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# President Ford Committee

1628 L STREET, N.W., SUITE 250, WASHINGTON, D.C. 20036 (202) 457-6400

April 14, 1976

Loren Smith, Esquire General Counsel Citizens for Reagan 1835 K Street, N. W. Washington, D. C. 20006

Dear Mr. Smith:

The purpose of this letter is to bring to your attention certain activities of the Texas Citizens for Reagan Committee and another affiliated organization in that State operating under the name of "Delegates for Reagan". These activities raise serious questions regarding the continued operation of "Delegates for Reagan" as a group of unauthorized delegates within the meaning of that term as determined by the Federal Election Commission.

Accordingly, we want to express our deep concern that the nature of these activities may constitute a violation of the Federal election campaign laws and may expose your committee and your delegates to complaints before the Federal Election Commission. Any such violation may, of course, result in substantial fines and possible imprisonment for such persons. Moreover, in view of the uncertainty regarding the immediate reconstitution of the FEC and the extent of its present powers, we believe that you bear the responsibility of immediately reviewing this situation and taking corrective action.

As you are aware, the Federal Election Commission issued a Policy Statement and Guidelines on Delegate Selection on February 10, 1976. The Guidelines state, inter alia, that an unauthorized delegate-candidate is one who has not been financially authorized by the Presidential candidate or his agents. In particular, the Commission pointed out the types of activities or actions which would change a previously unauthorized delegate-candidate into an authorized delegate-candidate. The Guidelines state:

"An "authorized delegate" is a delegate
(1) who is authorized or requested by a Presidential
candidate (or the candidate's committee or agent) to
receive contributions or make any expenditure on behalf
of the Presidential candidate; (2) who is reimbursed by

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a Presidential candidate for any expenditures made on behalf of the Presidential candidate; or (3) whose own delegate fund-raising or spending is subject to direct or indirect control by the Presidential candidate.--

COMMENT: Financial authorization of a delegate by a Presidential candidate is separate and distinct from any other authorization or approval which may be required under party rules or State law. The fact that a delegate has to secure the approval of the Presidential candidate before he/she can appear as a "Jones delegate" on the primary ballot does not alone constitute financial authorization by the candidate.

Examples of actions which would constitute authorization of a delegate include:

- (a) The Presidential campaign transfers funds to the delegate for use in the Presidential candidate's or the delegate's campaign;
- (b) The Presidential campaign publicly or privately solicits contributions to a specific delegate or slate;
- (c) The Presidential campaign guarantees loans to or for a delegate;
- (d) The Presidential campaign directs or the Presidential candidate and delegate jointly plan fund-raising, advertising, or other campaign solicitation activities;
- (e) A delegate is authorized to raise or spend funds on behalf of that candidate."
  The Federal Election Commission Record, Vol. 2, No. 3 (1976)

It is our understanding that the 100 individuals running as delegate-candidates pledged to Mr. Reagan and the Texas Citizens for Reagan decided some months ago to conduct their primary campaign as "unauthorized delegates" acting together as "Delegates for Reagan". In particular, their

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campaign literature states that they have been officially endorsed by Ronald Reagan but are not authorized to expend or receive money on behalf of the Citizens for Reagan. This organization appears to be operating in a number of metropolitan areas, <u>e.g.</u>, San Antonio, Fort Worth and Dallas.

Since the "Delegates for Reagan" is supposedly a group of unauthorized delegate-candidates, it may not under the aforementioned FEC Policy Statement and Guidelines coordinate fundraising, advertising or other financially-related activities with the Texas Citizens for Reagan. In this regard, the Executive Director for the Texas Citizens for Reagan, Kon Dear, noted on February 27, 1976 in a letter to "All Texas Reagan Campaign Officials", that " . . . the law requires that the official Texas Citizens for Reagan Campaign is not allowed to jointly plan or coordinate activities with the Reagan delegate-candidates . . . . (emphasis added). This statement recognizes that it is impossible for the Texas Citizens for Reagan to work together in such manner with unauthorized candidates without there being some financial effect and, therefore, de facto authorization. Moreover, it would appear, based on the facts set forth below, that the Delegates for Reagan and Texas Citizens for Reagan have been and are, for all practical purposes, operating as a single campaign organization in certain areas of Texas. Moreover, the delegate-candidates involved in such activity are now authorized delegates within the meaning of the Federal election campaign laws.

Over twenty of the allegedly "unauthorized" delegate-candidates pledged to Mr. Reagan are members of the official Texas Citizens for Reagan campaign organization. In this regard, some of the delegate-candidates serve as Co-Chairmen of the Texas Citizens for Reagan Committee, Regional Chairmen and Congressional District Chairmen of that Committee, and Members of the Texas Citizens for Reagan Executive Committee. In particular, it is our understanding that the following activities have taken place or will, in the near future, take place which raise serious questions regarding the continued operation of the Delegates for Reagan as an "unauthorized" group of delegate-candidates with no expenditure limitations during the Primary election:

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- I. ADVERTISING -- It appears that in some areas of Texas, e.g., San Antonio and Dallas, the Delegates for Reagan are producing flyers and related campaign material which request voters to go to the polls for Reagan delegates in the Primary. These materials also note the "Reasons for Reagan" which is set forth in the same type and appears to be exactly the same copy as the Citizens for Reagan campaign materials distributed in Texas (Attachment A). By utilizing this copy, the Delegates for Reagan accomplish the same advertising goal as the Citizens for Reagan. However, the Citizens for Reagan apparently do not pay for these materials nor do they report such expenses as campaign expenditures.
- II. FUNDRAISING -- According to a report in the Sunday edition of the Fort Worth Star-Telegram (Attachment B), a reception for Mr. Reagan will be held at the Hilton Inn at 1:15 P.M. on Thursday, April 15, 1976. Tickets to the reception cost \$50.00 each. Ticket requests were directed to the Citizens for Reagan headquarters at 1020 W. 7th Street in Fort Worth rather than the Delegates for Reagan headquarters at 1012 W. 7th Street. It was also noted in the article that tickets could be obtained at the door and checks ". . . should be made payable to the Delegates for Reagan." The hosts for this reception are "unauthorized" delegate-candidates for Reagan and members of the Texas Citizens for Reagan Fort Worth operation.

In Dallas, the "Delegates for Reagan" committee has recently mailed a package to Republican voters which includes the aforementioned flyers and pamphlets and specifically requests that contributions and volunteer responses be sent to 8428 Kate Street, Suite 215, which is also the address of the Texas Citizens for Reagan in Dallas.

III. INSTRUCTIONS TO REAGAN DELEGATE-CANDIDATES -- Prior to the selection of delegates by the statutorily required delegate selection committee for the 21st Congressional District, Willard King, Chairman of the Citizens for Reagan in that District sent a letter to the "Republican Leadership" in his area which apparently included individuals who are now delegate-candidates pledged to Mr. Reagan. In that letter he stated:

"Prior to suggesting a candidate his permission will be required. In all fairness I think he should be reminded that all expense of attending the convenvention is a personal expense and it is estimated that

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hoped that each delegate selected will spend a considerable amount of money for his own election. A thousand dollars has been suggested. Of course a delegate candidate must live in the 21st Congressional District and must pledge his support for Ronald Reagan." (emphasis added).

IV. JOINT USE OF HEADQUARTERS AND RELATED OFFICE EQUIPMENT -- It has come to our attention that in both Fort Worth and Dallas, Delegates for Reagan meetings were held on March 30, 1976 and April 8 or 9, 1976, respectively. The meetings were allegedly called to discuss fundraising and the political campaign in Texas. In both locations, Regional Chairmen of the Texas Citizens for Reagan conducted the meetings. The facts relative to the Dallas meeting can be verified by viewing the evening news program of WFAA-TV in Dallas for April 9, 1976.

Further, in San Antonio, it is our understanding that the Texas Citizens for Reagan and the Delegates for Reagan head-quarters are located next to each other at 6838 and 6840 San Pedro. The offices for each of the headquarters inter-connect and apparently share the same duplicating and printing equipment and are staffed by the same personnel.

It would appear from the facts set forth above that the members of the entire Delegates for Reagan organization have become authorized delegate-candidates because of the joint financial activities with the Texas Citizens for Reagan Committee. As such, expenditures by such individuals or groups with which they are associated must be, of course, reported to the Federal Election Commission by the Citizens for Reagan Committee. In addition, contributions to such authorized delegates would be treated as contributions to the Citizens for Reagan Committee. In other words, individuals who had previously given \$1,000 to the Citizens for Reagan would be in apparent violation of the law if they were to make additional contributions to such authorized delegates or group.

Another matter which has come to our attention appears to indicate that this type of activity is not limited to Texas or the Delegates for Reagan. The Sunday, April 4, 1976 edition of the Milwaukee Journal carried a political advertisement entitled "Should We Sell the White House?" The advertisement and related

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solicitation for contributions was paid for by the "Florida Friends of Reagan". The disclosure statement at the bottom of the advertisement noted that the Chairman of this Committee is Mr. L. E. Thomas of Panama City, Florida. If this Mr. Thomas is the same individual who is serving as Chairman of the Florida Citizens for Reagan, then any expenditure relative to the advertisement must be reported to the Federal Election Commission by the Citizens for Reagan Committee. Moreover, contributions to this committee would be considered contributions to the Citizens for Reagan campaign committee. Even if Mr. Thomas is no longer the Chairman of the Florida Citizens for Reagan Committee, such expenditures must be reported by your Committee since the Florida Friends of Reagan's chairman is de facto an authorized delegate-candidate pledged to Mr. Reagan.

In conclusion, we trust that you understand that this letter is being sent as a result of our sincere desire for Republican Party unity in Texas, as well as the rest of the country, and with the hope that you will take immediate action to rectify these matters in accordance with the Federal election campaign laws. Your prompt response with regard to these matters would be appreciated so that we are not forced to take other action which we might deem appropriate.

Sincerely

Robert P. Visser General Counsel

T. Timothy Ryan

Assistant General Counsel

### Attachments

CC: John Sears, Esquire
William Cramer, Esquire
Ray Hutchison, Esquire
Hon. Ernest Angelo, Jr.
Mrs. William Staff
Hon. Ray A. Barnhart
Mr. James E. Lyon
Mr. Ronald B. Dear
Mr. L. E. Thomas

# Myon Want To Elect Cov. Ronald Reagan President — VALUATION

- 1. Vote in the <u>Republican Primary</u> on Saturday, May <u>1st</u>
- 2. Vote for <u>Each</u> of the <u>Four</u>

  <u>Delegates</u> pledged to <u>Gov.</u>

  Reagan:

F YOU ARE IN DOUBT, LOOK AT YOUR VOTER REGISTRATION CERTIFICATE, DETERMINE YOUR PRECINCT NUMBER, AND — CALL 459-1253.

Paid for by Delegans for Reagan Comm., way Donus. Chairman, official is endorsed to CITIZENS FOR REAGAN, but not within 1915 according to exceed or receive money on benefit of CITIZENS

# Reasons for Reagan:

- e Inflation. "The one basic cause of inflation is government spending more than it takes in. When Washington runs in the red, year after year, it cheapens every dollar you earn; it makes a profit on your cost-of-living wage increases by pushing you into higher tax brackets; it borrows in the capital market to cover its deficits, culting off business and industry from that capital which is needed to fuel our economy and create jobs, it robs your savings of value; and it denies retired people the stability they need and expect for their fixed
  - Comes.

    This pure la balanced budget. The federal govern-

IN CONGRESSIONAL DISTRICT 10

Mark your ballot four times as shown below:

- R. Miller Hicks, delegate for RONALD REAGAN
- ☐ Rhoda Benson, delegate for RONALD REAGAN
- ☐ Judga St. John Garwood, delegate for RONALD REAGAN
- □ Sue Briscoe, delegate for RONALD REAGAN
- Energy. The one thing we shouldn't forget is this. If we relax government controls on natural gas, nuclear plants and domestic sources of oil, we won't have to

- **a Wellare.** "For years there has been a group of secple calling for a Federal takeover of weilare. Actually we should do the apposite and decentralize welfare "If Joe Doaks is using his welfare money to go down to the pool half and drink beer and gamble, and the people on his block are paying the bill directly. Joe is apt to undergo a change in his lifestyle - or get off
- Social Security, USocial Security must be strengthened and improved. The program needs to be reformed. But any reform must have as its first priority the quarentee that all those counting on Social Security will continue to receive their monthly check and that their benefits won't decline in purchasing power, but will keep pace with infistion

There are inequities that must be corrected affectind women, people 65-and-over who want to continue to work, and younger workers. But reforms must be made with care so that they don't jeopardize those already retired, those now working, or those who will

enter the work force in the future.

- & Crime. "We must remember that the principal reasons for looking up criminals are punishment and isolation - to keep them from furning law-ablaing offizens, and to serve as a deterrent to others. It does no good to take guns from the law abiding. The most effective our control is mandatory sentences for those who commit crimes with gurs in their possession. When a would be lawbreakhr knows he can kill without facing the ultimate penalty, when he knows that parole or probation may come easy for him, we cannot say we have effective deterrents to increased crime.
- & Delenté. Through detente we have sought peace with our adversaries. We should continue to oo so, but must make it plain that we expect a stronger indication. that they also seek a lasting peace with us. Too offer we set as it a concession on our side - with none by them is automatically helpful to the process as a whole. Detents will work only if it is a two-way street something for something
- Defense. A occade ago we had military superiority. Today, we sig in panger of being surpassed by a nation that has never made any effort to hide its hostility to everything we stand for As a nation, we must commit ourselves to spend whatever is necessary to remain strong. To be second is to be last."

REMEMBER: There is no voter registration by party in Texas. You may vote in the Republican primary regardless of political affiliation.



"Together we can make those decisions which will restore confidence in our way of life and release that energy that is the American spirit."

Roused Reagan

Delegates for Reagan

R. MILLER HICKS
RHODA BENSON
JUDGE ST. JOHN GARWOOD
SUE BRISCOE

REAGAN FOR PRESIDENT HDQTRS. 3009 North Lamar

Texas Citizens For Reagan

4721 Richmond Ave. Houston, Texas 77027

Faid for by Citizens for Reagan, Senator Paul Laxalt, Chairman; Henry M. Buchanan, Treasurer.

"A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C."

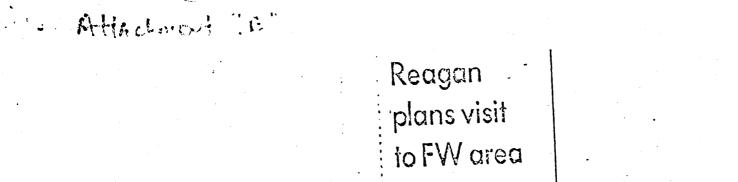
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<sup>&</sup>quot;Together we can renew the greatness of America!"

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# REACTION TO TEXAS RESULTS

Well, obviously I was not pleased with the Texas results. We knew we were the underdog in Texas, but I had felt that we would pick up a significant share of the delegates there.

Apparently two things contributed primarily to the outcome: First, the primary election law was written in such a way that it became virtually a winner take all situation rather than one in which the number of delegates equalled the proportion of the total vote case.

Secondly, there apparently were some Democrats who crossed over and voted for my opponent.

The significance of the Texas vote is that it should signal an end to apathy among Republicans. Too many seem to feel they can sit on the sidelines and avoid a tough fight. Obviously that's not the case.

Republicans in the upcoming primary and convention states have a very important choice to make between now and our convention in Kansas City.

One choice, I think the correct one, is to select a nominee for our Party who can run on a record of accomplishment.

A record of seeing us through the worst recession in forty years.

Of cutting inflation rate by 75%.

Of achieving an all time record of 86.7 million Americans working.

Of reversing the trend of the last ten years of short-changing of national defense budget.

Of ending the trauma and tragedy of Watergate by rebuilding the confidence of the American people in their institutions and in themselves.

Of restoring honesty and integrity to the White House.

The other choice is to ignore that record of accomplishment and reject the efforts of this Republican Administration.

This course involves spliting the Party and selecting a nominee who cannot win in November.

It involves, as in Texas, letting a number of people who are not Republicans select the nominee of our Party.

That's the choice. It is an important one, not only for the Republican Party, but for the country. We will choose the right course if Republicans all across the country will pitch in and get in the fight between now and the Convention.

# Texas Follow-up Questions

- Q. Have your chances for the nomination been diminished because of the Texas vote?
- A. No. I will be the Republican nominated. I have consistently said that I will win in Kansas City and in November. The vote in Texas will not change this.
- Q. Will you change your compaign strategy?
- A. No. My first responsibility is to the Office I hold. I will continue to place the highest priority on the demands of the Presidency. To the extent I have time, I will campaign hard on my record as President and my proven experience in dealing with challenges of national and international leadership.

I will continue to level with the American people -- to present the facts on the important issues facing our Nation.

- Q. Do you now think you need Reagan as your running mate in order to carry the South?
- A. I understand that he does not want to be considered for the Vice Presidency.
- Q. Does Reagan now have the momentum to beat you in next week's primaries?
- A. All four primaries next week -- Indiana, Alabama, the District of Columbia and Georgia -- are important. I have entered every primary -- the easy ones and the tough ones. I might well lose some down the road, but our delegate count keeps mounting. We will win at Kansas City on the first ballot.



- Q. What went wrong with your Texas campaign, especially after such a massive effort -- did your attack on Reagan at Tyler backlash against you?
- A. It's too soon to make any detailed analysis of the Texas vote. It is, however, clear that a very large number of Democrats were urged to vote in the Republican primary. Thus, it is not appropriate to consider the vote in Texas as reflecting Republican opinion across the country.

Concerning my Tyler speech, I believe that all candidates for the Presidency must act and speak responsibly. I will continue to challenge inaccurate and distorted claims, especially when they affect our national security.

- Q. Do you think an endorsement by former Governor Connally would have made a difference in the Texas vote?
- A. No.
- Q. Will you still consider Connally as a running mate?
- A. I have made no decision concerning a running mate. Former Governor Connally is one of many highly qualified possibilities.
- Q. You said that the Wisconsin primary was a vote of confidence in Secretary Kissinger. Do you think the Texas vote reflects dissatisfaction with Kissinger's policies?
- A. No. The large number of votes by Democrats makes it impossible to reach such a conclusion.