



FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 2, 1976

AO 1976-50

Gordon K. Durnil, Treasurer
Friends of Dick Lugar Committee
1440 North Meridian Street, Suite 202
Indianapolis, IN 46202

Dear Mr. Durnil:

This letter responds to yours of July 6, 1976, requesting an advisory opinion as to the applicability of certain provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"), to the circumstances described in your letter. You advised that the Friends of Dick Lugar Committee (Committee) has authorized Logo 7, Inc., an Indiana corporation, to produce and market a shirt bearing the candidate's name. You further advised that the committee, apart from distributing order forms to campaign workers who in turn redistribute them to potential contributor/purchasers, is not involved in selling the shirts and will incur no expenses. The corporation will transmit to the Committee a \$1.00 contribution, earmarked to the campaign, for the sale of each shirt. You requested an advisory opinion as to whether this type of arrangement with the corporation would be permitted under the Act.

2 U.S.C. §441b(a) states:

"(a) It is unlawful for any . . .
corporation whatever . . . to make a
contribution or expenditure in connection
with any election to . . . [Federal] office.

The term "contribution or expenditure" is defined in 2 U.S.C. §441b to include:

"any direct or indirect payment, distribution loan,
advance, deposit, or gift of money, or any services, or anything
of value. . . to any candidate, campaign committee, or political party
or organization, in connection with any election
to . . . [Federal office] . . ." (Emphasis added.)

The fact that expenses of producing and marketing the shirt are paid entirely by the corporation results in the Committee receiving something of value from the corporation. The corporation is effectively advancing funds to assist the Committee in a fundraising effort and is also serving as a conduit in providing a contribution to the Committee for every shirt that is sold. For these reasons this activity is clearly distinguishable from the facts presented in Advisory Opinion 1975-15 wherein the Wallace campaign itself purchased and sold various campaign related items as a fundraising method. Therefore, this type of arrangement would be unlawful under the Act.

This response constitutes an advisory opinion concerning the application of a general rule of law stated in the Act to the specific factual situation set forth in your request. 2 U.S.C. §437f.

Sincerely yours,

(signed)
Vernon W. Thomson
Chairman for the
Federal Election Commission