



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 6, 1999

South Bay Voter Registration PAC
Susan Burnside, Treasurer
1311 Tremain Avenue
Los Angeles, CA 90019

RE: MURs 4830 and 4845

Dear Ms. Burnside:

On July 20, 1999, the Federal Election Commission found reason to believe that South Bay Voter Registration PAC ("Committee") and you, as treasurer, violated 2 U.S.C. §§ 441a(a)(1)(A) and 441b, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to the Committee and you, as treasurer. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making contributions to federal committees with funds that contain individual contributions in excess of \$1,000 per election and corporate money is a violation of 2 U.S.C. §§ 441a(a)(1)(A) and 441b. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Eugene H. Bull, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott E. Thomas".

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: South Bay Voter Registration PAC
and Susan Burnside, as treasurer

MURs: 4830 & 4845

I. GENERATION OF THE MATTER

The Republican Party of New Mexico (the "RPNM"), by and through its Chairman, John Dendahl, filed a complaint and amended complaint on October 22 and October 28 of 1998, respectively, alleging that the South Bay Voter Registration PAC ("SBVR"), which is not a registered Federal committee, made an excessive \$5,000 contribution to the Udall Committee. According to the complaint, the \$5,000 contribution was allegedly a post-primary election contribution to the Udall Committee's primary campaign, at a time when the Udall Committee had no primary debt outstanding.

II. FACTUAL AND LEGAL ANALYSIS

A. Response

SBVR states that it was approached by the Udall Committee and asked to donate money to Udall's campaign. SBVR also claims that it was informed that, as a political action committee in the State of California, it could contribute \$5,000. However, after the contribution was made, it was returned by the Udall Committee, with a note that informed SBVR that it could not make the contribution.

B. Applicable Law

The Federal Election Campaign Act of 1971, as amended ("the Act"), specifically prohibits corporations and labor organizations from making any contribution or expenditure in connection with Federal elections. 2 U.S.C. § 441b. An organization that does not qualify as a political committee under the Act, which makes contributions or expenditures, must establish a separate account to which only funds subject to the prohibitions and limitations of the Act shall be deposited, and from which contributions, expenditures, and exempted payments shall be made. *See* 11 C.F.R. § 102.5(b)(1)(i).

No person may make a contribution to a candidate for Federal office, and his authorized campaign committee, in excess of \$1,000 per election. 2 U.S.C. § 441a(a)(1)(A). The term "person" includes committees other than multicandidate political committees. *See* 2 U.S.C. §§ 431(11) and 441a(a)(2). Multicandidate political committees are political committees which have been registered under Section 433 of the Act for a period of not less than 6 months, which have received contributions from more than 50 persons, and, except for any State political party organization, have made contributions to 5 or more candidates for Federal office. 2 U.S.C. § 441a(a)(4). Pursuant to 2 U.S.C. § 441a(f), candidates and political committees are prohibited from knowingly accepting any contribution in violation of the provisions of Section 441a.

C. Analysis

It is undisputed that the South Bay Voter Registration PAC made a \$5,000 contribution to the Udall Committee in response to the Committee's solicitation for contributions to extinguish primary debt. However, because the SBVR is not a multicandidate political committee pursuant to the Act, it can not make contributions in excess of \$1,000 per election to a political candidate.

See 2 U.S.C. § 441a(a)(1)(A). Moreover, the organization is registered with the California Fair Political Practices Commission, and not at all with the Federal Election Commission. As California law remains uncertain with respect to individual contribution limits, but permits PACs to accept corporate and labor contributions, the SBVR's \$5,000 contribution to the Udall Committee's primary election campaign likely contained impermissible funds. See *Service Employees Int'l Union v. Fair Political Practices Comm'n*, 955 F.2d 1312 (9th Cir. 1992), *cert denied*, 112 S.Ct. 3056-57; see also California Government Code §§ 85102(b) and (c), and 85305(c)(1). Accordingly, there is reason to believe the South Bay Voter Registration PAC and Susan Burnside, as treasurer, violated 2 U.S.C. §§ 441a(a)(1)(A) and 441b.