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FOR IMMEDIATE RELEASE: AUGUST 14, 1992

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FEC RULE WILL PROHIBIT FUNDS TRANSFERS BETWEEN CANDIDATE NON-FEDERAL AND FEDERAL COMMITTEES

WASHINGTON -- New regulations prohibiting all money and asset transfers between a candidate's state or local and federal campaign committees have been approved by the Federal Election Commission.

The Commission will make this rule effective for the 1994 election cycle, with the effective date to be set after the regulation has been before Congress for 30 legislative days.

This revision of a long-standing policy stems from a petition for a rulemaking by Representative William Thomas of California and the Commission's increasing concern about the possible use of impermissible funds in Federal elections.

While establishing an absolute prohibition on transfer of such funds, the regulation provides that a non-federal committee may refund contributions and then may coordinate arrangements with a federal committee seeking to solicit from those contributors, with the full cost of the solicitation paid for by the federal committee.