600 and would not include any clerical or secretarial workers, supervisors of hourly workers, or bargaining unit personnel.

Following the meeting, a series of draft letters were prepared and circulated for review. Agreement was reached on the language contained in the letter attached as Exhibit A to Mr. Salzberg's statement. At the same time, the Personnel Department was consulted about pulling the appropriate mailing list. On October 3 a mailing list was requested from

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the Systems Department by a member of the Personnel Department. Although those individuals involved in the mailing were interviewed, the company was not able to ascertain exactly what instructions were given to that individual in the Personnel Department or exactly who gave the instructions to the person. After the letter dated October 4 was typed, it was reproduced in the Print Shop where it was stuffed in envelopes and the mailing labels affixed. The letters were taken to the Mail Room, run through the postage meter and delivered to the post office on or about October 4, 1978.

About October 31, at a time when a second letter to selected executive and administrative personnel concerning the Congressional election was under consideration, Beloit officials learned for the first time that the October 4 letter might have been received by ineligible employees. Upon learning of this possibility, Karl Salzberg, the Assistant General Counsel who had participated in the September 26 meeting, immediately undertook an investigation to ascertain the scope of the October 4 mailing. He focused in particular on whether any employees other than "executive and administrative employees" as defined in the federal election laws and regulations had received the communication.

At that time he consulted with the Mail Room to ascertain the postage cost of the mailing which was discovered to be \$177.45. At a cost for postage of 15 cents. per envelope it appeared that approximately 1,183 pieces of mail had been sent out. Because at the September 26 planning

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meeting it had been estimated that approximately 600 employees would fall within the classification of executive and administrative personnel, it became apparent that an error had probably been made in the mailing. An effort was immediately made to reconstruct the actual mailing list used for the October 4 communication. This was not possible as the practice of the Personnel Department is to preserve only the most recent three tapes and the oldest of those tapes on hand as of October 31 was one dated October 19, 1978.

Following interviews with the individuals who were involved in the planning of the project, the implementation of the project and the mechanical elements of the mailing, Mr. Salzberg reached the following conclusions: (a) approximately 1,183 salaried employees had been sent the October 4 mailing, (b) among the 1,183 addressees there were approximately 665 who by their job classifications were not within the executive and administrative categories as defined in FEC regulations; (c) none of the 665 employees who were ineligible to receive the mailing were members of a bargaining unit; (d) the individuals who were responsible for the planning of the mailing were aware of the limitations on communications with other than executive and administrative employees and intended that those limitations would be followed; (e) the individuals who implemented the proposed mailing were generally aware that union members were not proper subjects to receive the communication but it was unclear as to whether they understood the precise line to be drawn between various types

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of salaried non-union personnel; and (f) the individuals who carried out the mechanical tasks of the mailing were apparently unaware of the limitations on the scope of the communication. Thus, Mr. Salzberg concluded that there had been a breakdown in the company's internal communication process during the October 4 mailing.

After it became apparent the initial mailing had inadvertently been made to too large a group of employees, the company considered the possibility of sending a letter to those individuals believed to have received the October 4 letter, but who were ineligible to receive it, advising them of this fact and asking that they disregard the earlier letter. After consideration this option was not adopted for several reasons. First, and most critically, the company felt any such letter, no matter how carefully drafted, could be misinterpreted and viewed as merely a second attempt to reach ineligible recipients for such a communication from the company. Second, it was not possible to reconstruct with precise accuracy the list of individuals who had received the initial communication. Thus there was the risk that individuals who had received the October 4 letter would not receive the corrective letter and that individuals who had not obtained the earlier letter (and who are not eligible to receive such communications) would get the second letter.

On November 1, the company began preparing the previously planned second mailing to administrative and executive personnel. A number of very precise steps were undertaken to insure that

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the subsequent mailing would not reach any ineligible recipients. The company began with a tab run listing of all employees by job title and a corresponding mailing label run for all employees on Beloit's so-called "exempt payroll" which includes only salaried personnel and does not include individuals who are members of a bargaining unit. The total number of names on the mailing list was 1,125. The job classification list and the mailing label list were placed side by side. All employees whose duties included secretarial, clerical, or supervision of hourly employees were eliminated from the proposed mailing list as well as all individuals who were residents of states other than Wisconsin and Illinois. The mailing labels for those employees who had not been eliminated were placed on envelopes and then the names were double-checked against the job classification run. This mailing totalling 518, was taken to the Print Shop and the November 4 letter was inserted. After the envelopes were sealed all unused copies of the letter were shredded with the exception of five copies which were retained by the company. An official of the company then delivered 518 envelopes to the Beloit post office for mailing.

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II. APPLICATION OF THE FEDERAL ELECTION LAWS
AND REGULATIONS TO THIS MATTER

In his letter of January 25, 1979 addressed to Beloit, Mr. Oldaker stated that the Federal Election Commission ("FEC") had "reason to believe" that the matters alleged in the complaint it had received from Warren L. Nelson constituted a violation of 2 U.S.C. §441b of the Federal Election Campaign Act. Beloit submits that the facts in this matter, as outlined above and developed in more detail in the accompanying notarized statement of Karl Salzberg, clearly do not constitute a violation of Section 441b.

Section 441b-(a) prohibits any corporation from making any "contribution or expenditure in connection with any election at which . . . a representative in . . . Congress [is] to be voted for" Section 441b-(b)(2) specifically excludes from the definition of "contribution or expenditure" a "communication by a corporation to its stockholders and executive or administrative personnel and their families . . . on any subject." Section 441b-(b)(7) then defines "executive and administrative personnel" to include "individuals employed by a corporation who are paid on a salary rather than hourly and who have managerial, professional or supervisory responsibilities."

The October 4, 1978 letter from E. H. Neese to selected Beloit personnel was a "communication by a corporation". It was intended by the corporate officials who initiated it

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to be directed to "executive and administrative personnel" of the company within the meaning of the Federal Election Campaign Act. Distribution of the communication was in fact limited to salaried non-union personnel of the company. Through an inadvertent breakdown in communications within the company it was distributed to some individuals who although paid on a salaried basis, do not have "managerial, professional or supervisory responsibilities. In addition certain other individuals who can be characterized as "salaried foremen and other salaried lower level supervisors having direct supervision over hourly employees"^{*/} are believed to have received the communication.

When the company later learned that the communication had been sent to ineligible employees, it (1) promptly initiated an investigation into the matter, (2) considered what, if any, corrective action could appropriately be taken concerning that mailing, and (3) took steps to insure that subsequent communications by the company would not be sent to ineligible employees.

^{*/}Individuals whose jobs meet these criteria would be within the term "administrative and executive personnel" as it is defined in the Act but they have been excluded from the definition of the term in Reg. 114.1(c)(2). However, the Commission has on at least two occasions issued advisory opinions which would allow foremen in certain cases (AO 1976-75) and supervisors of hourly workers who themselves perform manual labor no more than 40 percent of their time (AO 1978-27) to come within the "executive and administrative personnel" category to whom corporate communications may be sent.

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Beloit does not contest the fact that its communication was received by employees other than those whom it intended to receive the communication and that it is likely this included ineligible salaried employees. However, Beloit submits that such an inadvertent communication is precisely the kind which the FEC in its regulations has exempted from being deemed a violation of the Federal Election Campaign Act.

Section 114.5(h) of the FEC's regulations provides that:

Accidental or inadvertent solicitation.
Accidental or inadvertent solicitation by a corporation or labor organization, or the separate segregated fund of either, of persons apart from and beyond those whom it is permitted to solicit will not be deemed a violation, provided that such corporation or labor organization or separate segregated fund has used its best efforts to comply with the limitations regarding the persons it may solicit and that the method of solicitation is corrected forthwith after the discovery of such erroneous solicitation.

Beloit recognizes that Section 114.5 is primarily concerned with "solicitations" to contribute monies to separate segregated funds. A corporation, except for the broader solicitation permitted twice a year, is limited to soliciting its "executive and administrative personnel" for such contributions. However, the FEC made no distinction between "solicitations" and "communications" to ineligible recipients in AO 1978-97 where it allowed both communications and solicitations to be sent to a minimal (1,000) number of

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ineligible recipients. And, the basic rationale and policy considerations that support not treating inadvertent "solicitations" as violations militate for the same treatment for inadvertent "communications". Indeed, the inadvertent communication poses less of a problem than an inadvertent solicitation. The ineligible employee receiving a communication can cast his or her ballot without the employer knowing how he or she voted whereas the ineligible employee who receives an inadvertent solicitation and does not respond could become known to the employer if the list of those employees who did contribute ever came to the employer's attention.

In this instance, there was an accidental, inadvertent communication directed to ineligible non-union salaried employees more than a month before the election. When the company discovered the error, it took appropriate steps to correct the mailing list to insure that further erroneous communications would not occur. This matter is within the letter and spirit of Regulation §114.5(h) and should be determined by the Commission not to constitute a violation of the Act.

Moreover, a finding by the FEC that the inadvertent communication involved in the single mailing in this matter does not constitute a violation would be consistent with the position the FEC has taken in the other matters that have come before it involving communications and/or solicitations to ineligible recipients.

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79040134748

For example, in AO 1978-97 the FEC advised the National Association of Postal Supervisors (NAPS) that it could communicate its views as well as solicit contributions to its PAC through the NAPS magazine even though three percent of the circulation list (1,000 individuals) for the magazine are not NAPS members. A caveat was required to be included in each PAC article and solicitation, but the basic fact remains, the FEC approved a knowing communication and/or solicitation with non-members who under the federal election law may not be sent communications or solicited, presumably on the grounds the solicitation of non-members would be de minimus.^{*/}

In OR 835 the General Counsel of the FEC was asked for an opinion concerning an ad for a corporate PAC "mistakenly" placed in a newsletter sent to all employees. The General Counsel advised the requester that such an accidental or inadvertent solicitation would not be deemed a violation of the Act if the corporation used its best efforts to comply with the limitations and if the method of solicitation was corrected after the discovery of the erroneous solicitation.

^{*/}In AO 1978-83 the FEC also permitted a trade association PAC, under certain circumstances, to communicate with individuals who are not within the explicitly permitted group under the Federal Election Campaign Act so long as contributions would be accepted only from those individuals eligible to be solicited.

79040134749

In AO 1978-77 the FEC advised Congressman Aspin**/ that it was permissible for him to use a corporate officer identified by name and title as such, in a paid political commercial in which he would describe the Congressman's efforts to help that company get "federal loan guarantees and keep jobs in the Kenosha area". Beloit respectfully submits that the intentional communication in that instance linking a company official--identified as such--with an appeal for the candidate and what he had done for the company and its employees--raises readily apparent and considerably more serious problems than are presented by the instant inadvertent communication.

In AO 1978-26 the FEC recognized that in soliciting contributions for a corporate PAC the solicitations might have to pass through persons who were not themselves eligible donors or solicitees of the PAC. Similarly, in AO 1978-17 incidental solicitations of non-members of a trade association PAC were deemed permissible where no contributions would be accepted from non-stockholders, executive or administrative

**/It is somewhat ironic that Congressman Aspin, who sought FEC approval to provide wide public exposure (beyond the executive and administrative officials of the company) of a company official stating what the Congressman had done, chose to complain in this instant matter about an internal corporate communication that inadvertently reached only a few unintended salaried non-union employees. Congressman Aspin is not entitled to have Section 441b of the Act broadly interpreted to allow wide and deliberate dissemination of corporate views supporting him and at the same time narrowly construed against excusing accidental dissemination of corporate views opposing him.

personnel of members. And, In AO 1978-27, the FEC permitted a corporate PAC to solicit salaried managers who directly supervised hourly employees and who to a certain extent (less than 40% of their time) performed manual tasks themselves.

In short, Beloit submits that its actions in this matter do not constitute a violation of the Act as it has consistently been interpreted by the FEC in its regulations and opinions. The actions involved (1) a de minimus accidental or inadvertent corporate communication, and (2) prompt, appropriate and effective company action to insure that any further communications would be sent only to eligible "executive and administrative personnel".

Accordingly, Beloit respectfully requests that the FEC make a formal determination finding no violation and close its file in this matter.

79040134750

11-85-02

HENRY L. DIAMOND
RICHARD M. FAIRBANKS, III
ALBERT J. BEVERIDGE, III
GARY H. BAISE
A. JAMES BARNES
HAROLD HIMMELMAN
CHRISTOPHER H. BUCKLEY, JR.
JONATHAN Z. CANNON
ANDREW E. MISHKIN
CHARLES A. PATRIZIA
SCOTT W. BOWEN
CATHERINE M. DUNLAP
CYNTHIA A. LEWIS
KARL S. BOURDEAU
JOHN N. HANSON

LAW OFFICES
BEVERIDGE, FAIRBANKS & DIAMOND
ONE FARRAGUT SQUARE SOUTH
WASHINGTON, D. C. 20006

TELEPHONE
(202) 638-7800

600#
9334
RECEIVED
FEDERAL ELECTION
COMMISSION
ELLIOTT GOLDSTEIN
OF COUNSEL

'79 FEB 14 11:25
CABLE ADDRESS
INDIA
TELECOPIER
(202) 638-4194

HAND DELIVER

February 13, 1979

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

000083

Reference: MUR 895 (78) -- Beloit Corporation

Dear Mr. Oldaker:

On February 5, 1979 Beloit Corporation received your letter dated January 25, 1979 concerning a complaint filed against the company alleging certain violations of the Federal Election Campaign Act. In your letter you asked that the company submit any relevant factual or legal materials to the Commission within ten days of its receipt of your letter.

The company asked us to represent it and began assembling factual materials relevant to your inquiry. On Thursday, February 8 certain materials, along with a copy of your letter and the complaint, were mailed to us for our use in preparing a draft response. As of this afternoon, this information has not been received and the company is sending us a duplicate of the materials. In addition, Mr. E. H. Neese, the signator on the letter on which the complaint was based, is out of the country through the end of this week and not accessible to us.

For these reasons it is not possible for us to have the statements which you requested prepared, reviewed, where appropriate, executed by company officials, and submitted to the Commission by Friday, February 16. We believe that the response can be submitted to the Commission on or before February 27 and ask that you acquiesce in the company's request for this brief additional period of time to respond. This time is necessary in order to accord the company "a reasonable opportunity to demonstrate that no action should be taken" against it by the Commission as provided in §437g-(a)(4) of the

9040134751

BEVERIDGE, FAIRBANKS & DIAMOND

William C. Oldaker
Federal Election Commission
....2

February 13, 1979

Act. The company believes it has a strong basis for making such a demonstration and will do so in its response.

Please let me know immediately if there is any difficulty with this request. Thank you for your assistance in this matter.

Sincerely yours,

A. James Barnes
A. James Barnes

AJB/ap

cc: Karl Salzberg, Esquire
Beloit Corporation

79040134752

LAW OFFICES

3 BEVERIDGE, FAIRBANKS & DIAMOND
5 ONE FARRAGUT SQUARE SOUTH
WASHINGTON, D. C. 20006

79 FEB 10 AM 11:25

HAND DELIVER

ATTENTION: Suzanne Callahan

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO

CHARLES STEELE

FROM:

MARJORIE W. EMMONS

DATE:

FEBRUARY 15, 1979

SUBJECT:

MUR 895 - Interim Investigatory Report
dated 7-13-79; Received in OCS
7-14-79, 10:20

MWE

The above-named document was circulated on a 24 hour no-objection basis at 4:30, February 14, 1979.

The Commission Secretary's Office has received no objections to the Interim Investigatory Report as of 4:30 this date.

79040134754

February 14, 1979

MEMORANDUM TO: Marge Emons
FROM: Elissa T. Garr
SUBJECT: MUR 895

Please have the attached Interim Invest Report
on MUR 895 distributed to the Commission.

Thank you.

79040134755

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION
February 13, 1979 FEB 14 AIO: 20

In the Matter of)
)
)
Beloit Corporation)

MUR 895

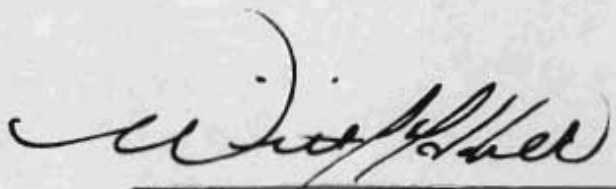
Interim Investigatory Report

On January 25, 1979, the Commission found reason to believe that the Beloit Corporation may have violated 2 U.S.C. §441b by making a corporate expenditure on behalf of a candidate for federal office.

On February 7, 1979, this office was advised by counsel for the respondent that a statement was being prepared and would be submitted to the Commission shortly. Upon receipt of the forthcoming information, this office will make a recommendation to the Commission.

79040134756
Date

2/13/79


William C. Oldaker
General Counsel

GCC#
9277

LAW OFFICES
BEVERIDGE, FAIRBANKS & DIAMOND
ONE FARRAGUT SQUARE SOUTH
WASHINGTON, D. C. 20006

HENRY L. DIAMOND
RICHARD M. FAIRBANKS, III
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GARY H. BAISE
A. JAMES BARNES
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CATHERINE M. DUNLAP
CYNTHIA A. LEWIS
KARL S. BOURDEAU
JOHN N. HANSON

TELEPHONE
(202) 638-7800

RECEIVED
FEDERAL ELECTION
COMMISSION
CARL CARDLEY
ELLIOTT GOLDSTEIN
OF COUNSEL

'79 FEB 8 AM 11:14
CABLE ADDRESS
TELECOPIER
(202) 638-4194

900766

HAND DELIVER

February 7, 1979

Ms. Suzanne Callahan
Federal Election Commission
1325 K Street, N.W.
4th Floor
Washington, DC

Reference: Beloit Corporation

Dear Ms. Callahan:

Pursuant to our phone conversation of this morning, this is to formally advise the Federal Election Commission that the firm of Beveridge, Fairbanks & Diamond has been retained by Beloit Corporation to represent it concerning the complaint filed with you by Representative Aspin.

I would appreciate it if you would make available to us by return messenger a copy of the complaint as well as a copy of the letter dated January 25, 1979 which the General Counsel sent to Beloit Corporation.

Thank you for your assistance.

Sincerely yours,

A. James Barnes
A. James Barnes

AJB/ap

cc: Karl Salzberg, Esquire
Beloit Corporation

79040134757

LAW OFFICES

BEVERIDGE, FAIRBANKS & DIAMOND

ONE FARRAGUT SQUARE SOUTH

WASHINGTON, D C 20006

HAND DELIVER

Ms. Suzanne Callahan
Federal Election Commission
1325 K Street, N.W.
4th Floor
Washington, DC



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

January 25, 1979

Mr. E.H. Neese, President
Beloit Corporation
1 St. Lawrence Avenue
Beloit, Wisconsin 53511

Re: MUR 895 (78)

Dear Mr. Neese:

The Federal Election Commission has received a complaint which alleges the Beloit Corporation committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 895. The Commission has reason to believe that the matters alleged in the complaint state a violation of 2 U.S.C. §441b.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. In your response, please include the names of individuals who received the mailing at issue and state the source of the funds used to finance the mailing. Where appropriate, statements should be submitted under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Suzanne Callahan, the staff member assigned to this matter, at 202/523-4058.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

79040134759

If you intend to be represented by counsel in this matter,
please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
William C. Oldaker
General Counsel

Enclosure
Copy of Complaint

79040134760

CAUTION 895

PS Form 3811, Apr 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
☐ Show to whom and date delivered. _____ c
☒ Show to whom, date, and address of delivery. _____ c
☐ RESTRICTED DELIVERY
Show to whom and date delivered. _____ c
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery. \$_____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
24 NEESE
1 St. Lawrence Ave
Beloit, Wisc 53511

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
943723

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☒ Authorized agent
Wayne Jensen

4. DATE OF DELIVERY
02/05/79

5. ADDRESS (Complete only if requested)
Beloit Corp

6. UNABLE TO DELIVER BECAUSE:

POSTMARK
FEB 5 1979

CLERK'S INITIALS
H O

☆GPO: 1977-0-249-505



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. E.H. Neese, President
Beloit Corporation
1 St. Lawrence Avenue
Beloit, Wisconsin 53511

Re: MUR 895 (78)

Dear Mr. Neese:

The Federal Election Commission has received a complaint which alleges the Beloit Corporation committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 895. The Commission has reason to believe that the matters alleged in the complaint state a violation of 2 U.S.C. §441b.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. In your response, please include the names of individuals who received the mailing at issue and state the source of the funds used to finance the mailing. Where appropriate, statements should be submitted under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Suzanne Callahan, the staff member assigned to this matter, at 202/523-4058.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

19040134761

If you intend to be represented by counsel in this matter,
please have such counsel so notify us in writing.

smg 1/25/79

Sincerely,

William C. Oldaker
General Counsel

Enclosure
Copy of Complaint

79040134762

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Beloit Corporation)

MUR 895 (78)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on January 25, 1979, the Commission determined by a vote of 4-1 to adopt the following recommendations, as set forth in the First General Counsel's Report dated January 22, 1979, regarding the above-captioned matter:

1. Find reason to believe that the Beloit Corporation may have violated 2 U.S.C. §441b.
2. Send the notification letter, attached to the above-named report, to the respondent.

Voting in the affirmative were Commissioners Springer, Tiernan, McGarry, and Thomson.

Commissioner Aikens cast the dissenting vote.

Attest:

1/25/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 1-22-79, 1:55
Circulated on 48 hour vote basis: 1-22-79, 5:00

79040134763

48 HOUR TALLY SHEET



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

Date and Time Transmitted: JAN. 22, 1979 - 5:00

Commissioner SPRINGER, AIKENS, TIERNAN, MCGARRY, THOMSON, HARRIS

RETURN TO OFFICE OF COMMISSION SECRETARY BY: JAN. 24, 1979 - 5:00

MJR No. 895 - First General Counsel's Report dated 1-22-79

() I approve the recommendation

() I object to the recommendation

COMMENTS: wish to be recorded as voting "No"

Date: 1/24

Signature: J. Aikens

THE OFFICE OF GENERAL COUNSEL WILL TAKE NO ACTION IN THIS MATTER
UNTIL THE APPROVAL OF FOUR COMMISSIONERS IS RECEIVED. PLEASE
RETURN ALL PAPERS NO LATER THAN THE DATE AND TIME SHOWN ABOVE TO
THE OFFICE OF COMMISSION SECRETARY. ONE OBJECTION PLACES THE ITEM
ON THE EXECUTIVE SESSION AGENDA.



19040134764

January 22, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. GARR
SUBJECT: MUR 895

Please have the attached First General Counsel's
Report on MUR 895 distributed to the Commission on a 48
hour tally basis.

Thank you.

79040134765

FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION JAN 22 1979

79 JAN 22 P 1: 55
MUR NO. 895 (78)
DATE COMPLAINT RECEIVED
BY OGC
STAFF
MEMBER Callahan

SOURCE: Complaint filed by Warren Nelson on behalf of Les Aspin

RESPONDENT'S NAME: Beloit Corporation

RELEVANT STATUTE: 2 U.S.C. §441b, 11 CFR 114.3(a) and 11 CFR 114.4(3)(c)

INTERNAL REPORTS CHECKED: Les Aspin candidate and committee reports

FEDERAL AGENCIES CHECKED: None

BACKGROUND

The complainant, Warren Nelson, alleges on behalf of Les Aspin, that the Beloit Corporation has violated 2 U.S.C. §441b, 11 CFR 114.3(a) and 114.4(c) by expending corporate funds for communications on behalf of a clearly identified candidate and distributing those communications to individuals other than its stockholders and executive or administrative personnel and their families. (Attachment I)

ANALYSIS

The complainant submitted a copy of the mailing at issue which was sent by the Beloit Corporation on or about October 4, 1978. (Labeled A)

The mailing consisted of a letter from the President of the corporation addressed "Dear Fellow Employee", concerning the need for political awareness and included "an assessment of the candidates" of the first congressional district in Wisconsin.

If the corporation mailed the attached materials to employees of the corporation, the expenditure falls outside the communication exemption of §441b, 114.3(a) and 114.4(a) which is limited to stockholders and administrative or executive personnel.

The conditions under which a corporation may make communications to

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its employees is limited to:

(1) non partisan communications which urge acts of participation in the electoral process without mentioning political affiliation and references made to particular candidates are limited to reprinting "the entire list of names and political affiliation of candidates on the official ballot." or

(2) the distribution of materials which "do not favor one candidate over another; and the materials are obtained from a civic or other non profit organization which does not endorse or support or is not affiliated with any candidate or political party."

The attached communication does not appear to fall within the provisions of 11 CFR 114.4(c)(1) or (3) since the candidate assesment appears to favor one candidate over another and appears to have been paid for by the Beloit Corporation. Therefore, the Beloit Corporation's expenditure should be considered an expenditure made on behalf of a candidate for federal office in violation of 2 U.S.C. §441b.

RECOMMENDATION

1. Find reason to believe that the Beloit Corporation may have violated 2 U.S.C. §441b.
2. Send attached notification letter to respondent.

ATTACHMENTS

Complaint
Notification letter

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congressman
Les Aspin

5832
I
FEDERAL ELECTIONS
COMMISSION

'78 DEC 11 PM 1:03

December 6, 1978

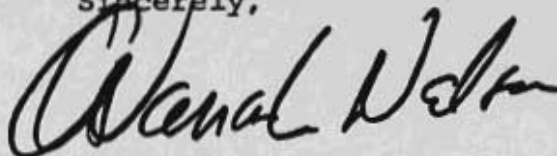
MUR 895

Mr. Bradley N. Litchfield
Assistant General Counsel
Federal Elections Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Mr. Litchfield:

Enclosed is my complaint with regard to the Beloit
Corporation.

Sincerely,



Warren L. Nelson

WLN/cw
enc.

79040134768

BEFORE THE FEDERAL ELECTION COMMISSION

Complaint Against Beloit Corporation

Complainant: Warren L. Nelson

Under Section 111.2 of the Federal Election Commission Regulations, I hereby complain that the Beloit Corporation has distributed, with corporation funds, a communication that favors one candidate over another, these communications going to other than its stockholders and executive or administrative personnel and their families, and is thereby in violation of the federal election campaign laws as described herein.

On or about October 4, 1978, the Beloit Corporation made a four-page mailing (attached) to addressees including clerical personnel and shop floor employees, but not apparently any union members. Many of these addressees were other than the "stockholders and executive or administrative personnel and their families" to whom such partisan communications are restricted by Section 114.3(a) of the Commission Regulations. Recipients of the mailing have been asked to sign affidavits, but they are reluctant to do so and have spoken fearfully of losing their jobs.

To all appearances the mailing was made at corporate expense:

- a) There is no statement otherwise contained in the mailing;

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b) The first page of the mailing is on corporate stationary;

c) The letter is signed by the President of the Beloit Corporation over that corporate title; and

d) The reply envelope included in the mailing indicates that the return postage will be paid by the corporation (note Beloit Post Office Business Reply Permit Number 1 held by the corporation).

Note, we do not have any of the envelopes in which the mailing was made.

This mailing included a one-page "assessment of the candidates" for member of Congress from Wisconsin's First Congressional District. The mailing said the assessment was made by the Legislative Affairs committee of the Beloit Corporation. That is not the name of the company's registered political action committee, which is the Beloit Corporation Political Action Committee.

Section 114.4(c)(3) permits distribution of voter guides to all employees of a corporation if those guides: i) "do not favor one candidate ... over another; and ii) the materials are obtained from a civic or other non-profit organization"

The assessment was produced by the Beloit Corporation, which is not a civic nor yet a non-profit organization. Furthermore, a reading of the assessment reveals that it is anything but non-partisan and clearly and patently favors one candidate over another.

The Corporation apparently feels it can cloak itself in the law simply by stating that its mailing is a "balanced assessment," as one corporate officer has told the candidate over the phone.

However, the imbalance is glaring when a little background is added to a reading of the "assessment:"

1) The assessment says that Les Aspin talks of tax relief but has actually voted against such cuts this year. That is one of the issues Aspin's opponent used in the campaign. As stated, it is factually correct although grossly misleading. (Aspin had voted for a \$20 billion cut in September while voting against the Kemp-Roth tax cut bill.) The Beloit Corporation assessment frames the issue in the same terms as Aspin's opponent framed the issue.

11) The "assessment" says Les Aspin's attendance in Congress is poor. This was the main issue of Les Aspin's opponent in the recent campaign and was the sole theme of most of his radio spots and newspaper advertisements. The Beloit Corporation assessment gives no indication whatsoever that there was another side to this issue. Once again, it simply frames the issue in the same context as Aspin's opponent had framed the issue.

111) Three of the eight sentences on Aspin's opponent described how the opponent fared against Aspin in the 1976 election. This has little to do with competency for office. It was, however, a key point the Republican candidate made at Republican events of the preceeding two years as he tried to raise funds by showing that he was a viable candidate.

In short, input to this assessment came heavily from one source, the materials of Aspin's opponent. The assessment indicates its bias by its choice of words as well. There is not one good thing said

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about Aspin (who is described with such words as "tardy," "un-responsive," "evasive" and "neglect") nor one bad thing said about his opponent (who is described in such terms as "firm," "responsible" and "competent").

As such the materials clearly and patently favor one candidate over another in violation of Section 114.4(c)(3) quoted above.

I submit that the Beloit Corporation, through the attached mailing, has made a "contribution or expenditure," as defined in Section 114.1(a)(1) of the Commission Regulations, and is therefore in violation of the prohibition of such activities as described in 2 USC 441b.

I am filing this complaint on behalf of the candidate, Les Aspin.

Warren L. Nelson

Warren L. Nelson
Office of Rep. Aspin
439 Cannon Office Bldg.
House of Representatives
Washington, D.C. 20515
(202) 225-3031

DISTRICT OF COLUMBIA

Subscribed and sworn to before
me this 7th day of DECEMBER
1978

Charles H. Boyle

My Commission Expires June 30, 1981

79040134772

BELOIT CORPORATION

BELOIT, WISCONSIN 53511, U.S.A.
AREA CODE 608/365-3311
INTERNATIONAL TELEX 095-7458
CABLE ADDRESS: PAPERCHINE



October 4, 1978

Dear Fellow Employee:

I am sure that you will agree with me that our American economic system has contributed in a large part to providing us with one of the most free and progressive societies the world has ever known. However, at a time when our way of life is under challenge from a number of directions, we find ourselves in a political environment that is often unresponsive, and even hostile, to free enterprise and individual initiative. The continued erosion of our free enterprise system can only accelerate the deterioration of the society which it supports.

I firmly believe that as concerned citizens and business participants, we all must become more active politically if we are to slow and ultimately reverse the trend in government toward burdensome bureaucracy, confiscatory taxes, inflation, and unresponsiveness to individual initiative.

There are a number of ways in which you can become personally involved in the political process ranging from being a candidate yourself, to making a financial contribution to the candidate of your choice, working on behalf of a candidate, voting, etc. The current election campaign for Congressman, First Congressional District, Wisconsin, for example, provides an opportunity to become actively involved in a campaign. The incumbent, Congressman Les Aspin, is being challenged by Bill Petrie. Beloit Corporation's Legislative Affairs Committee has prepared an assessment report of these candidates. This report is enclosed. I encourage your thoughtful review of the information it presents.

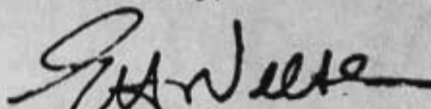
A survey of Political Interest and Awareness is also enclosed. Your response to this questionnaire will provide the Legislative Affairs Committee with an indication of the level of political interest among Beloit Corporation employees. Your completion of this questionnaire

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is voluntary and your identity need not be revealed unless you wish to do volunteer work. A postage paid envelope is enclosed for your convenience.

I am convinced that those of us closely affiliated with industry and business must assume a more active role in directing our political affairs. You have my personal thanks for your recognition of the problems which face us, and for your support of Beloit Corporation's efforts to make a meaningful contribution to our American political process.

Sincerely,



E. H. Neese
President

encl.

79040134774

AN ASSESSMENT OF THE CANDIDATES

CONGRESSMAN, FIRST CONGRESSIONAL DISTRICT, WISCONSIN

GENERAL ELECTION, NOVEMBER 7, 1978

The following analysis is based upon personal discussions with the candidates and matters of public record available to the Legislative Affairs Committee of Beloit Corporation, Beloit, Wisconsin.

The incumbent, LES ASPIN, gained his Congressional seat in the 1970 election. Over the years, significant disparity has arisen between his expressed views when running for election and his actual voting record. As evidence of this, he has spoken out on the need for tax relief, but has repeatedly voted against both personal income and business tax cuts during this session of Congress. In recent years, Congressman Aspin has given increasing evidence of neglecting his voting responsibility in the Congress and in his standing committee assignments. Overall, Congressman Aspin has not been responsive to the indicated needs of business and industry. In the majority of cases where we have requested his help, he has been tardy in his response or unresponsive to the issues as they relate to Beloit Corporation and its employees. In a recent interview with our Political Affairs Committee, his response to the important issues of inflation, tax reform, bureaucracy, Government expenditures, and capital formation can best be described as evasive and inconclusive.

The challenger, BILL PETRIE, faced Congressman Aspin in the 1976 election. Aspin won reelection with 65 percent of the vote to 34 percent for Petrie and 1 percent for other candidates. For Aspin, this was a loss of nearly 6 percent from his 1974 election tally. This marked Aspin as the lone incumbent in Wisconsin to lose significant ground in the 1976 election. Since the 1976 election, Bill Petrie has continued to maintain a firm position on limiting the federal bureaucracy in its control over the individual. He also favors a strong national defense as well as individual and business tax relief. He has pledged to the voters of Wisconsin's First District that he would continually work for the best interests of all of his constituents on a full time basis. His legal and business background provide evidence that he could be a most responsible and competent Congressman.

79040134775

SURVEY OF POLITICAL INTEREST AND AWARENESS

Note: The completion and return of this questionnaire is completely voluntary. It represents a personal choice of participation, and you are not obligated to Beloit Corporation in any way. (Please check the appropriate box.)

1. With respect to my general governmental and public issues awareness - I have always thought of myself as:

- ☐ Quite aware.
- ☐ Aware of main issues only.
- ☐ Usually too busy to learn as much as I should.
- ☐ Frankly, not too interested.

2. With respect to direct political involvement:

- ☐ I have always been interested in getting involved but never knew how.
- ☐ Would be willing to be exposed to the volunteer effort of a political campaign to see how I like it.
- ☐ Have worked in previous campaigns but have not been asked to help out this year.
- ☐ Have been discouraged with the political process overall and would have to be shown reasons why I should become involved.
- ☐ I am personally interested, but I do not wish to become involved.

3. With respect to the 1978 election campaign:

- ☐ I am aware of the campaign and would very much like to help a candidate.
- ☐ I would be willing to attend a meeting to learn more about the candidates and issues.
- ☐ Unfortunately my personal time limitations will not allow me to become involved.

4. Comments:

Remember, it is not necessary to sign this form, however, we would like it returned. If you are willing to work in the 1978 campaign you should sign this form so you may be contacted.

Name

Address

Home Phone No.

Work Extension

79040134776

7 9 0 4 0 1 3 4 7 7 7

BELOIT CORPORATION

BELOIT, WISCONSIN, U.S.A. 53511



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Legislative Affairs Committee
Beloit Corporation
1 St. Lawrence Avenue
Beloit, Wisconsin 53511



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. E.H. Neese, President
Beloit Corporation
1 St. Lawrence Avenue
Beloit, Wisconsin 53511

Re: MUR 895 (78)

Dear Mr. Neese:

The Federal Election Commission has received a complaint which alleges the Beloit Corporation committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 895. The Commission has reason to believe that the matters alleged in the complaint state a violation of 2 U.S.C. §441b.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. In your response, please include the names of individuals who received the mailing at issue and state the source of the funds used to finance the mailing. Where appropriate, statements should be submitted under oath.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Suzanne Callahan, the staff member assigned to this matter, at 202/523-4058.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

7904013477

If you intend to be represented by counsel in this matter,
please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

Enclosure
Copy of Complaint

79040134779



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 13, 1978

Warren L. Nelson
Office of Rep. Aspin
439 Cannon Office Building
House of Representatives
Washington, D.C. 20515

Dear Mr. Nelson:

This is to acknowledge receipt of your complaint of December 6, 1978, alleging violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. A recommendation to the Federal Election Commission as to how this matter should be handled will be made shortly. You will be notified as soon as the Commission determines what action should be taken. For your information, we have attached a brief description of the Commission's preliminary procedures for the handling of complaints.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

79040134780

79040134780

congressman
Les Aspin

RECEIVED
FEDERAL ELECTION
COMMISSION

'78 DEC 11 PM 1:03

December 6, 1978

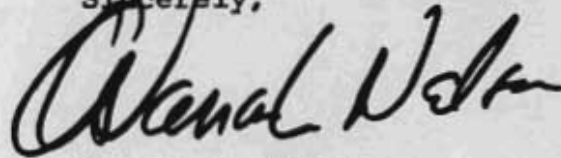
MUR 895

Mr. Bradley N. Litchfield
Assistant General Counsel
Federal Elections Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Mr. Litchfield:

Enclosed is my complaint with regard to the Beloit
Corporation.

Sincerely,



Warren L. Nelson

WLN/cw
enc.

79040134781

BEFORE THE FEDERAL ELECTION COMMISSION

Complaint Against Beloit Corporation

Complainant: Warren L. Nelson

Under Section 111.2 of the Federal Election Commission Regulations, I hereby complain that the Beloit Corporation has distributed, with corporation funds, a communication that favors one candidate over another, these communications going to other than its stockholders and executive or administrative personnel and their families, and is thereby in violation of the federal election campaign laws as described herein.

On or about October 4, 1978, the Beloit Corporation made a four-page mailing (attached) to addressees including clerical personnel and shop floor employees, but not apparently any union members. Many of these addressees were other than the "stockholders and executive or administrative personnel and their families" to whom such partisan communications are restricted by Section 114.3(a) of the Commission Regulations. Recipients of the mailing have been asked to sign affidavits, but they are reluctant to do so and have spoken fearfully of losing their jobs.

To all appearances the mailing was made at corporate expense:

a) There is no statement otherwise contained in the mailing;

79040134782

b) The first page of the mailing on corporate stationary;

c) The letter is signed by the President of the Beloit Corporation over that corporate title; and

d) The reply envelope included in the mailing indicates that the return postage will be paid by the corporation (note Beloit Post Office Business Reply Permit Number 1 held by the corporation).

Note, we do not have any of the envelopes in which the mailing was made.

This mailing included a one-page "assessment of the candidates" for member of Congress from Wisconsin's First Congressional District. The mailing said the assessment was made by the Legislative Affairs committee of the Beloit Corporation. That is not the name of the company's registered political action committee, which is the Beloit Corporation Political Action Committee.

Section 114.4(c)(3) permits distribution of voter guides to all employees of a corporation if those guides: i) "do not favor one candidate ... over another; and ii) the materials are obtained from a civic or other non-profit organization"

The assessment was produced by the Beloit Corporation, which is not a civic nor yet a non-profit organization. Furthermore, a reading of the assessment reveals that it is anything but non-partisan and clearly and patently favors one candidate over another.

The Corporation apparently feels it can cloak itself in the law simply by stating that its mailing is a "balanced assessment," as one corporate officer has told the candidate over the phone.

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However, the imbalance is glaring when a little background is added to a reading of the "assessment:"

1) The assessment says that Les Aspin talks of tax relief but has actually voted against such cuts this year. That is one of the issues Aspin's opponent used in the campaign. As stated, it is factually correct although grossly misleading. (Aspin had voted for a \$20 billion cut in September while voting against the Kemp-Roth tax cut bill.) The Beloit Corporation assessment frames the issue in the same terms as Aspin's opponent framed the issue.

11) The "assessment" says Les Aspin's attendance in Congress is poor. This was the main issue of Les Aspin's opponent in the recent campaign and was the sole theme of most of his radio spots and newspaper advertisements. The Beloit Corporation assessment gives no indication whatsoever that there was another side to this issue. Once again, it simply frames the issue in the same context as Aspin's opponent had framed the issue.

111) Three of the eight sentences on Aspin's opponent described how the opponent fared against Aspin in the 1976 election. This has little to do with competency for office. It was, however, a key point the Republican candidate made at Republican events of the preceeding two years as he tried to raise funds by showing that he was a viable candidate.

In short, input to this assessment came heavily from one source, the materials of Aspin's opponent. The assessment indicates its bias by its choice of words as well. There is not one good thing said

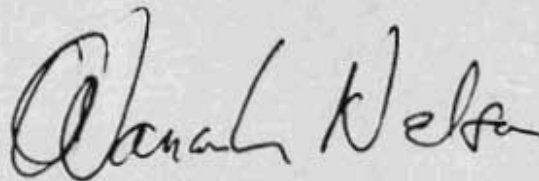
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about Aspin (who is described with such words as "tardy," "un-responsive," "evasive" and "neglect") nor one bad thing said about his opponent (who is described in such terms as "firm," "responsible" and "competent").

As such the materials clearly and patently favor one candidate over another in violation of Section 114.4(c)(3) quoted above.

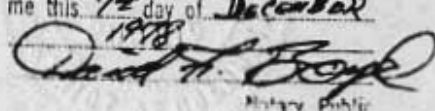
I submit that the Beloit Corporation, through the attached mailing, has made a "contribution or expenditure," as defined in Section 114.1(a)(1) of the Commission Regulations, and is therefore in violation of the prohibition of such activities as described in 2 USC 441b.

I am filing this complaint on behalf of the candidate, Les Aspin.



Warren L. Nelson
Office of Rep. Aspin
439 Cannon Office Bldg.
House of Representatives
Washington, D.C. 20515
(202) 225-3031

DISTRICT OF COLUMBIA

Subscribed and sworn to before
me this 7th day of December
1978

Notary Public

My Commission Expires June 30, 1983

79040134785

BELOIT CORPORATION

BELOIT, WISCONSIN 53511, U.S.A.
AREA CODE 808/365-3311
INTERNATIONAL TELEX 025-7456
CABLE ADDRESS: PAPERCHINE



October 4, 1978

Dear Fellow Employee:

I am sure that you will agree with me that our American economic system has contributed in a large part to providing us with one of the most free and progressive societies the world has ever known. However, at a time when our way of life is under challenge from a number of directions, we find ourselves in a political environment that is often unresponsive, and even hostile, to free enterprise and individual initiative. The continued erosion of our free enterprise system can only accelerate the deterioration of the society which it supports.

I firmly believe that as concerned citizens and business participants, we all must become more active politically if we are to slow and ultimately reverse the trend in government toward burdensome bureaucracy, confiscatory taxes, inflation, and unresponsiveness to individual initiative.

There are a number of ways in which you can become personally involved in the political process ranging from being a candidate yourself, to making a financial contribution to the candidate of your choice, working on behalf of a candidate, voting, etc. The current election campaign for Congressman, First Congressional District, Wisconsin, for example, provides an opportunity to become actively involved in a campaign. The incumbent, Congressman Les Aspin, is being challenged by Bill Petrie. Beloit Corporation's Legislative Affairs Committee has prepared an assessment report of these candidates. This report is enclosed. I encourage your thoughtful review of the information it presents.

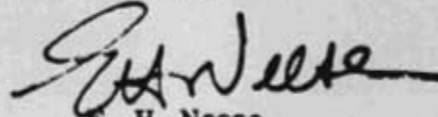
A survey of Political Interest and Awareness is also enclosed. Your response to this questionnaire will provide the Legislative Affairs Committee with an indication of the level of political interest among Beloit Corporation employees. Your completion of this questionnaire

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is voluntary and your identity need not be revealed unless you wish to do volunteer work. A postage paid envelope is enclosed for your convenience.

I am convinced that those of us closely affiliated with industry and business must assume a more active role in directing our political affairs. You have my personal thanks for your recognition of the problems which face us, and for your support of Beloit Corporation's efforts to make a meaningful contribution to our American political process.

Sincerely,



E. H. Neese
President

encl.

79040134787

AN ASSESSMENT OF THE CANDIDATES

CONGRESSMAN, FIRST CONGRESSIONAL DISTRICT, WISCONSIN

GENERAL ELECTION, NOVEMBER 7, 1978

The following analysis is based upon personal discussions with the candidates and matters of public record available to the Legislative Affairs Committee of Beloit Corporation, Beloit, Wisconsin.

The incumbent, LES ASPIN, gained his Congressional seat in the 1970 election. Over the years, significant disparity has arisen between his expressed views when running for election and his actual voting record. As evidence of this, he has spoken out on the need for tax relief, but has repeatedly voted against both personal income and business tax cuts during this session of Congress. In recent years, Congressman Aspin has given increasing evidence of neglecting his voting responsibility in the Congress and in his standing committee assignments. Overall, Congressman Aspin has not been responsive to the indicated needs of business and industry. In the majority of cases where we have requested his help, he has been tardy in his response or unresponsive to the issues as they relate to Beloit Corporation and its employees. In a recent interview with our Political Affairs Committee, his response to the important issues of inflation, tax reform, bureaucracy, Government expenditures, and capital formation can best be described as evasive and inconclusive.

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79040134788

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Name

Address

Home Phone No.

Work Extension

79040134789

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BELOIT CORPORATION

BELOIT, WISCONSIN, U.S.A. 53511



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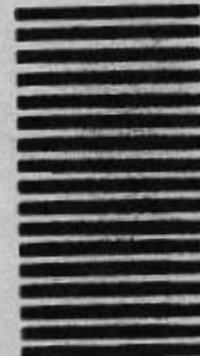
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Legislative Affairs Committee
Beloit Corporation
1 St. Lawrence Avenue
Beloit, Wisconsin 53511



790401347
Friends of Les Aspin
P.O. Box 211
Eagle Creek, Wisconsin 53401

78 DEC 11 PM 1:03

RECEIVED
FEDERAL ELECTION
COMMISSION

Mr. Bradley N. Litchfield
Assistant General Counsel
Federal Elections Commission
1325 K Street, N.W.
Washington, D.C. 20463





FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20461

THIS IS THE BEGINNING OF FUR # 895

Date Filmed 6/26/79 Camera No. --- 2

Cameraman SPC

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