

How Reagan bent the rules

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WASHINGTON — Ronald Reagan's surging presidential campaign is being fueled by thousands of dollars raised through legal loopholes the Federal Election Commission sought to close before it was abolished by the Supreme Court.

An examination of Reagan campaign spending shows that his supporters are taking advantage of virtually every opportunity to circumvent the intended spending limits.

A key to the Reagan strategy in recent primaries has been a concerted effort, using computerized mailing lists—to inform conservatives, including supporters of Gov. George Wallace, how to spend money on Reagan's behalf outside the legal limits.

Some of the Reagan mailing lists were purchased from direct-mail wizard Richard Viguerie, a third-party advocate who handles direct mailing for Wallace and probably can reach his supporters better than anyone.

Wallace supporters helped Reagan win the Texas and Indiana primaries.

The Reagan campaign has urged its delegate

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by the Citizens for Reagan campaign committee.

Most ambitious of the loophole-users appears to be the American Conservative Union, which has conducted a mass mailing describing the group's "Reagan Project." The letter says that because of the Supreme Court's ruling the "ACU can—with your help—conduct an unlimited effort on behalf of Governor Reagan—not subject to the federal election-law ceiling.

"We plan to do exactly that," concludes M. Stanton Evans, ACU president.

James C. Roberts, executive director of ACU, said that the group spent \$34,000 in Texas using money raised early in the Reagan project, and intends to spend more in Nebraska, West Virginia and California.

Roberts believes the ACU Reagan project may be playing a role in the "crossovers" where Democrats supporting Wallace have voted instead in Republican primaries for Reagan.

"It is unavoidable that many of Gov. Wallace's supporters will be in the same universe (of names) as conservatives for Gov. Reagan," said Roberts.

Bob Visser, general counsel for President Ford's campaign, said he met with John Murphy, top lawyer for the still-stalled Federal Election Commission, last week to provide

evidence showing that the "unauthorized" delegates often are intimately involved in the official Citizens for Reagan group and therefore should have their expenditures deducted from Reagan's spending limits.

Visser cited, for example, the hand-in-glove relationship between unauthorized and official Reagan operations at 6838 and 6840 San Pedro Ave., San Antonio.

At that address, Visser charged, Citizens for Reagan and an unauthorized group, Delegates for Reagan, had adjoining suites where they shared the same duplicating machines, copiers, typewriters and phones.

Other Reagan backers circumvented the spending limits in Florida and Wisconsin by placing ads independently of the candidate.

L. E. "Tommy" Thomas, Reagan's Florida campaign manager, declared himself an "unauthorized" supporter and placed advertising in Wisconsin newspapers urging support for the former governor.

In Florida, Reagan confidant Joseph Cors, the Colorado beer baron, acknowledged buying \$20,000 worth of ads using the "unauthorized" loophole.

When the Federal Election Commission first encountered the problem with loopholes in unauthorized delegate operations, Chairman Thomas Curtis told reporters

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candidates to operate independently of the Reagan effort, thus, this advantage of a provision in the court-altered law which allows "unauthorized" supporters to raise and spend money in a candidate's behalf free of all limits imposed on the candidate himself. The law provides, however, that these expenditures be reported.

It was the duty of the Federal Election Commission to determine whether such help is actually "unauthorized" and to force disclosure of all expenditures.

As a result, the Reagan campaign in Texas was allowed to share offices, equipment, and even personnel with its "unauthorized" committees, with no one empowered to determine the legality of the practice.

Loren Smith, Reagan's counsel, said that each of the Reagan delegates elected in Texas ran as "unauthorized." The delegates thus were able to seek donations from persons who already had given Reagan the entire \$1,000 allowed by law.

They then formed 15 separate committees and bought newspaper radio and TV ads.

Jim Levand, an advertising executive with the Dallas Times Herald, said that Reaganites bought four ads and signed each as "officially endorsed but not authorized"

that "the key is collusion."

"If somebody can prove that the unauthorized group is coordinated with the actual committee, there would be grounds for acting," Curtis said.

Despite loud complaining by Ford's political staff, the President himself has played a key role in keeping FEC investigators bottled up in Washington offices.

Ford has remained noncommittal over whether he intends to sign or veto a bill now before him which would allow the commission to resume its business.