



FEDERAL ELECTION COMMISSION
Washington, DC 20463

May 23, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1980-37

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

Dear Mr. Starr:

This responds to your letters of March 10 and April 1, 1980, requesting an advisory opinion on behalf of the Stenholm for Congress Committee ("the Committee") regarding application of the Federal Election Campaign Act of 1971, as amended ("the Act") and Commission regulations to the status of an individual contributor to the Stenholm campaign.

Your initial letter states that Congressman Stenholm has requested that all Committee records be reviewed to determine whether any contributors may be considered as government contractors. Committee correspondence with a contributor, Mr. Alan Ritchey, indicates that he is a sole proprietor in the trucking industry and is "currently involved in four contracts with the U.S. Postal Service to haul U.S. Mail by truck." Three of these contracts are held by Mr. Ritchey as a sole proprietor and the fourth contract is held by Western Mail Service, Inc., a corporation wholly owned by Mr. Ritchey.

Your request indicates that the Committee has accepted three separate contributions from Mr. Ritchey in the form of personal checks. Specifically, you ask whether Mr. Ritchey is considered a "government contractor" under the provisions of the Act and regulations. If Mr. Ritchey is determined to be a government contractor, you ask how the Committee should proceed with regard to the contributions already accepted.

The Commission concludes that Mr. Ritchey is a Federal contractor for purposes of the Act and regulations and thus, is prohibited from making contributions to any campaign for Federal office. 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 anything 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. Commission regulations limit the application of 441c to contributions made for Federal election purposes. 11 CFR 115.1 and 115.2, see also Advisory Opinions 1975-99, 1975-31. Further, Commission regulations provide that individuals or sole proprietors who are Federal contractors are prohibited from making contributions or expenditures from their business, personal or other funds under their control. 11 CFR 115.5.

Thus, the Commission determines that Mr. Ritchey is a Federal contractor for purposes of the Act and is, therefore, prohibited from making contributions to the Committee. Since the Committee has already accepted Mr. Ritchey's three contributions, having apparently learned of his status as a Government contractor only after making specific inquiry, the Commission directs the Committee to return to Mr. Ritchey an amount equal to the total contributions received. Refunds of these contributions should be disclosed in the next report required to be submitted 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)

Max L. Friedersdorf
Chairman for the
Federal Election Commission