FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 1757

Date Filmed 4/19/85 Camera No. --- 3

Cameraman AS

MUR 1757

FEDERAL ELECTION COMMISSION

1st page of RAD Referral

All routing slips

12 Day Report and Comment Sheets

Proposed RFAI's from RAD

Extra Copies of correspondence

Original page 3 of General Counsel's Report signed 10/4/84

Documents relating to conciliation

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

___	(1) Classified Information	___	(6) Personal privacy
___	(2) Internal rules and practices	___	(7) Investigatory files
X	(3) Exempted by other statute	___	(8) Banking Information
___	(4) Trade secrets and commercial or financial information	___	(9) Well Information (geographic or geophysical)
X	(5) Internal Documents		

Signed Marybeth Tarrant

date 4/18/85

FEC 9-21-77

85040522732

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1757
Realtors Political Action Committee	)	
Philip C. Stark, as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 26, 1985, the Commission decided by a vote of 4-0 to take the following actions in MUR 1757:

1. Accept the conciliation agreement attached to the General Counsel's Report signed March 21, 1985.
2. Close the file.
3. Approve the letter attached to the General Counsel's Report signed March 21, 1985.

Commissioners Aikens, Elliott, Harris, and McGarry voted affirmatively in this matter; Commissioners McDonald and Reiche did not cast a vote.

Attest:

3-26-85
Date

Jody C. Ransom
for Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary: 3-21-85, 12:56
Circulated on 48 hour tally basis: 3-22-85, 2:00

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

April 2, 1985

Randall B. Moorhead, Assistant Treasurer
Realtors Political Action Committee
777 14th Street, N.W.
Washington, D.C. 20005-3271

RE: MUR 1757
Realtors Political Action Committee
Philip C. Stark, as treasurer

8 5 0 4 0 5 2 2 7 3 4

Dear Mr. Moorhead:

On March 26, 1985, the Commission accepted the conciliation agreement signed by you and a civil penalty in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the Respondents and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1757
Realtors Political Action Committee	)	
Philip C. Stark, Treasurer	)	

CONCILIATION AGREEMENT

This matter was initated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Realtors Political Action Committee and Philip C. Stark, as treasurer, ("Respondents") violated 2 U.S.C. §441b(a) by accepting corporate contributions.

NOW, THEREFORE, the Commission and Respondents, having participated informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents, and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. §437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent, Realtors Political Action Committee, is a political committee pursuant to 2 U.S.C. §431(4)(B).

2. Respondent, Philip C. Stark, became treasurer of the Realtors Political Action Committee in November 1983.

3. During the period July 1, 1979, through December 31, 1981, Realtors Political Action Committee accepted $19,186.62 in corporate contributions but has since made refunds of such contributions available to the contributors thereof.

V. Pursuant to 2 U.S.C. §441b(a), a political committee is prohibited from knowingly accepting a contribution from a corporation.

VI. By accepting corporate contributions, Respondent Realtors Political Action Committee and Philip C. Stark in his official capacity as Treasurer violated 2 U.S.C. §441b(a). Respondents contend that the acceptance of corporate contributions was inadvertent and not knowing and willful.

VII. Respondents will pay a civil penalty to the Treasurer of the United States in the amount of the One Thousand Dollars ($1,000), pursuant to 2 U.S.C. §437g(a)(5)(A).

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

IX. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

X. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be valid.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

By: ____________________ April 2, 1985
Kenneth A. Gross Date
Associate General Counsel

FOR THE RESPONDENTS:

By: ____________________ 3/13/85
Randall B. Moorhead Date
Assistant Treasurer

85040522738

REALTORS® POLITICAL ACTION COMMITTEE
R.P.A.C.
430 N. MICHIGAN AVE.
CHICAGO, ILL. 60611

77694

2-52
710

DATE	CHECK NO.	PAY TO THE ORDER OF	AMOUNT
DEC0384	77,694	TREASURER OF THE UNITED STATES	$1,000.00 ■ $1,000.00 ■

DIVISION ACCOUNT

NATIONAL BOULEVARD BANK
OF CHICAGO

⑈077694⑈ ⑆071000521⑆ ⑈076760 3⑈

0 5 8

OCC#5861

MEMORANDUM

TO: CHERYL THOMAS TO: JOAN HARRIS

FROM: JOAN HARRIS FROM: CHERYL THOMAS

CHECK NO. 77694 (a copy of which is attached) RELATING

TO MUR 1757 AND NAME Realtors PAC Phillip C. Stark, Treasurer

WAS RECEIVED ON 12/4/84. PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

/✓/ BUDGET CLEARING ACCOUNT (#95F3875.16)

/ / CIVIL PENALTIES ACCOUNT (#95-1099.160)

/ / OTHER ______________________

SIGNATURE Cheryl L. Thomas DATE 12/4/84

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Realtors Political Action Committee	)	MUR 1757
Philip C. Stark, Treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of October 16, 1984, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions in MUR 1757:

1. Enter into pre-probable cause conciliation with Realtors Political Action Committee and Philip C. Stark, as treasurer.

2. Approve the conciliation agreement attached to the General Counsel's report dated October 4, 1984.

3. Approve the letter attached to the General Counsel's report dated October 4, 1984.

Attest:

10-18-84
Date

Marjorie W Emmons
Marjorie W. Emmons
Secretary of the Commission

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

84 OCT 5 A8:29

In the Matter of)
)
Realtors Political Action Committee) MUR 1757
Philip C. Stark, Treasurer)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD"). On August 1, 1984, the Commission voted to open a MUR and found reason to believe that the Realtors Political Action Committee ("RPAC") and Philip C. Stark, as treasurer, violated 2 U.S.C. § 441b(a) by accepting $19,186.62 in corporate contributions. On August 31, 1984, RPAC filed a response, asking that the Commission find no reason to believe the Respondents had violated the Act. See Attachment 1. In the alternative, RPAC requested to enter into pre-probable cause conciliation.

II. LEGAL ANALYSIS

In its response, RPAC acknowledges the receipt of $19,186.62 in corporate contributions during the period July 1, 1979 through December 31, 1981. 1/ These contributions were discovered as a result of an internal audit conducted by RPAC and brought to the attention of RAD by RPAC. On August 30, 1983, RPAC transferred $19,186.62 to the National Association of Realtors ("NAR"), RPAC's connected organization, and attempted to contact each of the corporations whose contributions make up the funds in

1/ During the same period RPAC had receipts of $2,750,000.

question. Each contributor was offered the option of obtaining a full refund or of donating the amount to NAR.

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any corporation to make a contribution in connection with any federal election or for any political committee to knowingly accept or receive any contribution prohibited by this section. RPAC claims that it did not violate section 441b because it accepted these contributions without recognizing their prohibited nature and, therefore, did not knowingly accept the contributions. However, the Commission has taken the position that the term "knowingly accepted" as used in 2 U.S.C. §§ 441a(f) and 441b implies knowledge of the facts of the situation which brings the contribution within the prohibitions of the statute, not knowledge that the contribution was prohibited.

In addition, RPAC claims that Mr. Stark should not be a respondent as he was not treasurer at the time the contributions were accepted. Mr. Stark became treasurer in November 1983. 2/ However, the finding against Mr. Stark is in his official capacity as treasurer, not as an individual, and, therefore, he is a proper respondent in this matter.

In light of the above facts and RPAC's request for pre-probable cause conciliation, the Office of General Counsel

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2/ Although RPAC's response indicates Mr. Stark became treasurer in November, 1982, an amended statement of organization filed with the Commission indicates Mr. Stark became treasurer in November, 1983.

recommends that the Commission enter into conciliation with the Respondents.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

IV. RECOMMENDATIONS

1. Enter into pre-probable cause conciliation with Realtors Political Action Committee and Philip C. Stark, as treasurer.

2. Approve the attached conciliation agreement.

3. Approve the attached letter.

Charles N. Steele
General Counsel

October 4, 1984
Date

By:
Kenneth A. Gross
Associate General Counsel

Attachments
1. Response of RPAC
2. Proposed conciliation agreement
3. Proposed letter

REALTOR®

NATIONAL ASSOCIATION OF REALTORS®
Randall B. Moorhead
Staff-Vice President

Political Affairs Division
777 14th Street, N.W., Washington, D.C. 20005-3271
Telephone 202 383 1125

FEC
84 AUG 31 A10:18

Attachment 1

August 30, 1984

RECEIVED
OFFICE OF THE GENERAL COUNSEL
84 AUG 31 P1:28

Mrs. Lee Ann Elliott, Chairman
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: Matter Under Review 1757

Dear Mrs. Elliott:

This is in response to your letter of August 3, 1984, received August 10, 1984, regarding the above-referenced Matter Under Review. We thank the Commission for graciously granting our request for a deadline extension to August 31 so that we could appropriately respond to your letter regarding a determination by the Federal Election Commission ("Commission") that there is reason to believe that the REALTORS® Political Action Committee ("RPAC") has violated 2 U.S.C. Section 441b(a) by accepting corporate contributions.

As described in the General Counsel's Factual and Legal Analysis, and in the cover letter accompanying RPAC's report covering the period 8/1/83 - 8/31/83, this matter was generated by RPAC's internal audit of contributions received during the period July 1, 1979 through December 31, 1981. That period was selected because it coincided roughly with the period following the FEC's 1979 audit of RPAC through and well past the time the final FEC report and recommendations pursuant to that audit were received and implemented by RPAC.

As noted in the September 20, 1983 cover letter accompanying the September report, and in the General Counsel's analysis, RPAC's voluntarily initiated internal audit identified some $19,186.62 in contributions inadvertently received from corporate sources during the relevant period. The results of this internal examination, including the discovery of the receipt of these corporate contributions, was voluntarily and specifically brought to the attention of the Commission by RPAC. As also noted in the September 20, 1983 letter, RPAC promptly acted to refund those contributions in an expeditious manner, as described in the letter. In addition, RPAC has continued to refine and enhance its procedures for verifying that all contributions received are from permissible sources or are returned to the contributor, and believes that it has established procedures which effectively elminate the possibility that impermissible contributions will be unwittingly accepted.

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Please be advised also that Mr. Philip C. Stark, currently Treasurer of RPAC, received that position in November of 1982 and was not RPAC's Treasurer during the period when the contributions at issue were accepted by RPAC.

It is significant that RPAC accepted these contributions without recognizing their prohibited nature, since 2 U.S.C. Section 441b(a) provides that a violation of the Act occurs only when the acceptance or receipt of prohibited contributions by a political committee occurs knowingly. Moreover, we would also note that during the period July 1, 1979 to December 31, 1981, RPAC collected in excess of $2,750,000 in contributions from at least 210,000 contributors. Thus, these inadvertently accepted corporate contributions amounted to less than an infinitesimal 0.7% of the total funds collected in that period. We are, of course, continuously attempting to improve and implement more effective administrative procedures to prevent inadvertent acceptance of prohibited contributions.

For the foregoing reasons, and because we believe it is clear that RPAC has at all times acted in good faith and with the utmost commitment to compliance with the Act, and has not knowingly accepted prohibited contributions, we believe the Commission may find that no violation of the Act has occurred. Moreover, we believe it to be eminently apparent that Mr. Philip C. Stark has not violated the Act, since he was not Treasurer or otherwise associated with RPAC operations at the time the events at issue occurred. Nevertheless, in order to resolve this Matter Under Review in an expeditious fashion satisfactory to both RPAC and the Commission, RPAC would like to initiate conciliation proceedings directed at such a resolution without further action by the Commission, including without a finding of "probable cause to believe" a violation has occurred. To this end, we would be happy to meet with appropriate Commission personnel or otherwise discuss this matter further. Please contact the undersigned at the above address or by telephone at 202-383-1125 to make suitable arrangements for doing so.

Sincerely,

Randall B. Moorhead

Randall B. Moorhead
Assistant Treasurer

cc: Philip C. Stark
Bill North
Ralph Holmen
Bill Small
Marybeth Terrant
Charles N. Steele
Kenneth A. Gross

8 5 0 4 0 5 2 2 7 4 5

2

REALTOR®

NATIONAL ASSOCIATION OF REALTORS®
Randall B. Moorhead
Staff-Vice President

Political Affairs Division
777 14th Street, N.W., Washington, D.C. 20005-3271
Telephone 202 383 1125

RECEIVED FEC
HAND DELIVERED
84 AUG 31 A10: 10

GCC#4525

August 30, 1984

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
'84 AUG 31 P1:28

Mrs. Lee Ann Elliott, Chairman
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: Matter Under Review 1757

Dear Mrs. Elliott:

This is in response to your letter of August 3, 1984, received August 10, 1984, regarding the above-referenced Matter Under Review. We thank the Commission for graciously granting our request for a deadline extension to August 31 so that we could appropriately respond to your letter regarding a determination by the Federal Election Commission ("Commission") that there is reason to believe that the REALTORS® Political Action Committee ("RPAC") has violated 2 U.S.C. Section 441b(a) by accepting corporate contributions.

As described in the General Counsel's Factual and Legal Analysis, and in the cover letter accompanying RPAC's report covering the period 8/1/83 - 8/31/83, this matter was generated by RPAC's internal audit of contributions received during the period July 1, 1979 through December 31, 1981. That period was selected because it coincided roughly with the period following the FEC's 1979 audit of RPAC through and well past the time the final FEC report and recommendations pursuant to that audit were received and implemented by RPAC.

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8504052274 5

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For the foregoing reasons, and because we believe it is clear that RPAC has at all times acted in good faith and with the utmost commitment to compliance with the Act, and has not knowingly accepted prohibited contributions, we believe the Commission may find that no violation of the Act has occurred. Moreover, we believe it to be eminently apparent that Mr. Philip C. Stark has not violated the Act, since he was not Treasurer or otherwise associated with RPAC operations at the time the events at issue occurred. Nevertheless, in order to resolve this Matter Under Review in an expeditious fashion satisfactory to both RPAC and the Commission, RPAC would like to initiate conciliation proceedings directed at such a resolution without further action by the Commission, including without a finding of "probable cause to believe" a violation has occurred. To this end, we would be happy to meet with appropriate Commission personnel or otherwise discuss this matter further. Please contact the undersigned at the above address or by telephone at 202-383-1125 to make suitable arrangements for doing so.

Sincerely,

Randall B. Moorhead

Randall B. Moorhead
Assistant Treasurer

cc: Philip C. Stark
Bill North
Ralph Holmen
Bill Small
Marybeth Terrant
Charles N. Steele
Kenneth A. Gross

NATIONAL ASSOCIATION OF REALTORS ® 8 5 0 4 0 5 2 2 7 4 8

777 14th Street, N.W.,
Washington, DC 20005-3271

HAND DELIVE

84 AUG 31 AM:

RETURN POSTAGE GUARANTEED

Mrs. Lee Ann Elliott, Chairman
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

REALTOR®

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 21, 1984

Randall B. Moorhead, Assistant Treasurer
Realtors Political Action Committee
777 14th Street, N.W.
Washington, D.C. 20005-3271

Re: MUR 1757

Dear Mr. Moorhead:

This is in reference to your letter dated August 17, 1984, requesting an extension until August 31, 1984, to respond to the Commission's notice that it has found reason to believe that Realtors Political Action Committee and Philip C. Stark, as treasurer, have violated the Act. After considering the circumstances presented in your letter, the Office of the General Counsel has determined to grant you your requested extension. Accordingly, your response will be due on or before August 31, 1984.

If you have any questions, please contact Marybeth Tarrant, the staff member assigned to this matter, at 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

RPAC
REALTORS®
POLITICAL ACTION COMMITTEE

AUG 17 A11:32

GCC#4353

August 17, 1984

AUG 17 A11:32

Ms. Marybeth Terrant
Federal Election Commission
1325 K Street, NW
Washington, DC 20463

Dear Ms. Terrant:

We are in receipt of a letter dated August 3, 1984 from Lee Ann Elliott, Chairman of the Federal Election Commission regarding a determination by the Commission that there is reason to believe that the REALTORS® Political Action Committee has violated 2 U.S.C. §441b(a) of the Federal Election Campaign Act.

The letter asks us to submit factual and legal materials relevant to the Commission's consideration of this matter within 10 days of our receipt of the letter. Our Chicago office received the letter on August 10 and after referral it was received by me in our Washington office on August 16. Because of the time this letter took to reach me, and due to the fact that I and a number of my staff who are responsible for compiling the information necessary to respond will be out of town attending the Republican National Convention next week, I on behalf of the REALTORS® Political Action Committee (RPAC), hereby request an extension of the deadline from August 20th to August 31st so we may appropriately respond to Chairman Elliott's letter.

Also, because I am responsible for supervising the activities and reporting of RPAC, I also request that any future correspondence regarding this matter be sent to my attention at our Washington, DC address at 777 14th Street, NW, Washington, DC, 20005-3271.

I hope that you will agree to these requests without any prejudice to our position in this matter.

Sincerely,

Randall B. Moorhead

Randall B. Moorhead
Assistant Treasurer
REALTORS® Political Action Committee

85040522751

AUG 17 P12:55

NATIONAL ASSOCIATION OF REALTORS®
777 14th Street N.W.
Washington, DC 20005

RETURN POSTAGE GUARANTEED

Ms. Marybeth Terrant
Federal Election Commission
1325 K Street, NW
Washington, DC 20463

OFFICE OF THE FEC
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

84 AUG 8 AM 11:50

August 8, 1984

SENSITIVE

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

SUBJECT: RAD Referral 84L-16

On August 1, 1984 the Commission approved the recommendation that the subject RAD Referral be made a MUR. Therefore, all documents which had previously been identified as RAD Referral 84L-16 should now become MUR 1757.

Attachment
Copy of Certification

8504052275?

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	RAD Referral #84L-16
Realtors Political Action Committee	)	
Philip C. Stark, Treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 1, 1984, the Commission decided by a vote of 5-0 to take the following actions in RAD Referral #84L-16:

1. Open a MUR.
2. Find reason to believe that Realtors Political Action Committee and Philip C. Stark, as treasurer, violated 2 U.S.C. § 441b(a).
3. Approve the letter attached to the First General Counsel's Report signed July 27, 1984.

Commissioners Aikens, Elliott, Harris, McDonald and McGarry voted affirmatively in this matter; Commissioner Reiche did not cast a vote.

Attest:

8-1-84 — Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary: 7-27-84, 4:15
Circulated on 48 hour tally basis: 7-30-84, 11:00

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	RAD Referral #84L-16
Realtors Political Action Committee	)	
Philip C. Stark, Treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 1, 1984, the Commission decided by a vote of 5-0 to take the following actions in RAD Referral #84L-16:

1. Open a MUR.
2. Find reason to believe that Realtors Political Action Committee and Philip C. Stark, as treasurer, violated 2 U.S.C. § 441b(a).
3. Approve the letter attached to the First General Counsel's Report signed July 27, 1984.

Commissioners Aikens, Elliott, Harris, McDonald and McGarry voted affirmatively in this matter; Commissioner Reiche did not cast a vote.

Attest:

8-1-84 — Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary: 7-27-84, 4:15
Circulated on 48 hour tally basis: 7-30-84, 11:00

85040522754

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 3, 1984

Philip C. Stark, Treasurer
Realtors Political Action Committee
430 North Michigan Avenue
Chicago, Illinois 60611

RE: MUR 1757
Realtors Political Action Committee
Philip C. Stark, Treasurer

Dear Mr. Stark:

On August 1, 1984, the Federal Election Commission determined that there is reason to believe Realtors Political Action Committee and you, as treasurer, violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. <u>See</u> 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel,

85040522755

and statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Marybeth Tarrant, the staff member assigned to this matter, at (202) 523-4000.

Sincerely,

Lee Ann Elliott

Lee Ann Elliott
Chairman

Enclosures
- General Counsel's Factual and Legal Analysis
- Procedures
- Designation of Counsel Statement

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO. 1757
STAFF MEMBER(S) & TEL. NO.
Marybeth Tarrant
(202) 523-4000

RESPONDENTS: Realtors Political Action Committee
Philip C. Stark, Treasurer

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

It is alleged that the Realtors Political Action Committee ("RPAC") and Philip C. Stark, as treasurer, accepted $19,186.62 in corporate contributions in violation of 2 U.S.C. § 441b(a).

FACTUAL BASIS AND LEGAL ANALYSIS

The 1983 September Monthly Report filed by RPAC disclosed a disbursement to the National Association of Realtors, RPAC's connected organization, in the amount of $19,186.62. A letter accompanying the report explained that, through the course of an internal audit, RPAC discovered that they had received and inadvertently accepted corporate contributions totalling $19,186.62 between July 1, 1979 and December 31, 1981.

An Informational Notice was sent by the Reports Analysis Division ("RAD") on March 20, 1984, advising RPAC that, though the corporate contributions were transferred to its connected organization, the Commission may take further legal steps regarding the acceptance of the prohibited contributions.

Ralph Holman, counsel for RPAC, called the Reports Analysis Division ("RAD") on March 27, 1984, and requested that a meeting be arranged to discuss RPAC's problems. On April 3, 1984, Mr. Holman met with two representatives of RAD. During the meeting, it was recommended that RPAC institute stricter administrative procedures in the future to avoid the acceptance of contributions from prohibited sources.

RPAC submitted a response on April 18, 1984, which stated that more thorough contribution verification procedures have been implemented to avoid the receipt of prohibited contributions.

RPAC participates in joint fundraising activities with its affiliated state PACs to solicit contributions from its members. The contributions are raised at the state level and then transferred to RPAC. During the period in question (7/1/79 - 12/31/81), RPAC operated under a written agreement which provided that contributions received were to be divided between the state PACs and RPAC on a 60% - 40% basis.1/ RPAC used two methods to deposit these contributions. In the first method, RPAC relied on Advisory Opinion 1977-20 and established escrow accounts at the state level into which the jointly raised funds were deposited. The escrow agent was responsible for disbursing 60% of the funds to the state PAC and 40% to RPAC. Accompanying the 40% transfer to RPAC was supposed to be a detailed contributor list.

1/ RPAC has since revised its methods slightly pursuant to Advisory Opinion 1981-59 issued on February 5, 1982.

In the second method, 100% of the jointly raised funds were transferred by the state PACs directly to RPAC. The funds were deposited into a RPAC depository and 60% of the funds were then subsequently transferred back to the state PACs. The receipt of the individual contributions was reported by RPAC as well as the transfer back to the state PAC.

According to the RAD Analyst who spoke to Mr. Holman, all of the $19,186.62 in corporate contributions came under the "unitemized" portion of RPAC's reports and, therefore, specific contributions did not have to be reported as refunded. In addition, Mr. Holman indicated to the RAD Analyst that this money came from various state PACs and proper documentation was not included with the contributions.

It should be noted that RPAC was the subject of a previous MUR (MUR 1376) due to the acceptance of $3,242 in corporate contributions during 1977 and 1978. The MUR was opened as a result of an audit of RPAC undertaken by the Audit Division of the Federal Election Commission. The audit covered the period January 1, 1977 through June 30, 1979. The matter was resolved through a conciliation agreement, approved by the Commission on August 11, 1981, in which RPAC agreed "to exercise all reasonable efforts to prevent inadvertent acceptance of any corporate contributions."

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any corporation to make a contribution in connection with any federal election or for any political committee to accept or receive any

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contribution prohibited by this section. As RPAC admits to accepting $19,186.62 in corporate contributions, the Office of the General Counsel recommends that the Commission find reason to believe that RPAC and Philip C. Stark, as treasurer, violated 2 U.S.C. § 441b(a). It is apparent that RPAC failed to implement strict verification procedures to prevent the acceptance of corporate contributions.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel

DATE: July 27, 1984

SUBJECT: RAD Referral 84L-16: First General Counsel's Report

The attached is submitted as an Agenda document for the Commission Meeting of ____________

Open Session ____________

Closed Session ____________

CIRCULATIONS		DISTRIBUTION	
48 Hour Tally Vote	[X]	Compliance	[X]
Sensitive	[x]	Audit Matters	[ ]
Non-Sensitive	[ ]		
24 Hour No Objection	[ ]	Litigation	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Closed MUR Letters	[ ]
Information	[ ]	Status Sheets	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Advisory Opinions	[ ]
Other	[ ]	Other (see distribution below)	[ ]

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SENSITIVE

FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

OFFICE OF THE
COMMISSION SECRETARY

84 JUL 27 P4:15

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION 7/27/84 - 4:15

RAD REFERRAL #84L-16
STAFF MEMBER
Marybeth Tarrant

SOURCE OF REFERRAL: I N T E R N A L L Y G E N E R A T E D

RESPONDENTS' NAMES: Realtors Political Action Committee
Philip C. Stark, Treasurer

RELEVANT STATUTE: 2 U.S.C. § 441b(a)

INTERNAL REPORTS CHECKED: Reports filed by Respondent Committee

FEDERAL AGENCIES CHECKED: None

GENERATION OF MATTER

This matter was referred to the Office of General Counsel by the Reports Analysis Division ("RAD").

SUMMARY OF ALLEGATIONS

It is alleged that the Realtors Political Action Committee ("RPAC") and Philip C. Stark, as treasurer, accepted $19,186.62 in corporate contributions in violation of 2 U.S.C. § 441b(a).

FACTUAL AND LEGAL ANALYSIS

The 1983 September Monthly Report filed by RPAC disclosed a disbursement to the National Association of Realtors, RPAC's connected organization, in the amount of $19,186.62. A letter accompanying the report explained that, through the course of an internal audit, RPAC discovered that they had received and inadvertently accepted corporate contributions totalling $19,186.62 between July 1, 1979 and December 31, 1981.

An Informational Notice was sent by RAD on March 20, 1984, advising RPAC that, though the corporate contributions were transferred to its connected organization, the Commission may take further legal steps regarding the acceptance of the prohibited contributions.

Ralph Holman, counsel for RPAC, called the Reports Analysis Division ("RAD") on March 27, 1984, and requested that a meeting be arranged to discuss RPAC's problems. On April 3, 1984, Mr. Holman met with two representatives of RAD. During the meeting, it was recommended that RPAC institute stricter administrative procedures in the future to avoid the acceptance of contributions from prohibited sources.

RPAC submitted a response on April 18, 1984, which stated that more thorough contribution verification procedures have been implemented to avoid the receipt of prohibited contributions.

RPAC participates in joint fundraising activities with its affiliated state PACs to solicit contributions from its members. The contributions are raised at the state level and then transferred to RPAC. During the period in question (7/1/79 - 12/31/81), RPAC operated under a written agreement which provided that contributions received were to be divided between the state PACs and RPAC on a 60% - 40% basis.[1/] RPAC used two methods to

---

1/ RPAC has since revised its methods slightly pursuant to Advisory Opinion 1981-59 issued on February 5, 1982.

deposit these contributions. In the first method, RPAC relied on Advisory Opinion 1977-20 and established escrow accounts at the state level into which the jointly raised funds were deposited. The escrow agent was responsible for disbursing 60% of the funds to the state PAC and 40% to RPAC. Accompanying the 40% transfer to RPAC was supposed to be a detailed contributor list.

In the second method, 100% of the jointly raised funds were transferred by the state PACs directly to RPAC. The funds were deposited into a RPAC depository and 60% of the funds were then subsequently transferred back to the state PACs. The receipt of the individual contributions was reported by RPAC as well as the transfer back to the state PAC.

According to the RAD Analyst who spoke to Mr. Holman, all of the $19,186.62 in corporate contributions came under the "unitemized" portion of RPAC's reports and, therefore, specific contributions did not have to be reported as refunded. In addition, Mr. Holman indicated to the RAD Analyst that this money came from various state PACs and proper documentation was not included with the contributions.

It should be noted that RPAC was the subject of a previous MUR (MUR 1376) due to the acceptance of $3,242 in corporate contributions during 1977 and 1978. The MUR was opened as a result of an audit of RPAC undertaken by the Audit Division of the Federal Election Commission. The audit covered the period January 1, 1977 through June 30, 1979. The matter was resolved through a conciliation agreement, approved by the Commission on August 11, 1981, in which RPAC agreed "to exercise all reasonable efforts to prevent inadvertent acceptance of any corporate contributions."

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any corporation to make a contribution in connection with any federal election or for any political committee to accept or receive any contribution prohibited by this section. As RPAC admits to accepting $19,186.62 in corporate cotnributions, the Office of the General Counsel recommends that the Commission find reason to believe that RPAC and Philip C. Stark, as treasurer, violated 2 U.S.C. § 441b(a). It is apparent that RPAC failed to implement strict verification procedures to prevent the acceptance of corporate contributions.

RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that Realtors Political Action Committee and Philip C. Stark, as treasurer, violated 2 U.S.C. § 441b(a).
3. Approve the attached letter.

Charles N. Steele
General Counsel

July 27, 1984
Date

By:
Kenneth A. Gross
Associate General Counsel

Attachments
1. RAD Referral
2. Proposed letters
3. General Counsel's Legal & Factual Analysis

85040522765

Attachment 1

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 24 May 1984

ANALYST: Lisa Stolaruk

I. COMMITTEE: Realtors Political Action Committee (C00030718)
Philip C. Stark, Treasurer
430 North Michigan Avenue
Chicago, IL 60611

II. RELEVANT STATUTE: 2 U.S.C. 441b(a)

III. BACKGROUND:

Receipt of Corporate Contributions
2 U.S.C. 441b(a)

The 1983 September Monthly Report filed by the Realtors Political Action Committee ("RPAC") disclosed a disbursement to the National Association of Realtors, RPAC's connected organization, in the amount of $19,186.62 (Attachment 2). A letter accompanying the report explained that, through the course of an internal audit, RPAC discovered that they had received and inadvertently accepted corporate contributions totalling $19,186.62 between July 1, 1979 and December 31, 1981 (Attachment 3).

An Informational Notice was sent on March 20, 1984, advising RPAC that, although the corporate contributions were transferred to its connected organization, the Commission may take further legal steps regarding the acceptance of the prohibited contributions (Attachment 4).

Ralph Holmen, counsel for RPAC, called the Reports Analysis Division ("RAD") on March 27, 1984, and requested that a meeting be arranged to discuss RPAC's problems (Attachment 5). On April 3, 1984, Mr. Holmen met with two representatives of RAD. During the meeting, it was recommended that RPAC institute stricter administrative procedures in the future to avoid the acceptance of contributions from-prohibited sources (Attachment 6, page 2 of 2).

RPAC submitted a response on April 18, 1984, which stated that more thorough contribution verification procedures have been implemented to avoid the receipt of prohibited contributions (Attachment 7, page 2 of 4).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None

FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (83-84)
8 5 0 4 0 5 2 2 7 6 8
NON-PARTY RELATED

REALTORS POLITICAL ACTION COMMITTEE — NON-PARTY QUALIFIED — ID #C00030718
CONNECTED ORGANIZATION: REALTORS; NAT'L ASSOCIATION OF

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
1983	STATEMENT OF ORGANIZATION - AMENDMENT			13OCT83	2	83FEC/284/4088
	STATEMENT OF ORGANIZATION - AMENDMENT			20OCT83	1	83FEC/285/3656
	STATEMENT OF ORGANIZATION - AMENDMENT			24OCT83	4	83FEC/285/5244
	FEBRUARY MONTHLY	48,822	6,217-	1JAN83 -31JAN83	19	83FEC/266/2730
	FEBRUARY MONTHLY - AMENDMENT	48,822	6,217-	1JAN83 -31JAN83	4	83FEC/267/4605
	MARCH MONTHLY	47,879	202,158	1FEB83 -28FEB83	21	83FEC/267/4610
	MARCH MONTHLY - AMENDMENT	-	-	1FEB83 -28FEB83	2	83FEC/268/4662
	MARCH MONTHLY - AMENDMENT	-	-	1FEB83 -28FEB83	1	83FEC/285/3655
	MARCH MONTHLY - AMENDMENT	-	-	1FEB83 -28FEB83	15	84FEC/311/0191
	REQUEST FOR ADDITIONAL INFORMATION			1FEB83 -28FEB83	6	84FEC/299/4658
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1FEB83 -28FEB83	13	84FEC/308/2740
	APRIL MONTHLY	98,241	42,010	1MAR83 -31MAR83	21	83FEC/269/3217
	MAY MONTHLY	89,991	23,313	1APR83 -30APR83	20	83FEC/272/0864
	JUNE MONTHLY	94,163	73,495	1MAY83 -31MAY83	23	83FEC/273/4131
	JULY MONTHLY	231,945	72,649	1JUN83 -30JUN83	27	83FEC/275/4898
	AUGUST MONTHLY	250,494	39,451	1JUL83 -31JUL83	26	83FEC/281/3630
	AUGUST MONTHLY - AMENDMENT	250,494	39,451	1JUL83 -31JUL83	2	83FEC/283/3390
	AUGUST MONTHLY - AMENDMENT	250,494	39,451	1JUL83 -31JUL83	5	83FEC/283/4407
	AUGUST MONTHLY - AMENDMENT	-	-	1JUL83 -31JUL83	3	84FEC/291/1709
	SEPTEMBER MONTHLY	135,967	65,872	1AUG83 -31AUG83	31	83FEC/283/3393
	SEPTEMBER MONTHLY - AMENDMENT	-	-	1AUG83 -31AUG83	1	84FEC/311/1852
	1'ST LETTER INFORMATIONAL NOTICE			1AUG83 -31AUG83	4	84FEC/299/4438
	OCTOBER MONTHLY	141,679	48,828	1SEP83 -30SEP83	30	83FEC/285/3657
	OCTOBER MONTHLY - AMENDMENT	-	-	1SEP83 -30SEP83	1	84FEC/291/2130
	NOVEMBER MONTHLY	320,865	65,237	1OCT83 -31OCT83	42	83FEC/287/3534
	NOVEMBER MONTHLY - AMENDMENT	320,865	65,237	1OCT83 -31OCT83	5	83FEC/289/2345
	NOVEMBER MONTHLY - AMENDMENT	-	-	1OCT83 -31OCT83	1	84FEC/311/1853
	REQUEST FOR ADDITIONAL INFORMATION			1OCT83 -31OCT83	3	84FEC/299/4654
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1OCT83 -31OCT83	1	84FEC/308/5356
	DECEMBER MONTHLY	285,766	157,752	1NOV83 -30NOV83	33	83FEC/289/2351
	DECEMBER MONTHLY - AMENDMENT	-	-	1NOV83 -30NOV83	1	84FEC/291/2131
	DECEMBER MONTHLY - AMENDMENT	-	-	1NOV83 -30NOV83	1	84FEC/311/1854
	REQUEST FOR ADDITIONAL INFORMATION			1NOV83 -30NOV83	1	84FEC/299/4652
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1NOV83 -30NOV83	1	84FEC/308/5355
	YEAR-END	87,496	40,811	1DEC83 -31DEC83	27	84FEC/291/1712
	YEAR-END - AMENDMENT	-	-	1DEC83 -31DEC83	1	84FEC/311/1855
	REQUEST FOR ADDITIONAL INFORMATION			1DEC83 -31DEC83	2	84FEC/299/4649
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1DEC83 -31DEC83	1	84FEC/308/5354
1984	STATEMENT OF ORGANIZATION - AMENDMENT			19JAN84	2	84FEC/291/1707
	24 HOUR CONTRIBUTION NOTICE			18MAY84	3	84FEC/314/4725
	FEBRUARY MONTHLY	56,687	16,435	1JAN84 -31JAN84	17	84FEC/296/5053
	MARCH MONTHLY	139,411	287,970	1FEB84 -29FEB84	30	84FEC/299/2825
	APRIL MONTHLY	194,531	71,174	1MAR84 -31MAR84	29	84FEC/310/5840
	MAY MONTHLY	337,072	72,194	1APR84 -30APR84	31	84FEC/314/2222

ATTACHMENT 1 (1 of 2)

(3)

NON-PARTY RELATED

8 5 0 4 0 3 2 2 7 6 9

COMMITTEE	DOCUMENT	RECEIPTS		DISBURSEMENTS		TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
	TOTAL	2,561,009	0	1,273,132	0		514	TOTAL PAGES

All 1983 reports have been reviewed.

Ending cash-on-hand figure as of April 30, 1984: $1,643,647.38

Debts and Obligations as of April 30, 1984: $0

ATTACHMENT 1 (2 of 2)

4

SCHEDULE B — **ITEMIZED DISBURSEMENTS**

ATTACHMENT 2

Page 1 of 1 for LINE NUMBER 26A
(Use separate schedule(s) for each category of the Detailed Summary Page)

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)

REALTORS® POLITICAL ACTION COMMITTEE 1983 September Monthly Report

Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. National Association of REALTORS® 430 N. Michigan Avenue Chicago, IL 60611	Refund of various corporate contributions - see enclosed cover letter Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	8-30-83	19,186.62
B.	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
C.	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
D.	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
E.	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
F.	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
G.	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
H.	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
I.			

19,186.62

LS

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5

RPAC
REALTORS®
POLITICAL ACTION COMMITTEE

ATTACHMENT 3 (1 of 5)

September 20, 1983

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85040522771

Federal Election
  Commission
Reports & Analysis
  Division
1325 K St., N.W.
Washington, DC 20463

Re: September Monthly Report of
REALTORS® Political Action Committee (RPAC)
ID # C 000 30718

Dear Gentlemen:

Enclosed you will find a copy of our monthly report for receipts and expenditures covering the period August 1-August 31, 1983.

We wish to specifically call your attention to the disbursement indicated on page 1, line 1 of Schedule B line 26(a), Refunds of Contributions to Individuals/Persons Other Than Political Committees. That disbursement, to the NATIONAL ASSOCIATION OF REALTORS®, was found to be necessary as a result of an internal audit of contributions made to RPAC during the period of July 1, 1979, through December 31, 1981. This disbursement of $19,186.62 is the total sum of a number of contributions received and inadvertently accepted by RPAC, but later discovered to be from corporate sources.

In order to rectify this problem as quickly as possible, RPAC has made the indicated disbursement to the NATIONAL ASSOCIATION OF REALTORS® (NAR), RPAC's connected organization. RPAC has also instituted attempts to contact each of the persons (corporations) whose contributions make up the funds in question. Each such contributor is offered the option of obtaining a full refund of his contribution, or of knowingly and voluntarily donating the amount to NAR. A sample copy of the letter RPAC is using to advise contributors of their options is enclosed.

NATIONAL ASSOCIATION OF REALTORS®

ATTACHMENT 3 (2 of 5)

NAR has agreed to cooperate with RPAC in this process of refunding these improper contributions, and has agreed to maintain a separate accounting of the funds represented by this disbursement from RPAC to NAR. Such accounting will include itemization of refunds requested and voluntary donations made.

RPAC believes the above-described process provides a quick and efficient method of divesting itself of these contributions, allows the contributors to exercise complete control over the contributions to be refunded, and adequately resolves the problems which will arise if any of the corporate contributors cannot be located or are no longer in existence. A similar problem did arise in the context of MUR 1376 involving RPAC. There, the General Counsel agreed that transfer to NAR's Administration Fund of a corporate contribution made by a corporation which had been dissolved at the time the refund was to be made was consistent with the conciliation agreement's requirement that all such contributions be refunded. (See Charles Steele's letter of January 5, 1982, relative to MUR 1376, copy enclosed.) Similarly here, the described process will result in the contributions of corporations which cannot be located or which no longer exist being transferred to and kept in the NAR Administration Fund.

RPAC believes the foregoing should satisfactorily resolve the issues raised by the unintentional acceptance of these contributions. If you have any questions or which to discuss this matter, please feel free to contact the Association's legal counsel for this matter, Ralph W. Holmen at (312) 329-8375, or at 430 N. Michigan Avenue, Chicago, Illinois 60611.

Very truly yours,

Ralph W. Holmen

Ralph W. Holmen
Assistant Treasurer
REALTORS® Political Action Committee

RWH/afl

Enclosures

RPAC
REALTORS
POLITICAL ACTION COMMITTEE

September 20, 1983

Dear ___________:

A recent NATIONAL ASSOCIATION OF REALTORS® internal audit of past REALTORS® Political Action Committee (RPAC) contributor records has indicated that your contribution made on ___________ has been identified recently as a corporate contribution. Not knowing this earlier, we had understood it to be a personal contribution and so reported it to the Federal Election Commission as a personal contribution. The Federal Election Campaign Act prohibits the acceptance of corporate funds by political committees such as RPAC, and thereby requires us to refund the corporate contribution. As an alternative to a cash refund, you may voluntarily designate the funds to be used by the NATIONAL ASSOCIATION OF REALTORS® Political Administration Fund (PAF), which can accept corporate funds for the purpose of funding the political programs of the Association and not for contribution to candidates.

The total amount of the corporate contribution was $_______________.

To facilitate the correction of this error, RPAC has divested itself of all corporate contributions by transferring them to the National Association's Political Administration Fund.

Please inform us as to your personal choice:
(1) Refund the full amount of the corporate donation; or
(2) Direct that the corporate contribution be used for the administration of the political programs of NAR.

8

NATIONAL ASSOCIATION OF REALTORS®
777 14TH ST., N.W. WASHINGTON, D.C. 20005 (202) 383-1101
430 NORTH MICHIGAN AVENUE CHICAGO, ILLINOIS 60611 (312) 329-8233

NATIONAL ASSOCIATION OF REALTORS®

We request that you indicate on this enclosed form which of the two options you prefer and return the form to the REALTORS® Political Action Committee within 60 days of the date of this letter. If we do not receive direction from you within that period, we will assume that you have given permission for your contribution to be used by the Political Administration Fund which can legally accept corporate contributions. In any case, during the next six months the NAR Political Administration Fund will be willing to refund the above amount if you so direct.

Please feel free to contact me if you should have questions or require further information. Your cooperation in this matter is greatly appreciated.

Sincerely yours,

REALTORS® Political Action Committee

3 SEP 20 P 3: 40

FEDERAL ELECTION COMMISSION
WASHINGTON D C 20463

ATTACHMENT 3 (5 of 5)

January 5, 1982

Ralph W. Holmen
Associate Counsel
National Association of Realtors
430 N. Michigan Avenue
Chicago, Illinois 60611

RECEIVED
JAN 0 1982
LEGAL AFFAIRS

Re: MUR 1376

Dear Mr. Holmen:

We have received copies of 22 canceled checks representing RPAC refunds made to corporate contributors in accordance with the conciliation agreement in MUR 1376. You state that two additional corporations have received their refunds and soon will negotiate the outstanding checks.

In addition, you note that RPAC is unable to refund $10 due to Leonard Realty, Inc. because the corporation has been dissolved. To resolve the matter, you suggest a transfer of $10 from the Committee's account to an account used solely for administrative purposes. We agree that such a transfer offers a reasonable alternative when a refund check cannot be negotiated. This type of transfer would not violate the conciliation agreement.

If you have any further questions regarding this matter, please contact Frances B. Hagan at (202) 523-4529.

Sincerely,

Charles N. Steele
General Counsel

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(10)

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ATTACHMENT 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

March 20, 1984

Philip Stark, Treasurer
Realtors PAC
430 North Michigan Avenue
Chicago, IL 60611

Identification Number: C00030718

Reference: September Monthly Report (8/1/83-8/31/83)

Dear Mr. Stark:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your letter of September 20, 1983 (copy attached) indicates that you have received contributions from corporations. You are advised that a contribution from a corporation is prohibited by the Act (2 U.S.C. 441b(a)).

Schedule B of your report discloses a transfer to your connected organization of the funds determined to be from prohibited sources (copy attached). Although the Commission may take further legal steps regarding the acceptance of prohibited contributions, your prompt action will be taken into consideration.

Any amendment or clarification should be filed with the Federal Election Commission. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

Lisa J. Stolaruk

Lisa Stolaruk
Senior Reports Analyst
Reports Analysis Division

ATTACHMENT 5

TELECON

ANALYST Lisa Stolaruk
initiated call? no

TELECON WITH: Ralph Holmen, Counsel
initiated call? yes

Candidate/Committee: Realtors PAC

DATE: March 27, 1984

SUBJECT(S): Scheduling of Meeting at FEC

Mr. Holmen called this morning and stated that he would be in Washington next week. He had just received several Requests for Additional Information on RPAC's 1983 reports, and asked if he could arrange a meeting with me to discuss the problems. We agreed to meet at 2:30 on Tuesday April 3rd.

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MEMORANDUM TO FILE: REALTORS POLITICAL ACTION COMMITTEE (RPAC)

Meeting with: Ralph W. Holmen, Counsel for RPAC
Michael B. Filler, Chief of Party/Non-Party Branch, FEC
Lisa J. Stolaruk, Senior Reports Analyst, FEC

Date of Meeting: April 3, 1984

Mr. Holmen opened the meeting by requesting that we discuss the Requests for Additional Information that were sent to RPAC regarding their 1983 reports.

The first matter dealt with an apparent excessive contribution to the Republican National Committee. Mr. Holmen stated that the second contribution to the RNC ($15,000) was never deposited into the RNC's Federal account. Rather, the RNC, upon realization that RPAC had already contributed $10,000, deposited the $15,000 into their State Elections Committee (non-Federal). Mr. Holmen presented a letter to Mr. Filler and Ms. Stolaruk from the RNC which explained the transaction. Mr. Holmen noted that he would send a copy of the letter to the FEC.

The next area dealt with excessive contributions to five Federal candidates by RPAC. The contributions were actually in-kind contributions that were initially paid by the National Association of Realtors, and subsequently reimbursed by RPAC. Mr. Holmen outlined the steps that RPAC has taken to request refunds from the candidates. Two of the candidates refunded the amounts in full, one candidate issued a partial refund, and the other candidate has not responded to RPAC's request. The other issue at hand, however, concerned RPAC's connected organization paying for activity on behalf of Federal candidates. Mr. Holmen was confused as to why such activity would be construed by the Commission as a violation of 2 U.S.C. 441b, if the political committee reimburses the connected organization in full for the amount of the activity. (Two additional instances of this activity was questioned on the committee's Year End Report.) Mr. Filler and Ms. Stolaruk stated that the Commission's interpretation of 2 U.S.C. 441b and 11 CFR 114.9 precludes a separate segregated fund's connected organization from directly or indirectly supporting Federal candidates, even when the separate segregated fund reimburses the connected organization. Mr. Filler mentioned current litigation involving the FEC and the National Rifle Association which addresses a similar situation. He noted that a summary of the court case could be found in the Commerce Clearing House book. In addition, the Commission was considering other instances of such activity, but Mr. Filler informed Mr. Holmen that we were not at liberty to discuss them.

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RPAC MEETING WITH FEC continued

The third matter that was discussed involved the erroneous deposit of corporate monies into RPAC's account. Once the error was discovered, RPAC transferred the monies to its connected organization. Ms. Stolaruk recommended that RPAC institute stricter administrative controls in order that such errors may be prevented in the future. 13

Accompanying the November, December and Year End reports was a letter stating that, due to adminstrative difficulties in the Texas and Florida depository states, contributions were not transferred to the Chicago RPAC account in a timely manner. The letter further stated that the administrative problems had been corrected and that further difficulties were not anticipated. However, a review of the reports disclosed receipts from other depository states that appeared to have been received during prior reporting periods. Mr. Holmen agreed to investigate this matter.

In addition to the above problem, Mr. Holmen discussed the reporting of contributions which are transferred at the end of a particular month from an escrow or direct deposit state, but are not actually received by the Chicago account until the beginning of the following month. Since the regulations state that the date the agent receives a contribution is the actual date of receipt by the ultimate recipient, Mr. Holmen asked if there were any way that RPAC could report these receipts without it looking as though they were not reporting contributions in the proper periods. Since the regulations are clear as to what date should be reported, Mr. Filler and Ms. Stolaruk suggested that RPAC write a letter to the Commission explaining this technical "difficulty" so that an explanation will appear on the public record.

The meeting ended, and Mr. Holmen agreed to send the required responses and explanations.

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REALTOR®

NATIONAL ASSOCIATION OF REALTORS®

Realtors® Political Action Committee

Political Affairs Division
777 14th Street, N.W., Washington, D.C. 20005-3271
Telephone 202 383 1101

April 18, 1984

Ms. Lisa Stolaruk
Senior Reports Anaylst
Reports Analysis Division
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

Re: Inquiries Dated March 20, 1984 - Identification Number C 000 30718

Dear Ms. Stolaruk:

In response to your inquiries dated March 20, 1984, we have examined our reports and records relating thereto and would like to advise you as follows:

<u>March Monthly Report (2/1/83 - 2/28/83)</u>

With respect to the disbursements to the Republican Eagles, in the amount of $10,000 dated January 1, 1983, and to the Republican National Committee, in the amount of $15,000 dated February 21, 1983, the REALTORS® Political Action Committee ("RPAC") respectfully advises that the latter of such disbursements was not deposited in the Republican National Committee's Federal account and thus does not constitute a "contribution" under the Act. A copy of RNC's letter confirming the deposit of the February 21, 1983, $15,000 disbursement in the Republican National State Elections Committee, a non-Federal committee, is enclosed.

With respect to payments made to RPAC's connected organization, the NATIONAL ASSOCIATION OF REALTORS® ("NAR"), for activity on behalf of Federal candidates, such payments were made pursuant to NAR's agreement to provide certain goods and services to RPAC for donation to the indicated Federal campaigns. The payments made represented the "usual and normal" charges for such goods and services, and thus such payments to NAR were and are substantively identical to the purchase of goods and services by RPAC from commercial suppliers of goods and services and provided to Federal candidates. Moreover, the Regulations clearly contemplate the making of contributions by furnishing candidates with goods or services as things "of value" other than cash, 11 C.F.R. §§100.7(a)(1)(iii) and 100.8(a)(1)(iv), but do not proscribe obtaining from the connected organization those goods or services "at the usual and normal charge" therefor. Accordingly, RPAC submits that such activity is permissible under the Act.

In addition, as your March 20, 1984 letter notes, and as RPAC's cover letter to this report indicates, the in-kind and other contributions to five Federal candidates exceeded the $5,000 per election maximum of 2 U.S.C. §441(a)(2)(A). When RPAC realized this error, each candidate was contacted and requested to make a refund of the excess amount (see letters enclosed). RPAC received full refunds in the case of two candidates (Wentworth and Haggerty) and a partial refund in the case of another (Conway). See monthly reports for March, 1983, and May, 1983, line 17, Schedule A. One other candidate responded by refusing to make such a refund due to his outstanding campaign debt (Mueller), and no response was received from the other candidate. The total outstanding unrefunded amount of such excess contributions is less than $500.00.

September Monthly Report (8/1/83 - 8/31/83)

As noted in RPAC's cover letter accompanying the report for this period, the indicated transfer of funds to NAR was deemed necessary due to the results of RPAC's voluntary examination of records for the period 7/1/79 - 12/31/81. That examination revealed RPAC's inadvertent receipt and deposit of contributions from a relatively small number of corporate sources during the aforementioned period, the total of which was then transferred to NAR as indicated. NAR subsequently attempted to contact each contributor to offer a refund of the corporate contribution received. Approximately $1,400 has been refunded, with the balance remaining with NAR at the direction of the contributor(s). In addition, more thorough contribution verification procedures have been implemented to prevent further receipt and deposit of contributions from prohibited sources. 15

November Monthly Report (10/1/83 - 10/31/83)
December Monthly Report (11/1/83 - 11/31/83)

As indicated in the cover letter accompanying RPAC's monthly report for November, RPAC experienced certain administrative and personnel difficulties with the State PAC operation and/or the escrow transfer agent in both Texas and Florida in 1983. As a result of such difficulties, contributions were not transferred from those escrow accounts to RPAC's principal depository in Chicago on a timely basis, with the result that contributions from those states appear itemized on the November, December and Year-End Reports which were received by the respective State PACs in months other than the respective reporting month. These administrative problems have been resolved, and RPAC anticipates no similar difficulties or further untimely transfers from such escrow agents.

In addition, however, you note also that certain other itemized contributions appear on the aforementioned monthly reports which were

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NATIONAL ASSOCIATION OF REALTORS'

ATTACHMENT 7 (3 of 4)

received and deposited by the State escrow agent prior to the respective reporting period. In the case where such contributions were received in the immediately preceding month, this is a systematic consequence of the process of RPAC's joint fundraising escrow account collection, receipt and deposit process approved in Advisory Opinion 1977-20. As indicated in that Opinion, contributions are received in the various states, transmitted to and deposited by the State PAC, as an agent of RPAC, in the State escrow account, a depository of RPAC. Such contributions are recognized as received when they come into possession of the State PAC agent, and thus are to be deposited in the escrow account within 10 days of said receipt. Contributions are recognized and reported on RPAC's monthly reports to the Commission, however, only as received in RPAC's principal depository account in Chicago. This is so that RPAC's monthly reports of receipts and disbursements are consistent with the like activity and records relating to that principal (Chicago) depository; attempting to report contribution receipts as deposited in the state escrow depositories would destroy this consistency and result in overreporting of receipts, since contributions would be reported both as received by the escrow account and as deposited in the principal (Chicago) account.

Since contributions are reported only as received in Chicago, however, contributions received by the State PAC in a given month and deposited in the state escrow account within 10 days, as required, will not appear on RPAC's monthly report unless transferred and deposited in the Chicago depository in that same month. This is not always possible, particularly with respect to contributions received by the State PAC on or within a few days of the close of the month.

Consequently, the contributions you have identified as received prior to the appropriate monthly reporting period, where received in the immediately preceding month, are not in fact in violation of 11 C.F.R. §102.8 or the requirement of 2 U.S.C. §434(b)(2) and 11 C.F.R. §104.3(a)(2) that contributions be reported in the month in which they are received. This was confirmed in your discussion of April 3, 1984, regarding this issue with RPAC's counsel, Ralph Holmen.

In addition, you have noted a limited number of certain other contributions itemized and indicated as received prior to the month preceding the respective reporting period (in cases other than contributions from Florida and Texas). RPAC believes these occasional late-deposited contributions to be the result of any one of a number of factors, including a solicitor's failure to transmit the contribution to the State PAC in a timely fashion, the State PAC's failure to deposit the contribution in the escrow account in a timely fashion, or the failure of the escrow agent to transmit contributions to the Chicago depository account at least once per month.

RPAC recognizes the importance of timely deposit, transmittal and reporting of contributions, and has instituted and will continue to implement procedures designed to prevent recurrence of these failures to adhere to the timely transfer and reporting requirements.

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NATIONAL ASSOCIATION OF REALTORS

ATTACHMENT 7 (4 of 4)

Year-End Report (12/1/83 - 12/31/83)

The comments above relative to contributions received prior to the November and December reporting periods apply similarly with respect to contributions itemized on the Year-End Report as received prior to that reporting period.

You have also noted certain payments made to NAR for activity on behalf of certain Federal candidates. As indicated in the discussion relative to the March Monthly Report, RPAC believes the making of contributions by obtaining, at the usual and normal charge, goods and services from the connected organization is substantively identical to such purchases from other commercial vendors, and not a violation of the Act.

In the specific case of the payments indicated on this Report, these payments were in both cases believed necessary because the candidates wished to conduct campaign events on the premises of the hotel at which NAR was holding its Annual Convention. NAR's negotiated arrangement with the hotel permitted use of all meeting rooms (and certain accompanying equipment or services) without payment by NAR to the hotel. Because the hotel would normally impose a charge for use of meeting rooms used by the candidates in staging such campaign functions, however, NAR requested and RPAC agreed to make payments equal to a reasonable charge for use of such rooms in order to avoid NAR, a corporation, making a contribution to the candidates. The indicated payments were for such room rental charges and certain other incidental items of assistance necessarily and unavoidably involved in coordinating, staging and publicizing these campaign events. Thus, these payments were made in an attempt to comply with both the letter and the spirit of the Act which prohibits, except in limited specifically exempted circumstances, corporate facilities to be used to assist a Federal candidate or in connection with a Federal election.

I hope the foregoing information is helpful in resolving the issues raised by your inquiries. If you have any questions, please feel free to contact me at (202) 383-1125 or RPAC's counsel, Ralph Holmen, at (312) 329-8375.

Sincerely,

Randall Moorhead

Randall Moorhead
Assistant Treasurer

RM/afl

Enclosures

cc: Philip C. Stark
Ralph W. Holmen

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Attachment 2

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR NO.______
STAFF MEMBER(S) & TEL. NO.
Marybeth Tarrant
(202) 523-4000

RESPONDENTS: Realtors Political Action Committee
Philip C. Stark, Treasurer

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

It is alleged that the Realtors Political Action Committee ("RPAC") and Philip C. Stark, as treasurer, accepted $19,186.62 in corporate contributions in violation of 2 U.S.C. § 441b(a).

FACTUAL BASIS AND LEGAL ANALYSIS

The 1983 September Monthly Report filed by RPAC disclosed a disbursement to the National Association of Realtors, RPAC's connected organization, in the amount of $19,186.62. A letter accompanying the report explained that, through the course of an internal audit, RPAC discovered that they had received and inadvertently accepted corporate contributions totalling $19,186.62 between July 1, 1979 and December 31, 1981.

An Informational Notice was sent by the Reports Analysis Division ("RAD") on March 20, 1984, advising RPAC that, though the corporate contributions were transferred to its connected organization, the Commission may take further legal steps regarding the acceptance of the prohibited contributions.

Ralph Holman, counsel for RPAC, called the Reports Analysis Division ("RAD") on March 27, 1984, and requested that a meeting be arranged to discuss RPAC's problems. On April 3, 1984, Mr. Holman met with two representatives of RAD. During the meeting, it was recommended that RPAC institute stricter administrative procedures in the future to avoid the acceptance of contributions from prohibited sources.

RPAC submitted a response on April 18, 1984, which stated that more thorough contribution verification procedures have been implemented to avoid the receipt of prohibited contributions.

RPAC participates in joint fundraising activities with its affiliated state PACs to solicit contributions from its members. The contributions are raised at the state level and then transferred to RPAC. During the period in question (7/1/79 - 12/31/81), RPAC operated under a written agreement which provided that contributions received were to be divided between the state PACs and RPAC on a 60% - 40% basis.1/ RPAC used two methods to deposit these contributions. In the first method, RPAC relied on Advisory Opinion 1977-20 and established escrow accounts at the state level into which the jointly raised funds were deposited. The escrow agent was responsible for disbursing 60% of the funds to the state PAC and 40% to RPAC. Accompanying the 40% transfer to RPAC was supposed to be a detailed contributor list.

1/ RPAC has since revised its methods slightly pursuant to Advisory Opinion 1981-59 issued on February 5, 1982.

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In the second method, 100% of the jointly raised funds were transferred by the state PACs directly to RPAC. The funds were deposited into a RPAC depository and 60% of the funds were then subsequently transferred back to the state PACs. The receipt of the individual contributions was reported by RPAC as well as the transfer back to the state PAC.

According to the RAD Analyst who spoke to Mr. Holman, all of the $19,186.62 in corporate contributions came under the "unitemized" portion of RPAC's reports and, therefore, specific contributions did not have to be reported as refunded. In addition, Mr. Holman indicated to the RAD Analyst that this money came from various state PACs and proper documentation was not included with the contributions.

It should be noted that RPAC was the subject of a previous MUR (MUR 1376) due to the acceptance of $3,242 in corporate contributions during 1977 and 1978. The MUR was opened as a result of an audit of RPAC undertaken by the Audit Division of the Federal Election Commission. The audit covered the period January 1, 1977 through June 30, 1979. The matter was resolved through a conciliation agreement, approved by the Commission on August 11, 1981, in which RPAC agreed "to exercise all reasonable efforts to prevent inadvertent acceptance of any corporate contributions."

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any corporation to make a contribution in connection with any federal election or for any political committee to accept or receive any contribution prohibited by this section. As RPAC admits to accepting $19,186.62 in corporate contributions, the Office of the General Counsel recommends that the Commission find reason to believe that RPAC and Philip C. Stark, as treasurer, violated 2 U.S.C. § 441b(a). It is apparent that RPAC failed to implement strict verification procedures to prevent the acceptance of corporate contributions.

Attachment 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Philip C. Stark, Treasurer
Realtors Political Action Committee
430 North Michigan Avenue
Chicago, Illinois 60611

RE: MUR
Realtors Political Action Committee
Philip C. Stark, Treasurer

Dear Mr. Stark:

On July , 1984, the Federal Election Commission determined that there is reason to believe Realtors Political Action Committee and you, as treasurer, violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials within ten days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel,

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and statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Marybeth Tarrant, the staff member assigned to this matter, at (202) 523-4000.

Sincerely,

Enclosures
    General Counsel's Factual and Legal Analysis
    Procedures
    Designation of Counsel Statement

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 24 May 1984

ANALYST: Lisa Stolaruk

I. COMMITTEE: Realtors Political Action Committee (C00030718)
Philip C. Stark, Treasurer
430 North Michigan Avenue
Chicago, IL 60611

II. RELEVANT STATUTE: 2 U.S.C. 441b(a)

III. BACKGROUND:

Receipt of Corporate Contributions
2 U.S.C. 441b(a)

The 1983 September Monthly Report filed by the Realtors Political Action Committee ("RPAC") disclosed a disbursement to the National Association of Realtors, RPAC's connected organization, in the amount of $19,186.62 (Attachment 2). A letter accompanying the report explained that, through the course of an internal audit, RPAC discovered that they had received and inadvertently accepted corporate contributions totalling $19,186.62 between July 1, 1979 and December 31, 1981 (Attachment 3).

An Informational Notice was sent on March 20, 1984, advising RPAC that, although the corporate contributions were transferred to its connected organization, the Commission may take further legal steps regarding the acceptance of the prohibited contributions (Attachment 4).

Ralph Holmen, counsel for RPAC, called the Reports Analysis Division ("RAD") on March 27, 1984, and requested that a meeting be arranged to discuss RPAC's problems (Attachment 5). On April 3, 1984, Mr. Holmen met with two representatives of RAD. During the meeting, it was recommended that RPAC institute stricter administrative procedures in the future to avoid the acceptance of contributions from prohibited sources (Attachment 6, page 2 of 2).

RPAC submitted a response on April 18, 1984, which stated that more thorough contribution verification procedures have been implemented to avoid the receipt of prohibited contributions (Attachment 7, page 2 of 4).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None

FEDERAL ELECTION COMMISSION
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) (83-84)
8 5 0 4 0 5 2 2 7 9 2
NON-PARTY RELATED

REALTORS POLITICAL ACTION COMMITTEE — NON-PARTY QUALIFIED — ID #C00030718
CONNECTED ORGANIZATION: REALTORS; NAT'L ASSOCIATION OF

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
1983	STATEMENT OF ORGANIZATION - AMENDMENT			13OCT83	2	83FEC/284/4088
	STATEMENT OF ORGANIZATION - AMENDMENT			20OCT83	1	83FEC/285/3656
	STATEMENT OF ORGANIZATION - AMENDMENT			24OCT83	4	83FEC/285/5244
	FEBRUARY MONTHLY	48,822	6,217-	1JAN83 -31JAN83	19	83FEC/266/2730
	FEBRUARY MONTHLY - AMENDMENT	48,822	6,217-	1JAN83 -31JAN83	4	83FEC/267/4605
	MARCH MONTHLY	47,879	202,158	1FEB83 -28FEB83	21	83FEC/267/4610
	MARCH MONTHLY - AMENDMENT	-	-	1FEB83 -28FEB83	2	83FEC/268/4662
	MARCH MONTHLY - AMENDMENT	-	-	1FEB83 -28FEB83	1	83FEC/285/3655
	MARCH MONTHLY - AMENDMENT	-	-	1FEB83 -28FEB83	15	84FEC/311/0191
	REQUEST FOR ADDITIONAL INFORMATION			1FEB83 -28FEB83	6	84FEC/299/4658
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1FEB83 -28FEB83	13	84FEC/308/2740
	APRIL MONTHLY	98,241	42,010	1MAR83 -31MAR83	21	83FEC/269/3217
	MAY MONTHLY	89,991	23,313	1APR83 -30APR83	20	83FEC/272/0864
	JUNE MONTHLY	94,163	73,495	1MAY83 -31MAY83	23	83FEC/273/4131
	JULY MONTHLY	231,945	72,649	1JUN83 -30JUN83	27	83FEC/275/4898
	AUGUST MONTHLY	250,494	39,451	1JUL83 -31JUL83	26	83FEC/281/3630
	AUGUST MONTHLY - AMENDMENT	250,494	39,451	1JUL83 -31JUL83	2	83FEC/283/3390
	AUGUST MONTHLY - AMENDMENT	250,494	39,451	1JUL83 -31JUL83	5	83FEC/283/4407
	AUGUST MONTHLY - AMENDMENT	-	-	1JUL83 -31JUL83	3	84FEC/291/1709
	SEPTEMBER MONTHLY	135,967	65,872	1AUG83 -31AUG83	31	83FEC/283/3393
	SEPTEMBER MONTHLY - AMENDMENT	-	-	1AUG83 -31AUG83	1	84FEC/311/1852
	1'ST LETTER INFORMATIONAL NOTICE			1AUG83 -31AUG83	4	84FEC/299/4438
	OCTOBER MONTHLY	141,679	48,828	1SEP83 -30SEP83	30	83FEC/285/3657
	OCTOBER MONTHLY - AMENDMENT	-	-	1SEP83 -30SEP83	1	84FEC/291/2130
	NOVEMBER MONTHLY	320,865	65,237	1OCT83 -31OCT83	42	83FEC/287/3534
	NOVEMBER MONTHLY - AMENDMENT	320,865	65,237	1OCT83 -31OCT83	5	83FEC/289/2345
	NOVEMBER MONTHLY - AMENDMENT	-	-	1OCT83 -31OCT83	1	84FEC/311/1853
	REQUEST FOR ADDITIONAL INFORMATION			1OCT83 -31OCT83	3	84FEC/299/4654
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1OCT83 -31OCT83	1	84FEC/308/5356
	DECEMBER MONTHLY	285,766	157,752	1NOV83 -30NOV83	33	83FEC/289/2351
	DECEMBER MONTHLY - AMENDMENT	-	-	1NOV83 -30NOV83	1	84FEC/291/2131
	DECEMBER MONTHLY - AMENDMENT	-	-	1NOV83 -30NOV83	1	84FEC/311/1854
	REQUEST FOR ADDITIONAL INFORMATION			1NOV83 -30NOV83	1	84FEC/299/4652
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1NOV83 -30NOV83	1	84FEC/308/5355
	YEAR-END	87,496	40,811	1DEC83 -31DEC83	27	84FEC/291/1712
	YEAR-END - AMENDMENT	-	-	1DEC83 -31DEC83	1	84FEC/311/1855
	REQUEST FOR ADDITIONAL INFORMATION			1DEC83 -31DEC83	2	84FEC/299/4649
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1DEC83 -31DEC83	1	84FEC/308/5354
1984	STATEMENT OF ORGANIZATION - AMENDMENT			19JAN84	2	84FEC/291/1707
	24 HOUR CONTRIBUTION NOTICE			18MAY84	3	84FEC/314/4725
	FEBRUARY MONTHLY	56,687	16,435	1JAN84 -31JAN84	17	84FEC/296/5053
	MARCH MONTHLY	139,411	287,970	1FEB84 -29FEB84	30	84FEC/299/2825
	APRIL MONTHLY	194,531	71,174	1MAR84 -31MAR84	29	84FEC/310/5840
	MAY MONTHLY	337,072	72,194	1APR84 -30APR84	31	84FEC/314/2222

ATTACHMENT 1 (1 of 2)

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NON-PARTY RELATED

COMMITTEE	DOCUMENT	RECEIPTS		DISBURSEMENTS	TYPE OF FILER COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
	TOTAL	2,561,009	0	1,273,132	0	514	TOTAL PAGES

All 1983 reports have been reviewed.

Ending cash-on-hand figure as of April 30, 1984: $1,643,647.38

Debts and Obligations as of April 30, 1984: $0

ATTACHMENT 1 (2 of 2)

ATTACHMENT 2

Page 1 of 1 for
LINE NUMBER 26A
(Use separate schedule(s) for each category of the Detailed Summary Page)

SCHEDULE B

ITEMIZED DISBURSEMENTS

Name of Committee (in Full)

REALTORS® POLITICAL ACTION COMMITTEE 1983 September Monthly Report

Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. National Association of REALTORS® 430 N. Michigan Avenue Chicago, IL 60611	Refund of various corporate contributions - see enclosed cover letter; Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	8-30-83	19,186.62
B.	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
C.	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
D.	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
E.	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
F.	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
G.	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
H.	Disbursement for: ☐ Primary ☐ General ☐ Other (specify):		
I.			

LS

19,186.62

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RPAC
REALTORS®
POLITICAL ACTION COMMITTEE

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ATTACHMENT 3 (1 of 5)

September 20, 1983

Federal Election
Commission
Reports & Analysis
Division
1325 K St., N.W.
Washington, DC 20463

Re: September Monthly Report of
REALTORS® Political Action Committee (RPAC)
ID # C 000 30718

Dear Gentlemen:

Enclosed you will find a copy of our monthly report for receipts and expenditures covering the period August 1-August 31, 1983.

We wish to specifically call your attention to the disbursement indicated on page 1, line 1 of Schedule B line 26(a), Refunds of Contributions to Individuals/Persons Other Than Political Committees. That disbursement, to the NATIONAL ASSOCIATION OF REALTORS®, was found to be necessary as a result of an internal audit of contributions made to RPAC during the period of July 1, 1979, through December 31, 1981. This disbursement of $19,186.62 is the total sum of a number of contributions received and inadvertently accepted by RPAC, but later discovered to be from corporate sources.

In order to rectify this problem as quickly as possible, RPAC has made the indicated disbursement to the NATIONAL ASSOCIATION OF REALTORS® (NAR), RPAC's connected organization. RPAC has also instituted attempts to contact each of the persons (corporations) whose contributions make up the funds in question. Each such contributor is offered the option of obtaining a full refund of his contribution, or of knowingly and voluntarily donating the amount to NAR. A sample copy of the letter RPAC is using to advise contributors of their options is enclosed.

NATIONAL ASSOCIATION OF REALTORS®
777 14TH ST., N.W. WASHINGTON, D.C. 20005 (202) 383-1101
430 NORTH MICHIGAN AVENUE CHICAGO, ILLINOIS 60611 (312) 329-8233

REALTOR®

NATIONAL ASSOCIATION OF REALTORS®

ATTACHMENT 3 (2 of 5)

NAR has agreed to cooperate with RPAC in this process of refunding these improper contributions, and has agreed to maintain a separate accounting of the funds represented by this disbursement from RPAC to NAR. Such accounting will include itemization of refunds requested and voluntary donations made.

RPAC believes the above-described process provides a quick and efficient method of divesting itself of these contributions, allows the contributors to exercise complete control over the contributions to be refunded, and adequately resolves the problems which will arise if any of the corporate contributors cannot be located or are no longer in existence. A similar problem did arise in the context of MUR 1376 involving RPAC. There, the General Counsel agreed that transfer to NAR's Administration Fund of a corporate contribution made by a corporation which had been dissolved at the time the refund was to be made was consistent with the conciliation agreement's requirement that all such contributions be refunded. (See Charles Steele's letter of January 5, 1982, relative to MUR 1376, copy enclosed.) Similarly here, the described process will result in the contributions of corporations which cannot be located or which no longer exist being transferred to and kept in the NAR Administration Fund.

RPAC believes the foregoing should satisfactorily resolve the issues raised by the unintentional acceptance of these contributions. If you have any questions or which to discuss this matter, please feel free to contact the Association's legal counsel for this matter, Ralph W. Holmen at (312) 329-8375, or at 430 N. Michigan Avenue, Chicago, Illinois 60611.

Very truly yours,

Ralph W. Holmen

Ralph W. Holmen
Assistant Treasurer
REALTORS® Political Action Committee

RWH/afl

Enclosures

85040522796

RPAC
REALTORS®
POLITICAL ACTION COMMITTEE

ATTACHMENT 3 (3 of 5)

September 20, 1983

Dear ___________:

A recent NATIONAL ASSOCIATION OF REALTORS® internal audit of past REALTORS® Political Action Committee (RPAC) contributor records has indicated that your contribution made on ___________ has been identified recently as a corporate contribution. Not knowing this earlier, we had understood it to be a personal contribution and so reported it to the Federal Election Commission as a personal contribution. The Federal Election Campaign Act prohibits the acceptance of corporate funds by political committees such as RPAC, and thereby requires us to refund the corporate contribution. As an alternative to a cash refund, you may voluntarily designate the funds to be used by the NATIONAL ASSOCIATION OF REALTORS® Political Administration Fund (PAF), which can accept corporate funds for the purpose of funding the political programs of the Association and not for contribution to candidates.

The total amount of the corporate contribution was $_______________.

To facilitate the correction of this error, RPAC has divested itself of all corporate contributions by transferring them to the National Association's Political Administration Fund.

Please inform us as to your personal choice:
(1) Refund the full amount of the corporate donation; or
(2) Direct that the corporate contribution be used for the administration of the political programs of NAR.

NATIONAL ASSOCIATION OF REALTORS®
777 14TH ST., N.W. WASHINGTON, D.C. 20005 (202) 383-1101
430 NORTH MICHIGAN AVENUE CHICAGO, ILLINOIS 60611 (312) 329-8233

REALTOR®

NATION ASSOCIATION OF REALTORS®

ATTACHMENT 3 (4 of 5)

We request that you indicate on this enclosed form which of the two options you prefer and return the form to the REALTORS® Political Action Committee within 60 days of the date of this letter. If we do not receive direction from you within that period, we will assume that you have given permission for your contribution to be used by the Political Administration Fund which can legally accept corporate contributions. In any case, during the next six months the NAR Political Administration Fund will be willing to refund the above amount if you so direct.

Please feel free to contact me if you should have questions or require further information. Your cooperation in this matter is greatly appreciated.

Sincerely yours,

REALTORS® Political Action Committee

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3 SEP20 P3:40

FEDERAL ELECTION COMMISSION
WASHINGTON D C 20461

ATTACHMENT 3 (5 of 5)

January 5, 1982

Ralph W. Holmen
Associate Counsel
National Association of Realtors
430 N. Michigan Avenue
Chicago, Illinois 60611

RECEIVED
JAN 0 (1982
LEGAL AFFAIRS

Re: MUR 1376

Dear Mr. Holmen:

We have received copies of 22 canceled checks representing RPAC refunds made to corporate contributors in accordance with the conciliation agreement in MUR 1376. You state that two additional corporations have received their refunds and soon will negotiate the outstanding checks.

In addition, you note that RPAC is unable to refund $10 due to Leonard Realty, Inc. because the corporation has been dissolved. To resolve the matter, you suggest a transfer of $10 from the Committee's account to an account used solely for administrative purposes. We agree that such a transfer offers a reasonable alternative when a refund check cannot be negotiated. This type of transfer would not violate the conciliation agreement.

If you have any further questions regarding this matter, please contact Frances B. Hagan at (202) 523-4529.

Sincerely,

Charles N. Steele
General Counsel

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ATTACHMENT 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

March 20, 1984

Philip Stark, Treasurer
Realtors PAC
430 North Michigan Avenue
Chicago, IL 60611

Identification Number: C00030718

Reference: September Monthly Report (8/1/83-8/31/83)

Dear Mr. Stark:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your letter of September 20, 1983 (copy attached) indicates that you have received contributions from corporations. You are advised that a contribution from a corporation is prohibited by the Act (2 U.S.C. 441b(a)).

Schedule B of your report discloses a transfer to your connected organization of the funds determined to be from prohibited sources (copy attached). Although the Commission may take further legal steps regarding the acceptance of prohibited contributions, your prompt action will be taken into consideration.

Any amendment or clarification should be filed with the Federal Election Commission. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 523-4048.

Sincerely,

Lisa J. Stolaruk

Lisa Stolaruk
Senior Reports Analyst
Reports Analysis Division

ATTACHMENT 5

TELECON

ANALYST Lisa Stolaruk
initiated call? no

TELECON WITH: Ralph Holmen, Counsel
initiated call? yes

Candidate/Committee: Realtors PAC

DATE: March 27, 1984

SUBJECT(S): Scheduling of Meeting at FEC

Mr. Holmen called this morning and stated that he would be in Washington next week. He had just received several Requests for Additional Information on RPAC's 1983 reports, and asked if he could arrange a meeting with me to discuss the problems. We agreed to meet at 2:30 on Tuesday April 3rd.

MEMORANDUM TO FILE: REALTORS POLITICAL ACTION COMMITTEE (RPAC)

Meeting with: Ralph W. Holmen, Counsel for RPAC
Michael B. Filler, Chief of Party/Non-Party Branch, FEC
Lisa J. Stolaruk, Senior Reports Analyst, FEC

Date of Meeting: April 3, 1984

Mr. Holmen opened the meeting by requesting that we discuss the Requests for Additional Information that were sent to RPAC regarding their 1983 reports.

The first matter dealt with an apparent excessive contribution to the Republican National Committee. Mr. Holmen stated that the second contribution to the RNC ($15,000) was never deposited into the RNC's Federal account. Rather, the RNC, upon realization that RPAC had already contributed $10,000, deposited the $15,000 into their State Elections Committee (non-Federal). Mr. Holmen presented a letter to Mr. Filler and Ms. Stolaruk from the RNC which explained the transaction. Mr. Holmen noted that he would send a copy of the letter to the FEC.

The next area dealt with excessive contributions to five Federal candidates by RPAC. The contributions were actually in-kind contributions that were initially paid by the National Association of Realtors, and subsequently reimbursed by RPAC. Mr. Holmen outlined the steps that RPAC has taken to request refunds from the candidates. Two of the candidates refunded the amounts in full, one candidate issued a partial refund, and the other candidate has not responded to RPAC's request. The other issue at hand, however, concerned RPAC's connected organization paying for activity on behalf of Federal candidates. Mr. Holmen was confused as to why such activity would be construed by the Commission as a violation of 2 U.S.C. 441b, if the political committee reimburses the connected organization in full for the amount of the activity. (Two additional instances of this activity was questioned on the committee's Year End Report.) Mr. Filler and Ms. Stolaruk stated that the Commission's interpretation of 2 U.S.C. 441b and 11 CFR 114.9 precludes a separate segregated fund's connected organization from directly or indirectly supporting Federal candidates, even when the separate segregated fund reimburses the connected organization. Mr. Filler mentioned current litigation involving the FEC and the National Rifle Association which addresses a similar situation. He noted that a summary of the court case could be found in the Commerce Clearing House book. In addition, the Commission was considering other instances of such activity, but Mr. Filler informed Mr. Holmen that we were not at liberty to discuss them.

RPAC MEETING WITH FEC continued

The third matter that was discussed involved the erroneous deposit of corporate monies into RPAC's account. Once the error was discovered, RPAC transferred the monies to its connected organization. Ms. Stolaruk recommended that RPAC institute stricter administrative controls in order that such errors may be prevented in the future.

Accompanying the November, December and Year End reports was a letter stating that, due to adminstrative difficulties in the Texas and Florida depository states, contributions were not transferred to the Chicago RPAC account in a timely manner. The letter further stated that the administrative problems had been corrected and that further difficulties were not anticipated. However, a review of the reports disclosed receipts from other depository states that appeared to have been received during prior reporting periods. Mr. Holmen agreed to investigate this matter.

In addition to the above problem, Mr. Holmen discussed the reporting of contributions which are transferred at the end of a particular month from an escrow or direct deposit state, but are not actually received by the Chicago account until the beginning of the following month. Since the regulations state that the date the agent receives a contribution is the actual date of receipt by the ultimate recipient, Mr. Holmen asked if there were any way that RPAC could report these receipts without it looking as though they were not reporting contributions in the proper periods. Since the regulations are clear as to what date should be reported, Mr. Filler and Ms. Stolaruk suggested that RPAC write a letter to the Commission explaining this technical "difficulty" so that an explanation will appear on the public record.

The meeting ended, and Mr. Holmen agreed to send the required responses and explanations.

REALTOR®

NATIONAL ASSOCIATION OF REALTORS®

Realtors® Political Action Committee

Political Affairs Division
777 14th Street, N.W., Washington, D.C. 20005-3271
Telephone 202 383 1101

April 18, 1984

Ms. Lisa Stolaruk
Senior Reports Anaylst
Reports Analysis Division
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

Re: Inquiries Dated March 20, 1984 - Identification Number C 000 30718

Dear Ms. Stolaruk:

In response to your inquiries dated March 20, 1984, we have examined our reports and records relating thereto and would like to advise you as follows:

<u>March Monthly Report (2/1/83 - 2/28/83)</u>

With respect to the disbursements to the Republican Eagles, in the amount of $10,000 dated January 1, 1983, and to the Republican National Committee, in the amount of $15,000 dated February 21, 1983, the REALTORS® Political Action Committee ("RPAC") respectfully advises that the latter of such disbursements was not deposited in the Republican National Committee's Federal account and thus does not constitute a "contribution" under the Act. A copy of RNC's letter confirming the deposit of the February 21, 1983, $15,000 disbursement in the Republican National State Elections Committee, a non-Federal committee, is enclosed.

With respect to payments made to RPAC's connected organization, the NATIONAL ASSOCIATION OF REALTORS® ("NAR"), for activity on behalf of Federal candidates, such payments were made pursuant to NAR's agreement to provide certain goods and services to RPAC for donation to the indicated Federal campaigns. The payments made represented the "usual and normal" charges for such goods and services, and thus such payments to NAR were and are substantively identical to the purchase of goods and services by RPAC from commercial suppliers of goods and services and provided to Federal candidates. Moreover, the Regulations clearly contemplate the making of contributions by furnishing candidates with goods or services as things "of value" other than cash, 11 C.F.R. §§100.7(a)(1)(iii) and 100.8(a)(1)(iv), but do not proscribe obtaining from the connected organization those goods or services "at the usual and normal charge" therefor. Accordingly, RPAC submits that such activity is permissible under the Act.

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ATTACHMENT 7 (2 of 4)

In addition, as your March 20, 1984 letter notes, and as RPAC's cover letter to this report indicates, the in-kind and other contributions to five Federal candidates exceeded the $5,000 per election maximum of 2 U.S.C. §441(a)(2)(A). When RPAC realized this error, each candidate was contacted and requested to make a refund of the excess amount (see letters enclosed). RPAC received full refunds in the case of two candidates (Wentworth and Haggerty) and a partial refund in the case of another (Conway). See monthly reports for March, 1983, and May, 1983, line 17, Schedule A. One other candidate responded by refusing to make such a refund due to his outstanding campaign debt (Mueller), and no response was received from the other candidate. The total outstanding unrefunded amount of such excess contributions is less than $500.00.

<u>September Monthly Report (8/1/83 - 8/31/83)</u>

As noted in RPAC's cover letter accompanying the report for this period, the indicated transfer of funds to NAR was deemed necessary due to the results of RPAC's voluntary examination of records for the period 7/1/79 - 12/31/81. That examination revealed RPAC's inadvertent receipt and deposit of contributions from a relatively small number of corporate sources during the aforementioned period, the total of which was then transferred to NAR as indicated. NAR subsequently attempted to contact each contributor to offer a refund of the corporate contribution received. Approximately $1,400 has been refunded, with the balance remaining with NAR at the direction of the contributor(s). In addition, more thorough contribution verification procedures have been implemented to prevent further receipt and deposit of contributions from prohibited sources. 15

<u>November Monthly Report (10/1/83 - 10/31/83)</u>
<u>December Monthly Report (11/1/83 - 11/31/83)</u>

As indicated in the cover letter accompanying RPAC's monthly report for November, RPAC experienced certain administrative and personnel difficulties with the State PAC operation and/or the escrow transfer agent in both Texas and Florida in 1983. As a result of such difficulties, contributions were not transferred from those escrow accounts to RPAC's principal depository in Chicago on a timely basis, with the result that contributions from those states appear itemized on the November, December and Year-End Reports which were received by the respective State PACs in months other than the respective reporting month. These administrative problems have been resolved, and RPAC anticipates no similar difficulties or further untimely transfers from such escrow agents.

In addition, however, you note also that certain other itemized contributions appear on the aforementioned monthly reports which were received and deposited by the State escrow agent prior to the respective reporting period. In the case where such contributions were received in the immediately preceding month, this is a systematic consequence of the process of RPAC's joint fundraising escrow account collection, receipt and deposit process approved in Advisory Opinion 1977-20. As indicated in that Opinion, contributions are received in the various states, transmitted to and deposited by the State PAC, as an agent of RPAC, in the State escrow account, a depository of RPAC. Such contributions are recognized as received when they come into possession of the State PAC agent, and thus are to be deposited in the escrow account within 10 days of said receipt. Contributions are recognized and reported on RPAC's monthly reports to the Commission, however, only as received in RPAC's principal depository account in Chicago. This is so that RPAC's monthly reports of receipts and disbursements are consistent with the like activity and records relating to that principal (Chicago) depository; attempting to report contribution receipts as deposited in the state escrow depositories would destroy this consistency and result in overreporting of receipts, since contributions would be reported both as received by the escrow account and as deposited in the principal (Chicago) account.

Since contributions are reported only as received in Chicago, however, contributions received by the State PAC in a given month and deposited in the state escrow account within 10 days, as required, will not appear on RPAC's monthly report unless transferred and deposited in the Chicago depository in that same month. This is not always possible, particularly with respect to contributions received by the State PAC on or within a few days of the close of the month.

Consequently, the contributions you have identified as received prior to the appropriate monthly reporting period, where received in the immediately preceding month, are not in fact in violation of 11 C.F.R. §102.8 or the requirement of 2 U.S.C. §434(b)(2) and 11 C.F.R. §104.3(a)(2) that contributions be reported in the month in which they are received. This was confirmed in your discussion of April 3, 1984, regarding this issue with RPAC's counsel, Ralph Holmen.

In addition, you have noted a limited number of certain other contributions itemized and indicated as received prior to the month preceding the respective reporting period (in cases other than contributions from Florida and Texas). RPAC believes these occasional late-deposited contributions to be the result of any one of a number of factors, including a solicitor's failure to transmit the contribution to the State PAC in a timely fashion, the State PAC's failure to deposit the contribution in the escrow account in a timely fashion, or the failure of the escrow agent to transmit contributions to the Chicago depository account at least once per month.

RPAC recognizes the importance of timely deposit, transmittal and reporting of contributions, and has instituted and will continue to implement procedures designed to prevent recurrence of these failures to adhere to the timely transfer and reporting requirements.

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ATTACHMENT 7 (4 of 4)

Year-End Report (12/1/83 - 12/31/83)

The comments above relative to contributions received prior to the November and December reporting periods apply similarly with respect to contributions itemized on the Year-End Report as received prior to that reporting period.

You have also noted certain payments made to NAR for activity on behalf of certain Federal candidates. As indicated in the discussion relative to the March Monthly Report, RPAC believes the making of contributions by obtaining, at the usual and normal charge, goods and services from the connected organization is substantively identical to such purchases from other commercial vendors, and not a violation of the Act.

In the specific case of the payments indicated on this Report, these payments were in both cases believed necessary because the candidates wished to conduct campaign events on the premises of the hotel at which NAR was holding its Annual Convention. NAR's negotiated arrangement with the hotel permitted use of all meeting rooms (and certain accompanying equipment or services) without payment by NAR to the hotel. Because the hotel would normally impose a charge for use of meeting rooms used by the candidates in staging such campaign functions, however, NAR requested and RPAC agreed to make payments equal to a reasonable charge for use of such rooms in order to avoid NAR, a corporation, making a contribution to the candidates. The indicated payments were for such room rental charges and certain other incidental items of assistance necessarily and unavoidably involved in coordinating, staging and publicizing these campaign events. Thus, these payments were made in an attempt to comply with both the letter and the spirit of the Act which prohibits, except in limited specifically exempted circumstances, corporate facilities to be used to assist a Federal candidate or in connection with a Federal election.

I hope the foregoing information is helpful in resolving the issues raised by your inquiries. If you have any questions, please feel free to contact me at (202) 383-1125 or RPAC's counsel, Ralph Holmen, at (312) 329-8375.

Sincerely,

Randall Moorhead

Randall Moorhead
Assistant Treasurer

RM/afl

Enclosures

cc: Philip C. Stark
Ralph W. Holmen

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

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THIS IS THE BEGINNING OF MUR # 1757

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