Lawrence H. Norton
Appointed General Counsel

On September 17, 2001, Lawrence H. Norton, formerly an official with the Commodity Futures Trading Commission, became the FEC’s General Counsel. Mr. Norton replaced former FEC General Counsel Lawrence M. Noble.

Before joining the FEC, Mr. Norton served as the Associate Director of the Division of Enforcement at the Commodity Futures Trading Commission and as an Assistant Director at the Federal Trade Commission. In addition, he was a frequent speaker on federal regulatory issues, a standing member of multi-agency task forces and an adjunct instructor with the National Institute of Trial Advocacy.

Before joining the federal government, Mr. Norton was an Assistant Attorney General in the Civil Litigation Division of the Maryland Attorney General’s Office. He is a graduate of the University of Maryland School of Law.

—Amy Kort

(continued on page 3)
Advisory Opinions
(continued from page 1)

the bank’s receipt of the transfer request. However, Mr. Moore submitted a signed, sworn declaration to the Commission that he specifically remembered faxing the request to the bank and that, to the best of his knowledge, the bank received the request and failed to honor it.1 The Party disclosed the disbursements for which the nonfederal portion was to be transferred in its pre-special election report, which was timely filed on June 7. A post-special election report, recording several transfers (but not the transfer requested on June 18), was filed on July 19.

Analysis
Commission regulations require that a state party committee with separate federal and nonfederal accounts must pay the expenses of mixed federal and nonfederal activities, including administrative expenses such as rent, utilities, office supplies and salaries (except for such expenses directly attributable to a clearly identified candidate), from its federal account or a separate allocation account. 11 CFR 106.5(g)(1). The committee may transfer funds from its nonfederal account to its federal account solely to cover the nonfederal share of the allocable expense. Such a transfer must be made no more than 10 days before, and no more than 60 days after, the payments for the allocable expense. 11 CFR 106.5(g)(2)(ii). Any transfer from the nonfederal account made outside this window is “presumed to be a loan or contribution from the nonfederal account to a federal account, in violation of the Act.” 11 CFR 106.5(g)(2)(iii).

If the wire transfer had been made on June 18, it would have been timely for all of the disbursements covered in the amount of the transfer. The Commission relies upon the representations in the advisory opinion request, and in particular on Mr. Moore’s declaration under penalty of perjury that he faxed the request to the bank, as truthful descriptions of the Party’s actions with respect to the attempted transfer of funds. In past advisory opinions, the Commission has addressed situations where contribution monies were not received by a political committee, or deposited by it in a timely manner, because of circumstances outside the control of the committee or its agents. AO’s 1999-23, 1993-5 and 1992-42. The Party’s situation is analogous to those dealt with in previous advisory opinions in that the required action was not performed. The Commission also found significant that the Party:

• Discovered that the transfer was not made and notified the bank of the discovery within 30 days after the requested transfer date and before the filing due date for the report that would have disclosed the transfer; and
• Expeditiously submitted this advisory opinion request to the Commission.

Given the bank’s of control over the means of transfer and the Party’s actions with respect to the requested transfer, the Party may make the transfer, originally requested on June 18, from its nonfederal to its federal account. The transfer must occur within 15 days of the Party’s receipt of this advisory opinion.

Reporting
The transfer must be disclosed on the Party’s next scheduled report. The Party must report the date the transfer actually occurred, and must include an explanatory note with the report stating that:

• The transfer was not made within the 70-day window of 11 CFR 106.5(g)(2)(ii) because of special circumstances; and
• The Commission expressly allowed the Party to make the transfer in this advisory opinion, which should be cited by number.

Date Issued: August 23, 2001; Length: 5 pages.       
—Gary Mullen

Advisory Opinion Requests

AOR 2001-13
Status of Green Party as national committee of political party (Green Party of the United States, August 13, 2001)

AOR 2001-14
Local party’s allocation of payments for employee’s salary, benefits and cell phone usage (Los Angeles County Democratic Central Committee, August 31, 2001)
Staff
(continued from page 1)

Robert J. Costa Named Deputy Staff Director for Audit and Review

The Commission has appointed Robert J. Costa to be the agency’s first Deputy Staff Director for Audit and Review. In this newly-created position, Mr. Costa will oversee both the Audit and the Reports Analysis Divisions.

Mr. Costa joined the FEC in 1975 and in 1977 became the Assistant Staff Director for the Audit Division, where he managed the Commission’s Title 2 and Title 26 audit programs. Prior to joining the Commission, Mr. Costa worked for the General Accounting Office and the Senate Select Committee on Presidential Campaign Finance Activity.

—Amy Kort

Court Cases

New Litigation

Judicial Watch, Inc. v. FEC

On August 17, 2001, Judicial Watch, Inc., a nonprofit, public interest organization, asked the U.S. District Court for the District of Columbia to find that the Commission acted contrary to law when it failed to respond to the organization’s administrative complaint. The April 10, 2001, administrative complaint alleged that Representative Tom DeLay and the National Republican Congressional Committee (NRCC) sold meetings with top Bush Administration officials in exchange for campaign contributions to the NRCC. Judicial Watch contended that the NRCC was required to report these meetings to the Commission as “offsets to contributions.” 2 U.S.C. §434(b) and 11 CFR 104.3. Judicial Watch asked the Commission to investigate because it believed that the meetings had not been reported and would not be reported in the future.

In its request for declaratory relief, Judicial Watch alleges that the Commission did not act on the complaint within 120 days, as required by the Federal Election Campaign Act. Judicial Watch asks that the court:

• Declare the Commission’s failure to act on the complaint contrary to law;
• Direct the Commission to act within 30 days; and
• Retain jurisdiction over this action.

U.S. District Court for the District of Columbia, 1:01CV01747.

—Amy Kort

On Appeal

FEC v. NRA

On August 23, 2001, the Court of Appeals for the District of Columbia Circuit denied the Commission’s petitions to have this case reheard by a panel of the court and heard en banc. The Commission had asked the court to revisit a portion of its June 29, 2001, ruling. The court had held that in 1980 the National Rifle Association (NRA) qualified for a limited exemption to the Federal Election Campaign Act’s ban on corporate contributions and expenditures. This case was summarized in the August 2001 Record, p. 3.

Although the court denied the FEC’s petitions, it did—at the Commission’s request—clarify that the NRA’s 1980 exemption applied only to corporate independent expenditures and not to corporate contributions to candidates.

—Jim Wilson

Campaign Guides Available

For each type of committee, a Campaign Guide explains, in clear English, the complex regulations regarding the activity of political committees. It shows readers, for example, how to fill out FEC reports and illustrates how the law applies to practical situations.

The FEC publishes four Campaign Guides, each for a different type of committee, and we are happy to mail your committee as many copies as you need, free of charge. We encourage you to view them on our Web site (go to www.fec.gov, then click on “Campaign Finance Law Resources” and then scroll down to “Publications”).

If you would like to place an order for paper copies of the Campaign Guides, please call 800-424-9530, press 1, then 3.
South Carolina Special Election Reporting

The Special Election to fill the U.S. House seat of the late Congressman Floyd Spence in the Second Congressional district of South Carolina will be held on December 18, 2001. The Special Primary will be October 30 and the Special Runoff, if needed, will be November 13. Committees involved in any of these elections should consult the accompanying chart for filing information.¹

Note that 48-hour notices are required of authorized committees that receive contributions of $1,000 or more between October 11 and October 27 for the Special Primary, between November 29 and December 15 for the Special General and between October 25 and November 10 for the Special Runoff, if that election is held.

Reports filed electronically must be submitted by midnight on the filing date. A committee required to file electronically that files instead on FEC paper reporting forms will be considered a nonfiler.

Reports filed on paper and sent by registered or certified mail must be postmarked by the mailing date; reports sent by any other means (including reports sent via first class mail) must be received by the Commission’s close of business on the filing date.

For more information about any of these filing requirements, please call the FEC’s Information Division at 800/424-9530 (press 1, then 3) or 202/694-1100.◆

—Amy Kort

¹ These committees include authorized committees of candidates running in the election and other political committees (including PACs) that support these candidates and do not file monthly.
The Commission recently publicized its final action on 52 new Administrative Fine cases, bringing the total number of cases released to the public to 240. Civil money penalties for late reports are determined by the number of days the report was late, the amount of financial activity involved and any prior penalties for violations under the administrative fine regulations. Penalties for nonfiled reports—and for reports filed so late as to be considered nonfiled—are also determined by the financial activity for the reporting period and any prior violations. Election sensitive reports, which include reports and notices filed prior to an election (i.e., 12 Day primary, October quarterly and October monthly reports), receive

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Statistics

Midyear PAC Count Shows Slight Decrease from January 2001

The FEC’s semiannual PAC count reveals a small decrease in the number of PACs since the last count was taken in January 2001. The table at right shows the midyear and year-end PAC figures since 1995. To see a complete listing of PAC statistics dating back to 1975, visit the FEC’s web site (http://www.fec.gov) or request a copy of the agency’s August 21, 2001, press release (call 800/424-9530 and press 3 for the Public Records Office or press 2 for the Press Office).

Committees Fined and Penalties Assessed

1 Nonconnected PACs must use their own funds to pay fundraising and administrative expenses, while the other categories of PACs have corporate or labor “connected organizations” that are permitted to pay those expenses for their PACs. On the other hand, nonconnected PACs may solicit contributions from the general public, while solicitations by corporate and labor PACs are restricted.

1 This civil money penalty has not been collected.
Administrative Fines
(continued from page 5)

higher penalties. The committees and the treasurers are assessed civil money penalties when the Commission makes its final determination. Unpaid civil money penalties are referred to the Department of the Treasury for collection.

The committees listed in the chart on page 5 and below, along with their treasurers, were assessed civil money penalties under the administrative fine regulations.

Closed Administrative Fine case files are available through the FEC Press Office, at 800/424-9530 (press 2) and the Public Records Office, at 800/424-9530 (press 3). ♦

—Phillip Deen

Committees Fined and Penalties Assessed, Cont.

22. Gerald C. “Jerry” Weller for Congress $9,000
23. The Green/Green Party USA $575
24. Humane USA PAC $550
25. International Council of Cruise Lines PAC $3,375 1
26. Internet Leadership PAC $825
27. Kilian for Congress Committee $0 2
29. Libertarian Party of Illinois $2,700 1
30. McNary for Congress Committee $6,500 1
31. National Association of Mortgage Brokers PAC $2,700
32. National Community Pharmacists Association PAC $425
33. National Fisheries Institute Fisheries PAC $900 1
34. National Pest Control Association PAC $300
35. Park Place Entertainment Federal PAC Inc. $900
36. Paul Williams for Congress (October Quarterly) $1,800 1
37. Paul Williams for Congress (Post-General) $1,800 1
38. Political Action Council of Educators (United Teachers—Los Angeles) $900
39. Prairie Leadership Committee $900
40. Qwest Communications International Inc. PAC $900
41. Re-Elect Freshman of the Republican Majority (Reform PAC) $3,500
42. Reliant Energy Entex Citizenship Responsibility Group $475
43. Rite Aid PAC $2,700
44. Rod Martin for Congress, Inc. $475 1
45. Ryder Empl’s PAC $900
46. Services Group of America PAC $400
47. Southdown Inc. PAC (Pre-General) $1,000
48. Southdown Inc. PAC (Post General) $250
49. Transport Workers Union-Local 100 Political Contributions Committee $2,600
50. Trout for Congress $2,700 1
51. Waddell & Reed Financial Inc. PAC $775
52. 1199 & 32 BJ/144 SEIU Homecare PAC $1,800

1 This civil money penalty has not been collected.
2 Penalty reduced due to lack of activity on the report.

Outreach

FEC Announces Regional Conference in San Francisco

On February 5-7, 2002, the FEC will hold a conference in San Francisco for candidates, political action committees (PACs) and party committees. The conference will consist of a series of workshops presented by Commissioners and experienced FEC staff, who will explain how the requirements of the federal election law apply to candidate committees, parties and PACs. The conference will be held at the Grand Hyatt hotel, located on Union Square. More specific information about this conference will be made available in future issues of the Record. ♦

—Amy Kort

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The first number in each citation refers to the “number” (month) of the 2001 Record issue in which the article appeared. The second number, following the colon, indicates the page number in that issue. For example, “1:4” means that the article is in the January issue on page 4.

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PACronyms Available
The Commission annually publishes PACronyms, an alphabetical listing of acronyms, abbreviations and common names of political action committees (PACs).
For each PAC listed, the index provides the full name of the PAC, its city, state, FEC identification number and, if not identifiable from the full name, its connected, sponsoring or affiliated organization.
The index is helpful in identifying PACs that are not readily identified in their reports and statements on file with the FEC.
To order a free copy of PACronyms, call the FEC’s Disclosure Division at 800/424-9530 (press 3) or 202/694-1120.
PACronyms also is available on diskette for $1 and can be accessed free under the “Using FEC Services” icon at the FEC’s web site—http://www.fec.gov.