

December 3, 2007

<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

ADVISORY OPINION 2007-22

Mr. Jim Hurysz P.O. Box 5191 Preston King Station Arlington, VA 22205

Dear Mr. Hurysz:

We are responding to your advisory opinion request concerning the application of the Federal Election Campaign Act of 1971, as amended (the "Act"), and Commission regulations to the participation of Canadian citizens in your Federal election campaign.

The Commission concludes that Canadian citizens may provide volunteer services to your campaign. Furthermore, you may use campaign funds and personal funds to obtain information from Canadian citizens, and to travel to Canada to observe third party election operations. You may also use campaign funds to hire Canadian citizens as members of your campaign staff. Your authorized committee may not accept election materials used in previous Canadian campaigns that are provided without charge by Canadian third party candidates, but you may use campaign funds and personal funds to purchase such materials.

Background

The facts presented in this advisory opinion are based on your letters received on August 13, and September 20, 2007, supplemented by your e-mails received on September 27, September 28, and October 3, 2007.

You were an independent candidate for the Eighth Congressional District of Virginia in the 2004 and 2006 elections. Currently, you are contemplating another run for the same seat in the 2008 election.¹

You indicate that it is extremely difficult to locate individuals who have participated in a successful third party, non-incumbent campaign for the U.S. House of Representatives. In Canada, however, you note that third party candidates are often elected, and thus, you would like to consult with Canadian citizens who have managed successful campaigns. Furthermore, you would like to use campaign funds or personal funds to purchase information from Canadians about Canada's multi-party system and how third party and independent candidates win elections in Canada. Such information would consist of "widely circulated campaign information and information from meetings and events," similar to material presented and distributed at political events in the United States, such as the annual "Take Back America Conference" held by the Campaign for America's Future. Additionally, you would like to use campaign funds or personal funds to travel to Canada to obtain such information and observe third party election operations.

You also would like to hire Canadian citizens as members of your campaign staff. You state that such individuals would not hold "positions involving fund-raising and other campaign finance activities." In addition, your campaign would like to accept volunteer services provided by Canadian citizens. Such volunteers would not hold supervisory or management positions, but would conduct a variety of campaign-related activities, such as "lit drops, door to door canvassing, handing out literature at transit stations, telephone banking, and get out the vote" activities.

Finally, you would like to accept certain election-related items provided without charge by Canadian third party candidates who used the items in their previous campaigns. The items include flyers, advertisements, door hangers, tri-folds, signs, and other printed material.

Questions Presented

1. May your authorized committee accept volunteer services from Canadian citizens?

- 2. May your authorized committee use campaign funds to obtain certain information from Canadians, to pay for travel to Canada to obtain such information and observe third party election operations, and to pay the salaries of Canadian campaign staff?
- 3. May you use personal funds to obtain certain information from Canadians, and to travel to Canada to obtain such information and observe third party election operations?

¹ Commission records indicate that your principal campaign committee is Jim Hurysz for Congress Campaign Committee. As of the date of issuance of this advisory opinion, you have not yet filed a statement of candidacy with the Commission.

4. May your authorized committee accept election materials used in previous Canadian campaigns that are provided without charge by Canadian third party candidates?

Legal Analysis and Conclusions

Question 1. May your authorized committee accept volunteer services from Canadian citizens?

Yes, your authorized committee may accept certain volunteer services to your campaign as described below.

The Act and Commission regulations prohibit foreign nationals, directly or indirectly, from making a "contribution or a donation of money or other thing of value . . . in connection with a Federal, State, or local election." 2 U.S.C. 441e(a)(1)(A); see also 11 CFR 110.20(b). However, the Act and Commission regulations also provide that the term "contribution" does not include "the value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee." 2 U.S.C. 431(8)(B)(i); see also 11 CFR 100.74.

You would like to use the volunteer services of Canadian citizens for a variety of campaign activities, such as "lit drops, door to door canvassing, handing out literature at transit stations, telephone banking, and get out the vote" activities. The Commission concludes that the performance of such campaign-related activities by Canadian citizens, without compensation, constitutes volunteer activity and, as such, is exempt from the definition of "contribution." Thus, the value of volunteer services provided to your campaign by Canadian nationals would not constitute a prohibited in-kind contribution to your campaign. See Advisory Opinions 2004-26 (Weller) (performance of campaign-related activities by a foreign national without compensation, including soliciting funds and support for a Federal candidate, would not result in the making or receipt of a prohibited contribution), and 1987-25 (Otaola) (uncompensated volunteer services provided by a foreign national student would not constitute a prohibited contribution).

Question 2. May your authorized committee use campaign funds to obtain certain information from Canadians, to pay for travel to Canada to obtain such information and observe third party election operations, and to pay the salaries of Canadian campaign staff?

Yes, your authorized committee may use campaign funds to obtain certain information from Canadians, to pay for travel to Canada to obtain such information and observe third party election operations, and to pay the salaries of Canadian citizens working for your campaign.

² The Commission notes that the foreign nationals would be prohibited from expending more than \$1,000 of their personal funds for travel in connection with their volunteer activities for the campaign. *See* 2 U.S.C. 431(8)(A)(iv); 11 CFR 100.79(a). However, any unreimbursed payment from a volunteer's personal funds for usual and normal subsistence expenses incidental to volunteer activity is not a

contribution. See 11 CFR 100.79(b).

The Act identifies six categories of permissible uses of contributions accepted by a Federal candidate, including otherwise authorized expenditures in connection with the candidate's campaign for Federal office. *See* 2 U.S.C. 439a(a)(1); *see also* 11 CFR 113.2. Contributions accepted by a candidate may not, however, be converted to "personal use" by any person. *See* 2 U.S.C 439a(b)(1); 11 CFR 113.2. Commission regulations define "personal use" as "any use of funds in a campaign account of a present or former candidate to fulfill a commitment, obligation or expense of any person that would exist irrespective of the candidate's campaign or duties as a Federal officeholder." 11 CFR 113.1(g); *see also* 2 U.S.C 439a(b)(2).

You ask about using campaign funds to obtain information from Canadians about Canada's multi-party system and how third party and independent candidates win elections in Canada. Such use of campaign funds would be an otherwise authorized expenditure in connection with your campaign for Federal office, and is therefore a permissible use of campaign funds under the Act and Commission regulations. *See* 2 U.S.C. 439a(a)(1); 11 CFR 113.2. The use of campaign funds to purchase this information would not constitute a conversion to personal use, because the expense would not exist irrespective of your campaign. *See* 11 CFR 113.1(g); *see also* 2 U.S.C 439a(b)(2). Thus, you may use campaign funds to pay for this information.

You also ask about using campaign funds to travel to Canada to consult with Canadian citizens who have managed successful third party campaigns, and to observe third party campaign operations. Commission regulations specifically provide a nonexhaustive list of uses, including "travel expenses," that are subject to a case-by-case examination to determine whether they constitute "personal use." See 11 CFR 113.1(g)(1)(ii)(C); see, e.g., Advisory Opinion 2005-09 (Dodd) (permitting the use of campaign funds to defray the costs of travel by a Federal officeholder's minor children to accompany their parents, provided that the parents are traveling to participate in a function directly connected to the Senator's bona fide official responsibilities). The Commission concludes that the use of campaign funds to travel to Canada and consult with Canadian citizens who have managed successful third party campaigns would be an otherwise authorized expenditure in connection with your campaign for Federal office, and would therefore be a permissible use of campaign funds under the Act and Commission regulations. See 2 U.S.C. 439a(a)(1); 11 CFR 113.2. The use of campaign funds in this manner would not constitute a conversion to personal use because the expense would not exist irrespective of your campaign for Federal office. See 11 CFR 113.1(g); see also 2 U.S.C 439a(b)(2). Therefore, you may use campaign funds for this travel to Canada.

You also ask about using campaign funds to hire Canadian citizens to work as campaign staff. The Commission concludes that such use of campaign funds is an otherwise authorized expenditure in connection with your campaign for Federal office, and is therefore a permissible use of campaign funds under the Act and Commission regulations. See 2 U.S.C. 439a(a)(1); 11 CFR 113.2. The use of campaign funds to pay for campaign staff who are Canadian citizens also would not constitute a conversion to personal use because this expense would not exist irrespective of your campaign. See

11 CFR 113.1(g); see also 2 U.S.C 439a(b)(2). Therefore, you may pay for such staff salaries using campaign funds.

Question 3. May you use personal funds to obtain certain information from Canadians, and to travel to Canada to obtain such information and observe third party candidate operations?

Yes, you may use personal funds to obtain from Canadians information identified in the response to Question 2, and to travel to Canada to obtain such information and observe third party candidate operations. Such use of personal funds would constitute an in-kind contribution to your campaign. *See* 11 CFR 100.52(d)(1) and 100.111(e)(1).

Individual contributions to a candidate's authorized committee are limited to \$2,300 per election. *See* 2 U.S.C. 441a(a)(1)(A). However, Commission regulations provide that "candidates for Federal office [other than presidential candidates receiving public funding] may make unlimited expenditures from personal funds." 11 CFR 110.10; *see*, *e.g.*, Advisory Opinion 2000-08 (Harvey). Thus, you may expend your personal funds, without limitation, to obtain information from Canadian third party candidates, and travel to Canada to obtain such information and observe third party candidate operations. 4

Question 4. May your authorized committee accept election materials used in previous Canadian campaigns that are provided without charge by Canadian third party candidates?

No, your authorized committee may not accept election materials used in previous Canadian campaigns that are provided without charge by Canadian third party candidates. Your authorized committee may, however, expend campaign funds to purchase the materials. You may also use personal funds to purchase such materials.

As noted above, the Act and Commission regulations prohibit foreign nationals, directly or indirectly, from making a "contribution or donation of money or other thing of value, or to make an express or implied promise to make a contribution or donation, in connection with a Federal State, or local election." 2 U.S.C. 441e(a)(1)(A); see also 11 CFR 110.20(b). "Anything of value" includes all in-kind contributions, including the provision of goods or services without charge or at a charge that is less than the usual and normal charge. See 11 CFR 100.52(d)(1). "Usual and normal charge" is defined as the price of goods in the market from which they ordinarily would have been purchased at the time of the contribution, or the commercially reasonable rate prevailing at the time the services were rendered. See 11 CFR 100.52(d)(2).

³ "Personal funds" of a candidate means the sum of "assets," "income," and "jointly owned assets" as defined in 11 CFR 100.33.

⁴ Disbursements of such personal funds must be reported by your principal campaign committee as in-kind contributions to and expenditures made by your principal campaign committee on Schedules A and B, if the in-kind contributions aggregate in excess of \$200 in a calendar year. *See* 2 U.S.C. 434(b); *see also* 11 CFR 104.3(a)(4)(i), 104.3(b)(4)(i), 104.13(a)(1), and 104.13(a)(2).

Here, you propose accepting without charge, from Canadian third party and independent candidates, certain printed materials used in previous Canadian campaigns. The materials would include flyers, advertisements, door hangers, tri-folds, signs, and other printed material. You plan to use these items to assist you in your own campaign. Although the value of these materials may be nominal or difficult to ascertain, they have some value. The provision of these items without charge would relieve your campaign of the expense that it would otherwise incur to obtain such materials. Thus, the provision of such items without charge would constitute a contribution and, as such, would be prohibited, particularly in light of the broad scope of the prohibition on contributions from foreign nationals. See, e.g., 120 Cong. Rec. 8782 (Mar. 28, 1974) (statement of Sen. Bentsen, author of the amendment prohibiting foreign national contributions) ("I am saying that contributions by foreign nationals are wrong, and they have no place in the American political system."); see also Explanation and Justification for Regulations on Contribution Limitations and Prohibitions, 67 Fed. Reg. 69940 (Nov. 19, 2002) ("As indicated by the title of section 303 of BCRA, "Strengthening Foreign Money Ban," Congress amended 2 U.S.C. 441e to further delineate and expand the ban on contributions, donations, and other things of value by foreign nationals.").

The situation presented here is similar to that considered by the Commission in Advisory Opinion 1981-51 (Metzenbaum). In that opinion, the Commission concluded that the provision of an original work of art by a foreign national artist to a political committee for use by the committee in fundraising was a contribution and, hence, prohibited by 2 U.S.C. 441e. Similarly here, you plan to use the printed materials from previous Canadian campaigns to assist you in your own campaign. As such, their provision without charge by foreign nationals would constitute a prohibited in-kind contribution to your campaign. Nor may you solicit, accept, or receive such goods from foreign nationals. *See* 2 U.S.C. 441e(a)(2); 11 CFR 110.20(g) and (h). Your committee may, however, expend campaign funds to purchase such materials because such use of campaign funds would be an otherwise authorized expenditure in connection with your campaign for Federal office and would not constitute a conversion to personal use. *See* 2 U.S.C. 439a(a)(1); 11 CFR 113.2. You may also use personal funds to purchase such materials. *See* 11 CFR 110.10.

This response constitutes an advisory opinion concerning the application of the Act and Commission regulations to the specific transaction or activity set forth in your request. *See* 2 U.S.C. 437f. The Commission emphasizes that, if there is a change in any of the facts or assumptions presented and such facts or assumptions are material to a conclusion presented in this advisory opinion, then the requester may not rely on that conclusion as support for its proposed activity. All cited advisory opinions are available on the Commission's website at http://saos.nictusa.com/saos/searchao.

Sincerely,

(signed) Robert D. Lenhard Chairman