



FEDERAL ELECTION COMMISSION
Washington, DC 20463

December 19, 1977

AO 1977-56

Miss Geraldine M. Hazzard
Treasurer, SAFEPAC
P.O. Box 1972
Fort Worth, Texas 86101

Dear Miss Hazzard:

This letter responds to your request of October 20, 1977, for an opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to the custodial arrangement of a corporation sponsored political action committee.

You state that SAFEPAC, the political action committee of the Western Company of North America, has solicited both stockholders and employees for contributions. Your first question is whether the custodian of employees' contributions, solicited pursuant to 11 CFR 114.6, may also be the treasurer of SAFEPAC "provided he preserves the anonymity of contributors and files the required reports." The answer is yes. The Commission's regulations provide that the custodian may not be an officer, stockholder, executive or administrative personnel, or employee of the corporation. 11 CFR 114.6(d)(1). The regulations further provide that a custodian, who is not one of the foregoing persons, may be employed by the separate segregated fund as treasurer and: "may handle all of its contributions, provided that the custodian preserves the anonymity of the contributors as required by this section." 11 CFR 114.6(d)(5). The Commission points out that 114.6(d)(5) further states, in pertinent part, that:

The custodian [employed as treasurer] shall file the required reports with the Federal Election Commission, the Clerk of the House, or the Secretary of the Senate, as appropriate. A custodian who serves as treasurer is subject to all of the duties, responsibilities, and liabilities of a treasurer under the Act, and may not participate in the decision making process whereby the separate segregated fund makes contributions and expenditures.

You also ask whether it is permissible for the records of SAFEPAC to be audited by a company accountant if he agrees to preserve the anonymity of the employees. In addition, you ask whether the audit may be handled exclusively through an outside auditing firm. The Commission's regulations provide:

The custodian shall not make the records of persons making a single contribution of \$50 or less or multiple contributions aggregating \$100 or less, in a calendar year, available to any person other than representatives of the Federal Election Commission, the Clerk of the House or the Secretary of the Senate, as appropriate, and law enforcement officials or judicial bodies. 11 CFR 114.6(d)(3)(i).

Therefore, records which reveal the identification of contributors who have made single contributions of \$50 (or less), or aggregate contributions of \$100 (or less) may not be disclosed to persons other than those listed above. This provision would not, however, preclude the custodian/treasurer from disclosing to either a company accountant or an outside auditing firm records required to be maintained under 2 U.S.C. 432 with respect to a single contribution in excess of \$50 in a calendar year. Nor would it preclude internal or external disclosure of any records maintained by SAFEPAC with respect to contributions from an individual which aggregate over \$100 in a calendar year and are itemized in reports filed by SAFEPAC under the Act. Audits may be conducted under the above noted restrictions on records disclosure.

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

Sincerely yours,

(signed)
Thomas E. Harris
Chairman for the
Federal Election Commission