



THE FEDERAL ELECTION COMMISSION

RECORD

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REPORTS

SPECIAL ELECTIONS IN OHIO

Ohio will hold special elections in its Fourth Congressional District to fill the seat formerly held by Congressman Tennyson Guyer. The primary election is scheduled for June 2, 1981, and the general election for June 25, 1981. The principal campaign committees of candidates running in these elections must file the appropriate pre- and post-election reports in addition to their semiannual reports. All other political committees which support candidates in the elections (and which do not report on a monthly basis) must also follow this reporting schedule. **Note:** If any committee active in the special general election files a post-election report by July 25, 1981, the Commission will waive its semiannual report (due July 31).

National and state party committees may each make coordinated expenditures of up to \$16,710 on behalf of their candidates in the special general election. 2 U.S.C. §441a(d). Expenditures by county, district and local party committees are subject to the state party limit.

The FEC has sent notices on reporting requirements and filing dates to all individuals on the ballot in these elections. All other committees supporting candidates in the Ohio special elections should contact the Commission for more information on required reports. Call 202/523-4068 or toll-free 800/424-9530.

FREQUENT REPORTING ERRORS

In reviewing reports filed with the Commission, the FEC's Reports Analysis Division has identified a number of reporting errors frequently made by political committees. This article, the second in a series on reporting errors, identifies several common mistakes and then explains the correct reporting procedure.*

* In reporting campaign finance activity, committees authorized by Congressional candidates use FEC Form 3, authorized Presidential committees use FEC Form 3P and all other registered political committees use FEC Form 3X.

1. Failure to Report Contributor Identification Information

For each contribution (from a person other than a political committee) exceeding \$200, a political committee must report, among other things, the donor's name, address, occupation and name of employer.** If the contributor fails to include this information with his or her contribution, the committee must be able to give the Commission written evidence that reflects the committee's "best efforts" to obtain the information. "Best efforts" consist of at least one clear request that informs the contributor that the reporting of such information is required by law, 11 CFR 104.7. For example, the committee could show its "best efforts" by retaining a copy of the original solicitation for the contribution, or a written record documenting a follow-up phone request for the required information, 11 CFR 104.7.

2. Failure to Use Separate Schedule for Each Type of Transaction

For reporting purposes, receipts and disbursements are each divided into several categories; a separate schedule should be used for itemization in each category. For example, "loans made or guaranteed by the candidate" should be itemized on one Schedule A,** while "contributions from persons" should be itemized on a separate Schedule A. The total itemized transactions within one category should be recorded on the last line of the schedule. Total itemized "transfers to affiliated committees," for example, should be recorded on the last line of a Schedule B. If more than one page of a schedule is needed to itemize transactions of one type, the total should appear on the last line of the last page for that transaction.

3. Incomplete Reporting of Summary Totals

The "total" provided on the last line of each supporting schedule (which reflects the sum total of the transactions itemized on that schedule) should be added to

continued

** When several contributions from the same person aggregate more than \$200 a year, each contribution received thereafter in the same year from the same person (regardless of amount) must also be itemized, 11 CFR 104.3(a)(4)(i).

*** A loan must be reported on Schedule C until it is liquidated. See the 800 Line on p. 5 for more details.

total *unitemized* transactions; the combined total should then be recorded on the appropriate line of the Summary and/or Detailed Summary pages. For example, total itemized "other disbursements" (reported on a Schedule B) plus total unitemized "other disbursements" should be reported on Line 27 of the Detailed Summary Page. As another example, total itemized "contributions from persons" (reported on a Schedule A) plus total unitemized "contributions from persons" (reported on the memo entry line directly below Line 11a of the Detailed Summary Page) should be reported on Line 11a of the Detailed Summary Page.

4. Failure to Indicate the Source of a Candidate Loan

When a candidate's campaign committee reports a loan from the candidate, the committee must indicate whether the candidate has loaned **personal funds****** or has obtained the loan from a lending institution (e.g., a bank). If, for example, the candidate has obtained a loan from a bank and forwarded it to the committee, the committee must report the bank as the original source of the loan (on Schedule C). The committee must also indicate the name and address of the bank, the interest rate, the duration and terms of the loan and any endorsers or guarantors of the loan. If the candidate is an endorser or guarantor, that should be indicated as well.

Note: Persons (other than the candidate) who endorse or guarantee the candidate's loan are subject to the Act's contribution limits.

**** Commission Regulations define "personal funds" at 11 CFR 110.10.

FEDERAL REGISTER NOTICES

The list below identifies all FEC documents that appeared in the *Federal Register* between April 15 and May 4, 1981. Copies of these notices are not available from the FEC.

Notice	Title	Federal Register Publication Date	Citation
1981-5	Mississippi Special and Runoff Election Reports; Filing Dates	4/15/81	46 <i>Fed. Reg.</i> 22039
1981-6	Ohio Special Primary and General Elections Filing Dates	5/4/81	46 <i>Fed. Reg.</i> 24993

PUBLICATIONS

1981 REGULATIONS AVAILABLE

A copy of the 1981 edition of Title 11 of the Code of Federal Regulations (11 CFR), containing the Federal Election Commission Regulations, has been sent to all political committees currently registered with the Commission. The volume contains all regulations prescribed by the Commission as of January 1, 1981, supplemented by four updated indexes to the regulations. Additional copies of the 1981 edition of 11 CFR are available free of charge by contacting: Office of Public Communications, Federal Election Commission, 1325 K Street, N.W., Washington, D. C. 20463. Or call 202/523-4068 or toll-free 800/424-9530.

STAFF

NEW STAFF APPOINTMENTS

The Commission made two senior staff appointments during April. It appointed James Pehrkon, formerly Assistant Staff Director for the Data Systems Development Division, as Deputy Staff Director for Management. In addition to overseeing management of the Commission's data services, Mr. Pehrkon now has overall management responsibility for its administrative services, budget process and planning and management function.

The Commission also named Mark J. Davis, formerly with the U.S. Department of Justice, to the newly created position of Director of Congressional, Legislative and Intergovernmental Affairs. Mr. Davis acts as the Commission's chief liaison for legislative and intergovernmental affairs. He is also responsible for all Congressional inquiries and for maintaining an effective relationship with members of Congress and Congressional staff and committees.

The RECORD is published by the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463. Commissioners are: John Warren McGarry, Chairman; Frank P. Reiche, Vice Chairman; Joan D. Aikens, Thomas E. Harris; Vernon W. Thomson; Robert O. Tiernan; William F. Hildenbrand, Secretary of the Senate, Ex Officio; Edmund L. Henshaw, Jr., Clerk of the House of Representatives, Ex Officio. For more information, call 202/523-4068 or toll-free 800/424-9530.

OPINIONS

ADVISORY OPINION REQUESTS

Advisory Opinion Requests (AORs) pose questions on the application of the Act or Commission Regulations to specific factual situations described in the AOR. The following chart lists recent AORs with a brief description of the subject matter, the date the requests were made public and the number of pages of each request. The full text of each AOR is available to the public in the Commission's Office of Public Records.

AOR	Subject	Date Made Public	No. of Pages
1981-19	Combined funds of PAC and corporation's administrative account invested in money market fund.	4/15/81	2
1981-20	Combined funds of cooperative's federal and state committee invested in treasury bill.	4/22/81	3
1981-21	Employee authorization to transfer funds from state to federal committee account.	4/27/81	15
1981-22	Prohibited funds raised to pay interest on campaign debts.	5/5/81	2
1981-23	Cooperative's solicitation of individual members of associations that are stockholders.	5/12/81	43
1981-24	Act's preemption of city charter's ban on employee contributions.	5/13/81	8

ALTERNATE DISPOSITION OF ADVISORY OPINION REQUEST

— AOR 1981-12 (marking contributions for political committee through voluntary payroll deduction plans) was withdrawn by its requester on April 29, 1981.

ADVISORY OPINIONS: SUMMARIES

An Advisory Opinion (AO) issued by the Commission provides guidance with regard to the specific situation described in the AOR. Any qualified person who has requested an AO and acts in accordance with the opinion will not be subject to any sanctions under the Act. Other persons may rely on the opinion if they are involved in a specific activity which is indistinguishable in all material aspects from the activity discussed in the AO. Those seeking guidance for their own activity, however, should consult the full text of an AO and not rely only on the summary given here.

AO 1981-10: Deferred Payment of Honoraria

A U. S. government employee (who was a hostage in Iran) may enter into an agreement whereby he/she receives payment of an honorarium in a year (or years) after the event for which the honorarium was earned. A deferred honorarium payment would be subject to the overall \$25,000 limit for the year in which it is actually received. Although Section 441i(a)(2) of the Act limits total honoraria accepted by government employees to \$25,000 per year, Section 441i(d) provides that "an honorarium shall be treated as accepted only in the year in which that honorarium is received."

The Commission noted, however, that:

1. The \$2,000 limit on each honorarium received by a government employee could **not** be avoided or deferred under any circumstances; and
2. The employee may be considered to have "accepted" the honorarium for purposes of the limits if he or she uses a deferred payment agreement to obtain a present financial benefit even though he or she has not actually received the honorarium. For example, acceptance of the honorarium might occur when the government employee uses a deferred payment agreement as collateral for a loan obtained a year before the honorarium is payable under the agreement. (Date Issued: April 9, 1981; Length: 6 pages)

AO 1981-11: Free Use of Mailing List by National Party Committee

The Clark for President Committee (the Committee) could donate the Committee's mailing list to the Libertarian National Committee (the LNC) free of charge, without making a contribution to the LNC, provided the mailing list represented excess campaign funds of the Committee. Both committees would, however, have to report the value of the mailing list transaction pursuant to the procedures described in 11 CFR 104.13. On the other hand, if the Committee determined that the mailing list did not qualify as excess campaign funds, the LNC's use of the list would result in an in-kind contribution from the Committee to the LNC, and would be subject to the contribution limits for a national party committee. 2 U.S.C. § 441a(a)(1)(B) and 431(8)(A)(i); 11 CFR 100.7(a)(1)(iii)(A).

continued

The Act permits candidate committees to transfer, without limit, excess campaign funds to the national committee of their political party. 2 U.S.C. §439a. Not restricted to cash alone, excess campaign funds may consist of "anything of value," including mailing lists. Moreover, the candidate has the discretion to decide when the funds on hand exceed the amount necessary to defray expenditures.

The Commission cautioned, however, that by using the mailing list as excess campaign funds, rather than to defray its debts, the Committee might later have difficulty showing that it had made reasonable efforts to retire its campaign debts. (Date Issued: April 9, 1981; Length: 3 pages)

AO 1981-14: Agent Authorized to Reapportion Employee Contributions Among Corporation's Federal and Nonfederal Committees

The E1 Paso Company (the Company) may offer executive and administrative employees participating in its payroll deduction plan the option of authorizing an agent to reapportion their contributions among the Company's separate segregated funds (one federal and several non-federal committees).

Under the proposed arrangement, the agent will inform employees of changes in apportionment and, to ensure that the Act's contribution limits are observed, the federal committee will monitor all contributions it receives.

The arrangement is permissible because it preserves the voluntary nature of contributions by executive and administrative personnel, as follows:

1. The employee may choose whether he or she wishes to:
 - a) execute a new authorization agreement for every reapportionment of contributions; or
 - b) appoint an agent to reapportion the contributions.
2. The agent's authority to reapportion contributions may be exercised only after the employee has voluntarily decided to participate in the payroll deduction plan.
3. At any time, the employee may revoke either the decision to authorize the agent to apportion contributions among committees or the decision to participate in the plan at all, thereby ensuring his/her authority over contributions. (Date Issued: April 17, 1981; Length: 3 pages)

AO 1981-16: Donations to Post-Election Legal Defense Fund

A Special Fund for Legal Matters (legal defense fund) established by the Carter/Mondale Presidential Committee, Inc. (the Committee) to defray costs of post-election litigation related to FEC compliance actions and audits would be considered an arm of the Committee. Accordingly, all its receipts and disbursements would be subject to the requirements of the Act and Commission Regulations. The Act exempts from the definitions of "contribution" and "expenditure" legal services that are rendered solely to ensure compliance with the Act. 11 CFR 100.7(b)(14). Moreover, disbursements for such services

are exempted from the expenditure limits that apply to publicly funded Presidential primary candidates. 11 CFR 100.8(b)(15). The Act does not, however, exempt funds donated for such legal services, including funds donated for post-election litigation. Therefore, donations made to the Committee's legal defense fund would be considered contributions subject to the Act's limits, prohibitions and reporting requirements even if they are used solely to ensure compliance with the Act.

The Act would not, however, govern donations used to defray expenses of commercial litigation involving Committee contracts and other similar liabilities. The Committee could, therefore, establish a special fund for commercial litigation. Funds donated to such a separate fund would not be considered contributions subject to the provisions of the Act. Chairman John Warren McGarry and Commissioner Thomas E. Harris filed dissenting opinions. (Date Issued: April 15, 1981; Length: 9 pages, including dissenting opinions)

AO 1981-17: Excess Campaign Funds Loaned to State Party Committee

A Congressional officeholder may loan \$13,000 in excess campaign funds to the Vermont State Democratic Committee (the Committee). A federal candidate may use excess campaign funds for a variety of purposes "including transfer without limitation" to any national, state or local committee of any political party. 2 U.S.C. §439a; 11 CFR 113.2. The loan is regarded as a transfer of excess campaign funds. Although the Committee's subsequent repayment of the loan to the officeholder would not be considered a contribution to him, Commission Regulations require that the repayment would have to be made with Committee funds which are permissible under the Act. 11 CFR 100.7(a)(1)(i)(D). (Date Issued: April 15, 1981; Length: 2 pages)

AO 1981-18: PAC Contributions Made in Connection With Nonfederal Election Activity

Funds solicited and received pursuant to the Act by CENTRAL BANCNPAC, a separate segregated fund to be established by Central Bancshares of the South, Inc., could be used to make contributions in connection with non-federal, as well as federal, elections. Under Section 102.5(a)(1)(ii) of Commission Regulations, if a political committee maintains a single account for both federal and nonfederal election activity, all contributions it solicits and receives are subject to the prohibitions, limits, solicitation and reporting requirements of the Act — regardless of whether the funds are ultimately used for federal or nonfederal activity.

This regulation does not place any restrictions on a committee's use of contributions in connection with nonfederal election activity, but all such disbursements must be reported. The Commission noted, however, that contributions made in connection with nonfederal elections are subject to applicable state laws. (Date Issued: May 8, 1981; Length: 2 pages)

800 LINE

In recent weeks, the Public Communications Office has received inquiries on correct reporting procedures for political committees registered with the FEC. The following article is offered in response to these questions. For further information, call the Commission on its toll-free line: 800/424-9530.

May a committee authorized by a Presidential candidate file semiannual reports during a nonelection year?

No. Authorized Presidential committees must report on either a monthly or quarterly basis during a nonelection year. 11 CFR 104.5(b)(2). This rule applies to all Presidential committees, including 1972 and 1976 committees.

If a candidate loans money to his/her campaign committee and later forgives the loan, how should the committee report the transaction?

The candidate's authorized committee may report the forgiven amount of the loan in one of two ways:

1. It may attach a note to its next report, explaining that the candidate has forgiven the loan and indicating that no other creditors were associated with the loan; or
2. It may note the forgiven amount of the loan as a memo entry on Schedule A, B or C (in addition to reporting the loan on Schedule C with a \$0 balance). The forgiven amount should **not**, however, be added to total contributions reported on Schedule A or total disbursements reported on Schedule B.

In either case, once the committee has reported that the loan has been forgiven, it no longer has to report that particular loan.

If a committee has reported a campaign debt on one report (Schedule C or D), must it continue to report the debt on subsequent reports?

Yes. A committee must report an outstanding debt on Schedule C or D every reporting period until it extinguishes the debt — even if there has been no activity concerning the debt during the reporting period. Moreover, any payment made to liquidate part or all of the debt must be reported on both Schedule B and Schedule C.

May a committee terminate if it has outstanding debts?

No. Political committees may terminate their registration (and reporting obligation) only when: 1) all their debts and obligations have been extinguished and 2) after they no longer intend to receive any contributions or make any disbursements. A principal campaign committee may terminate only after it has satisfied these requirements and, additionally, after all the debts of any affiliated or authorized committees have been extinguished. 11 CFR 102.3.

Once a political committee has extinguished all its debts, may it stop filing reports?

Yes, a committee's reporting obligation ceases once it has submitted a *Termination Report*, which may be filed on FEC Form 3 (or 3X) or by a written statement containing the same information. The *Termination Report* must disclose:

1. All receipts and disbursements not previously reported, including an accounting of the retirement of all debts; and
2. The disposition of any residual funds.

Does a candidate need to register again if he or she ran in the last election and begins to receive funds for a future election?

Yes. The candidate should file a new FEC Form 2 (Statement of Candidacy) when receipts or disbursements for the future campaign exceed \$5,000. On this form, the candidate must either designate a new principal campaign committee or redesignate the currently registered committee. If a new committee is named, it in turn must file FEC Form 1 (a Statement of Organization). Alternatively, if the candidate redesignates the currently registered committee, the committee must amend its Form 1 to reflect any new information (e.g., a change in the committee's name or address).

Should a candidate's authorized committee report "coordinated" expenditures (§441a(d) expenditures) made by a party committee on the candidate's behalf?

No. Since these expenditures do not constitute contributions in-kind or candidate expenditures, the candidate's committee does not report them. Instead, the party committee uses Schedule F, Form 3X to report special "coordinated" expenditures it makes on the candidate's behalf. 11 CFR 110.7.

CHANGE OF ADDRESS

Political Committees

Registered political committees are automatically sent the *Record*. Any change of address by a registered committee must, by law, be made in writing as an amendment to FEC Form 1 (Statement of Organization) and filed with the Clerk of the House, the Secretary of the Senate or the FEC, as appropriate.

Other Subscribers

Record subscribers (who are not political committees), when calling or mailing in a change of address, are asked to provide the following information:

1. Name of person to whom the *Record* is sent.
2. Old address.
3. New address.
4. Subscription number. The subscription number is located in the upper left hand corner of the mailing label. It consists of three letters and five numbers. Without this number, there is no guarantee that your subscription can be located on the computer.

THE LAW IN THE COURTS

RICHARD B. KAY v. FEC

On April 21, 1981, the U.S. District Court for the District of Columbia granted the FEC's motion for summary judgment in the suit *Richard B. Kay v. FEC* (Civil Action No. 80-3081) and denied plaintiff's cross-motion for summary judgment.

Plaintiff had filed the suit on December 2, 1980, seeking a declaratory judgment that the FEC had acted contrary to law in dismissing an administrative complaint that plaintiff had filed against the Plain Dealer Publishing Company of Cleveland and several of its officers and employees. Plaintiff, who had been a Presidential primary candidate in Ohio, alleged that a full-page chart published in *The Plain Dealer* before the 1980 Ohio Presidential primary was a political advertisement by the publishing company. The chart carried photographs of three major party Presidential candidates and summaries of their positions on nine campaign issues ranging from inflation to federal funds for abortions. Plaintiff alleged the ad constituted either a corporate expenditure or a corporate in-kind contribution — both prohibited under the Act.

After investigating the complaint pursuant to the enforcement procedures of Section 437g(a) of the Act, the Commission, acting on a recommendation from the General Counsel to dismiss the complaint, found no reason to believe the Act had been violated. In his report to the Commission, the General Counsel observed that the "contents of this chart merely constitute an effort on the part of *The Plain Dealer* to report in an orderly manner for the benefit of its readers the issue stands and activities of the major candidates in the Ohio primary. In essence, *The Plain Dealer* was printing a news story in chart form." The General Counsel noted that the Act and Commission Regulations specifically exempt such news stories from the definitions of "contribution" and "expenditure," provided the news corporation is not controlled by any political party, political committee or candidate. The General Counsel noted that there was no indication of such ownership or control of *The Plain Dealer*.

Holding that no material facts were in dispute and that applicable law was clear, the court found that: "The Commission's action, based on the General Counsel's recommendation that the publication be treated as a newspaper story, was plainly consistent with the law. *The Plain Dealer* was doing the main business of a newspaper: in its own way, it informed the public about issues which the public would decide."

As to plaintiff's claim that he did not receive reasonably equal news coverage in *The Plain Dealer's* circulation area, the court noted that a newspaper had no duty under the Act to give "equal time" to candidates. The court said, "To the extent that this 'equal time' concern was an element of plaintiff's complaint, the Commission quite properly ignored it."

FEC v. DANIEL MINCHEW

On April 24, 1981, the U.S. District Court for the District of Columbia issued a judgment in favor of the FEC in the suit *FEC v. Daniel Minchew* (Civil Action No. 81-174). Declaring the defendant had violated the requirements of a conciliation agreement entered into with the FEC in October 1979, the court ordered Mr. Minchew to comply with the conciliation agreement and to pay a \$4,000 civil penalty resulting from the agreement. The Court also required the defendant to pay the costs of the civil action and to pay interest on the civil penalty from the date of the court's order. Mr. Minchew had incurred the penalty for a violation of 2 U.S.C. §432(b): he had failed to provide Senator Talmadge's 1974 reelection committee with detailed accounts of campaign contributions, which he had received on the Senator's behalf, within the required five-day period.

COMPLIANCE

SUMMARY OF MURs

Selected compliance cases, which have been closed and put on the public record, are summarized in the *Record*. Compliance matters stem from possible violations of the Federal Election Campaign Act of 1971, as amended, which come to the Commission's attention either through formal complaints originating outside the Commission or by the FEC's own monitoring procedures. The Act gives the FEC the exclusive jurisdiction for the civil enforcement of the Act. Potential violations are assigned case numbers by the Office of General Counsel and become "Matters Under Review" (MURs). All MUR investigations are kept confidential by the Commission, as required by the Act.

MURs may be closed at any one of several points during the enforcement process, including when the Commission:

- Determines that no violation of the Act has occurred;
- Determines that there is no reason to believe or no probable cause to believe a violation of the Act has occurred;
- Enters into a conciliation agreement with the respondent;
- Finds probable cause to believe a violation has occurred and decides to sue; or
- Decides at any point during the enforcement process to take no further action.

After the MUR is closed and released by the Office of General Counsel, the Commission makes the MUR file available to the public. This file contains the complaint, the findings of the General Counsel's Office and the Commission's actions with regard to the case, including the full text of any conciliation agreement. The Commission's actions are not necessarily based on, or in agreement with, the General Counsel's analysis.

Selection of MURs for summary is made only from MURs closed after January 1, 1979. The *Record* article does not summarize every stage in the compliance process. Rather, the summary provides only enough background to make clear the Commission's final determination. The full text of these MURs and others which were closed between 1976 and the present are available for review and purchase in the Commission's Public Records Office.

MURs 1167, 1168 and 1170: Sponsorship of Presidential Debate

On February 21, 1980, the Commission decided to take no further action with regard to a complaint that a publishing company had violated 2 U.S.C. §441b by staging a debate between two Presidential primary candidates of the same party.

Complaint: On February 19, 1980, three Presidential candidate committees filed complaints alleging that a publishing company (the Company) was about to make prohibited corporate contributions to two Presidential primary candidates by funding a debate between them. The complainants asked the Commission to seek an immediate court injunction barring the publishing company from staging the debate, contending that the debate would be partisan because they were excluded.

General Counsel's Report: The General Counsel found that, although Section 431(f)(4)(A) of the Act exempts from the definitions of "contribution" and "expenditure" payments made by a news media corporation for printing and broadcasting news stories, commentaries and editorials on election-related topics, payments made by the Company for staging these particular debates would not fall within the news story exemption (2 U.S.C. §431(f)(4)(A)). Rather, they would be corporate expenditures in connection with an election, prohibited by 2 U.S.C. §441b.

The General Counsel added that, although pending FEC Regulations* provided a narrow exemption permitting a media corporation's sponsorship of **nonpartisan debates**, the debate staged by the Company would be partisan, promoting the candidacies of the participants over the candidacies of the excluded candidates (i.e., the complainants).

Commission Determination: Since the debate was scheduled for February 23, the Commission decided the complaints warranted expedited treatment. On February 20, 1980, therefore, the Commission determined there was reason to believe the Company and its newspaper were about to violate 2 U.S.C. §441b and authorized the General Counsel to immediately file suit for injunctive relief that would bar use of corporate funds to stage the debate. On the same day, the Commission sent a telegram notifying the Company of its determination and requesting the Company to provide certain information on the debate by the next day.

On February 21, the Company sent the Commission a telegram stating that it still planned to sponsor the debate on February 23 and that it had denied complainants' requests to participate in the debate. The Company added, however, that the debate would be totally financed by one of the participating candidates, who had agreed to advance the company \$3,500 to cover its costs in staging the debate; therefore, no corporate funds would be used. Based on this information, the Commission decided on February 21 to take no further action on the complaint.

MURs 1178 and 1179: Sponsorship of Presidential Debates

On February 22 and 24, 1980, one of the three Presidential candidate committees that had filed the complaint against the publishing company (see above) filed an additional complaint against the Company and the candidate who had paid for the debate. The Commission found no reason to believe respondents had violated the Act.

Complaint: The committee's complaint alleged that, even though one of the candidates paid the Company \$3,500 to stage the debate, the services of the Company's employees in moderating the debate resulted in an in-kind contribution to the two participating candidates, a violation of §441b, which prohibits corporate contributions. The complainant also alleged that half of the sponsoring candidate's \$3,500 payment should be considered an excessive in-kind contribution to the candidate whom he debated, a violation of §441a(a)(1)(A).

General Counsel's Report: The Company used only the funds advanced by the candidate's campaign to defray the costs of the debate, including payments for employee services. Thus, no corporate funds were expended. The General Counsel therefore recommended the Commission find no reason to believe that the Company had violated Section 441b of the Act.

The General Counsel also recommended that the Commission dismiss the second allegation. He compared the debate to a television commercial paid for by candidate X, in which he or she reviews the positions of the opponent, candidate Y. Viewers agreeing with candidate Y's position may be influenced to vote for him or her, yet candidate X would not be making a contribution to candidate Y. In the same way, the sponsoring candidate's payment for the debate would not be considered a contribution for the purpose of influencing the election of the opponent.

Commission Determination: On April 23, 1980, the Commission found no reason to believe that the Company had violated §441b or that the candidate had violated the §441a contribution limits.

* The Commission prescribed regulations on the funding and sponsorship of federal candidate debates on April 1, 1981.

AUDITS

AUDITS RELEASED TO THE PUBLIC

The Federal Election Campaign Act, as amended (the Act) requires candidates and political committees to file financial disclosure reports with the Commission. The Act also gives the Commission authority to audit campaigns of all Presidential candidates who receive public funds, and the reports of other political committees. Final audit reports are available to the press through the Press Office and to the general public through the Office of Public Records. The following is a chronological listing of audits released between April 20 and April 29, 1981.

Audit	Date Made Public
1. Howard H. Baker, Jr., The Baker Committee (Addendum to Final Audit Report)	4/20/81
2. Edmund G. Brown, Jr., Brown for President (Addendum to Final Audit Report)	4/22/81
3. 1980 Democratic National Convention Committee, Inc.	4/29/81
4. International Ladies' Garment Workers Union (ILGWU) Campaign Committee	4/29/81

CLEARINGHOUSE

ELECTION LAW SEMINARS HELD IN MISSISSIPPI AND ALABAMA

The Offices of the Mississippi and Alabama Secretaries of State each sponsored a *Workshop on Federal Election Responsibilities* during April. The 204 state and local election administrators attending the workshop held in Jackson, Mississippi, on April 20 and 21 participated in individual sessions on *Planning and Management of Elections, Voting Systems and Training Poll Workers*. Two days later, in Birmingham, Alabama, 106 administrators attended similar workshops, plus one on *Automated Registration Systems*.

The workshops were conducted by the FEC Clearinghouse on Election Administration in conjunction with each Secretary of State's Office.

SUBSCRIPTIONS

- *Election Law Updates* is a quarterly series which summarizes all new state and federal election legislation. \$11.00 per year.
- *Election Case Law* is a quarterly series which summarizes recent state and federal litigation relating to election matters. \$10.00 per year.

You may order these subscriptions by mail from: Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Identify report title. Enclose a check or money order for subscription price(s) payable to Superintendent of Documents.

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