FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

SEP 2 6 2006

Fred O. Towe, Esq.
William R. Groth, Esq.
Fillenwarth Dennerline Groth & Towe
1213 N. Arlington Avenue, Suite 204
Indianapolis, IN 46219

RE: MUR 5638
International Brotherhood of Electrical Workers Local 2249
Glenn R. Collins

Dear Mr. Towe and Mr. Groth:

On January 18, 2005, the Federal Election Commission (the "Commission") notified your clients, International Brotherhood of Electrical Workers Local 2249 and Glenn R. Collins, President/Business Manager of Local 2249, of a complaint alleging that they violated the Federal Election Campaign Act of 1971, as amended (the "Act"), and provided your clients with a copy of the complaint.

After reviewing the allegations contained in the complaint, your clients' response, and publicly available information, the Commission, on September 13, 2006, found reason to believe that your clients each violated 2 U.S.C. § 441b(a), a provision of the Act. Enclosed is the Factual and Legal Analysis that sets forth the basis for the Commission's determinations.

In the meantime, this matter will remain 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 matter to be made public. We look forward to your response.

Sincerely,

Michael E. Toner
Chairman

Enclosures
Factual and Legal Analysis

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: International Brotherhood of Electrical Workers Local 2249
Glenn R. Collins

MUR: 5638

I. INTRODUCTION

This matter was generated by a complaint filed with the Federal Election Commission (the "Commission") by David C. Hobbs. Based on the complaint and responses, there is reason to believe that International Brotherhood of Electrical Workers Local 2249 and its President and Business Manager, Glenn R. Collins ("Respondents"), violated the Federal Election Campaign Act of 1971, as amended, (the "Act"), by making and consenting to the making of prohibited contributions to William Abbott, a 2002 candidate for Congress.

II. FACTUAL AND LEGAL ANALYSIS

A. Factual Background

William Abbott, an employee at a General Electric Company subsidiary ("GE") in Bloomington, Indiana, and a member of the Executive Board of the International Brotherhood of Electrical Workers, Local 2249 ("Local 2249"), ran for Congress in 2002 in Indiana's 4th District. Pursuant to the 2000-2003 Collective Bargaining Agreement[1] between GE and Local 2249 (the "CBA"), GE employees who are absent from work in excess of two weeks without satisfactory explanation are subject to termination and stoppage of service credit accruals. The CBA also addresses time employees spend on union matters that GE or Local 2249 compensates, all of which are considered excused absences from work. For example, GE pays for time spent related

[1] This Agreement delineates the terms and conditions of employment for the represented employees and is negotiated approximately every three years. Excerpts from the 2000-2003 CBA were attached to the response filed by GE and affidavits attached to GE's Response described relevant sections of the CBA.

to employee grievances, subject to limitations. Local 2249 pays GE employees for time spent on corporate governance and other non-grievance activities. The time paid by Local 2249 is recorded on "labor vouchers," signed by the employee and the union president. The vouchers are submitted to GE, and GE personnel enter them into the company's computerized time-and-attendance system.

According to the joint response of Local 2249, Glenn R. Collins, President and Business Manager of Local 2249 and candidate William Abbott ("Response"), because Abbott had exhausted his contractual vacation and personal leave time, future campaigning during work hours would constitute unexcused time, which may have subjected Abbott to termination. *See* Response at 2. To prevent this outcome, Collins authorized Local 2249 to use the union-paid labor voucher system, which would make it seem to GE as if Abbott was performing union-paid activity when Abbott actually was using unexcused time to campaign for Federal office. *See* Response at 3. According to the Response, "Collins went before Local 2249's Executive Board and a monthly union meeting to announce that Local 2249 would use the voucher system to excuse Abbott from work as paid time off for conducting union business." Response at 3. Thereafter, both Collins and Abbott signed labor vouchers and submitted them to GE. The Response admits Local 2249 compensated Abbott in this manner during the period of August 15, 2002 to October 30, 2002, for a total of 224.83 hours and total gross wages of $4,779.91. *Id.* The Response also states that Abbott reimbursed Local 2249 for the entire amount, usually within a few days of each disbursement. *Id.*

B. Analysis

The Act prohibits corporations and labor organizations from making, and their officers from consenting to, contributions in connection with any Federal election. 2 U.S.C. § 441b(a).[2] A "contribution or expenditure" shall include "any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value . . . to any candidate." 2 U.S.C. § 441b(b)(2). Commission regulations further provide that payments that are compensation [to a candidate] shall be considered contributions unless—

> (A) The compensation results from *bona fide* employment that is genuinely independent of the candidacy;
>
> (B) The compensation is exclusively in consideration of services provided by the employee as part of this employment; and
>
> (C) The compensation does not exceed the amount of compensation which would be paid to any other similarly qualified person for the same work over the same period of time.

11 C.F.R. § 113.1(g)(6)(iii).

The Response concedes that Local 2249 compensated Abbott for time spent campaigning, and that Collins consented to the arrangement. *See* Response at 3. Not only did Local 2249 thus give, with Collins' consent, "something of value" to a candidate by permitting him to stay employed when he exceeded the number of excused absence days, but the compensation it paid Abbott also constituted a "contribution" since it was not for *bona fide* employment, genuinely independent of Abbott's candidacy, in consideration of services provided by Abbott as part of his employment, or equivalent to what would permissibly be paid to similarly situated employees.

[2] All of the events recounted in this agreement occurred prior to the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub. L. 107-155, 116 Stat. 81 (2002). Accordingly, all citations to the Federal Election Campaign Act of 1971, as amended ("the Act"), herein are to the Act as it read prior to the effective date of BCRA. Likewise, all citations to the Commission's regulations herein are to the 2002 edition of Title 11, Code of Federal Regulations, which was published prior to the Commission's promulgation of regulations under BCRA.

Accordingly, the Commission finds reason to believe that International Brotherhood of Electrical Workers Local 2249, a labor organization, violated 2 U.S.C. § 441b(a) by making contributions to a Federal candidate, and Glenn R. Collins, its officer, violated 2 U.S.C. § 441b(a) by consenting to the contributions.