



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 20, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1980-26

Mr. Don Starr  
Campaign Manager  
Stenholm for Congress Committee  
P.O. Box 1032  
Stamford, Texas 79553

Dear Mr. Starr:

This responds to your letter of March 10, 1980, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to the receipt and reporting of contributions.

You state that the Stenholm '80 Committee ("the Committee") has received three personal contributions from a Mr. M. L. Bounds of Newark, Texas.<sup>1</sup> You add that Mr. Bounds has a small manufacturing plant in Newark which has some contracts with General Dynamics, Boeing, and perhaps others to supply aircraft components. These companies, in turn, have contracts with the Department of Defense. In light of the Act's prohibition on contributions from government contractors, you ask whether it is permissible for the Committee to accept these contributions.

It is unlawful under the Act for any person who enters into a contract with the United States or any department or agency thereof to directly or indirectly make any contribution of money or any other thing of value to any political party, committee, or candidate for public office or to any person for any political purpose. 2 U.S.C. 441c. This section does not, however, prohibit the stockholders, officers, or employees of a corporation, the employees, officers, or members of an unincorporated association, cooperative, membership organization, labor organization, or other group or organization which is a Federal contractor from making contributions or expenditures from their personal assets. See 11 CFR 115.6, see also Advisory Opinion 1975-31, copy enclosed. Furthermore, Commission regulations state that the

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<sup>1</sup> These contributions are: 1) \$25 cash contribution on September 21, 1978; 2) \$20 contribution on August 30, 1979; and 3) a \$100 cash contribution on September 10, 1979.

prohibitions of 441c would not apply<sup>2</sup> to a situation where, as here, the contractual relationship of the contributor is with another entity that is, in turn, under contract with the Federal Government or an agency thereof 11 CFR 115.1(d). Compare Advisory Opinion 1975-110, copy enclosed.

Accordingly, the Commission concludes that because the described contributions are from an individual whose business is not under contract to the United States Government, those contributions may be retained by the Committee.

This response constitutes an advisory opinion concerning application of the Act, or regulations prescribed by the Commission, to the specific transaction or activity set forth in your request. See 2 U.S.C. 437f.

Sincerely yours,

(signed)

Robert O. Tiernan  
Chairman for the  
Federal Election Commission

Enclosures (AO 1975-31, AO 1975-110)

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<sup>2</sup> The Commission notes, however, that all corporations, whether or not they are under contract to the United States Government, are subject to the provisions of 2 U.S.C. 441b which prohibit a corporation from making any direct or indirect contribution in connection with a Federal election.