

CITIZENS FOR CONGRESSMAN PANETTA
Post Office Box 2703
Monterey, California 93940

March 15, 1993

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FEDERAL ELECTION COMMISSION

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

ADR 1993-06

Dear General Counsel:

As the treasurer for "Citizens for Congressman Panetta," the reelection committee for former Congressman Leon Panetta, I am writing to seek advisory opinions from the Commission on several aspects on the use of campaign funds. As you know, Mr. Panetta resigned after being sworn in to the 103rd Congress to assume the position of Director of the Office of Management and Budget. Because there is a new campaign law that now applies to anyone who has served in the 103rd Congress and then resigns, I ask that you provide me with answers to the following questions regarding the use of campaign funds.

1) During the month of January, 1993, Mr. Panetta stayed with his family at a Washington, D.C. hotel during the inaugural period. (His family does not reside in the Washington, D.C. area.) I have been informed that FEC rules allow for the use of campaign funds for a member of Congress to pay for lodging and meals for a presidential inauguration and related activities. However, on January 21, 1993, Mr. Panetta resigned from the office of U.S. Representative in order to be sworn in to the position of Director of the Office of Management and Budget which took place on January 22, 1993. He remained with his family at the same hotel until the following Friday, January 29, 1993. The hotel space where he stayed afforded him office space during the transition in order to hold necessary meetings as well as to have space in which to work during the transition. This work, incidentally, included not only OMB work, but also final elements of work from his congressional office. (Both offices were in flux at the time.) Additionally, during that last week, his spouse, Sylvia M. Panetta, worked with him on the closure of the congressional office as well as the logistics of the transitional move from the congressional office to the office at OMB. (I would point out that Mrs. Panetta has worked for him as his district administrator in an unpaid status for sixteen years and thus is quite familiar with his congressional office files and systems.) This space was also used to entertain and meet with a number of constituents who visited

Washington, D.C. during that two week time-frame.

Since the use of this lodging space not only housed them during the time they worked on this transition but also acted as office space, I seek your opinion on whether the expense of this last week (after being sworn in) can be borne by the campaign account.

2) On the question of travel: can Mr. Panetta as a former member of the 103rd Congress charge travel to his campaign account for a democratic party event at which he will, for instance, be honored? There are several democratic organizations within the district he formerly represented that have asked him to attend fund raising events for their committees at which they would like to honor him for his service to the Seventeenth Congressional District in California. This would, therefore, require travel from Washington, D.C. to the central coast counties of California.

3) On the question of providing money to non-profit tax exempt (501-c-3) organizations for specific fund raising events: can this campaign send money periodically, to such organizations at their request for such things as fund raising events, drives or membership fees? Additionally, specifically on the latter, during his tenure in office, Mr. Panetta maintained membership in certain groups, some of which have a non-profit tax exempt status. The dues were paid through the campaign fund. This, of course, was done in the spirit of good will and support for the organization's goals. These membership fees are often considered "donations" from the individuals who participate in support of these organizations. For those organizations that have the appropriate non-profit status may he continue to support these groups therefore, through membership dues paid through his campaign funds. Examples of such organizations are: chambers of commerce located within what was formerly his congressional district; veterans organizations such as the American Legion and Veterans of Foreign Wars; ethnic organizations such as the Sons of Italy; civil rights groups such as the NAACP.

4) Because at this point in time, the campaign remains intact, a federal election commission report must be submitted in mid-year. Can those individuals hired to compile and complete this report be paid for their services from this campaign fund?

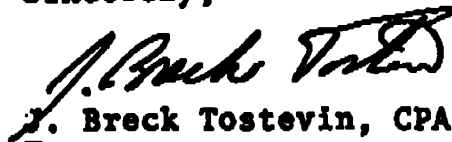
5) On the question of expenses incurred in maintaining campaign archiving and storage of papers, files and other materials along with telephone and clerical costs of achieving the necessary work to wind down previous campaign activity can the campaign cover such costs? This, of course, would also include payment of appropriate salary to staff who do this work.

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As one of the first of the members of Congress who has resigned from office during the 103rd Congress, ~~Mr. Panetta~~ and his campaign realize that the new law now in effect has yet to be completely defined and stated. This campaign staff has reviewed the information provided to us by the Federal Election Commission that describes the features of this new statute, but it is clear to us that much has yet to be clarified. It is with this limited knowledge of the law, therefore, that I write for your assistance and ruling.

I appreciate the time and effort you will be taking to research and respond to my questions and I thank you in advance for your help.

Sincerely,



J. Breck Tostevin, CPA
Treasurer
Citizens for Congressman
Panetta