



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-3

January 8, 1998

Lawrence P. Novak, Treasurer
Massachusetts Republican State Committee
21 Milk Street, 4th Floor
Boston, MA 02109

Identification Number: C00042622

Reference: Mid-Year Report (1/1/97-6/30/97)

Dear Mr. Novak:

On December 3, 1997, you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

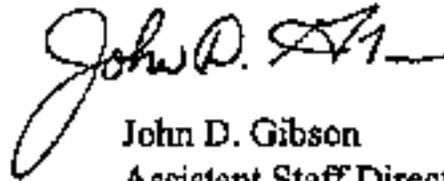
Your December 16, 1997 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-You state that the committee reached a "settlement" with Campaign Tel Ltd. by paying \$32,000 and receiving a \$12,000 "credit." Commission regulations (see 11 CFR 116) control the settlement of debts between political committees and their creditors. A **debt settlement** occurs when a **terminating** committee negotiates final payment at an amount less than that actually owed with its creditor to extinguish the debt whereas a **disputed debt** is a debt over which the committee and creditor are not in agreement about the amount owed. If the committee and creditor resolve the dispute and the committee pays the amount agreed upon by both parties, the debt is considered paid in full. Please provide more information regarding the Campaign Tel Ltd. debt.

If this information is not received by the Commission within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Debbie Manzano on our toll-free number (800) 424-9530 or our local number (202) 219-3580.

Sincerely,

A handwritten signature in black ink that reads "John D. Gibson". The signature is written in a cursive style with a large, looping initial "J".

John D. Gibson
Assistant Staff Director
Reports Analysis Division

