

RECORD

June 1990

999 E Street NW

Washington DC

20463

Volume 16, Number 6

REPORTS

REPORTS DUE IN JULY

Reporting requirements for reports due in July are described below. All registered committees expected to file reports in July are automatically mailed forms. For additional forms or other information on reporting requirements, call the FEC at 800/424-9530 or 202/376-3120.

Quarterly Reports

All political committees filing on a quarterly schedule during 1990 must file a quarterly report by July 15. The report should cover all activity from April 1 (or from the closing date of the last report filed, or from the date of the committee's first activity, whichever is later) through June 30.

Monthly Reports

Those committees filing on a monthly schedule during 1990 must file reports by July 20. The report should cover all activity from June 1 (or the closing date of the last report filed, whichever is later) through June 30.

Semiannual Reports

Registered committees authorized by candidates running in past or future election years (i.e., not 1990) must file a semiannual report covering all activity from January 1 through June 30. It is due July 31, 1990.

Pre-Primary Reports

Authorized candidate committees involved in primary elections in Georgia, Tennessee, Kansas, Michigan and Missouri must file pre-primary reports in July covering activity from the close of books of the last report through the 20th day before the primary election, due 12 days prior to the election.

Those PACs and party committees that make contributions and expenditures in connection with primary elections are required to file pre-primary reports. Note, however, that committees choosing to file on a monthly schedule do not file pre-primary reports.

If sent by registered or certified mail, the report must be post-marked no later than the 15th day before the election. See the January 1990 Record for a state-by-state list of pre-primary filing dates.

(continued)

TABLE OF CONTENTS

	REPORTING
1	Reports Due in July
2	New Jersey Special Election
4	ADVISORY OPINIONS
	REGULATIONS
5	Foreign National Rule Effective
	COMPLIANCE
5	Nonfilers
5	Publicly Released MUR Files
6	MUR 3009: Summary
	COURT CASES
7	<u>FEC v. NY State Conservative Party/1984 Victory Fund</u>
7	New Litigation
	CLEARINGHOUSE
7	<u>Ballot Access</u> Published
	800 LINE
8	Transfers from Nonfederal to Federal Candidate Committees
11	AUDITS: Reports Released, 89-90
11	STATISTICS: Senate Contributions
11	PUBLICATIONS: E&J Compilation
12	INDEX

Presidential Candidates

Principal campaign committees of Presidential candidates should consult the chart on page 3 for reports due in July. For further information on Presidential reporting requirements, see the January 1990 issue of the Record.

Last-Minute Independent Expenditures

Any person making independent expenditures aggregating \$1,000 or more between 20 days and 24 hours before an election day begins must report the expenditures to the Clerk of the House or the Secretary of the Senate (as appropriate) within 24 hours after they are made. 11 CFR 104.4(b).

Last-Minute Contributions

A candidate's principal campaign committee or any other authorized committee must file special notices on contributions of \$1,000 or more received after the 20th day and more than 48 hours before an election in which the candidate is running. 11 CFR 104.5(f). Within 48 hours after receiving the contribution, the committee must deliver the following information in writing to the Clerk of the House or the Secretary of the Senate, as appropriate:

- o The candidate's name and the office that he or she is seeking;
- o The identification of the contributor; and
- o The amount and date of receipt of the contribution.

Changing Filing Schedule

PACs and party committees supporting candidates in several 1990 elections may wish to file monthly reports in order to avoid filing frequent pre-primary reports. A committee that wishes to change its filing schedule (e.g., from

quarterly to monthly) must notify the Commission in writing when it files a report under its current schedule. A committee may not change its filing schedule more than once in a calendar year. 11 CFR 104.5(c).

Late Filing

The Federal Election Campaign Act does not permit the Commission to grant extensions on filing deadlines under any circumstances. Failure to file on time could result in enforcement action by the FEC.

Where to File Reports

Committees must file all reports simultaneously with the appropriate federal and state officials. 11 CFR 108.3 and 108.5. Addresses for federal offices can be found on the back of FEC Forms 3 and 3X; a list of addresses of state filing offices is available from the FEC.

NEW JERSEY SPECIAL ELECTIONS

New Jersey will hold a special primary election June 5 to select nominees for the vacant First District House seat. A special general election on November 6 will fill the seat until January 1991. Statewide regular Congressional elections in New Jersey are also scheduled for those dates.

Because the special elections fall on the same dates as the regular elections, authorized committees of special election candidates and PACs and party committees making contributions or expenditures on behalf of special election candidates are expected to follow the regular election-year reporting schedule. See the January 1990 Record for dates.

FEDERAL ELECTION COMMISSION

999 E Street, N.W.
Washington, DC 20463

800/424-9530 202/376-3120 202/376-3136(TDD)

Lee Ann Elliott, Chairman
John Warren McGarry, Vice Chairman
Joan Aikens
Thomas J. Josefiak
Danny L. McDonald
Scott E. Thomas

Walter J. Stewart, Secretary of the Senate, Ex Officio
Donnald K. Anderson, Clerk of the House of Representatives, Ex Officio

JULY REPORTING SCHEDULE

Report

Type of Filer	Report			
	Quarterly July 15	Pre-Primary	Monthly July 20	Semiannual July 31
Congressional Candidate Committees, 1990	✓	✓ ¹		
Congressional Candidate Committees, Other Years				✓
PACs & Party Committees: Quarterly Filers	✓	✓ ²		
PACs & Party Committees: Monthly Filers ³			✓	
Presidential Candidate Committees: Quarterly Filers	✓			
Presidential Candidate Committees: Monthly Filers ⁴			✓	
Corporate/Labor/Membership Organizations: Reports of Partisan Communications ⁵	✓			

1. Expected from candidates in Georgia, Kansas, Tennessee, Michigan and Missouri.
2. Required only if the committee makes previously undisclosed contributions or expenditures on behalf of primary candidates.
3. All corporate and labor PACs, nonconnected committees and party committees are required to file on either a monthly or a quarterly schedule in 1990.
4. Presidential committees must file on either a monthly or a quarterly schedule in 1990.
5. Required if an organization's aggregate costs exceed \$2,000 for internal communications expressly advocating the election or defeat of a candidate in a 1990 primary held before July 1. For more information, see page 23 of the FEC's Campaign Guide for Corporations and Labor Organizations.

ADVISORY OPINIONS

ADVISORY OPINION REQUESTS

The following chart lists recent requests for advisory opinions (AORs). The full text of any AOR is available for public inspection and comment from the FEC's Public Records Office.

AOR 1990-7

Transfer between candidate's 1987 Presidential testing-the-waters committee and 1990 Congressional campaign. (Date made public: May 2, 1990; Length: 32 pages, including supplements)

AOR 1990-8

PAC set up by U.S. corporation partly owned and controlled by foreign national corporation. (Date made public: May 2, 1990; Length: 3 pages)

ADVISORY OPINION SUMMARY

AO 1990-5: Candidate's Publication of Newsletter

Publication of a monthly newsletter by the Music Street Publishing Company, a corporation owned and operated by Margaret R. Mueller, a 1990 candidate for Congress, will result in expenditures on behalf of her campaign if the newsletter has the purpose of influencing an election, as specified below.

Mrs. Mueller began the newsletter, SPEAKOUT!, in March 1989 and plans to continue the publication during her 1990 election campaign. The newsletter includes articles on public policy issues and matters of concern to residents of the 11th Congressional District (where Mrs. Mueller seeks nomination) and the northeastern corner of Ohio, as well as articles of more general interest. Many of the articles are written by Mrs. Mueller herself. The newsletter is financed out of her personal funds and through the sale of advertising.

Although, taken alone, past issues of SPEAKOUT! suggest the newsletter has had significant purposes that were not election related, continued publication of

SPEAKOUT! since Mrs. Mueller became a candidate could potentially be used to promote her candidacy.

Expenses incurred in the publication of proposed editions of SPEAKOUT! will be viewed as expenditures for the purpose of influencing an election if:

- o The newsletter makes direct or indirect reference to Mrs. Mueller's or her opponent's candidacy, campaign or qualifications for public office;
- o Items in SPEAKOUT! refer to Mrs. Mueller's or her opponent's views on public policy issues (such as the limitation of Congressional terms--one of the issues brought up in past newsletters) or to issues raised in the campaign; or
- o Distribution of the newsletter is expanded significantly beyond its present audience or in any manner that otherwise indicates that Mrs. Mueller is using it as a campaign communication.

Each edition of SPEAKOUT! will be viewed separately and in its entirety in determining whether disbursements for the newsletter are expenditures for her campaign. Any campaign-related content within a particular edition would render that edition's production costs a campaign expenditure. Newsletters that do not contain campaign-related references will not be viewed as expenditures.

If Mrs. Mueller wishes to publish newsletters as an activity of her campaign, then her committee must assume the costs for those editions, either by directly making payments for the production of the editions or by paying Music Street Publishing Company for its expenses. In order to avoid prohibited corporate contributions by the company, the committee must make its payments within a commercially reasonable time. Payments for the production and circulation of the newsletter would be reportable operating expenditures. In addition, because payments for advertising in campaign-related newsletters are contributions, corporations may not purchase advertising space in election-related editions of SPEAKOUT!. 2 U.S.C. §441b.

Commissioner Josefiak issued a concurring opinion; Commissioners Aikens and Elliott plan to issue dissenting opinions. (Date issued: April 27, 1990; Length, including concurrence: 11 pages)

REGULATIONS

REVISED REGULATION ON FOREIGN NATIONAL ACTIVITY NOW EFFECTIVE

A revised regulation governing election-related activity by foreign nationals, 11 CFR 110.4(a), took effect on April 11, 1990. The provision implements 2 U.S.C. §441e.

The final rule, published in the Federal Register on November 24, 1989 (54 Fed. Reg. 48580), clarifies that foreign nationals may not make expenditures in connection with federal or nonfederal elections and may not participate in the decision-making process of other persons (including corporations, labor organizations and political committees) with regard to their election-related activity. See page 3 of the January 1990 Record for more information.

COMPLIANCE

FEC PUBLISHES NONFILERS

The Commission recently published the names of three House candidates whose principal campaign committees failed to file required disclosure reports.

Nonfilers are published pursuant to 2 U.S.C. §438(a)(7). Enforcement actions against nonfilers are taken on a case-by-case basis.

Nonfiler	State/ District	Report Not Filed
De la Garza, K.	TX/15	Pre-Primary
Johnson, R.	NE/3	Pre-Primary
McMillan, J.A.	NC/9	Pre-Primary

MURS RELEASED TO PUBLIC

Publicly released MUR summary files, as announced in an FEC press release on May 1, 1990, are listed below. Civil penalties resulted from conciliation agreements reached between the respondents and the Commission.

The summary file for each MUR is available from the FEC's Public Records Office.

MUR 2571

Respondent: (a) Piedmont Communications, Inc., and R. Stuber, Secretary/Treasurer (VA); (b) Carol Enters List Company (NY); (c) Omega List Company (VA); (d) Salvation Army of Houston (TX)

Complainant: E.M. Braden, Chief Counsel, Republican National Committee (DC)

Subject: Improper commercial use of contributor information

Disposition: (a) \$1,000 civil penalty; (b) & (c) Reason to believe but took no further action; (d) No reason to believe

MUR 2736

Respondent: (a) L.W. Paxon (NY); (b) People for Paxon and treasurer (NY); (c) Paxon for Congress '88 and treasurer (NY)

Complainant: R.M. Bates, Executive Director, Democratic Congressional Campaign Committee (DC)

Subject: Failure to file Statement of Organization on time; improper transfers and use of prohibited funds; excessive contributions; failure to report on time

Disposition: (a) No reason to believe; (b) \$300 civil penalty (re Statement of Organization filing); (c) No reason to believe

MUR 2819

Respondent: Prudential Insurance Company of America Federal PAC (Prudential PAC) and treasurer (NJ)

Complainant: FEC initiated

Subject: Failure to report on time
Disposition: \$1,200 civil penalty

MUR 2933

Respondent: (a) Hawaii Republican Party Federal Account - Victory '88 and treasurer; (b) Hotel Corporation of the Pacific (aka Aston Hotels and Resorts) (HI); (c) Pacific Resources, Inc. (HI); (d) C. Brewer and Co., Ltd. (HI)

(continued)

Complainant: FEC initiated
Subject: Corporate contributions
Disposition: (a) \$3,000 civil penalty; (b) \$2,000 civil penalty; (c) & (d) Reason to believe but took no further action

MUR 2940/2864

Respondent: Conservative Voters Lobby and treasurer (CA)
Complainant: FEC initiated
Subject: Failure to report; failure to report change of treasurer
Disposition: Reason to believe but took no further action

MUR 2996

Respondent: Californians for Maddy-F and treasurer
Complainant: FEC initiated
Subject: Failure to report conversion to multicandidate committee status on time
Disposition: \$500 civil penalty

MUR 2997

Respondent: Chiropractic PAC of Oregon and treasurer
Complainant: FEC initiated
Subject: Failure to report on time; failure to report change of treasurer; failure to correct inaccurate information
Disposition: \$500 civil penalty

MUR 3009: Excessive Coordinated Party Expenditures by State Party Committee

This MUR, resolved through pre-probable cause conciliation, concerned excessive coordinated party expenditures made by a state party committee on behalf of a 1988 Senate candidate.

Background

The enforcement matter was initiated by the Commission in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that the state party committee had violated 2 U.S.C. §441a(f) by making excessive coordinated expenditures on behalf of its Senate nominee.

General Counsel's Report

Under section 441a(d)(3)(A), a state party committee and the national party committee may each make special coordinated expenditures, subject to limits, on behalf of the party's nominees for the House and Senate in the general election. Each committee may designate the other to act as its agent for the purpose of making these expenditures. Coordinated expenditures are made in addition to the direct contributions to candidates that parties may make.

In this case, the state committee and the national committee could each have spent \$46,100 on behalf of their Senate nominee, for a combined limit of \$92,200. The FEC's investigation revealed that the state committee had authorized the national party's Senatorial Campaign Committee to spend the state committee's entire coordinated party expenditure allotment. Subsequently, the state committee spent \$15,339 of its own funds on behalf of the Senate candidate. The Senatorial Campaign Committee, acting as the designated spending agent for both committees, had already spent \$87,610 of the \$92,200 coordinated party expenditure limit. The state committee's expenditures, therefore, exceeded the combined limit by \$10,749.87.

The state committee claimed the excessive spending was inadvertent because the staff was unaware of the agreement between the state and national committees. The state committee said it intended to re-designate \$5,000 of the excessive expenditures as an in-kind contribution and to seek a refund of the balance from the candidate's committee.

Commission Determination

The Commission entered into a pre-probable cause conciliation agreement with the state committee. The agreement required the respondent to pay a \$1,200 civil penalty and to amend its reports to indicate that \$5,000 of the excessive expenditures had been redesignated as an in-kind contribution to the candidate's committee.

COURT CASES

FEC v. NY STATE CONSERVATIVE PARTY STATE COMMITTEE/1984 VICTORY FUND (87-3309)

On April 17, 1990, the U.S. District Court for the Southern District of New York issued a final consent order and judgment declaring that the New York State Conservative Party State Committee/1984 Victory Fund made excessive contributions in connection with a 1982 direct mail project for Florence M. Sullivan, a Republican candidate in the 1982 Senatorial primary election in New York. (Civil Action No. 87-3309). The order included a \$15,000 civil penalty.

The consent order stated that the defendants first made a \$4,980 in-kind contribution to the Sullivan for Senate Committee by paying for the printing of direct mail literature. Subsequently, the defendants allowed the Sullivan Committee to use the Victory Fund's nonprofit postal permit, saving the Sullivan committee \$24,852.15 on postage (i.e., the difference between the usual bulk rate for the Sullivan letters and the postage actually paid using the nonprofit permit). These in-kind contributions exceeded the \$5,000 per candidate, per election limit for multicandidate committees, set forth at 2 U.S.C. §441a(a)(2)(A).

In addition, the order stated that the Victory Fund failed to report the in-kind contribution of the postage costs, in violation of 2 U.S.C. §434(b).

The consent order required the Victory Fund to amend its reports and to pay a \$15,000 civil penalty.¹ Finally, the defendants were permanently enjoined from future similar violations.

1. Payment of the civil penalty in this consent order will also satisfy two prior outstanding default judgments in FEC v. 1984 Victory Fund (Civil Action Nos. 86-3891 and 85-8384). See the March 1987, June 1986 and December 1985 issues of the Record for more information on those suits.

NEW LITIGATION

Faucher & Maine Right to Life Committee, Inc. v. FEC (90-0112-B)

Sandra Faucher and the Maine Right to Life Committee, Inc. (MRLC) ask the district court to declare that FEC regulations governing the distribution of nonpartisan voter guides by corporations (11 CFR 114.4(b)(5)) are unconstitutionally vague under the First and Fifth Amendments.

MRLC and Mrs. Faucher (a board member of MRLC, an incorporated membership organization) also ask the court to declare that the group's proposal to compile and distribute voter guides is not subject to the Federal Election Campaign Act and FEC regulations.

The plaintiffs seek injunctive relief prohibiting the FEC and the U.S. Attorney General from enforcing the voter guide regulations with regard to MRLC's proposed activity.

U.S. District Court for the District of Maine, Civil Action No. 90-0112-B, April 18, 1990.

CLEARINGHOUSE

BALLOT ACCESS SERIES PUBLISHED

In May the FEC's National Clearinghouse on Election Administration issued Ballot Access, a four-volume series on comparative ballot access law.

Ballot Access includes a comprehensive study of current issues and trends in ballot access law throughout the U.S. (Volume 1). Three separate volumes examine state-by-state laws applied to Congressional candidates, Presidential candidates and political parties (Volumes 2 to 4, respectively).

The series has been distributed to depository libraries throughout the U.S. for anyone interested in the ballot access laws of particular states. Others interested in obtaining copies of Ballot Access should call the Clearinghouse at 800/424-9530 or 202/376-5670.



TRANSFERRING FUNDS FROM PRIOR NONFEDERAL CAMPAIGN TO CURRENT FEDERAL CAMPAIGN

A candidate running for federal office may transfer any amount of money from a prior nonfederal campaign to his or her federal committee, as long as the transfer complies with the Federal Election Campaign Act's limitations and prohibitions on federal contributions.

The most common questions about transfers between nonfederal and federal candidate committees are discussed below. This article illustrates the rules with the example of a transfer of funds from a prior gubernatorial campaign to a current Senatorial campaign. These rules should be understood to apply to any transfer of funds from a prior nonfederal campaign to a current federal campaign.

Answers are based mainly on the recently revised FEC regulations governing transfers of funds between affiliated committees. The final rules on transfers were published in the Federal Register on August 17, 1989, and took effect November 24, 1989. See 54 Fed. Reg. 34098 and 48580. The revised affiliation and transfer rules were also summarized in the October 1989 Record.

General Rules

Our candidate ran for governor in 1986 and is running for the U.S. Senate in 1990. Are there any restrictions on a transfer of funds left over from the gubernatorial campaign to the Senate campaign? Yes. While there is no limit on the total amount that can be transferred from the state campaign to the federal campaign, the funds that are transferred may not include contributions that come from prohibited sources or exceed the contribution limits. 11 CFR 110.3(c)(6).

Does that mean that we have to account for every dollar that we want to transfer to make sure that the money is legal under federal rules? Yes. The gubernatorial committee must be able to demonstrate that, at the time the transfer was made, its account had enough cash on hand that was permissible under federal law to cover the amount transferred. The committee must keep records of the sources of the money it transfers. 11 CFR 110.3(c)(6)(i).

How do we determine how much permissible cash on hand we have? The "pool of funds" from which a transfer is made is considered to be the funds most recently received. 11 CFR 110.3(c)(6)(i). For example, if the gubernatorial committee has \$5,000 in cash on hand, that money is considered to consist of the committee's most recent receipts totaling \$5,000. When making a transfer from this pool of funds, the committee will have to first examine its records of the sources of those funds and exclude any impermissible money from the transfer.

Our gubernatorial account contains contributions from corporations and labor organizations. Do we need to separate this money from the permissible funds before making the transfer to the Senate campaign? Yes. The amount transferred may not include those prohibited contributions. One way of excluding the impermissible funds is to put them in a separate bank account; the transfer could then be made from the account containing the permissible money. For example, if the gubernatorial account has \$5,000 left over from the 1986 campaign, and the last \$5,000 that the committee received includes \$2,000 from prohibited sources, the committee could put the prohibited \$2,000 into a separate account and transfer the remaining \$3,000 to the 1990 Senatorial campaign. See AOs 1987-12, 1985-2 and 1984-46.

Contribution Limits & Aggregation

How do the Act's contribution limits apply to the individual donations that make up the transferred funds? The application of the contribution limits depends primarily on when the contributions to the nonfederal campaign were made.

For example, if the gubernatorial campaign wanted to transfer \$3,000 to the Senate campaign, and if those funds included only contributions given before the 1986 gubernatorial election (that is, while the candidate was running only for governor), then the federal contribution limits would not apply to those funds.

The limits would apply, however, to any transfers containing funds contributed to the gubernatorial campaign after:

- o The gubernatorial election was held;
- o The individual ceased to be a "candidate" for state office; or
- o The individual announced his or her intention to run for the Senate.

In these cases, transferred contributions from a single contributor would have to be aggregated with that donor's contributions to the federal campaign. The gubernatorial committee would have to exclude from the transfer any portion of its contributions that would cause a donor to exceed his or her individual federal limits. AO 1985-2.

When would our former gubernatorial candidate (now running for the Senate) cease to be a "candidate" in the state election?

A person is no longer considered a "candidate" for a nonfederal office as of the earlier of the following dates:

- o The date on which the candidate publicly announces that he or she is withdrawing from the nonfederal election and ceases to conduct campaign activities with respect to that election (11 CFR 110.3(c)(4)(iv)(A)); or
- o The date on which the candidate becomes ineligible for nomination or election to the nonfederal office sought, by operation of law. 11 CFR 110.3(c)(4)(iv)(B).

Who is responsible for making sure that a state-to-federal transfer does not cause a contributor to exceed his or her federal contribution limits? It is the responsibility of the treasurers of both the gubernatorial and the Senatorial committees to aggregate contributions (as described above) to make sure that an individual donor does not exceed the per-election limit. 11 CFR 103.3(b) and 110.6(c)(6)(i).

Registration

Could the transfer from the candidate's gubernatorial campaign to the Senate campaign trigger registration requirements for the gubernatorial committee? Yes. A transfer to the Senate campaign of any amount over \$1,000 will cause the gubernatorial committee to become a federal "political committee." If the gubernatorial committee makes the \$3,000 transfer discussed above, it will become a federal political committee and will have to register within 10 days. 11 CFR 110.3(c)(6)(iii).

The registration form is FEC Form 1, "Statement of Organization," available from the FEC.

Would the registration of the gubernatorial committee affect the registration of the Senatorial committee? Yes. The Senate campaign would have to amend its own Statement of Organization to show the newly registered gubernatorial committee as an "affiliated committee" on line 6 of FEC Form 1. AO 1985-2.

(continued)

PUBLIC APPEARANCES

June 4	Columbia College of Chicago Washington, DC Kent Cooper, Assistant Staff Director, Public Disclosure
June 7	Council on Governmental Ethics Laws Ottawa, Ontario John Surina, Staff Director
June 21	Practising Law Institute Washington, DC Commissioner Scott Thomas Larry Noble, General Counsel N. Bradley Litchfield, Associate General Counsel for Policy

Reporting & Recordkeeping

How would that \$3,000 transfer be reported? Suppose the gubernatorial committee transfers its \$3,000 in permissible funds to the Senate campaign in one lump sum. After registering as a federal committee (as a result of the transfer), the gubernatorial committee would file a "Report of Receipts and Disbursements" (FEC Form 3). In its report, the committee should report as its "cash on hand" (line 18 on the Detailed Summary page) the amount it has transferred to the Senate campaign. The receipts that make up the cash on hand are then itemized as needed on a Memo Schedule A (use the usual Schedule A and write "MEMO" at the top). 11 CFR 104.3(a)(4) and 110.3(c)(6)(iii).

Note that in this example the cash on hand on line 18 should reflect only the amount actually transferred. Funds of the gubernatorial committee that are not transferred to the Senate campaign would not be reported.

Where would the gubernatorial committee file its report? The gubernatorial committee should send its completed Form 3 directly to the Secretary of the Senate (the address is on the back of the form). The gubernatorial and Senatorial committees would file separately because they have been authorized for two separate offices. See 11 CFR 110.3(c)(7).

Would our candidate's Senate campaign also have to itemize the contributions received through the transfer? No, but it would have to report the full amount as a

"transfer from other authorized committees" on line 12 of the Detailed Summary Page.

After reporting the transfer to the Senate campaign, would the newly registered gubernatorial committee continue to file disclosure reports? The gubernatorial committee could officially terminate its reporting obligations with the first report filed by checking the box on Form 3, line 4, indicating that the report is a "termination report." Termination presumes that there will be no more federal election-related activity by the gubernatorial campaign after the transfer is reported and that any money remaining after the transfer will not be used for federal elections. 11 CFR 110.3(c)(6)(iii).

Does the gubernatorial campaign (now a registered federal committee) have to keep records? Yes. The treasurer must preserve all records related to the reported transfers for three years after filing the report. 11 CFR 102.9.

If the gubernatorial campaign transfers only \$800 to the federal committee, how would the Senatorial committee report the transfer? Since the transfer is less than \$1,000, it would be treated as a contribution from an unregistered organization. The Senatorial committee would report the contribution from the unregistered organization on the Detailed Summary Page.

Would the Senatorial committee have to itemize the individual contributions that make up the \$800 transfer from the gubernatorial campaign? No, the Senate campaign would only have to report the receipt of the \$800, not the original sources of the transferred funds. In its report, the Senate campaign's Schedule A should note the amount transferred, date and source (i.e., the gubernatorial campaign) of the transfer. Finally, the report should state that the funds transferred were permissible under federal law.

RECORD SUPPLEMENT ON REPORTING AVAILABLE

Copies of the September 1986 Record supplement on reporting are still available from the FEC's Information Services Division. The illustrated 16-page supplement contains detailed instructions on how to itemize and aggregate contributions. For a free copy, call 800/424-9530 or 202/376-3120.

AUDITS**FINAL AUDIT REPORTS**

The chart below includes Final Audit Reports released since January 1989. Copies of reports are available from the FEC's Public Records Office.

Bentsen for Vice President - 88

Date released: March 1, 1990
Length: 2 pages

Quayle for Vice President - 1988

Date released: February 20, 1990
Length: 2 pages

Friends of Gary Hart - 1988, Inc.

Date released: January 25, 1990
Length: 20 pages

1988 Democratic National Convention Committee, Inc.

Date released: November 21, 1989
Length: 8 pages

Lenora B. Fulani's Committee for Fair Elections

Date released: November 2, 1989
Length: 9 pages

Arrangements Committee of the Republican National Committee for the 1988 Republican National Convention

Date released: October 25, 1989
Length: 8 pages

Friends of Mattingly

Date released: November 16, 1989
Length: 2 pages

Nevada Republican State Central Committee

Date released: July 25, 1989
Length: 3 pages

Albert Gore, Jr. for President Committee, Inc.

Date released: July 13, 1989
Length: 15 pages

Haig for President

Date released: June 22, 1989
Length: 11 pages

Babbitt for President Committee

Date released: May 25, 1989
Length: 9 pages

Pete du Pont for President

Date released: March 9, 1989
Length: 18 pages

STATISTICS**REPORT ON OUT-OF-STATE CONTRIBUTIONS TO 1990 SENATE CANDIDATES RELEASED**

On April 16 the Commission released a statistical report comparing home-state and out-of-state contributions from individuals to 1986, 1988 and 1990 Senate candidates.

In releasing the information, the FEC cautioned readers to be aware of certain limitations on the study. For 1990 Senate candidates, the report shows only individual contributions of at least \$200 given during the nonelection year 1989. For the two prior elections, the report reflects individual contributions of at least \$500 (each) given during the 1987-88 and 1985-86 election cycles. The report does not include information on smaller individual contributions or on PAC or party contributions.

A copy of the statistical press release is available from the FEC's Public Records Office.

PUBLICATIONS**EXPLANATION & JUSTIFICATIONS FOR FEC REGULATIONS: 1975 - PRESENT**

The Commission has recently updated its compilation of Explanation and Justifications (E&Js) that have been issued for proposed FEC regulations since 1975. E&Js accompany regulations submitted by the FEC to Congress and explain the origin and intent of the regulations proposed.

Updates are mailed automatically to current subscribers. The Commission notifies subscribers of available updates and applicable copying fees as they are issued.

To order the compilation and get on the mailing list for future updates, call the FEC's Public Records Office at 800/424-9530 or 202/376-3140. The volume costs \$25.

INDEX

The first number in each citation refers to the "number" (month) of the 1990 Record issue in which the article appeared; the second number, following the colon, indicates the page number in that issue.

ADVISORY OPINIONS

- 1989-21: Fundraising by sole proprietor in cooperation with candidates, 1:9
- 1989-25: Preemption of state law limiting party spending on behalf of candidates, 1:10
- 1989-26: Automatic bank transfers from contributor's account to candidate committee's account, 1:11
- 1989-27: Act's preemption of state law governing solicitations by state employees, 2:2
- 1989-28: Voter guides distributed by nonprofit corporation, 3:9
- 1989-29: PAC established by company owned by foreign principal, 2:3
- 1989-30: Payment to Senator for teaching course, 2:4

- 1990-1: Corporation's sale of 900-line fundraising service to candidates, 4:3
- 1990-2: Candidate's use of excess campaign funds to secure loan for party committee, 4:5
- 1990-3: PAC's sale of advertising space in newsletter, 5:3
- 1990-5: Newsletter published by candidate, 6:4

COURT CASES

Austin v. Michigan State Chamber of Commerce, 5:5

FEC v.

- Franklin, 1:13
 - Furgatch (83-0596-GT(M)), 2:7
 - Life Amendment PAC, Inc. (89-1429), 4:7
 - National Right to Work Committee, Inc., 5:7
 - NY State Conservative Party/1984 Victory Fund (87-3309), 6:7
- v. FEC
- Common Cause (89-0524(GAG)), 3:11
 - Dolan, 5:7

- Faucher & Maine Right to Life Committee, Inc. (90-0112-B), 6:7
- NRA (89-3011), 2:7

MUR SUMMARIES

- MUR 2823: Excessive contribution received by candidate committee, 2:4
- MUR 2599: Reporting errors by Congressional campaign, 4:6
- MUR 3009: Excessive coordinated expenditures by state party committee, 6:5

800 LINE

- Basic recordkeeping rules, 4:8
- Combined dues/solicitation statements, 1:17
- Coordinated party expenditures, 3:6
- Designating a principal campaign committee, 1:19
- Disclaimer notices, 5:8
- Exempt party activities, 5:10
- New treasurer, 2:9
- Transfers from candidate's nonfederal committee to federal committee, 6:8
- When reimbursements are required in SSF fundraising, 2:8

FEDERAL ELECTION COMMISSION
999 E Street, NW
Washington, DC 20463

Official Business

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

