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ROBERT T. MARKOWSKI

August 2, 1990

Federal Election Commission
Office of General Counsel
999 E Street, N.W.
Washington, D.C. 20463

Gentlemen:

AOR 1990-16

On behalf of James R. Thompson, the Governor of the State of Illinois, and his campaign committee, Citizens for Thompson, we request an advisory opinion concerning the application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to a proposed transfer of funds from a state committee to a federal committee.

In July 1975, Governor Thompson formed Citizens for Thompson ("CFT"), which is a state campaign committee organized under the laws of Illinois. With CFT as his authorized campaign committee, Governor Thompson successfully ran for the office of Governor in 1976, 1978, 1982, and 1986. In addition to supporting the political aspirations of Governor Thompson, CFT's statement of purpose was expanded in 1989 to provide that CFT is organized "for the purpose of supporting . . . other candidates for state and local elective, appointive, and party offices. . . ."

Since 1975, CFT has conducted fundraising activities and as of July 1990 had a balance of over \$1,000,000. A substantial portion of this amount was raised through contributions of \$1,000 or less from individuals. In general, the remainder was raised from corporations, labor unions, or represents contributions of more than \$1,000 from individuals.

Governor Thompson now intends to establish a federal nonconnected multicandidate campaign committee ("the Federal Fund") to support candidates for federal office. Governor Thompson is causing a Statement of Organization to be filed as an initial step toward establishing the Federal

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Fund.^{1/} Governor Thompson desires to transfer funds from CFT to the Federal Fund. With respect to each transfer, CFT will demonstrate through reasonable accounting methods that it has sufficient funds obtained through individual contributions of \$1,000 or less to make the transfer (11 C.F.R 102.5(b)).

We request advice concerning whether CFT can transfer otherwise permissible funds to the Federal Fund without regard to the limitation on contributions set forth in 2 U.S.C. § 441a(a). Initially, CFT contemplates a transfer of approximately \$25,000 to the Federal Fund.

It is our view that, under 11 C.F.R. § 100.5(g)(2)(i)(E), CFT and the Federal Fund should be deemed to be Affiliated Committees. Pursuant to that provision "[a]ll the political committees established by the same person or group of persons are affiliated." As you know, the Commission's regulations recognize that two committees may be deemed to be "affiliates" of one another even though one of them is not a political committee under the Act. See 11 C.F.R. § 102.6(a)(1). Therefore, because Governor Thompson has established both CFT and the Federal Fund the two campaign funds are affiliated within the definition of § 100.5(g)(2)(i)(E).

If CFT and the Federal Fund are Affiliated Committees, it is our view that pursuant to 11 C.F.R. § 102.6(a) "[t]ransfers of funds may be made without limit on amount between affiliated committees whether or not they are political committees under 11 C.F.R. 100.5." Assuming that none of the funds that CFT proposes to transfer to the Federal Fund come from prohibited sources and assuming that both CFT and the Federal Committee meet applicable registration and reporting obligations, please advise us whether the proposed transfers from CFT to the Federal Fund would be permissible under the Act and the Commission's regulations.

In addition, please advise us whether, for purposes of meeting the qualifications for a multi-candidate committee, the Federal Fund can count toward the 50 contributor requirement those persons who were the original source of the funds transferred from CFT to the Federal Fund. In light of the fact that the contribution limits of 2 U.S.C. § 441a(a) apply to the original contributors of the transferred funds, it is our view that the Federal Fund is

^{1/} The Federal Fund is named "The America 2000 Fund."

Federal Election Commission
August 2, 1990
Page 3

entitled to count those original contributors toward the 50 contributor requirement.

Sincerely,



Robert T. Markowski

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