



# THE FEDERAL ELECTION COMMISSION

# RECORD

1325 K Street N.W., Washington, D.C. 20463

Volume 3, Number 1

January 1977

## POLICY STATEMENTS

### POST-ELECTION CONTRIBUTIONS TO RETIRE 1976 CAMPAIGN DEBTS

In a policy statement published on January 3, 1977, in the Federal Register, the Commission reaffirmed that separate contribution limits apply to primary and general elections, including contributions made in the post-election period to retire 1976 campaign debts. Stating that "post-election contributions made to the extent of the outstanding debt will be presumed to be made with respect to the general election," the Commission nevertheless recognized that "there may be situations where a candidate or his or her committee finds it advantageous to raise funds from donors who have not 'used up' their contribution limits from the primary or the general election or both." In that instance, a committee may accept contributions designated to retire a specific debt. The policy statement prescribed the following rules governing contributions made to Senate and House candidates -- not Presidential -- in the post-election period.

#### General Rule

1. In cases where a candidate was in a general election, contributions made after the general election to retire debts will generally be regarded as contributions to the general election and will be charged against the donor's general election limit.
2. Contributions made after the general election specifically to retire a primary or general election debt must be designated by the donor for the specific election and count against the limits for that election.
3. Campaign committees which allocate their outstanding debts between the primary and general elections must submit separate reporting schedules itemizing the two debts and indicating the election for which each contribution has been designated.

#### Contributions Made Before, But Received After, Debts Are Retired

1. Contributions designated for a specific debt which are made before, but received after, that debt has been retired may be applied to the outstanding debt of either election.
2. Contributions made before, but received after, both debts have been extinguished may be regarded as excess campaign funds and utilized for any lawful purpose.

#### Contributions Made and Received After All Debts Are Retired

1. Contributions made and received after all campaign debts have been retired may be considered donations to an office account or contributions to a future election campaign.
2. In either case, the donor must designate the purpose of his/her contribution.
3. If a candidate wants to "carry over" these excess campaign funds to a future Federal campaign, he must use a "last-received, first carried-over" rule to identify the donors. This means that funds carried over are presumed to be the contributions most recently received. Contributions applied to a future campaign must be authorized in writing by the contributor and charged against his/her limits applicable to that election.

## REPORTS DUE

### FINAL 1976 REPORT DUE ON JANUARY 31

Candidates and political committees must file a fourth quarter report if they have any outstanding debts, even if they have not raised or spent more than \$1,000 during the quarter. This report, required in addition to the post-election report if debts remain outstanding, covers all transactions since the date of the close of books for the post-election report through the end of the year (i.e., November 23 through December 31, 1976) and is due January 31, 1977.

**ADVISORY OPINIONS:  
SUMMARY OF 1976 AO's and Re: AOR's**

Once the Federal Election Commission submitted its proposed regulations to Congress on August 3, 1976, it resumed issuing opinions advising candidates, political committees and Federal officeholders on how to interpret the Federal Election Campaign Act, as amended (the Act).

Until Commission regulations are officially promulgated, the Commission will continue to issue two types of opinions:

1. **Advisory Opinions**, designated as AO's, concern the application of the Act to specific factual situations. Any person requesting an advisory opinion who in good faith acts in accordance with the findings of the opinion will not be penalized under the Act. The opinion may also be relied upon by any other person involved in a specific transaction which is indistinguishable in all material aspects from the activity discussed in the advisory opinion.
2. **Informational Responses to Advisory Opinion Requests**, designated as Re: AOR's, differ from AO's in that they are based in part on the Commission's proposed regulations and they offer no legal protection to recipients until the regulations on which they are based go into effect.

Requests for advisory opinions are made public in the Federal Register. The opinions themselves are available at the Commission. This issue of the RECORD summarizes selected opinions issued in 1976 and, beginning with the February issue, the RECORD will publish synopses of all opinions.

The AO's and Re: AOR's summarized below have been selected because they include new language that clarifies the Act or proposed regulations. They are intended to serve only as an index to the opinions. Those seeking guidance for their own activity should consult the full text of an opinion and not rely on the synopsis given here. Copies of AO's and Re: AOR's are available from Information Services, Federal Election Commission. Please identify opinions by number as, for example, AO 1976-83 or Re: AOR 1976-98.

**AO 1975-132: Payment for Tabulating  
Congressmen's Questionnaires**

Payment by a multicandidate political committee for tabulating responses to a Congressman's questionnaire sent under the frank is not considered a contribution, as long as the tabulation is provided to aid the Congressman in the performance of his/her official duties -- and not to influence an election.

**AO 1975-143: Criteria for Determining Common  
Control of Political Committees**

The independence of Environmental Action (a citizen's lobby) vis-a-vis the Dirty Dozen Campaign Committee (a political committee) was not established because: sensitive executive posts in both organizations are occupied by the same individual; finances of both organizations are monitored by the same person; and staff of the political committee contribute to the magazine published by the lobbying group.

**Re: AOR 1976-10: Act Preempts State Law on  
Use of Excess Campaign Funds**

When a Federal candidate in Kentucky uses excess campaign funds for a purpose specifically stated in the statute or proposed regulations, the Act preempts Kentucky State law with regard to the use of excess campaign funds by Federal candidates or their authorized committees.

**Re: AOR 1976-14: Contributions by County  
Party Committee**

The decision of the Michigan State Republican Committee to accept responsibility for ensuring that the entire party organization stays within the expenditure limits (2 U.S.C. 441a(d)) does not, by itself, affect the ability of an otherwise independent county committee to contribute up to the maximum (in this case, \$5,000 per election) to each Federal candidate.

**Re: AOR 1976-15: Reporting Requirements of  
Subordinate State Party Committees**

If a congressional district club of the Washington State Republican Federal Campaign Committee (WSRFCC) receives and retains contributions aggregating over \$1,000 or expends over \$1,000 in connection with any Federal candidate's election, the club is considered a political committee under section 431(d) of the Act and required to register and file its own reports. If, on the other hand, the club merely serves as the receiving agent for the State committee and transfers to it all its proceeds in a timely fashion, it is not required to file separate reports. It must, however, keep records for any contribution over \$50 and turn such information over to the WSRFCC within five days after the receipt of a contribution.

**Re: AOR 1976-20: Contributions to an Unauthorized  
Single Candidate Committee**

Contributions to Delaware Volunteers for Reagan, an unauthorized single candidate committee making independent expenditures on behalf of Governor Reagan, are considered contributions to Governor Reagan. The committee could not, therefore, accept contributions from persons who had already contributed their maximum to Governor Reagan's campaign.

**Re: AOR 1976-22: Use of Bingo Proceeds to  
Influence Federal Elections**

The transfer of funds from the Michigan Democratic Party's "bingo account" to its "Federal account" is permitted only if the bingo account contains no corporate or union contributions and all bingo players are informed that a portion of the purchase price of the bingo card counts against the individual's contribution limits under the Act. Additionally, the committee must comply with recordkeeping and reporting requirements, and all materials advertising the bingo event must state that party reports are filed with the FEC.

**Re: AOR 1976-23: Payroll Deduction Plans Preempt State Laws; Solicitations by Corporate PACs**

The Act preempts those State laws which prohibit any use of payroll deduction plans. A corporation is required to give the labor organization representing its employees (or an independent mailing service) a list of the names and addresses of all its employees **only** if the corporation solicits its lower echelon employees under the twice-yearly provisions. 2 U.S.C. 441b(4)(B).

**AO 1976-27: Solicitations by Trade Association PAC**

When soliciting contributions at its annual meeting, Bread PAC, a trade association political action committee, must obtain prior approval from its member corporations before it may solicit their stockholders and executive or administrative personnel. "Solicitation" includes asking persons to purchase tickets to fundraisers (in this case, a cocktail party) and informing persons about the fundraiser. Solicitations conducted prior to or at the meeting may only be aimed at persons whom Bread PAC may legally solicit. (See also AO 1976-96.)

**Re: AOR 1976-29: News Distributed by Newspaper or Station Owned by Federal Candidate**

Campaign-related news accounts distributed by a publication or station owned by a Federal candidate are **not** subject to the Act's limits, prohibitions or reporting requirements, as long as the news accounts represent bona fide news and the media gives reasonably equal coverage to all opposing candidates. Commentaries and editorials favorable to the candidate or unfavorable to his/her opponent would, however, be considered a contribution-in-kind made by the media to the candidate or an illegal corporate contribution if the media were incorporated.

**Re: AOR 1976-31: Donation of Membership List May Not Be A Contribution**

A list of the membership of a local congregation is not considered a contribution as long as it has never been sold or leased, e.g., to a mail order marketing company, a magazine or to another political candidate.

**Re: AOR 1976-37: Criteria for Determining Contribution Limits for State Subordinate Party Committees**

The fact that various subordinate groups within the Minnesota Democratic Farmer Labor Party (MDFLP) may engage in joint fundraising activity does not, in itself, prevent each committee from establishing its independence in order to have its own contribution ceiling.

Any subordinate committee which has demonstrated its independence may qualify as a "multicandidate political committee" once it has satisfied all three criteria under 2 U.S.C. 441a(a)(4). If, however, the various committees within the MDFLP structure fail to establish their independence and are therefore considered one committee with the MDFLP for purposes of making contributions, they are automatically considered multicandidate committees if the State committee has already qualified as a multicandidate committee.

**AO 1976-50: T-Shirts as a Corporate Contribution**

A corporation may not underwrite the production and marketing expenses of a T-shirt and then transmit a \$1.00 contribution to a given Federal candidate for every T-shirt sold.

**AO 1976-51: Group of Contributors Constitutes Political Committee**

A group of individuals bound by common concern about foreign policy, personal friendship and periodic communication concerning lobbying efforts constitutes a political committee when it collects and transmits to a Federal candidate or committee contributions exceeding \$1,000. The individuals who make contributions to this committee, and the committee itself, are each subject to contribution limits.

**AO 1976-53: Principal Campaign Committee May Pay for Candidate's Living Expenses**

A principal campaign committee may rent office space in the candidate's home and pay for the candidate's groceries, heat, mortgage, etc. Such expenditures must, however, be reported by the principal campaign committee.

**Re: AOR 1976-56: Complimentary Hotel Accommodations May Not Count as Contributions**

Complimentary accommodations given to Federal candidates by Nevada hotels are not considered contributions as long as the accommodations are provided in the ordinary course of business (described specifically in the opinion) and are not offered in a partisan manner to select candidates.

**Re: AOR 1976-59: Honoraria and Related Expenses**

There is no limit on the amount of honoraria and related expenses received by Federal candidates who are **not** simultaneously Federal officeholders. In the case of a candidate who is a Federal officeholder, the payment of "related expenses" in connection with a speech or appearance is not limited, as long as the payment is made only to defray actual travel and subsistence costs.

*The RECORD is published by the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. Commissioners are: Vernon W. Thomson, Chairman; Thomas E. Harris, Vice-Chairman; Joan D. Aikens; William L. Springer; Neil Staebler; Robert O. Tiernan; Francis R. Valeo, Secretary of the Senate, Ex Officio; Edmund L. Henshaw, Jr., Clerk of the House of Representatives, Ex Officio. For more information, call 382-4733 or toll free 800-424-9530.*

**Re: AOR 1976-63: Fundraising by Trade Association and its PAC**

The American Hotel and Motel Association (AH&MA), a federation of trade associations, and its political action committee AHMPAC may solicit its **noncorporate members** (and the noncorporate members of its State and regional associations), but **not** the families, executive and administrative personnel or other employees of the noncorporate members.

While AH&MA, as a trade association, may solicit (or have AHMPAC solicit) executives, administrative personnel and stockholders (and their families) of its member corporations, it may not solicit the other employees of its member corporations. It may, however, solicit all of its **own** employees: Executive and administrative personnel (and their families) may be solicited at any time and other employees may be solicited in writing twice a year.

Corporate members of AH&MA and of its State or regional associations may not make any solicitations on behalf of AHMPAC. However, once a member corporation grants approval to AHMPAC for soliciting its employees or stockholders, it may give incidental aid to such solicitations. This restriction does not apply to sole proprietors or partnerships which are members of a State or regional association of AH&MA. They are free to solicit their employees or partners on behalf of AHMPAC.

Once a member corporation grants approval to solicitation by the trade association, there is no limit on the number of solicitations that may be made (unless the corporation has specified a limit in its original approval).

**Re: AOR 1976-65: Corporate Advertising in Party Magazine**

Corporate payments for advertising, used to defray the costs of preparing and distributing a magazine published by the Republican Executive Committee of Jefferson County, a registered political committee, are considered an illegal corporate contribution. The publication may, however, carry a corporate advertisement as long as the payments for the ad are not used to defray publication costs and are received by a separate committee established to raise and spend funds exclusively for non-Federal purposes. If the publication contains no specific or general reference to Federal candidates, corporate funds contributed to the non-Federal committee may be used to pay for the magazine costs.

**Re: AOR 1976-72: Allocation of Party Overhead and Operating Expenditures Between Federal and Non-Federal Activities**

Any method which uses ballot positions to determine the allocation of party overhead and operating expenses between Federal and non-Federal activities should give proportionately more weight to Federal candidates than to State candidates. Thus, in Illinois where 15 percent of the 1976 elections were for Federal offices, the Illinois Republican State Central Committee (IRSCC) should allocate one third of its overhead to Federal activities and two thirds to non-Federal. Additionally, unless the party committee establishes a separate committee for State and local

candidates, the IRSCC may not receive corporate contributions. In any case, corporate and union treasury funds may not be used to fund any portion of a registration or get-out-the-vote drive conducted by a political party.

**AO 1976-73: Designation of a Single Separate Segregated Fund by Two Organizations; Corporate Division as Sponsor of PAC**

The Political Committee for Design Professionals may not be the separate segregated fund of two distinct organizations. A division of a corporation, not separately incorporated, may not establish and administer a separate segregated fund unless that fund is designated for the corporation.

**Re: AOR 1976-78: Candidate's Use of Campaign Button to Support Multiple Candidates**

Congressman Koch's principal campaign committee may purchase and distribute campaign buttons reading "Carter-Mondale-Koch" without the cost counting as a contribution-in-kind to the Carter/Mondale Presidential campaign. (See also Re: AOR 1976-82 and Re: AOR 1976-93.)

**Re: AOR 1976-80: Definition of Subordinate Party Committee**

Democrats United (Texas) is considered a subordinate party committee because even though it was not formed, directed or controlled by the State or local Democratic Executive Committee, it supports the entire Democratic ticket and provides services normally performed by party organizations (e.g., voter registration, precinct organization, central campaign headquarters, media advertising for slate ticket, get-out-the-vote campaigns).

**Re: AOR 1976-82: Candidate's Use of Brochure Supporting Multiple Candidates**

Congressional candidate Walgren's principal campaign committee may purchase and distribute a brochure featuring a picture of Presidential candidate Carter and candidate Walgren without counting the cost as a contribution-in-kind to the Presidential nominee. As a general rule, however, such an expenditure (unless paid out of public funds received by the Presidential nominee) would be illegal. (See also Re: AOR 1976-93.)

**Re: AOR 1976-84: Family Payments to Candidate to Support Candidate's Living Expenses**

Payments by family members to defray living expenses of a Federal candidate who has depleted his personal funds because of time spent campaigning count as contributions. These funds must, therefore, be disclosed and may not exceed \$1,000 per donor, per election.

**AO 1976-86: Billboard Advertising**

The continuation of a billboard display (supporting a Federal candidate) beyond the contractual period does not constitute an illegal corporate contribution by a billboard company if, in its ordinary course of business, the company continues one client's display until a new advertisement is contracted as a replacement.

**Re: AOR 1976-87: Spending by Subordinate Party Committee on Behalf of Presidential Campaign**

The Montgomery County Democratic Central Committee (Maryland) may not spend more than \$1,000 for a publication identifying Presidential, Vice-Presidential, Senatorial and Congressional candidates unless it is reimbursed for the costs exceeding \$1,000 by other committees or candidates benefitting from the brochure. The difference between \$1,000 and the actual publication costs may be reimbursed by either (or both) the Presidential campaign or the Democratic National Committee. Alternatively, the Senate and House candidates could reimburse the county committee for the cost of the proportionate share of the brochure devoted to their respective candidacies.

**Re: AOR 1976-92: Corporate Pledge Program is a Political Committee**

The Civic Pledge Program (CPP) of the Boeing Company, a membership organization composed of Boeing's management employees and administered by an advisory group, is considered a political committee. Members, who may receive recommendations from the advisory group, contribute to candidates of their choice largely through a payroll deduction plan. Any amount disbursed to a candidate is regarded as a contribution by the individual member and also by CPP. It is subject to reporting regulations applicable to earmarked contributions.

**Re: AOR 1976-93: Candidate's Use of Advertisements Supporting Multiple Candidates**

Congressional candidate Mitchell is not required to report the distribution of old campaign posters affixed with Carter/Mondale and Sarbanes (Senate candidate) bumper stickers, which he obtained at no expense.

If candidate Mitchell pays for a newspaper advertisement picturing himself with Carter and Sarbanes, a portion of the expense would be considered a contribution-in-kind to each of the other two candidates. Under the Act's public financing provisions, that portion attributed to the Presidential candidate would be illegal. The advertising costs allocated to the Presidential candidate could, however, be absorbed by the Presidential campaign or a party committee.

**AO 1976-95: Definition of National Party Committee**

The Liberal Party Campaign Committee for 1976 does not qualify as a national party committee because its operations have historically focused on the State and city and it has not demonstrated sufficient activity on a national level.

**AO 1976-96: Fundraising by Trade Association; Definition of Solicitation**

A "solicitation" is made when Savings Bankers, a trade association, announces the activities of its political action committee at its annual meeting or when it informs those attending the meeting about a booth it has set up on the premises to display fundraising materials. Such solicitation activities require prior approval from corporate members whose representatives attend the trade association meeting.

**AO 1976-100: All Principal Campaign Committees Must Register and Report**

Each candidate for Federal office must designate a principal campaign committee even if the candidate does not plan to use the committee to receive or expend funds. The principal campaign committee must register and report regardless of the amount of contributions received or expenditures made.

**Re: AOR 1976-101: Contributions Made to Retire Debts of 1976 Campaigns; Transition Costs**

After the general election, a person who has not already contributed up to the applicable limit for the primary or for the general election may make a contribution to Senate candidate Moynihan to retire a debt incurred in either election, but only to the extent that the amount does not exceed net debts outstanding from the election. Any contribution made after the general election which is not designated for a specific election is considered a contribution to the general election. Funds contributed to the general election may, however, be used to retire the debts incurred in either election.

While campaign funds may be used to pay for "transition costs" (e.g., staff, headquarters, supplies, etc.) even if debts are remaining, the Commission recommends that candidates not use campaign funds for such purposes until all campaign debts have been retired. A Senator-elect is considered an officeholder and may, therefore, accept unlimited donations to an office account and utilize such funds in the transition period. Such donations must be distinguished from contributions made to retire a campaign debt.

**Re: AOR 1976-102: Rules on Expenditures and Contributions by Partnerships**

Funds expended by a partnership to establish, administer and solicit funds to a separate segregated fund (the committee) are considered contributions-in-kind from the partnership to the committee. Accordingly, they may not exceed \$5,000 in a calendar year and are reportable by the committee. Administrative costs exceeding this amount would have to be defrayed with funds contributed to the committee.

**Re: AOR 1976-106: Employee/Participants in Stock Option Plan Not Considered Stockholders**

Employees who choose to participate in the Continental Oil Company's Employee Stock Ownership Plan (ESOP) are not considered stockholders because they do not receive cash dividends. They may not, therefore, be solicited for voluntary contributions to the Company's PAC (except under the special "twice-yearly" provisions).

## **INFORMATIONAL LETTERS: SUMMARY OF 1976 O/R's and I/C's**

Informational letters, designated as either I/C's or O/R's, are responses from the legal staff to queries from individuals who lack legal standing to obtain an advisory opinion. Although these letters are reviewed by the Commissioners, they do not offer the legal protection afforded by formal advisory opinions. The selected synopses below have been included because they demonstrate how the Commission has interpreted the Act in specific situations. Requests for the full text of a letter should be addressed to Information Services, Federal Election Commission. Please identify the Information Letter by number as, for example, I/C 501 or O/R 714.

### **I/C 354: Partisan Forums Constitute Political Committee**

The fact that the Houston Democratic Forum (HDF), an unincorporated association of individuals, sponsors forums addressed only by nationally prominent Democrats indicates a partisan purpose to ultimately influence Federal elections. HDF therefore constitutes a political committee (if it also raises or spends more than \$1,000 during the calendar year) subject to registration and reporting obligations under the Act.

### **I/C 544: Activities Which Constitute Campaign Expenditures or Contributions**

When the Sierra Club Committee on Political Education (SCCOPE) publishes and distributes to the general public the voting records of Federal candidates, together with SCCOPE's tabulations of approved and disapproved positions, SCCOPE has made a campaign expenditure. Either of the following activities by SCCOPE also constitutes a campaign expenditure if it is **conducted to influence the outcome of a Federal election**: Publication and public distribution of Federal candidates' responses to a SCCOPE questionnaire; publication and distribution to the public of profiles evaluating Federal candidates' credentials as conservationists.

Donations made by SCCOPE to multicandidate committees supporting Federal candidates count as contributions even if they are earmarked to defray administrative costs only. Sierra Club's sale of its membership list to selected candidates, however, is not a contribution since the list is not normally sold and has no usual price.

### **O/R 660: Corporate Contributions to Non-Profit Educational Organization**

A corporation under contract with the Federal government may make contributions to the Educational Fund of the League of Women Voters (LWV) for the purpose of informing the public as to the need for nuclear power since LWV is a nonprofit educational organization prohibited by its bylaws from endorsing candidates for public office and from conducting partisan educational activities relating to political campaigns.

### **O/R 665: Requirements for Secretaries of States to Keep FECA Records**

The Kentucky Secretary of State is required to retain copies of **complete** reports of the following political committees and persons already required to report under the Act: political committees (other than those exclusively supporting Presidential candidates) making expenditures (including a contribution to a Kentucky candidate) in Kentucky; persons making independent expenditures in Kentucky; Presidential candidates making expenditures in Kentucky.

### **O/R 682: Use of Corporate Funds for Internal Communications**

A corporation may use general treasury funds to finance any type of communication to its stockholders and executive or administrative personnel and their families. With regard to communications sent to **all its employees**, however, a corporation may not use treasury funds to pay for partisan publications, such as a candidate profile favoring one Federal candidate over another or an analysis of legislation if its purpose is to encourage readers to vote for or against the sponsor-candidate.

### **O/R 697: Communications by Corporation to Bondholders**

The right of a corporation to use treasury funds to communicate with its stockholders and executive or administrative personnel (or their families) does not extend to communications with the corporation's bondholders.

### **O/R 701: Corporate Distribution of Nonpartisan Voter Registration Information**

A corporation may provide voter information (as distinct from participating in a voter registration drive) by including official voter registration-by-mail forms in its monthly billings, as long as these forms are produced for public distribution by election officials. The distribution must, however, be nonpartisan, avoiding any promotion of a particular party. In addition, a corporation may furnish voter registration information by providing space for a table, rack or booth from which official forms are distributed to the general public in a nonpartisan manner.

### **O/R 708: Trade Association Solicitation of Noncorporate Member Partnerships**

The Securities Industry Association, Inc. (SIA), a trade association, may ask its noncorporate member partnerships to solicit their partners and employees on behalf of a separate segregated fund established by SIA. Contributions by partners from nonpartnership funds or by staff employed by the partnership need **not** be aggregated and charged against a single contribution limit. (See also Re: AOR 1976-63.)

### **O/R 715: Rules Governing Expenditures by State and Subordinate Party Committees; \$1,000 Presidential Expenditure**

Generally, costs for registration or get-out-the-vote drives of party committees need not be attributed to individual candidates, as long as the activity is not made on behalf of particular candidates. This remains true even if a party identifies its candidates by using the slate card exemption in conjunction with a registration or get-out-the-vote drive.

Party committees which have established Federal campaign committees may allocate general operating costs between their Federal and non-Federal committees.

Each State, county, city or congressional district committee may expend up to \$1,000 to further the general election campaign of the party's Presidential nominee or a group of nominees including the Presidential candidate. The committee need not allocate the cost among candidates supported since the \$1,000 expenditure limitation is over and above any other limitations. While committees may consult each other or the nominees concerning the expenditure, they may not pool their limitations. Receipts and payments for the purpose of making the \$1,000 expenditure may trigger registration and reporting requirements.

**O/R 747: Receipts and Disbursements Related to Congressman's "Appreciation Dinners"**

Receipts and expenses related to an "appreciation dinner" given for a Congressman count as reportable contributions and expenditures when the officeholder's candidacy is expressly or implicitly advocated.

**O/R 755: Party Expenditures on Behalf of Candidates and Party Contributions to Candidates**

Payments by a State party committee for the salaries of a Senate candidate's campaign staff may be handled in one of two ways. They could be made as an expenditure on behalf of the candidate and charged against the party spending limits of 2 U.S.C. 441a(d). Or they could be made as a contribution-in-kind and charged against the State party's contribution limits.

**O/R 777: Permissibility of Independent Expenditures by Individual Previously Associated With Candidate's Campaign**

A prior association with a Presidential primary campaign would bar an individual from forming a political committee which would make independent expenditures advocating the election of the same candidate, particularly because the individual had "extensive involvement" with the campaign for more than six months and had been reimbursed for travel expenses.

**O/R 782: Contributions Through Double Envelope Plan**

The "double envelope plan," as proposed by the Central Vermont Public Service Corporation, would be prohibited under the proposed regulations because it identifies the corporation establishing the contribution plan. Under this scheme, employees would seal their personal contributions, together with a contribution card identifying the corporation, within an envelope marked "XYZ Company Political Contribution Plan." The corporation's plan coordinator would, in turn, receive and forward the envelope to the designated recipient.

**O/R 784: Effect of the Act on Purely Commercial Activity**

The Act does not apply to commercial activity involving the identification of a Federal candidate (e.g., advertisement for digital watch identifying the two Presidential candidates) as long as it is pursued exclusively as a business venture without any connection to or contact with the candidate, his committee or agent.

**O/R 786: Effect of Private Fundraising Parties on Contributions and Independent Expenditures**

When individuals defray expenses (not exceeding \$500 per host or \$1,000 per host couple) for a campaign-related party given in their home, the expenses are not reportable even if guests are solicited to make un earmarked contributions to party committees and even if representatives of a Presidential campaign speak on campaign operations.

**O/R 789: Registration and Reporting Requirements for Party Committees**

If a State or subordinate party committee receives contributions or makes contributions or expenditures to influence Federal elections in an amount not exceeding \$1,000 per year, it need not register or report under the Act. When, however, an individual contributes to such a committee for the purpose of influencing Federal elections, the contribution is charged against his/her \$25,000 annual limit.

**O/R 790: Use of Corporate Funds to Publish Voting Records**

The U.S. Chamber of Commerce, a trade association, may not use general treasury funds to distribute to nonmembers its ratings of how Senators and Representatives voted. The distribution could, however, be financed from voluntary contributions to a separate segregated fund or an individual or political committee could purchase and distribute the ratings to interested parties. (See also O/R 840.)

**O/R 791: Honorarium; Definition of "Appearance"**

A Federal judge may receive no more than the maximum honorarium of \$2,000 in consideration for a 48-hour "appearance" at a college where he makes several subordinate speeches or appearances, including a formal address, remarks at one or two receptions and participation as a discussant in several classes.

**O/R 802: Post-Election Contributions Made By Multicandidate Political Committees**

A political committee expecting soon to qualify as a multicandidate committee may not pledge or promise more than \$1,000 to a candidate. If it qualifies as a multicandidate committee after the general election, the committee may continue to make contributions up to a total of \$5,000 per candidate per election, provided the candidate has outstanding campaign debts. If the candidate has no debts, the post-election contribution may count as either a contribution to his/her next election or a donation to the office account of the officeholder.

**O/R 804: Solicitations by Corporations and Labor Organizations: Mutual Obligations**

Twice a year, a labor organization representing employees at Alabama Power Company or its PAC may solicit in writing the stockholders and executive or administrative personnel of the corporation, regardless of whether the corporation or its PAC has exercised its twice-yearly right to solicit employees generally. If the corporation makes no solicitation of employees generally under the twice-yearly provision, it is not required to give the names and addresses of its employees to the labor organization or an independent mailing service (in connection with the union's twice-

yearly solicitation). The corporation or its PAC must, however, make available to the labor organization any method it uses to solicit contributions from the company's executive or administrative personnel and stockholders (e.g., a computerized mailing system).

**O/R 812: Use of Check-Off by Incorporated Membership Organization**

Under the Act, it would be illegal for members of the Institute of Electrical and Electronics Engineers, Inc., an incorporated membership organization, to earmark a portion of their annual dues to a separate segregated fund by marking a box on their membership dues invoice. In effect, this check-off procedure would merely divert corporate treasury funds to a political fund to be used in connection with Federal elections.

**O/R 829: Reporting Obligations for Internal Communications by Labor Organizations**

A labor organization is not required to report the costs of preparing and distributing to members a 49-line letter containing a four-line postscript advocating the election of selected Federal candidates, as long as the letter is not primarily devoted to Federal election matters.

**O/R 838: Donations to the 1977 Presidential Inaugural Committee**

Donations to the 1977 Presidential Inaugural Committee (the Committee) are not considered campaign contributions and are not subject to the reporting requirements or limitations of the Act. The Committee need not register with the Commission and may accept funds from the treasuries of national banks, corporations and labor organizations. Surplus funds, however, may not be transferred to any Federal candidate, political committee or party organization.

**O/R 840: Preparation and Distribution of Voter's Guide by Local Chamber of Commerce**

The Greater Winston-Salem Chamber of Commerce may prepare and distribute a voter's guide to the general public if the guide is nonpartisan and the Chamber does not endorse any Federal candidate or political party. If the Chamber is partisan, it could still produce and distribute the guide to the public, but only by using voluntary contributions to a separate segregated fund.



**WILLIAM C. OLDAKER  
APPOINTED GENERAL COUNSEL**

William C. Oldaker began serving as General Counsel of the FEC on January 1, 1977. He replaced John G. Murphy, Jr., the Commission's first General Counsel, who returned to his post as Professor of Law at Georgetown University. With the Commission since 1975, Oldaker has been Assistant General Counsel for Compliance and Litigation.

Oldaker, who is 34, received his B.A. and J.D. degree from the University of Iowa and also attended the graduate School of Business at the University of Chicago. Prior to coming to the Commission, Oldaker worked as an attorney advisor for the Federal Communications Commission and, in 1969, as special assistant to the Chairman of the Equal Employment Opportunity Commission. In 1972, he was appointed assistant regional attorney for the Equal Employment Opportunity Commission in Denver where he directed the civil litigation efforts of the EEOC in various Southern and Southwestern states.

**DISCLOSURE DIVISION CREATED**

The FEC has established a new division to systemize the processing of incoming disclosure reports and the updating of the computer data base. The newly created Disclosure Division includes three units:

1. Data Services, previously a part of the Division of Data Systems Development and Services;
2. Public Records, formerly a unit of Information Services; and
3. Reports Analysis, previously a subdivision of the Disclosure and Compliance Division.

The division is headed by Assistant Staff Director Kent Cooper, who formerly served as Deputy Assistant Staff Director of Information Services.

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FEDERAL ELECTION COMMISSION  
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