



THE FEDERAL ELECTION COMMISSION

RECORD

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THIRD QUARTER REPORT

All candidates for Federal office and authorized committees supporting such candidates must file a quarterly report by October 10, 1977, if the candidate alone, or all the authorized committees collectively, or the candidate and the committees together received contributions and/or made expenditures totaling more than \$5,000 between July 1 and September 30. If a candidate's principal campaign committee exceeded the reporting threshold during the quarter, all the authorized committees of that candidate must file FEC Form 3 (not 3a postcard) with the principal campaign committee, regardless of how much they raised or spent. All other political committees must file a quarterly report if either contributions or expenditures exceeded \$1,000 during the quarter.

If the candidate or committee is exempt from filing a report because campaign financial activity did not exceed the reporting threshold, the candidate or committee must nevertheless file FEC Form 3a (postcard form), or a letter with the same information, at the end of the first quarter in which the exemption applies. Candidates who have been granted a personal reporting waiver need not file an October 10 candidate report.

Notices including information on where to file and which forms to use will be sent to all registered candidates and committees. Requests for forms should be addressed to the Office of Public Communications, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. Toll free telephone: 800/424-9530.

OFFICE ACCOUNTS

The Federal Election Campaign Act of 1971, as amended, requires the reporting of office account receipts and disbursements. The Federal Election Commission Regulations (Part 113) implementing this requirement took effect on April 13, 1977.

An office account is defined as "an account established for the purposes of supporting the activities of a Federal or

State officeholder..." (§113.1(b)). It may include funds donated for the purpose of supporting an officeholder's activities and/or excess campaign funds. An office account is not limited to an account established by an officeholder, but includes an account created in the officeholder's behalf which contains funds donated to support his or her officeholder activities. Accounts containing exclusively appropriated funds or only personal funds of the officeholder, or a combination of the two are not office accounts. Excess campaign funds used to support officeholder activities but disbursed and reported through the officeholder's principal campaign committee need not be reported on the office account report.

This report is required to be filed by the following:

- Each Federal officeholder who maintains an office account.
- Each State officeholder who is a candidate for Federal office and who maintains an office account.

The report should be filed on or before October 15, 1977, using FEC Form 8 and supporting schedules, as necessary. Anyone previously reporting office account activity on FEC Form 3 or 6, or in any other manner, should use Form 8 for this report and identify the name under which previous reports were filed. The period covered by this first report should be April 13, 1977, through September 30, 1977, for Federal officeholders and the later of April 13, 1977 or the date of candidacy through September 30, 1977, for State officeholders.

Members of the U.S. House of Representatives and State officeholders who are candidates for the House should file their reports with the Clerk of the House, 1036 Longworth House Office Building, Washington, D.C. 20515. Members of the U.S. Senate and State officeholders who are candidates for the Senate should file their reports with the Secretary of the Senate, 119 D Street, N.E., Washington, D.C. 20510. The President, Vice President and State officeholders who are candidates for the Presidency or Vice Presidency should file their reports with the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463.

Additional questions or requests for forms should be addressed to the Federal Election Commission.



ADVISORY OPINIONS: SUMMARIES

Designated as AO's, Advisory Opinions discuss the application of the Act to specific factual situations. Any qualified person requesting an advisory opinion who in good faith acts in accordance with the opinion will not be penalized under the Act. The opinion may also be relied on by any other person involved in a specific transaction which is indistinguishable in all material aspects from the activity discussed in the advisory opinion.

AO 1977-29: Return of Deposit

Congressman Richardson Preyer may personally accept the return of a deposit, with accrued interest, from Piedmont Airlines. Because the deposit was originally made in a commercial transaction to secure campaign transportation in Congressman Preyer's 1964 gubernatorial campaign and from funds provided for that purpose by a family member, its return would not constitute a contribution under the Federal Election Campaign Act.

The Congressman may also have the deposit paid directly to his current congressional campaign committee. The return of the deposit would be reported as a "miscellaneous receipt" rather than a contribution since the return was not made to influence the Congressman's nomination or election to Federal office. The report should contain an explanatory footnote indicating the specifics of the situation. Tax ramifications of this deposit fall outside the Commission's jurisdiction. (Length: 2 pages)

AO 1977-39: Payment of Legal Fees

Congressman William L. Clay may use excess campaign funds to pay legal fees incurred in connection with a grand jury investigation, provided no other Federal or State law is violated by such payments. The disbursement should be reported by the committee which makes the payment. The applicability of IRS regulations and House rules to this transaction falls outside the Commission's jurisdiction. (Length: 2 pages)



SENATE VOTES ON NEW AMENDMENTS

On August 3, 1977, the Senate voted 83-1 to approve S. 926, the "Federal Election Campaign Act Amendments of 1977." Major revisions to the Act, as proposed in the bill, would be:

REPORTING REQUIREMENTS

- A reduction in reporting dates. Post-election reports would be eliminated. In both election and nonelection years, candidates without principal campaign committees and all committees would be required to file an annual report at the end of the year. During nonelection years, Presidential candidates and multicandidate committees would have the option of filing monthly reports, instead of quarterly. All other candidates and committees would file a report on July 10. During election years, Presidential candidates and multicandidate committees would be required to file monthly reports and a pre-election report before the general election in November. All other candidates and committees would file quarterly and pre-election reports.
- The threshold for itemizing contributions and expenditures would be raised from \$100 to \$200.
- A candidate would no longer be required to have a principal campaign committee. Candidates operating without a principal campaign committee would be required to report as outlined above. Candidates with a principal campaign committee would have no personal reporting obligation.
- The threshold for reporting independent expenditures would be raised from \$100 to \$250.

DEFINITION OF CONTRIBUTION AND EXPENDITURE

- Local and State party committees would be allowed to pay for campaign materials used in connection with volunteer activities on behalf of candidates without such payments being a contribution or expenditure.
- A non-Presidential candidate could list or mention a Presidential candidate in campaign materials without making a contribution or expenditure to the Presidential campaign, provided the materials were initiated by and the purpose is to promote the non-Presidential candidate.
- The exemption, from the definition of contribution and expenditure, for voluntary use of residential premises, vendor discounts, and unreimbursed volunteer travel expenses would be increased from \$500 to \$1,000 and would be extended to party committees as well as candidates.
- The exemption for legal and accounting services would be extended to all party committees.
- Funds contributed to and unreimbursed expenditures by delegates would not be contributions or expenditures.

LIMITATIONS

- In order for a committee to qualify as a "multicandidate" committee, contributions of \$1,000 would have to be made to each of five candidates (in addition to the other current requirements).
- One political committee in each State, designated by the national committee of a political party, would be allowed to accept contributions and make expenditures under 2 U.S.C. §441a(d) on behalf of the party's Presidential

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nominee. If no committee were so designated, the State party committee could make such expenditures.

CORPORATIONS AND LABOR ORGANIZATIONS

- The name of a separate segregated fund would have to include the identity of its sponsor.
- Approval by a corporation for trade association solicitations would continue from year to year unless revoked by the corporation. Several trade associations may solicit various separate corporate divisions provided only one trade association solicits a single division.
- Membership organizations, cooperatives, and corporations without capital stock would be allowed to solicit not only their members, but also individuals who are members of the member organizations.

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- The FEC would have to select persons who are to be audited in a random manner, exclusive of audits in compliance matters. A candidate could not be audited more than once a year.
- Congressional review of Commission regulations would be reduced to 20 days.
- Each candidate would have to file a statement as to whether he or she intends to spend personal funds in excess of \$35,000. The FEC would be required to pass this information on to all other candidates in the same election.
- The FEC would have an authorization of \$250,000 to reimburse State officials for additional costs imposed on the State as a result of the filing requirements in the Act. The Governor of each State would be allowed to designate the appropriate person to receive reports.

The proposed amendments summarized above have been acted upon only by the Senate, and have not been signed into law. The House of Representatives has not yet acted on similar legislation. The full text of the Senate bill was reprinted in the *Congressional Record*, August 3, 1977, p. S. 13424.



NATIONAL RIGHT TO WORK COMMITTEE v. VERNON W. THOMSON, et al. (Part III)

PAUL E. CHAMBERLAIN, et al. v. VERNON W. THOMSON, et al. (Part III)

On July 21, 1977, the U.S. District Court for the District of Columbia consolidated the two above-mentioned cases. The order stated that the cases "... involve common questions of law and that consolidation will reduce cost and delay." Both suits allege that the FEC had failed to act on complaints filed with the Commission against the NEA. (For summaries of the original complaints, see the June *Record*, p. 3.)

After oral hearings in the consolidated cases, on August 31, 1977, the Court denied the Commission's motion to dismiss the complaints and granted the plaintiffs summary

judgment. The Court also ordered the Commission to proceed to a formal resolution of the complaints within 30 days.

After considering the context of this case, the Court agreed with the plaintiffs' argument that the 90-day time period established by law must serve as a time limit for the formal resolution of complaints. The Federal Election Campaign Act (2 U.S.C. §437g(a)(9)(A)) allows an "aggrieved party" to file suit against the FEC in district court if the Commission "fails to act" on a complaint within 90 days of its filing. The Court stated that otherwise "... the complaint process would be subverted through indefinite delays," and plaintiffs will be left "... without any way of knowing whether any action at all has been taken on their complaints."

The Court also stated that the delay by the Commission was unnecessary since the Commission's regulations specifically prohibit the acts cited in the complaints.

The Commission now has thirty days in which to bring about a formal resolution of the complaints: dismissal, entry into a conciliation agreement or institution of a formal enforcement action. If formal resolution is not possible, the plaintiffs may file in their own names for civil action to seek a remedy for their original complaints.



NEW REPORTS AVAILABLE

The FEC Clearinghouse announces the completion of several new project reports dealing with election laws, voting equipment and the reduction of voter waiting time at the polls. A brief summary of each of the reports is included below. Copies of the reports may be obtained by forwarding the appropriate remittance, accompanied by the report number to NTIS, U.S. Department of Commerce, Springfield, Virginia 22161.

ELECTION LAW SURVEY

The first project is the mid-year update of the Commission's Election Law Survey. Published four times a year, the Survey includes synopses of all State election laws, Federal and State election cases decided since January 1, 1977, and brief descriptions of all Federal election bills introduced in Congress since the first of the year. A comprehensive index of the material is also included. (Election Law Survey, Report No. NTISUB/C/041-002, Price: \$9.00)

VOTING EQUIPMENT

The second project, contained in three separate reports, details comprehensive information on available voting systems and on the State laws which regulate the procurement and use of these systems:

1. Voting Equipment Descriptions provides detailed descriptions of the ten currently available voting systems and five experimental voting systems, including information on each manufacturer of voting equipment and each device manufactured. Each device is described in terms

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of its physical specifications, voting characteristics, accuracy controls, ballot security provisions and other available protections against vote fraud. Finally, a chapter is included on the stages in the purchase of voting equipment: need, review, selection, purchase and implementation. (**Voting Equipment Descriptions**, Report No. PB270727AS, Price: \$6.75)

2. **State Voting Equipment Legislation** includes a State-by-State compilation of election code requirements pertaining to voting systems. Written in plain English with references to code texts, the compilation covers information on types of voting systems permitted, how voting systems are approved, standards for voting systems, how equipment already approved can be modified, who purchases voting systems, who retains custody of voting systems, training provisions, and preparation and testing procedures for voting systems. (**State Voting Equipment Legislation**, Report No. PB270728AS, Price: \$10.75)
3. **Legislative Drafting Guidelines** is a report designed for State legislators interested in making changes or improvements in their State's voting equipment laws. The guidelines include information on laws pertaining to computer applications to the voting process, the need for State legislators to consult with all parties who may be affected by the changes (i.e., local election administrators) and a recommendation that election laws be written in clear and simple language. (**Legislative Drafting Guidelines**, Report No. PB270729AS, Price: \$3.50)

(A set of all three of the above reports on voting equipment may be ordered: Report No. PB270726AS, Price: \$20.00)

VOTER WAITING TIME

The third project is designed to help local elections officials reduce voter waiting time at the polls by applying the technology used by airport and bank managers to the voting process. By completing the necessary worksheets provided in the report, the election official can select a level of voter service (having a certain percentage of voters vote within a certain period of time) and tell how many

voting devices are needed to achieve this level of service. The report may also be applied to other steps in the voting process including processing people at the polls, verification of voter identity or voter registration. (**Reducing Voter Waiting Time**, Report No. PB267128AS, Price: \$4.50)

CODE OF FEDERAL REGULATIONS

The Office of the Federal Register recently published its update of Title 11 of the Code of Federal Regulations: **Federal Elections**. The publication includes all current regulations issued by the Federal Election Commission as well as an index of Parts 100-115 of the FEC regulations. In addition, regulations concerning Federal elections issued by the Civil Aeronautics Board, Federal Communications Commission and Interstate Commerce Commission are included. The volume is not available from the Federal Election Commission. Copies may be obtained for \$2.30 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

FEC documents of general applicability are published regularly in the **Federal Register**. The following list identifies all FEC documents appearing in the **Federal Register** between August 23, 1977 and September 15, 1977.

Notice	Title	Federal Register Publication Date	Citation
1977-46	AOR 1977-40	8/30/77	42 FR 43664
1977-47	AOR 1977-41	9/14/77	42 FR 46077

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1325 K STREET, NW
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OFFICIAL BUSINESS

POSTAGE AND FEES PAID

