



THE FEDERAL ELECTION COMMISSION

RECORD

1325 K Street N.W., Washington, D.C. 20463

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CONTRIBUTIONS FROM UNREGISTERED ORGANIZATIONS

The Federal Election Campaign Act and Commission Regulations permit political committees* to accept contributions from unregistered organizations (i.e., committees that are not required to report under the Federal Election Campaign Act). Political committees which receive contributions from unregistered organizations are, however, responsible for determining whether or not those contributions consist of any funds which are prohibited under the Act (e.g., contributions from national banks, corporations, unions or foreign nationals). If a political committee does receive a contribution from an unregistered organization which consists of funds from prohibited sources, the full amount of the contribution must be refunded. If the recipient committee has an account which is used for nonfederal activity, however, it may transfer corporate or union contributions into that account. Directive No. 19 Revised, September 12, 1980.

*For a definition of "political committee," see Commission Regulations at 11 CFR 100.5.

CORRECTION

The October *Record* incorrectly listed the purchase price of the Commission's updated edition of the cumulative *Index to Advisory Opinions*. The correct price is \$2.55 per copy. Requests for the *Index* should be addressed to the Public Records Office, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. Orders should be sent to the Commission and accompanied by a check or money order made payable to the U.S. Treasurer.

COMPUTERIZED FORMAT FOR REPORTING ITEMIZED RECEIPTS AND DISBURSEMENTS

On September 2, 1980, the Commission established new procedures designed to expedite Commission approval of requests to use a computerized format for reporting itemized receipts and disbursements. The Commission delegated authority for approving such requests to the Reports Analysis Division rather than requiring a formal Commission vote on each request.

The Reports Analysis Division and, if appropriate, the Clerk of the House or the Secretary of the Senate will review sample formats submitted by political committees. To be approved, sample formats must meet the following requirements:

1. They must contain complete information and must conform to the format of Schedules A (itemized receipts) and B (itemized disbursements) of FEC Form 3 or 3X. If any information required by Schedules A or B is not contained in a sample schedule, the schedule will not be approved. The Reports Analysis Division will indicate in a letter to the committee which information must be supplied.

NOTE: The Reports Analysis Division will, however, conditionally approve sample formats that contain information required by Schedules A and B but which do not conform to the standard format of the schedules (or from which only minor items are missing). The committee will then be required to modify its sample format to conform to the standard format of Schedules A and B.

2. They must lend themselves to being legibly xeroxed or microfilmed.

The Commission is currently developing a standardized format for computerized schedules. In the future, political committees using this computerized format will be assured of approval by the Commission. Directive No. 37, October 6, 1980.



ADVISORY OPINION REQUESTS

Advisory Opinion Requests (AOR's) pose questions on the application of the Act or Commission Regulations to specific factual situations described in the AOR. The following chart lists recent AOR's, with a brief description of the subject matter, the date the requests were made public and the number of pages of each request. The full text of each AOR is available to the public in the Commission's Office of Public Records.

AOR	Subject	Date Made Public	No. of Pages
1980-108	Bank loans to new party Presidential candidate.	9/18/80	26
1980-109	Publication of endorsement, solicitation or campaign materials in subscription periodical.	9/19/80	8
1980-110	Registration and reporting requirements for local party committee.	9/19/80	2
1980-111	Establishment of separate segregated fund by trade association with foreign corporate members.	9/22/80	2
1980-112	Post-election public funding used for loan repayments.	9/22/80	4
1980-113	Use of surplus funds for political purposes and official duties.	9/22/80	2
1980-114	Disposition of checks refunded to terminated committee.	9/23/80	3
1980-115	Law firm's compensation to partner campaigning as Congressional candidate.	9/23/80	3
1980-116	Independent political committee aided by paid Presidential campaign workers.	9/25/80	2
1980-117	Return of prohibited funds by state political organization registering as (federal) political committee.	9/26/80	2
1980-118	Definition of stockholder for purposes of solicitations by corporate separate segregated fund.	9/26/80	4

AOR	Subject	Date Made Public	No. of Pages
1980-119	Coordinated party expenditures for television ads that are partially broadcast to area outside Senate candidate's state.	10/6/80	5
1980-120	Host committee's payment of convention expenses with funds transferred from general account to convention account.	10/7/80	2
1980-121	Political party's status as national party committee.	10/14/80	7

ADVISORY OPINIONS: SUMMARIES

An Advisory Opinion (AO) issued by the Commission provides guidance with regard to the specific situation described in the AOR. Any qualified person who has requested an AO and acts in accordance with the opinion will not be subject to any sanctions under the Act. Other persons may rely on the opinion if they are involved in a specific activity which is indistinguishable in all material aspects from the activity discussed in the AO. Those seeking guidance for their own activity, however, should consult the full text of an AO and not rely only on the summary given here.

✓ AO 1980-87: Local Party Committee's Expenditures for President Ticket

The Pelham Republican Town Committee, a subordinate committee of the state party committee, may make expenditures for local newspaper and direct mail advertising which support the Republican Presidential ticket only if the Republican National Committee authorizes the subordinate committee as its designated agent. Moreover, these expenditures must be charged against the Republican National Committee's overall "coordinated party" expenditure limit for the Presidential ticket and must be reported by the national committee. 2 U.S.C. §§441a(d)(1) and (2); 11 CFR 110.7(a)(4), 109.1(d)(2) and 104.3(b)(1)(viii).

Commission Regulations prescribed after the enactment of the 1979 Amendments eliminated the special \$1,000 expenditure which a subordinate party committee could make on behalf of its party's Presidential nominees in the general election. Under current Regulations, subordinate party committees may, however, make other types of exempted expenditures that indirectly benefit the Presidential nominee. For example, a state or local party committee may pay for:

- **Certain campaign materials** (e.g., handbills, pins, bumper stickers, brochures) which are distributed by volunteers, provided the materials are not designed for general

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public political advertising and meet other conditions spelled out in Commission Regulations. See 11 CFR 100.7(b)(15) and 100.8(b)(16); and

- **Voter registration and get-out-the-vote activities**, provided specified conditions are met. See 11 CFR 100.7(b)(17) and 100.8(b)(18).

A local party committee is required to register as a "political committee" under the Act, however, when it spends more than \$5,000 a year for such exempted activities.

For more detailed information on the application of the Act and FEC Regulations to state and local party committee activities, see the "800 Line," page 6 of this issue, and the August 1980 FEC *Record Supplement*, available at no cost from: Office of Public Communications, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463; or call 202/523-4068 or toll-free 800/424-9530. (Date Issued: September 15, 1980; Length: 4 pages)

✓ **AO 1980-92: Corporate Contributions to Nonpartisan Organization's Voter Registration Drives**

The Voter Registration Program (VRP), a nonprofit, nonpartisan corporation whose sole purpose is to sponsor voter registration drives, may accept donations to support its voter registration drives from corporations, foundations and other entities if, in connection with its efforts to register voters in California, it has not, does not and will not endorse, support or oppose candidates for political office or political parties. 11 CFR 114.4(d)(2). (Date Issued: September 11, 1980; Length: 3 pages)

✓ **AO 1980-94: Essay Contest Sponsored by Congressman's Campaign Committee**

The Whitehurst for Congress Committee may pay all costs of sponsoring an essay contest for high school students in Mr. Whitehurst's Congressional district, as long as these costs are reported pursuant to 2 U.S.C. §434. (Date Issued: September 19, 1980; Length: 2 pages)

✓ **AO 1980-95: National Bank's Contribution to State Political Fund**

The First National Bank of Florida (the Bank) may make a contribution to "5 for Florida's Future," a fund whose express purpose is to promote adoption of five amendments to Florida's Constitution. Although the state's referendum on the ballot issues will be held in conjunction with a primary run-off election, the bank's contribution does not fall within the purview of the Act because the contribution will be used to influence a ballot referendum — not the election of any candidate for public office. The Commission noted that the Supreme Court examined virtually the same issue in *The First National Bank of Boston et al. v. Bellotti*. (Date Issued: September 19, 1980; Length: 3 pages)

✓ **AO 1980-97: Trust for Pre-Election Presidential Transition Activities**

The Presidential Transition Trust (the Trust), a group established to undertake certain transition activities on behalf of a potential new Republican administration prior to the November 4 election, will not constitute a "political committee" under the Act, provided the Trust:

1. Does not assist the Reagan-Bush Committee in any of its campaign activities; and

2. Does not use its assets to further the election of the Republican Presidential ticket.

Donations to, or disbursements by, the Trust would not be considered "contributions" or "expenditures" under the Act.

As an organization totally separate from the Reagan-Bush Committee, the Trust plans only to conduct transition activities, such as gathering information about critical jobs in a possible new administration and identifying personnel qualified to fill those positions. Donors to the Trust will be asked to sign a card affirming that their donations are given for the purpose of funding pre-election transition activities and not for influencing federal elections. Donations will be limited to \$5,000 per individual. In addition, The Trust will not accept donations from corporations, national banks or labor organizations.

The Commission expressed no opinion on the application of the Presidential Transition Act of 1963 to the Trust's activities since that statute is outside its jurisdiction. (Date Issued: September 15, 1980; Length: 4 pages)

✓ **AO 1980-98: Title/Solicitation Activities of Separate Segregated Fund**

The Birmingham Trust National Bank Committee for Good Government (the Committee) is an acceptable title for the separate segregated fund of the Birmingham Trust National Bank (the Bank) because it includes the sponsoring organization's full name. 2 U.S.C. §432(e)(5); 11 CFR 102.14(c). (To comply with 1979 Amendments to the Act, the Committee had changed its title from the Southern Committee for Good Government to its current title.) The Committee's title does not have to include the names of the Bank's corporate affiliates whose executive and administrative personnel the Committee also solicits.

The Committee's new abbreviated title, BTNB Committee for Good Government, is not permissible, however, because "BTNB" is not a clearly recognizable abbreviation. 11 CFR 102.14(c).

The Commission noted that the Advisory Opinion Request had suggested that the Committee does not restrict solicitations to shareholders and executive and administrative personnel of the Bank and its affiliates. While the Bank or the Committee may solicit the executive and administrative personnel of the Bank's subsidiaries, branches, divisions and affiliates and their families at any time, it may solicit other employees only twice a year according to special procedures described in 11 CFR 114.6(1). (Date Issued: September 26, 1980; Length: 3 pages)

✓ **AO 1980-99: Accounting Methods for Contributions Under \$50**

When the Republican Roundup Committee (the Committee), a registered political committee, hosts fundraising events, it must keep records of all contributions, including those under \$50. 2 U.S.C. §432(c)(1). While neither the Act nor the Commission's Regulations specify the details for keeping records of contributions under \$50, the Regulations state that "an account [of all contributions received] shall be kept by any reasonable accounting procedure." 11 CFR 102.9(a).

continued

The Commission recommended two alternative accounting methods for keeping the records of small contributions:

1. The Committee may keep the same records of contributions under \$50 that it must keep for contributions of \$50 or more, i.e., the name and address of each contributor and the date and amount of the contribution. If the Committee uses this method, or otherwise retains information on the names of contributors, it should also track the amount donated by each contributor on a calendar year basis so it can comply with the requirements for recording aggregated contributions. 11 CFR 102.9(a)(2).
2. Alternatively, the Committee may record the name of the fundraising event, the dates the contributions were received for the event, and the total amount of contributions received on each day for the event. Using this method, the Committee must nevertheless keep more complete records for contributions aggregating \$50 or more (see above). (Date Issued: September 26, 1980; Length: 2 pages)

✓ **AO 1980-100: Separate Segregated Fund Established by Corporation Wholly Owned by Foreign Nationals**

The Revere Sugar Corporation (Revere), a corporation wholly owned by foreign nationals, may pay costs of establishing, administering and soliciting contributions to a separate segregated fund (the Committee). Revere's sponsorship of the Committee will not result in (prohibited) contributions by foreign nationals. Revere itself is not a "foreign principal" — hence not a "foreign national" — because it is a domestic corporation whose principal place of business is in the United States. (See 22 U.S.C. §611(b).) Moreover, no foreign nationals will exercise decision-making authority over the Committee's activities and no contributions will be solicited or accepted from foreign nationals.

The Commission noted that it has authority to audit the Committee's activities. Commissioner Thomas E. Harris filed a dissenting opinion. (Date Issued: September 19, 1980; Length: 4 pages, including dissenting opinion)

✓ **AO 1980-101: Commercial Use of Campaign Finance Information**

Except for information identifying individual contributors, Marvin I. Weinberger may use any information copied from FEC documents and reports filed with the Commission in a directory of political action committees, which he plans to publish and sell.

Although the Act and Commission Regulations generally prohibit commercial use of information copied from FEC reports, Section 104.15(c) of the Regulations does allow this information to be used in newspapers, magazines, books and other similar communications. The communications, however, may not use any FEC information on individual contributors. (Date Issued: September 26, 1980; Length: 3 pages)

✓ **AO 1980-102: Definition of Immediate Family for Solicitation Purposes**

The Fru-Con Corporation Political Action Committee, the separate segregated fund of the Fru-Con Corporation, may solicit contributions from the immediate family of Fru-Con's executive and administrative personnel. For these purposes, "immediate family" includes the children and parents who live in the household with the corporate personnel. The Committee may not, therefore, solicit members of the immediate family living outside the home. 2 U.S.C. §441b(b)(4)(A); 11 CFR 114.5(g)(1). (Date Issued: October 1, 1980; Length: 3 pages)

✓ **AO 1980-105: Notices Required for Advocacy Literature**

The Pro-Life Action Council (the Council) must include a notice of nonauthorization on any general public political communication which the Council finances if the communication expressly advocates the election or defeat of a clearly identified candidate for federal office. If the communication is issued without a candidate's authorization, the notice must clearly identify the Council as the organization which has "... paid for the communication and state that the communication is not authorized by any candidate or candidate's committee." 2 U.S.C. §441d(a)(3); 11 CFR 110.11(a)(1)(iii). (Date Issued: October 6, 1980; Length: 2 pages)

AO 1980-107: Volunteer Services Provided by Senior Partner of Law Firm

A senior partner may provide free services to the Reagan-Bush Committee during normal working hours while continuing to receive full compensation from his law firm. 2 U.S.C. §431(8)(A). The compensation will not count as an in-kind contribution from the firm to the Committee because the partner's compensation is not determined by the number of hours worked and the partner has complete discretion in the use of his time, provided he does not engage in other business activities. Rather, his income is based on his proprietary or ownership interest in the firm reflecting, for example, his ability to attract clients, solve problems and counsel others. Commissioner Frank P. Reiche filed a dissenting opinion. (Date Issued: October 6, 1980; Length: 5 pages, including dissenting opinion)

✓ **AO 1980-108: Bank Loans Made to New Party Presidential Candidate**

Loans made by a consortium of banks to the National Unity Campaign, the principal campaign committee of Presidential candidate John B. Anderson, could be treated as bona fide loans, rather than as prohibited contributions, even though they would be secured by Mr. Anderson's expectation of receiving post-election public funding. (To be eligible for post-election public funding as a new party candidate, Mr. Anderson must receive five percent or more of the total votes cast in the general election.)

More specifically, the loans would not necessarily fall outside the "ordinary course of business" solely because the principal means of repayment would be the post-election federal funds available to Mr. Anderson if he

receives at least five percent of the popular vote. Furthermore, the loans would not violate the Act's requirement that bank loans be "made on a basis which assures repayment" solely because Mr. Anderson's receipt of post-election financing is contingent on his obtaining five percent or more of the vote. The Commission noted that the risk of the candidate's failure to repay the loans was mitigated by a proposed Revolving Credit Agreement, which included the following risk-control mechanisms:

1. Under the "available commitments formula," the amount of funds available to the Anderson campaign on any given day would depend on Mr. Anderson's performance in the most recent opinion polls.
2. Total loans available to the Anderson campaign would not exceed \$10 million.
3. All loans would have to be used solely to defray qualified campaign expenses.
4. In order to borrow at all, Mr. Anderson would have to be favored in the polls by no less than six percent of the voters.
5. A series of dollar limits and time restraints would be set on all loan transactions. The Agreement specifies, for example, that the Anderson campaign may not borrow additional funds within 10 days of the preceding borrowing or borrow more than a total of \$6 million within 20 days of the Agreement.
6. Mr. Anderson would assign his rights to post-election funds to his principal campaign committee, which in turn would assign those rights to an agent representing the banks. Further, the Anderson campaign would irrevocably authorize the Commission to have all public funds paid directly to the agent.
7. Numerous provisions of the Agreement would safeguard the banks' first-priority security interest in any post-election public funds Mr. Anderson might receive.
8. The Anderson campaign would remain liable for the debt even if Mr. Anderson failed to receive post-election public funding.

The Commission expressly did not decide, however, whether any particular loan made pursuant to the Agreement would be considered a loan negotiated in the "ordinary course of business," because this decision would depend on many other factors involved in the particular loan transaction. The Commission therefore cautioned against any use of the opinion as a legal sanction for any particular loan transaction. Further, the Commission expressed no opinion on the application of other laws and regulations to the loans, including tax laws or state and federal banking laws. Vice Chairman John Warren McGarry and Commissioner Thomas E. Harris issued a concurring opinion. Commissioner Robert O. Tiernan issued a dissenting opinion. (Date Issued: October 6, 1980; Length: 17 pages, including concurring and dissenting opinions)

AO 1980-109: Candidate Support Provided by Subscription Periodical

Endorsement of candidates for federal office by *The Ruff Times* (a subscription periodical), including solicitations to their campaigns, would not constitute contributions to the candidates by Mr. Ruff, *The Ruff Times* or the subscription

James Hansen

periodical's publisher. If a commentary in the periodical did solicit contributions to a candidate, the contributors would have to be instructed to forward their contributions directly to the candidate's campaign committee — and not to *The Ruff Times*. Nor would campaign advertising prepared and paid for by a candidate's committee and published in the periodical result in a contribution to the candidate, provided the candidate's campaign committee paid the usual and normal rate for the advertisements.

Commentaries in *The Ruff Times* endorsing specific candidates would not constitute contributions because Section 100.7(b)(2) of Commission Regulations specifically exempts from the definition of contribution "any cost incurred in covering or carrying a news story, commentary, or editorial by a . . . periodical publication." Further, "periodical publication" has been defined to mean a publication in bound pamphlet form appearing at regular intervals and containing articles of news, information, opinion or entertainment, whether of general or specialized interest, which ordinarily derives its revenue from subscriptions and advertising. (Date Issued: October 6, 1980; Length: 4 pages)

FEC PUBLIC APPEARANCES

In keeping with its objective of making information available to the public, the Commission accepts invitations to address public gatherings. This column lists upcoming scheduled Commission appearances, the name of the sponsoring organization, the location of the event and the name of the Commission's speaker. For additional information on any scheduled appearance, please contact the sponsoring organization.

- 11/3 Nippon Express Company, Ltd.
Election Management Committees
FEC, Washington, D.C.
Chairman Max Friedersdorf
Vice Chairman John Warren McGarry
Dr. Gary Greenhalgh, Director,
Clearinghouse
- 11/8 Southern Political Science Association
Convention
Atlanta, Georgia
Gwenn Hofmann, Clearinghouse
- 11/15 New York University Review of Law and
Social Change Colloquium
New York, New York
Charles N. Steele, General Counsel
- 11/20 Rutgers University
Public Policy Analysis Class
Newark, New Jersey
Commissioner Frank P. Reiche



COORDINATED PARTY EXPENDITURES

The Public Communications Office receives numerous inquiries from the public on its toll-free line: 800/424-9530. The following explanations are offered in response to questions that party committees frequently ask about coordinated expenditures (2 U.S.C. §441a(d)).

May state party committees make expenditures on behalf of federal candidates in the general election?

In addition to direct contributions, state party committees may make special expenditures, referred to as "coordinated party expenditures," on behalf of their party's candidates for the House and Senate. (These expenditures are also sometimes called "441a(d) expenditures" because they are provided for in §441a(d) of the Act.) These expenditures are subject to monetary limits and may be made only for a general election campaign, not for a primary election. Although they may be made in cooperation with a candidate, coordinated party expenditures are not considered contributions and do not count against the committee's contribution limit for a candidate. 11 CFR 110.7(b). The party committee — not the candidate — must actually make the expenditures and is responsible for reporting them.

May a local party organization make coordinated party expenditures?

Yes. A local party organization may make coordinated party expenditures, but only if the state party committee has designated it as an agent to do so.

If a state party committee designates a subordinate party committee to make coordinated expenditures, who is responsible for ensuring the state committee's limits are not exceeded?

The state committee monitors its spending limits by following the special reporting procedures detailed below.

Must a local party organization that makes coordinated party expenditures register as a political committee?

Maybe. Coordinated party expenditures made by a local party organization count toward the \$1,000 threshold which would trigger the organization's registration as a political committee. (For complete information on registration thresholds for local party organizations, consult FEC Regulations at 11 CFR 100.5(c).)

May a national party committee make coordinated party expenditures on behalf of House and Senate candidates? If so, do separate spending ceilings apply to the expenditures made respectively by the state and national party committees?

Yes. The national party committee may also make coordinated party expenditures on behalf of the party's House and Senate nominees in the general election. A separate ceiling applies to the expenditures made by the national party. 11 CFR 110.7(b)(1).

May state and national party committees also make coordinated expenditures to support their party's Presidential ticket in the general election?

Yes and no. Only the national committee may make coordinated expenditures on behalf of the party's Presidential nominee, although state and local party committees may be designated by the national committee as agents for making Presidential coordinated party expenditures. 11 CFR 110.7(a). A separate spending limit applies to the expenditures the national committee makes on behalf of the Presidential ticket. Moreover, the national committee is responsible for ensuring this limit is not exceeded if it designates a state or subordinate party committee to make these expenditures.

What are the spending ceilings?

The national and state party committees may each spend:

- for *House candidates*, \$10,000 (plus a cost of living adjustment); and
- for *Senate candidates, or House candidates from states with one Congressional district*, \$20,000 (plus a cost of living adjustment); or \$.02 x the state voting age population (VAP) (plus a cost of living adjustment), whichever is greater. 11 CFR 110.7(b).

A national party committee may also spend up to \$.02 x VAP of the United States (plus a cost of living adjustment) on behalf of its *Presidential nominee*. 11 CFR 110.7(a). (The 1980 limits for coordinated expenditures are detailed on page 5 of the March 1980 *Record*.)

How are coordinated party expenditures reported?

A party committee reports its total coordinated expenditures on the Detailed Summary Page of Form 3X. In addition, the committee must itemize the expenditures, regardless of amount, on Schedule F. The campaign committees of the candidates for whom the expenditures are made do not report these expenditures.

Are there special reporting procedures for a local party organization that has been designated by the state party committee to make coordinated party expenditures?

Yes. To help the state party committee monitor spending limits for coordinated expenditures, the Commission recommends the special reporting methods outlined below. Alternatively, a state committee may use another method of controlling and reporting coordinated party expenditures if the plan is submitted to and approved by the Commission in advance. 11 CFR 110.7(c).

1. *Unregistered Local Organizations*. A local party organization not registered as a political committee discloses its coordinated party expenditures on Schedule F, which it then submits to the state committee. The state committee then attaches the Schedule F to the report of receipts and disbursements it files with the Commission.
2. *Registered Local Committees*. A registered local party political committee files a Schedule F with its regularly scheduled report (Form 3X), itemizing all coordinated party expenditures it has made since the last report filed and recording the total on the Detailed Summary Page. In addition, the committee forwards a copy of its completed Schedule F to the state committee.

3. *State Committees.* A state party committee also files a Schedule F with its regularly scheduled report, itemizing only those coordinated party expenditures that the state committee itself has made and recording the total of its own expenditures on the Detailed Summary Page. The state committee also files, as attachments to its own report, the Schedule F reports submitted by all local organizations and committees that have made coordinated party expenditures. This means, of course, that the local organizations and committees must submit their Schedule F reports to the state committee sufficiently in advance of the filing date to permit the state committee to file on time.

"TOP 10" POLITICAL COMMITTEE CONTRIBUTORS

Name of Contributor	Contributions to Federal Candidates 1/79 - 6/80*
1. American Medical Political Action Committee (American Medical Association)**	\$596,435
2. Automobile and Truck Dealers Election Action Committee (National Automobile Dealers Association)	\$512,526
3. Realtors Political Action Committee (National Association of Realtors)	\$465,647
4. UAW-V-CAP (United Auto Workers Voluntary Community Action Program)(United Auto Workers)	\$449,816
5. AFL-CIO COPE Political Contributions Committee (AFL-CIO)	\$381,922
6. Carpenters' Legislative Improvement Committee (Carpenters and Joiners of America)	\$333,408
7. Committee for Thorough Agricultural Political Education of Associated Milk Producers, Inc. (Associated Milk Producers, Inc.)	\$331,489
8. Machinists Non-Partisan Political League (Machinists and Aerospace Workers)	\$325,785
9. Transportation Political Education League (United Transportation Union)	\$302,435
10. National Association of Life Underwriters Political Action Committee (National Association of Life Underwriters)	\$295,637

FEC REPORTS ON FINANCIAL ACTIVITY OF NONPARTY POLITICAL COMMITTEES

The FEC released summary figures on September 25, 1980, indicating that nonparty political committees had contributed approximately \$25 million to federal candidates from January 1, 1979, through June 30, 1980. These committees also independently spent approximately \$1.4 million to support federal candidates. The figures released are part of an ongoing study of federal campaign finance activity entitled *1979-1980 FEC Reports on Financial Activity*.

Interim Report No. 9, the first study of nonparty financial activity, indicated that nonparty political committees had:

- raised \$85.3 million;
- spent \$61.4 million;
- contributed \$25 million to federal candidates; and
- spent \$1.36 million independently in support of federal candidates.

NOTE: The figures in this interim report are not final; they are subject to change after all 1979-80 related reports and amendments have been received.

The chart below lists the ten largest contributors to federal candidates from January 1, 1979, through June 30, 1980. The entire four-volume set of *Interim Report No. 9* is available for purchase (\$5 per volume) from the FEC's Public Records Office, 1325 K Street, N.W., Washington, D.C. 20463. Telephone: 202/523-4181 or toll free 800/424-9530. Or each of the following volumes of *Interim Report No. 9* may be purchased separately:

- Vol I: Summary Tables
- Vol. II: State and Local Party Detailed Tables
- Vol. III: Non-Party Detailed Tables (Corporate and Labor)
- Vol. IV: Non-Party Detailed Tables (No Connected Organization, Trade/Membership/Health, Cooperative, Corporation Without Stock)

*Federal candidates include House, Senate and Presidential candidates seeking election in 1980, candidates campaigning in future elections and inactive candidates retiring debts of former campaigns.

**The organization sponsoring each political committee is indicated in parenthesis.

FEC REPORTS ON FINANCIAL ACTIVITY OF CANDIDATE POLITICAL COMMITTEES

U.S. Senate and House candidates have raised \$126 million and spent more than \$103 million on their 1979-1980 election efforts, according to summary figures released by the Commission on October 1, 1980. These figures are part of the 1979-1980 *FEC Reports on Financial Activity of federal campaigns*.

The first study of U.S. Senate and House campaigns, *Interim Report No. 8*, is based on reports filed with the Commission from January 1, 1979, through June 30, 1980. (Some additional total receipt and disbursement information is also included for Congressional primaries held in August.) The study provides an itemized account of the contributions and expenditures made on behalf of the 2,184 Congressional candidates. For example:

- Contributions from nonparty political committees to the candidates totaled \$20.8 million;
- Party committees contributed \$1.8 million and spent \$3.3 million on behalf of the candidates; and
- Independent expenditures by nonparty committees totaled \$.04 million on behalf of the candidates and \$.8 million in opposition to them.

The study also summarizes the financial activity of "candidates," as follows:

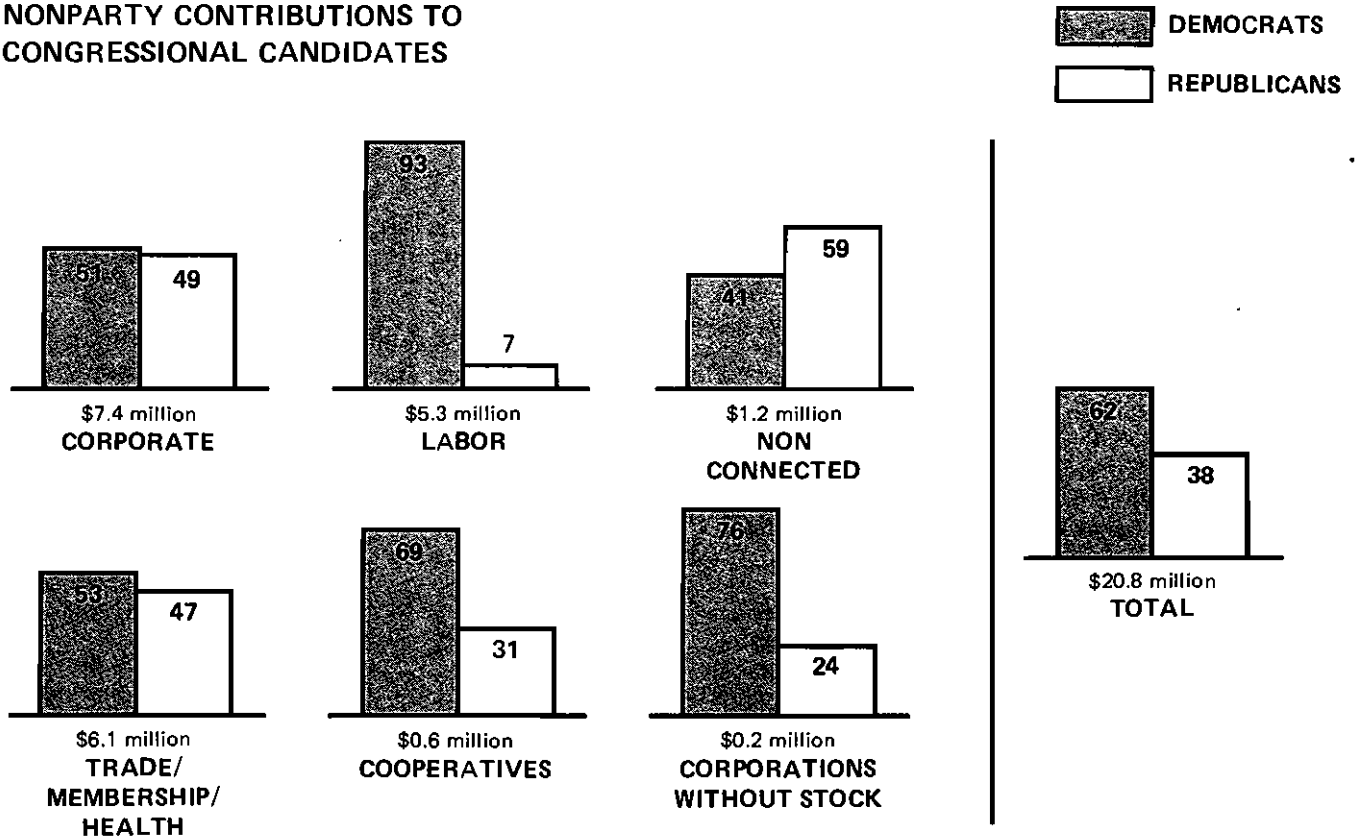
Type of Candidate	Funds Raised*	Funds Spent*
Senate candidates	\$56.5	\$47.2
House candidates	69.3	55.8
Democrats	69.7	55.4
Republicans	56.0	47.5
Others	.1	.1
Incumbents	60.5	41.9
Challengers	41.8	38.7
Open Seat Races	23.5	22.4

*All figures are in millions of dollars.

NOTE: Figures provided in the study reflect the financial activity related to six special elections held in 1979-1980, in addition to the 1980 primary and general elections.

Copies of the 1979-1980 *FEC Reports on Financial Activity, Interim Report No. 8, U.S. Senate and House Campaigns* may be purchased at a cost of \$5 from the Public Records Office, 1325 K Street, N.W., Washington, D.C. 20463. For more information, call: 202/523-4181 or toll free 800/424-9530.

NONPARTY CONTRIBUTIONS TO CONGRESSIONAL CANDIDATES



These graphs show, on a percentage basis, how each type of nonparty committee divided its contributions between 1979-80 Democratic and Republican Congressional candidates. (1/1/79-6/30/80)

Source: 1979-80 *FEC Reports on Financial Activity of 1979-80 U.S. Senate and House Campaigns, Interim Report No. 8.*

THE LAW IN THE COURTS

NEW LITIGATION

✓ Fred P. Ames v. FEC et al.

Plaintiff seeks an injunction from the U.S. District Court for the District of Columbia which would prevent the FEC from certifying public funds to the two major political parties. Plaintiff also demands that the FEC provide a grant of \$4 million to the Concerned Citizens of America.

(U.S. District Court for the District of Columbia, Docket No. 80-2051, August 13, 1980.)

✓ The National Republican Senatorial Committee v. FEC

Pursuant to 2 U.S.C. §437g(8)(A), the National Republican Senatorial Committee seeks review by the U.S. District Court for the District of Columbia of a Commission decision to dismiss a complaint brought by plaintiff. Plaintiff had brought the complaint against both the Hart for Senate Campaign Committee (the Committee) and Linda Ronstadt, who had donated entertainment services to the Committee. Contending that the Commission's decision was not based on facts and the applicable law because the defendants had not given the Commission an accurate account of the fundraiser, plaintiff seeks a Court decision directing the Commission to enforce provisions of the Act applicable to the complaint.

(U.S. District Court for the District of Columbia, Docket No. 80-2266, September 6, 1980.)

✓ Barry Commoner v. FEC et al.

Plaintiff sought a ruling from the U.S. District Court for the District of Columbia that the Commission's September 16, 1980, decision dismissing a complaint brought by plaintiff was contrary to law. Plaintiff asked the Court to retain jurisdiction over the complaint. (In the complaint, plaintiff and the Citizens Party, a new party, had alleged that the Presidential debates scheduled for the general election campaign, and sponsored by the League of Women Voters Education Fund, violated the FEC's debate regulations by being partisan.) Plaintiff further sought the Court's declaratory judgment that the method of staging debates used by the League of Women Voters Education Fund was illegal. Plaintiff asked the Court to enjoin the League from sponsoring subsequent debates or, alternatively, to compel the League to include plaintiff in the debates.

On October 1, 1980, Mr. Commoner filed a motion with the Court to dismiss the case without prejudice.

(U.S. District Court for the District of Columbia, Docket No. 80-2389, September 19, 1980.)

Felice M. Gelman and Citizens for LaRouche, Inc. v. FEC

Plaintiffs seek an injunction from the U.S. District Court of the District of Columbia enjoining the Commission from conducting investigations of volunteers and contributors to Citizens for LaRouche, Inc., the principal campaign committee of Presidential candidate Lyndon H. LaRouche. Plaintiffs further seek a declaratory judgment from the Court that such investigations are being conducted in violation of the Act and Commission Regulations at 11 CFR Part 111.

(U.S. District Court for the District of Columbia, Docket No. 80-2471, October 1, 1980.)

COMPLIANCE

EXPEDITED COMPLIANCE PROCEDURES FOR THE GENERAL ELECTION

On September 25, 1980, the Commission approved procedures for expediting complaints filed with the Commission within 30 days of the general election. These procedures apply only to federal candidates running in the general election and to political committees making contributions and expenditures in connection with the general election.

Under the expedited procedures, the Commission will continue to follow all the steps specified under the Commission's normal compliance procedures. 11 CFR Part 111. (See also the April *Record*, p. 6.) The time provided for certain steps, however, will be reduced.

After the Commission has received a complaint, for example, it will notify the respondent within 24 hours (rather than five days) that a complaint has been filed against him or her. The respondent will have 15 days in which to reply to the complaint. Similarly, the Commission will inform the complainant within 24 hours after receiving the complaint (rather than five days) that the complaint has been received and is being processed.

The Commission may decide to dismiss the complaint before receiving the respondent's reply. If it is possible to dismiss a complaint on this basis, the Commission will attempt to do so within five days after the complaint has been filed. If the complaint is dismissed, the complainant and respondent will be notified by mailgram.

If the complaint cannot be dismissed on its face, the Commission will make no decision until the receipt of the respondent's reply or 15 days after the respondent receives notification of the complaint, whichever comes first. If the Commission decides there is "reason to believe" the Act has been violated, it will notify the respondent and complain-

continued

ant by mailgram (or as soon as practicable) and send a follow-up letter by the close of business on the following day. (Under normal procedures, the Commission allows five days to inform respondents and complainants by mail.)

If the Commission determines before the November 4th general election that there is "probable cause to believe" the Act has been violated, and if the respondents are involved in the general election, the Commission will formally seek a conciliation agreement with the respondents for at least 15 days (rather than 30).

✓ **FEC PUBLISHES NAMES OF NONFILERS**

On September 10, 1980, the Commission released the names of 280 committees authorized by candidates which had failed to file their semiannual reports of receipts and expenditures. The reports were due by close of business on July 31. An FEC press release issued September 10 provides state-by-state details on those committees which failed to file their July semiannual report. The release may be obtained from the FEC's Office of Public Records. Call 202/523-4181 or toll free 800/424-9530.

Under the 1979 Amendments to the Federal Election Campaign Act, if a candidate is not running for office in 1980, the candidate's campaign committee must file two semiannual reports if the committee either received contributions or made expenditures (including payment of debts) in excess of \$5,000. One report must be filed by July 31, the other by January 31, 1981. Each semiannual report must include information on all financial activity occurring during the six-month period.

Further Commission action against nonfilers and late filers will be decided on a case-by-case basis. The Federal Election Campaign Act gives the Commission broad authority to initiate enforcement actions against nonfilers, including civil court enforcement and the imposition of civil penalties.

SUMMARY OF MUR'S

Selected compliance cases, which have been closed and put on the public record, are summarized in the *Record*. Compliance matters stem from possible violations of the Federal Election Campaign Act of 1971, as amended, which come to the Commission's attention either through formal complaints originating outside the Commission or by the FEC's own monitoring procedures. The Act gives the FEC the exclusive jurisdiction for the civil enforcement of the Act. Potential violations are assigned case numbers by the Office of General Counsel and become "Matters Under Review" (MUR's). All MUR investigations are kept confidential by the Commission, as required by the Act.

MUR's may be closed at any one of several points during the enforcement process, including when the Commission:

- Determines that no violation of the Act has occurred;
- Determines that there is no reason to believe or no

probable cause to believe a violation of the Act has occurred;

- Enters into a conciliation agreement with the respondent;
- Finds probable cause to believe a violation has occurred and decides to sue; or
- Decides at any point during the enforcement process to take no further action.

After the MUR is closed and released by the Office of General Counsel, the Commission makes the MUR file available to the public. This file contains the complaint, the findings of the General Counsel's Office and the Commission's actions with regard to the case, including the full text of any conciliation agreement. The Commission's actions are not necessarily based on, or in agreement with, the General Counsel's analysis.

Selection of MUR's for summary is made only from MUR's closed after January 1, 1979. The *Record* article does not summarize every stage in the compliance process. Rather, the summary provides only enough background to make clear the Commission's final determination. The full text of these MUR's and others which were closed between 1976 and the present are available for review and purchase in the Commission's Public Records Office.

✓ **MUR 1032: Creditor Files Complaint Against Candidate Committee**

On March 4, 1980, the Commission voted to take no further action in the case of a Presidential candidate committee that responded satisfactorily to a reason to believe finding.

Complaint: On September 26, 1979, a creditor of the candidate committee filed a complaint alleging that the committee had failed to pay a debt owed to the company, thus violating the Act by breaking an oral contract. The company also alleged that the committee, by failing to continuously report outstanding debts or file reports after its July 1978 quarterly report, had violated 2 U.S.C. §§434(b)(12) and 434(a), respectively.

General Counsel Reports: The General Counsel pointed out that, as to the breach of contract, no statute within the Commission's jurisdiction had been violated. Although the Regulations address the forgiveness of debts owed to corporations, there is nothing in the Act or Regulations granting the Commission jurisdiction to enforce the payment of debts owed by a political committee. The General Counsel's review of the committee's reports, however, substantiated the other alleged violations. The committee had last disclosed its debts in August 1976 and had not filed any reports since July 1978.

Commission Determination: On December 14, 1979, the Commission found reason to believe the committee had violated the §434 reporting requirements. The Committee then complied with the Act by filing the necessary reports and disclosing information on its debts. The Commission, on March 3, 1980, decided to take no further action in the matter and closed the file.

CLEARINGHOUSE

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REGULATIONS

CHANGE OF ADDRESS

Political Committees

Registered political committees are automatically sent the *Record*. Any change of address by a registered committee must, by law, be made in writing as an amendment to FEC Form 1 (Statement of Organization) and filed with the Clerk of the House, the Secretary of the Senate or the FEC, as appropriate.

Other Subscribers

Record subscribers (who are not political committees), when calling or mailing in a change of address, are asked to provide the following information:

1. Name of person to whom the *Record* is sent.
2. Old address.
3. New address.
4. Subscription number. The subscription number is located in the upper left hand corner of the mailing label. It consists of three letters and five numbers. Without this number, there is no guarantee that your subscription can be located on the computer.

STATUS OF FEC REGULATIONS -

Regulations*	Date Sent to Congress	Federal Register Publication	Date Prescribed** by the Commission
11 CFR 9033.9 Suspension of Primary Matching Fund Payments	4/10/80	4/15/80 (45 FR 25378)	7/3/80
11 CFR Part 4 Public Records and the Freedom of Information Act	Not applicable	5/13/80 (45 FR 31291)	6/12/80
11 CFR Part 5 Access to Public Disclosure Division Documents	Not applicable	5/13/80 (45 FR 31292)	6/12/80
11 CFR, Parts 100 and 110 Contributions to and Expenditures by Delegates to National Nominating Conventions	5/14/80	5/23/80 (45 FR 34865)	8/7/80
11 CFR, Parts 100, 106, 110, 140-146 and 9001-9007 Public Financing of Presidential General Election Campaigns	6/13/80	6/27/80 (45 FR 43371)	9/5/80

*The chart is cumulative, listing all amendments to the FEC Regulations proposed after the April 1980 edition of 11 CFR was published, including any technical amendments.

**The Commission may prescribe its regulations 30 legislative days after it has transmitted them to Congress, provided neither the House nor the Senate disapproves them during this period.

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