



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THIS IS THE BEGINNING OF MUR # 2618

DATE FILMED 9/12/90 CAMERA NO. 2

CAMERAMAN AS

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HAND DELIVERED

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FEDERAL ELECTION COMMISSION
MAIL ROOM

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**FEDERAL ELECTION COMMISSION COMPLAINT
June 7, 1988**

Complainants, David W. Syme and Gary C. Huckaby, hereby file this complaint as authorized by the United States Code, 2 USC Sec. 437g (1986), against Arthur M. Jackson, the American Council for a Conservative Consensus, Nathan Rosenberg, Nathan Rosenberg for Congress, and David W. Vaporean (hereinafter collectively "the Respondents"). The complaint is for numerous violations of the United States Code and the Code of Federal Regulations committed during the Republican primary campaign for the 40th Congressional District in California, as set out below.

INTRODUCTION

Complainant David W. Syme is a registered Republican voter in the 40th Congressional District of California. Complainant Gary C. Huckaby is a registered Republican voter in California.

On June 1, 1988 a brochure was mailed to several thousand households in Orange County, California that attacked C. David Baker, a candidate for Congress in the 40th Congressional District of California. (see exhibits 1 and 2).

On June 2, 1988 two versions of a brochure were mailed to several thousand households in Orange County, California that attacked C. Christopher Cox, another candidate for Congress in the 40th Congressional District of California. (see exhibits 3, 4 and 5).

The two candidates attacked are, along with Nathan O. Rosenberg, the three front runners in a hotly contested Republican primary to determine the nominee for Congress in the 40th Congressional District of California.

All three brochures were disclaimed as "Paid for by the American Council for a Conservative Consensus". (see exhibits 1, 3 and 4). The bulk rate permit number for all three brochures was #285, Santa Ana, California. (see exhibits 1, 3 and 4). This permit was taken out on May 23, 1988 by Arthur M. Jackson for the American Council for a Conservative Consensus (hereinafter "ACCC"). The address for ACCC was given as 3857 Birch St. #157, Newport Beach, California 92660 (see exhibit 6). This address is a private post office box rental business. The phone number for Arthur M. Jackson is (602) 870-3825.

On May 24, 1988 the American Council for a Conservative Consensus filed a Statement of Organization with the Federal Election Commission. The treasurer for ACCC was listed as Sharlee Dodd. It is not yet clear if Sharlee Dodd is a contributor to, or otherwise involved with, Nathan Rosenberg's campaign, as Arthur Jackson is, but the address used for the

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FEDERAL ELECTION COMMISSION

Statement of Organization is the same post office rental box listed above.

The postage for the mailing of at least one of the attack brochures was paid by cashier's check, according to a postal employee. It is unclear who paid for the cashier's check, or how all of the postage was paid for the attack brochures. The postage used totaled at least \$3163.92. (see exhibits 2 & 5)

Nathan Rosenberg for Congress (hereinafter "the Rosenberg campaign") is the authorized campaign committee for Nathan O. Rosenberg. David Wayne Vaporean is an employee or an agent of the Rosenberg campaign. (see exhibit 4).

As will be set out in detail below, it is believed that the attack brochures sent out purportedly by ACCC were, in fact, done in cooperation with, or with the consent of, or in consultation with, or at the request or suggestion of the Rosenberg campaign, Rosenberg, or an agent of the campaign (most probably Vaporean), and were not, therefore, an independent expenditure as defined in 2 USC Sec. 431(17) and 11 CFR Sec. 100.16. Additionally, whether or not the expenditures were independent, it is believed that the filing, reporting and disclosure requirements of the Federal Elections Code (11 CFR) all were violated by Respondents.

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- I. THE EXPENDITURES MADE BY ACCC WERE NOT, IN FACT, INDEPENDENT, AND, ACCORDINGLY, THE MAKING OF SUCH EXPENDITURES CONSTITUTE A CAMPAIGN CONTRIBUTION IN EXCESS OF THE AMOUNT ALLOWABLE UNDER FEDERAL LAW

An independent expenditure is one made "by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate." 2 USC Sec. 431(17) (1986); 11 CFR Sec. 100.16 (1987). The expenditures made for the attack brochures advocated the defeat of two clearly identified candidates. However, we believe, due to compelling circumstances, that there was cooperation and/or consultation (hereinafter "collusive behavior") between Jackson and the Rosenberg campaign that taken together show a pattern that is hard to ignore. Under ideal circumstances we would be able to state all that follows with facts to back up our contentions, but since the relevant brochures and facts became public only within the past four or five days, we have set out the facts we know, and those facts we believe can be proven easily by the Federal Election Commission by depositions and subpoenas.

The first circumstance suggesting some collusive behavior is the fact that Jackson used the same direct mail house, Diversified Mailing, Inc. of Fullerton, California, as is used by the Rosenberg campaign. The manager of Diversified Mailing, Inc.

is Bob Bernard. Jackson is apparently an Arizona resident, and it is believed that the Council is an Arizona group. It would be most logical that Jackson would use an Arizona mail house with whom it would be more convenient to work. Even if Jackson wanted to use a mail house in the area of the congressional race, there are many other mail houses that he could have chosen besides the mail house used not only by the current Rosenberg campaign, but also by David Vaporean d/b/a David Wayne Communications for the past ten years according to an article in the Orange County Register on June 4, 1988.

The second circumstance suggesting some collusive behavior is that Jackson also used the same printer, Penn Lithographics of Cerritos, California, as is used by the Rosenberg campaign. Even if by some coincidence Jackson chose the same California mail house for the attack brochures, it is highly unlikely that Jackson would use, by coincidence, the same California printer for the attack brochures, unless Jackson asked someone connected with the Rosenberg campaign for recommendations of mail houses and printers.

The third circumstance suggesting some collusive behavior is that on June 3, 1988 the Rosenberg campaign sent out a brochure attacking Christopher Cox on the same subject as the ACCC attack brochure - both criticized Cox for publishing an English translation of Pravda, the official newspaper of the Soviet government. Moreover, the language used in the Rosenberg brochure of June 3rd is very similar to the language of the ACCC brochure of June 2nd. The ACCC brochure states that "[a]merican school children, thanks to Christopher Cox, are exposed to the lies distortions, and mind bending view of the world that Communist propaganda so cleverly manufactures." The Rosenberg brochure states that "Chris Cox has, for profit, distributed Soviet Communist propaganda to thousands of American school kids. American kids who have had their minds impacted by the cleverly crafted lies and distortions of the Soviet propaganda machine." (see exhibit #8)

Though Cox has been attacked for several different reasons over the course of the campaign, up until the June 2nd ACCC attack there had been no attack on Cox for any reason by anyone in any medium or arena related to his involvement in the translation of Pravda. Cox is a founder and significant stockholder of Context Corporation, an independent translator of Soviet propaganda for study and use by the CIA, the FBI, and universities and researchers of communism in 26 countries. A second charge that Cox is a Soviet propagandist, a ludicrous charge in the first place, in the mail the day following the first charge makes it virtually impossible that the second charge was based on the information in the first unless both were colluding in advance, since the second piece had to be at the Post Office within hours of the time the first piece was delivered. Furthermore, other text in the Rosenberg campaign attack brochure, including the number of candidates in the race, shows that the Rosenberg campaign attack brochure was written

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well in advance of the circulation of the ACCC piece. Rosenberg tried to suggest to reporters that "both may have contained similar language because they were quoting from a Cox campaign brochure." But as the newspaper article went on to say "[t]he Cox brochure said only that Cox was founder of an independent translator of Soviet propoganda for study and use by U.S. government researchers, among others." Los Angeles Times, June 4, 1988.

A fourth circumstance that indicates collusive behavior is that we understand that Vaporean supervised production of the three ACCC pieces which attacked both Baker and Cox, in addition to the Rosenberg campaign attack on Cox, both at the mail house and at the printer. This can be easily checked by taking depositions of the owners and employees of both establishments.

A fifth circumstance suggesting collusive behavior is that we understand that Vaporean, either personally or through his company David Wayne Communications, paid for by checks at least some of the costs associated with the ACCC brochures. This should be easy to check by subpoenaing the records of either Vaporean or the mail house and printer. Additionally, it should be noted that David Wayne Communications received over \$140,000 in consulting fees between April 9, 1988 and May 14, 1988 alone, though none of the money received was denoted expense reimbursement as was the case with another consultant to the Rosenberg campaign. This is an extraordinary amount of consulting fees to one person/company, particularly since none of it was for expense reimbursement, for a campaign whose total contributions during the reporting period were only just over \$210,000.

A sixth circumstance suggesting collusive behavior is the actions and reactions of Jackson and Rosenberg as covered in stories in local newspapers on the ACCC mailings. In one article on Friday Jackson said he had no favorites in the race, and in another article he denied supporting any candidate in the 40th Congressional district. Orange County Register, June 3, 1988 and June 4, 1988. We understand that Federal Elections Commission (FEC) reports show that Arthur M. Jackson contributed \$250 to Rosenberg for his 1986 primary campaign against incumbent Congressman Robert Badham. Further, an FEC report filed in January shows that Arthur M. Jackson contributed the maximum allowable amount of \$1,000 on November 11, 1987, to Nathan Rosenberg's 1988 congressional campaign. In subsequent news articles it came out that Rosenberg knew Jackson "very well", Daily Pilot, June 3, 1988, and that Jackson had taken a two week "est" (Erhardt Seminar Training) course. Los Angeles Times, June 4, 1988 (Rosenberg's brother Werner Erhardt is the founder of est, and Rosenberg has been very involved with the organization as a seminar training leader.)

We strongly believe that the information presented above, when taken together, leads to only one conclusion: that the ACCC

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attack mailers were sent out in concert with the Rosenberg campaign, and demonstrates hard evidence of collusion. Most of the information we have suggested can be easily checked with a few subpoenas and depositions. Additionally, though we have no basis for this belief, it is worth checking when the information becomes public whether any of the five members of ACCC or the twenty donors to ACCC are also donors to the Rosenberg campaign. If the expenditures by ACCC are not independent then they should be subject to the 11 CFR Sec. 109.1(c), and subject to a \$1000 limitation, in which case ACCC and Jackson clearly have violated the limitation on contributions to a candidate under 11 CFR Sec. 110.1(b).

II. ACCC HAS VIOLATED FEDERAL ELECTION LAW BY FAILURE TO MEET FILING REQUIREMENTS

ACCC appears to be a political committee within the meaning of either 11 C.F.R. Sec.100.5(f)(2) or 11 C.F.R. Sec. 100.5(g)(2). Notwithstanding this status, it is unclear whether Respondent Jackson filed a Statement of Organization on behalf of ACCC within 10 days after he formed ACCC, a violation of 11 C.F.R. Sec.102.1(d). As a political committee, respondent ACCC is required to disclose a significant degree of information concerning its activities, including reporting any expenditures exceeding \$1000 spent within 20 days of a primary election. Respondent ACCC apparently has failed to report its activities in the manner and within the time frame contemplated in, among other sections, 11 C.F.R. Secs. 104.3, 104.4(b), 104.5(c)(1)(ii), and 109.2(b), and to file such reports with the Federal Election Commission as required under 11 C.F.R. Sec.105.4. In fact, Complainant is informed and believes that Respondent ACCC has ignored its reporting obligations and has, as of this date, not filed many of the required reports with the Federal Election Commission.

III. ACCC HAS VIOLATED FEDERAL ELECTION LAWS BY FAILURE TO PROVIDE THE PUBLIC NOTICE REQUIRED

The mailings that Respondent ACCC sent out note that they were "Paid for by the American Council for a Conservative Consensus."

As noted in other portions of this complaint, these mailings appear to have been prepared in concert with Respondent Rosenberg Committee and its agent, Respondent David Vaporean. Accordingly, such mailings should have included a disclaimer meeting the requirements of 11 CFR Sec.110.11(a)(1)(i). Assuming that the payment for such mailings was by ACCC, but the Rosenberg campaign authorize it, such mailings should have included a disclaimer meeting the requirements of 11 CFR Sec.110.11(a)(1)(ii).

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Even if ACCC did not prepare its mailings in concert with the Rosenberg campaign or its agent, Vaporean, the disclaimer used on the mailings violated federal election law by failure to state whether the mailings were authorized by any candidate running for federal office, in violation of 11 CFR Sec. 110.11(a)(1)(iii).

IV. SUMMARY

This complaint sets forth our contentions as to violations of federal election law by Respondents. It is respectfully requested that the Federal Election Commission move expeditiously to verify the truth to the facts stated herein.

Executed under penalty of perjury on June 6, 1988 in Newport Beach, California.

SIGNED: David W. Syme
David W. Syme

Executed under penalty of perjury on June 6, 1988 in Newport Beach, California.

SIGNED: Gary C. Huckaby
Gary C. Huckaby

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Federal Election Commission Complaint (Syme)

State of California

County of Orange

On this 7th day of June, in the year 1988, before me Margaret Lee Siskar/Notary Public, personally appeared David W. Syme personally known to me to be the person whose name is subscribed to this instrument, and acknowledged that he executed it.

WITNESS my hand and official seal.

Margaret Lee Siskar

Notary's Signature
My Commission Expires:
6-7-91

L.S.



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Federal Election Commission Complaint (Huckaby)

State of California

County of Orange

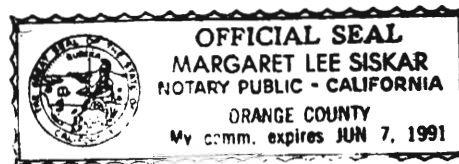
On this 7th day of June, in the year 1988, before me Margaret Lee Siskar/Notary Public, personally appeared Gary Carroll Huckaby proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged that he executed it.

WITNESS my hand and official seal.

Margaret Lee Siskar

Notary's Signature
My Commission Expires:
6-7-91

L.S.



Ask Dave Baker, Candidate for Congress.

How do you explain allegations of a sexual affair with another married woman and cheating on your wife to your family, friends, and the voters who you are asking to trust you?

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CAR-RT SORT **CR 03
THE GARDNER FAMILY
1924 HOLIDAY RD
NEWPORT BEACH, CA 92660

Bulk Rate
Presort
Permit #285
Santa Ana

How do you explain allegations of a sexual affair with another married woman and cheating on your wife to your family, friends, and the voters who you are asking to trust you?

Ask Dave Baker, Candidate for Congress.

The fact is, Dave Baker won't answer the question truthfully.

It was reported that Dave Baker, a candidate for congress, was telling voters he is a "good husband and a guy who believes in family values."

Dave Baker, did you cheat on your wife? Yes or no? Will you cheat the people of this district? Why won't you just tell the truth?

On April 15, 1988, Dave Baker claims that family values are the cornerstone of his campaign for congress. On April 30, in an L.A. Times article headlined "Allegations of Adultery Confront Baker," Dave Baker refuses to answer questions surrounding the issue. His only answer was "no response."

Did he or didn't he? Only Dave Baker knows that answer, and he isn't talking.

Everyone has their opinion about this kind of moral issue or questionable judgement on the part of a public figure.

But this isn't the only time that Dave Baker has been confronted with allegations of questionable judgement. On April 19, 1988, in a speech to a neighborhood voter group, Dave Baker pledges to protect their quality of life if elected to congress. In 1987, Dave Baker voted to build the Yale Street overpass, thus endangering Irvine families in nearby neighborhoods with high speed auto traffic.

And of course, Dave Baker says he's never supported a tax increase. But official records show that in 1984, Dave Baker led the campaign to increase Orange County's sales tax.

With Dave Baker, the issue isn't one of lifestyle or morality. What is at issue is the trust and confidence we must have in our elected officials to faithfully carry out their duties.

The real question is: If a wife can't trust her husband to be faithful, can we trust him to be faithful to the sacred duties of being a congressman?

Trust and judgement are important. Are you willing to take a chance on Dave Baker?

Think about it. Please consider who deserves our trust when you vote.

Please vote June 7.

U.S. POSTAL SERVICE
WEIGHT AND DIMENSION CERTIFICATE

NO. 224

06701781

9004030J676

SANTA ANA, CA. 92797-0800
FINANCE # 05-6056

PERMIT NO. 285

AM CNCL CONSERV CONSENSUS
(DIVERSIFIED)

LETTER SIZE - ALL MAIL

NO. OF LETTER CASES

NUMBER OF		NUMBER OF		TOTAL POUNDS
CRACKS	TRAYS	PIECES IN A POUND	TOTAL PIECES	
18	200	28.14	6516	104.87

CARRIER ROUTE 1001-80
POSTAGE WILL BE PAID BY ADDRESSEE

5771 PIECES AT 0.101
745 PIECES AT 0.167

TOTAL POSTAGE \$382.87

Nakane
SIGNATURE OF WEIGHER

(RECEIVED FOR DISPATCHER)

PS FORM 3607 FACE 1/12

ACCOUNT BALANCE IS \$3256.40
(DO NOT INCLUDE LATEST DEPOSIT)

AM CNCL CONSERV CONSENSUS
3857 BIRCH ST. #107
NEWPORT BEACH, CA. 92660-0000

Piece Rates	Carrier Route	5771	\$ 101	382.87
	No. Crack Pieces		Rate Per Piece	Postage

EXHIBIT #3

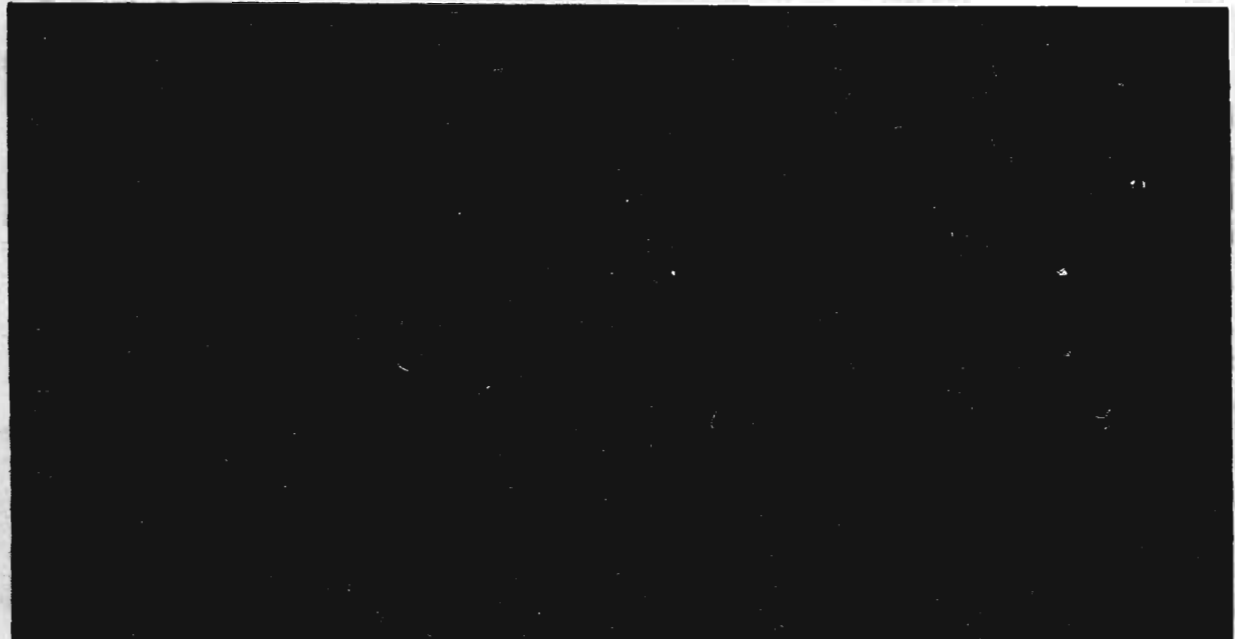


*410 W. PCH
Newport Beach
Fed Election Comm
11/2-6200*

P.O. Box

U.S. Postage
PAID
Bulk Rate
Permit #285
Santa Ana, CA

CAN-RT SURT **CR 27
THE CANN FAMILY
2450 PARK NEWPORT
NEWPORT BEACH, CA 92660



Before you cast your vote for Congress, please look inside for information about the above statement and one of the leading candidates seeking this office.

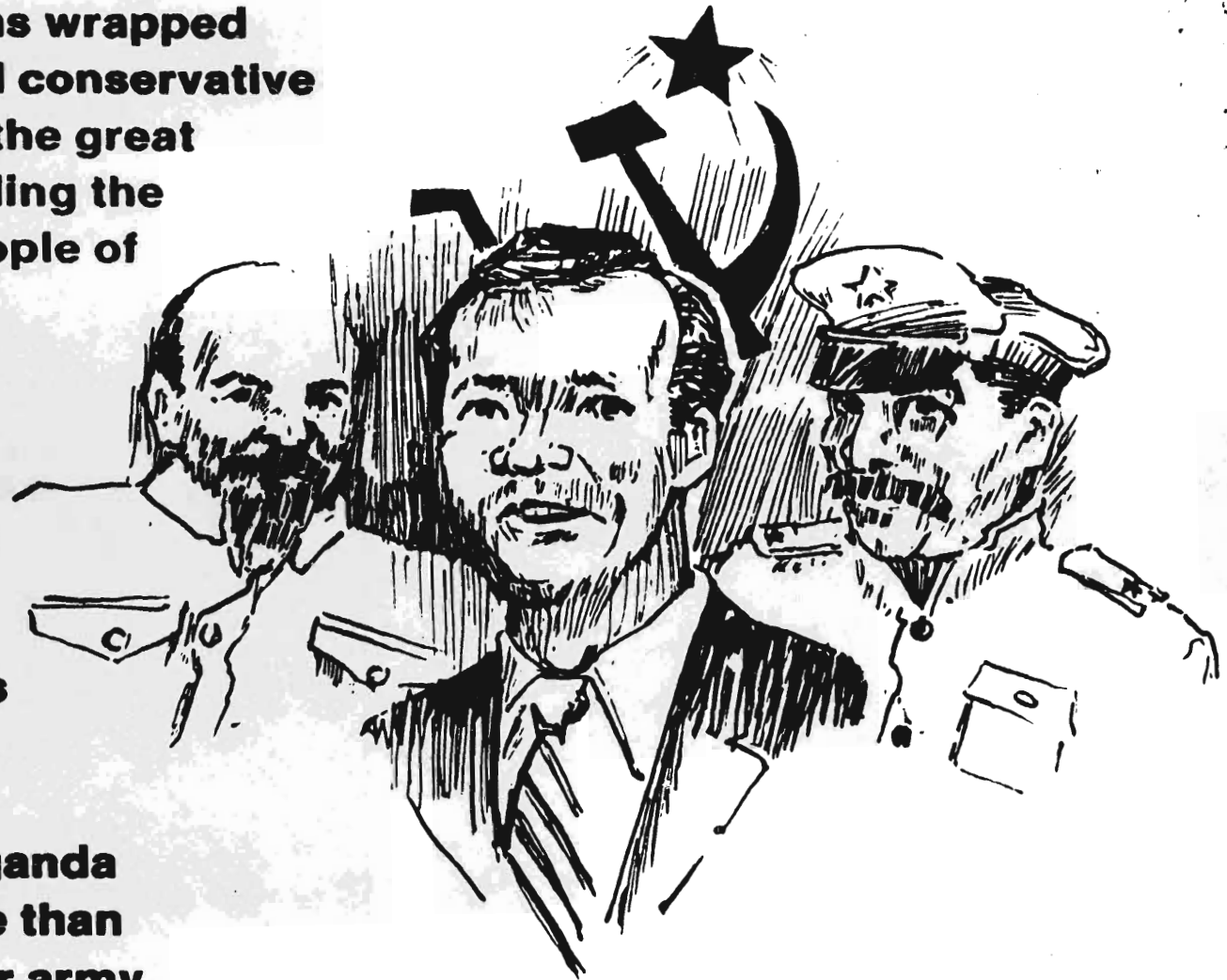
PAID FOR BY THE AMERICAN COUNCIL FOR A CONSERVATIVE CONSENSUS

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Christopher Cox, on April 13, admitted to a crowd of over 100 Orange County voters that he is responsible for translating, publishing, and distributing Communist propaganda in the United States and 26 free countries.

Christopher Cox has wrapped himself in so-called conservative cloth. He points to the great service he is providing the freedom-loving people of the United States.

Stalin talked repeatedly about such people as Christopher Cox. He told his fellow Communist leaders that people who helped to spread Communist propaganda were more valuable than any bullet, bomb, or army.



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no was

educated at Harvard University,
can do these things. The First Amendment to the Constitution gives everyone the right to say or do what they want.

Christopher Cox's company, Context, translates and distributes "Pravda," the main Soviet propaganda daily publication. American school children, thanks to Christopher Cox, are exposed to the lies distortions, and mind bending view of the world that Communist propaganda so cleverly manufactures.

Does America need a Soviet "propagandist" like Christopher Cox in the Congress of the United States?

You know the answer. No!

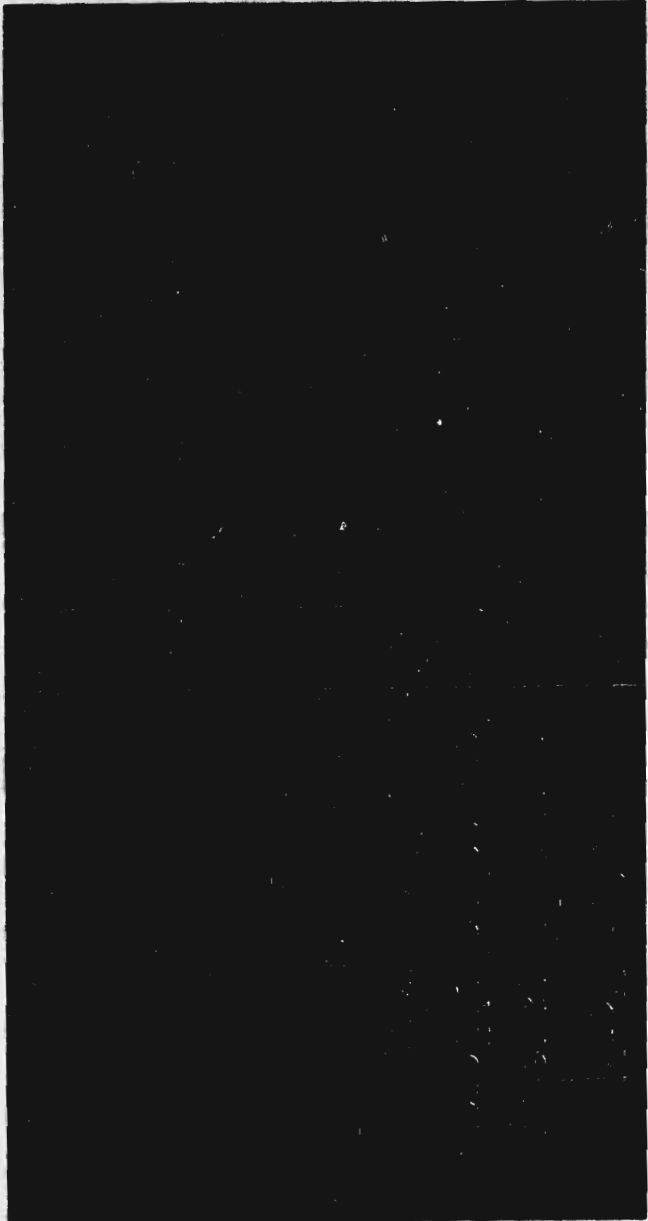
June 7 you can vote for the words of Stalin by voting for Cox for Congress.

Or you can vote for truth, for America, and for the millions of freedom-seeking people who have died at the hands of Communist dictators like Stalin.

America's future?

It's all up to you. June 7.

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Before you cast your vote for Congress, please look inside for information about the above statement and one of the leading candidates seeking this office.

9 0 0 4 0 3 0 0 6 8 0

EXHIBIT #5

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U. S. POSTAL SERVICE
WEIGHING AND DISPATCH CERTIFICATE

NO. 257

06/01/88

STANFORD, CA. 92799-9503
PERMIT NO. 12
OFFICE # 05-6936

ENTER SIZE-ALL MAIL NORMALLY PROCESSED THROUGH LETTER MAIL

NUMBER OF	NUMBER OF	CLASS	WEIGHT OF A	PIECES IN	TOTAL
PACKS	TRAYS	OTHER CONTAINERS	MAIL SINGLE PIECE	A POUND	PIECES
			3RD	0.494000	3273

CARRIER ROUTE PRESORT POSTAGE IS \$1265.43

DISPATCH BY

(SIGNATURE)

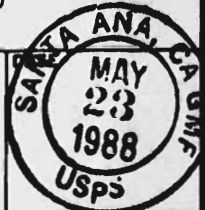
Nalche

0007 FACSIMILE

YOUR ACCOUNT BALANCE
MAY NOT INCLUDE LAT


AM ENCL CONSERV CONSENSUS
3007 BIRCH ST. #157
SUNSHINE BEACH, CA. 92660-0000

EXHIBIT #6

POST OFFICE <i>2000</i>	STATION <i>EM</i>	<i>200</i>	No. 07
AMOUNT (To be written)		DOLLARS	
FOR <i>100</i>	AIC <i>175</i>	POSTMASTER (By) <i>W</i>	
Received from: (Show address only when receipt is mailed)			
<i>American Council for a Conservative Consensus</i>			
PS Form Nov. 1979 3544			PERMIT NO. <i>175</i>

POST OFFICE RECEIPT FOR MONEY

Triplicate

POST OFFICE <i>2000</i>	STATION <i>EM</i>	<i>200</i>	No. 06
AMOUNT (To be written)		DOLLARS	
FOR <i>100</i>	AIC <i>175</i>	POSTMASTER (By) <i>W</i>	
Received from: (Show address only when receipt is mailed)			
<i>American Council for a Conservative Consensus</i>			
PS Form Nov. 1979 3544			PERMIT NO. <i>175</i>

POST OFFICE RECEIPT FOR MONEY

Triplicate

PROFIT ORGAN.

285

U.S. POSTAL SERVICE			
APPLICATION TO MAIL WITHOUT AFFIXING POSTAGE STAMPS			
APPLICANT: File at office where mailings will be made with required fee.			
NAME OF APPLICANT (Print or type)			APPLICANT'S TELEPHONE NO.
<i>American Council for a Conservative Consensus</i>			<i>602-870-3825</i>
ADDRESS OF APPLICANT (Street, Apt./Suite No., City, State and ZIP Code) (Print or Type)			
<i>3857 Birch ST Suite 157, Newport Beach, CA 92660</i>			
AVERAGE NUMBER OF PIECES IN EACH MAILING	CLASS OF MAIL MATTER	SIGNATURE OF APPLICANT	DATE
<i>100,000</i>	<input type="checkbox"/> FIRST <input type="checkbox"/> SECOND <input checked="" type="checkbox"/> THIRD <input type="checkbox"/> FOURTH	<i>Autograph</i>	<i>5-23-88</i>
TO BE COMPLETED BY POSTMASTER	AMOUNT OF FEE COLLECTED	PERMIT NUMBER	DATE OF ISSUANCE
	<i>\$ 120⁰⁰</i>	<i>285</i>	<i>5-23-88</i>
POSTMASTER: Retain application in your file. When approved, deliver authorization to permit holder.			

Cox and Baker Hit by Last-Minute Mail of Mystery 'Hit' Mail

By JIM CARLTON, Times Staff Writer

A mysterious group calling itself the American Council for a Conservative Consensus has sent last-minute "hit" mail aimed at C. Christopher Cox and C. David Baker, who along with Nathan Rosenberg are front-runners in the 40th Congressional District Republican primary.

A third piece of mail, a disparaging letter aimed at Cox that apparently was sent to only a handful of people, has prompted a request from the Anaheim-based California Coalition for Traditional Values for an investigation by the FBI and the Postal Inspector's Office.

The letter was on photocopied paper and the coalition's stationery, but leaders of the coalition said they were not sure whether they would investigate.

One of the two hit mailers bearing the name of the American Council for a Conservative Consensus raises questions about Baker's marital fidelity, and the other accuses Cox of being a Communist. Both have been distributed to thousands of homes in the 40th District.

Fights Fire With Fire

Cox, a Newport Beach lawyer, denied the charges in the mailer by making an absurd allegation of his own.

"I am absolutely certain that the people who are saying this are extraterrestrials, and I think my charge has all the validity of theirs," Cox said in an interview at Orange Coast College in Costa Mesa, where retired Lt. Col. Oliver North gave a speech Thursday endorsing his candidacy.

Baker, an Irvine city councilman, was unavailable for comment Thursday. But his political consultant, Frank Caterinichio, said, "I've been involved in political campaigns in Orange County for 10 years, and I've seen a lot of negative mail. But I've never ever seen anything like this."

This is a way to... added... for... crawling out of a rock... than... for... will have to face the consequences... We're finding out who is behind it right now.

Although Rosenberg was not targeted, his aides denounced the mailers.

"Our position has been that this stuff is really not relevant to the

campaign... Rosenberg... Dave... political... his... College... things... campaign... a bad name... part... anywhere... Postal...

Consensus

'I am absolutely certain that the people who are saying this are extraterrestrials, and I think my charge has all the validity of theirs'

C. Christopher... congressional...

Jackson could not be... comment... was affiliated... group in Orange... one contacted... circles had heard... listed a Newport Beach... the address of the organization... that location is a post office

No one... Thursday... address in... 16-unit... he has lived there...

Representative... Baker campaign... looking into... the mailing... Council for a Conservative...

bulk mailing...

No one filed a... form on behalf of... with the Federal Election... within the... period as prescribed by... officials said... anyone taken... papers with the...

Please see MAIL

...of up to \$1,000...
...a campaign expenditure in a
...race is punishable by a fine
...of up to \$5,000.

The Baker matter renewed alle-
gations of marital infidelity that
repeated several weeks ago by
an anonymous man who was later
found in Newport Beach.
How do you explain allegations
of marital infidelity with another
man? We want to know.

backyard. It, according to
expanding Communist propaganda
by using his business to translate
into English the Soviet newspaper
Pravda.

"American school children,
thanks to Christopher Cox, are
exposed to the lies, distortions and
mind-bending views of the world
that Communist propaganda so
cleverly manufactures," the mailer

ELECTIONS IN ORANGE COUNTY

Americans can know what is being
said about them in the Soviet
Union.

Steve Sheldon, a representative
of California Coalition for Tradit-
ional Values, said Thursday that
no one with his organization had
any idea who was using his name in

"Our position is we don't do it
...we are not... in federal
...do did."

The coalition's...
...dedicated...
...values and does not support politi-
cal candidates, Sheldon said.

However, individual leaders of
the coalition did recently endorse
Baker's candidacy.

Responding to the letter on the
coalition's stationery, Rodriguez,
the Cox campaign consultant, said,
"One thing they want us to do is to

talk about the content of the
letter, and we are not going to do
that. To do so would give it cred-
ence. So not only do we deny it,
we think it is better to even talk
about it. It is a real attempt to
discredit Chris."

Caterinicchio blamed the news
media for publishing attacks like
those contained in the last-minute
mailer.

"If the media hadn't written
about this type of charge on Baker,
which is patently false, you would
not see the same type of tactic on
Cox," Caterinicchio said. "Whoever
is doing this is giving a bad name to
the whole profession of political
consultants."

John Dougherty in Phoenix, and
Times staff writer Lynn Johnston
contributed to this article.

EXHIBIT #8

WHO IS THE REAL
CHRISTOPHER COX??

*AND WHY HAS HE
LIED TO GET YOUR
VOTE?!*

PAID
Postage
Guaranteed

CAR-RT SORT XCR 04
TACEY CLAUSEN AVE
135 TOPAZ CA
BALBOA ISLAND

"I DON'T BELIEVE I KNOW A CHRIS COX"

CHRISTOPHER COX HAS SPENT OVER \$500,000 OF VOTERS' MONEY TO GET TO KNOW THE REAGAN CAMPAIGN.

UP UNTIL NOW CHRIS COX HAS TOLD YOU THAT HE WAS A "CLOSE" ADVISOR TO THE PRESIDENT.

Official transcripts from court records (shown here) prove that Chris Cox's duties were limited to housekeeping chores and clerk service, not at the White House, but at the office building next to the White House.

In an Orange County Meeting this year, President Reagan said, "I don't believe I know a Chris Cox...he claims to work for me?"

COX EVEN SAID HE HAS "WORKED" TO BUILD THE REPUBLICAN PARTY. HE HAS ALSO TOLD YOU HE IS A "CONSERVATIVE" LEADER.

Official records dating back to 1984, which were provided by the Orange County Registrar of Voters and the State of Virginia—both places where Cox has lived in the past 4 years—prove without a shadow of a doubt that Chris Cox did not vote for President Reagan in 1984. Further, Cox did not vote to oppose Rose Bird in 1986, he did not vote to stop the \$.01 sales tax increase in Orange County, and he has not voted on one local issue in this county since 1984.

Cox Didn't Vote For Pres. Reagan

NAME	ADDRESS	CITY	STATE	ZIP	DATE	MARK
CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	
CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	
CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	
CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	
CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	
CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	
CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	
CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	
CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	
CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	

Cox Didn't Vote To Oppose Rose Bird

NAME	ADDRESS	CITY	STATE	ZIP	DATE	MARK
CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	
CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	
CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	
CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	
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CHRIS A. COX	1000 1/2 W. 10th St.	Orange	CA	92668	11/3/84	

Cox Draws Criticism Since June, 1984

COX: Candidate Has No...

He'll Be on Ballot as 'W' Cox Loses

Cox Loses

OX...HE CLAIMS TO WORK FOR ME?"

—President Ronald Reagan, Orange County, 1988

EAST COAST MONEY TO TRICK ORANGE COUNTY AL CHRIS COX, A CANDIDATE FOR CONGRESS?!!

NAME	CHRIS COX
ADDRESS	1101 E. 2nd St., Newport, CA
CITY	NEWPORT
STATE	CA
ZIP	92660
PHONE	
EDUCATION	UCSD, San Diego, CA
CAREER	1982 - 1987, U.S. House of Representatives, CA
RELIGION	Methodist
POLITICAL PARTY	Republican
OTHER INFO	

NAME	CHRIS COX
ADDRESS	606 Mission St., San Francisco, CA
CITY	SAN FRANCISCO
STATE	CA
ZIP	94105
PHONE	
EDUCATION	UCSD, San Diego, CA
CAREER	1982 - 1987, U.S. House of Representatives, CA
RELIGION	Methodist
POLITICAL PARTY	Republican
OTHER INFO	

RANGE COUNTY
 Voted Since June, 1984
 for Failing to Vote
 California Primary



RANGE COUNTY
 to House Counsel
 id to Use 'Reagan' in Job Title



MAYBE CHRIS COX CAN'T TELL THE DIFFERENCE BETWEEN THE TRUTH AND A LIE ANYMORE. BECAUSE...

On top of all of this Chris Cox has, for profit, distributed Soviet Communist propaganda to thousands of American school kids. American kids who have had their minds impacted by the cleverly crafted lies and distortions of the Soviet propaganda machine.

THIS IS THE REAL CHRISTOPHER COX. HE IS NOT THE PERSON HE HAS SPENT OVER \$500,000 TO CONVINCING YOU HE IS. HIS WHOLE LIFE IS A LIE.

THERE ARE 11 GOOD, DECENT CANDIDATES ON YOUR BALLOT. EACH COULD DO A GOOD JOB AS YOUR CONGRESSMAN.

THE DEMOCRAT PARTY IS HOPING YOU WILL VOTE FOR CHRIS COX.

ON JUNE 7 CAREFULLY CONSIDER YOUR REPUBLICAN VOTE!

After an exhaustive investigation, careful review, and personal interviews with each candidate, one Republican stood out among the field:

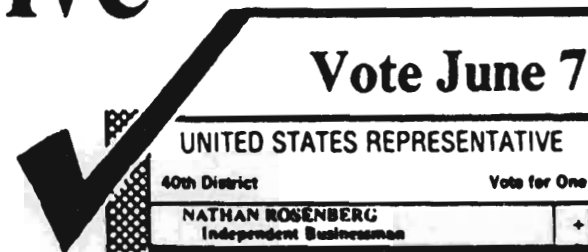
When the largest daily newspaper in California endorses a candidate for Congress, you know they have checked out all the facts. The *Los Angeles Times* is one of the most respected newspapers in the world.

They have endorsed Nathan Rosenberg to be our next U.S. Representative in Congress.

Nathan Rosenberg is endorsed for U.S. Representative by over 5,000 Republicans. Not party bosses. Not special interests. Just people like you and me.

We ask for your support and vote on June 7 for:

Nathan Rosenberg **U.S. Representative**



-Paid for by Nathan Rosenberg For Congress, 230 E. 17th Street Costa Mesa, CA 92627 I.D. #C00204526

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Rosenberg Says Friend, but Not the Mailer, Is His

By JIM CARLTON,
Times Staff Writer

Congressional candidate Nathan Rosenberg acknowledged Friday that an Arizona man responsible for last-minute "hit" mailers aimed at his two leading opponents was a friend but denied that his campaign had anything to do with the mailers.

Rosenberg also announced at a hastily called press conference that he was returning a \$1,000 campaign contribution from the man, Arthur M. Jackson, 32, of Phoenix.

The mailers, distributed in recent days under the name of the American Council for a Conservative Consensus, accuse C. Christopher Cox of espousing communism and raise questions about C. David Baker's marital fidelity. Jackson said in a telephone interview that he had arranged to have a total of 37,000 copies of the two mailers distributed to homes in the 40th Congressional District, where Rosenberg, Cox and Baker are the front-runners in Tuesday's Republican primary.

Rosenberg vehemently denied suggestions by his opponents that he was behind Jackson's mail campaign. Jackson, too, said he acted independently of Rosenberg. Both said they have been friends since meeting about a decade ago in Washington when Jackson was a congressional aide and Rosenberg was working for the secretary of the defense.

"Arthur Jackson is a friend, but a misguided friend," Rosenberg said. "Because I disavow his tactics, I told Ted [Long, a campaign aide] to write a check of \$1,000 and send it back to him."

Jackson, a stock market investor who said he will be moving to Orange County within two months, said he also contributed \$250 to Rosenberg's unsuccessful 1986 GOP primary campaign in the 40th District. Jackson said his \$1,000 contribution was for a Rosenberg fund-raising dinner that he attended in January.

Rosenberg added that Jackson was one of 1,800 contributors to his current campaign and that he has no way of controlling their actions.

Jackson said he tried repeatedly to contact Jackson in Phoenix on Friday but got no response. Jackson returned a telephone call from The Times on Friday from Colorado, where he said he was vacationing.

When he reaches Jackson, Rosenberg said, he will tell him this: "Thanks but no thanks. And don't send out any more mail."

Jackson said the mailers, which he had printed and mailed at a cost of \$19,996, represented an independent effort by his American Council for a Conservative Consensus.

Similar Language

The Jackson mailer aimed at Cox contained some language similar to a mailer sent out by the Rosenberg campaign to voters Friday. Both mailers attack Cox for starting a business in 1984 to translate the Soviet newspaper Pravda into English. Cox, who studied Russian while at USC, has said he started

the business so Americans could know what is being said about them in the Soviet Union.

The Jackson mailer said: "American schoolchildren, thanks to Christopher Cox, are exposed to the lies, distortions and mind-bending view of the world that Communist propaganda so cleverly manufactures."

The Rosenberg mailer said: "Chris Cox has, for profit, distributed Soviet Communist propaganda to thousands of American school kids. American kids who have had their minds impacted by the cleverly crafted lies of the Soviet propaganda machine."

"It's written, I think, by the same person," said Carlos Rodriguez, campaign consultant for Cox.

Rosenberg angrily asserted that his mailer was in no way connected with the one sent out by Jackson and that both may have contained similar language because they were quoting from a Cox campaign brochure. The Cox brochure said only that Cox was founder of an independent translator of Soviet propaganda for study and use by U.S. government researchers, among others.

Jackson said his group was supported by 20 donors, whom he refused to name. The organization filed as a political action committee last month both with the secretary of state's office and the Federal Election Commission.

Although Jackson said the group was not supporting any candidates in the 40th District race, he acknowledged that he personally fa-

in Tuesday's primary.

Campaign strategists for Cox and Baker said Friday that they had drawn "an inescapable conclusion" that Jackson was working on behalf of the Rosenberg campaign.

"All roads seem to be to the same place, and I think that Mr. Rosenberg is going to have to do some serious explaining to Republicans in this district," Rodriguez said.

"Everything seems to lead to a relationship with the Rosenberg campaign," added John Nakaoka, Baker's campaign manager.

Nakaoka added that he viewed it as more than coincidence that both

Jackson and Rosenberg used Diversified Mailing Inc. of Fullerton to handle distribution of their mailers, as an employee of the company confirmed Friday.

Neither Cox nor Baker uses that mailing house, officials for their campaign organizations said. Nakaoka said there are many other mailing houses Jackson could have used, including some in his home state.

Rosenberg countered that Diversified is a large mailing house used by many area politicians. He termed it pure coincidence that Jackson happened to be using the same company.

Cox predicted Friday that Rosenberg's candidacy would be derailed by the disclosures about his association with Jackson.

"I think Nathan Rosenberg's candidacy is now over," Cox said. "It's history, because of what has come to light."

Baker could not be reached for comment.

Rosenberg shot back that Cox is doing some wishful thinking and added that both Cox and Baker are trying to deflect the heat from themselves following damaging disclosures about their own records.

Rosenberg, 36, maintained that he has conducted an honest, forthright campaign that has been free from political attacks on his opponents until they attacked him first. He said he sent out mailers disclosing Cox's failure to vote since 1984 after Cox sent out a mailer that attacked Rosenberg's brother, Werner Erhard, and Erhard's now-defunct self-improvement program.

Two Weeks of est

In the telephone interview, Jackson said he had once been involved in est. Jackson said he took a two-week est training course about 10 years ago.

Erhard filed a multimillion-dollar lawsuit against Cox in Orange County Superior Court, alleging libel and slander. The suit is pending.

John Douherly in Phoenix and

Rosenberg asks critic of opponents to stay out of congressional race

By Larry Peterson
The Register

Congressional candidate Nathan Rosenberg on Friday asked the man who sent mailings branding one of Rosenberg's opponents in the 40th Congressional District race a Soviet propagandist and another an adulterer "to take no further action in the campaign."

Rosenberg, a Newport Beach businessman, also returned a \$1,000 contribution he received from Phoenix investment broker Arthur M. Jackson, who this week sent 37,000 brochures to voters in the Orange County district. The mailings leveled the propaganda charge against Christopher Cox and repeated an adultery accusation against David Baker.

Baker condemned the mailer against him as "the worst kind of dirty campaigning."

Cox called Jackson's charges "false and outrageous" and deplored the link with Rosenberg.

Ties between Rosenberg and

ROSENBERG: Denies role in critical mailings

FROM 1

Jackson emerged Friday. Rosenberg acknowledged that he has known Jackson since about 1980, when Jackson was a legislative assistant in Washington, DC, and Rosenberg was a naval assistant to Secretary of Defense Harold Brown.

Jackson on Thursday denied supporting any candidate in the race and said he had met some of the candidates at forums during visits here. He made no mention of his acquaintance with Rosenberg.

But Jackson conceded Friday that he contributed \$1,000 to Rosenberg's campaign late last year. Jackson also acknowledged that he took the est training, a now-defunct self-awareness seminar led by Rosenberg's brother, Werner Erhard.

Jackson's mailings were processed by Diversified Mailing Inc., of Fullerton, the same company that handles Rosenberg's campaign mail and that David Vaporcan. Rosenberg's campaign consultant, has used for 10 years.

Moreover, the Rosenberg campaign sent voters an anti-Cox mailer Friday with wording similar to a Jackson brochure delivered on Thursday. Both criticize Cox for having once published an English language version of Pravda, the official Soviet government newspaper, which Cox defends as helpful to Americans' understanding of the Soviet threat.

Jackson's mailer speaks of school children being exposed, due to Cox's publication, to "lies, distortions and mind-bending view of

the world that communist propaganda so cleverly manufactures."

Rosenberg's mailer said that because of the English edition of Pravda, "American kids ... have had their minds impacted by the cleverly crafted lies and distortions of the Soviet propaganda machine."

Rosenberg denied knowing about Jackson's mailer. "I assume it was a coincidence," he said.

Jackson, too, denied cooperating with the Rosenberg campaign. He said he gave Rosenberg \$1,000 when he was gearing up to run against Badham, who later announced that he would not seek reelection. Jackson said he does not endorse any candidate in the race.

He said he took the est training before he met Rosenberg and didn't volunteer that he knew Rosenberg or contributed to his campaign because he thought it would be "twisted around."

Meanwhile, the Federal Election Commission, which on Thursday said Jackson had failed to file a required form for his committee, said it was mistaken and that Jackson did submit the form.

But FEC spokeswoman Sharon Snyder said Jackson was required to either state on the mailing whether it was authorized by a candidate for federal office. Neither of his mailings did so.

"It's just another example of the est 'life-has-no-rules' philosophy," Cox said. "But elections do have rules and Jackson will have to face them after the election."

"... I think that it is fortunate for the voters of Orange County that these false and outrageous charges have come to light. I think Nathan Rosenberg's campaign is over. I feel sorry for him. It is just pathetic."

Postal records indicated that Jackson paid about \$3,900 on postage for the mailings. But Bob Barnard, general manager and co-owner of Diversified Mailing, said Jackson spent at least an additional \$10,000 on the two pieces.

Cox, who has a letter from President Reagan thanking him for his service as White House counsel, dismissed the part of the Rosenberg mailer in which Reagan is quoted as saying "I don't believe I know a Chris Cox ... He claims to work for me?"

Rosenberg said he was told Reagan said that by one of the guests at a fund-raiser held at the home of Rosenberg supporter William Lyon earlier this year. He refused to name the guest.

"I'll take the president's signed letter over an anonymous source," Cox said.

Rosenberg laid the blame for the bitterness of the the campaign on Cox. "He started it with all those lies about est," he said. "We tried to take the high road."

Staff writer Jean O. Pasco contributed to this report.



■ **WIEDER:** Her opponents launch new attacks 8

■ **ASSEMBLY RACE:** Hart's uphill battle gets steeper 9

The mailers have become part of an increasingly bitter battle for the Republican nomination, which will be decided Tuesday. Cox, a former White House counsel, Baker, an Irvine councilman, and Rosenberg are the front-runners, according to the Register Poll.

The winner of the GOP primary is almost certain to be elected in November to replace retiring Rep. Robert Badham of Newport Beach; registered Republicans in the 40th outnumber Democrats almost 2-to-1.

Rosenberg said late that he had asked Jackson to stay out of the race. "We had nothing to do" with Jackson's mailers, Rosenberg said.



Nathan Rosenberg

By JONATHAN VOLZKE
and LANCE IGNON
Of the Daily Pilot Staff

Nathan Rosenberg's bid for the 40th Congressional District seat "is history" following the discovery that recent mailers attacking fellow candidates were sent by a longtime Rosenberg friend and supporter, candidate C. Christopher Cox said Friday.

But Rosenberg said the revelation will have no impact on his campaign because he had nothing to do with the mailers.

"I agree that the Rosenberg campaign is history. We're going to win and I'm going to be in the history books," Rosenberg said.

Literature branding Cox as a Soviet "propagandist" and repeating adultery allegations against candidate C. David Baker was sent to 37,000 voters in Newport Beach, Costa Mesa and other Orange Coast cities included in the 40th Congressional District.

Baker, Cox and Rosenberg are considered the front-runners in the Republican primary race for the seat being vacated by Robert Badham, R-Newport Beach.

The 17-inch by 11-inch, two-color mailers were sent by the American Council for Conservative Consensus, headed by Arthur Jackson, 32, of Phoenix, Ariz.

Jackson is listed as having contributed \$1,000 to Rosenberg's cam-

Rosenberg: 'No tie to mailers'

Longtime supporter linked to mailers smearing 40th opponents Cox, Baker

paigned in November 1987. According to the Postal Service, Jackson's group spent another \$3,931 to mail the literature.

Although he admits Jackson is a longtime friend and supporter, Rosenberg denied any connection to the brochures.

"Did we have anything to do with that piece? Did Arthur (Jackson) clear it with us? Did we authorize it? Did we even know about it?" Rosenberg said. "No."

Rosenberg said his campaign sent a \$1,000 check to Jackson on Friday to reimburse him for his campaign contribution.

"In a misguided way, I think he felt he was helping out a friend," Rosenberg said. "The guy's obviously got a right to express himself and the law allows him to form an independent committee. We just reject that kind of help."

Jackson could not be reached for comment.

But despite the denials, Cox said the connection spells the end of Rosenberg's campaign.

"Nathan Rosenberg's candidacy is now over," Cox said. "It's history, I feel sorry for him."

In the mailers, connected to Jackson by Federal Elections Commission statutes requiring any group that spends more than \$1,000 to register with the FEC, Cox is attacked as a propagandist and Baker as an adulterer.

Jackson attacks Cox because of a business Cox began that translates the Soviet newspaper Pravda into English for distribution in the United States.

"On April 13, Chris Cox admits before 100 voters that he in fact is responsible for distributing Communist propaganda to American school kids," the mailer claims.

Cox, who trophied Iran-Contra figure retired Marine Corps Lt. Col. Oliver North in an Orange Coast rally on Thursday, denied the mailer's allegations.

"It was outrageously false, really pathetic," Cox said.

The similar mailer targeting Baker revives allegations that Baker had an extra-marital affair. That allegation was shouted at Baker by an unidentified man during a candidate's forum at the Balboa Bay Club last month.

Rosenberg said Jackson was not the man who stood up at the forum.

Baker has admitted his marriage suffered a period of discord, but has neither confirmed nor denied the allegation.

John Nakaoka, Baker's campaign manager, said his staff had also discovered Jackson's link to Rosenberg, and "it doesn't surprise me."

"There are a lot of coincidences," Nakaoka said. "They have done everything to skirt the law, and the extent they are willing to go really amazed me. It's absolutely unethical."

Rosenberg said he met Jackson in Washington D.C. about eight years ago while Jackson was working as a congressional aide. The candidate said he last talked to the Arizonan when he visited Phoenix on business in January.

Rosenberg said Jackson is a "political animal" and has been involved with several recent campaigns.

David Vaporean, Rosenberg's campaign consultant, said Jackson may belong to a "far right" element in Arizona with "this vision about how they are going to direct America. And they believe they do it at the ballot box."

Arizona man enters 40th District campaign with brochure

By Larry Peterson
The Register

An Arizona man unknown in Orange County political circles has sent 37,000 mailers to 40th Congressional District voters branding congressional candidate Chris Cox a Soviet "propagandist" and repeating adultery accusations against another candidate, David Baker.

Arthur Jackson of Phoenix sent the brochures to voters Wednesday and Thursday under the auspices of the American Council for Conservative Consensus, which he said has five members.

The mailings are the latest and perhaps most bizarre in the hard-fought race for the Republican nomination in the staunchly Republican district. Because of the heavy GOP orientation, the winner



of the party's primary likely will replace retiring Rep. Robert Badham, R-Newport Beach.

Jackson, who describes himself as "very conservative," said the 40th is only one of about 10 closely contested congressional races around the country that he has targeted for mailings.

He denied as "absolutely false" suggestions by supporters of Cox and Baker that he is working for one of the other candidates. Al-

though he claims he has attended some candidate forums, met several of the candidates and read extensively about the contest, Jackson said he has no favorites in the race. He said he sent the mailers because he felt they might "make a difference" in determining the winner.

Jackson, 32, said he is an independent investor, mostly in the stock market, and plans to move later this year to Orange County, where he said he has been vacationing for 10 years.

His brochures offered little evidence to support the claims they made against Cox, a former White House counsel, and Baker, an Irvine councilman. Both are among the front-runners in the nine-way race for the GOP nomination.

"That's the point," he argued.

"I'm trying to bring to voters' attention already published information that can help them make a better decision," he said.

The piece on Cox uses sketch drawings picturing the candidate with former Soviet leaders Lenin and Stalin and includes a large hammer and sickle, symbol of the Communist Party.

Jackson's claim that Cox is a Soviet propagandist is based on Cox's founding of a business that published an English-language version of Pravda, the official Soviet daily newspaper, in the United States. Cox has characterized the publication as a contribution to better American understanding of the communist threat.

Cox refused to take the mailing seriously.

"I am certain that the people

who did this are extraterrestrials, and my charge has all the validity of theirs," he said.

The mailer on Baker recounts allegations, shouted anonymously at a candidate forum and circulated by a whispering campaign, that Baker had engaged in an extramarital affair. Baker has refused to confirm or deny the accusation.

"What came to mind, when I saw this and the other piece on Cox," said John Nakaoka, Baker's campaign manager, "was there's some scumbag out there sitting in some corner of a sewer somewhere with a typewriter, chuckling."

Postal records show that, as of Thursday, the group spent at least \$3,931 for postage alone. Federal law requires that such an organization register with the Federal Election Commission if it spends \$1,000

or more to support or oppose a congressional candidate.

Jackson said he has registered and filed the required forms, but FEC spokeswoman Karen Finucan said Thursday there is no record of the group having registered.

Until Jackson was contacted late Thursday, the source of the mailings was shrouded in mystery. The number listed for its postal bulk-mail permit is a postal-box rental company in Newport Beach.

Claiming the mailings are illegal because the group has not registered, Carlos Rodriguez, Cox's campaign consultant, said Cox may seek a court order barring further distribution of Jackson's mailers.

Register staff writer Jean O. Pasco contributed to this report.

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Daily Pilot

FRIDAY, JUNE 3, 1988

25 CENTS



DATEBOOK

Smear mailers tied to Rosenberg

Campaign backer sent out literature attacking rivals Dave Baker, Chris Cox

By JONATHAN VOLZKE
of the Daily Pilot Staff

A long-time friend and contributor to 49th Congressional District candidate Nathan Rosenberg is responsible for campaign literature branding his opponent Chris Cox a communist "propagandist" and repeating

adultery allegations against candidate Dave Baker, Rosenberg said today.

But Rosenberg said he did not ask Arthur Jackson to distribute the brochures and was not aware Jackson planned to mail the 37,000 pieces of literature throughout the 49th District, which encompasses Newport

Beach, Costa Mesa and other Orange Coast cities.

Rosenberg, who was not targeted by Jackson's literature, said he will not ask his friend to stop the mailings because he is uninvolved in the action.

"I had nothing to do with it," Rosenberg said today. "As an American, he is entitled to do whatever he wants... but it had nothing to do with my campaign."

"I didn't know anything about it," Baker, Cox and Rosenberg are

considered the front runners in the Republican primary race for the seat, which is being vacated by retiring incumbent Robert Badham, R-Newport Beach.

Rosenberg said, however, that he knows Jackson, 32, "very well" and admitted Jackson contributed \$1,000 to his campaign in November 1987. According to postal records, Jackson's group, the American Council for a Conservative Consensus, has spent \$3,931 to mail the literature.

Jackson, a Phoenix resident, could

not be reached for comment.

In the mailers, connected to Jackson by Federal Elections Commission statutes requiring any group that spends more than \$1,000 to register with the FEC, Cox is attacked as a propagandist and Baker as an adulterer.

Jackson attacks Cox because of a business Cox began that translates the Soviet newspaper Pravda into English for distribution in the United States.

"On April 13, Chris Cox admits

before 100 voters that he in fact is responsible for distributing Communist propaganda to American school kids, the 17-inch by 11-inch, two-color mailer claims.

Cox could not be reached for immediate comment early today.

The similar mailer targeting Baker revives allegations that Baker had an extra-marital affair. That allegation was shouted at Baker by an unidentified man during a candidate's forum at the Balboa Bay Club last month.

(Please see BMBARB/A2)

NEWSLINE

Top speller



Ragethree Ramechandra wins her trophy after winning the National Spelling Bee./A4

Sports

Dallas evens score with Lakers in Western Conference finals./B1

Index

North stumps for Cox at OCC

By PAUL ARCHIPLEY
of the Daily Pilot Staff

Oliver North endorsed congressional hopeful Christopher Cox at an open air rally Thursday, then joined the candidate for a pair of final week fund-raisers leading up to Tuesday's election.

Earlier, the former Marine colonel spoke to about 30 San Diego County Republicans at a \$300-a-plate breakfast for Cox in Rancho Santa Fe.

North arrived by helicopter at the rally at Orange Coast College. Addressing about 200 supporters, North lambasted congressional liberals and urged voters to lend a conservative to Congress who would preserve the Reagan legacy.

"You want someone who will stand up to (House Speaker) Jim Wright and look him in the eye and just say 'No,'" North said.

"It is our challenge in the 1988



Officers absolved in teens' deaths

Jury rules police acting properly in Mesa smashup

By JONATHAN VOLZKE
of the Daily Pilot Staff

Costa Mesa police officers are not responsible for a 1984 collision that claimed the lives of two high school seniors whose Volkswagen was hit by a van being chased by authorities, a civil court jury ruled Thursday.

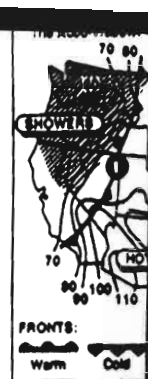
The family of Roy Williamson, who was 17 when a stolen van driven by Ruben Valle plowed through the intersection of 19th Street and Placentia Avenue, sued the police department on the contention the chase should have been abandoned

pursuit that began... captain spotted Valle... and thought he was...
 ...the Williamsons'... police admitted the...
 ...said jurors told him...
 ...by concerns the...
 ...when they pulled...
 ...even though...
 ...the trial said he saw...
 ...and Billy Dearing stop at...
 ...in their car —...
 ...driving — and yelled at...
 ...not to proceed.
 ...he testified he was stand-...
 ...than 10 feet away, the boys...
 ...did not hear him because...
 ...in the Volkswagen...
 ...into the intersection...
 ...were hit by Valle, who was

whether or not Dearing was paying attention to his driving was inconsequential because Valle had been involved in three near-collisions in the brief chase and officers should have known it was too dangerous to continue the pursuit.
 Don Zell, a private attorney representing the city, said the Williamsons tried to play both sides of the negligence issue.
 Zell said although the family played down the alleged negligence in the suit, the Williamsons sued Dearing's insurance company and collected \$100,000 on the grounds that Dearing was careless in the crash.
 Dearing's family dropped out of the lawsuit against the city "for personal reasons" the week it went to trial before Harbor Court Judge David O. Carter, said Dearing's mother, Vicky Grage. Grage's family collected \$200,000 in life insurance

collision.
 The suit was the second recent challenge of police pursuit policies, Zell said. Two months ago, a woman was hit and killed by a pickup truck chased by Santa Ana police. The woman's family sued the authorities, but that case also was decided in favor of the city, Zell said.
 "I don't like these cases," Zell said, adding his son played soccer with Dearing in Mission Viejo. "I can understand how those parents feel, their kids should have never died. But Valle was responsible for their deaths, and he was punished."

Strong winds could be in store for Southern California Saturday, forecasters predicted. Temperatures, meanwhile, are expected to remain hot through the weekend.
 A clash between a high-pressure front over the Pacific Ocean and a cold front moving across the state could kick up winds of 35 miles per hour beginning Saturday and continuing Sunday, forecasters said today.
 Along the Orange Coast there will be increasing low clouds late tonight and Saturday morning along the coast. Sunny Saturday. Cooling trend beginning Saturday. Beach lows tonight 54 to 58 with highs Saturday 65 to 75. Valley lows tonight 55 to 63 with highs Saturday 86 to 96.
 From Point Conception to the Mexican Border — Inner waters: Local southerly winds 12 knots or less tonight becoming westerly 20 knots with 4-foot seas Saturday afternoon. Westerly swell 3 feet, increasing low clouds tonight and Saturday morning. Mostly sunny Saturday afternoon.



NASA budget cut expected

WASHINGTON (AP) — The House has passed an \$11.5 billion authorization bill for the National Aeronautics and Space Administration that faces almost certain opposition in the Senate.
 The bill, passed Thursday on a 385-21 vote, includes \$967 million to build a manned space station, something for a free-flying, un-crewed factory in space favored by the Reagan administration.

Some senators have expressed an inclination to vote for no more than \$10.2 billion for NASA during the fiscal year that begins Oct. 1, an amount that could kill the space station project.
 The House authorization bill puts a cap of \$24.2 billion on the total cost of the space station, which is planned to be in orbit around Earth and occupied by astronauts at the end of 1996.

SMEARS...

From A1
 Baker has admitted his marriage suffered a period of discord, but has neither confirmed nor denied the allegation.
 John Nakaoka, Baker's campaign manager, said his staff had also discovered Jackson's link to Rosenberg, and "it doesn't surprise me."
 "There are a lot of coincidences," Nakaoka said. "They have done everything to skirt the law, and the extent they are willing to go really amazed me. It's absolutely unethical."
 But Rosenberg denied any unethical moves in his campaign, despite the appearances.
 "It has nothing to do with appearances, it has to do with facts," Rosenberg said. "We've run a positive campaign."

U.S. Temps.

Albuquerque	81	86
Anchorage	87	83
Atlanta	91	87
Atlantic City	69	52
Baltimore	77	52
Birmingham	91	83
Boise	84	66
Boston	58	48
Buffalo	63	48
Charleston, S.C.	90	74
Charlotte, N.C.	92	64
Chicago	71	49
Cincinnati	69	52
Cleveland	62	53
Columbus, Ohio	89	48
Dallas-Ft. Worth	79	65
Dayton	78	48
Denver	77	50
Des Moines	84	64
Detroit	65	49
Duluth	57	46
El Paso	96	61
Erie	61	51
Fairbanks	62	48
Flagstaff	80	40
Grand Rapids	68	41
Honolulu	83	75
Houston	87	66
Indianapolis	92	53
Jackson, Miss.	94	66
Jacksonville	96	71
Juneau	63	44
Kansas City	85	58
Las Vegas	98	69
Little Rock	86	62
Louisville	92	65
Memphis	91	66
Miami Beach	81	78
Minneapolis	72	45
Mobile-St. Paul	61	58

Calif. Temp

93	65
90	68
63	51
87	61
84	66
99	64
70	50
106	80
66	49
63	41
65	48
66	55
62	56
65	61
68	62
62	56
94	66
95	66
66	53
66	46
93	64
83	57
102	69
84	63
78	54
77	59

High, low for 24 hours ending today
 Bakerfield 64 66
 Eureka 106 80
 Fresno 66 49
 Los Angeles 63 41
 Oakland 65 48
 Paso Robles 66 55
 Red Bluff 62 56
 Redding 65 61
 Redwood City 68 62
 Sacramento 62 56
 Salinas 94 66
 San Diego 95 66
 San Francisco 66 53
 San Jose 66 46
 Stockton 93 64
 High, low for 24 hours ending today
 Barstow 102 69
 Beaumont 84 63
 Big Bear 78 54
 Bishop 77 59
 Blythe
 Catalina
 Cudahy City
 Lancaster
 Long Beach
 L.A. Airport
 San Bernardino
 San Gabriel
 Santa Ana
 Santa Barbara
 Santa Cruz
 Santa Maria
 Santa Monica
 Tahoe Valley
 Torrance
 Westwood
 Yosemite Vly

RIGHT PLANTS REDUCE WATER USE...

...They include California lilacs, gazanias, lavender, oleander, melanchol, lantana, portulaca, trailing gazanias, trailing lantana and white rockrose.
 It took a while for the groundspeople to get used to their needs and the gardeners actually killed several of the plants by overwatering, Hamilton said.
 District officials now are thinking about developing ties with area nurseries to perhaps establish separate sections for drought-tolerant plants and possibly provide plant labels and other information and materials.

Another hurdle appears to be that Costa Mesa and other cities using underground water are escaping the brunt of the most serious drought to hit California since the dry years of 1976 and 1977.
 That's because the district gets most of its water from the well-stocked Orange County underwater basin and the Colorado River, which is furnished by runoff from the Rocky Mountains. Winter storms that missed the Sierra in Northern California dumped snow on the Rocky Mountains, Hamilton said.
 "If we conserve, in the long run it will help other places," he said. "We

Hamilton said he'd like to see Californians "get back to their roots" by using native California plants and other drought-resistant plants native to the Mediterranean, South Africa and Australia.
 Southern California is a semi-arid area, one step away from the desert, he said. But a problem is that homeowners plant what they're familiar with and those plants are usually from other states that require lots of watering, he said.
 But homeowners could save by making better use of their water and by cutting down on irrigating their lawns, he said. (If grass is watered too much, puddles will build up because

PICKETS COMPETE ON MEAS

From A1
 projects.
 Opponents contend people were duped into signing the initiative under the belief it would be a solution for traffic problems. Instead, they maintain, it will choke off development and lead to economic chaos.
 "I wish it was a traffic solution. We'd all be for Measure A. We've got to look for something better," said Mark Ludes of Costa Mesa, one of about 350 paid anti-A campaign workers
 and won't solve traffic."
 Belinda Blacketer, an attorney who helped draft the initiative, chuck at the notion her opposition was grass-roots movement. A majority of its funding comes from real estate interests, she noted.
 "That may be grass roots Orange County," the Laguna Beach attorney said, "but that's not the grass roots that I know of."
 Several initiative supporters grumbled that most of the an

Any information copied from such reports and statements may not be sold or used by any person for the purpose of collecting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)

NATHAN ROSENBERG FOR CONGRESS

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
DAVID WAYNE COMMUNICATIONS 18141 IRVINE BLVD. TUSTIN, CA 92680	CONSULTING	4/24/88	5,165.00
	Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	4/29/88	5,565.00
	<input type="checkbox"/> Other (specify)	5/06/88	15,405.00
DAVID WAYNE COMMUNICATIONS 18141 IRVINE BLVD. TUSTIN, CA 92680	CONSULTING	5/11/88	15,405.00
	Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	5/14/88	11,501.03
	<input type="checkbox"/> Other (specify)	5/14/88	11,639.13
DAVID WAYNE COMMUNICATIONS 18141 IRVINE BLVD. TUSTIN, CA 92680	CONSULTING	5/14/88	12,402.20
	Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	5/14/88	11,522.65
	<input type="checkbox"/> Other (specify)	5/14/88	21,595.34
DAVID WAYNE COMMUNICATIONS 18141 IRVINE BLVD. TUSTIN, CA 92680	CONSULTING	5/14/88	10,979.43
	Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General		
	<input type="checkbox"/> Other (specify)		
FLY BY NIGHT P.O. BOX 3805 TUSTIN, CA 92681	FUNDRAISER ENTERTAINMENT	4/11/88	50.00
	Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	4/29/88	210.00
	<input type="checkbox"/> Other (specify)		
GAYLE ROSENBERG 6056 SHELTER BAY AVENUE MILL VALLEY, CA 94941	FUNDRAISER EXPENSE REIMBURSEMENT	4/18/88	225.27
	Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General		
	<input type="checkbox"/> Other (specify)		
HARVEY STONE 2249 AVENIDA SOLEDAD FULLERTON, CA	BOOK PUBLISHING	4/19/88	2,500.00
	Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General		
	<input type="checkbox"/> Other (specify)		
IRVINE MARRIOTT 18000 VON KARMAN AVENUE IRVINE, CA 92715	ROOM RENT	4/19/88	250.00
	Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General		
	<input type="checkbox"/> Other (specify)		
JACK BARCUS STUDIOS 438 CATALINA DRIVE NEWPORT BEACH, CA 92663	PHOTOGRAPHY	4/06/88	60.56
	Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	4/10/88	463.49
	<input type="checkbox"/> Other (specify)	4/18/88	103.35

SUBTOTAL of Disbursements This Page (optional)

125,042.45

TOTAL This Period (last page this line number only)

600 # 9592

LAW OFFICE OF
RICHARD MAYBERRY & ASSOCIATES
SUITE 202
1055 THOMAS JEFFERSON ST., N.W.
WASHINGTON, D. C. 20007
(202) 337-4172

June 22, 1988

By Messenger
Ceila Jacoby, Esquire
Federal Election Commission
Office of the General Counsel
999 E Street, NW
Sixth Floor
Washington, D.C. 20463

Re: MUR 2618

Dear Ms. Jacoby:

You will find enclosed a Statement of Designation of Counsel for Messrs. Rosenberg and White, and the Nathan Rosenberg for Congress, in the above-referenced matter. Please direct all future communications to this office.

Very truly yours,

Richard Mayberry
Richard Mayberry

RM:rjy:GC/C-9
Enclosure

cc: Nathan Rosenberg
David R. White

RECEIVED
FEDERAL ELECTION COMMISSION
88 JUN 23 PM 2:56

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4
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2
6

STATEMENT OF DESIGNATION OF COUNSEL

NUR 2618

NAME OF COUNSEL: Richard Mayberry

ADDRESS: 1055 Thomas Jefferson St. N.W.
Suite 202
Washington, DC 20007

TELEPHONE: 202 337 4172

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

June 21, 1988
Date

David R. White
Signature

RESPONDENT'S NAME: Nathan Rosenberg for Congress
DAVID R. White, Treasurer

ADDRESS: 6782 AUBURN DR
HUNTINGTON BEACH, CA 92647

HOME PHONE: (714) 847-9583

BUSINESS PHONE: (714) 833-8312

90040300697

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2618

NAME OF COUNSEL: Richard Mayberry

ADDRESS: 1055 Thomas Jefferson St. N.W.
Suite 202

Washington, DC 20007

TELEPHONE: 202 337 4172

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf before
the Commission.

21 June 1988
Date

Nathan Owen Rosenberg
Signature

RESPONDENT'S NAME: Nathan Rosenberg

ADDRESS: 3907 Park Green Dr.
Corona del Mar, CA 92625

HOME PHONE: 714 759 0408

BUSINESS PHONE: 714 759 1047

90040300698



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 16, 1988

Mr. Arthur M. Jackson
1057 East Butler
#3B
Phoenix, AZ 85020

RE: MUR 2618
Arthur M. Jackson

Dear Mr. Jackson:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2618. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

90040300699

Arthur M. Jackson
page 2

If you have any questions, please contact Celia Jacoby, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel


By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

90040300700



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 16, 1988

David R. White, Treasurer
Nathan Rosenberg For Congress
4901 Birch Street
Newport Beach, CA 92660

RE: MUR 2618
Nathan Rosenberg For
Congress and David R.
White, as treasurer

Dear Mr. White:

The Federal Election Commission received a complaint which alleges that Nathan Rosenberg For Congress and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2618. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and Nathan Rosenberg For Congress in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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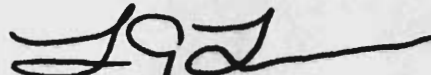
9 3 0 4 0 3 0 0 7 0 1

David R. White
page 2

If you have any questions, please contact Celia Jacoby, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

90040300702



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 16, 1988

Sharlee Dodd, Treasurer
American Council For A
Conservative Consensus
3857 Birch Street
#157
Newport Beach, CA 92660

RE: MUR 2618
American Council For A
Conservative Consensus
and Sharlee Dodd, as
treasurer

Dear Ms. Dodd:

The Federal Election Commission received a complaint which alleges that the American Council For A Conservative Consensus and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2618. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the American Council For A Conservative Congress in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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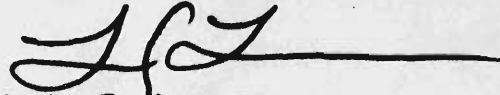
20040300703

Sharlee Dodd
page 2

If you have any questions, please contact Celia Jacoby, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

90040300704



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 16, 1988

Mr. David W. Vaporean
18141 Irvine Blvd.
Tustin, CA 92680

RE: MUR 2618
David W. Vaporean

Dear Mr. Vaporean:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2618. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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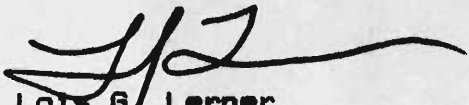
90040800705

David W. Vaporean
page 2

If you have any questions, please contact Celia Jacoby, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel

By: 
Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

90040300706



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 16, 1988

Mr. Nathan O. Rosenberg
3907 Park Green Drive
Corona Del Mar, CA 92625

RE: MUR 2618
Nathan O. Rosenberg

Dear Mr. Rosenberg:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2618. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

20040300707

Nathan O. Rosenberg
page 2

If you have any questions, please contact Celia Jacoby, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel


By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

90040300708

6279626

FEDERAL ELECTION COMMISSION
LAW OFFICE OF ADMINISTRATIVE DIVISION
RICHARD MAYBERRY & ASSOCIATES
SUITE 202
1055 THOMAS JEFFERSON ST., N.W.
WASHINGTON, D. C. 20007
(202) 337-4172

88 JUN 24 PM 3:10

June 24, 1988

By Hand

Celia Jacoby, Esquire
Federal Election Commission
Office of General Counsel
999 E Street, NW
Sixth Floor
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 JUN 29 AM 11:36

Re: MUR 2618 -- Request for Extension of Time

Dear Ms. Jacoby:

I have been retained to represent Nathan Rosenberg, David White and the Rosenberg for Congress committee. Their reply is due on July 5, 1988. Mr. Rosenberg will be on vacation for the entire next week. Additional time is required to collect the necessary information from my clients who all reside in California. My current case load plus the upcoming July 4th holiday make a July 5th reply date difficult. Accordingly, I respectfully request a 20-day extension of time to and including July 25, 1988 in order to reply.

Thank you for your consideration of this request. If there is any problem in granting the extension, please call me immediately at 337-4172.

Sincerely,



Richard Mayberry

RM:rjy:GC/C-10

90040300709



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 1, 1988

Richard Mayberry, Esquire
Richard Mayberry & Associates
Suite 202
1055 Thomas Jefferson Street, N.W.
Washington, D.C. 20007

RE: MUR 2618
Nathan Rosenberg for
Congress and David R.
White, as treasurer;
Nathan O. Rosenberg

Dear Mr. Mayberry:

This is in response to your letter dated June 24, 1988, which we received on June 29, requesting an extension until July 25, 1988 to respond to complaint in the above referenced matter. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on Monday, July 25, 1988.

If you have any questions, please contact Celia L. Jacoby, the attorney assigned to this matter at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

By: 
Lois G. Lerner
Associate General Counsel

20040800710

HAND DELIVERED

RECEIVED
FEDERAL ELECTIONS COMMISSION

QCC#9705

88 JUL -5 AM 10:25

ARTHUR JACKSON

1057 E. BUTLER DR. #3B

PHOENIX, AZ 85020

(602) 870-3825

June 29, 1988

FEDERAL ELECTIONS COMMISSION
Attn: General Counsel's Office
Washington, D.C. 20463

CERTIFIED MAIL RETURN
RECEIPT REQUESTED

RE: Complaint MUR 2618

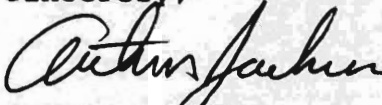
Dear Sir:

Attached is my response to the complaint filed against me and the American Council for a Conservative Consensus, for which I am responsible.

Presently, I am not represented by an attorney because of the weakness of the complaint and the fact that this was politically motivated for media attention. There is no substance to this frivolous complaint. Also, the expense of an attorney is greater than the issue at hand. I am temporarily suspending fundraising for the PAC's later activities until this matter is dismissed or resolved.

The complaint makes incorrect assertions and stretches weak circumstantial evidence to extremes. The facts and evidence will show that there are no violations and that the complaint is unjustified. I request the complaint be dismissed without further action.

Sincerely,



Arthur Jackson
Executive Director
American Council for a
Conservative Consensus

enclosures

RECEIVED
FEDERAL ELECTIONS COMMISSION
OFFICE OF THE GENERAL COUNSEL
88 JUL -6 AM 11:28

2004030711

FEDERAL ELECTION COMMISSION COMPLAINT RESPONSE

COMPLAINT # MUR 2618

JUNE 29, 1988

FROM: ARTHUR M. JACKSON, FOR HIMSELF AND THE AMERICAN COUNCIL
FOR A CONSERVATIVE CONSENSUS (ACCC) (FEC ID #C00228114)

INTRODUCTION

The complaint is centered on the ACCC's attempt to raise public awareness about two candidates in California's 40th Congressional District Republican Primary held on June 7, 1988. The activities undertaken by ACCC were done on June 1 and 2, 1988, and the complaint was hand delivered on June 8th. The complainants David Syme and Gary Huckaby, failed to acknowledge in their complaint that they are the treasurer and campaign consultant to the winning candidate in the primary. This omission is very relevant in understanding the motivation of the complaint. I trust the FEC is very familiar with politically motivated and headline grabbing complaints and responds appropriately to them.

The American Council for a Conservative Consensus is a nonconnected political action committee and followed all of the requirements of the law. There was no "collusive behavior" as suggested between me and any of the others named in the complaint. All reports were filed as required by law. I am very competent to operate effectively independently and have worked in numerous political contests over the last 13 years.

The following response corresponds to the items numbered in the complaint:

I. THE EXPENSES OF ACCC WERE INDEPENDENT EXPENDITURES. Below is my response to each of the assertions made on the outlandish twist of circumstances.

Circumstance 1: Asserting that I used the same mailing house as the Rosenberg campaign indicates "collusive behavior" is ridiculous. I used Diversified Mailing, Inc., because they are one of the largest, most popular and well known mailing houses in Southern California. I was looking for a service that could get the job done on time, and because of possible delays in the postal service, I felt it was smarter (and more "logical") to work with a California house. I was concerned about possible postal delays if the pieces were mailed from Arizona. If I was

90040300712

in "collusion" with the Rosenberg campaign, I obviously would have used another house to avoid the appearance of impropriety. Diversified Mailing, Inc. is so popular and widely used that at least three candidates in the same race used their services during the campaign, including the campaign of the complainants. I did not coordinate the mailing or the mailhouse with the Rosenberg campaign.

Circumstance 2: It is false to suggest impropriety regarding the printer used for the mailing because I did not know the name of the specific printer used until I read the complaint. Diversified Mailing, Inc. sub-contracted out the various elements of the mail pieces, including the printing (Exhibit 1). They bid the job to several printers, and in fact, they originally were using another printer to do the job, but because of some difficulties, printers were changed at the last minute, which increased the cost of the job. I have now learned that the printer used is one of the best, largest, and most frequented in the area, and was also used by several of the other candidates in the race.

Circumstance 3: The fact that both organizations used the same topic in a mailing does not indicate anything. This is a definite stretch of circumstances in an attempt to make a point.

Circumstance 4: To say that Vaporean, or the others named in the complaint supervised the production is totally false. I traveled to Orange County on several occasions (Exhibit 2) and independently supervised and directed all production of the mailing pieces. I was at the various meetings alone. I operated independently and handled all the details, from beginning to end.

Circumstance 5: All expenses for the issue in question were paid for by ACCC. I used Diversified Mailing, Inc., as a general contractor and they paid the various sub-contracted vendors (Exhibit 1). Attached is the cancelled check for the payment (Exhibit 3). This is a perfect example of groundless accusations and maliciously manufacturing a case where none exist.

Circumstance 6: The newspaper articles referred to in the complaint actually prove that we were open and honest with the press, and that the press, during their thorough investigation, found no collusive actions. The reporters interviewed all parties in the complaint, investigated everyone's statements thoroughly, and found that the actions were independent.

90040300713

II. ACCC HAS MET ALL FILING REQUIREMENTS UNDER THE LAW. The complainants are mistaken or are making false statements, probably because of incomplete information and research. The Statement of Organization was filed within 48 hours of receiving \$1,000 and doing any activities (Exhibit 4 and 5). Schedule E (Exhibit 6) was filed recording the expenses at issue in the complaint with the FEC and the California Secretary of State. ACCC has filed all reports as required by law.

III. ACCC HAS ACKNOWLEDGED AN ERROR IN USING THE PROPER DISCLAIMER. ACCC has acknowledged in an apology letter dated June 9, 1988 to the FEC (Exhibit 7) that a portion of the disclaimer was missing from the final print copy of the mailing pieces. Although the drafts were accurate, somewhere in the final process before printing a portion of the disclaimer was removed. In my apology letter I accepted full responsibility for this error and have taken steps to insure that it does not happen again.

IV. In summary, this is a politically motivated complaint that lacks any merit in fact. The complainants, who failed to mention their position with another campaign, are manufacturing and stretching obscure, vague circumstances to suggest collusion that did not exist. The actions taken by ACCC and myself were independent. As you have seen many times, politics can be a rough business with shallow accusations used to make points and headlines. I respectfully request that after the responses and the evidence presented are reviewed, this complaint be dismissed.

BY: Arthur Jackson
June 29, 1988

Signed:

Arthur Jackson
June 29, 1988

90040300714



Exhibit 19 0040300715

INVOICE

COPY

DIVERSIFIED MAILING
INCORPORATED
P.O. BOX 4234
FULLERTON, CA 92634
(714) 776-4520

DIVERSIFIED MAILING
INCORPORATED
P.O. BOX 4234
FULLERTON, CA 92634 (714) 776-4520

SOLD AMERICAN COUNCIL FOR
TO CONSERVATIVE CONSENSUS

INVOICE NO. 37387
INVOICE DATE 06/07/88
CUSTOMER P.O. NO.
TERMS NET 30 DAYS

TO INSURE PROPER CREDIT
PLEASE TEAR AT PERFORATION
AND RETURN THIS PORTION
WITH YOUR REMITTANCE

Cust. #: AMERICANC

REMARKS			
AMERICAN COUNCIL FOR A CONSERVATIVE CONSENSUS			
QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
62123	PROCESS & MAIL	26.00/M	1615.20
62123	FOLDING	8.00	496.48
2	LOTS PRINTING	4140.00	8280.00
	LOT PRINTING	2657.38	2657.38
	ARTWORK	540.00	540.00
	POSTAGE DEPOSITED INTO PERMIT #285	6406.44	6406.44
	ADVANCE RECEIVED	19996.00-	19996.00-
		SUB TOTAL:	
		TAX:	
		FREIGHT:	
ZERO INVOICE - DO NOT PAY		TOTAL:	.00

INVOICE DATE	INVOICE NO.
06/07/88	37387
AMOUNT DUE	
	1615.20
	496.48
	8280.00
	2657.38
	540.00
	6406.44
	19996.00-

	.00

FORM ATTACHMENTS
3541 3602-PC
3544 3602

Thank You

\$ _____
AMOUNT PAID

Exhibit 2

ISSUED BY AMERICA WEST AIRLINES PASSENGER TICKET AND BAGGAGE CHECK SUBJECT TO CONDITIONS OF CONTRACT ON PASSENGER'S COUPON PASSENGER'S COUPON

401:4261:190:291 AMERICA WEST PHOENIX TE 032207 1527 032222

NAME OF PASSENGER JACKSON/ARTHUR

DATE OF ISSUE 15 MAY 88

FROM	CARRIER	FLIGHT	CLASS	DATE	TIME	STATUS	FARE BASIS/TKT. DESIGNATOR
PHOENIX AZ	HP	652	Y	16MAY	925A	OK	Y9
ORANGE COUNTY CA	HP	446	Y	16MAY	510P	OK	Y9
TO							
PHOENIX AZ							

FARE CALCULATION
 FARE 222.22 PHX HP SNA 111.11Y9
 TAX US 17.78 111.11Y9 1222.22
 TOTAL 240.00

MC
 5302 1262 6020 1618
 1021 UBA 06-88
 ARTHUR M JACKSON

040300716

ISSUED BY AMERICA WEST AIRLINES PASSENGER TICKET AND BAGGAGE CHECK SUBJECT TO CONDITIONS OF CONTRACT ON PASSENGER'S COUPON PASSENGER'S COUPON

401:4261:201:019 AMERICA WEST PHOENIX NW 032106 1740 032213

NAME OF PASSENGER JACKSON/ARTHUR

DATE OF ISSUE 22 MAY 88

FROM	CARRIER	FLIGHT	CLASS	DATE	TIME	STATUS	FARE BASIS/TKT. DESIGNATOR
PHOENIX AZ	HP	656	Y	22MAY	1115A	OK	Y9
ORANGE COUNTY CA	HP	446	Y	23MAY	510P	OK	Y9
TO							
PHOENIX AZ							

FARE CALCULATION
 FARE 222.22 PHX HP SNA 111.11Y9
 TAX US 17.78 111.11Y9 1222.22
 TOTAL 240.00

MC
 5302 1262 6020 1618
 1021 UBA 06-88
 ARTHUR M JACKSON

3

ISSUED BY AMERICA WEST AIRLINES PASSENGER TICKET AND BAGGAGE CHECK SUBJECT TO CONDITIONS OF CONTRACT ON PASSENGER'S COUPON PASSENGER'S COUPON

401:4261:204:195 AMERICA WEST PHOENIX PA 032107 1601 032225

NAME OF PASSENGER JACKSON/ARTHUR

DATE OF ISSUE 27 JUN 88

FROM	CARRIER	FLIGHT	CLASS	DATE	TIME	STATUS	FARE BASIS/TKT. DESIGNATOR
PHOENIX AZ	HP	652	Y	27MAY	925A	OK	Y9
ORANGE COUNTY CA	HP	446	Y	27MAY	510P	OK	Y9
TO							
PHOENIX AZ							

FARE CALCULATION
 FARE 222.22 PHX HP SNA 111.11Y9
 TAX US 17.78 111.11Y9 1222.22
 TOTAL 240.00

MC
 5302 1262 6020 1618
 1021 UBA 06-88
 ARTHUR M JACKSON

Exhibit 3A

602-248-2353

**AMERICAN COUNCIL FOR A
CONSERVATIVE CONSENSUS**

1057 E. BUTLER DRIVE #3B
PHOENIX, AZ 85020

1003

91-283
1221

May 27 1988

PAY TO THE
ORDER OF

Diversified Marketing, Inc.

\$ 19,996⁰⁰/₁₀₀

nineteen thousand nine hundred ninety six & 00/100

DOLLARS



**UNITED BANK
OF ARIZONA**

Sun City Office
9901 W. Thunderbird Road, Sun City, AZ 85351-2809

FOR *Mail piece - printing postage*

Arthur Johnson

⑈001003⑈ ⑆12210283⑆ ⑈607920115⑈

⑈0001999600⑈

7
1
7
0
0
4
0
3
0
0
7

Exhibit 3B

010012585

NY 38 31
P.E.O.
A.B. LOS ANGELES
1222-0010-0

PAY ANY BANK
P.E.O.
C.B.F.A.
1222-0010-0

38725

NY 38 31

PAY TO THE ORDER OF
EL CAMINO BANK
FOR DEPOSIT ONLY
Diversified Mailing, Inc.
001-811304

90040300718

Exhibit 4
STATEMENT OF ORGANIZATION

(See reverse side for instructions)

1. (a) NAME OF COMMITTEE IN FULL <input type="checkbox"/> (Check if name is changed) <i>American Council for a Conservative Consensus</i>	2. DATE <i>May 16, 1988</i>
(b) Number and Street Address <input type="checkbox"/> (Check if address is changed) <i>3857 Birch ST. Suite 157</i>	3. FEC IDENTIFICATION NUMBER <i>to be assigned</i>
(c) City, State and ZIP Code <i>Newport Beach, CA 92660</i>	4. IS THIS STATEMENT AN AMENDMENT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

5. TYPE OF COMMITTEE (Check one)

- (a) This committee is a principal campaign committee. (Complete the candidate information below.)
- (b) This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Name of Candidate	Candidate Party Affiliation	Office Sought	State/District

- (c) This committee supports/opposes only one candidate _____ and is NOT an authorized committee.
(name of candidate)
- (d) This committee is a _____ committee of the _____ Party.
(National, State or subordinate) (Democratic, Republican, etc.)
- (e) This committee is a separate segregated fund.
- (f) This committee supports/opposes more than one Federal candidate and is NOT a separate segregated fund or a party committee.

Name of Any Connected Organization or Affiliated Committee	Mailing Address and ZIP Code	Relationship

Type of Connected Organization
 Corporation Corporation w/o Capital Stock Labor Organization Membership Organization Trade Association Cooperative

7. Custodian of Records: Identify by name, address (phone number -- optional) and position of the person in possession of committee books and records.

Full Name	Mailing Address	Title or Position
<i>Arthur Jackson</i>	<i>3857 Birch ST, Suite 157 Newport Beach, CA 92660</i>	<i>Executive Director</i>

8. Treasurer: List the name and address (phone number -- optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name	Mailing Address	Title or Position
<i>Sharlee Dodd</i>	<i>3857 Birch ST, Suite 157 Newport Beach, CA 92660</i>	<i>Treasurer</i>

9. Banks or Other Depositories: List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.	Mailing Address and ZIP Code
<i>United Bank</i>	<i>99th + Thunderbird Sun City, AZ 85351</i>

I certify that I have examined this Statement and to the best of my knowledge and belief it is true, correct and complete.

TYPE OR PRINT NAME OF TREASURER <i>Sharlee Dodd</i>	SIGNATURE OF TREASURER <i>Sharlee J. Dodd</i>	DATE <i>May 16, 1988</i>
--	--	-----------------------------

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §437g. ANY CHANGE IN INFORMATION SHOULD BE REPORTED WITHIN 10 DAYS.

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For further information contact:
 Federal Election Commission
 Toll-free 800-424-9530
 Local 202-376-3120

FEC FORM 1
(revised 4/87)

20040300719



UNITED BANK OF ARIZONA

Exhibit 5

FOR CURRENT BALANCE INFORMATION ON THIS ACCOUNT CALL

1-602-248-2242

INFORMATION ON THIS STATEMENT OR OTHER BANKING NEEDS CALL

1-602-248-2350

ACCOUNT NUMBER
60792-01-151

AMERICAN COUNCIL FOR A CONSERVATIVE CONSENSUS 1057 E BUTLER DR #3B PHOENIX AZ 85020

EO

UNITED'S TAX DEDUCTIBLE FLEXLINE HOME EQUITY LOAN PROGRAM HELPS YOU MAKE HOME IMPROVEMENTS, TAKE A DREAM VACATION OR GET CASH FOR ANY PURPOSE. SEE A UNITED BANKER FOR DETAILS.

90040300720

NUMBER OF ITEMS 2 DEBITS SUBJECT TO SERVICE CHARGE 2

STATEMENT OF REGULAR CHECKING 60792-01-151

ACCOUNT SUMMARY

PREVIOUS STATEMENT BALANCE AS OF / /	0.00
4 DEPOSITS AND OTHER CREDITS OF	20,950.00
2 CHECKS AND OTHER DEBITS OF	20,850.89
SERVICE CHARGE OF	0.00
CURRENT BALANCE AS OF 05/31/88	99.11

ACCOUNT TRANSACTIONS

DEPOSITS AND OTHER CREDITS

DATE	AMOUNT	DESCRIPTION
05/17	100.00	DEPOSIT
05/24	13,100.00	DEPOSIT
05/25	6,000.00	DEPOSIT
05/31	1,750.00	DEPOSIT

CHECKS

DATE	CHECK NO	AMOUNT	DATE	CHECK NO	AMOUNT
05/31	1001	354.87	05/31	1003*	12,296.00

* INDICATES A SKIP IN SEQUENTIAL CHECK NUMBERS

DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
05/17	100.00	05/24	13,200.00	05/25	12,200.00
05/31	99.11				
AVERAGE DAILY BALANCE				8,611.26	

Exhibit 6

AMERICAN COUNCIL FOR A CONSERVATIVE CONSEN US
3857 BIRCH STREET, SUITE 157
NEWPORT BEACH, CA 92660

ID NUMBER TO BE ASSIGNED

SCHEDULE E

May 27, 1988

Diversified Mailing, Inc.
P.O. Box 4234
Fullerton, CA 92634

Purpose: Printing and mailing

Amount: \$19,996.00

Allocation: 2/3 opposition to Christopher Cox, House candidate,
California 40th District.
1/3 opposition to David Baker, House candidate, California 40th
District.

90040300721

SUBTOTAL OF ITEMIZED INDEPENDENT EXPENDITURES	\$19,996.00
SUBTOTAL OF UNITEMIZED INDEPENDENT EXPENDITURES	0
TOTAL OF INDEPENDENT EXPENDITURES	\$19,996.00

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Signed: *Shirley J. Todd*

Date: JUNE 1, 1988

[Signature]
Notary Public
My Commission Expires 1991

Exhibit 7

AMERICAN COUNCIL FOR A CONSERVATIVE CONSENSUS
3857 BIRCH STREET, SUITE 187
NEWPORT BEACH, CA 92660

FEC ID #C00228114

June 9, 1988

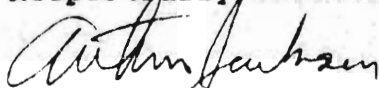
Federal Election Commission
999 E. Street, N.W.
Washington, D.C. 20463

To whom it may concern:

On June 1st and 2nd, 1988, I sent three mailings of about 20,000 each opposing two candidates in the California's 40th District Republican primary. Somewhere in the final process before printing, part of the disclaimer was dropped off or removed. The disclaimer read "Paid for by the American Council for a Conservative Consensus". The statement "and not authorized by any candidate or candidate's committee" was inadvertently omitted from the print copy.

I acknowledge my ultimate responsibility in this matter, and I respectfully apologize to the FEC for the error. Steps have been taken to guarantee that this error does not happen again.

Respectfully submitted,



Arthur Jackson
Executive Director

90040300722

plm



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 16, 1988

Mr. David Syme
Mr. Gary C. Huckaby
Swenson & Clark
4901 Birch Street
Newport Beach, CA 92660

RE: MUR 2618

Gentlemen:

This letter acknowledges receipt of your complaint, received on June 8, 1988, alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by Arthur M. Jackson, David W. Vaporean, Nathan O. Rosenberg, the American Council For A Conservative Consensus and Sharlee Dodd, as treasurer, and Nathan Rosenberg For Congress and David R. White, as treasurer. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 2618. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints. If you have any questions, please contact Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

90040300723

CCC # 9902

LAW OFFICE OF
RICHARD MAYBERRY & ASSOCIATES
SUITE 202
1055 THOMAS JEFFERSON ST., N.W.
WASHINGTON, D.C. 20007
(202) 337-4172

July 22, 1988

BY HAND

Celia Jacoby, Esquire
Federal Election Commission
Office of the General Counsel
999 E Street, NW
Room 657
Washington, D.C. 20463

Re: MUR 2618

Dear Ms. Jacoby:

Please find enclosed the following documents:

1. Response Brief.
2. Affidavits of Messrs. Rosenberg, Vaporean and White.
3. Designation of Counsel and Confirmation of Extension of Time To File Response for Mr. Vaporean.

Should you have any questions on them, please contact the undersigned.

Very truly yours,

Richard Mayberry
Richard Mayberry

cc: N. Rosenberg
D. Vaporean
D. White

RM:dvj:GC/C-22

Enclosure

21040300724

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ELECTION COMMISSION

In the Matter of
Nathan Rosenberg
for Congress et al.

Matter Under Review 2618

RESPONSE OF NATHAN ROSENBERG, THE NATHAN ROSENBERG FOR CONGRESS
COMMITTEE, DAVID WHITE (AS TREASURER) AND DAVID VAPOREAN

Nathan Rosenberg, the Nathan Rosenberg for Congress
Committee ("the Committee"), David White and David Vaporean
("Respondents") respond to the complaint of David Syme and Gary
Huckaby ("Complainants") as follows:

The Complaint

The complainants allege that the Respondents colluded with
Arthur Jackson and the American Council for a Conservative
Consensus ("ACCC") in connection with the distribution of three
brochures attacking Republican primary candidates David Baker and
Christopher Cox. Rosenberg, Baker and Cox were competing
candidates in the Republican primary for the 40th Congressional
District of California.

90040300725

The Complainants' allegations of collusion are based on five alleged circumstances: 1/

1. Common use of a direct mail house by the Committee and ACCC.
2. Common use of a printer by the Committee and ACCC.
3. The Committee sent out a brochure similar to the ACCC brochure on June 3, 1988 attacking Cox.
4. David Vaporean, an independent consultant to the Committee, supervised production of the ACCC brochures at the mail house and the printer.
5. David Vaporean paid for part of the costs of the ACCC brochures.

Based upon these alleged circumstances, complainants conclude the costs of the brochures are not independent expenditures. Therefore, the complainants allege Jackson and ACCC violated the Federal Election Campaign Act of 1971, as amended ("Campaign Act") by making excessive contributions, failing to properly report the costs to the FEC and failing to provide proper public disclaimers.

1/ Complainants set forth a sixth circumstance that the interplay of Nathan Rosenberg and Arthur Jackson in commenting to the press about the brochures shows collusion. This circumstance, which is triple hearsay, does not warrant a response.

9 0 0 4 0 3 0 0 7 2 6

I. The Complainants Failed to Allege Any Campaign Act Violations by Nathan Rosenberg, the Committee, David White or David Vaporean

20040500727

The Commission should dismiss Nathan Rosenberg, the Committee, Rosenberg for Congress, David White and David Vaporean as respondents or parties to this matter. The complaint charges only Jackson and ACCC with Campaign Act violations. The complaint does not actually allege that Nathan Rosenberg or the Committee violated the Campaign Act. David White, Treasurer to the Committee, is not even named in the complaint. David Vaporean should also be dismissed because he was a consultant to the Committee. In such a capacity he would not be personally responsible for reporting/disclaimer provisions of the Campaign Act, regardless if the brochures were independent expenditures or not.

These respondents may be witnesses in the case involving Arthur Jackson and ACCC, but they clearly are not proper parties. The Commission should not condone the practice of these Complainants naming people at random, regardless of any proof of involvement with the brochures and despite the failure to allege facts that would constitute violations of the Campaign Act. This practice forces each Respondent to assume the costs of defending himself or itself in a governmental investigation initiated by private parties involved in a hard fought, acrimonious campaign.

II. Respondents Did Not Collude with Arthur Jackson
or ACCC In Connection with the Three Brochures

The circumstances described in the complaint cannot support a reason to believe finding that Nathan Rosenberg, the Committee, David White or David Vaporean colluded with Arthur Jackson of the ACCC in connection with the three brochures distributed on June 1 and 2, 1988.

20040300728

Nathan Rosenberg, David White and David Vaporean never discussed the brochures with Jackson or the ACCC prior to their distribution. Diversified Mailing, Inc., which handles political and commercial accounts, is one of the largest, best-known mail houses in Orange County. If Jackson used it or Penn Lithographics (a large, well-known printer in Orange County), it was not as a result of any suggestion of Nathan Rosenberg, David White or David Vaporean. The Committee's June 3, 1988 brochure attacking Cox was based on a review of materials distributed by Cox, not on any collusion with ACCC. David Vaporean, consultant to the campaign, was not involved in the production of the three ACCC brochures at either Diversified Mailing or Penn Lithographics. Moreover, Vaporean did not pay anything towards the costs of the three ACCC brochures.

When Nathan Rosenberg learned about the ACCC brochures after their distribution, he disavowed them and returned a \$1,000 contribution that Jackson had made to the campaign. Nathan Rosenberg, David White and David Vaporean all believe the ACCC


brochures adversely affected the Rosenberg campaign. See generally, Nathan Rosenberg's Affidavit, David White's Affidavit, and David Vaporean's Affidavit. These clearly are not the acts or responses of persons colluding in the production or distribution of the brochures.

CONCLUSION

For these reasons, the General Counsel should recommend that the Commission find no reason to believe that Nathan Rosenberg, the Nathan Rosenberg for Congress Committee, David White or David Vaporean violated any provision of the Campaign Act.

Respectfully submitted,

Date: 7/22/88


Richard Mayberry
RICHARD MAYBERRY & ASSOCIATES
1055 Thomas Jefferson Street, NW
Suite 202
Washington, D.C. 20007
202/337-4172

Attorney for Respondents
Nathan Rosenberg, Nathan
Rosenberg for Congress, David White
and David Vaporean

90040300729

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ELECTION COMMISSION

In the Matter of
Nathan Rosenberg
for Congress et al.

Matter Under Review 2618

AFFIDAVIT OF NATHAN ROSENBERG

Nathan Rosenberg deposes and says:

1. I am an adult citizen of the United States, not under any disability, and make this affidavit of my own personal knowledge, information and belief.

2. I was a candidate for Congress in the June 7, 1988 Republican primary in the 40th Congressional District of California. The Nathan Rosenberg for Congress Committee was my principal campaign committee, and was duly registered with the Federal Election Commission.

3. I have read the Complaint in MUR 2618 and I have become familiar with its allegations concerning the three American Council for a Conservative Consensus ("ACCC") brochures distributed in the 40th Congressional District on June 1 and 2, 1988 which are the subject matter of MUR 2618.

9 3 4 0 8 0 0 7 3 0

4. Prior to their distribution I did not discuss any of the three ACCC brochures with Diversified Mailing, Penn Lithographics, Arthur Jackson or anyone connected with the ACCC.

5. I did not discuss with or suggest to Arthur Jackson or the ACCC the use of Diversified Mailing, Inc. or Penn Lithographics, which are a large, well-known commercial mail house and a printing company (respectively) in Orange County, California.

6. Our June 3, 1988 brochure attacking Christopher Cox was based on information we gleaned from materials Cox's campaign distributed.

7. I did not authorize Arthur Jackson or the ACCC to make any expenditures for the ACCC brochures on behalf of my candidacy.

8. I first learned of the ACCC brochures from a campaign volunteer on June 2, 1988 and I immediately publicly repudiated any relationship of my campaign to the distribution of the brochures.

9. Furthermore, on June 3, 1988, I returned to Arthur Jackson a \$1,000.00 contribution he had made to my campaign with a letter and asked him not to do anything else in connection with the primary election.

90040800731

10. I believe the ACCC brochures had an adverse impact on my campaign.

I hereby declare under the penalty of perjury that the foregoing is true and accurate to the best of my personal knowledge, information and belief.

Nathan Rosenberg
Nathan Rosenberg

CAT. NO. NN00627
TO 1944 CA (9-84)

 **TICOR TITLE INSURANCE**

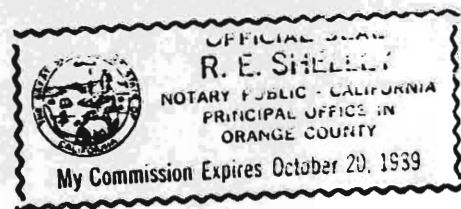
(Individual)

STATE OF CALIFORNIA }
COUNTY OF Orange } ss.

On July 19, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared Nathan Rosenberg

_____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.
WITNESS my hand and official seal.

Signature R. E. Sheehan



(This area for official notarial seal)

90040300732

← STAPLE HERE →

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ELECTIONS COMMISSION

In the Matter of
Nathan Rosenberg
for Congress et al.

)
)
) Matter Under Review 2618
)
)
)

AFFIDAVIT OF DAVID W. VAPOREAN

David W. Vaporean deposes and says:

1. I am an adult citizen of the United States, not under any disability, and make this affidavit of my own personal knowledge, information and belief.

2. I was a campaign consultant to the Nathan Rosenberg for Congress Committee.

3. I have read the Complaint in MUR 2618 and I have become familiar with its allegations concerning the three American Council for a Conservative Consensus ("ACCC") brochures distributed in the 40th Congressional District on June 1 and 2, 1988 which are the subject matter of MUR 2618.

4. I did not supervise production of the three ACCC brochures at Diversified Mailing or Penn Lithographics.

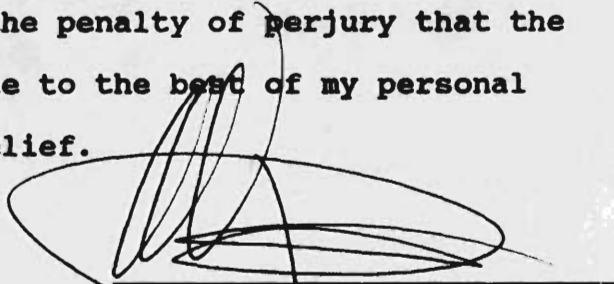
90040300733

5. Moreover, I did not personally or through my company, David Wayne Communications, pay any of the costs associated with the ACCC brochures.

6. I learned of the distribution of the ACCC brochures from various newspaper reporters.

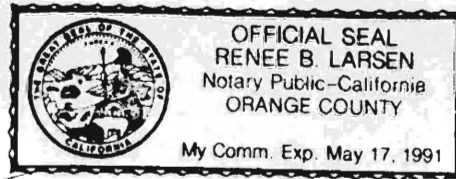
7. I believe the ACCC brochures had an adverse impact on Nathan Rosenberg's campaign.

I hereby declare under the penalty of perjury that the foregoing is true and accurate to the best of my personal knowledge, information and belief.


David Vapdrear

Sworn to me this 21st day
of July, 1988.


Notary Public



90040300734

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ELECTION COMMISSION

In the Matter of
Nathan Rosenberg
for Congress et al.

Matter Under Review 2618

AFFIDAVIT OF DAVID WHITE

David White deposes and says:

1. I am an adult citizen of the United States, not under any disability, and make this affidavit of my own personal knowledge, information and belief.
2. I was Treasurer of the Nathan Rosenberg for Congress committee.
3. I have read the Complaint in MUR 2618 and I have become familiar with its allegations concerning the three American Council for a Conservative Consensus ("ACCC") brochures distributed in the 40th Congressional District on June 1 and 2, 1988 which are the subject matter of MUR 2618.

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4. Prior to their distribution, I had no knowledge about the ACCC brochures.

5. I did not authorize Arthur Jackson or the ACCC to make any expenditures for the brochures on behalf of Nathan Rosenberg's candidacy.

6. I believe the ACCC brochures had an adverse impact on Nathan Rosenberg's campaign.

I hereby declare under the penalty of perjury that the foregoing is true and accurate to the best of my personal knowledge, information and belief.

David White

David White

Sworn to me this 20th day
of July, 1988.

Margaret Lee Siskar

Notary Public



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LAW OFFICE OF
RICHARD MAYBERRY & ASSOCIATES
SUITE 202
1055 THOMAS JEFFERSON ST., N.W.
WASHINGTON, D.C. 20007
(202) 337-4172

July 22, 1988

Celia Jacoby, Esquire
Federal Election Commission
Office of the General Counsel
999 E Street, NW
Sixth Floor
Washington, D.C. 20463

Re: MUR 2618

Dear Ms. Jacoby:

Please find enclosed Mr. Vaporean's Designation of Counsel. Per our last telephone conversation, I understand he is granted the same time extension until July 25, 1988 to respond which was provided to Mr. Rosenberg.

Very truly yours,

Richard Mayberry

Richard Mayberry

RM:rjy:GC/C-17

Enclosure

21040300737

DAVID WAYNE COMMUNICATIONS

public affairs • public relations • political affairs • consulting

Mr. Richard Mayberry
Attorney At Law
1055 Thomas Jefferson St. NW
Suite 202
Washington, DC 20007

In Re: FEC Complaint filed against Nathan Rosenberg, David
Vaporean et al
FEC File Number MUR 2618


Dear Mr. Mayberry:

With this letter of confirmation you are herewith retained to represent me, relative to the matter noted above, before the Federal Elections Commission, its general counsel or agents. Further, you are retained and authorized to represent me with respect to my status as either a respondent in the matter or as a material witness to the matter.

The effective date of this retainer is 1 July, 1988.

Please contact me if you have any questions regarding this communication.

Sincerely,


David Vaporean
David Wayne Communications

Pacific Region Office:
Southern California • 714/779-1763

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RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
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UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ELECTION COMMISSION

In the Matter of
Nathan Rosenberg
for Congress et al.

Matter Under Review 2618

TO: Cecelia Jacoby, Esquire
Federal Election Commission

NOTICE OF CHANGE OF ADDRESS

Please take notice that the address and telephone number of Richard Mayberry, Counsel for Nathan Rosenberg, are now as follows:

Richard Mayberry
RICHARD MAYBERRY & ASSOCIATES
888 16th Street, NW
Fifth Floor
Washington, D.C. 20006
(202) 785-6677

All communications should be directed to the new office.

Respectfully submitted,

October 11, 1988
DATE

Richard Mayberry
Richard Mayberry

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SENSITIVE

EXECUTIVE SESSION

OCT 18 1988

FIRST GENERAL COUNSEL'S REPORT

MUR 2618
Date Complaint Received by
OGC: June 8, 1988
Date of Notification to
Respondents: June 16, 1988
Staff Member: C. L. Jacoby

COMPLAINANTS: David W. Syme and Gary C. Huckaby

RESPONDENTS: Arthur M. Jackson
American Council for a Conservative Consensus
and Sharlee Dodd, as treasurer
Nathan O. Rosenberg
Nathan Rosenberg for Congress and David R.
White, as treasurer
David W. Vaporean

RELEVANT STATUTES: 2 U.S.C. §§ 431(4)(A), (9)(A), (17)
2 U.S.C. § 433(a)
2 U.S.C. §§ 434(a)(4), (b), (c)
2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(a)(7)(B)(i)
2 U.S.C. § 441a(f)
2 U.S.C. § 441d(a)
11 C.F.R. § 109.1(b)(4)(i)
11 C.F.R. § 109.1(c)

INTERNAL REPORTS CHECKED: Disclosure Reports of cited committees

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

David W. Syme and Gary C. Huckaby filed a complaint with the Commission on June 8, 1988. The complaint alleged that Arthur M. Jackson and the American Council for a Conservative Consensus ("ACCC") had mailed two derogatory brochures to residents of Orange County, California. Copies of these brochures were included with the complaint. The gentlemen allege that the

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preparation and distribution of these brochures were coordinated with Nathan Rosenberg for Congress (the "Rosenberg Committee") possibly through its agent, David W. Vaporean. Nathan Rosenberg was one of the three candidates seeking the Republican nomination to the vacated California 40th district congressional seat. The substantive violations asserted were excessive contributions by Mr. Jackson and ACCC, failure to meet statutory reporting and filing requirements by ACCC, and improper disclaimers on the brochures.

The complaint was forwarded to the appropriate parties. On June 24, counsel for the Rosenberg Committee sought and received an extension of time to reply. On July 5, Mr. Jackson and ACCC submitted a response to the allegations raised (Attachment 1). The response on behalf of the Rosenberg Committee and Messrs. Rosenberg and Vaporean was filed on July 22 (Attachment 2).

II. FACTUAL AND LEGAL ANALYSIS

- A. The complaint alleges that the expenditures for brochures issued by ACCC were not independent, and therefore, those expenditures constituted contributions in excess of the statutory limitations.

Shortly before the 1988 California congressional primaries, brochures were delivered to Orange County residents. These brochures attacked candidates David Baker and Christopher Cox. The brochures were apparently created by ACCC utilizing the services of Diversified Mailing, Inc. and Penn Lithographics, vendors also employed by the Rosenberg Committee. The Rosenberg Committee also mailed a brochure concerning the candidate Cox.

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In press reports Arthur Jackson and the Rosenberg Committee asserted that the expenditures for these brochures were independently made.

Complainants argue that Jackson and ACCC cooperated and consulted with the Rosenberg Committee in the preparation and distribution of the brochures. Specifically, the complainants argue that coordination is evidenced by several circumstances, including ACCC's use of the same mailing house (Diversified Mailing, Inc.) and the same printing firm (Penn Lithographics) as the Rosenberg Committee, the similarity in certain phrases contained in the ACCC and Rosenberg Committee brochures,^{1/} and the possibility that David Vaporean, a campaign consultant to the Rosenberg Committee, supervised the production of each ACCC brochure as well as the Rosenberg Committee brochure. Other circumstances alleged to demonstrate coordination were substantial payments from the Rosenberg Committee to David Wayne Communications, Vaporean's consulting firm, during April and May 1988. The complainants suggest that Mr. Vaporean either personally or through his company may have paid some of the costs

^{1/} The ACCC brochure in part stated: "Christopher Cox's company, Context, translates and distributes "Pravda," the main Soviet propaganda daily publication. American school children, thanks to Christopher Cox, are exposed to the lies, distortions, and mind bending view of the world that Communist propaganda so cleverly manufactures."

The Rosenberg brochure had this statement: "On top of all this Chris Cox, has, for profit, distributed Soviet Communist propaganda to thousands of American school kids. American kids who have had their minds impacted by the cleverly crafted lies and distortions of the Soviet propaganda machine."

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associated with the ACCC brochures. The total expenditure for the ACCC brochures was not stated in the complaint but exceeded \$3000 in mailing costs alone. Further, Mr. Jackson is reportedly a friend of the candidate Rosenberg and had contributed personally to the Rosenberg campaigns (\$250 in 1986 primary and \$1000 in 1988 primary). Because of the circumstances alleged, the complainants assert that the expenses incurred by ACCC and Jackson were not independent but in-kind contributions subject to the \$1,000 statutory limit under 2 U.S.C. § 441a(a)(1)(A).

Pursuant to 2 U.S.C. § 441a(a)(1)(A), no person may contribute more than \$1000 in the aggregate to a federal candidate or his authorized political committee. In addition, no political committee may knowingly accept any contribution which violates Section 441a. 2 U.S.C. § 441a(f).

The costs to publish and distribute brochures which advocate the defeat of clearly identified federal candidates are expenditures made for the purpose of influencing an election to federal office. 2 U.S.C. § 431(9)(A)(i). Such expenditures, if not independent, are deemed in-kind contributions subject to the limitation on contributions. 2 U.S.C. § 441a(a)(7)(B)(i) and 11 C.F.R. § 109.1(c).

To be considered independent the expenditure must be made without cooperation or consultation with a candidate, authorized committee or agent of such candidate. These criteria are enumerated in 2 U.S.C. § 431(17). Section 109.1 of the

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Commission's regulations clarifies the meaning of independent expenditures. Under that regulation, an expenditure will be presumed to have been made in consultation and cooperation with an authorized committee when it is:

(A) Based on information about the candidate's plans, projects or needs provided to the expending person by the candidate, or by the candidate's agents, with a view toward having the expenditure made;

(B) Made by or through any person who is, or has been, authorized to raise or expend funds, who is, or has been, an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent;

11 C.F.R. § 109.1(b) (4) (i)

Further, the fact that a candidate or an authorized committee was a client of a particular vendor when that vendor was engaged by an unauthorized committee raises a presumption that subsequent expenditures by the unauthorized committee to that vendor on behalf of the candidate were not independent. 11 C.F.R. § 109.1(b) (4) (i) (B); AOs 1979-80 and 1982-20.

Thus, if ACCC's expenditures for communications which expressly advocated the defeat of named candidates were made with the "cooperation," "prior consent of," "in consultation with," or "at the request or suggestion" of the Rosenberg Committee, those expenditures would not be independent. 11 C.F.R. § 109.1(a). Further, if ACCC's expenditures were made through an individual who was receiving compensation from the Rosenberg Committee, the expenditures would be presumed to be coordinated. Also, if the

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expenditures were based on information about a candidate's plans, projects or needs provided to the expending person by the candidate or candidate's agents, such expenditures would be deemed coordinated. 11 C.F.R. § 109.1(b)(4)(i). Additionally, the use of common vendors by ACCC and the Rosenberg Committee suggests that the expenditures were not independent. Section 109.1(c) of the Commission's regulations holds that if such expenditures were not in fact independent, those expenditures would be deemed in-kind contributions to the candidate, subject to the statutory limit of \$1000. Since the sums expended apparently exceeded that limit, the making and receipt of such contribution would constitute violations of 2 U.S.C. § 441a(a)(1)(A) by ACCC and of 2 U.S.C. § 441a(f) by the Rosenberg Committee.

The complainants have presented information suggestive of coordination between ACCC and the Rosenberg Committee. That information appears adequate to raise the regulatory presumption of coordination. Mr. Jackson and ACCC have addressed these allegations, arguing that a strained interpretation of incidents does not establish collusive behavior. The selection and use of the mailing house was made, according to Mr. Jackson, on commercial considerations: Diversified Mailing, Inc. was an organization of experience and ability to timely process the work. Further, the use of a common printer was not at ACCC's instigation. Rather, the printer was a subcontractor selected by the mailing house. Mr. Jackson also states that the campaign associated with the complainants had also utilized the services of Diversified Mailing, Inc.

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Mr. Jackson further maintains that no one associated with the Rosenberg Committee, including Mr. Vaporean, supervised the production of the brochures in issue. He asserts that he personally oversaw all production activities and provided travel documentation to support his statements. Payment for production and mailing services was made by ACCC as illustrated by the cancelled check provided. Mr. Jackson further states that the commonality in topics raised in the ACCC and Rosenberg brochures was merely fortuitous. The comment on Mr. Cox's translation business, according to Mr. Jackson, was a response to public disclosures by Mr. Cox's committee. Mr. Jackson also said that he did not discuss the phrasing of his comments with anyone associated with the Rosenberg Committee.

In its response, the Rosenberg Committee states that no discussions concerning the brochures were had with Jackson or ACCC.^{2/} Nor did the Rosenberg Committee or its staff suggest vendors to Jackson or ACCC. The Rosenberg Committee further disclaimed any involvement by Mr. Vaporean in the production of the ACCC brochures. Additionally any relationship between the Rosenberg Committee or the candidate and Jackson and ACCC was publicly refuted as well as denied in the affidavits. On June 3, 1988, the Rosenberg Committee also refunded Mr. Jackson's contribution.

Although the vendors only provided mechanical types of services (printing, layout and mailing) to ACCC and the

^{2/} The affidavits submitted by the Rosenberg Committee were sworn to under the penalty of perjury by each affiant.

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Rosenberg Committee, common use of the vendors implicates the regulatory presumption. These common vendors, however, do not appear to have exercised the kind of control over campaign activity that has been pivotal in the Commission's application of the presumption. See MURs 1252 and 1424.

In summary, ACCC has presented evidence that all payments for its brochures derived from its own resources and that the use of a common mailing house was commercially reasonable, and the Rosenberg Committee has provided affidavits stating that the candidate and persons associated with the campaign did not advise or consult with Mr. Jackson or ACCC on the brochures. The respondents have not, however, affirmed that no one associated with ACCC attended meetings, had discussions or received information concerning "the candidate's plans, projects or needs" in connection with the brochure effort. Absent such affirmation, this Office believes that the presumption is not rebutted in full by the facts presented. Accordingly, the Office of the General Counsel recommends that the Commission determine that there is reason to believe (a) that American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A), and (b) that Nathan Rosenberg for Congress and David R. White, as treasurer, violated 2 U.S.C. § 441a(f).3/

3/ Should the Commission determine that the expenditure was independent, a finding of no reason to believe on the above specified grounds should be made.

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B. Failures to Properly Report and Timely Register

The complaint alleges that ACCC is a political committee. An organization is a political committee subject to the reporting provisions under the Federal Election Campaign Act of 1971, as amended (the "Act"), when it receives contributions or makes expenditures of \$1000 in a calendar year. 2 U.S.C. § 431(4)(A).

On May 24, 1988, the American Council for a Conservative Consensus filed a Statement of Organization with the Commission. Such statement pursuant to Section 433(a) must be filed within ten days after an organization becomes a political committee. A political committee must also file reports on its financial activity, including any independent expenditures and in-kind contributions. All contributions received and disbursements made in aggregate amounts in excess of \$200 must be reported. 2 U.S.C. § 434. Further, any independent expenditure made after the 20th day, but more than 24 hours, before an election must be reported within 24 hours after such independent expenditure is made. 2 U.S.C. § 434(c).

The evidence presented by the complainants shows that ACCC paid postal fees of \$3163, in the aggregate, on May 23 and June 1, 1988. The California primary election was held on June 7th. Therefore, such expenditures had to be reported within 24 hours. Unless the expenditures were timely reported with the required certification and the statement of organization was timely filed, ACCC may have violated the reporting and

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registration requirements under Sections 433 and 434 of the Act.

In response, Mr. Jackson states that the "Statement of Organization was filed within 48 hours of receiving \$1,000 and doing any activities." Further, a statement concerning the independent expenditures was filed.

The public records disclose that ACCC's Statement of Organization was posted by certified mail on May 24 and received on May 27. The first bank deposit (\$100) was made on May 17, the next (\$13,100) on May 24. The first indicated expenditure was (\$240) on May 15, the next (\$240) on May 22, and the third and fourth (\$240 and \$19,996) on May 27. Therefore, the Statement of Organization was filed within the specified ten-day period, and this Office recommends that the Commission find no reason to believe that a violation of Section 433(a) occurred.

ACCC reported its expenditures as being independent by filing a Schedule E which was received on June 7. This schedule lists the sum of \$19,996 paid to Diversified Mailing, Inc. on May 27, and allocates that sum to opposition to the candidacy of the two persons named in the ACCC brochures. That payment, as well as expenditures for travel (May 22 and 27) and postal services (May 23 and June 1), occurred within twenty days prior to the election held on June 7. Accordingly, such expenditures, if independent, had to be reported within 24 hours. Yet only the expenditure of \$19,996 was reported on June 7, ten days after the expenditure was made. Should the expenditure be deemed independent, the reporting obligation under Section 434(c) was not fulfilled.

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However, if these expenditures were not independent, the reporting obligation under Section 434(c) would not be imposed. As indicated in section A supra, these expenditures may have constituted an in-kind contribution to the Rosenberg Committee. Under Section 434(b)(6)(B)(i), political committee must report the name of each other political committee to which it has made a contribution. Similarly the recipient committee must disclose such contribution. A review of the filed reports of receipts and disbursements did not reveal the disclosure of the making and receipt of such in-kind contribution. Therefore, to the extent that these expenditures were in-kind contributions, not independent expenditures, ACCC and the Rosenberg Committee were obligated to report the disbursement and receipt of those sums. Since the filed reports do not make the requisite disclosure, a violation of Section 434 by ACCC and the Rosenberg Committee may have occurred. 4/

This Office, therefore, recommends that the Commission find reason to believe that the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, and Nathan Rosenberg for Congress and David R. White, as treasurer, violated 2 U.S.C. § 434. If the Commission determines, in the alternative, that the expenditures were independent, a finding of reason to believe that the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 434(c) will be necessary.

4/ Should the Commission determine that the expenditures were independent, the Rosenberg Committee would have had no obligation to report such expenditure, and accordingly no violation of Section 434 by the Rosenberg Committee would be evident.

C. The Disclosure Notice on the Brochures Was Improper

The brochures distributed by ACCC contained the following disclosure statement: "Paid for by the American Council for a Conservative Consensus." The complainants allege that pursuant to each subsection of 2 U.S.C. § 441d(a) that disclosure statement was inadequate. Pursuant to Section 441d(a), whenever a person finances a communication to advocate the defeat of a clearly identified candidate, a statement disclosing the source of the funds expended and authorization (or lack) by a federal candidate or committee must be made. The brochures created by ACCC identified two candidates by name and advocated their defeat. Accordingly, a proper disclosure statement would be required on each brochure distributed by ACCC.

However, the disclosure statement indicated only the source of the funds utilized to publish the brochures. ACCC has acknowledged that the disclaimer was incomplete. In a letter filed on June 14, ACCC claims that part of the disclaimer, "and not authorized by any candidate or candidate's committee," was inadvertently omitted from the printed brochures. According to the evidence presented and sworn statements, these brochures were not authorized by any political committee and represented an independent expenditure. Accordingly under Section 441d(a)(3), it must be disclosed that the communication was not authorized by any candidate or candidate's committee.

To the extent, however, that these expenditures constitute an in-kind contribution by being coordinated with a candidate or

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candidate's committee, the requisite disclaimer statement should indicate that the communication was authorized by such candidate or committee. 2 U.S.C. § 441d(a)(2).

Accordingly, whether the expenditure was independent or not, this Office recommends that the Commission find reason to believe that the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 441d(a).

D. Individuals Named as Respondents

The complaint named Arthur M. Jackson, Nathan O. Rosenberg and David W. Vaporean as respondents. However, except for one instance, no allegations are raised against these gentlemen. The complaint does allege that Mr. Jackson made an excessive contribution, but all materials supplied evidence that the costs incurred for the brochures were paid by ACCC, not by Mr. Jackson.

The Rosenberg Committee further argues that Mr. Rosenberg, Mr. Vaporean and it should be dismissed as parties to this matter. The Rosenberg Committee states that the complaint "does not actually allege the Nathan Rosenberg or the Committee violated the Campaign Act." Further, it is argued that Mr. Vaporean should be dismissed as he had no personal responsibility for reporting/disclaimer obligations in his capacity as a consultant to the Rosenberg Committee.

Since there are neither substantive allegations nor evidence against the individual respondents supporting a finding of any violations of the Act, this Office recommends that the Commission

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find no reason to believe at this time that Arthur M. Jackson, Nathan O. Rosenberg or David W. Vaporean violated the Act.

IV. RECOMMENDATIONS

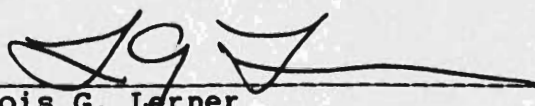
1. Find reason to believe that American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. §§ 441a(a)(1)(A), 434 and 441d(a).
2. Find no reason to believe that American Council for a Conservative Consensus violated 2 U.S.C. § 433(a).
3. Find reason to believe that Nathan Rosenberg for Congress and David R. White, as treasurer, violated 2 U.S.C. §§ 441a(f) and 434.
4. Find no reason to believe at this time that Arthur M. Jackson, Nathan O. Rosenberg or David W. Vaporean violated the Federal Election Campaign Act of 1971, as amended, or the Commission's regulations.
5. Approve the attached letters, Factual and Legal Analyses and questions.

Lawrence M. Noble
General Counsel

Date

10-6-88

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. ACCC response
2. Rosenberg Committee response
3. Proposed letters (3)
4. Proposed Factual and Legal Analyses (2)
5. Questions

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/CANDACE M. JONES *my*
COMMISSION SECRETARY

DATE: OCTOBER 12, 1988

SUBJECT: Objection to MUR 2618 - First General Counsel's
Report. Signed Oct. 6,
1988.

The above-captioned document was circulated to the
Commission on Tuesday, October 11, 1988 at 4:00 P.M.

Objection(s) have been received from the Commissioner(s)
as indicated by the name(s) checked below:

Commissioner Aikens	_____
Commissioner Elliott	_____ X _____
Commissioner Josefiak	_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Thomas	_____

This matter will be placed on the meeting agenda
for Tuesday, October 18, 1988.

Please notify us who will represent your Division before the
Commission on this matter.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN *JM*
COMMISSION SECRETARY

DATE: OCTOBER 14, 1988

SUBJECT: OBJECTIONS TO MUR 2618 - FIRST G.C. REPORT
SIGNED OCTOBER 6, 1988

The above-captioned document was circulated to the Commission on Tuesday, October 11, 1988 at 4:00 p.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	<u>X</u>
Commissioner Elliott	<u>X</u>
Commissioner Josefiak	<u>X</u>
Commissioner McDonald	<u> </u>
Commissioner McGarry	<u> </u>
Commissioner Thomas	<u> </u>

This matter will be placed on the meeting agenda for October 18, 1988.

Please notify us who will represent your Division before the Commission on this matter.

90040300755

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Arthur M. Jackson)
American Council for a Conservative)
Consensus and Sharlee Dodd, as)
treasurer) MUR 2618
Nathan O. Rosenberg)
Nathan Rosenberg for Congress and)
David R. White, as treasurer)
David W. Vaporean)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of October 18, 1988, do hereby certify that the Commission took the following actions in MUR 2618:

1. Decided by a vote of 4-2 to find reason to believe that American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A).

Commissioners Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioners Aikens and Elliott dissented.

2. Decided by a vote of 6-0 to find reason to believe that American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 434.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

(continued)

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3. Decided by a vote of 6-0 to find reason to believe that American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 441d(a).

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

4. Decided by a vote of 6-0 to find no reason to believe that American Council for a Conservative Consensus violated 2 U.S.C. § 433(a).

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

5. Decided by a vote of 4-2 to find reason to believe that Nathan Rosenberg for Congress and David R. White, as treasurer, violated 2 U.S.C. § 441a(f).

Commissioners Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioners Aikens and Elliott dissented.

6. Decided by a vote of 6-0 to find reason to believe that Nathan Rosenberg for Congress and David R. White, as treasurer, violated 2 U.S.C. § 434.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

(continued)

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7. Decided by a vote of 6-0 to

- a) Find no reason to believe at this time that Arthur M. Jackson, Nathan O. Rosenberg or David W. Vaporean violated the Federal Election Campaign Act of 1971, as amended, or the Commission's regulations.
- b) Approve the letters, Factual and Legal Analyses and questions attached to the General Counsel's report dated October 6, 1988.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

Oct. 19, 1988

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 25, 1988

Sharlee Dodd, Treasurer
American Council for a
Conservative Consensus
3857 Birch Street #157
Newport Beach, CA 92660

RE: MUR 2618
American Council for a
Conservative Consensus and
Sharlee Dodd, as treasurer

Dear Ms. Dodd:

On June 16, 1988, the Federal Election Commission notified American Council for a Conservative Consensus (the "Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint and information supplied by you, the Commission, on October 18, 1988, found that there is reason to believe the Committee and you, as treasurer, violated 2 U.S.C. §§ 441a(a)(1)(A), 434 and 441d(a), provisions of the Act. The Commission further found that there is no reason to believe that the Committee and you, as treasurer, violated 2 U.S.C. § 433(a). The Factual and Legal Analysis, which formed a basis for the Commission's findings, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, along with answers to the enclosed questions, within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the

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Sharlee Dodd
Page 2

General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

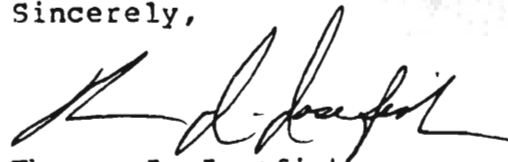
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Celia L. Jacoby, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Thomas J. Josefiak
Chairman

Enclosures
Questions
Designation of Counsel Form
Factual and Legal Analysis

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BEFORE THE FEDERAL ELECTION COMMISSION

MUR 2618

Questions to Americans for a Conservative Consensus

1. Please identify all officers, directors, employees, staff members, volunteers, consultants or other agents of American Council for a Conservative Consensus ("ACCC").
 - a. Please identify which of the above individuals, and any other individuals who, participated in any way, indirectly or indirectly, in any expenditure which related to or in any way furthered the election, or would aid in the defeat, of any candidate for the Republican nomination for the 40th California Congressional District seat in 1988.
 - b. Please identify all individuals who participated in any way, directly or indirectly, in the conception, drafting, writing, editing, approval, review, production, preparation, printing, publication, supervision, distribution, and dissemination of documents and materials produced or authorized by ACCC which relate in any way to the election, or would aid the defeat, of a candidate for the Republican nomination for the 40th California Congressional District seat in 1988.
2. Please provide all documents and materials concerning or reflecting any decision by ACCC to expend funds which would in any way further a candidate's nomination to or which would aid in the defeat of a candidate for nomination to, the 40th California Congressional District seat in 1988.
3. Please provide a copy of each brochure, pamphlet or other document concerning the election or defeat of a candidate for the Republican nomination to the 40th California Congressional District in 1988 which ACCC had produced or distributed.
 - a. Please identify each vendor or other entity whose services were utilized to produce, print, distribute or disseminate such brochures.
 - b. Please describe how each vendor was selected and identify any person or entity which recommended or referred ACCC to such vendor.
 - c. Please identify each individual associated with ACCC who supervised or coordinated the publication, printing, distribution or dissemination of such brochure with each such vendor.

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Questions to
American Council for a Conservative Consensus

4. Please provide all documents and materials concerning meetings, discussions or other communications between ACCC or any of its agents, officials or employees and any of the following persons or organizations or their officials employees, volunteers, staff members, or agents which relate in any way to the furtherance of election of or defeat of a candidate for the Republican nomination to the 40th California Congressional District seat in 1988.

Penn Lithographics
Diversified Mailing, Inc.
David Wayne Communications
David Vaporean
Arthur Jackson
Nathan Rosenberg
David R. White
Nathan Rosenberg for Congress

5. With respect to each individual identified in the responses to these questions, please state whether that individual has had any association, present or past, by way of employment, volunteer services, position, membership, or other relationship, with any of the below listed organizations. With respect to each such person, please note the date during which such person was associated with a particular organization and the position(s) such person held with each such organization.

Nathan Rosenberg for Congress
Diversified Mailing, Inc.
Penn Lithographics
David Wayne Communications

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: American Council MUR 2618
for a Conservative
Consensus and Sharlee
Dodd, as treasurer

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A complaint filed with the Federal Election Commission (the "Commission") on June 8, 1988, alleged that Arthur M. Jackson and the American Council for a Conservative Consensus ("ACCC") had mailed two derogatory brochures to residents of Orange County, California. Copies of these brochures were included with the complaint. The complainants allege that the preparation and distribution of these brochures were coordinated with Nathan Rosenberg for Congress (the "Rosenberg Committee") possibly through its purported agent, David W. Vaporean. Nathan Rosenberg was one of three candidates seeking the Republican nomination to the vacated California 40th district congressional seat. The substantive violations asserted were excessive contributions by Mr. Jackson and ACCC, failure to meet statutory reporting and filing requirements by ACCC, and improper disclaimers on the brochures. The complaint was forwarded to the appropriate parties. On July 5, Mr. Jackson and ACCC submitted a response to the allegations raised.

- A. The complaint alleges that the expenditures for the brochures issued by ACCC were not independent, and therefore, those expenditures constituted contributions in excess of the statutory limitations.

Shortly before the 1988 California congressional primaries, brochures were delivered to Orange County residents. These

brochures criticized candidates David Baker and Christopher Cox. The brochures were apparently created by ACCC utilizing the services of Diversified Mailing, Inc. and Penn Lithographics, vendors also employed by the Rosenberg Committee. The Rosenberg Committee also mailed a brochure unfavorable to candidate Cox to Orange County households. In press reports Arthur Jackson and the Rosenberg Committee stated that the expenditures for these brochures were made independently.

Complainants argue that Mr. Jackson and ACCC cooperated and consulted with the Rosenberg Committee in the preparation and distribution of the brochures. Specifically, the complainants argue that coordination is evidenced by several circumstances, including ACCC's use of the same mailing house (Diversified Mailing, Inc.) and the same printing firm (Penn Lithographics) as the Rosenberg Committee, the similarity in certain phrases contained in the ACCC and Rosenberg Committee brochures,*/ and the possibility that David Vaporean, a campaign consultant to the Rosenberg Committee, supervised the production of each ACCC brochure as well as the Rosenberg Committee brochure. Other

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*/ The ACCC brochure in part stated: "Christopher Cox's company, Context, translates and distributes "Pravda," the main Soviet propaganda daily publication. American school children, thanks to Christopher Cox, are exposed to the lies, distortions, and mind bending view of the world that Communist propaganda so cleverly manufactures."

The Rosenberg brochure had this statement: "On top of all this Chris Cox, has, for profit, distributed Soviet Communist propaganda to thousands of American school kids. American kids who have had their minds impacted by the cleverly crafted lies and distortions of the Soviet propaganda machine."

circumstances alleged to demonstrate coordination were substantial payments from the Rosenberg Committee to David Wayne Communications, Vaporean's consulting firm, during April and May 1988. The complainants suggest that Mr. Vaporean either personally or through his company may have paid some of the costs associated with the ACCC brochures. The total expenditure for the brochures was not stated in the complaint but apparently exceeded \$3000 in mailing costs alone. Further Mr. Jackson is reportedly a friend of the candidate Rosenberg and has contributed personally to the Rosenberg campaigns (\$250 in 1986 primary and \$1000 in 1988 primary). Because of the circumstances alleged, the complainants asserted that the expenses incurred by ACCC and Mr. Jackson were not independent, but in-kind contributions subject to the \$1000 statutory limit under 2 U.S.C. § 441a(a)(1)(A).

Pursuant to 2 U.S.C. § 441a(a)(1)(A), no person may contribute more than \$1000 in the aggregate to a federal candidate or his authorized political committee. In addition, no political committee may accept any contribution which violates Section 441a. 2 U.S.C. § 441a(f).

The costs to publish and distribute brochures which advocated the defeat of clearly identified federal candidates are expenditures made for the purpose of influencing an election to federal office. 2 U.S.C. § 431(9)(A)(i). Such expenditures, if not independent, are deemed in-kind contributions subject to the limitation on contributions. 2 U.S.C. § 441a(a)(7)(B)(i) and 11 C.F.R. § 109.1(c).

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To be considered independent, the expenditure must be made without cooperation or consultation with a candidate, an authorized committee or agent of such candidate. These criteria are enumerated in 2 U.S.C. § 431(17). Section 109.1 of the Commission's regulations clarifies the meaning of independent expenditures. Under that regulation an expenditure will be presumed to have been made in consultation and cooperation with an authorized committee when it is:

(A) Based on information about the candidate's plans, projects or needs provided to the expending person by the candidate, or by the candidate's agents, with a view toward having the expenditures made;

(B) Made by or through any person who is, or has been, authorized to raise or expend funds, who is, or has been, an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent;

11 C.F.R. § 109.1(b)(4)(i).

Further the fact that a candidate or an authorized committee was a client of a particular vendor when that vendor was engaged by an unauthorized committee raises a presumption that subsequent expenditures by the unauthorized committee to that vendor on behalf of the candidate were not independent. 11 C.F.R. § 109.1(b)(4)(i)(B); AOs 1979-80 and 1982-20.

Thus if ACCC's expenditures for communications which expressly advocated the defeat of named candidates were made with the "cooperation," "prior consent of," "in consultation with," or "at the request or suggestion" of the Rosenberg Committee, these expenditures would not be independent. 11 C.F.R. § 109.1(a).

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Also if the expenditures were based on information about a candidate's plans, projects or needs provided to the expending person by the candidate or the candidate's agents, the expenditures would be presumed to be coordinated. Further, if ACCC's expenditures were made through an individual who was receiving compensation from the Rosenberg Committee, the expenditures would be presumed to be coordinated. 11 C.F.R. § 109.1(b)(4)(i). Additionally, the use of common vendors by ACCC and the Rosenberg Committee suggests that the expenditures were not independent. Section 109.1(c) of the Commission's regulations holds that if such expenditures were not in fact independent, those expenditures would be deemed in-kind contributions to the candidate, subject to the statutory limit of \$1000.

The complainants have presented information suggestive of coordination between ACCC and the Rosenberg Committee. That information appears adequate to raise the presumption of coordination. Mr. Jackson and ACCC have addressed these allegations, arguing that a strained interpretation of incidents does not establish collusive behavior. The selection and use of the mailing house was made, according to Mr. Jackson, on commercial considerations: Diversified Mailing, Inc. was an organization of experience and ability to timely process the work. Further, use of a common printer was not at ACCC's instigation. Rather, the printer was a subcontractor selected by the mailing house. Mr. Jackson also states that the campaign

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associated with the complainants had also utilized the services of Diversified Mailing, Inc.

Mr. Jackson further maintains that no one associated with the Rosenberg Committee, including Mr. Vaporean, supervised the production of the brochures in issue. He asserts that he personally oversaw all production activities and provided travel documentation to support his statements. Payment for production and mailing services was made by ACCC as illustrated by the cancelled check provided. Mr. Jackson further states that the commonality in topics raised in the ACCC and Rosenberg brochures was merely fortuitous. The comment on Mr. Cox's translation service, according to Mr. Jackson, was a response to public disclosures by the Cox committee. Mr. Jackson also said that he did not discuss the phrasing of his comments with anyone associated with the Rosenberg Committee.

In summary, ACCC has presented evidence that all payments for its brochures derived from its own resources and that the use of a common mailing house was commercially reasonable and independently determined. Moreover, the common vendors provided only mechanical types of services to ACCC and the Rosenberg Committee; such commonality implicates the regulatory presumption. These common vendors, however, do not appear to have exercised the kind of control over campaign activity that has been pivotal in the application of the presumption. Although these responses address the allegations, not all legal issues pertinent to those allegations are resolved.

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There is no affirmation that Mr. Jackson or anyone associated with ACCC attended no meetings, had no discussions, or received no information concerning the "candidate's plans, projects or needs." Absent such affirmation, the presumption is not rebutted by the facts presented. Therefore, there is reason to believe that American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A).

B. Failures to Properly Report and Timely Register

The complaint alleges that ACCC is a political committee. An organization is a political committee subject to the reporting provisions under the Federal Election Campaign Act of 1971, as amended (the "Act"), when it receives contributions or makes expenditures of \$1000 in a calendar year. 2 U.S.C. § 431(4)(A).

On May 24, 1988, the American Council for a Conservative Consensus filed a Statement of Organization with the Commission. Pursuant to Section 433(a), such statement must be filed within ten days after an organization becomes a political committee. A political committee must also file reports on its financial activity, including any independent expenditures and in-kind contributions. All contributions received and disbursements made in aggregate amounts in excess of \$200 must be reported. 2 U.S.C. § 434. Further any expenditure made after the 20th day, but more than 24 hours, before an election must be reported within 24 hours after such independent expenditure is made. 2 U.S.C. § 434(c).

The evidence presented by the complainants shows that ACCC paid postal fees of \$3163, in the aggregate, on May 23 and June 1,

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1988. The California primary election was held on June 7th. Therefore, such expenditures had to be reported within 24 hours. Unless the expenditures were timely reported with the required certification and the statement of organization was timely filed, ACCC may have violated the reporting and registration requirements under Section 433 and 434 of the Act.

In response, Mr. Jackson states that the "Statement of Organization was filed within 48 hours of receiving \$1,000 and doing any activities." Further a statement concerning the independent expenditures was filed.

The public records disclose that ACCC's Statement of Organization was posted by certified mail on May 24 and received on May 27. The first bank deposit (\$100) was made on May 17, the next (\$13,100) on May 24. The first indicated expenditure was (\$240) on May 15, the next (\$240) on May 22, and the third and fourth (\$240 and \$19,996) on May 27. Therefore, the Statement of Organization was filed within the specified ten-day period, and there is no reason to believe that a violation of Section 433(a) occurred.

ACCC reported its expenditures as being independent by filing a Schedule E which was received on June 7. This schedule lists the sum of \$19,996 paid to Diversified Mailing, Inc. on May 27, and allocates that sum to opposition to the candidacy of the two persons named in ACCC brochures. That payment, as well as expenditures for travel (May 22 and 27) and postal services (May 23 and June 1), occurred within twenty days prior to the election of June 7. Such expenditures, if independent, had to be reported

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within 24 hours. Yet only the expenditure of \$19,996 was reported on June 7, ten days after the expenditure was made. Should the expenditures be deemed independent, the reporting obligation under Section 434(c) was not fulfilled.

However, if these expenditures were not independent, the reporting obligation under Section 434(c) would not be imposed. As indicated in section A. supra, these expenditures may have constituted an in-kind contribution to the Rosenberg Committee. Under 2 U.S.C. § 434(b)(6)(B)(i), a political committee must report the name of each other political committee to which it has made a contribution. A review of filed reports of receipts and disbursements did not reveal the disclosure of the making of such in-kind contribution. Therefore, to the extent that these expenditures were in-kind contributions, not independent expenditures, ACCC was obligated to report the disbursement of those sums. Since the filed reports do not make the requisite disclosure, a violation of Section 434 by ACCC may have occurred.

Because a coordinated expenditure constitutes an in-kind contribution, there is reason to believe that American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 434.

C. The Disclosure Notice on the Brochures was Improper

The brochures distributed by ACCC contained a disclosure statement: "Paid for by the American Council for a Conservative Consensus." The complainants allege that pursuant to each subsection of 2 U.S.C. § 441d(a) that disclosure statement was inadequate. Pursuant to Section 441d(a), whenever a person

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finances a communication to advocate the defeat of a clearly identified candidate, a statement disclosing the source of the funds expended and authorization (or lack) by a federal candidate or committee must be made. The brochures created by ACCC identified two candidates by name and advocated their defeat. Accordingly, a proper disclosure statement would be required on each brochure.

However, the disclosure statement indicated only the source of the funds utilized to publish the brochures. ACCC has acknowledged that the disclaimer was incomplete. In a letter filed on June 14, ACCC claims that part of the disclaimer, "and not authorized by any candidate or candidate's committee," was inadvertently omitted from the printed brochures. According to the evidence presented, these brochures were not authorized by any political committee and represented an independent expenditure. Therefore, pursuant to Section 441d(a)(3), it must be disclosed that the communication was not authorized by any candidate or candidate's committee.

To the extent, however, that these expenditures constitute an in-kind contribution by being coordinated with a candidate or candidate's committee, the requisite disclaimer statement should indicate that the communication was authorized by such candidate or committee. 2 U.S.C. § 441d(a)(2).

Accordingly, whether the expenditure was independent or not, there is reason to believe that American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 441d(a).

20040800772



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 25, 1988

Richard Mayberry, Esquire
Suite 500
888 16th Street, N.W.
Washington, D.C. 20006

RE: MUR 2618
Nathan O. Rosenberg, David W.
Vaporean, Nathan Rosenberg
for Congress and David R.
White, as treasurer

Dear Mr. Mayberry:

On June 16, 1988, the Federal Election Commission notified your clients, Nathan O. Rosenberg, David W. Vaporean, and Nathan Rosenberg for Congress and David R. White, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint and information supplied by you, the Commission, on October 18, 1988, found that there is reason to believe the Nathan Rosenberg for Congress and David R. White, as treasurer (the "Committee"), violated 2 U.S.C. §§ 441a(f) and 434, provisions of the Act. On October 18, 1988, the Commission also found that there is no reason to believe that Nathan O. Rosenberg and David W. Vaporean violated any statute within the Commission's jurisdiction at this time. The Factual and Legal Analysis, which formed a basis for the Commission's findings, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, along with answers to the enclosed questions, within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the Committee, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

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Richard Mayberry, Esquire
Page 2

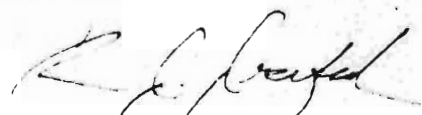
If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Celia L. Jacoby, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Thomas J. Josefiak
Chairman

Enclosures
Questions
Factual and Legal Analysis

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BEFORE THE FEDERAL ELECTION COMMISSION

MUR 2618

Questions to Nathan Rosenberg for Congress

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1. Please identify all officers, directors, employees, staff members, volunteers, consultants or other agents of Nathan Rosenberg for Congress (the "Committee").
 2. Please identify all individuals who participated in any way, directly or indirectly, in the conception, drafting, writing, editing, approval, review, production, preparation, printing, publication, supervision, distribution, and dissemination of documents and materials produced or authorized by the Committee which related to or in any way would aid the defeat of a candidate for nomination in the 40th California Congress District in 1988, particularly Republican candidate Christopher Cox.
 3. Please provide a copy of each brochure, pamphlet or other document concerning the defeat of a candidate for nomination to the 40th California Congressional District in 1988, particularly Republican candidate Christopher Cox, which the Committee had produced or distributed.
 - a. Please identify each vendor or other entity whose services were utilized to produce, print, distribute or disseminate such brochures.
 - b. Please describe how each vendor was selected and identify any person or entity which recommended or referred the Committee to such vendor.
 - c. Please identify each individual associated with the Committee who supervised or coordinated the publication, printing, distribution or dissemination of such brochure with each such vendor.
 4. Please provide all documents and materials relating to contractual or professional relationship or other association between the Committee and the following entities, their officers, employees and agents undertaken in connection with any effort on the part of the Committee which would in any way relate to the furtherance of the election, or would aid in the defeat, of any candidate for nomination to the 40th California Congressional District in 1988, particularly Republican candidate Christopher Cox.

Arthur Jackson
Penn Lithographics
Diversified Mailing, Inc.
David Vaporean
David Wayne Communications
American Council for a Conservative Consensus

Questions To
Nathan Rosenberg for Congress

5. Did the Committee hold any meetings or discussions during which information relating to any communications concerning Christopher Cox was considered? If yes, please
 - a. Identify all persons who attended such meetings or participated in such discussions.
 - b. State when and where such meetings or discussions were held.
 - c. Summarize what was said or discussed at such meetings or discussions.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 25, 1988

Arthur M. Jackson
1057 East Butler #3B
Phoenix, Arizona 85020

RE: MUR 2618
Arthur M. Jackson

Dear Mr. Jackson:

On June 16, 1988, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On October 18, 1988, the Commission found, on the basis of the information in the complaint and information provided by you, that there is no reason to believe at this time that you violated any statute within the Commission's jurisdiction.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

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plm

O&C 955

LAW OFFICE OF
RICHARD MAYBERRY & ASSOCIATES
FIFTH FLOOR
888 16TH STREET, N.W.
WASHINGTON, D.C. 20006
(202) 785-6677

RECEIVED
FEDERAL ELECTION COMMISSION
88 NOV -9 AM 9:36

November 8, 1988

By Hand

Celia Jacoby, Esquire
Office of the General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

Re: MUR 2618 - Nathan Rosenberg for Congress
and David R. White, as Treasurer

Dear Ms. Jacoby:

On October 28, 1988, we received the letter of October 25, 1988 from Chairman Josefiak informing us that the Commission had found no reason to believe that Nathan O. Rosenberg and David W. Vaporean had violated any statute within the Commission's jurisdiction, but that the Commission had found that there was reason to believe that the Nathan Rosenberg for Congress and David R. White, as Treasurer (the "Committee"), had violated 2 U.S.C. §§441a(f) and 434.

The Committee intends to avail itself of the opportunity to demonstrate that no action should be taken against it. We intend to submit on behalf of the Committee factual and legal materials relevant to the Commission's consideration of this matter.

As I indicated in our telephone conversation today, we are requesting that the due date of the Committee's response be extended until November 30, 1988. Chairman Josefiak's letter stated that any materials submitted to your office would be due within 15 days of receipt of the letter. By our calculations, the fifteenth

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Celia Jacoby, Esquire
November 3, 1988
Page 2

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day after October 28 would fall on a weekend and therefore the submission would ordinarily be due on Monday, November 14, 1988. The sixteen-day extension is warranted in this case because of two circumstances. First, Dick Mayberry, the lead attorney representing the Committee, Nathan Rosenberg, David Vaporean and David White in this MUR, is ill and has been out of the office since before the receipt of the Commission's letter. We do not anticipate that he will return until Monday, November 14, the date the response would be due under the present deadline. In addition, the difficulties inherent in the original short time frame are exacerbated by the fact that the client in this case is located in California and the attorneys are in Washington. As you no doubt realize, it can sometimes take additional time for communications to get back and forth.

Should the Commission grant this request for a sixteen-day extension, we do not anticipate that any further extension would be necessary. The Committee would be prepared to provide answers to the questions enclosed with Chairman Josefiak's letter and to provide other relevant materials by the end of this month. Therefore, the extension of time would be in the best interest of both the Commission and the Committee.

If you have any questions, please feel free to call me or Dick Mayberry.

Very truly yours,



Mark C. Del Bianco

md:rjy



FEDERAL ELECTION COMMISSION

WASHINGTON DC 20461

November 15, 1988

Richard Mayberry, Esquire
Richard Mayberry & Associates
888 16th Street, N.W.
Fifth Floor
Washington, D.C. 20006

RE: MUR 2618
Nathan Rosenberg for Congress
and David R. White, as
treasurer

Dear Mr. Mayberry:

This is in response to your letter dated November 8, 1988, which we received on November 9, 1988, requesting an extension until November 30th to respond to the questions posed to your client in the above-referenced matter. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on Wednesday, November 30, 1988.

If you have any questions, please contact Celia Jacoby, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel


BY: Lois G. Lerner
Associate General Counsel

9004000780

OGC # 1252

LAW OFFICE OF
RICHARD MAYBERRY & ASSOCIATES
FIFTH FLOOR
888 16TH STREET, N.W.
WASHINGTON, D.C. 20006
(202) 785-8677

December 2, 1988

By Hand

Celia L. Jacoby, Esquire
Federal Election Commission
Office of the General Counsel
999 E Street, NW
Sixth Floor
Washington, D.C. 20463

Re: MUR 2618

Dear Ms. Jacoby:

Per our recent conversation, answers to the Commission's interrogatories were not filed on November 30, 1988. For reasons beyond my control, we were unable to file them on this date. It is not an attempt to delay your investigation. It is our intent to have them filed on or before December 9, 1988.

Very truly yours,



Richard Mayberry

RM:rjy

FEDERAL ELECTION COMMISSION
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LAW OFFICE OF
RICHARD MAYBERRY & ASSOCIATES
FIFTH FLOOR
888 16TH STREET, N.W.
WASHINGTON, D.C. 20006
(202) 785-6677

December 13, 1988

By Hand

Celia Jacoby, Esquire
Office of the General Counsel
Federal Election Commission
999 E Street, NW
Sixth Floor
Washington, D.C. 20463

Re: MUR 2618

Dear Ms. Jacoby:

You will find enclosed the "Nathan Rosenberg for Congress" answers to the Commission's Interrogatories. They are signed by Mr. Rosenberg.

For the reasons set forth in Part II of our June 22, 1988 Reply to the Complaint and supplemented by factual answers to the enclosed Interrogatories, there clearly is an absence of collusion with respect to the independent expenditures. Accordingly, we urge the Commission to dismiss the charges against the "Nathan Rosenberg for Congress" and its Treasurer, David White.

Very truly yours,



Richard Mayberry

RM:rjy

Enclosures

cc: Nathan Rosenberg

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88 DEC 13 PM 3:06

FEDERAL ELECTION COMMISSION

MUR2618

Response to Questions to Nathan Rosenberg for Congress

1. Please identify all officers, directors, employees, staff members, volunteers, consultants or other agents of Nathan Rosenberg for Congress (the "Committee")

Major General William Lyon, Chairman
Kathryn Thompson, Finance Chairman
David R. White, II, Treasurer
U.S. Senator John McCain, Special Advisor
U.S. Representative Jim Kolbe

Steering Committee

Colonel Buzz Aldrin
Zee Allred
George "Ted" Botens
Wade H. Cable
Leo W. Cook
William E. Cooper
Vern Curtis
Sam Goldstein
Rich Goodman
John Hales
Richard Jaffe
Mel Jaffee
Janice M. Johnson
Roger Johnson
John Killefer
Robert H. Lintz
John D. Lusk
Joe Martin
James McNamara
Ronald L. Meer
Dennis Menke
Rich Muth
Pam O'Neill
James M. Peters
Bill Rauth
Earl Rippee
Thomas J. Solomon
Beverly Thompson
Elizabeth Tierney
Thomas T. Tierney
Bernard Turbow, M.D.
Marvin Weiss
Lloyd Wentworth
Staff
Theodore Long
Claire Herrera
Kevin Kolbe
Maggie Peters
Peter Schwartz
Joe Trgo
Curtis Harkness

90040300783

Mark Knight
Donn Peters
Seldon Reese

Volunteer List attached

David Wayne Communications, Consultant
Martin Communications, Consultant
Rob Austin, Consultant
Tarrance and Associates, Consultant

2. Please identify all individuals who participated in any way, directly or indirectly, in the conception, drafting, writing, editing, approval, review, production, preparation, printing, publication, supervision, distribution, and dissemination of documents and materials produced or authorized by the Committee which related to or in any way would aid the defeat of a candidate for nomination in the 40th California Congress District in 1988, particularly Republican candidate Christopher Cox.

David Vaporean, Theodore Long, Nathan Rosenberg and numerous volunteers whose names cannot be recalled.

3. Please provide a copy of each brochure, pamphlet or other document concerning the defeat of a candidate for nomination to the 40th California Congressional District in 1988, particularly Republican candidate Christopher Cox, which the Committee had produced or distributed.

Enclosed is a copy of the sole brochure, pamphlet or other document.

a. Please identify each vendor or other entity whose services were utilized to produce, print, distribute or disseminate such brochures.

David Wayne Communications was the sole vendor utilized to produce, print, distribute or disseminate said brochure. The Committee had no relationship with any subcontractors.

b. Please describe how each vendor was selected and identify any person or entity which recommended or referred the Committee to such vendor.

David Wayne Communications was selected by Nathan Rosenberg in August, 1987 and was recommended by Gus Owen.

c. Please identify each individual associated with the Committee who supervised or coordinated the publication, printing, distribution or dissemination of such brochure with each such vendor.

Nathan Rosenberg and David Vaporean supervised or coordinated the publication, printing, distribution or

90040300734

dissemination of said brochure with each such vendor.

4. Please provide all documents and materials relating to contractual or professional relationship or other association between the Committee and the following entities, their officers, employees and agents undertaken in connection with any effort on the part of the Committee which would in any way relate to the furtherance of the election, or would aid in the defeat, of any candidate for nomination to the 40th California Congressional District in 1988, particularly Republican candidate Christopher Cox.

Arthur Jackson
Penn Lithographics
Diversified Mailing, Inc.
David Vaporean
David Wayne Communications
American Council for a Conservative Consensus

There are no documents and materials relating to contractual or professional relationship or other association between the Committee and the American Council for a Conservative Consensus, Penn Lithographics, Diversified Mailings, Inc., and Arthur Jackson because there was no such relationship or association. All documents and material in the Committee's possession relating to such relationship between the Committee and David Vaporean and David Wayne Communications are enclosed.

5. Did the Committee hold any meeting or discussions during which information relating to any communications concerning Christopher Cox was considered? If yes, please

a. Identify all persons who attended such meetings or participated in such discussions.

b. State when and where such meeting or discussions were held.

c. Summarize what was said or discussed at such meetings or discussions.

To our knowledge, no one from the American Council for a Conservative Consensus ever attended any Nathan Rosenberg for Congress meetings or discussions. To our knowledge, no one from Nathan Rosenberg for Congress ever attended any meetings or discussions of the American Council for a Conservative Consensus.

Yes, individuals within the Committee did hold meetings or discussions during which information relating to any communications concerning Christopher Cox was considered, as listed below:

- I. a. Nathan Rosenberg, Ted Long and David Vaporean

b. Early May, 1988 at Ma's Restaurant, Costa Mesa, California

c. Christopher Cox's campaign literature, a Wall Street Journal article Mr. Cox had written, a transcript of the court hearing in which Mr. Cox was stopped from using a false title on the ballot, and Registrar of Voters affidavits with Mr. Cox's voting record were reviewed. To insure accuracy and credibility in responses to possible inquiries from voters and the press, it was decided to reproduce and quote directly from those sources in a brochure declaring that Mr. Cox was misleading the voters, failed to vote in elections, was a dupe of Soviet propaganda by publishing and distributing Pravda in English and was a carpetbagger with no ties to the community.

II. a. Nathan Rosenberg and David Vaporean

b. Early May, 1988 at 230 East 17th Street, Costa Mesa

c. Mr. Vaporean presented sketches and copy relating to the brochure discussed in meeting #1. Mr. Rosenberg approved the concept.

III. a. Ted Long, David Vaporean, Nathan Rosenberg and Kevin Kolbe

b. Mid-May, 1988 at Ma's Restaurant, Costa Mesa, California

c. The possibility of creating a brochure exposing Mr. Cox's rumored homosexuality was discussed. Several of Mr. Cox's supporters had called the Rosenberg campaign or those associated with the Committee to ask that such an attack not be made. Individuals had contacted the Rosenberg campaign to fuel the rumors of Mr. Cox's alleged homosexuality. It was decided that Mr. Cox's sexual preference was not an appropriate subject for campaign literature and that Mr. Rosenberg call Cox supporter, John Stahr, to assure him there would be no such communication.

IV. a. David Vaporean and Nathan Rosenberg

b. Mid-May, 1988 at 230 East 17th Street Costa Mesa

c. Mr. Vaporean presented "blue lines" for the brochure discussed in meeting #1 which Mr. Rosenberg approved. It was agreed that the brochure would be mailed at the end of May or first of June to frequent Republican voters.

V. a. Nathan Rosenberg, Ted Long, Kevin Kolbe, David

90040300786

Vaporean, Audrey Merkin and Daniel Dellacampagni.

b. Late May, 1988 at 230 East 17th Street, Costa Mesa

c. Ms. Merkin and Mr. Dellacampagni stated that the CYRPAC wanted to produce and mail a brochure which notified Republican voters that Mr. Cox had not voted for Ronald Reagan in 1984 and had missed other elections, was distributing Soviet propaganda and owned no real property in Orange County. Mr. Kolbe said that he had helped with the idea. Messrs. Long, Rosenberg and Vaporean informed them that such a mailing would violate Federal campaign law, and the idea was dropped.

VI. a. David Vaporean and Nathan Rosenberg

b. Late May, 1988 at 230 East 17th Street, Costa Mesa

c. The possibility of a brochure discussing Mr. Cox's failure to vote in several elections was discussed. It was decided that sufficient funds were not available to pay for such a brochure's distribution.

I hereby declare the foregoing is true and accurate to the best of my personal knowledge, information and belief.

Nathan Owen Rosenberg
Nathan Owen Rosenberg
For: Nathan Rosenberg for Congress

12 December 1988

90040300787

CAT. NO. NN00627
TO 1944 CA (9-84)

(Individual)

 **TICOR TITLE INSURANCE**

STATE OF CALIFORNIA
COUNTY OF Orange } ss.

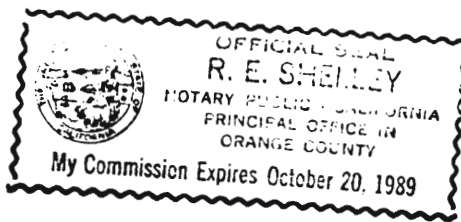
On December 12, 1988
said State, personally appeared Nathan Owen Rosenberg before me, the undersigned, a Notary Public in and for

Nathan Owen Rosenberg, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal

Signature

R. E. Shelley



(This area for official notarial seal)

WORKER--0 RECORDS = 634 01-01-1980 00:03:45 PAGE: 1
SELECTION: LASTNAME

Name

Tracy Hawkins
Andy Abeles
Robert Ackerman
Dan Acuff
Christopher Adams
John O. Alder
Eugene D. Alvin
Michael Ames
Dan Anderson
Dick Anderson
Toni Armsted
James L. Arnone
Goldie Arthur
Ronald Ayres
Bart Baer
Joe Baker
Drew Barras
David O. Barrette
John Barron
Angela Bass
Ali Bastani
Robert Bates
Mike Baum
David Bear
Amy Beck
John Belcher
Marge Belcher
Jill and Jonathan Bender
Brandon Berger
Gabriel Bergman
Barry Berman
Benny Berman
Melanie Bernacchi
Gary Bernhardt
Bruce Berquist
Renee Besta
Jim Betts
Thomas C. Billstein
Sharon & Bruce Birkeland
Bruce Birkett
Kenneth Blumenthal
Josephine Boecker
Joan Bordow
David Borthwick
George Botens
Jason Botens
Roberta Botens
Bettina Boxer
Paul Boyce
Beth Braeutigam
Anna M. Brand
Michael and Mara Brandman
David Braunstein
Kirstin Brewer
Gordon Bricken

SELECTION: LASTNAME

Name

=====

Yana Bridle
David Broch
Roal Broen
Allen Brokate
David Brooks
Philip Hugh Brooks
Ginny Brooner
Barbara Brown
Roger Glenn Brown, Ph.D.
Don Bruner
Sheila Bruner
James R. Buchanan
John Buchanan
Bryan Buck
Violet Bulujian
Andrea Burrell
Chad Burton
Heather Burton
Jennifer Burton
Scott Burton
Sandra Busby
Jeanne Butcher
Glenn Byron
Mr. and Mrs. Matthew Cain
Barbara Caldwell
Candice Carban
Cynthia Carden
Charlene Carey
Joseph Carlson
Sylvia Carlson
Mr. & Mrs. Richard Carstensen
Bradley Carter
Amy Carver
J. Brennan Cassidy
Steve Cattolica
Gayle Cavner
Joye Cawley
Elizabeth Chappell
Paul Christensen
Charles Christianson
Jim Chu
Janet Clark
James Clarke
Susan J. Cobb
Barb Cockrell
Naomi Colb
Michael Cole-Kleiser
John Collins
Steve Colton
William P. Conlin
Sunday Cook
Veronica Cook
Alex Courtney
Bobbi Cox
William Cox

SELECTION: LASTNAME

Name

Robert Crowder
Carlos Cueva
Dawn Cushman
Druanne Cushman
Carol Damerow
Robert David
Cathy Davidovich
Denise Davidson
Marilyn L Davidson
Len Davis
Sharri Davis
Lucia De Garcia
Sandra DeZahd
Julie Deidun
E. Daniel Dellicompagni
William Dellipaoli
Julie Dent
Russell F. Dent
Wanda Depta
Kendra Deutsch
Michael Dew
Darren DiMarco
Lyn Dickinson
Lowell Dickson
Abby Didrickson
Daniel Dobbs
Steve Dodd
William H. Doheny
Mary Donahue-Kuhlman
Rick Doremus
Margarita Dorland
Kristi Dorn
Scott Dorn
Donovan Dorr
Dee Downs
Tim Doyle
Jeffrey Drake
Robin Dru
Ronald Dunham
Bob Dunn
Susan Durik
Patty Duvall
Greg Ekman
Elections Committee of O.C.
Bernard Ellis
Jan Elvin
Scott Emigh
Dottie Emmings
Harriette Eubank
Michael Fait
Bridget Farmer
Joe Ferman
Lynne Fickett
B. Charlene Fisher
Douglas Fisher

Name

Mary Fisher
Kris Fletcher
Karen Flitterman
Ellen Flynn
Dorothy L. Foglia
Paul Forgay
Bob Forte
Jim Fowler
Carole Fox
Jack Fox
Linda Frappia
Amy Jane Frater
David Freely
Michele Fryer
Kendra Fuller
Tom Fulton
Roy Fultun
Steven Gabriel
Steve Gabriel
Sharon Gale
Arthur V. Gallagher, II
Mark Garduno
Franca Gargiulo
Joseph Gattuso
Brian Gavin
Sandra Gavin
Donna George
Kathleen Geraty
Daniel V. Gibbons
Roy Gibson
Fred Gil
Gary Gilkerson
Patricia L. Gilles
Sheryl Gillett
Geoffrey Gioja
Jim Gladbach
Mark Glasser
David Glazer
Randall J. Goddard
Alan W. Gold
Diane S. Goldstein
Ann Gonzalez
Kenneth Gonzalez
Beth Goodman
Robert Grad
Nancy Gribskov
Frank Grombone
Barbara Grossman, M.F.C.C.
Lucy Grubin
Mary Grubin
Stan Grubin
Barbara Gumbriner
Lawerence Guthrie
Mary Ann Gwinn
David Haas

SELECTION: LASTNAME

Name

Donald G. Hagan, M.D.
Cathleen Haight
David Haight
Dave Haithcock
Susan Han
Yvonne Hand
Michael Hardin
Bev Hardwick
Kurtiss Harkness
Ethel Harmatz
Sam Harmatz
Evans C. Harrigan
Jack C. Harris
Bevan Harvey
Bud Harvey
Rosemarie Harvey
Scott Harvey
Kenny Hatch
Deborah Hawkins
Sharon Hawkins
Tracy Hawkins
Jennifer Hayes
Mike Healy
Damaris Heinig
Robert Helms
Anna Henry
Carl Herman
Christine Herrera
Claire Herrera
Kelley Hill
Stephanie Hill
Tom Hills
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Henry Hirschman, M.D.
Fred Hodgson
Joan Hoffman
Bud Hohl
Cynthia Holman
John Holman
David Hoover
Ellen Hopp
Philip Hoskins
James Hsu
Kara Hudson
Brian Huh
Bivens Hunt
Jason Hunt
Scott Hunter
Kathleen Huntsman
David W. Hurst
Ellen V. Hurst
Steve Ince
Loraine Inglis
Andrew Jackson
Dion Jackson

SELECTION: LASTNAME

Name

Richard N. Jaffe
Raya Jaffee
Skip Jansen
Bo Jenning
Allyson Johnson
Ami Johnson
Judy Johnson
Lisa Jordan
Joyce Jue
Heldi Juerck
Robert Jugan
Joel Kalman
Timothy Kane
Elaine Kaplan
James Karasek
Sharon Karasek
Joe Karg
Scott Kay
James F. Keefe, M.D.
Janet Keefe
Michael Kelley
Wendy Kelley
Dan Kelly
John M. Kendrick
Susan Kennedy
Margaret Kerins
Jeanine Kerpan
Jeffrey Kerpan
Amy Kerr
Astrid Keuylian
Farhad Keynan
Frances Kieffer
John Kilgroe
Jack F. King
Dora B. Kingsley
Graydon Klee
KlosterIse
Barbara and Richard Klotz
Marc Knight
Heather Kniss
Claudia Kobilsek
Leslie Kohashi
Faye E. Konnell
Thomas Koslandich
Dan Kramer
Josh Kuntz
Vincent LaVoy
Linda Lamb
Karen Lasagna
Bobbi Lauer
Rosalie LeCount
Mr. and Mrs. Greg LeGassick
Gordon C. Lee
Helaine Lee
Cathy Leek

SELECTION: LASTNAME

Name

Richard Leek
Shirley Leitch
Audrey Levine
Rick Levine
Kathlyne Lewan
Kevin O. Lewand, Esq.
Judy Lezama
Mark Lind
Carla Lindstrom
Rosemary Livingston
Cheryl Lloyd
Danny Long
Michael Long
Ted Long
Claudia Love
Eric Lowey
James Lucas
Susan Ludwig
Gla Lorten Lugo
Laurene Lugo
Robert Lugo
Juan Luna
Fred Lund
Keith Lyon
Shiva Malek
Shalini Malhotra
Romaine Malloy
Rochelle Marmorstein
Phyllis Ann Marshall
Rick Martin
Craig Martyn
Kristin Mateer
Anne McArthur
Gary McAtee
Kjersti McAtee
Dennis McClure
Kathleen McDaniel
Laura McDaniel
Mike McElroy
Brian McFadin
Michael McInnis
Leon McKinney
Matt McLaraud
Robert Meano
Donna Medelberg
Melissa Melchior
Nathan D. Menard
Dennis Menke
Audrey R. Merkin
Samuel T. Merrell
Martin Merrill
Morteza Meskin
Sheila Meskin
Hank Meyer
Lee Meyer

SELECTION: LASTNAME

Name

Loren Miner
Bruce Monahan
Charles Montero
Douglas M. Moreland
Jennifer Morgan
Bruce Moskowitz
Bret Moss
Ken Muche
David Murdock
Diane Murphy
Kelly Ann Murrel
Carol Muse
Heidi Myers
Mona Naffa
Marilyn Nagel
Aws Nashef
Tye Nelepka
Ken Nelson
Catherine Nevo
Kellie Newcombe
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Susan Norton
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Jeanette Norwood
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Leonard Olds
Toni Ormsted
Jenny Owens
Gwen Ozmen
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Perry Parks
Joy Pate
Russ Pate
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Cecilia Pfenning
Jeffrey Ian Pheffer
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Carla Pike
David M. Pittman
Karen D. Place
Jan Pope
Willa Porter
Jonathan Potts
Doris Prendergast

Name

Adele Prepas
Dana Preston
Sarah Quast
Beth Raff
Doug Raff
Jack Rand
Carole Reed
Burmah Reese
Ida Reese
Seldon Reese
Robert L. Reeves
Wendy Rene Reichman
Eaton Reid
Krista Reid
Richard M. Reinsch
Frank Ricchiazzi
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Dr. William B. Roberts
Lucie Robitaille
Craig Rogers
Robert Reed Rogers
Janet Rohn
Jon Romans
Patti Root
Shane W. Roper
Claire Rosenberg
Gayle Rosenberg
Ivan Rosenberg
Nathan Rosenberg
Ron Rosenberg
Mr. Albert Rosenhaus
Sharon Rosenhaus
Brian J. Rotchford
Richard Royce
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Jean Rudoni
Ava Russell
David Ryden
Julian Ryder
Zachary H. Sacks
Laurel Sagen
Laurel Sager
Billy Sahn
Jerry Samet
Kathy Sandoval
Phyllis Sarvak
Ed Schenet
Carrie Schmaggin
Douglas Schmit
Neil Schneider
Vita Schneider

Name

=====

Eric Schooler
Kai Schorr
Patricia D. Scudder
Diane Seaberg
Barbara Seoane
Judith Service
Tom Sewell
Elizabeth Shanker
Naresh K. Sharma, M.D.
Brian Shaw
Keith Shillington
Teena Shoobs
Herbert B. Shor
David W. Shores
Mike Shortridge
Michael Shugrue
Jeffrey Simons
Mike Skillman
Jutta Slebioda
Elise Slifkin-McClure
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Peter Sloan
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Craig Smith
Douglas Smith
Glenn Smith
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Melinda Smith
Thomas J. Solomon
Maile Souza
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Charlene Spillum
Margo Spiritus
Paul Spittler
Keri Stafford
Craig Stevens
Harvey Stone
Michael Stone
Jay Stout
Diane Stovall
Channing Stowell
Don Stratton
Arthur M. Strauss, D.D.S.
Beth Stubbs
Holly Sullivan
Kirk Summers
Robert Sundance
William Swarts
Ann Sween
Terence M. Sweeney
Linda Swisher
Andrea Tabler
Paul Tatum

Name

=====

Donald Taub
Mrs. Isabel Taylor
Linda Taylor
Ronald Taylor
David Templeton
Page Winslow Thibodeaux
Scott Thompson
Shane Tiernan
Leslie J. Toth
Walter Trant
Adam Traub
Joe Trgo
Sharon Trujillo
James Tsutsui, Jr.
James Tsutsui, Sr.
Richard Tucker
Thomas E. Tucker
Bob Turbow
Sue Urwin
Hedy Vahid
John G. Valentine
John Vanarelli
Mark Vance
Peter Vasilovich
Tom Velte
Danielle Villicana
Carrie Von Hemert
Joyce Waddell
Joann Wagnon
Robyn Waid
Tulla Waldron
Alan Wall
Terry Wall
Eric Walls
Michel-Ann Walters
Evelyn Walton
Doris Warr
George Watson III
Laurel Watson
Kathleen Ann Watts
Susan Watts
Richard Webster
Jean Wegener
Arlene Weiner
Hugo Weinstein
Cathrine Weiss
Patricia Weller
David Welsch
Laura Welsch
Lloyd G. Wentworth
Sharon Wentworth
Alexander Wentzel
Amybeth West
Clarissa I. Whitney
Anthony E. Wiczorek

SELECTION: LASTNAME

Name

=====

Cheryl Williamson
Cinda Williamson
Guy Williamson
Joanne Williamson
Larry Williamson
Daryl Wilson
Jed Wiltchik
Lia Wong
Miles Wood
Krista Woods
Bonnie Wright
Marshall Wright
Randy Wright
Barbara Yanchas
Patrick Yoon
Gail York
Gene York
Felix Yorke
David Yost
Joy Young
Nancy Young
Aaron Zaffron
Lino Zambrano
Dr. Hector Zayas-Bazan
Marisha Zeffer
Rick Zeller
Nickie Zepeda
Greg Ziencina
Bob Zierten
\$ 0.00

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STATEMENT

BILLING MEMORANDUM NUMBER **0529 NOR 88**

CLIENT: **ROSENBERG FOR CONGRESS**

PROJECT: **POLITICAL CONSULTING; DIRECT MAIL VOTER MAILINGS**

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
0 direct mail 82K "CON IS LIAR"	\$ 16,767.00
0 printing	2,460.00 2,780.00
0 Mail processing	1,435.00
0 US Postage	8,282.00
4 Creative	3,690.00
0 Research	300.00
0 Management	300.00
0 Coordination	300.00

1882
PMT

PLEASE REMIT THE FOLLOWING TOTAL OF \$16,767.00
ON OR BEFORE June 1988
MAKE CHECK(S) PAYABLE TO:

David Vaporean
David Wayne Communications
18141 Irvine Blvd.
Tustin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

DAVID WAYNE COMMUNICATIONS

public affairs • public relations
campaign consulting • fundraising

STATEMENT

BILLING MEMORANDUM NUMBER 0321NOR88

CLIENT: Rosenberg For Congress

PROJECT: political consulting: direct mail voter marketing

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
direct mail 0321NOR88 "Puff" 82K	\$23,363.29
printing	9,058.29
mail processing	1,435.00
Postage	8,282.00
creative	3,690.00
research	300.00
management	300.00
coordination/expedite	300.00

DL
\$11,522.65

Due 15 May 1988 ✓ *ad*

Balance

1828
\$11,840.65

Due 20 May 1988

PLEASE REMIT THE FOLLOWING TOTAL OF \$23,363.29

ON OR BEFORE 20 May 1988

MAKE CHECK(S) PAYBLE TO:

David Vaporean
David Wayne Communications
18141 Irvine Blvd.
Tustin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

90040300801

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STATEMENT

BILLING MEMORANDUM NUMBER

0325NDR89

CLIENT: NATHAN ROSENBERG FOR CONGRESS COMMITTEE
CAMPAIGN MARKETING: DIRECT MAIL

PROJECT:

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item Rate or Amount

CAMPAIGN MAIL PIECE #001
41K PCS.

"REAGAN-ROSENBERG HOLD THE LINE ON TAXES..."

1. RESEARCH	\$200.00
2. CREATIVE SERVICE FEE	\$1845.00
3. COORDINATION/MANAGEMENT FEE	\$250.00
4. GRAPHIC ARTS/LAYOUT	\$250.00
5. TYPESET	\$NC
6. PRINTING: 11X17 2COLOR/2	\$4558.00
7. BINDRY	\$NC
8. MAIL PROCESS	\$707.25
9. POSTAGE	\$3485.00
10. DELIVERY	\$50.00
11. TARGET DATA: HPV 3SETS41KEA@#553.50/SET	\$553.50
12. PREMIUMS	

*pd in deposit 3/23/88 165
\$5924.38*

PLEASE REMIT THE FOLLOWING TOTAL OF ~~\$11,847.75~~

ON OR BEFORE *22 March 1988*

MAKE CHECK(S) PAYABLE TO:

*David Vapocan
David Wayne Communications
1814 Avenue Blvd
Tustin, Ca. 92680*

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

9004080802

DAVID WAYNE COMMUNICATIONS

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STATEMENT

BILLING MEMORANDUM NUMBER 0315NOR86

CLIENT: Nathan Rosenberg For Congress Committee

PROJECT: political consulting: direct mail marketing

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
direct mail marketing	\$10,325.00
printing	1,250.00
mail processing	794.00
postage	4,646.00
creative	2,070.00
research	300.00
management	300.00
coordination	300.00
list-data base	575.00

paid
5076 Deposit
25 bank
\$5765
part

PLEASE REMIT THE FOLLOWING TOTAL OF \$10,325.00

ON OR BEFORE 29 April 1988

MAKE CHECK(S) PAYABLE TO:

David Vapoean
David Wayne Communications
18141 Irvine Blvd.
Tustin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

90040300303

DAVID WAYNE COMMUNICATIONS

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STATEMENT

Mail # 2 i. y

BILLING MEMORANDUM NUMBER 0323NOR80

CLIENT: NATHAN ROSENBERG FOR CONGRESS COMMITTEE

PROJECT: CAMPAIGN MARKETING: TARGET DATA

The following charges represent time, material, and services rendered relative to the client and project cited above.

90040300804

Item	Rate or Amount
HPV DATA FILE 2 SETS	\$553.50 per set
41,000 HPV 100% FILE 2 SETS CAR RT SRT BY HOUSEHODD OR CURRENT REGISTERED VOTER	
totl.	\$1107.00
6% tax advanced	66.42

7/1/88
~~*3/22/88*~~

1669
CSA, Inc

70

PLEASE REMIT THE FOLLOWING TOTAL OF ~~XXXXXX~~ \$1173.42 ON OR BEFORE 23 March 1988

MAKE CHECK(S) PAYBLE TO: David Vaporean
David Wayne Communications

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

DAVID WAYNE COMMUNICATIONS

public affairs • public relations
campaign consulting • fundraising

STATEMENT

BILLING MEMORANDUM NUMBER 0302NIR88

CLIENT: Rosenberg Campaign Committee

PROJECT: issue specific survey preparation
research

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
base fee	\$1,360.00
advance database search	\$1,000.00

Cancelled
Referred due
Referred
\$2,360.00
check 5211

Project _____
 Account _____
 Date Paid 3/3
 Check # 2359 = \$ 1688
 Auth D.V.

90040300805

PLEASE REMIT THE FOLLOWING TOTAL OF ~~\$2,360.00~~
ON OR BEFORE 4 March 1983

MAKE CHECK(S) PAYABLE TO: David Vaporean
David Wayne Comm
18141 Irvine Blvd
Tustin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

DAVID WAYNE COMMUNICATIONS

public affairs • public relations
campaign consulting • fundraising

STATEMENT

BILLING MEMORANDUM NUMBER 0201N0289

CLIENT: Rosenberg For Congress Committee

PROJECT: political affairs consulting

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
base service fee retainer	\$3,200.00
advances:	
Project <u>RTC</u>	
Account <u>Consulting</u>	
Date Paid <u>1/25</u> <u>\$3330.00</u>	30.00
Check # <u>1225</u> Auth. <u>DV</u>	65.00
mileage	35.00
travel or entertainment	

David Vaporean
25 Jan 88

1225
\$ 3330.00

PLEASE REMIT THE FOLLOWING TOTAL OF \$3,330.00
ON OR BEFORE February 1, 1988
MAKE CHECK(S) PAYABLE TO:

David Vaporean
18141 Irvine Blvd.
Tustin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

9004060806

DAVID WAYNE COMMUNICATIONS

public affairs • public relations
campaign consulting • fundraising

STATEMENT

BILLING MEMORANDUM NUMBER 0104NOR80

CLIENT: Rosenberg For Congress Committee

PROJECT: political affairs consulting contract

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
base service retainer for January	\$3,200.00
expenses advanced: none at this billing	

90040300807

Project	<u>A/R For Congress</u>
Account	<u>Consulting</u>
Date Paid	<u>1/4/88</u> \$ <u>3200</u>
Check #	<u>1177</u> Auth. <u>[Signature]</u>

[Signature]

PLEASE REMIT THE FOLLOWING TOTAL OF \$3,200.00
ON OR BEFORE January 4, 1988
MAKE CHECK(S) PAYABLE TO:

David Vaporean
18141 Irvine Blvd.
Tustin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

90040300808

American Airlines

EE IN CHG/REFUND

VAPDREA/DAVID
342AHS

PASSENGER TICKET AND BAGGAGE CHECKS
SUBJECT TO CONDITIONS
OF CARRIER'S
PASSENGER'S COMPON
TICKET
13 FEB 88

001 24 5425 2123

AA
421 AA, INC.
ORANGE COUNTY
CALIFORNIA

NOT GOOD FOR PASSAGE	CARRIER	FLIGHT	CLASS	DATE	TIME	STATUS	FARE BASIS/FARE DESIGNATOR	NOT VALID FROM	NOT VALID UNTIL
ORANGE COUNTY	AA	512	V	13 FEB	222P	JK	VHEFL2N		
DALLAS FT WORTH	AA	469	V	13 FEB	805P	JK	VHEFL2N		
IRLANDJ	AA	945	B	21 FEB	1209P	JK B			
WASHINGTON NATL	AA	113	H	23 FEB	510P	JK	HDE2P25		21 FEB
ORANGE COUNTY									

443.52 13 FEB SNA AA-XDFW AA JRL
 35.48 137.97 AA HAS Q1.85 156.48 AA
 679.92 SNA 167.22 443.32 END

CHECK Bill to Niborsenoy Committee
 \$379.00

36974073 3

001 24 5425 2123 3

01

0

Cash Pans:
 2/21 - 10.50
 2/22 - 9.00
 2/23 - 13.00
31.50



Capitol Hill

415 New Jersey Ave., N.W.,
 Washington, D.C. 20001

202/638-1616

Eq. 07/21/88 00:00 02/23/89
 ROOM 517 FOLIO 0221-8320

VAPORIAN DAVID
 18141 IRVINE BL

HW4401 0000

TUSTIN 92680

9 3 0 4 0 3 0 0 8 1 0

02/21		PAID CASH	210.00
02/21	714839	SVC CHG	.75
02/21		SVC CHG	.75
02/21	714649	SVC CHG	.75
02/21	714759	SVC CHG	.75
02/21	714970	SVC CHG	.75
02/21	714970	SVC CHG	.75
02/21	TRAN	ROOM	70.00
02/21		ROOM TAX	9.00
02/21		OCCUPANCY TX	1.00
02/22	TRAN	ROOM	70.00
02/22		ROOM TAX	9.00
02/22		OCCUPANCY TX	1.00
02/23		PAID CASH	31.50

CASHIER ID 004 BALANCE 125
 CELL NUMBER 04



Capitol Hill

415 New Jersey Ave., N.W.,
 Washington, D.C. 20001

202/638-1616



Capitol Hill

415 New Jersey Ave., N.W.,
 Washington, D.C. 20001

202/638-1616

DAVID WAYNE COMMUNICATIONS

public affairs • public relations
campaign consulting • fundraising

STATEMENT

BILLING MEMORANDUM NUMBER 0229NOR80

CLIENT: Nathan Rosenberg For Congress Committee

PROJECT: political affairs consulting

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
base service fee March Retainer	\$3200.00
Washington, DC Lobbying	
airfare rountrip from Orange County	379.00
hotel x 2 days	204.50
taxi and ground trans	31.50
meals	105.00
misc.	45.00
Feb. Phone	150.00

Amount paid 2/22

90040300811

Project	<u>Rosenberg</u>
Account	
Date Paid	<u>2/22</u> \$ <u>4115.00</u>
Check #	<u>1299</u> Auth. <u>DV</u>

PLEASE REMIT THE FOLLOWING TOTAL OF \$4115.00

ON OR BEFORE 1 March 1988

MAKE CHECK(S) PAYABLE TO:

David Vaporean
David Wayne Communications
18141 Irvine Blvd.
Tustin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

DAVID WAYNE COMMUNICATIONS

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STATEMENT

BILLING MEMORANDUM NUMBER 0406NOR88

CLIENT: Rosenberg For Congress
political consulting
PROJECT: direct mail voter marketing

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
direct mail 0406NOR88	\$21,595.34
printing	7,288.34
mail processing	1,435.00
Postage	8,282.00
creative	3,690.00
research	900.00
management	300.00
coordination/expediting	300.00

90040300812

PLEASE REMIT THE FOLLOWING TOTAL OF \$21,595.34
ON OR BEFORE 15 May 1988

MAKE CHECK(S) PAYABLE TO: David Vaporean
David Wayne Communications
18141 Irvine Blvd.
Tustin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

DAVID WAYNE COMMUNICATIONS

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STATEMENT

BILLING MEMORANDUM NUMBER 0601 NOR 84

CLIENT: Rosenberg for Congress

PROJECT: political consulting: direct mail voter marketing

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
8 Direct mail 4K "Petitioners"	
3 MAIL processing	400.00
3 VS postage	528.00
40 Sub total	928.00
0 Direct mail 11K "Lecture world - Newspaper"	
MAIL processing	192.50
VS postage	1,452.00
creative Research management coordination	495.00

Handwritten notes:
\$ 1,452 / 1,452
1,452

PLEASE REMIT THE FOLLOWING TOTAL OF \$3,067.90
ON OR BEFORE June 1984
MAKE CHECK(S) PAYABLE TO:

David Vaporean
David Wayne Communications
18141 Daving Blvd.
TUSTIN, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

DAVID WAYNE COMMUNICATIONS

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STATEMENT

BILLING MEMORANDUM NUMBER 0601NOR81

CLIENT: Rosenberg For Congress

PROJECT: political consulting

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
base service fee June	\$3,200.00
phone	0
travel	0
mileage	100.00
entertainment	40.00

PA 1826

90040300814

PLEASE REMIT THE FOLLOWING TOTAL OF \$3,340.00

ON OR BEFORE 20 May 1988.

MAKE CHECK(S) PAYBLE TO:

David Vaporean
David Wayne Communciations
18141 Irviae Blvd.
Tastin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

DAVID WAYNE COMMUNICATIONS

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STATEMENT

BILLING MEMORANDUM NUMBER 0416NOR81-B "ADD ON"

CLIENT: Rosenberg for Congress

PROJECT: POLITICAL CONSULTING : direct mail voter marketing

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
Direct mail voter marketing "Auto!!" ADD ON 42K	\$11,315.56
Printing	3,512.06
Mail processing	917.50
US Postage	4,141.90
Creative	1,845.00
Research	5,650.00
Management	300.00
Coordination	300.00

18524

9004030081

PLEASE REMIT THE FOLLOWING TOTAL OF \$11,315.56
ON OR BEFORE 25 May 88
MAKE CHECK(S) PAYABLE TO:

David Vaporean
David Wayne Comm.
18141 LEVINE BLD.
TUSTIN CA. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

DAVID WAYNE COMMUNICATIONS

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campaign consulting • fundraising

STATEMENT

BILLING MEMORANDUM NUMBER 0524NOR 84

CLIENT: Rosenberg for Congress

PROJECT: POLITICAL CONSULTING: DIRECT MAIL voter marketing

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
0 Direct mail voter marketing "Times" 82K	\$19,453.64
1	
3 Printing	\$5,146.64
0 MAIL processing	1,435.00
0 US POSTAGE	8,282.00
3 Creative	3,690.00
4 Research	300.00
0 Management	300.00
0 Coordination	300.00
9	

1853

PLEASE REMIT THE FOLLOWING TOTAL OF \$19,453.64
ON OR BEFORE 25 MAY 83

MAKE CHECK(S) PAYABLE TO:

David Vaporean
David Wayne Comm
1841 IOWA BLVD
TUSTIN 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

\$ 79,649.78

MEMO

TO: Ted Long
FROM: David Vignone

DATE: 14 May 88

SUBJECT: direct mail advances -

Please issue checks to the firm as follows, one check per each Reference Number. Make payable to: David Vignone / David Wayne Comm.

in the amount and amount as follows:

		<u>Description</u>	<u>Reference Number</u>
①	\$21,595.34 ^{pd full}	"Sequence"	0406 NOR 88
②	\$10,979.43 ^{pd full}	"Drops"	0405 NOR 83
④	\$11,639.13 ^{pd full}	"Who"	0416 NOR 82
⑤	\$11,501.03 ^{pd full}	"Has Too"	0416 NOR 81
	50% - 50% due 22 May		
⑦	\$12,402.20	"Fed Rpt"	0501 NOR 85
	50% - 50% due 21 May		
⑧	\$11,522.65	"Prof"	0321 NOR 88
⑨	\$4653.92	"Spurs"	0424 NOR 86

You will have completed invoices on or before 17 May 88.

DAVID WAYNE COMMUNICATIONS

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STATEMENT

BILLING MEMORANDUM NUMBER 0501NOR85

CLIENT: Rosenberg For Congress

PROJECT: political consulting: direct mail voter marketing

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
direct mail 0501NOR85 "Fed Rpt"	\$24,804.40
printing	10,497.40
mail processing	1,435.00 8,282.00
Postage	8,282.00
creative	3,690.00
research	300.00
management	300.00
coordination/expediting	300.00

50% Due 15 May \$12,402.20 *Ed*
Balance Due 20 May \$12,402.20 *1529*

PLEASE REMIT THE FOLLOWING TOTAL OF \$24,804.40
ON OR BEFORE 20 May 1988

MAKE CHECK(S) PAYABLE TO:

David Vaporean
David Wayne Communications
18141 Irvine Blvd.
Tustin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

90040300818

DAVID WAYNE COMMUNICATIONS

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campaign consulting • fundraising

STATEMENT

BILLING MEMORANDUM NUMBER 0501NOR80

CLIENT: Rosenberg For Congress Committee

PROJECT: political affairs consulting

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
base service fee	\$3200.00
travel	0
entertainment	\$100.00
mileage	\$50.00

90040300819

1727
DA
4/18

PLEASE REMIT THE FOLLOWING TOTAL OF \$3,350.00
ON OR BEFORE 20 April 1988

MAKE CHECK(S) PAYBLE TO: David Vaporean
David Wayne Communications
18141 Irvine Blvd.
Tustin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

DAVID WAYNE COMMUNICATIONS

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campaign consulting • fundraising

STATEMENT

BILLING MEMORANDUM NUMBER 0430XOR85

CLIENT: NATHAN ROSENBERG FOR CONGRESS COMMITTEE

PROJECT: political consulting: direct mail marketing

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
direct mail marketing "Book"	\$31,930.00
printing	7,100.00
mail processing	9,020.00
postage (\$.48/lb.)	10,100.00
creative	3,690.00
research	300.00
management	300.00
coordination	300.00
list	(1,200.00)

W/S

\$15,405.00 50% due 6 May 1988
\$15,405.00 50% due 9 May 1988

1775

Project	Book mail		
Account			
Date P	5/11	\$	
Check #	1787	Auth.	

2 C/KS - @ \$15,405.00

PLEASE REMIT THE FOLLOWING TOTAL OF \$30,810.00
ON OR BEFORE 9 May 1988

MAKE CHECK(S) PAYBLE TO:

David Vaporean
David Wayne Communication
230 E. 17th Street
Costa Mesa, Ca. 92627

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

90040300820

DAVID WAYNE COMMUNICATIONS

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STATEMENT

BILLING MEMORANDUM NUMBER 0424NOR86

CLIENT: Rosenberg For Congress

PROJECT: political consulting: direct mail voter marketing

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
direct mail 0424NOR86 "Seniors"	\$3,719.96 \$2,719.96
11K	
printing	1,021.46
mail processing	192.50
Postage	1,111.00
creative	495.00
research	300.00
management	300.00
coordination/expediting	300.00

pd 1827

PLEASE REMIT THE FOLLOWING TOTAL OF ~~\$3,719.96~~
ON OR BEFORE 20 May 1988.

MAKE CHECK(S) PAYBLE TO:

David Vaporean
David Wayne Communications
18141 Irvine Blvd.
Tustin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

90040300821

DAVID WAYNE COMMUNICATIONS

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campaign consulting • fundraising



STATEMENT

BILLING MEMORANDUM NUMBER 0416NOR82

CLIENT: Rosenberg For Congress

PROJECT: political consulting: direct mail voter marketing

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
direct mail 0416NOR82 "Who?"	\$11,639.13
printing	3,835.63
mail processing	917.50
Postage	4,141.00
Creative	1,845.00
research	300.00
management	300.00
coordination/expediting	300.00

90040300822

PLEASE REMIT THE FOLLOWING TOTAL OF \$11,639.13

ON OR BEFORE 15 May 1988

MAKE CHECK(S) PAYBLE TO:

David Vaporean
David Wayne Communications
18141 Irvine Blvd.
Tustin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

DAVID WAYNE COMMUNICATIONS

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STATEMENT

BILLING MEMORANDUM NUMBER 0416NOR81

CLIENT: Rosenberg For Congress

PROJECT: political consulting: direct mail voter marketing

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
direct mail 0416NOR81 "Has To..."	\$11,501.03
printing	3,697.53
mail processing	917.50
Postage	4,141.00
creative	1,845.00
research	300.00
management	300.00
coordinaation/expediting	300.00

9
0
0
4
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0
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8
2
3

PLEASE REMIT THE FOLLOWING TOTAL OF \$11,501.03
ON OR BEFORE 15 May 1988

MAKE CHECK(S) PAYBLE TO: David Vaporean
David Wayne Communications
18141 Irvine Blvd.
Tustin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

DAVID WAYNE COMMUNICATIONS

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STATEMENT

BILLING MEMORANDUM NUMBER 0405NOR83

CLIENT: Rosenberg For Congress

PROJECT: political consulting: direct mail voter marketing

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
direct mail	\$10,979.43
printing	3,175.93 2,175.93
mail processing	917.50
Postage	4,141.00
Creative	1,845.00
research	300.00
management	300.00
coordination/expediting	300.00

90040300824

PLEASE REMIT THE FOLLOWING TOTAL OF \$10,979.43
ON OR BEFORE 15 May 1988

MAKE CHECK(S) PAYABLE TO:

David Vaporean
David Wayne Communications
18141 Irvine Blvd.
Tustin, Ca. 92680

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

DAVID WAYNE COMMUNICATIONS

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STATEMENT

BILLING MEMORANDUM NUMBER 0401NOR80

CLIENT: NATHAN ROSENBERG FOR CONGRESS COMMITTEE

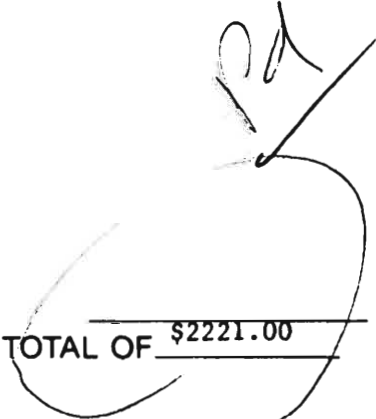
PROJECT: CAMPAIGN: POLITICAL AFFAIRS CONSULTING

The following charges represent time, material, and services rendered relative to the client and project cited above.

Item	Rate or Amount
BASE SERVICE FEE	\$3200.00
entertainment	nc
phone	\$21.00
mileage	nc
LESS ADVANCE CARRYOVER	\$1000.00

90040500825

PLEASE REMIT THE FOLLOWING TOTAL OF \$2221.00
ON OR BEFORE 25 March 1988
MAKE CHECK(S) PAYABLE TO:


David Vaporean
David Wayne Communications

THANK YOU FOR THE OPPORTUNITY TO BE OF SERVICE!

U.S. POSTAGE
BULK RATE
PAID
Permit No. 555
Santa Ana, CA

**WHO IS THE REAL
CHRISTOPHER COX??**

***AND WHY HAS HE
LIED TO GET YOUR
VOTE?!***

9 5 0 4 0 8 0 0 8 2 9

After an exhaustive investigation, careful review, and personal interviews with each candidate, one Republican stood out among the field:

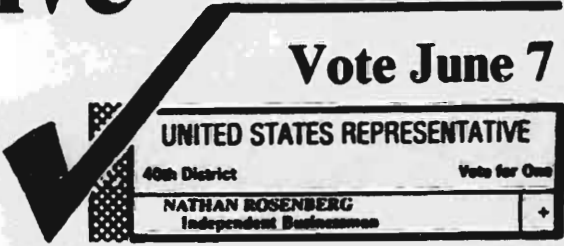
When the largest daily newspaper in California endorses a candidate for Congress, you know they have checked out all the facts. The *Los Angeles Times* is one of the most respected newspapers in the world.

They have endorsed Nathan Rosenberg to be our next U.S. Representative in Congress.

Nathan Rosenberg is endorsed for U.S. Representative by over 5,000 Republicans. Not party bosses. Not special interests. Just people like you and me.

We ask for your support and vote on June 7 for:

Nathan Rosenberg U.S. Representative



06C/354

AMERICAN COUNCIL FOR A CONSERVATIVE CONSENSUS
1309 EAST NORTHERN AVENUE, #520
PHOENIX, ARIZONA 85020

December 6, 1988

Ms. Celia L. Jacoby
The Federal Election Commission
Washington, D.C. 20463

08 DEC 13 AM 9:32

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

Dear Ms. Jacoby,

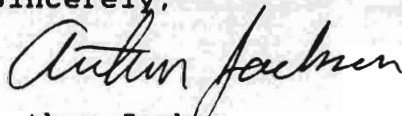
Enclosed are the answers to the questions submitted by the FEC on October 25, 1988 to the American Council for a Conservative Consensus. I also included some additional comments on the Factual and Legal Analysis.

I just received the questions last week and am responding promptly. I do not know what the delay was in the mail.

Please feel free to call me if any additional clarification is needed or further documentation is desired. I hope that the enclosed statements along with the initial response are adequate to close the complaint. I have acknowledged some very small errors in both statements regarding partial and inadequate disclosure on the brochures. I apologize and have taken steps to see that my errors do not happen again.

I look forward to a prompt resolution of this matter. I welcome any further questions that will assist the FEC.

Sincerely,



Arthur Jackson
Executive Director

enclosures

9004080830

08 DEC 13 AM 11:03

RECEIVED
FEDERAL ELECTION COMMISSION

December 6, 1988

TO: THE FEDERAL ELECTION COMMISSION

FROM: ARTHUR JACKSON, FOR THE AMERICAN COUNCIL FOR A
CONSERVATIVE CONSENSUS
FEC ID C00228114

RE: MUR 2618 ANSWERS TO QUESTIONS AND ADDITIONAL COMMENTS

The ACCC received your letter dated October 25, 1988 on November 28, 1988. There is no explanation for the delay. We are responding promptly.

Below are answers to questions submitted in your letter. Also attached are comments regarding the Factual and Legal Analysis.

QUESTION 1 Arthur Jackson is the Executive Director of the ACCC and Sharlee Dodd, who assist Mr. Jackson in business, is the Treasurer. There are no other staff members, consultants, or agents.

1A. Arthur Jackson is the only individual who participated in any way, directly or indirectly, in any expenditure regarding the Republican nomination for the 40th California Congressional District seat in 1988.

1B. Arthur Jackson is the only individual who participated in the conception, drafting, writing, editing, approval, and review of materials authorized by ACCC regarding the 40th California Congressional District seat in 1988. Diversified Mailing, Inc. was contracted to provide the printing, publication, and dissemination of the materials.

QUESTION 2 There are no written documents concerning the decision by ACCC to expend funds in the 40th California Congressional District seat in 1988. The decision was made by Arthur Jackson, the Executive Director.

QUESTION 3 Attached are the brochures requested. They appear as photocopies in the original complaint.

3A. Arthur Jackson produced the brochures. Diversified Mailing, Inc. was contracted to print and distribute the mailings. Diversified Mailing, Inc. subcontracted Penn Lithographics for the printing. Another printer was originally contracted but was unable to do the job. ACCC was not aware of the printer used until after the election.

9 0 0 4 0 8 0 0 8 3 1

3B. Arthur Jackson personally selected Diversified Mailing, Inc. because of their excellent reputation and he has known about the company for years. They are widely known throughout California and were used by several of the other candidates in the race, including the candidate associated with the filing of the complaint.

3C. Arthur Jackson is the only individual associated with ACCC who supervised or coordinated the publication, printing, distribution or dissemination of the brochures. Related travel documents and cancelled checks were included in the initial response.

QUESTION 4 There are no documents or materials concerning meetings, discussions or other communications between ACCC or any of its agents, officials, or employees and any of the entities or their associates listed. ACCC's only documents are with Diversified Mailing, Inc., which are the invoice and cancelled check, which have been previously submitted.

QUESTION 5 Arthur Jackson and anyone associated with ACCC have had no association by way of employment, volunteer services, position, membership with any of the listed organizations. Arthur Jackson has personally donated money to Rosenberg for Congress, as stated in the report and previously acknowledged.

CONTINUED NEXT PAGE

90040800832

COMMENTS REGARDING THE FACTUAL AND LEGAL ANALYSIS

Section A.

I would like to restate that there was no "cooperation," "prior consent of," etc. for any of ACCC's expenditures. There was no knowledge about the candidate's plans, projects or needs. There was no coordination between ACCC and the Rosenberg Committee. The common vendors had absolutely no control over any campaign activity of ACCC.

Section B.

The postal fees referred to in the complaint were not paid directly by ACCC incorrectly asserted, but were paid by Diversified Mailing, Inc. as listed and charged to ACCC. This is documented on the invoice from Diversified Mailing, Inc. presented as Exhibit 1 on the initial response.

The expenditures for travel (May 22 and 27) were paid for by Arthur Jackson and reimbursed by ACCC on May 30th. A variety of work was included in the travel and I therefore did not realize it should be allocated as independent expenditures relating to a specific campaign. Since I did not consider them independent expenditures for a particular race, no Schedule E was filed.

The expenditure to Diversified Mailing, Inc. for \$19,996 was reported late with Schedule E. There were clerical and human errors involved and I take full responsibility for this oversight.

All of these expenditures were independent expenditures by ACCC.

Section C.

I have accepted full responsibility for the inadequate disclosure on the mailings in a letter to the FEC on June 9, 1988, and presented as Exhibit 7 in the initial response to the complaint. I respectfully apologize for the error and have taken steps to see that this does not happen again.

Arthur Jackson

ARTHUR JACKSON
Executive Director and
Assistant Treasurer

12/6/88

Date

20040300833

MUR2618

Response to Questions to Nathan Rosenberg for Congress

See Page 364 / Rosenberg
Qs + Answers

1. Please identify all officers, directors, employees, staff members, volunteers, consultants or other agents of Nathan Rosenberg for Congress (the "Committee")

Major General William Lyon, Chairman
Kathryn Thompson, Finance Chairman
David R. White, II, Treasurer
U.S. Senator John McCain, Special Advisor
U.S. Representative Jim Kolbe

Steering Committee

Colonel Buzz Aldrin
Zee Allred
George "Ted" Botens
Wade H. Cable
Leo W. Cook
William E. Cooper
Vern Curtis
Sam Goldstein
Rich Goodman
John Hales
Richard Jaffe
Mel Jaffee
Janice M. Johnson
Roger Johnson
John Killefer
Robert H. Lintz
John D. Lusk
Joe Martin
James McNamara
Ronald L. Meer
Dennis Menke
Rich Muth
Pam O'Neill
James M. Peters
Bill Rauth
Earl Rippee
Thomas J. Solomon
Beverly Thompson
Elizabeth Tierney
Thomas T. Tierney
Bernard Turbow, M.D.
Marvin Weiss
Lloyd Wentworth

Staff

Theodore Long
Claire Herrera
Kevin Kolbe
Maggie Peters
Peter Schwartz
Joe Trgo
Curtis Harkness

9004030J834

Mark Knight
Donn Peters
Seldon Reese

Volunteer List attached

David Wayne Communications, Consultant
Martin Communications, Consultant
Rob Austin, Consultant
Tarrance and Associates, Consultant

2. Please identify all individuals who participated in any way, directly or indirectly, in the conception, drafting, writing, editing, approval, review, production, preparation, printing, publication, supervision, distribution, and dissemination of documents and materials produced or authorized by the Committee which related to or in any way would aid the defeat of a candidate for nomination in the 40th California Congress District in 1988, particularly Republican candidate Christopher Cox.

David Vaporean, Theodore Long, Nathan Rosenberg and numerous volunteers whose names cannot be recalled.

3. Please provide a copy of each brochure, pamphlet or other document concerning the defeat of a candidate for nomination to the 40th California Congressional District in 1988, particularly Republican candidate Christopher Cox, which the Committee had produced or distributed.

Enclosed is a copy of the sole brochure, pamphlet or other document.

- a. Please identify each vendor or other entity whose services were utilized to produce, print, distribute or disseminate such brochures.

David Wayne Communications was the sole vendor utilized to produce, print, distribute or disseminate said brochure. The Committee had no relationship with any subcontractors.

- b. Please describe how each vendor was selected and identify any person or entity which recommended or referred the Committee to such vendor.

David Wayne Communications was selected by Nathan Rosenberg in August, 1987 and was recommended by Gus Owen.

- c. Please identify each individual associated with the Committee who supervised or coordinated the publication, printing, distribution or dissemination of such brochure with each such vendor.

Nathan Rosenberg and David Vaporean supervised or coordinated the publication, printing, distribution or

20040300335

dissemination of said brochure with each such vendor.

4. Please provide all documents and materials relating to contractual or professional relationship or other association between the Committee and the following entities, their officers, employees and agents undertaken in connection with any effort on the part of the Committee which would in any way relate to the furtherance of the election, or would aid in the defeat, of any candidate for nomination to the 40th California Congressional District in 1988, particularly Republican candidate Christopher Cox.

Arthur Jackson
Penn Lithographics
Diversified Mailing, Inc.
David Vaporean
David Wayne Communications
American Council for a Conservative Consensus

There are no documents and materials relating to contractual or professional relationship or other association between the Committee and the American Council for a Conservative Consensus, Penn Lithographics, Diversified Mailings, Inc., and Arthur Jackson because there was no such relationship or association. All documents and material in the Committee's possession relating to such relationship between the Committee and David Vaporean and David Wayne Communications are enclosed.

5. Did the Committee hold any meeting or discussions during which information relating to any communications concerning Christopher Cox was considered? If yes, please

a. Identify all persons who attended such meetings or participated in such discussions.

b. State when and where such meeting or discussions were held.

c. Summarize what was said or discussed at such meetings or discussions.

To our knowledge, no one from the American Council for a Conservative Consensus ever attended any Nathan Rosenberg for Congress meetings or discussions. To our knowledge, no one from Nathan Rosenberg for Congress ever attended any meetings or discussions of the American Council for a Conservative Consensus.

Yes, individuals within the Committee did hold meetings or discussions during which information relating to any communications concerning Christopher Cox was considered, as listed below:

I. a. Nathan Rosenberg, Ted Long and David Vaporean

20040300836

b. Early May, 1988 at Ma's Restaurant, Costa Mesa, California

c. Christopher Cox's campaign literature, a Wall Street Journal article Mr. Cox had written, a transcript of the court hearing in which Mr. Cox was stopped from using a false title on the ballot, and Registrar of Voters affidavits with Mr. Cox's voting record were reviewed. To insure accuracy and credibility in responses to possible inquiries from voters and the press, it was decided to reproduce and quote directly from those sources in a brochure declaring that Mr. Cox was misleading the voters, failed to vote in elections, was a dupe of Soviet propaganda by publishing and distributing Pravda in English and was a carpetbagger with no ties to the community.

II. a. Nathan Rosenberg and David Vaporean

b. Early May, 1988 at 230 East 17th Street, Costa Mesa

c. Mr. Vaporean presented sketches and copy relating to the brochure discussed in meeting #1. Mr. Rosenberg approved the concept.

III. a. Ted Long, David Vaporean, Nathan Rosenberg and Kevin Kolbe

b. Mid-May, 1988 at Ma's Restaurant, Costa Mesa, California

c. The possibility of creating a brochure exposing Mr. Cox's rumored homosexuality was discussed. Several of Mr. Cox's supporters had called the Rosenberg campaign or those associated with the Committee to ask that such an attack not be made. Individuals had contacted the Rosenberg campaign to fuel the rumors of Mr. Cox's alleged homosexuality. It was decided that Mr. Cox's sexual preference was not an appropriate subject for campaign literature and that Mr. Rosenberg call Cox supporter, John Stahr, to assure him there would be no such communication.

IV. a. David Vaporean and Nathan Rosenberg

b. Mid-May, 1988 at 230 East 17th Street Costa Mesa

c. Mr. Vaporean presented "blue lines" for the brochure discussed in meeting #1 which Mr. Rosenberg approved. It was agreed that the brochure would be mailed at the end of May or first of June to frequent Republican voters.

V. a. Nathan Rosenberg, Ted Long, Kevin Kolbe, David

90040300337

Vaporean, Audrey Merkin and Daniel Dellacampagni.

b. Late May, 1988 at 230 East 17th Street, Costa Mesa

c. Ms. Merkin and Mr. Dellacampagni stated that the CYRPAC wanted to produce and mail a brochure which notified Republican voters that Mr. Cox had not voted for Ronald Reagan in 1984 and had missed other elections, was distributing Soviet propaganda and owned no real property in Orange County. Mr. Kolbe said that he had helped with the idea. Messrs. Long, Rosenberg and Vaporean informed them that such a mailing would violate Federal campaign law, and the idea was dropped.

VI. a. David Vaporean and Nathan Rosenberg

b. Late May, 1988 at 230 East 17th Street, Costa Mesa

c. The possibility of a brochure discussing Mr. Cox's failure to vote in several elections was discussed. It was decided that sufficient funds were not available to pay for such a brochure's distribution.

I hereby declare the foregoing is true and accurate to the best of my personal knowledge, information and belief.

Nathan Owen Rosenberg
Nathan Owen Rosenberg
For: Nathan Rosenberg for Congress

12 December 1988

CAT. NO. NMO0627
TO 1944 CA (9-84)

TICOR TITLE INSURANCE

(Individual)

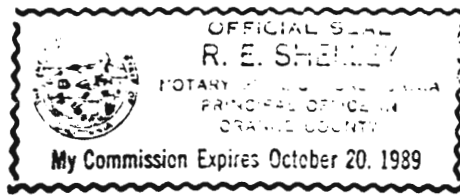
STATE OF CALIFORNIA }
COUNTY OF Orange } ss.

On December 12, 1988 before me, the undersigned, a Notary Public in and for said State, personally appeared Nathan Owen Rosenberg

_____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal

Signature: *R. E. Shelley*



(This area for official notarial seal)

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STAPLE HERE

U.S. Postage
PAID
Bulk Rate
Permit #285
Santa Ana, CA

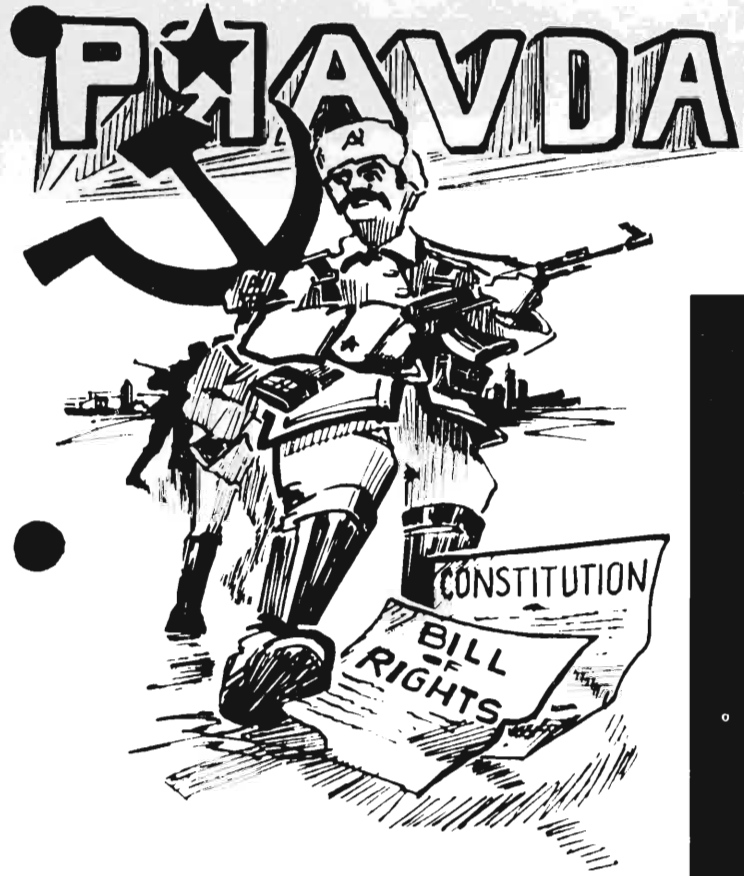
PRAYDA



PAID FOR BY THE AMERICAN COUNCIL FOR A CONSERVATIVE CONSENSUS

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PRO•PA•GAN•DA n. : mass distribution of ideas, doctrines or practices used to deceive or distort information to further a cause

Lenin, the father of the Soviet Communist state, often said that the way of the Communist Revolution would be paved by “useful idiots” in America.

Both Lenin and Stalin said such people would do more damage than any bullet, bomb, or army could possibly do. How? By destroying the truth.

Is Christopher Cox worthy of being a trusted member of Congress?

Perhaps Chris Cox has become so accustomed to distributing propaganda that he has a hard time telling the truth these days. Some recent examples:

On May 8, Chris Cox has two newspaper articles appear wherein he pledges to run a positive campaign based on the issues.

On May 13, Chris Cox mails a negative “hit piece” against an opponent. In Register and L.A. Times articles that same day, it is reported that Chris Cox and his staff plan a series of negative “hit pieces” against his two leading opponents.

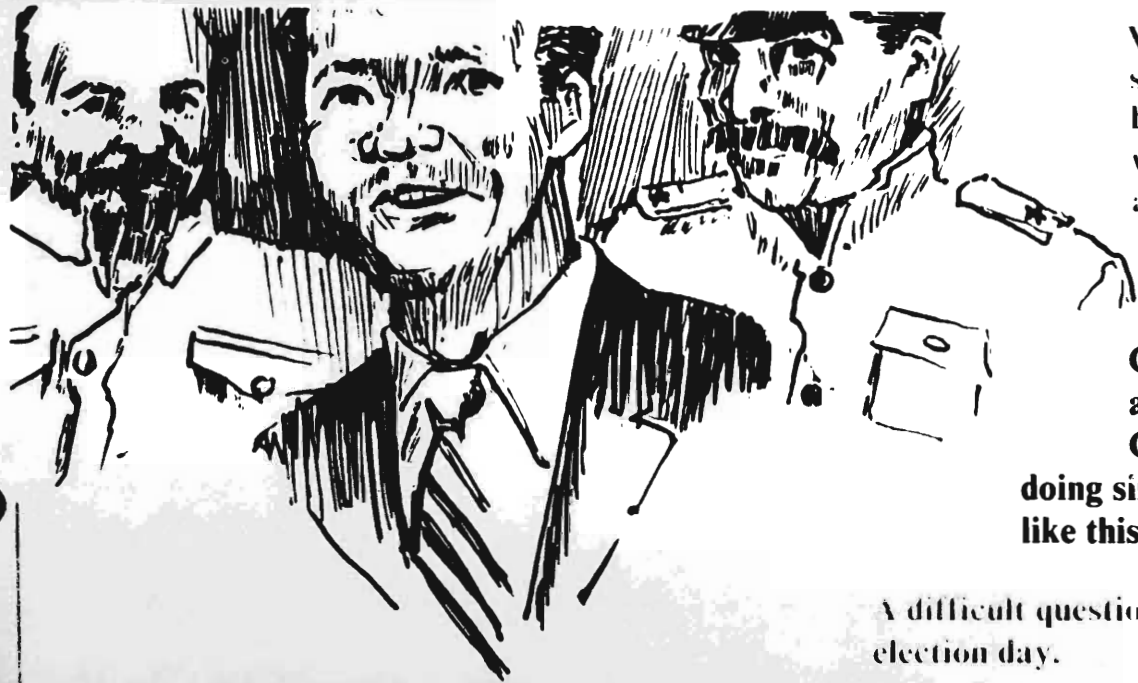
On April 7, Chris Cox sues the Secretary of State to get his ballot designation changed to say he held the office of advisor to the President.

Yet on April 12, official court transcripts show that under oath, Chris Cox admits to the Judge that he in fact was not an advisor to the President but was only responsible for monitoring the use of the Presidential Seal.



On April 11, Chris Cox addresses a group of voters and calls for a strong American stand against Communism.

On April 13, Chris Cox admits before 100 voters that he in fact is responsible for distributing Communist propaganda to American school kids.



With this kind of record, is Chris Cox someone who can tell the difference between a lie or the truth? Someone who would be asked to make decisions about our national security, about trade, about our country's most important secrets?

Candidate Cox can say or print anything he wants in America, even Communist propaganda like he's been doing since 1984. But can we trust someone like this to help run our government?

A difficult question. And one that only you can answer on election day.

Remember what Stalin, Communist dictator and murderer of millions, once said:

"...We have people, useful to our cause for world Communism, in the United States, who will take our propaganda and feed it to American school children, government leaders, and politicians...it is through these means we will bring down the American Imperialists..."

Before you cast your vote for Congress think about what has been said here.

Vote for Christy Cox, the words of Stalin and Lenin

or

Vote for truth and the freedom fighters from around the world who have sacrificed their lives to oppose the lies and distortions of Communism and those who spread it.

Vote June 7.

PAID FOR BY THE AMERICAN COUNCIL FOR A CONSERVATIVE CONSENSUS
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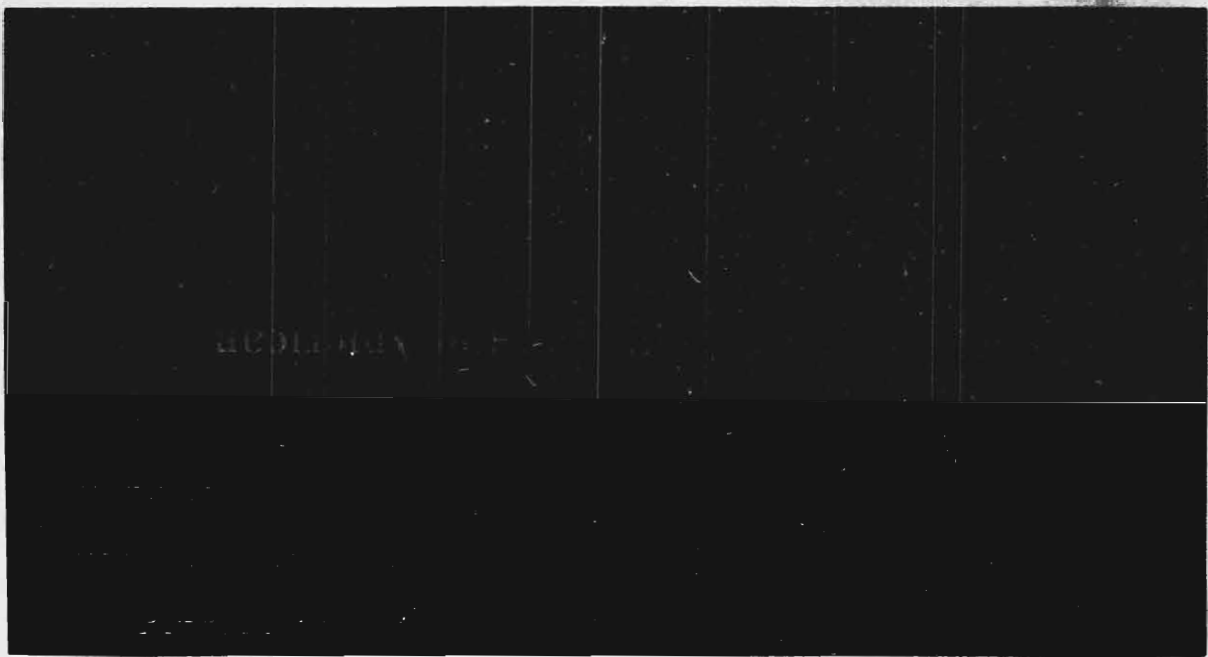
Before you cast your vote for Congress, please look inside for information about the above statement and one of the leading candidates seeking this office.



U.S. Postage
PAID
Bulk Rate
Permit #285
Santa Ana, CA

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Before you cast your vote for Congress, please look inside for information about the above statement and one of the leading candidates seeking this office.



Christopher Cox, on April 13, admitted to a crowd of over 100 Orange County voters that he is responsible for translating, publishing, and distributing Communist propaganda in the United States and 26 free countries.

Stalin talked repeatedly about such people as Christopher Cox. He told his fellow Communist leaders that people who helped to spread Communist propaganda were more valuable than any bullet, bomb, or army.



Christopher Cox was
educated at the University,

can do anything. The First Amendment to the Constitution gives
everyone the right to say or do what they want.

**Christopher Cox's company, Context, translates and distributes
"Pravda," the main Soviet propaganda daily publication. American
school children, thanks to Christopher Cox, are exposed to the lies,
distortions, and mind bending view of the world that Communist
propaganda so cleverly manufactures.**

Should we elect a Soviet "propagandist" like Christopher Cox in the
Congress of the United States?

You know the answer. No!

Just don't vote for the words of Stalin by voting for Cox for

**Or you can vote for truth, for America, and for the millions of
freedom-seeking people who have died at the hands of Communist
dictators like Stalin.**

It's all up to you. June 7.

How do you explain allegations of a sexual affair with another married woman and cheating on your wife to your family, friends, and the voters who you are asking to trust you? Ask Dave Baker, Candidate for Congress.

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Bulk Rate
Presort
Permit #285
Santa Ana

How do you explain allegations of a sexual affair with another married woman and cheating on your wife to your family, friends, and the voters who you are asking to trust you?

Ask Dave Baker, Candidate for Congress.

The fact is, Dave Baker won't answer the question truthfully.

It was reported that Dave Baker, a candidate for congress, was telling voters he is a "good husband and a guy who believes in family values."

Dave Baker, did you cheat on your wife? Yes or no? Will you cheat the people of this district? Why won't you just tell the truth?

On April 15, 1988, Dave Baker claims that family values are the cornerstone of his campaign for congress. On April 30, in an L.A. Times article headlined "Allegations of Adultery Confront Baker," Dave Baker refuses to answer questions surrounding the issue. His only answer was "no response."

Did he or didn't he? Only Dave Baker knows that answer, and he isn't talking.

Everyone has their opinion about this kind of moral issue or questionable judgement on the part of a public figure.

But this isn't the only time that Dave Baker has been confronted with allegations of questionable judgement. On April 19, 1988, in a speech to a neighborhood voter group, Dave Baker pledges to protect their quality of life if elected to congress. In 1987, Dave Baker voted to build the Yale Street overpass, thus endangering Irvine families in nearby neighborhoods with high speed auto traffic.

And of course, Dave Baker says he's never supported a tax increase. But official records show that in 1984, Dave Baker led the campaign to increase Orange County's sales tax.

With Dave Baker, the issue isn't one of lifestyle or morality. What is at issue is the trust and confidence we must have in our elected officials to faithfully carry out their duties.

The real question is: If a wife can't trust her husband to be faithful, can we trust him to be faithful to the sacred duties of being a congressman?

Trust and judgement are important. Are you willing to take a chance on Dave Baker?

Think about it. Please consider who deserves our trust when you vote.

Please vote June 7.

OGC 3400

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE SERVICES BRANCH

89 JUL 13 AM 9:42

AMERICAN COUNCIL FOR A CONSERVATIVE CONSENSUS
(C00228114)
1309 E. Northern, #520
Phoenix, Arizona 85020

July 10, 1989

General Counsel
Federal Elections Commission
999 E. Street, N.W.
Washington, D.C. 20463

RE: Termination of Committee

Dear Sir,

I would like to terminate the American Council for a Conservative Consensus (C00228114). There has been, for over a year, a matter under review, MUR 2618, still open.

I request that this matter be resolved. I have fully complied with all request. The Committee's activities have been suspended for over a year with no existing plans for political involvement.

It is my understanding that I cannot terminate the committee with an open matter. Please let me know what I need to do in order to terminate the committee and resolve MUR 2618. Your prompt consideration is greatly appreciated.

Sincerely,



Arthur Jackson
Executive Director

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUL 13 PM 11:57

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

July 24 1989

Arthur Jackson
Executive Director
American Council for
a Conservative Consensus
1309 E. Northern, #520
Phoenix, Arizona 85020

RE: MUR 2618
American Council for
a Conservative Consensus

Dear Mr. Jackson:

We are in receipt of your letter dated July 10, 1989. The Commission has not yet made a final determination as to the above-captioned enforcement matter. This Office is currently preparing a brief which sets forth the position of the General Counsel on the legal and factual issues in this matter.

We are proceeding in this matter as expeditiously as possible. As you correctly indicated in your letter, the American Council for a Conservative Consensus (the "Committee") may not terminate while it is involved in an ongoing enforcement matter. Therefore, you are reminded that the Committee must continue to file all the required reports with the Commission until such time as the enforcement matter has been closed as to the Committee.

If you have any questions, please contact Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in cursive script, which appears to read "Lois G. Lerner", is written over the typed name of the Associate General Counsel.

BY: Lois G. Lerner
Associate General Counsel

20040300850

89 AUG 31 AM 11:03

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
American Council for a)
Conservative Consensus and)
Sharlee Dodd, as treasurer)
Nathan Rosenberg for Congress and)
David R. White, as treasurer)

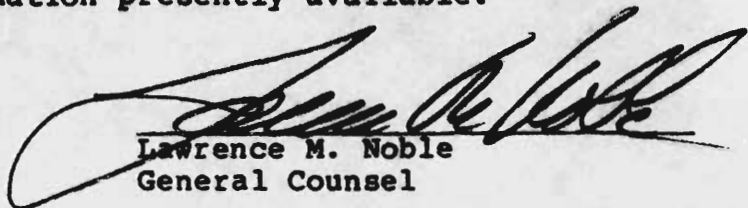
MUR 2618

SENSITIVE

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, and Nathan Rosenberg for Congress and David R. White, as treasurer, based on the assessment of the information presently available.

8/30/89
Date


Lawrence M. Noble
General Counsel

Staff: Kenneth Kellner

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

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SENSITIVE

October 5, 1989

MEMORANDUM

TO: The Commission
FROM: Lawrence M. Noble *LM*
General Counsel
SUBJECT: MUR #2618

Attached for the Commission's review are briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of the appropriate brief and a letter notifying the respondents of the General Counsel's intent to recommend to the Commission a finding of no probable cause to believe as to Nathan Rosenberg for Congress, and probable cause to believe as to the American Council for a Conservative Consensus were mailed on October 5, 1989. Following receipt of the respondents' replies to these notices, this Office will make a further report to the Commission.

Attachments

1. Briefs (2)
2. Letters to respondents (2)

Staff: Kenneth Kellner

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 5, 1989

Sharlee Dodd, Treasurer
American Council for
a Conservative Consensus
1309 East Northern Avenue
Suite 520
Phoenix, Arizona 85020

RE: MUR 2618
American Council for
a Conservative Consensus
and Sharlee Dodd, as
treasurer

Dear Ms. Dodd:

Based on a complaint filed with the Federal Election Commission on June 8, 1988, and information supplied by you, the Commission, on October 18, 1988, found that there was reason to believe the American Council for a Conservative Consensus (the "Committee") and you, as treasurer, violated 2 U.S.C. §§ 441a(a)(1)(A), 434 and 441d(a), and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that certain violations have occurred and no probable cause to believe that other violations have occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible. The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote on whether there is probable cause to believe a violation has occurred.

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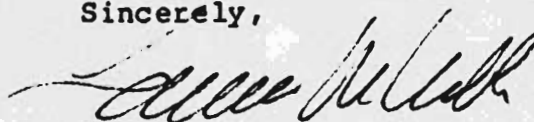
Sharlee Dodd, Treasurer
Page 2

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90, days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

90040300854

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2618
American Council for a)
Conservative Consensus and)
Sharlee Dodd, as treasurer)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

David W. Syme and Gary C. Huckaby filed a complaint with the Federal Election Commission (the "Commission") on June 8, 1988. The complaint alleged that Arthur M. Jackson and the American Council for a Conservative Consensus ("ACCC") had mailed two derogatory brochures to residents of Orange County, California. Copies of these brochures were included with the complaint. The gentlemen alleged that the preparation and distribution of these brochures were coordinated with Nathan Rosenberg for Congress (the "Rosenberg Committee") possibly through its agent, David W. Vaporean. Nathan Rosenberg was one of three candidates seeking the Republican nomination to the vacated California 40th district congressional seat. The substantive violations asserted were excessive contributions by Mr. Jackson and ACCC, failure to meet statutory reporting and filing requirements by ACCC, and improper disclaimers on the brochures.

After considering the evidence presented by ACCC and the Rosenberg Committee, on October 18, 1988, the Commission found reason to believe that the ACCC violated certain provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"). Interrogatories were sent to ACCC to acquire additional information. The focus of the inquiry was on an issue unresolved

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by the response to the complaint. An extension of time to reply was granted, and on December 13, 1988, answers to these interrogatories were received.

II. ANALYSIS

- A. The complaint alleged that the expenditures for brochures issued by ACCC were not independent, and therefore, those expenditures constituted contributions in excess of the statutory limitations.**

Pursuant to 2 U.S.C. § 441a(a)(1)(A), no person may contribute more than \$1000 in the aggregate per election to a federal candidate or his authorized political committee. In addition, no political committee may knowingly accept any contribution which violates Section 441a. 2 U.S.C. § 441a(f).

The costs to publish and distribute brochures which advocate the election or defeat of clearly identified federal candidates are expenditures made for the purpose of influencing an election to federal office. 2 U.S.C. § 431(9)(A)(i). Such expenditures, if not independent, are deemed in-kind contributions subject to the limitation on contributions. 2 U.S.C. § 441a(a)(7)(B)(i) and 11 C.F.R. § 109.1(c).

To be considered independent the expenditure must be made without cooperation or consultation with a candidate, authorized committee or agent of such candidate. These criteria are enumerated in 2 U.S.C. § 431(17). Section 109.1 of the Commission's regulations clarifies the meaning of independent expenditures. Under that regulation, an expenditure will be presumed to have been made in consultation and cooperation with an authorized committee when it is:

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(A) Based on information about the candidate's plans, projects or needs provided to the expending person by the candidate, or by the candidate's agents, with a view toward having the expenditure made;

(B) Made by or through any person who is, or has been, authorized to raise or expend funds, who is, or has been, an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent;
11 C.F.R. § 109.1(b)(4)(i).

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In responding to the allegations that the challenged expenditures had been coordinated, ACCC provided documentary evidence that the printing and distribution of its brochures was contracted and paid for solely by ACCC. However, because there was no refutation that no one associated with ACCC had attended meetings, had discussions or received information concerning "the candidate's plans, projects or needs" in connection with the brochure effort, the Commission found reason to believe that ACCC violated 2 U.S.C. § 441a(a)(1)(A) by the making of excessive contributions.

ACCC in its response to the Commission's interrogatories declared that no one involved with ACCC had any relationship, whether employment, volunteer services or other capacity, with the Rosenberg Committee. Further, there was no coordination, cooperation or prior consent regarding the ACCC brochures between the Rosenberg Committee and ACCC. Mr. Jackson apparently made all editorial decisions and other ministerial determinations on

behalf of ACCC, without any knowledge of the Rosenberg Committee or its plans.

In summary, the evidence and declarations confirm that the expenditures in question derived solely from ACCC's resources, that the use of a common mailing house was coincidental and that ACCC had no knowledge of the candidate's plans, projects or needs. Accordingly, the presumption that the expenditure was not independent is apparently rebutted in full, and there is no probable cause to believe that ACCC violated Section 441a(a)(1)(A).

B. The complaint alleged that ACCC failed to report the the expenditures associated with its brochures.

The complaint also alleged that ACCC is a political committee, subject to various reporting obligations which were not fulfilled. An organization is a political committee subject to the reporting provisions under the Act when it receives contributions or makes expenditures of \$1000 in a calendar year. 2 U.S.C. § 431(4)(A).

On May 24, 1988, the American Council for a Conservative Consensus filed a Statement of Organization with the Commission. Such statement pursuant to Section 433(a) must be filed within ten days after an organization becomes a political committee. The Commission determined that as ACCC had filed its Statement of Organization in a timely manner, there was no reason to believe a

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violation had occurred on this ground. Based on the then available information, however, the Commission determined that other reporting violations may have occurred.

A political committee must file reports on its financial activity, including any independent expenditures and in-kind contributions. All contributions received and disbursements made in aggregate amounts in excess of \$200 must be reported.

2 U.S.C. § 434. Further, any independent expenditure made after the 20th day, but more than 24 hours, before an election must be reported within 24 hours after such independent expenditure is made. 2 U.S.C. § 434(c), 11 C.F.R. § 104.5(g).

ACCC reported its expenditures as being independent by filing a Schedule E which was received on June 7. This schedule listed the sum of \$19,996 paid to Diversified Mailing, Inc. on May 27, and allocated that sum to opposition to the candidacy of the two persons named in the ACCC brochures. That payment occurred within twenty days prior to the election held on June 7, 1988. Accordingly, this expenditure, if independent, had to be reported within 24 hours. Yet, the expenditure of \$19,996 was reported on June 7, ten days after the expenditure was made.

On the information then available, however, these expenditures were deemed to have constituted an in-kind contribution to the Rosenberg Committee. Under Section 434(b)(6)(B)(i), a political committee must report the name of each other political committee to which it has made a contribution. Similarly the recipient committee must disclose

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such contribution. Therefore, to the extent that these expenditures were in-kind contributions, not independent expenditures, ACCC was obligated to report the disbursement of those sums. Since the filed reports did not make the requisite disclosures, the Commission found reason to believe that ACCC violated Section 434.

The information obtained, however, demonstrates that the expenditure was independent. ACCC has acknowledged that it failed to report its independent expenditure within the 24-hour period prescribed by Section 434(c) and 11 C.F.R. § 104.5(g). Therefore, there is probable cause to believe that ACCC violated 2 U.S.C. § 434(c).

C. The complaint further asserted that the disclosure notice on the ACCC brochures was improper.

The brochures distributed by ACCC contained the following disclosure statement: "Paid for by the American Council for a Conservative Consensus." The complainants alleged that pursuant to each subsection of 2 U.S.C. § 441d(a) that disclosure statement was inadequate. Pursuant to Section 441d(a), whenever a person finances a communication to advocate the election or defeat of a clearly identified candidate, a statement disclosing the source of the funds expended and authorization (or lack) by a federal candidate or committee must be made. The brochures created by ACCC identified two candidates by name and advocated their defeat. Accordingly, a proper disclosure statement would be required on each brochure distributed by ACCC.

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The disclosure statement, however, indicated only the source of the funds utilized to publish the brochures. ACCC has acknowledged that the disclaimer was incomplete. In a letter filed with the Commission on June 14, ACCC claimed that part of the disclaimer, "and not authorized by any candidate or candidate's committee," was inadvertently omitted from the printed brochures. According to the evidence presented and sworn statements, these brochures were not authorized by any political committee and represented an independent expenditure. Accordingly under Section 441d(a)(3), it must be disclosed that the communication was not authorized by any candidate or candidate's committee. Since no disclaimer concerning non-authorization appeared on the brochure, the Commission found reason to believe that Section 441d(a) was violated.

ACCC has again acknowledged that by omitting the required disclosure statement, it violated this provision. Accordingly, there is probable cause to believe that a violation of Section 441d(a) occurred.

III. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find no probable cause to believe the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A).
2. Find probable cause to believe the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. §§ 434(c) and 441d(a).

Date

10/15/89


Lawrence M. Noble
General Counsel



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 5, 1989

Richard Mayberry, Esquire
Richard Mayberry & Associates
Suite 500
888 16th Street, N. W.
Washington, D. C. 20006

RE: MUR 2618
Nathan Rosenberg for
Congress and
David R. White,
as treasurer

Dear Mr. Mayberry:

Based on a complaint filed with the Federal Election Commission on June 8, 1988, and information supplied by you, the Commission, on October 18, 1988, found that there was reason to believe your client, Nathan Rosenberg for Congress and David R. White, as treasurer, violated 2 U.S.C. §§ 441a(f) and 434, and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that these violations have occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible. The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote on whether there is probable cause to believe a violation has occurred.

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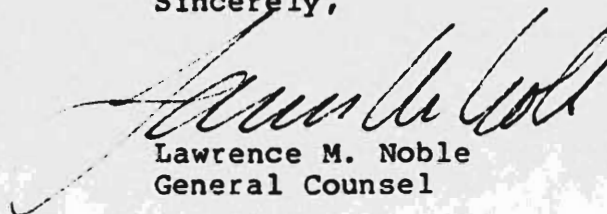
Richard Mayberry, Esquire
Page 2

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90, days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2618
Nathan Rosenberg for Congress and)
David R. White, as treasurer)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

David W. Syme and Gary C. Huckaby filed a complaint with the Federal Election Commission (the "Commission") on June 8, 1988. The complaint alleged that Arthur M. Jackson and the American Council for a Conservative Consensus ("ACCC") had mailed two derogatory brochures to residents of Orange County, California. Copies of these brochures were included with the complaint. The gentlemen alleged that the preparation and distribution of these brochures were coordinated with Nathan Rosenberg for Congress (the "Rosenberg Committee") possibly through its agent, David W. Vaporean. Nathan Rosenberg was one of three candidates seeking the Republican nomination to the vacated California 40th district congressional seat. The substantive violations asserted were excessive contributions by Mr. Jackson and ACCC, failure to meet statutory reporting and filing requirements by ACCC, and improper disclaimers on the brochures.

After considering the allegations and the evidence presented by ACCC and the Rosenberg Committee, on October 18, 1988, the Commission found reason to believe that the Rosenberg Committee violated certain provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"). Interrogatories were sent to the Rosenberg Committee to acquire additional information. The focus of the inquiry was on an issue unresolved by the responses

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to the complaint. An extension of time to reply was granted, and on December 13, 1988, answers to these interrogatories were received.

II. ANALYSIS

- A. The complaint alleged that the expenditures for brochures issued by ACCC were not independent, and therefore, those expenditures constituted contributions in excess of the statutory limitations.

Pursuant to 2 U.S.C. § 441a(a)(1)(A), no person may contribute more than \$1000 in the aggregate per election to a federal candidate or his authorized political committee. In addition, no political committee may knowingly accept any contribution which violates Section 441a. 2 U.S.C. § 441a(f).

The costs to publish and distribute brochures which advocate the election or defeat of clearly identified federal candidates are expenditures made for the purpose of influencing an election to federal office. 2 U.S.C. § 431(9)(A)(i). Such expenditures, if not independent, are deemed in-kind contributions subject to the limitation on contributions. 2 U.S.C. § 441a(a)(7)(B)(i) and 11 C.F.R. § 109.1(c).

To be considered independent the expenditure must be made without cooperation or consultation with a candidate, authorized committee or agent of such candidate. These criteria are enumerated in 2 U.S.C. § 431(17). Section 109.1 of the Commission's regulations clarifies the meaning of independent expenditures. Under that regulation, an expenditure will be presumed to have been made in consultation and cooperation with an authorized committee when it is:

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(A) Based on information about the candidate's plans, projects or needs provided to the expending person by the candidate, or by the candidate's agents, with a view toward having the expenditure made;

(B) Made by or through any person who is, or has been, authorized to raise or expend funds, who is, or has been, an officer of an authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent;
11 C.F.R. § 109.1(b)(4)(i).

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In responding to the allegations that the challenged expenditures had been coordinated, the Rosenberg Committee disclaimed any knowledge of and any involvement in the ACCC brochures, monetarily or in their preparation or distribution. However, because there was no refutation that no one associated with ACCC had attended meetings, had discussions or received information concerning "the candidate's plans, projects or needs" in connection with the brochure effort, the Commission found reason to believe that the Rosenberg Committee violated 2 U.S.C. § 441a(f) by its apparent receipt of excessive contributions.

The Rosenberg Committee in sworn responses to the Commission's interrogatories affirmed that no one from ACCC attended any meetings or was involved in any aspect of the Rosenberg Committee's preparation and distribution of campaign literature. The Rosenberg Committee also declared that the candidate and persons associated with the campaign did not advise or consult with ACCC regarding its production and distribution of the challenged brochures. The Rosenberg Committee further

affirmed that no one connected with ACCC attended any meetings, participated in any discussions or received any information concerning the plans, projects and needs of the candidate and the Rosenberg Committee.

In summary, the evidence and declarations confirm that the expenditures in question derived solely from ACCC's resources, that the use of a common mailing house was coincidental and that ACCC had no knowledge of the candidate's plans, projects or needs. Accordingly, the presumption that the expenditure was not the independent is apparently rebutted in full, and there is no probable cause to believe that the Rosenberg Committee violated Section 441a(f).

- B. **The complaint alleged that the Rosenberg Committee failed to report the receipt of an in-kind contribution, i.e., the expenditures associated with the ACCC brochures.**

The complaint also alleged that various reporting obligations were not fulfilled. A political committee must file reports on its financial activity, including any independent expenditures and in-kind contributions. All contributions received and disbursements made in aggregate amounts in excess of \$200 must be reported. 2 U.S.C. § 434. Further, any independent expenditure made after the 20th day, but more than 24 hours, before an election must be reported within 24 hours after such independent expenditure is made. 2 U.S.C. § 434(c), 11 C.F.R. § 104.5(g).

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ACCC reported its expenditures as being independent by filing a Schedule E which was received on June 7. This schedule listed the sum of \$19,996 paid to Diversified Mailing, Inc. on May 27, and allocated that sum to opposition to the candidacy of the two persons named in the ACCC brochures. Based on the information then available, these expenditures were deemed to have constituted an in-kind contribution to the Rosenberg Committee. Under Section 434(b)(6)(B)(i), a political committee must report the name of each other political committee to which it has made a contribution. Similarly the recipient committee must disclose such contribution. Therefore, to the extent that these expenditures were in-kind contributions, not independent expenditures, the Rosenberg Committee was obligated to report the disbursement and receipt of those sums. Since the filed reports did not make the requisite disclosures, the Commission found reason to believe the Rosenberg Committee violated Section 434.

The information obtained, however, has demonstrated that the expenditure by ACCC was independent. Under Section 434(c), such independent expenditure must be reported by the expending party. Accordingly, since the Rosenberg Committee did not expend the funds in question, the Rosenberg Committee had no obligation to report the receipt and disbursement of such expenditure. Therefore, there is no probable cause to believe that the Rosenberg Committee violated 2 U.S.C. § 434.

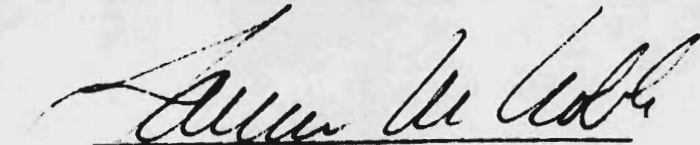
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III. GENERAL COUNSEL'S RECOMMENDATION

1. Find no probable cause to believe that Nathan Rosenberg for Congress and David R. White, as treasurer, violated 2 U.S.C. § 441a(f) or § 434.

Date

10/5/87



Lawrence M. Noble
General Counsel

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DGC 4414

AMERICAN COUNCIL FOR A CONSERVATIVE CONSENSUS
1309 EAST NORTHERN, #520, PHOENIX, ARIZONA 85020
FEC ID C00228114

OCTOBER 27, 1989

TO: KENNETH E. KELLNER
FEDERAL ELECTION COMMISSION

FROM: ARTHUR JACKSON
EXECUTIVE DIRECTOR

RE: MUR 2618
RESPONSE TO GENERAL COUNSEL'S BRIEF

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 OCT 30 AM 12:32

I received the Brief a week ago and apologize for the delay in responding to your letter dated October 5, 1989. It is my desire to have this matter settled as soon as possible.

RESPONSE:

A. Obviously, I accept the conclusion for no probable cause.

B. I do not disagree with the finding although there are mitigating circumstances. The Schedule E was filed late due to clerical error and a long holiday weekend. Since the form must be notarized, my secretary waited until she could go to the bank (who I used for a notary). The transaction took place late Friday, May 27th, and Monday, May 30th, was Memorial Day and the bank and post office were closed. She did not understand the importance of immediate mailing and sent it a day later. Please note the Schedule E was received on June 7th, but postmarked a few days earlier. I understand it was sent Certified Mail but I cannot find my receipt for the postmark.

Although I have not provided the proof, the Schedule E which was sent to the Secretary of State of California was mail regular postage on May 27th. There was absolutely no malicious or deceptive intent, just simple errors and misunderstanding.

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
89 OCT 30 AM 10:39

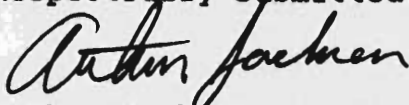
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C. I do not disagree with the finding. As I have stated, I sincerely regret the error. When I reviewed photocopies of the proof before printing, the correct and accurate disclaimer statement was on the mailing. There is no evidence to back my claim, but I believe that someone at the printer (which was also used by other candidates in the race) removed the text with the intention to stop the mailing. I did not see the actual final piece until after it was mailed.

Ultimately, the responsibility for these errors is ours and we accept that. The issue has never been in dispute and has been consistently and fully acknowledged. The Committee has only about \$200, has ceased operation, and is not fundraising for any activities. I request leniency in any proposed penalties due to my total cooperation, lack of funds, and desire to dissolve the committee.

Please feel free to contact me with any questions at (602) 870-3825.

Respectfully submitted,



Arthur Jackson
Executive Director

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Nathan Rosenberg for Congress and
David R. White, as treasurer; and the
American Council for a Conservative
Consensus and Sharlee Dodd, as
treasurer

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SENSITIVE

APR 3 1990

SENSITIVE SESSION

GENERAL COUNSEL'S REPORT

I. BACKGROUND AND ANALYSIS

This matter arose from a complaint filed with the Commission on June 8, 1988 by David W. Syme and Gary C. Huckaby. The complaint alleged that the American Council for a Conservative Consensus had mailed two derogatory brochures to residents of Orange County, California, for which the preparation and distribution were coordinated with Nathan Rosenberg for Congress, possibly through its agent, David W. Vaporean. The complaint asserted the American Council for a Conservative Consensus, by its action, had made excessive contributions, failed to meet statutory reporting and filing requirements, and failed to include a proper disclaimer on the brochures.

After considering the evidence supplied with the complaint and provided by the respondents, the Commission, on October 18, 1988, found reason to believe the Nathan Rosenberg for Congress and David R. White, as treasurer, (the "Rosenberg Committee") violated 2 U.S.C. §§ 441a(f) and 434. On that same date, the Commission further found reason to believe the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, (the "ACCC") violated 2 U.S.C. §§ 441a(a)(1)(A), 434, and 441d(a).

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A. Rosenberg Committee

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A General Counsel's Brief was mailed to the Rosenberg Committee on October 5, 1989. The Rosenberg Committee has not submitted a response to the General Counsel's Brief. As detailed in the brief, the evidence and declarations confirm that the expenditures in question derived solely from the ACCC's resources and that the use of a common mailing house was coincidental. The evidence further confirms that the ACCC had no knowledge of the candidate's plans, projects or needs. Accordingly, since the presumption that the expenditure for the brochure was not independent is apparently rebutted in full, this Office recommends that the Commission find no probable cause to believe that Nathan Rosenberg for Congress and David R. White, as treasurer, violated 2 U.S.C. § 441a(f).

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In addition, since the Rosenberg Committee did not expend the funds in question, the Rosenberg Committee had no obligation under Section 434(c) to report the receipt and disbursement of this expenditure. Therefore, this Office further recommends that the Commission find no probable cause to believe that Nathan Rosenberg for Congress and David R. White, as treasurer, violated 2 U.S.C. § 434.

B. ACCC

A General Counsel's Brief was mailed to the ACCC on October 5, 1989. As set forth above and detailed in the brief, the evidence and declarations confirm that the expenditures in question derived solely from the ACCC's resources and that the use of a common mailing house was coincidental. The evidence

further confirms that the ACCC had no knowledge of the candidate's plans, projects or needs. Accordingly, since the presumption that the expenditure for the brochure was not independent is apparently rebutted in full, this Office recommends that the Commission find no probable cause to believe that the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A).

The ACCC has acknowledged, however, that it failed to report its independent expenditure within the 24 hour period prescribed by Section 434(c) and 11 C.F.R. § 104.5(g). Therefore, this Office recommends the Commission find probable cause to believe the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 434(c).

Also as detailed in the General Counsel's Brief, the disclosure statement contained on the brochures indicated the source of the funds utilized to publish the brochures, but omitted disclosure that the communication was not authorized by any candidate or candidate's committee. 2 U.S.C. § 441d(a)(3). The ACCC has repeatedly acknowledged that the disclaimer was incomplete. Accordingly, this Office recommends that the Commission find probable cause to believe the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 441d(a).

The ACCC submitted a response to the General Counsel's Brief on October 30, 1989. The response is included as an attachment to this report. In its response, the ACCC does not disagree with any of this Office's recommendations contained in the brief. It

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did, however, provide explanations for its actions and a request for "leniency in any proposed penalties[.]" For example, in its response, the ACCC states that the late reporting of its independent expenditures was "due to clerical error and a long holiday weekend", and that there was "no malicious or deceptive intent." According to the ACCC, "[t]he transaction took place late Friday, May 27th, and Monday, May 30th, was Memorial Day and the bank and post office were closed." As a result, states the ACCC, it could not get the required form notarized in time for a timely mailing.

The ACCC further apologized for the incomplete disclaimer on the brochures. While taking responsibility for the error, the ACCC apparently believes that its brochures were sabotaged by other participants in the Congressional race. See Attachment 1 at p.2. Nonetheless, the ACCC concedes no evidence exists that the full disclaimer was on an earlier proof of the brochure.

II. Discussion of Conciliation Provisions and Civil Penalty

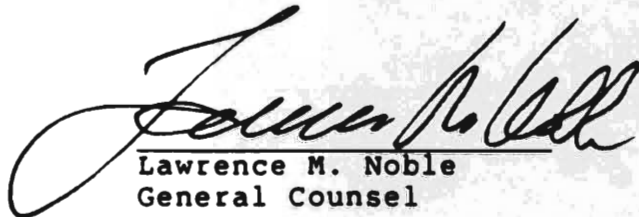
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III. RECOMMENDATIONS

1. Find no probable cause to believe Nathan Rosenberg for Congress and David R. White, as treasurer, violated 2 U.S.C. §§ 441a(f) and 434, and close the file as to these respondents.
2. Find no probable cause to believe the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A).
3. Find probable cause to believe the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer violated 2 U.S.C. §§ 434(c) and 441d(a).
4. Approve the attached proposed conciliation agreement and letters.

3/12/90

Date


 Lawrence M. Noble
 General Counsel

Attachments

1. Response to General Counsel's Brief submitted by the ACCC
2. Response to Interrogatories submitted by the ACCC
3. Response to Interrogatories submitted by the Rosenberg Committee
4. Letter to the Rosenberg Committee
5. Letter and Conciliation Agreement to the ACCC

Staff assigned: Kenneth Kellner

90040300876

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Nathan Rosenberg for Congress and) MUR 2618
David R. White, as treasurer; and the)
American Council for a Conservative)
Consensus and Sharlee Dodd, as)
treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of April 3, 1990, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 2618:

1. Find no probable cause to believe Nathan Rosenberg for Congress and David R. White, as treasurer, violated 2 U.S.C. §§ 441a(f) and 434, and close the file as to these respondents.
2. Find no probable cause to believe the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A).
3. Find probable cause to believe the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, violated 2 U.S.C. §§ 434(c) and 441d(a).

(continued)

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4. Approve the proposed conciliation agreement and letters attached to the General Counsel's report dated March 12, 1990.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

4-4-90
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 6, 1990

Richard Mayberry, Esq.
Richard Mayberry & Associates
Suite 500
888 16th Street, N.W.
Washington, D.C. 20006

RE: MUR 2618
Nathan Rosenberg for
Congress and David R.
White, as treasurer

Dear Mr. Mayberry:

This is to advise you that on April 3, 1990, the Federal Election Commission found that there is no probable cause to believe your clients, Nathan Rosenberg for Congress and David R. White, as treasurer, violated 2 U.S.C. § 441a(f) and 434. Accordingly, the file in this matter has been closed as to your clients.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please contact Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 6, 1990

Sharlee Dodd, Treasurer
American Council for a
Conservative Consensus
1309 East Northern Avenue
Suite 520
Phoenix, Arizona 85020

RE: MUR 2618
American Council for a
Conservative Consensus and
Sharlee Dodd, as treasurer

Dear Ms. Dodd:

On April 3, 1990, the Federal Election Commission found that there is probable cause to believe the American Council for a Conservative Consensus and you, as treasurer, violated 2 U.S.C. §§ 434(c) and 441d(a), provisions of the Federal Election Campaign Act of 1971, as amended, in connection with brochures published and distributed by the American Council for a Conservative Consensus. On that same date, the Commission found that there is no probable cause to believe the American Council for a Conservative Consensus and you, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A).

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

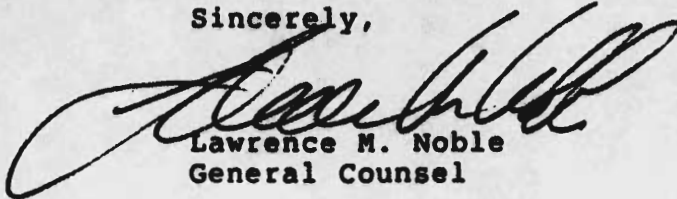
Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept the agreement. Please make your check for the civil penalty payable to the Federal Election Commission.

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Sharlee Dodd, Treasurer
Page 2

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 2, 1990

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Sharlee Dodd, Treasurer
American Council for a
Conservative Consensus
1309 East Northern Avenue
Suite 520
Phoenix, Arizona 85020

RE: MUR 2618
American Council for a
Conservative Consensus and
Sharlee Dodd, as treasurer

Dear Ms. Dodd:

On April 6, 1990, you were notified that the Federal Election Commission found probable cause to believe that the American Council for a Conservative Consensus ("Committee") and you, as treasurer, violated 2 U.S.C. §§ 434(c) and 441d(a). On that same date, you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), the conciliation period in this matter may not extend for more than 90 days, but may cease after 30 days. Insofar as more than 30 days have elapsed without a response from you, a recommendation concerning the filing of a civil suit will be made to the Commission by the Office of the General Counsel unless we receive a response from you within 10 days of receipt of this letter.

Should you have any questions, please contact Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel


BY: Jonathan A. Bernstein
Assistant General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
 Nathan Rosenberg for Congress and) MUR 2618
 David R. White, as treasurer; American)
 Council for a Conservative Consensus)
 and Sharlee Dodd, as treasurer)

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On April 3, 1990, the Commission found probable cause to believe the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer ("the Committee"), violated 2 U.S.C. §§ 434(c) and 441d(a) by filing a 24 hour independent expenditure report too late and including an incomplete disclaimer on the brochures that are the subject of this matter.

This Office recommends the Commission accept this agreement in settlement of this matter. Moreover, because this agreement disposes of the remaining respondents in the matter, we further recommend the Commission close the file.

II. DISCUSSION OF CONCILIATION PROVISIONS

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Further, the Committee desires to terminate, had only \$251 in its account (Attachment 1, page 2), and the Committee's Executive Director, himself with substantial personal debts, agreed to make up the difference from his personal funds in order to settle the matter (Attachment 3, page 1).

III. RECOMMENDATIONS

- 1. Accept the attached conciliation agreement with the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer.
- 2. Close the file.
- 3. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

8/7/90
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachments

- 1. Response dated May 15, 1990
- 2. Response dated June 13, 1990
- 3. Response dated July 13, 1990

Staff assigned: Kenneth Kellner

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Nathan Rosenberg for Congress and) MUR 2618
David R. White, as treasurer; American)
Council for Conservative Consensus)
and Sharlee Dodd, as treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 10, 1990, the Commission decided by a vote of 6-0 to take the following actions in MUR 2618:

1. Accept the conciliation agreement with the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, as recommended in the General Counsel's Report dated August 7, 1990.
2. Close the file.
3. Approve the letter, as recommended in the General Counsel's Report dated August 7, 1990.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

8-13-90
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Tues., August 7, 1990 4:22 p.m.
Circulated to the Commission: Wed., August 8, 1990 11:00 a.m.
Deadline for vote: Fri., August 10, 1990 11:00 a.m.

dr

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 21, 1990

Sharlee Dodd, Treasurer
American Council for a
Conservative Consensus
1309 East Northern Avenue
Suite 520
Phoenix, Arizona 85020

RE: MUR 2618
American Council for a
Conservative Consensus and
Sharlee Dodd, as treasurer

Dear Ms. Dodd:

On August 10, 1990, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your behalf in settlement of violations of 2 U.S.C. §§ 434(c) and 441d(a), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter. This matter will become a part of the public record within 30 days. If you wish to submit any further factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

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Sharlee Dodd, Treasurer
Page 2

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

90040300887

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
American Council for a) MUR 2618
Conservative Consensus and)
Sharlee Dodd, as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by David W. Syme and Gary C. Huckaby. An investigation was conducted, and the Federal Election Commission (the "Commission") found probable cause to believe that the American Council for a Conservative Consensus and Sharlee Dodd, as treasurer, (the "Respondents") violated 2 U.S.C. §§ 434(c) and 441d(a).

NOW, THEREFORE, the Commission and the Respondents, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in his matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. American Council for a Conservative Consensus is a political committee within the meaning of 2 U.S.C. § 431(4).

2. Sharlee Dodd is the treasurer of the American Council for a Conservative Consensus.

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3. The Statement of Organization for the American Council for a Conservative Consensus was filed on May 24, 1988.

4. On May 27, 1988, Respondents expended \$19,996 for the publication and dissemination of brochures to the residents of Orange County, California. Respondents distributed the brochures to the residents of Orange County, California. Those brochures advocated the defeat of two named federal candidates competing in the 1988 California Primary Election.

5. The 1988 California Primary Election was held on June 7, 1988.

6. Respondents reported the expenditure in a Schedule E which was filed with the Commission on June 7, 1988.

7. The brochures distributed by the Respondents contained the following disclosure statement: "Paid for by the American Council for a Conservative Consensus." The brochures did not disclose that the communication was not authorized by any candidate or candidate's committee.

8. In a letter to the Commission dated June 14, 1988, Respondents acknowledged the omission of a portion of the required disclosure notice on these brochures.

9. Pursuant to Section 434(c) of Title 2, United States Code, any independent expenditure [including ones described in Section 434(b)(6)(B)(iii)] which was made after the 20th day, but more than 24 hours, before an election must be reported within 24 hours after such independent expenditure was made. See also 11 C.F.R. § 104.5(g).

10. Pursuant to Section 441d(a) of Title 2, United

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States Code, whenever a person finances a communication to advocate the election or defeat of a clearly identified candidate, a statement disclosing the source of the funds expended and authorization (or lack of authorization) by a federal candidate or committee must be made.

V. Respondents failed to report an independent expenditure which exceeded \$1,000 and which was made within 20 days prior to, but more than 24 hours before, an election in violation of 2 U.S.C. § 434(c).

VI. Respondents financed communications to advocate the defeat of clearly identified federal candidates but failed to disclose that the communication was not authorized by any candidate or candidate's committee in violation of 2 U.S.C. § 441d(a).

VII. Respondents will pay a civil penalty to the Federal Election Commission in the amount of One Thousand Five Hundred Dollars (\$1,500), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters 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.

IX. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

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X. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.


FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

8/20/90
Date

FOR THE RESPONDENTS:


(Name)
(Position) Exec. Dir.
Treas.

July 13, 1990
Date

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 21, 1990

Richard Mayberry, Esq.
Richard Mayberry & Associates
Suite 500
888 16th Street, N.W.
Washington, D.C. 20006

RE: MUR 2618
Nathan Rosenberg for Congress
Committee and David R. White,
as treasurer

Dear Mr. Mayberry:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any additional legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Kenneth E. Kellner, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in black ink, appearing to read "Lerner", with a long horizontal line extending to the right.

BY: Lois G. Lerner
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2618

DATE FILMED 9/13/90 CAMERA NO. 2

CAMERAMAN AS

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