

# REPUBLICAN

Central Committee of Saint Louis County

February 4, 1995

Federal Election Commission  
Attention: Kenneth A. Davis, Jr.  
999 E. St. NW  
Washington, D.C. 20463

Re: Republican Central Committee of St.  
Louis County, Missouri  
#C00275586

Dear Mr. Davis:

A few days ago I had, somewhere, your fax number. I intended to fax to you the two questions I'm asking in this letter. Now, however, I've misplaced the number; therefore, I thought I'd do this by regular mail.

In a rather long cover letter I wrote to you last week I tried to further the resolution of questions you asked in three different letters dated January 20, 1995. After mailing all of that material off to you, however, a couple of other questions arose in my mind. I thought I'd address these to you so that we can get everything resolved and tied up at once.

The first of these questions has two parts, and pertains to the issues we have been discussing concerning a tabloid and telephone banks, and your contention that to the extent these devices aided federal candidates, they might constitute an in-kind contribution. Part one of the question is this. My preliminary discussions suggest to me that if any federal candidates used the telephone bank there was only one who did so. We sent you a copy of the tabloid and I assume you'll make your own determination about that. But the questions that arise from this set of facts are these. Suppose, for a moment, that only one federal candidate used the telephone banks. Instead of considering that use an in-kind contribution, could we invoice the candidate for the value of the use of the phone banks? If the hypothetical candidate (and the candidate *is* hypothetical at this point since I'm not sure *any* federal candidate used the phone banks) paid us, could we deposit that check in our federal account since, presumably, all the money in the candidate's account was federally-sanctioned money?

95039070707  
9927 Manchester Road • Saint Louis, Missouri 63122 • (314) 963-9878

Federal Election Commission  
Mr. Kenneth A. Davis, Jr.  
February 4, 1995  
Page 2

Part two of question one is this. Suppose that you determine that our tabloid should in fact be considered an in-kind contribution to federal candidates. It appears to me that each of our four federal candidates had about one-third of a page of an eight-page tabloid, or 1/24 of the total cost. Assuming your answer to question 1(A) about billing the costs to the campaign in question was in the affirmative, then could we, as to the tabloid, bill some campaigns and make in-kind contributions to others? For example: two of the campaigns, the Senate campaign and one congressional campaign, were successful and probably have available funds. The other two congressional campaigns were not successful and may have no funds. Could we, for example, bill 1/24 of the tabloid cost to the senate campaign and the successful congressional campaign, but amend the reports to show in-kind contributions to the two unsuccessful congressional campaigns?

Now, question two. We retained an individual to assist with fundraising last year. Our agreement was that he would be compensated in an amount equal to 10% of the money he raised. In December, he sent us a bill in the amount of \$1,450. I have spoken with him and he agrees (as we do) that all the money he raised was deposited in the State account. In fact, we only deposited a single \$400 amount in the federal account last year, and the fundraiser we now propose to pay had nothing to do with that contribution. We transferred a lot of money from the state account to the federal account for allocation ratio transfers, but raised almost nothing on the federal side.

Obviously, some amount of what we raised on the State side *could* have been deposited in the federal account. My primary reason for depositing most of it in the state account was that we started the year with roughly equal amounts in the two accounts, and the allocation ratio we had last year (3:1, or 25%) meant that we were spending most of the money from the state account. Indeed, I managed fairly well because, at the moment, we have about \$2,500 in the state account and about \$350 in the federal account. But the point is that the fundraiser was engaged to raise money in general, not just for the state account but for both; but in fact, every cent he raised went into the state account. Now, what I'd like to do is to pay this gentleman out of the state account. I have enough money in the state account to do that. But my question is whether that is permissible or not.

As part two to this second question, assume for the moment that you conclude that there must be some federal share paid to the fundraiser in question. Would it be appropriate and acceptable to use the 1995 ratio which, in our case is 77.78% to 22.22%? This ratio would mean that we'd owe the fundraiser a federal share of \$322.19; our federal account has a balance of \$337.61 at the moment.

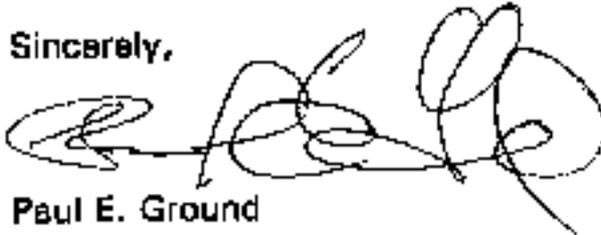
95039470708

Federal Election Commission  
Mr. Kenneth A. Davis, Jr.  
February 4, 1995  
Page 3

I don't intend to drive you nuts with questions like this. But although I'm an attorney, I do this as a volunteer. I want to comply with the law and do things the way you guys want them done, and I've tried to do that in the 15 months or so since I became treasurer. Before I do anything with a transaction I'm not sure about, I'd prefer to run it past you and get your view.

As I said last week, everyone at the Commission, including the recently-retired Terry Reynolds who was our previous analyst, and the very gracious Amy Reynolds who assisted me last week (are they related?), and you, have made every effort to be helpful and tolerant of our errors and oversights. Thanks again for your help and cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul E. Ground". The signature is stylized with loops and flourishes, particularly around the "P" and "G".

Paul E. Ground  
Treasurer

9 5 0 3 4 6 7 0 7 6 9

Federal Election Commission  
**ENVELOPE REPLACEMENT PAGE  
FOR INCOMING DOCUMENTS**

The Commission has added this page to the end of this filing to indicate how it was received.

Hand Delivered

DATE OF RECEIPT

First Class Mail

POSTMARKED

*2-6-95*

Registered/Certified Mail

POSTMARKED

No Postmark

Postmark Illegible

Received from the House Office of Records  
and Registration

DATE OF RECEIPT

Received from the Senate Office of Public  
Records

DATE OF RECEIPT

Other (Specify):

POSTMARKED

and/or DATE OF RECEIPT

*JMH*  
PREPARER

*2-22-95*  
DATE PREPARED

9503907070