

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

<hr/>)
SENATOR MITCH McCONNELL, <i>et al.</i> ,)
	Plaintiffs,)
)
v.)
)
FEDERAL ELECTION COMMISSION,)
<i>et al.</i> ,)
	Defendants.)
<hr/>)
<hr/>)
REPUBLICAN NATIONAL COMMITTEE,)
<i>et al.</i> ,)
	Plaintiffs,)
)
v.)
)
FEDERAL ELECTION COMMISSION,)
<i>et al.</i> ,)
	Defendants.)
<hr/>)

Civ. No. 02-582 (CKK, KLH, RJL)

Civ. No. 02-874 (CKK, KLH, RJL)

All consolidated cases.

DECLARATION OF ROBERT MICHAEL DUNCAN

I, Robert Michael Duncan, hereby swear and depose as follows, based on my own personal knowledge:

1. I am a Member of the Republican National Committee ("RNC") from the State of Kentucky. At the time the RNC's Complaint in this case was filed, I served as Treasurer of the RNC, but as of July 2002 have become its General Counsel. I submit this Declaration to discuss: (a) my personal involvement in Republican Party activities at the local, state, regional, and national levels; and (b) my understanding of the likely impact of the Bipartisan Campaign Reform Act ("BCRA") on my personal political activities, the RNC, and the Republican Party of Kentucky.

CONFIDENTIAL

Education and Political Background

2. I am a 1971 graduate of Cumberland College and a 1974 graduate of the University of Kentucky College of Law. I have also attended executive education programs at Harvard University, the University of Wisconsin, and the University of Kentucky. My full educational background is provided in my biographical statement, which is RNC Exhibit 2250, attached as Attachment 1 hereto.

3. I have an extensive background in Republican Party politics at the local, state, and regional levels, spanning the last thirty years. A comprehensive listing of my positions with local, state, and regional Republican Party organizations is included in my biographical statement. By way of illustration, my background includes the following:

(a) At the local level, I was Chairman of the Martin County (Kentucky) Republican Party from 1976-80. At various times I have also served as precinct chairman of the Upper Inez Precinct.

(b) At the state level, I was Chairman of the Republican Party of Kentucky in 1995. For various periods since 1971, I have also been a member of the State Central Committee and the Executive Committee. I was Finance Chairman in 1992, and I have been Chairman of the Budget Committee since 1996. I was a Delegate from the State of Kentucky at the Republican National Conventions held in 1972, 1976, 1992, 1996, and 2000. Shortly after my graduation from law school, from 1975-76, I also was Chairman of the Kentucky Young Republicans Federation.

(c) At the regional level, I was Chairman of the Region III College Republicans National Association from 1971-72. In 2000, I was Chairman of the Southern

Republican Leadership Conference. I have also served as Vice-Chairman of the Southern Region of the RNC.

4. I also have substantial Republican Party experience at the national level, particularly through my positions with the RNC. By way of explanation, the RNC is composed of 165 voting Members, including: (a) the state and territorial Chairman or Chairwoman from each of the 50 states, the District of Columbia, and the four Territories of the United States (Guam, the U.S. Virgin Islands, Puerto Rico, and American Samoa); and (b) a National Committeeman and Committeewoman from each of these 55 entities. RNC membership is explained in detail in the Rules of the Republican Party, which were most recently adopted at the 2000 Republican National Convention on July 31, 2000. These Rules are RNC Exhibit 1, and are attached as Attachment 2 hereto.

5. I have been a Member of the RNC since 1992, when I became the National Committeeman from the State of Kentucky. As noted above, I am also General Counsel of the RNC, an office I assumed in July 2002. I previously was Treasurer of the RNC, an office I held from January 2001 to July 2002. I am, concurrently, a member of the RNC's Executive and Rules Committees. Over the past decade, I have served on the RNC Chairman's Executive Council and the RNC Committee on Arrangements, and as Chairman of the RNC Committee on Contests. Further, I have held several positions on the committees responsible for various aspects of the Republican National Conventions held in 1972, 1976, 1992, 1996, and 2000. A full list of my RNC positions is provided in my biographical statement.

6. Like most of the RNC's Members, I have worked my way up through the ranks from the local and state levels to the national level of the Republican Party. I still remain involved in party activities at the local and state levels. Most significantly, I regularly participate

in fundraising activity for the Republican Party of Kentucky and candidates for statewide elected office.

a. I was a Silver Sponsor of a fundraising reception held on August 27, 2002, to support the re-election of Kentucky State Senator Julie Rose Denton. In addition to State Senator Denton, the featured guest at this reception was United States Congressman Ernie Fletcher. The invitation to this event, showing my participation, is RNC Exhibit 235, attached hereto as Attachment 3.

b. I was a Host, in my capacities as RNC National Committeeman from Kentucky and Treasurer of the RNC, of a fundraising dinner held on July 29, 2002, to support Kentucky Victory 2002 and the Republican Party of Kentucky. The dinner honored United States Senator Mitch McConnell and Congresswoman Anne Northrup, with a special appearance by former New York City Mayor Rudolph Giuliani. A full 80% of the proceeds from this dinner went to the Republican Party of Kentucky for its use in various local, state, and federal Victory programs. The invitation to this event, showing my participation, is RNC Exhibit 233, attached hereto as Attachment 4.

c. I was also a Host, in my capacity as RNC National Committeeman from Kentucky, of a fundraising dinner held on June 16, 2000, to support Kentucky Victory 2000 and the Republican Party of Kentucky. The dinner was in honor of then-Governor George W. Bush. All of the proceeds from the dinner went to the Republican Party of Kentucky for use in its various local, state, and federal Victory programs. The invitation to this event, showing my participation, is RNC Exhibit 859, attached hereto as Attachment 5.

d. I was on the Dinner Committee of a fundraising event held on July 24, 1996, to support Victory '96 and the Republican Party of Kentucky. The dinner was in honor

of former President George Bush. All of the proceeds from the dinner went to the Republican Party of Kentucky for use in its various local, state, and federal Victory programs. The invitation to this event, showing my participation, is RNC Exhibit 1617, attached hereto as Attachment 6.

e. I was also on the Dinner Committee of a fundraising event held on October 13, 1995, to support the Republican Party of Kentucky. The event was a salute to former President George Bush. All of the proceeds from this event went to the Republican Party of Kentucky. The invitation to this event, showing my participation, is RNC Exhibit 1734, attached hereto as Attachment 7.

7. In my experience at all levels of Republican Party activity, it is very important for the local, state, and national arms of the RNC to work closely together in all aspects of the political process. Coordinated efforts among the party's branches produces the best results and prevents duplication of effort and inadvertent conflicts among efforts. The involvement of high-ranking RNC officials in local and state-level party activities is vital as well. As a National Committeeman, and as General Counsel and formerly Treasurer of the RNC, for example, I have substantial and continuous responsibilities within the RNC, but I also remain active in Kentucky state and local politics.

a. In addition to the fundraising activities described above, at the state level I have also provided general campaign assistance and advice to Kentucky gubernatorial candidates Louie Nunn in 1979, Robert Gable in 1975, and Larry Hopkins in 1991.

b. At the federal level, I was Chairman of Bush for President, Central States, from 1999-2000. I was also Chairman of Bunning for Senate in 1998, Chairman of Kentucky Bankers for Bush in 1988 and 1992, Chairman of the Seventh Congressional District for Reagan in 1980 and 1984, and Chairman of Young Kentuckians for Nixon-Nunn in 1972.

A more complete list of my campaign activities at all levels is included in my biographical statement.

Impact of the BCRA

8. The BCRA, among other provisions, will prohibit political parties or their “agents” from soliciting, raising, spending, or contributing funds that do not fit within the requirements of the Federal Election Campaign Act. This aspect of the BCRA will directly impact my personal political activities and the activities of the RNC and the Republican Party of Kentucky.

9. As described above in paragraph 6, I am substantially involved in fundraising activities on behalf of the Republican Party of Kentucky and candidates for state office in Kentucky. I engage in these activities both in my personal capacity and in my official capacity as RNC National Committeeman from the State of Kentucky. The funds I help raise on behalf of the Republican Party of Kentucky and candidates for state office in Kentucky are, to a large extent, regulated by state rather than federal law. For this reason, the BCRA may directly restrict my personal political and fundraising activity because it may be a crime for me to assist the Republican Party of Kentucky or state and local candidates in raising non-federally regulated money. Indeed, even if my status as an officer or “agent” of the Republican Party is not clearly resolved by the BCRA implementing regulations, I may well refrain from participating in state-level fundraising activity to prevent the possibility of an enforcement action intended to prompt clarification of the BCRA by a federal court or the FEC.

10. The BCRA will adversely affect the Republican Party of Kentucky. The State of Kentucky is predominantly Democratic, with 60% of voters registered as Democrats and 33% registered as Republicans. Kentucky’s current Governor, Paul Patton, is a Democrat, and

was first elected Governor in 1995. The state has not had a Republican Governor since Louie Nunn left office in 1971. Although the State Senate is almost evenly split between Democrats and Republicans, Democrats have a nearly 2-1 margin over Republicans in the State House of Representatives, where Democrats occupy 66 seats and Republicans occupy only 34 seats. Because Democrats comprise the vast majority of registered voters and state-level elected officials, the Republican Party of Kentucky in the past has had difficulty in raising sufficient funds and active members to maintain its necessary operations. Senator McConnell has been instrumental in building the state party through his heavy involvement in organizational and fundraising activities. Because he is a federal officeholder, the BCRA will prohibit or severely restrict Senator McConnell's participation in these activities.

11. The Republican Party of Kentucky relies on financial assistance from the RNC and other national Republican Party committees. For example, the Republican Party of Kentucky in 2000 had total revenues of approximately \$7.35 million. Of this total, roughly \$4.5 million -- around 60% -- consisted of transfers from the RNC's Republican National State Elections Committee ("RNSEC"), the National Republican Senatorial Committee, and the National Republican Congressional Committee. More significantly, in 2000 the Republican Party of Kentucky had total non-federal revenues of approximately \$4.1 million, of which roughly \$3.98 million -- over 90% -- consisted of transfers from these same national party committees. And, as shown above, much of the money raised by the Republican Party of Kentucky was raised in ways that will be prohibited by the BCRA, particularly those funds raised with the assistance of the RNC or federal officeholders or candidates.

12. Obviously, the BCRA's prohibitions on the expenditure or raising of non-federal money by national political party committees will have a serious financial impact on the

Republican Party of Kentucky. The activities most likely to suffer directly from this loss of funding are “get out the vote” efforts, generic party-building activities, and sponsorship of issue advertisements, which are mostly supported by the transfers of non-federal money from the national party committees. The Republican Party of Kentucky will also suffer as a result of the BCRA’s prohibition on federal officeholder involvement in state-level fundraising activity. The success of state-level fundraising efforts in Kentucky often turns on precisely this soon-to-be-illegal activity and many federal officeholders, including Senator McConnell, participate in state party fundraising efforts that the BCRA would ban. Further, the RNC currently shares lists of fundraising prospects with the Republican Party of Kentucky, and this arrangement likely would be banned by the BCRA as well.

13. Beyond its impacts on my personal political activity and the Republican Party of Kentucky, the BCRA will also undermine the essential relationship between local, state, and national arms of the RNC. For example, the BCRA will restrict joint fundraising activities between the RNC and state parties, but such activities are very important to state parties. The RNC has a very impressive and professional fundraising program which, when engaged in joint fundraising activity, greatly increases the amount of money raised by and on behalf of state parties. The BCRA’s elimination of joint fundraising will have a severe impact on state parties because they simply cannot fill the void that will be left by the removal of the RNC from the process. My experience with the RNC and the Republican Party of Kentucky demonstrates to me that state parties generally: (a) are not able to attract full-time fundraising staff with experience equal to that of the RNC’s fundraising employees; (b) have a lower profile than the RNC; and (c) thus have more difficulty raising funds, both in-state and out-of-state, than the

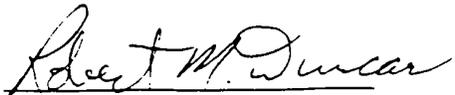
RNC does even when it is raising funds specifically for use in connection with Kentucky state-level elections.

14. The BCRA will also prohibit the RNC from donating funds to the Republican Party of Kentucky that it ultimately uses to support state and local candidates for office. For example, just this year, RNC transfers of non-federal money allowed the Republican Party of Kentucky to provide \$75,000 to support a Republican candidate for Mayor of the City of Lexington which, without the RNC's transfers, the state party would have had great difficulty providing. In 2000, the RNC provided the state party with \$125,000 in connection with State Senate elections and \$75,000 for a special Senate race in 2001.

15. Moreover, as a general matter, RNC transfers are particularly important in Kentucky, which holds statewide elections in odd-numbered years that do not coincide with the federal elections that occur in even-numbered years. The absence of federal elections that coincide with Kentucky's "off-year" elections causes them to attract less attention from voters, and thus diminishes the state party's ability to raise funds for the purpose of supporting state-level candidates. Even though these "off-year" elections do not coincide with federal races, the BCRA would nonetheless prohibit the RNC's donation of non-federal money to the Republican Party of Kentucky and to state-level candidates in Kentucky.

16. The various RNC exhibits attached to this declaration are to the best of my knowledge true and correct copies of records kept by the RNC in the course of its regularly conducted business activities. The invitations to fundraising events are true and correct copies of documents in my personal possession.

I declare under penalty of perjury that the foregoing is true and correct.


Robert Michael Duncan

October ^{3rd} , 2002

- I. PERSONAL:** NAME: **Robert Michael (Mike) Duncan**
ADDRESS: Box 331, Inez, Kentucky 41224
PHONE: (606) 298-4337 (H) 606-298-3511 (O)
BORN: Oneida, Tennessee, April 14, 1951
SPOUSE: Joanne K. Duncan
CHILDREN: Robert Michael, Jr. (Rob) 5-2-78
- II. EDUCATION:** 1968 Honor graduate, **Oneida High School**, Oneida, TN
1971 *cum laude* graduate - **Cumberland College**, B.A.
1974 **University of Kentucky College of Law**, J.D.
- III. EXECUTIVE EDUCATION:** 1977 **University of Kentucky School of Banking**
1980 Honor graduate **University of Wisconsin Graduate School of Banking**
1981 Sr. Bank Officers Seminar at Graduate School of Business, **Harvard University**
1989 Presidential Executive Exchange Program, Kennedy School of Government, **Harvard University**
1990 Owner/President Management Program, Graduate School of Business, **Harvard University**
- IV. POLITICAL ACTIVITIES:** **Republican National Committee, General Counsel** 2002-
Treasurer 2001-2003
National Committeeman from Kentucky 1992-2004
Member, Executive Committee 1996-2003
Vice Chairman, Southern Region 1997-2001
Member, Rules Committee 1993-2004
Vice Chairman, Rules Committee 1996-2000
Member, Chairman's Executive Council 1996
Member, Committee on Arrangements 1999-2000
Chairman, Committee on Contests 1999-2000
Chairman, Republican Party of Kentucky 1995
Member, National Policy Forum Council 1994-96
Member, RNC Delegation to Republic of China 1994
Lecturer, International Republican Institute, Georgia 2001
- Republican National Conventions**
Delegate, 1972, 1976, 1992, 1996, 2000
Alternate Delegate, 1980
Chairman; Credentials Committee 2000
Member, Platform Committee 1996
Member, Credentials Committee 1992
Member, Rules Committee 1976
Member and Secretary, Committee on Permanent Organization 1972
Whip for Kentucky Bush-Quayle 1992, Dole-Kemp 1996
Regional Whip for Bush-Cheney 2000

RNC
EXHIBIT

2250

**V. GOVERNMENTAL PAST
APPOINTMENTS:**

Assistant Director, **The White House, Executive Office of the President, Office of Public Liaison** 1989-90. Liaison for various nonprofit organizations, including veterans groups, religious groups, health care and social service groups.

Director, **Cleveland Federal Reserve Bank**, Cincinnati Branch 1987-89. Represented banks in Kentucky on operations, economic and monetary policy issues within the Federal Reserve System.

Member, **Kentucky Financial Institutions Board** 1984-87
Represented Kentucky bankers on statutory board for the Kentucky Department of Banking.

Chairman, **Morehead State University Board of Regents** 1984-86,
Member 1981-86. Governing board of one of Kentucky's eight public universities.

Member, **Governor's Appalachian Task Force** 1994
Studied the unique needs of Appalachia Kentucky and made recommendations to the Governor and ARC.

Director, **Kentucky Institute for Education Research** 1996-99.
Reviewed educational reform in the state.

Delegate, **The White House Conference on Small Business** 1995.
Represented Congressman Hal Rogers at conference focusing on the needs of America's small businesses.

Intern, **Kentucky General Assembly** 1970.
One of twenty college students competitively selected for the initial class of legislative interns based on the White House Fellows program.

Member, **Selective Service System Local Board** 1982-2001

Secretary and Director, **Martin County Economic Development Authority** 1993-2001.

Director, **Martin County Health Corporation**, 1996-2001

Legal Assistant, **Kentucky Secretary of State**, 1971

CURRENT

Member, President's Commission on White House Fellows 2001-
The Commission chooses outstanding men and women to work at the highest level of the federal government.

Chairman and Director, Center for Rural Development. A thirty-million dollar state-of-the-art regional center emphasizing telecommunications, training, and development.

Director, Kentucky Governor's Scholars Program. Former Chairman and Director since 1989 of this unique and life-changing educational experience for rising high school juniors.

Founding Chairman, Honey Branch Regional Development Authority (now Big Sandy Regional Development Authority) 1998. Serves the economic development needs of the Big Sandy Area Development District overseeing two industrial parks.

Member, Big Sandy Regional Airport Board 2000. Manages a regional airport.

Member, Big Sandy ADD Regional Transportation Committee

Director and Former Chairman, East Kentucky Corporation 1991.
The economic development marketing arm of forty eastern Kentucky counties formed in 1990.

VI. BUSINESS PAST ACTIVITIES:

Vice President, Inez Deposit Bank, 1974-77

Associate, McCoy and McCoy, 1974-75

Executive Vice President and Chief Executive Officer, Inez Deposit Bank, 1977-81

Director, Third National Bank of Ashland, 1984-85

Partner, Windhaven Farm, 1980-84

President, Community Real Estate, 1984-86

President, Tax Professionals, Inc., 1984-86

President and Chief Executive Officer, Inez Deposit Bank, 1981-89

Owner, Kirk Insurance Agency, 1977-2000

CURRENT

Chairman and CEO, **Inez Deposit Bank** 1990
Director, **Inez Deposit Bank**, 1974-89, 1990
President and Chief Executive Officer, **Community Holding Company**,
1983-89, Chairman and CEO 1990
President 1984-89, 1990, Chief Executive Officer 1984-87, 1991-92,
1995, Chairman 1991, **Inez Deposit Bank, FSB, (Formerly First
National Bank of Louisa)** Louisa
Chairman and Chief Executive Officer - **Community Thrift Holding
Company** 1999
Partner, **Level Land Leasing** 1983
Partner, **Duncan & Duncan Attorneys at Law**, 1975

VII. PROFESSIONAL

ACTIVITIES: Member - **Kentucky Bar Association** 1974-
House of Delegates 1988-90
Member - **American Bar Association** 1974-1993
Treasurer - **Martin County Bar Association** 1975-
Law Library Trustee 1994-

Kentucky Bankers Association: Legislative Committee,
Long Range Planning Committee, Lecturer at UK School
of Banking 1979-89, Executive Search Committee 1984
KBA School of Banking Trustee
Group IX Vice President, 1980-81
Group IX President, 1981-82
Member Board of Directors, 1982-84
President Elect, 1984-85
President, 1985-86
Chairman of the Board, 1986-87

American Bankers Association: Government Relations
Council, 1981-83, 88-89, 95-96
Leadership Conference, 1981-83, 85-86, 88-89
Education Policy and Development Council, 1985-88
Chairman Professional Development Program 1986-87,
Site Visit Accreditation Team 1987, Member
Accreditation Oversight Board 1987-90
Community Bankers Council 1986-88

**VIII. CIVIC
ACTIVITIES:**

PAST

Founding President, Martin County Kiwanis, 1980-81
Lt. Governor, Kentucky, Tennessee Kiwanis District 16, 1983-84
Director, Kentucky Chamber of Commerce, 1983-85
Trustee, Kentucky Independent College Fund
Director, Kentucky Council on Economic Education
Member, Kentucky Tomorrow Commission, 1985-86
Member, Martin County Planning Commission -
Treasurer and Founding Director, Kentucky Center for Public Issues
1989-90
Director, Kentucky Center for Public Issues 1988-91

CURRENT

Chairman, Alice Lloyd College, Trustee since 1978,
Former Secretary, Treasurer, Vice Chairman, and Acting President in
1998-94 of this 500 student liberal arts college serving needy
Appalachian students.
Trustee, Christian Appalachian Project since 1996.
The fifteenth largest national private social services agency, CAP has an
annual budget of over \$60 million for human service needs in
Appalachia.
Secretary, Highlands Regional Medical Center
Trustee since 1980 of the regional hospital facility serving the Big Sandy
area.
Trustee, Consolidated Health Systems 1984-
Secretary, Martin County Development Association 1980-
Member, Isaac Shelby Society 1975-
Member, University of Kentucky Fellows 1977-
Member, UK College of Law Visiting Committee 1985-, Chair 1993
Member, Kentucky Educational Television, Advisory Board
President, Martin County Recreation Association, 1987-
Principal, Council for Excellence in Government 1996-

**IX. HONORS AND
AWARDS:**

1970 Kentucky General Assembly - Legislative Intern Award
1970-71 Cumberland College Student Government Association President
1971-72 UK College of Law Freshman Class President
1976 Cumberland College Outstanding Alumnus
1982 Kentucky Jaycees: Outstanding Young Man of Kentucky
1982-83 U.S. Department of State: Delegate National Foreign Policy
Conference

(HONORS AND AWARDS Continued)

Marquis Who's Who:

1985-01 Who's Who in Finance and Industry

1987-02 Who's Who in the World

1987-88 Who's Who of Emerging Leaders in America

1991-93, 1997-98 Who's Who in American Politics

1992, 1995-99 Who's Who in the South and Southwest

1998-02 Who's Who in America

1988 Cumberland College Alumni Association Hall of Honor

1989 **White House Fellows** National Finalist

1989-90 Presidential Exchange Executive (Class XX)

1990 - **Doctor of Law Degree**, Cumberland College

1994 - Institute of Certified Bankers - Certified Lender-Business Banking

1998 - CBS Sunday Morning Profile

1999 - McConnell Scholars Chris Mattingly Award

2001 - Private Individual Award – East Ky. Leadership Foundation

2002 - **Doctor of Public Service** – College of the Ozarks

2002 - University of Kentucky College of Law Hall of Fame

**X. FOREIGN
TRAVEL:**

1972 - Bahamas

1990 - Germany, France, Italy, England, Hungary, Austria

1994 - Republic of China, Hong Kong

2001 – Republic of Georgia

XI. REFERENCES: U.S. Senator **Mitch McConnell**, SR-361-A, Senate Russell Office Building, Washington, DC

U.S. Representative **Hal Rogers**, 2406 Rayburn House Office Building, Washington, DC

President **Jerry Davis**, College of the Ozarks, Point Lookout, MO

Senator **Jim Bunning**, SH-316 Hart Senate Office Building, Washington, DC

Father **Ralph Beiting**, Founder Christian Appalachian Project, Louisa, Kentucky

07-12-02