# RECORD

July 1986

999 E Street NW

Washington DC

20463

Volume 12, Number 7

## INFORMATION

# COSTS OF FEC INFORMATION REDUCED BY NEW COMPUTER CONTRACT

The FEC recently approved a six-year computer contract with the Digital Equipment Corporation, which will provide the agency with more services at reduced costs. (The new contract will reduce the FEC's monthly costs for computer services from \$50,000 to \$42,753.) As a result, when the computer system becomes operational this fall, the agency will be able to improve its information services. For example, the new computer system will:

- Reduce the time required to retrieve information for the public and the press, thus allowing the agency to handle more information requests on an overnight basis;
- o Expand the storage capacity, permitting the agency to eventually restore financial information from the 1978, 1980 and 1982 election cycles to the data base. (The agency had removed this information from the data base earlier this year because of budget cuts resulting from the Gramm-Rudman-Hollings Deficit Reduction Act.); and
- o Reduce the fee for using the FEC's Direct Access Program from \$50 to approximately \$22 per hour, while increasing access to the program. (The Direct Access Program is an on-line computer information system specifically designed for individuals with personal computers. The program's capabilities are summarized on page 5 of the March 1986 Record.)

The agency noted that, during the transition to the new computer system this fall, there should be no interruption in computer-based information services to the public.

# **ADVISORY OPINIONS**

AO 1986-12: Excess Funds Transferred from Former Representative's 1984 House Campaign to Retire Debts of Her 1986 Exploratory Committee

Former Congresswoman Geraldine Ferraro may use some excess campaign funds of her 1984 House campaign, the Ferraro for Congress 1984 Committee (the 1984 Committee), to defray expenses of an unregistered committee she established to test the waters for a potential 1986 Senate candidacy in New York, the Ferraro '86 Exploratory Committee (the Exploratory Committee). Ms. Ferraro may transfer any funds consist-continued

#### TABLE OF CONTENTS

## INFORMATION

- 1 FEC Information Costs Reduced By Computer Contract
- 1 ADVISORY OPINIONS

#### 800 LINES

- 3 Using FEC Information
- 4 Local and State Officeholders Become Federal Candidates
- 5 Candidate Use of Loans and Assets

## COURT CASES

- 6 FEC v. NCPAC (Third Suit)
- 7 FEC v. NCC
- 7 FEC v. Dramesi for Congress
- 8 New Litigation

#### COMPLIANCE

8 Nonfiler Published

#### STATISTICS

9 1984 Presidential Primary Activity

#### **PUBLICATIONS**

- 10 Order Information
- 11 INDEX

ing of contributions to her 1984 primary campaign for the House seat. On the other hand, since she was not a candidate for the 1984 general election, she may not transfer those funds which consist of:

1) contributions designated for her 1984 general election campaign for the House seat; or 2) undesignated contributions received after the July 26, 1984, deadline for obtaining ballot access for the New York primary. Instead, these contributions must be refunded to the contributors. 11 CFR 110.1(a).

The 1984 Committee reported all of its contributions as general election receipts because, in the committee's view, this accurately reflected the fact that Ms. Ferraro was unopposed in the primary election for the House seat. Under FEC Regulations, however, even if a candidate is unopposed in a primary, a separate contribution limit applies for the primary election. 11 CFR 110.1(j)(2) and (3). Accordingly, any undesignated contributions the 1984 Committee received by July 26, 1984, the filing deadline for the primary, constituted contributions to Ms. Ferraro's 1984 primary campaign. (The Commission noted that, since Ms. Ferraro did not file for the House primary, she was no longer a candidate once the filing date had expired.)

The Act provides that candidates may use excess funds of such campaigns for any "lawful purpose." 2 U.S.C. §439a. (The law prohibits candidates from converting these excess campaign funds to personal use, but this prohibition does not apply to individuals, such as former Congresswoman Ferraro, who were members of Congress on January 8, 1980.)

By contrast, any contributions designated for her 1984 general election campaign for the House seat and any undesignated contributions received after the July 26, 1984, filing deadline for the primary could not be transferred to the Exploratory Committee because contributions made to a candidate for an election in which he or she does not participate must be refunded to the contributors. See AOs 1980-122, 1982-49 and 1985-41. After July 26, Ms. Ferraro was not a candidate with respect to either the 1984 primary or the general election; nor did she become a House candidate for 1986. Moreover, Ms. Ferraro did not reconstitute the 1984 Committee for some other political purpose; nor did she inform donors (or request their authorization) of some alternate disposition of these funds. Commissioner Thomas J. Josefiak filed a concurring opinion. (Date issued: May 12, 1986; Length: 4 pages, including concurrence.)

## AO 1986-13: Eligibility of Trade Association's Corporate Members and State Associations to Finance PAC Expenses

The National Tire Dealers and Retreaders Association Political Action Committee (TIRE PAC), the separate segregated fund of the National Tire Dealers and Retreaders Association (NTDRA), a trade association, may accept solicited and unsolicited donations to its administrative account from: a) corporate members of NTDRA's Supplier Group; and b) 35 state and regional tire dealers and retreaders associations affiliated with NTDRA. TIRE PAC plans to establish a separate account to be used solely to defray its establishment, administration and fundraising costs.

## Supplier Group Donations

A corporate member of a trade association may donate funds or merchandise to defray the costs of establishing, administering and soliciting funds to the trade association's separate segregated fund, provided the corporate donor qualifies as a "member" of the trade association under the Act and FEC Regulations.

The corporations belonging to NTDRA's Supplier Group meet the membership requirements, as defined in the law and clarified by the courts and FEC advisory opinions. Therefore, they are eligible to donate funds for TIRE PAC's administrative expenses and prizes for its fundraisers. The Supplier Group members participate in governing NTDRA by voting for their own representatives on NTDRA's Board of Directors. Moreover, Supplier Group members pay regular dues of a predetermined, minimum amount.

#### State and Regional Association Donations

In previous advisory opinions, the Commission has also permitted a membership organization to accept donations from affiliated organizations and local units to defray the administration and fundraising expenses of its PAC. See AO 1983-46.

The 35 state and regional organizations with which NTDRA has entered into "agreements of affiliation" meet the affiliation criteria under the election law. 11 CFR 100.5(g)(2)(i)(D) and 110.3(a)(1)(ii)(D). Specifically, NTDRA's agreements of affiliation recognize a formal relationship between NTDRA and each state or regional association. Each agreement provides for mutual support and coordination of activities to promote common interests. (Date issued: May 9, 1986; Length: 5 pages)

<sup>\*</sup>Members are defined as those entities which have governing rights within the organization and an obligation to pay regular dues. See 11 CFR 114.1(e) and AO 1984-33.

#### ADVISORY OPINION REQUESTS

The following chart lists recent requests for advisory opinions (AORs). The full text of each AOR is available to the public in the Commission's Office of Public Records.

#### AOR Subject

- 1986-16 Excessive contribution used to liquidate primary debts of unsuccessful candidate. (Date made public: May 22, 1986; Length: 2 pages)
- 1986-17 Designation of Senate candidate by state party committee as an "election" for purposes of contribution limits; raising and spending general election funds prior to primary. (Date made public: May 22, 1986; Length: 2 pages, plus 3-page supplement)
- 1986-18 Maintaining campaign funds in eash management account established by brokerage firm. (Date made public: May 23, 1986; Length: 1 page)
- 1986-19 Primary contribution limit for Senate candidates in states with no primaries; Act's preemption of state laws for purposes of establishing this limit. (Date made public: May 30, 1986; Length: 3 pages)
- 1986-20 Campaign's purchase and distribution of promotion item to public. (Date made public: June 11, 1986; Length: 1 page, plus 3-page supplement)
- 1986-21 Reporting requirements for unopposed party convention candidate. (Date made public: June 11, 1986; Length: 1 page)

## **800 LINE**

# USING INFORMATION CONTAINED IN REPORTS FILED BY COMMITTEES

## Use of Information in Reports

The Federal Election Campaign Act states that: "...any information copied from...reports or statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee." 2 U.S.C. \$438(a)(4).

In a series of requests for advisory opinions, the Commission has been asked to interpret this provision of the law. The following questions and answers summarize how the Commission has applied this provision to specific, factual situations.

May the information contained in the reports filed by political committees be used to solicit contributions (either political or charitable) from individuals? No. The law prohibits such use in order to protect the privacy of individual contributors. This prohibition on use of FEC information specifically applies to the names and addresses of individual contributors listed on FEC reports.

May the information about PACs be used for commercial purposes or for soliciting contributions from political committees? The FEC stated in an advisory opinion that the names and addresses of political action committees (PACs) could be used for commercial or solicitation purposes. Individual contributor information, however, could not be used. AO 1980-101.

May a newspaper or magazine publish the information contained in the reports? Information from FEC records may be used in newspapers, magazines, books or other similar communications provided that "the principal purpose of such communications is not to communicate any contributor information listed on such reports for the purpose of soliciting contributions or for other commercial purposes." II CFR 104.15(c). See AO 1981-38.

continued

The <u>Record</u> is published by the Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463. Commissioners are: Joan D. Aikens, Chairman; John Warren McGarry, Vice Chairman; Lee Ann Elliott; Danny Lee McDonald; Thomas E. Harris; Thomas J. Josefiak; Jo-Anne L. Coe, Secretary of the Senate, Ex Officio; Benjamin J. Guthrie, Clerk of the House of Representatives, Ex Officio. For more information, call 202/376-3120 or toll-free 800/424-9530.

May a candidate use the names and addresses of individual contributors to his opponent or to other candidates or committees to solicit contributions? No. In AO 1981-5, however, the Commission said that a candidate could use his opponent's list of contributors to send them letters with an explanation of his views, but that the letters could not carry a solicitation.

May an individual use FEC contributor information to verify the names of individual contributors contained on a list intended to be used for commercial purposes? No. By using FEC information to purge individual contributors from an existing list of contributors or to otherwise identify contributors, an individual would be increasing the commercial value of the list, thereby violating Section 438(a)(4)'s ban on commercial use of contributor information. See AO 1985-16.

#### Use Of Pseudonyms

How can a political committee be sure that no one is using the information it reports to solicit its individual contributors? A committee can determine whether the names and addresses of its contributors are being used illegally by "salting" the reports it files under the Act. The law permits a committee to include on its reports ten fictitious names (referred to under the law as pseudonyms) and addresses.

If a committee learns that a solicitation has been sent to any one of the fictitious names listed on its report, the committee will know that someone has misused the committee's report. Should this occur, the committee may file a complaint with the FEC. The use of pseudonyms enables the committee to protect the privacy of its individual contributors.

In disclosing fictitious contributors on a report, how may a committee avoid inflating the figure reported for total contributions? One way to be sure that the total amount of contributions remains unaltered and accurate is to take a portion of the subtotal for unitemized contributions and allocate it, as fictitious itemized contributions, among several fictitious individual contributors. Each of these fictitious individual contributions would be itemized on a Schedule A. (The committee could assign each fictitious contributor the address of a staffer on the committee, thereby enabling the committee to learn quickly about any illegal solicitations.)

If a committee uses pseudonyms, should it report them to the FEC? Yes. A political committee should send its list of pseudonyms, under separate cover, to the Reports Analysis Division, Federal Election Commission, Washington, D.C. 20463. The list will be maintained only by the

Commission and will not become part of the public record. A committee should not send any list of pseudonyms to the Clerk of the House, the Secretary of the Senate or a State's Secretary of State.

# LOCAL AND STATE OFFICEHOLDERS WHO BECOME FEDERAL CANDIDATES

In recent months, the Commission has received questions from state and local office-holders who are seeking federal office for the first time. They have wanted to know how the federal election law differs from the election laws in their states. The following questions and answers deal with some of the issues they have raised.

What is the main difference between running for federal office and running for state or local office? Candidates for federal office may not accept contributions from the treasury funds of corporations or labor organizations.\*

What types of organizations fall under the prohibition on corporate funds? Under the federal law, the ban on corporate contributions applies to treasury funds of the following organizations:

- o Corporations with capital stock
- o Corporations without capital stock
- o Nonprofit corporations
- o Incorporated membership organizations
- o Incorporated trade associations
- o Incorporated cooperatives

Are there any other prohibitions? Yes. Candidates for federal office may not accept:

- o Contributions from persons who have contracts with the federal government
- o Cash contributions over \$100
- o Contributions made in the name of another person.

Moreover, candidates for federal office may not accept contributions from national banks or foreign nationals. These two prohibitions also apply to candidates for state and local office.

What other important differences exist between running for federal office and running for state or local office? Contributions to federal candidates are subject to the election law's dollar limits.\*\* Moreover, federal candidates and their

<sup>\*</sup>Although the Act places no such limits on contributions made solely in connection with state and local elections, some states have adopted similar restrictions.

<sup>\*\*</sup>The contribution limits may be summarized as follows: individuals - \$1,000 per candidate, per election; political committees - \$1,000 per candidate, per election; multicandidate committees - \$5,000 per candidate, per election.

authorized campaign committees have certain registration and reporting obligations under the election law.\* See 11 CFR Parts 101, 102 and 104

What happens when both state and federal laws pertain to the same election activity? When a federal candidate's campaign activity is governed by both the Act and state law, the Act and Commission Regulations supersede the provisions of state law. 2 U.S.C. §453; 11 CFR 108.7(a) and (b). Commission Regulations specify that the Act supersedes state laws with regard to:

- o The organization and registration of political committees supporting federal candidates;
- o Disclosure of receipts and expenditures by federal candidates and political committees (including disclosure of information on campaign advertising); and
- Limits on contributions received, and expenditures made, by federal candidates and political committees.

May a federal candidate accept contributions from a group that is not registered with the FEC, such as a state or local political committee? Yes, provided the unregistered political group's contribution consists of permissible funds (i.e., funds which comply with the election law's contribution limits and prohibitions).

How would a candidate know whether such a contribution was from permissible funds? The candidate's committee should ask. The unregistered political group should be able to demonstrate that its contribution came from permissible funds, either by:

- o Having established a separate account containing only those funds which comply with the limits and prohibitions of the Act; or
- o Demonstrating through a reasonable accounting method that, at the time it made the contribution, the group had received sufficient funds that were permissible under the Act to make the contribution. 11 CFR 102.5(b).

Could an unregistered political group's contributions to a federal candidate trigger a registration requirement? Yes. However, the registration requirement depends on the type of political donor:

 An unregistered political group sponsored by a corporation or a labor organization becomes a political committee under the Act when it

- makes contributions of any amount in connection with federal elections;\*
- o Any other type of unregistered political group becomes a political committee under the Act when the group contributes more than \$1,000 in a given calendar year to candidates for federal office.

Once it becomes a political committee under the Act, a political group must register with the FEC within 10 days, file periodic reports and otherwise comply with the election law.

How long would the political group (now registered under the Act) have to keep reporting? The political group could use its very first report as its final report if it wished merely to disclose its contributions to a particular candidate and then cease to be active in federal elections. The treasurer would check the box on the reporting form to indicate that the report was a termination report.

May a federal candidate finance his/her campaign with funds originally donated to the candidate's campaign for state office? Yes, sometimes. Under certain circumstances, funds may be transferred from the candidate's state campaign to his/her federal campaign. The conditions for such transfers are spelled out in an 800 Line article published in the January 1986 Record, pages 8-10.

Note that, if the candidate's state campaign transfers more than \$1,000 in a given calendar year to the candidate's federal campaign, the state campaign becomes a political committee under the Act.

# CANDIDATE USE OF LOANS AND PERSONAL ASSETS

If a candidate obtains a bank loan for his/her campaign by using personal assets as collateral for the loan (e.g., the candidate's house), how should the loan be reported? The candidate's principal campaign committee should report the bank as the original source of the loan and the candidate as the intermediary. This information must be reported on Schedule C of Form 3. The loan should not be reported as the candidate's personal funds donated or loaned to the campaign.

Must a candidate report campaign loans obtained from a bank before he/she became a candidate? Yes. If a campaign loan is outstanding continued

<sup>\*</sup>An individual becomes a candidate for federal office (and thus triggers the Act's registration and reporting requirements) when his or her campaign exceeds \$5,000 in either contributions or expenditures. 11 CFR 100.3(a).

<sup>\*</sup>Political groups sponsored by corporations and labor organizations have two registration and reporting options. See AO 1982-46, summarized on page 4 of the September 1982 Record.

at the time an individual becomes a candidate, the candidate's principal campaign committee should report it as an outstanding loan owed to the bank by the committee.\* Even if the individual paid off the loan before becoming a candidate, his/her committee must still disclose the repaid loan on its first FEC report.

May a candidate use assets jointly owned with his/her spouse as collateral for obtaining a campaign loan from a bank? Yes. A candidate's spouse will not be considered a contributor to the campaign, provided the candidate's share of assets (used as collateral) equals or exceeds the amount of the campaign loan. Moreover, if required to do so by a bank, a candidate's spouse may cosign a campaign loan whether or not the loan is secured by joint assets. 11 CFR 100.7(a)(1)(i)(D) and 110.10(b)(3).

If a candidate obtains a campaign loan from a bank by using his/her certificate of deposit as collateral, how should this transaction be reported? The candidate's principal campaign committee should follow the same reporting procedures for a loan secured by a candidate's certificate of deposit that it follows for other campaign loans obtained by the candidate from a bank. See above.

If a candidate cashes in his/her certificate of deposit and loans the funds to the campaign, how should the funds be reported? The funds are considered a loan made by the candidate from personal funds to his/her campaign. As such, the funds must be reported by the candidate's campaign on Schedule C of Form 3 until: 1) the campaign liquidates the loan or 2) the candidate forgives the loan.

If a candidate donates personal funds to his/her campaign, how should this transaction be reported? Personal funds which the candidate donates to his/her campaign are considered a campaign contribution. The funds are not subject to the Act's contribution limits but must, nevertheless, be reported on the Detailed Summary Page of Form 3. If the candidate donates more than \$200 during the year, the funds must also be itemized on Schedule A of the form.

# **COURT CASES**

FEC v. NCPAC (Third Suit)

On May 16, 1986, the U. S. District Court for the Southern District of New York granted the FEC's motion for summary judgment in FEC v. National Conservative Political Action Committee (NCPAC). (Civil Action No. 84 Civ. 0866 (GLG)) The court ruled that expenditures made by NCPAC in its campaign to defeat Senator Moynihan's 1982 reelection effort constituted excessive in-kind contributions to Bruce Caputo. The Court found that NCPAC had further violated the election law by failing to properly report these expenditures as "in-kind" contributions. Accordingly, on June 13, 1986, the court imposed a \$15,000 civil penalty on NCPAC and ordered the PAC to file amended reports with the FEC within 30 days of the court's order.

#### Background

During the 1981-82 election cycle, as part of its strategy to defeat Senator Moynihan, NCPAC established a political action committee, "New Yorkers Fed Up with Moynihan." NCPAC also hired Arthur J. Finkelstein Associates, a polling and political consulting firm, to: develop a media strategy advocating Senator Moynihan's defeat; conduct and analyze polls; and select election issues on which Senator Moynihan was most vulnerable. From April 1981 until August 1982, NCPAC spent \$73,755 on its anti-Moynihan campaign. During this time, the Finkelstein firm also worked for Bruce Caputo's campaign.

In March 1981, Mr. Caputo announced that he would seek the Republican Party's nomination for Mr. Moynihan's Senate seat, and he retained Mr. Finkelstein as a paid political consultant. By March 1982, when Mr. Caputo withdrew from the Senate race, his campaign committee had paid Mr. Finkelstein's firm \$28,000 to assist in all aspects of Mr. Caputo's Senatorial primary campaign.

In January 1982, the FEC received a complaint from the New York State Democratic Committee alleging that independent expenditures reported by NCPAC for its anti-Moynihan campaign were actually in-kind contributions to the Caputo campaign. In September 1983, the FEC found probable cause to believe that NCPAC's expenditures were, in fact, contributions. NCPAC had therefore exceeded the election law's contribution limits and had violated the disclosure requirements. After failing to reach a conciliation agreement with the respondent, the FEC filed suit against NCPAC on February 6, 1984.

NCPAC did not deny that, on its face, the election law limits the amount of such contribu-

<sup>\*</sup>Any campaign loan exceeding \$5,000 would trigger an individual's candidacy under the Act. 11 CFR 100.3(a).

tions. NCPAC claimed, however, that, in making the expenditures, it had relied in good faith on an FEC advisory opinion issued to the PAC in March 1980. (The advisory opinion, AO 1979-80, was summarized on page 4 of the April 1980 Record.)

#### The Court's Ruling

The district court concluded that NCPAC could not rely on the FEC's advisory opinion because "the distinctions between the facts as they actually unfolded and the facts addressed in the FEC's advisory opinion are patent." The court found that Moynihan and Caputo were "for all practical purposes, opponents" during the primary season. The court also noted that the Finkelstein firm's role in both "the NCPAC and Caputo efforts was far more significant than that of a vendor of advertising services or a polling company. Finkelstein was NCPAC's key strategist. He formulated and directed the execution of NCPAC's plan to defeat Senator Moynihan....Simultaneously, he served as the chief architect of Bruce Caputo's campaign." The court concluded that NCPAC's coordination with the Caputo campaign "far exceeded the 'communication' sanctioned by the FEC" in its advisory opinion. Under these circumstances, the court concluded that "NCPAC's anti-Moynihan expenditures must be deemed contributions to the Caputo campaign" rather than independent expenditures.

#### FEC v. NATIONAL CONGRESSIONAL CLUB

On May 15, 1986, the U.S. District Court for the Eastern District of North Carolina issued a consent order agreed to by the Federal Election Commission and three defendants: the National Congressional Club (NCC), a multicandidate political committee; NCC's treasurer, R.E. Carter Wrenn; and Jefferson Marketing, Inc. (JMI), a North Carolina corporation that provides media services to political committees. Plaintiff and defendants agreed that:

- o Since NCC and JMI had operated as a single entity,\* NCC and its treasurer, R.E. Carter Wrenn, had violated section 434 of the election law by failing to report JMI's financial activity; and
- o Within 30 days of the court's order, defendants would pay a \$10,000 civil penalty to the U.S. Treasury for these violations.

Futhermore, defendants no longer contested the FEC's allegation that JMI had violated section 441b of the election law by charging less than the fair market value for services JMI had provided to federal candidates.

In the order, defendants also agreed to establish themselves as separate entities, despite their contention that they had already done so in 1983. In this regard, the following changes would be made:

- o Thomas Ellis and R.E. Carter Wrenn would resign as directors of the Educational Support Foundation, Inc., JMI's sole shareholder;
- o JMI would liquidate its outstanding debt to NCC within 12 months of the date of the consent order;
- o Employees who began working for NCC after the date of the consent order, and who were later employed by JMI, would not be credited with benefits and seniority accrued during their employment by NCC; and
- As long as he remained an NCC officer, R.E. Carter Wrenn would not act as JMI's director, officer or employee.

After NCC and JMI have made these changes, they will be considered separate entities. However, the FEC reserved the right to file suits and claims against JMI if JMI fails to charge the fair market value for services the organization provides to federal political committees and candidates.

Within 90 days of the consent order, NCC agreed to amend its FEC reports to disclose JMI's financial activity with regard to federal elections during the period from December 1978 to the present.

The suit grew out of an administrative complaint filed by Congressman Charles Rose. In that case, the Commission found probable cause to believe respondents had violated the law; yet, it failed to resolve the matter through conciliation. Thus, on February 7, 1985, the agency filed suit.

## FEC v. DRAMESI FOR CONGRESS

On May 2, 1986, the U.S. District Court for the District of New Jersey granted the Commission's motion for a default judgment against defendant, John A. Dramesi for Congress Committee (the Committee), the principal campaign committee for Mr. Dramesi's 1982 House campaign. The court imposed a \$5,000 civil penalty on the Committee for accepting excessive contributions.

In a suit filed against the Committee on August 6, 1985 (FEC v. John A. Dramesi for Congress, Civil Action No. 85-4039), the FEC asked the court to declare that the Committee and its treasurer, Russell E. Paul, had violated section 441a(f) of the election law by: 1) accepting an excessive contribution from the New Jersey Republican State Committee; and 2) failing to refund the excessive portion of the contribution (i.e., \$4,000) to the state party committee. See 2 U.S.C. \$441a(f) and 11 CFR 103.3(b)(1) and (2). At the time the state party committee made the continued

<sup>\*</sup>Evidence noted in the consent order for defendants' operation as a single entity included: JMI's financial dependence on NCC, NCC's control over JMI's voting stock and Mr. Wrenn's involvement in JMI's decision-making process.

\$5,000 contribution, it had not achieved multicandidate committee status and was, therefore, only eligible to make a \$1,000 contribution to the Committee.

#### **NEW LITIGATION**

#### FEC v. Rodriguez

The FEC asks the district court to declare that, during 1980, Cesar Rodriguez violated section 441f of the election law by accepting contributions for the Carter/Mondale Presidential Committee which were made by one person in the names of other persons. Specifically, on behalf of Allen Wolfson, Mr. Rodriguez solicited contributions to the Carter/Mondale Presidential Committee and subsequently reimbursed each contributor for his/her contribution.

The FEC further asks the court to:

- o Assess a civil penalty against Mr. Rodriguez amounting to the greater of \$5,000 or 100 percent of the amount involved in the violation; and
- o Permanently enjoin defendants from further violations of the election law.

U.S. District Court for the Middle District of Florida, Civil Action No. 86-687-CIV.T-10.

## COMPLIANCE

#### FEC PUBLISHES NONFILERS

In June, the Commission published the name of a Senate campaign in California that had failed to file its pre-primary report for the state's June 3 Congressional primary. Due by May 22, or by May 19 if sent by registered mail, the report should have covered activity from April 1 through May 14, 1986.

The election law requries the agency to publish the names of nonfiling candidates. Compliance actions against nonfilers are decided on a case-by-case basis. The law gives the Commission broad authority to initiate enforcement actions resulting from infractions of the law, including civil court enforcement and imposition of civil penalties.

#### CHANGE OF ADDRESS

#### **Political Committees**

Registered political committees are automatically sent the <u>Record</u>. 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.
- 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.

# **STATISTICS**

# FINAL REPORT ON 1984 PRESIDENTIAL PRIMARY ACTIVITY RELEASED

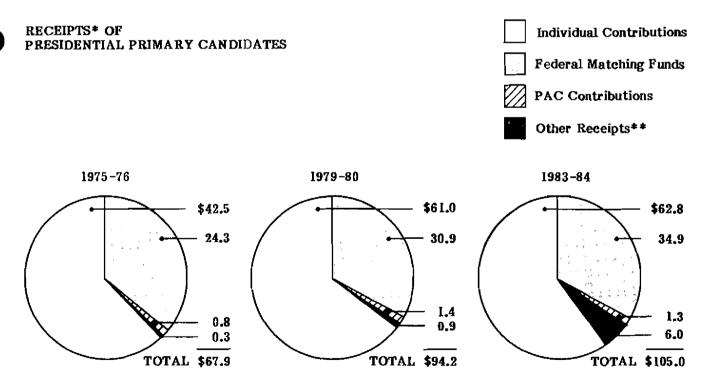
During June, the FEC released its final report on the financial activity of 1984 Presidential primary campaigns. The FEC Reports on Financial Activity, 1983-84, Final Report: Presidential Pre-Nomination Campaigns examines 14 Presidential primary candidates who each spent more than \$100,000 seeking the nomination of his or her respective party. Unlike previous Reports, which covered Presidential primary activity only through the election year, this final Report includes approximately \$4 million of activity reported by Presidential campaigns well after the conventions (in 1985). A variety of charts and

tables in the Report provide a detailed breakdown of the receipts and expenditures for each of the 14 Presidential primary campaigns.

Although focused on Presidential primary activity, the <u>Report</u> also includes information on total independent spending and partisan communications made with respect to Presidential primary and general election campaigns during the 1983-84 election cycle.

The chart below depicts the funding sources for Presidential primary campaigns over three election cycles. For a breakdown of funding sources for each 1984 Presidential primary candidate, see page 4 of the Special Statistical Supplement to the FEC Record, issued in March 1986.

The FEC Reports on Financial Activity, 1983-84, Final Report: Presidential Pre-Nomination Campaigns is available at \$1.00 per copy from the FEC's Public Records Office, 999 E Street, N.W., Washington, D.C. 20463 or by calling: 376-3140 locally or, toll free, 800/424-9530.



<sup>\*</sup>Includes total receipts minus transfers between each candidate's authorized committees, contribution refunds, loan repayments and offsets to expenditures.

<sup>\*\*</sup>For the 1983-84 election cycle, this category consists largely of loans which the candidates' authorized committees have not yet repaid.

# **PUBLICATIONS**

#### FREE PUBLICATIONS

The FEC offers the following free publications. To order, return the completed form below.

Federal Election Campaign Laws

Complete compilation of Federal election campaign laws prepared by FEC.

FEC Regulations (11 CFR)

 $FE\bar{C}$  regulations; subject indexes prepared by FEC.

#### FEC Record

Monthly newsletter covering reporting, advisory opinions, litigation, legislation, statistics, regulations, compliance, <u>Federal Register</u> notices, FEC procedures and staff, and publications.

Campaign Guides

Clear explanation and illustration of election law requirements. Separate Guide for:

Congressional Candidates and Committees Party Committees Corporations and Labor Organizations Nonconnected Political Committees

House and Senate Bookkeeping Manual

Recommended method of bookkeeping and reporting for Federal candidates and their committees.

#### FEC and Federal Election Law

Brief overview of major provisions of the Federal Election Campaign Act and the Commission's role in administering it.

#### Using FEC Campaign Finance Information

Brochure explaining how to gather information on financial activity of political committees and candidates by using reports and FEC's computer indexes.

#### **Brochures**

Advisory Opinions
Candidate Registration
Contributions
Corporate/Labor Communications
Corporate/Labor Facilities
Independent Expenditures
Local Party Activity
Political Ads and Solicitations
Public Funding of President Elections
State Computer Access to FEC Data
State Elections & Federal Campaign Law

Trade Associations
Using FEC Campaign Finance Information
Volunteer Activity

**Annual Report** 

Report to President and Congress, summarizing agency's activities, advisory opinions and litigation; and presenting Commission's legislative recommendations.

Order Form		
NAME	,	
STREET		
CITY, STATE, ZIP CODE		
CONNECTED ORGANIZATION	PHONE (Optional)	

Please indicate quantity in box to left of each item.

#### General

Federal Election Campaign Laws	Bookkeeping Manual for Candidates
FEC Regulations	Annual Report
FEC Record (subscription)	

## Campaign Guides

	Congressional Candidates	Corporations and Labor Organizations
	Party Committees	Nonconnected Committees

## **Brochures**

Advisory Opinions	Local Party Activity			
Candidate Registration	Political Ads and Solicitations			
Committee Treasurers	Public Funding of Presidential Elections			
Contributions	State Elections & Federal Campaign Law			
Corporate/Labor Communications	Trade Associations			
Corporate/Labor Facilities	Using FEC Campaign Finance Information			
FEC and Federal Election Law	Volunteer Activity			
Independent Expenditures				

Mail to: Federal Election Commission

Information Services Washington, D.C. 20463

Phone: Toll Free: 800/424-9530

Local: 202/376-3120

## INDEX

This cumulative index lists advisory opinions, court cases and 800 Line articles published in the Record during 1986. The first number in the citation refers to the "number" (month) of the Record issue; the second number, following the colon, indicates the page number in that issue.

#### OPINIONS

1985-26: Corporation's distribution of employee's political message, 1:7

1985-31: Affiliation between insurance corporation and agencies for purposes of PAC solicitations, 2:2

1985-32: Proceeds of reception beyond Act's purview, 1:7

1985-33: Personal loans to candidate for campaign, 1:7

1985-34: Nonconnected PAC's use of proceeds from life insurance policy, 1:8

1985-35: Solicitability of corporate board members, 1:8

1985-37: Affiliation of local Chambers of Commerce with State Chamber, 3:1

1985-38: Committee established by candidate for state and local candidates, 3:2

1985-39: Bank ad in political journal, 2:2

1985-40: PAC's spending for Presidential testing-the-waters activities, 3:2

1985-41: Contribution for general election accepted prior to primary, 2:3

1985-42: Campaign funds used to pay candidate's rent, 3:4

1986-1: Vendor's offer to provide free tickets to committee, 4:6

1986-2: Candidate's sales campaign, 4:6

1986-4: Corporation's program to encourage employee contributions, 4:6

1986-5: Excess campaign funds transferred from candidate's federal to local committee, 4:7

1986-6: PAC established by Vice President for party building and candidate support, 5:2

1986-7: Cooperative PAC's shareholder solicitation program, 4:7

1986-8: 1982 contributions refunded by candidate's 1986 campaign, 6:7

1986-9: Candidate's use of 1986 campaign funds to reimburse himself for legal expenses, 6:7

1986-11: Act's preemption of state election law, 6:8

1986-14: Proceeds from sale of committee's campaign van, 6:8

#### 800 LINE

Designating a principal campaign committee, 3:5

Transfer of candidate funds from state to federal committee, 1:8

## **COURT CASES**

Antosh v. FEC, 3:8; 6:8

Alwin E. Hopfmann v. FEC, 6:9

FEC v. American International Demographic Services, Inc., 4:8

FEC v. Beatty for Congress Committee, 6:9

FEC v. Californians for Democratic Representation, 3:8

FEC v. Jimmy Carter Committee for a Greater America, 6:10

FEC v. Citizens Party, 3:8

FEC v. Eldredge, 1:10

FEC v. Haley, 1:11

FEC v. Maggin for Congress, 5:4

FEC v. MAPAC, 1:10

FEC v. New Republican Victory Fund, 6:10

FEC v. NRA, 1:11

FEC v. Pryor for Congress Committee, 5:5

FEC v. Rhoads for Congress Committee, 6:9

FEC v. Sailors' Union of the Pacific Fund, 2:3

FEC v. Wolfson, 4:8

FEC v. 1984 Victory Fund (Second Suit), 6:10

Gramm v. FEC; FEC v. Gramm, 1:10

Alwin Hopfman v. FEC, 2:3

## PUBLIC APPEARANCES

7/28 American Bankers Association Washington, D.C.
Vice Chairman John McGarry

9/4 University of Utah
Division of Continuing Education
Washington, D. C.
Chairman Joan D. Aikens

9/11 Texas Medical Education
Research Foundation
Austin, Texas
Commissioner Lee Ann Elliott

FEDERAL ELECTION COMMISSION 999 E Street NW Washington, D.C. 20463

Official Business

Bulk Rate Mail Postage and Fees Paid Federal Election Commission Permit Number G-31

