



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 5, 1982

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1982-16

Mark Green  
44 East 86th Street  
New York, New York 10028

Dear Mr. Green:

This responds to your letter dated February 27, 1982, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended, ("the Act"), and Commission regulations to proposed fundraising activity to retire debts remaining from your 1980 Congressional campaign in New York.

According to your letter, you have written a book which will be published soon by Bantam Books, a publishing corporation. As part of the promotion of your book, Bantam plans to hold a "book party" in your honor to encourage interest in your book and will pay the expenses of the party. You state that you would like to use the book party as a fundraising event to raise funds to retire debts remaining from your 1980 Congressional campaign. You would like to invite several well-known supporters as hosts and charge an admission fee of \$25 per person. You ask whether, under these circumstances, the Act would permit Bantam Books to pay all the expenses of such a party or at least a portion of the costs, since the party as described would have the dual purpose of Bantam's promotion of your book and your fundraising to defray campaign debts.

The Commission is of the opinion that Bantam Books may not pay the expenses of the book party if, in fact, you convert the party into a fundraising event to retire your campaign debts.

Under the Act, corporations are prohibited from making any contributions or expenditures in connection with a Federal election. See 2 U.S.C. 441b(a) and 11 CFR 114.1. In this regard, the term "contribution or expenditure" includes "any direct or indirect payment, distribution, loan, advance, deposit or gift of money, or any services, or anything of value... to any candidate, political party or committee, organization or any other person in connection with any [Federal] election...." 11 CFR 114.1(a)(1). Contributions that you may accept to retire outstanding

campaign debts would be considered to be "in connection with" a Federal election since the debts were incurred for a campaign purpose. That purpose remains after the campaign has ended so long as there are outstanding debts and obligations of the campaign. See Advisory Opinion 1981-22, copy enclosed.

The Commission has on several occasions concluded that prohibited corporate contributions would result if services of a corporation are provided free of charge to a candidate or political committee who uses the provided service for an election related purpose. See Advisory Opinion 1978-60; also see Advisory Opinions 1976-50 and 1980-109, copies enclosed. Thus, any payment by Bantam Books for expenses related to the described party whereby you charge an admission fee to be applied to your outstanding campaign debts would be considered a corporate contribution in violation of 2 U.S.C. 441b.

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,

(signed)

Frank P. Reiche  
Chairman of the Federal Election Commission

Enclosures (AOs 1976-50, 1978-60, 1980-109 and 1981-22)