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Commission

Message from Chair Ann M. Ravel



Happy New Year! This year is the 40th anniversary of the FEC. As we mark this milestone, it's worth remembering that the essential purpose of the FEC has always been to protect our democracy by ensuring a level playing field where everyone in the political process abides by the same set of rules; by providing predictability and clarity to those involved in the political process;

and by disclosing who is behind political messages.

The FEC exists to serve the public. But for too long it has been a cloistered agency which hears from certain stakeholders with a direct interest in the Commission's actions, but rarely interacts with the public. In my more than 40 years of law practice, at every level of government, I have learned that it is crucial to listen not only to stakeholders, but also to other experts, business leaders, and citizens from all walks of life and all perspectives, to make thoughtful policy decisions on behalf of the public. This is particularly important at the FEC because what we do is fundamental to our democracy and has an impact on all people.

What we need are more public voices and more speech at the Commission. To accomplish this, I have asked staff members throughout the agency to assess whether what they do to engage stakeholders and the general public has been effective, and to make recommendations about how to improve. I also welcome your suggestions about how we can be more accessible and responsive. In the same spirit, I will continue the initiative begun by Commissioner Goodman last year of having public forums on topics of interest to stakeholders and the public. In addition, the public has a one-of-a-kind opportunity to communicate directly with Commissioners to express their views on campaign finance policy at a public hearing on February 11th. I encourage you to attend that hearing in person or listen in through the FEC website.

Technology is another priority. When I arrived here, I saw an agency that had fallen behind when it comes to technology – both in our own technology as well as in our decision-making process about technologies used in campaigns. We are living in an era of digital currencies, mobile advertising, and online fundraising, but the FEC in many ways remains in the era of microfilm and telegrams.

Technological innovation is changing politics and campaign finance, and we must be informed by listening to experts and gathering views about emerging technologies. Along with many of my colleagues, I am looking forward to gaining essential insights during a symposium in the Bay Area on February 19th and 20th. This will be an incredible opportunity to hear from leading technologists and scholars about technology's impact on the future of campaigns and civic engagement.

I am also committed to continuing to try to find common ground with my fellow commissioners. Thanks to the great work of Commissioners Goodman and Hunter, the Citizens United/McCutcheon rulemaking showed that compromise is possible. I hope we can build on those efforts and work together to move the agency forward to provide stakeholders and the public with clear guidance about how to comply with the law.

And, this year I will prioritize improving communication with our staff. Vice Chair Petersen and I will have a series of meetings throughout the year to increase information given to staff, and to hear what they think. Each and every employee of this agency provides an incredibly important public service and makes a valuable contribution. We need to remember that the work we do has enormous significance. It really matters.

It is an honor to serve as Chair, and I look forward to working with you this year.

(Posted 01/20/2015; By: Chair Ann M. Ravel)

Resources:

- [Meetings and Hearings](#)
- [Campaign Finance Disclosure Portal](#)
- [Help With Reporting and Compliance](#)

Commission Recommends Legislative Changes

On December 11, 2014, the Commission unanimously approved seven recommendations for changes to current campaign finance law. Two of the recommendations advocate expanding electronic filing requirements, and others relate to other registration and reporting requirements.

Electronic Filing of Senate Reports

The Commission recommends that Congress require electronic filing by senatorial committees that have, or expect to have, financial activity in excess of an established threshold (currently \$50,000 per calendar year). Currently, Senate filers are the only political committees that are not required to file disclosure reports electronically once they reach this threshold. The Commission recommendation notes that reports filed electronically are normally available to the public within minutes, while Senate paper filings can take up to 30 days to be integrated into the Commission's searchable databases. The Commission estimates \$430,000 per year in costs directly attributable to current Senate filing procedures would be saved by requiring electronic filing.

Electronic Filing of Electioneering Communication Reports

The Commission recommends Congress require reports of electioneering communications be filed electronically with the Commission, rather than on paper. Many independent expenditure reports are already subject to mandatory electronic filing. However, because political committees do not file electioneering communication reports, and because funds spent on electioneering communications are considered "disbursements," and not "expenditures," the mandatory electronic filing provisions generally do not apply to electioneering communication reports. The Commission suggests only entities that report more than \$50,000 of electioneering communications should be subject to mandatory electronic filing.

Authority to Create Senior Executive Service Positions

The Commission recommends Congress allow the FEC to create Senior Executive Service (SES) positions within the agency. Currently, the agency has several top management positions that the Commission believes would satisfy the criteria for SES positions detailed in 5 U.S.C. §3132, but the agency is prohibited by law from creating SES positions. The recommendation states these changes are needed to bring the Commission's personnel structure in line with that of other comparable federal agencies and to ensure the Commission is better able to compete in recruiting and retaining key management employees.

Fraudulent Misrepresentation of Campaign Authority

The Commission recommends Congress revise the existing prohibitions on fraudulent misrepresentation of campaign authority to include all persons claiming to act on behalf of candidates and real or fictitious political committees and organizations. The Commission also recommends Congress remove the current requirement that the fraudulent misrepresentation must pertain to a matter that is "damaging" to another candidate or political party. The Commission believes that the fraudulent misrepresentation prohibition should extend to any person who would disrupt a campaign by unlawful means, rather than being limited to candidates and their agents and employees.

Make Permanent the Administrative Fine Program for Reporting Violations

The Commission recommends Congress make permanent the agency's authority to levy administrative fines for violations of the law requiring timely filing of disclosure reports. In December of 2013, President Obama signed legislation extending the Administrative Fine Program until December 31, 2018. The Administrative Fine program was first implemented in 2000. From its inception through the end of fiscal year 2014, the Commission has processed and made public 2,683 cases and assessed more than \$5 million in fines. The Administrative Fine Program has been very successful and cost-effective, resulting in a decrease in the number of reports filed late.

Increase and Index for Inflation Registration and Reporting Thresholds

The Commission recommends Congress increase and index for inflation certain registration and reporting thresholds contained in the Federal Election Campaign Act (the Act). Most of the contribution limits and registration and reporting thresholds were set in the 1970s. The Bipartisan Campaign Reform Act of 2002 increased most of the Act's contribution limits to adjust for some of the effects of inflation, but that Act did not cover certain registration and reporting thresholds. The Commission asks Congress to index for inflation the \$1,000 per calendar year registration threshold for political committees at 52 U.S.C. §30101(4)(A) and the \$250 per year threshold for reporting independent expenditures. The Commission suggests these increased thresholds will ease the compliance burdens on smaller organizations and individuals and exempt some individuals and small organizations that engage in

only minimal spending from the Act's registration and reporting requirements. The Commission requests both thresholds be increased to an amount determined by Congress and indexed for inflation.

Authority to Accept Gifts

The Commission recommends Congress give the agency authority to accept gifts of goods and services that will assist the agency in carrying out its duties. The Commission seeks authorization to accept gifts from private sources in order to further its goal of facilitating transparency through a state-of-the-art, web-based public disclosure system. The Commission only seeks the authority to accept gifts for the purpose of carrying out its mission. The Commission recognizes that vigilant review would be required to limit conflicts of interest and would promulgate a rule governing disclosure of any gifts prior to their acceptance. The complete package of legislative recommendations is available on the FEC's website.

(Posted 12/22/2014; By: Isaac Baker)

Resources:

- [2014 Legislative Recommendations](#)
- [Commission Consideration of 2014 Legislative Recommendations](#) 

Commission Elects Officers for 2015

The Federal Election Commission has elected Ann M. Ravel as the agency's Chair and Matthew S. Petersen as its Vice Chair for 2015. Ms. Ravel served as Vice Chair in 2014 and Mr. Petersen served as Vice Chairman and Chairman in 2009 and 2010, respectively.



Before her 2013 appointment to the Commission, Ms. Ravel served as Chair of the California Fair Political Practices Commission (FPPC), where she oversaw the regulation of campaign finance, lobbyist registration and reporting, and ethics and conflicts-of-interest related to officeholders and public employees. Ms. Ravel was instrumental in the creation of the States' Unified Network (SUN) Center, a web-based center for sharing information on campaign finance. Ms. Ravel also served as Deputy Assistant Attorney General for Torts and Consumer Litigation in the Civil Division of the United States Department of Justice and as the appointed County Counsel for Santa Clara County, California.

Commissioner Ravel received her B.A. from the University of California, Berkeley and her J.D. from the University of California, Hastings College of the Law.

From 2005 until his appointment to the Commission in 2008, Mr. Petersen served as Republican chief counsel to the U.S. Senate Committee on Rules and Administration. In this capacity, Mr. Petersen provided counsel on issues relating to federal campaign finance and election administration laws as well as the Standing Rules of the Senate. Prior to this, Mr. Petersen served as counsel to the U.S. House of Representatives Committee on House Administration. During his tenure, Mr. Petersen was extensively involved in the crafting of the Help America Vote Act of 2002 (HAVA) and the House-

Senate negotiations that culminated in HAVA's passage. From 1999 to 2002, Mr. Petersen specialized in election and campaign finance law at the law firm of Wiley Rein LLP in Washington, D.C.

Mr. Petersen received his J.D. in 1999 from the University of Virginia School of Law, where he was a member of the Virginia Law Review. He graduated magna cum laude with a B.A. in philosophy from Brigham Young University in 1996. He also received an A.S. with high honors from Utah Valley State College.

(Posted 12/19/2014; By Alex Knott)

Litigation

FEC v. O'Donnell (Case 1:15-cv-17) (New)

On January 5, 2015, the Federal Election Commission filed suit against Christine O'Donnell, Friends of Christine O'Donnell and Matthew Moran, in his official capacity as treasurer. The FEC alleges that the defendants impermissibly converted at least \$20,000 in campaign funds to the personal use of Christine O'Donnell. The FEC seeks declaratory, injunctive and other appropriate relief, including an order requiring Ms. O'Donnell to disgorge the converted funds.

Background

In January 2010, Friends of Christine O'Donnell (the Committee) rented a three-bedroom townhouse in Greenville, Delaware, to use as headquarters during O'Donnell's 2010 campaign for Senate. The Committee continued to use the townhouse after the November election.

Ms. O'Donnell lived on the upper floors of the townhouse, above the campaign offices, for at least ten months. During that time, the Committee paid rent and utilities for the townhouse, including payments to Comcast for communications services and to Delmarva Power for electricity. According to its FEC reports, the Committee paid rent and utilities totaling in excess of \$20,000 during that time, and received reimbursements of \$770 from Ms. O'Donnell in April, June, August and September of 2010 and again in March of 2011.

Compliance Action

The Federal Election Campaign Act and FEC regulations define "personal use" as the use of campaign funds "to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or individual's duties as a holder of Federal office." 52 U.S.C. § 30114(b)(2). Mortgage, rent and utility payments for any part of a candidate's personal residence are specifically prohibited. 52 U.S.C. § 30114(b)(2); 11 CFR 113.1(g)(1)(i)(E); see also [Expenditures; Reports by Political Committees; Personal Use of Campaign Funds; Final Rule, 60 Fed. Reg. 7862, 7865 \(Feb. 9, 1995\)](#).

The Commission received a formal complaint and initiated enforcement proceedings on September 20, 2010. Later, the Commission found reason to believe that the defendants had violated 52 U.S.C. § 30114(b), and then probable cause to believe that respondents had violated the statute. Unable to secure acceptable conciliation agreements with the defendants, the Commission voted 6-0 to authorize this suit against the defendants.

The Commission seeks a declaration that defendants' conversion of funds to personal use was a violation of 52 U.S.C. § 30114(b). The FEC further seeks a permanent injunction against similar future violations by the defendants and appropriate civil penalties against the defendants, as well as an order requiring Ms. O'Donnell to disgorge the converted funds.

(Posted 01/13/2015; By: Christopher Berg)

Resources:

- *FEC v. O'Donnell* [Ongoing Litigation Page](#)

Supreme Court Denies Petition for Certiorari in Stop This Insanity, Inc. Employee Leadership Fund v. FEC

On January 12, 2015, the United States Supreme Court let stand the dismissal of Stop This Insanity's constitutional challenge to the Federal Election Campaign Act's contribution limits and solicitation restrictions for separate segregated funds (SSFs).

Stop This Insanity, Inc. (STII) had proposed to solicit the general public for unlimited contributions to its SSF, Stop This Insanity, Inc. Employee Leadership Fund (STI Fund), which was established solely to make independent expenditures. In order to do so, STII and STI Fund sought declaratory and injunctive relief from provisions that limit the scope and amount of SSF solicitations and provisions that limit the amount of contributions to SSFs. 52 U.S.C. §§ 30116(a)(1)(C), 30116(a)(3), 30118(a), 30118(b)(4)(A)(i). The District Court for the District of Columbia dismissed the suit on November 5, 2012, and the U.S. Court of Appeals for the District of Columbia Circuit affirmed that decision on August 5, 2014.

(Posted 01/13/2015; By: Alex Knott)

Resources:

- *Stop This Insanity, Inc. Employee Leadership Fund, et al. v. FEC* [Ongoing Litigation Page](#)
- [Certiorari Denied](#) (1/12/15) [PDF]
- FEC Record articles – [August 2012](#); [December 2012](#); [September 2014](#)

Stop Hillary PAC v. FEC (New)

On December 11, 2014, plaintiff Stop Hillary PAC filed suit against the FEC to challenge the agency's alleged failure to act on its complaint against Ready For Hillary PAC (Ready for Hillary), Hillary Rodham Clinton, her authorized Senate committee "Friends of Hillary," and her authorized Presidential Committee from 2008, "Hillary Clinton for President." Plaintiff asks the court to direct the Commission to act on its complaint within 30 days and to authorize it to bring a civil action against the committees if the Commission does not do so.

Background

On January 22, 2014, plaintiff filed an administrative complaint with the FEC alleging that Ready for Hillary, a nonconnected committee, was using an email list owned by

"hillaryclinton.com" domain is owned and paid for by Friends of Hillary, an authorized committee of Hillary Rodham Clinton.

Plaintiff claims that by authorizing Ready for Hillary's use of the list and approving the content of its messages, Hillary Clinton has authorized Ready for Hillary PAC to perform campaign activity on her behalf. Under the Act and Commission regulations, anyone who has given consent to a committee to make expenditures in excess of \$5,000 without disavowing any unauthorized campaign efforts is required to register with the Commission as a candidate and begin reporting. 52 U.S.C. § 30101(2)(b), 11 CFR 100.3(a)(2).

Plaintiff further alleges that Ready for Hillary, registered as a hybrid PAC (a nonconnected committee with a non-contribution account), should instead be registered as an authorized committee. As such, plaintiff alleges that the committee has received funds in excessive amounts and from impermissible sources in violation of commission regulations. 11 CFR 110.1-110.3. Furthermore, plaintiff alleges that the committee's disclaimer and solicitation notices on communications do not comply with 11 CFR 110.11(b)(1). Finally, plaintiff claims that Ready for Hillary is attempting to evade the contribution limits and disclaimer requirements applicable to an authorized committee. 11 CFR 110.1(b).

Court Complaint

In its court complaint, plaintiff says the Commission acknowledged receipt of its administrative complaint on January 29 and that the respondents would have been notified no later than February 3. Plaintiff contends that at no point in the intervening 316 days has a response been made.

Plaintiff claims that the Commission's alleged failure to act on its complaint has bestowed an illegal benefit on Hillary Clinton and Ready for Hillary PAC and has disadvantaged plaintiff.

Plaintiff asks the court to declare the FEC's failure to act "contrary to law." 52 U.S.C. § 30109(a)(8)(A). Furthermore, plaintiff asks the court to order the FEC to act on its complaint within 30 days, and to authorize Stop Hillary to bring a civil action if the FEC does not do so.

(Posted 12/30/2014; By: Christopher Berg)

Resources:

- *Stop Hillary PAC v. FEC* [Ongoing Litigation Page](#)

Rufer, et al. v. FEC and RNC, et al. v. FEC (Dismissal)

Rufer, et al. v. FEC (Rufer) and *RNC, et al. v. FEC (RNC)* were both dismissed recently after the parties filed dismissal agreements with the U.S. District Court for the District of Columbia and the U.S. Court of Appeals for the District of Columbia Circuit. The plaintiffs had sought to challenge the constitutionality of laws that prevent party committees from financing independent expenditures using funds outside the federal source and amount limitations.

On November 19, 2014, the plaintiffs in *RNC* filed a [Stipulation Dismissing Republican Plaintiffs](#) with the court of appeals. On December 2, 2014, the plaintiffs in *Rufer* filed both a [Stipulation of Dismissal](#) with the district court and a [Joint Dismissal Agreement](#)

with the court of appeals. On December 3, 2014, the plaintiffs in *RNC* filed a [Stipulation Dismissing Plaintiffs and Action](#) with the district court. In all filings, the FEC noted that by agreeing to the dismissal, the FEC does not waive any rights or arguments that may apply in future cases. On December 10, 2014, the court of appeals issued an [order dismissing both cases](#).

(Posted 12/23/2014; By: Dorothy Yeager)

Resources:

- Ongoing Litigation Pages:
 - [Rufer et al. v. FEC](#)
 - [RNC et al. v. FEC](#)
- Previous Record Articles:
 - [Rufer, et al. v. FEC](#)
 - [RNC, et al. v. FEC](#)

Kuhn for Congress v. FEC

On December 15, the U.S. District Court for the District of South Carolina dismissed Kuhn for Congress's challenge to a civil penalty the Commission had assessed against it for failing to file a campaign disclosure report on time.

The court accepted the recommendation of a Magistrate Judge who found the Commission had reasonably calculated the \$8,800 fine it levied and had afforded the plaintiff due process.

Background

The Kuhn for Congress Committee, principal campaign committee for South Carolina Congressional candidate John Kuhn, failed to file the April Quarterly Report by April 15, 2013, as required by 52 U.S.C. § 30104(a)(4)(A). The Commission notified the campaign that it could face civil penalties, and subsequently voted to assess a fine. Absent reported campaign activity information on which to base the fine amount, the Commission used an established formula to estimate an appropriate fine amount, and notified the campaign and its treasurer. In that notification, the Commission explained how the committee could challenge the decision, but the campaign did not do so. When the campaign filed its report some four months late, on August 20, 2013, its reported activity exceeded the Commission's estimate.

On January 6, 2014, Kuhn for Congress filed a petition for review, claiming the FEC's actions violate the plaintiff's constitutional rights to due process under the Fifth and Fourteenth Amendments. The complaint contended that the penalty assessed by the FEC was unreasonable, and suggested that a fine of \$300 would be a reasonable alternative.

Court Decision

On October 8, 2014, Magistrate Judge Wallace Dixon recommended the district court dismiss the Kuhn for Congress suit. In his recommendation, the Magistrate Judge found the \$8,800 civil penalty was reasonable and properly calculated pursuant to the Federal Election Campaign Act and Commission regulations. The recommendation also found

the Commission afforded the campaign due process and the campaign failed to support its claims that the Commission fine infringed upon its Constitutional rights.

In its opinion, the district court concludes, "the Magistrate Judge fairly and accurately summarized the facts and applied the correct principles of law" in finding the plaintiff's case to be without merit. The court adopted the Magistrate Judge's recommendations and granted the Commission's motion to dismiss the suit.

U.S. District Court for the District of South Carolina: Case 2:13-cv-03337-PMD

(Posted 12/19/2014; By: Isaac Baker)

Resources:

- [Administrative Fines Program](#)
- [Kuhn for Congress v. FEC Litigation Page](#)

Van Hollen v. FEC

On November 25, 2014, the U.S. District Court for the District of Columbia vacated a Commission regulation governing the disclosure of certain donations used to fund electioneering communications. Specifically, the court found 11 CFR 104.20(c)(9) arbitrary, capricious and contrary to law because it requires disclosure of only those donations made for the purpose of furthering electioneering communications.

Background

The Federal Election Campaign Act (the Act) defines an electioneering communication as any broadcast, cable or satellite communication that refers to a clearly identified candidate for federal office, is publicly distributed within certain time periods before an election and is targeted to the relevant electorate. 52 U.S.C. § 30104(f)(3), formerly 2 U.S.C. § 434(f)(3). Every person who makes disbursements for an electioneering communication aggregating over \$10,000 per year must file a report with the FEC identifying, among other things, the person who made the disbursement. 52 U.S.C. § 30104(f)(1), (2). If the disbursement is paid out of a segregated account consisting of funds donated by individuals directly to the account for electioneering communications, the report must disclose the names and addresses of all those who donated an aggregate of \$1,000 or more within a certain time period to the account. If the disbursements were not made from a segregated account, then the report must disclose the names and addresses of all contributors who contributed over \$1,000 within a certain time period to the person making the disbursement. 52 U.S.C. § 30104(f)(2)(E).

As enacted, the law prohibited all labor unions and almost all corporations from making electioneering communications, so Congress did not specify a particular disclosure regime for such communications. The regulation at issue in this case, 11 CFR 104.20(c)(9), was promulgated in 2007 after the Supreme Court's decision in *FEC v. Wisconsin Right to Life (WRTL)*, which allowed corporations and unions to make certain types of electioneering communications for the first time.^[FN1] The Commission's regulation required corporations or labor organizations that made *WRTL*-permitted electioneering communications to disclose the name and address of each person who made a donation aggregating \$1,000 or more to the corporation or labor organization "*for the purpose of furthering electioneering communications.*" 11 CFR 104.20(c)(9). (Emphasis added)

In April 2011, Rep. Christopher Van Hollen filed suit against the Commission challenging 11 CFR 104.20(c)(9) as contrary to the law it was supposed to implement. In a 2012 opinion, the district court found that the Act clearly requires every person who funds electioneering communications to disclose all contributors, "and there are no terms limiting that requirement to call only for the names of those who transmitted funds accompanied by an express statement that the contribution was intended for the purpose" of making electioneering communications.

On September 18, 2012, the U.S. Court of Appeals for the District of Columbia Circuit reversed the judgment of the district court, finding the statute's disclosure provisions were ambiguous and could be construed to include a "purpose" requirement. The appeals court remanded the case to the district court for further consideration. On September 20, 2012, the district court directed the Commission to inform the court whether the agency planned to initiate a rulemaking or defend its current regulation. On October 4, 2012, the Commission informed the court of its decision not to initiate a rulemaking to amend its regulations governing the disclosure of electioneering communications, but instead to continue to defend the current regulation at 11 CFR 104.20(c)(9).

Court Decision

Having found the law in question to be ambiguous, the circuit court directed the district court to determine whether the Commission's regulation was based on a permissible construction of the statute. Citing the purpose requirement in the regulation, the district court concluded that the promulgation of 11 CFR 104.20(c)(9) was arbitrary, capricious and contrary to law.

"Congress passed the disclosure provisions. . . to promote transparency and to ensure that members of the public would be aware of who was trying to influence their votes just before an election," the court stated. "The added purpose requirement in section 104.20(c)(9) thwarts that objective by creating an easily exploited loophole that allows the true sponsors of advertisements to hide behind dubious and misleading names."

The court granted the plaintiff's motion for summary judgment and ordered 11 CFR 104.20(c)(9) vacated.

United States District Court for the District of Columbia Case 1:11-cv-00766-ABJ

¹ *The Supreme Court's 2010 decision in Citizens United removed entirely the ban on corporate and union electioneering communications.*

(Posted 12/03/2014; By: Isaac Baker)

Resources:

- *Van Hollen v. FEC* [Ongoing Litigation Page](#)
- *Van Hollen v. FEC* [Memorandum Opinion](#) (2014) [PDF]
- *Record* article: [Van Hollen v. FEC \(June 2011\)](#) [PDF]
- *Record* article: [Van Hollen v. FEC \(District Court 2012\)](#)
- *Record* article: [Van Hollen v. FEC \(Appeals Court 2012\)](#)

Regulations

Removal of Aggregate Biennial Contribution Limits Made Final

On December 24, 2014, the Commission announced that the interim rules removing the aggregate biennial contribution limits formerly found at 11 CFR 110.5 are now final rules. (79 *Fed. Reg.* 77373).

The Commission undertook this rulemaking to implement the Supreme Court's recent decision in *McCutcheon v. FEC* holding the aggregate limits unconstitutional. See [this Record article for a summary of the rulemaking](#).

(Posted 12/31/2014; By: Dorothy Yeager)

Resources:

- [Federal Register notice \(December 24, 2014\)](#) [PDF]
- [McCutcheon v. FEC litigation page](#)

Commission Publishes Technical Corrections to CFR

The Commission has published in the *Federal Register* a series of technical changes to various sections of Title 11 of the Code of Federal Regulations (CFR). 79 *Fed. Reg.* 77841 (December 29, 2014). The changes correct typographical and technical errors, and update references to the United States Code to reflect the recent transfer of the Federal Election Campaign Act from Title 2 to Title 52.

The changes take effect immediately, and will be incorporated into the 2015 print edition of the CFR.

(Posted 12/29/2014; By: Alex Knott)

Resources:

- [Federal Register notice](#) [PDF]
- [Commission regulations](#)

Commission Declines to Initiate Rulemaking to Amend Federal Office Definition

On December 11, 2014, the Commission announced its decision not to initiate a rulemaking to revise the definition of "federal office" in 11 CFR 100.4 to include delegates to a constitutional convention.

National Convention PBC filed a Petition for Rulemaking proposing the change, and the Commission published a Notice of Availability in the *Federal Register* seeking comment. (79 FR 59459, October 2, 2014) After reviewing the five comments received in response, the Commission decided not to pursue a rulemaking on the subject.

The definition of “federal office” is specified by statute: “The term ‘Federal office’ means the office of the President or Vice President, or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress.” 52 U.S.C. § 30101(3) (formerly 2 U.S.C. § 431(3)). The Commission’s regulations mirror that legislative language.

(Posted 12/23/2014; By Alex Knott)

Resources:

- [Federal Register Notice of Disposition Declining Rulemaking](#)
- [Searchable Rulemaking Comments Page](#)
- [Federal Register Notice of Availability: Petition for Rulemaking](#)
- [Petition for Rulemaking from National Convention PBC](#)

Advisory Opinions

AO 2014-18: Two Corporate PACs Are Not Affiliated

The separate segregated funds (SSFs) for Rayonier Inc. (Rayonier) and Rayonier Advanced Materials Inc. (RYAM) are not affiliated because the companies’ overall relationship reflects independence post-spin-off.

Background

RYAM, a company specializing in the manufacturing and sale of “performance fibers,” was formed via a spin-off from Rayonier in June 2014. Prior to that spin-off, the performance fibers business had been a wholly owned business unit of Rayonier, which also operated (and continues to operate) other, distinct business units. RYAM stock began being publicly traded on June 30, 2014.

RYAM and Rayonier asked whether their SSFs are considered affiliated under the Federal Election Campaign Act (the Act) and Commission regulations.

Legal Analysis and Conclusions

Political committees, including SSFs, are “affiliated” if they are established, financed, maintained, or controlled by the same corporation, labor organization, person, or group of persons. See 52 U.S.C. § 30116(a)(5) (formerly 2 U.S.C. §441a(a)(5)); 11 CFR 100.5(g)(2), 110.3(a)(1)(ii)). For instance, SSFs established by a corporation and its subsidiaries are *per se* affiliated. The relationship between Rayonier and RYAM does not meet any of those criteria.

Absent *per se* affiliation, the Commission considers the overall relationship between the sponsoring organizations and between the committees themselves to determine whether SSFs are affiliated. FEC regulations provide a non-exhaustive list of 10 affiliation factors for consideration in the overall context of the relationship. These include governance, hiring authority, common officers or employees and ongoing financial or material support. See 11 CFR 100.5(g)(4)(i)-(ii), 110.3(a)(3)(i)-(ii).

Neither Rayonier nor RYAM owns stock in the other, controls the day-to-day operations of the other, provides financing to the other, or has overlapping directors or officers with the other. While the two companies entered into a number of agreements as part

of their separation process, RYAM has been financially and administratively independent of Rayonier since the spin-off. Based on these facts, the Commission concluded the companies' SSFs are not affiliated.

Date Issued: 12/22/2014; Length 10 pages.

(Posted 12/22/2014: By: Alex Knott)

Resources:

- [Advisory Opinion 2014-18 \[PDF\]](#)
- [Commission Discussion of AO 2014-18](#) 

Reporting

Reports Due in 2015

This article on filing requirements for 2015 is supplemented by the reporting tables linked at http://www.fec.gov/info/report_dates_2015.shtml.

Year-End Reports Covering 2014 Activity

All committees must file a 2014 Year-End Report due January 31, 2015, that covers activity through December 31, 2014. The Commission will host [reporting workshops](#) for PACs and party committees on January 14 and for candidates on January 21 to help filers prepare their reports.

Since the January 31 deadline falls on a weekend in 2015, monthly and quarterly filers using methods other than electronic filing or registered, certified or overnight mail must ensure that their reports are received by the Commission's (or the Secretary of the Senate Public Records Office's) close of business on the last business day before the deadline (i.e., Friday, January 30).

Reports Covering 2015 Activity

To find out which reports your committee must file in 2015, check the [Guide to 2015 Reporting](#). Then check the bulleted links to tables for various categories of reporting dates. Please note that committees active in special elections in 2015 may have to file additional special election reports. All FEC reporting dates are also available on the Commission's website at http://www.fec.gov/info/report_dates.shtml.

Notification of Filing Deadlines

In addition to publishing this article and the online reporting tables, the Commission notifies committees of filing deadlines through reporting reminders called prior notices. Prior notices are distributed exclusively by electronic mail, so every committee should ensure that the email address on its [Statement of Organization \(FEC Form 1\)](#) is current. Each committee may list up to two email addresses. To amend Form 1, electronic filers must submit Form 1 filled out in its entirety. Paper filers should include only the committee's name, address, FEC identification number and the updated or changed portions of the form.

Treasurer's Responsibilities

The Commission provides reminders of upcoming filing dates as a courtesy to help committees comply with the filing deadlines set forth in the Federal Election Campaign Act (the Act) and Commission regulations. Committee treasurers are responsible for filing committee reports on time. Not receiving a prior notice does not excuse committee treasurers for failing to comply with any filing deadline.

Filing Electronically

Under the Commission's mandatory electronic filing regulations, individuals and organizations required to file with the FEC that receive contributions or make expenditures, including independent expenditures, aggregating in excess of \$50,000 in a calendar year — or have reason to expect to do so — must file all reports and statements electronically.^[fn1] Reports filed electronically must be received and validated by the Commission by 11:59 p.m. Eastern Time on the filing date. 11 CFR 100.19(c). Electronic filers who file on paper or submit an electronic report that does not pass the Commission's validation program by the filing deadline will be considered nonfilers and may be subject to enforcement actions, including administrative fines. 11 CFR 104.18(a)(2) and (e).

Senate campaigns and other committees that file with the Secretary of the Senate must file their FEC reports on paper, but may file an additional unofficial electronic copy of their report with the Commission in order to speed up disclosure.

The Commission's electronic filing software, FECFile, is free and can be downloaded at <http://www.fec.gov/electfil/updatelist.html>. All reports filed after March 13, 2014, must be filed in Format Version 8.1.0.1. Reports filed in previous formats will not be accepted. Filers may also use commercial or privately developed software as long as the software meets the Commission's format specifications, which are available on the Commission's website. Committees using commercial software should contact their vendors to ensure their software meets the latest specifications.

Timely Filing for Paper Filers

Registered and Certified Mail. Reports sent by registered or certified mail must be post-marked on or before the filing deadline to be considered timely filed. A committee sending its reports by certified or registered mail should keep its mailing receipt with the U.S. Postal Service (USPS) postmark as proof of filing because the USPS does not keep complete records of items sent by certified mail. A committee sending its report by registered mail should keep its proof of mailing. Note that a certificate of mailing from the USPS is not sufficient to prove that a report is timely filed using registered, certified or overnight mail. See 52 U.S.C. § 30104(a)(5) and 11 CFR 100.19 and 104.5(e) and (i).

Overnight Mail. Reports sent via overnight mail^[fn2] will be considered timely filed if the report is received by the delivery service on or before the mailing deadline. A committee sending its reports by Priority Mail Express, or by an overnight delivery service, should keep its proof of mailing or other means of transmittal of its reports. See 52 U.S.C. § 30104(a)(5) and 11 CFR 100.19 and 104.5(e).

¹ The regulation covers individuals and organizations required to file reports of contributions and/or expenditures with the Commission, including any person making an independent expenditure. 11 CFR 104.18(a). Disbursements for "electioneering communications" are not considered "expenditures" and thus do not count toward the \$50,000 threshold for mandatory electronic filing. See 11 CFR 104.18(a).

² "Overnight mail" includes Priority Mail Express having a delivery confirmation, or an overnight service with which the report is scheduled for next business day delivery and is recorded in the service's online tracking system.

Other Means of Filing. Reports sent by other means — including first class mail and courier — must be received by the FEC (or the Secretary of the Senate) before close of business on the filing deadline. See 11 CFR 100.19 and 104.5(e).

Forms may be downloaded at <http://www.fec.gov/info/forms.shtml> and are available from FEC Faxline, the agency's automated fax system (202/501-3413). The [2015 Reporting Schedule](#) is also available on the FEC's website at http://www.fec.gov/info/report_dates_2015.shtml. For more information on reporting, call the FEC at 800/424-9530 or 202/694-1100.

State, District and Local Party Committees

State, district and local party committees that engage in reportable "federal election activity" must file on a monthly schedule. See 11 CFR 300.36(b) and (c)(1). Other such committees may file on a quarterly schedule. See 11 CFR 104.5(c)(1)(i).

National Party Committees

National committees of political parties must file on a monthly schedule. 52 U.S.C. § 30104 (a)(4)(B) and 11 CFR 104.5(c)(4).

Political Action Committees

PACs (separate segregated funds, hybrid committees and independent expenditure-only committees, a.k.a., Super PACs, and other nonconnected committees) file on a quarterly or monthly basis. PACs may change their filing schedule, but must first notify the Commission in writing. Electronic filers must file this request electronically. A committee may change its filing frequency only once a year. 11 CFR 104.5(c).

Additional Information

For more information on 2015 reporting dates:

- Call and request the reporting tables from the FEC at 800/424-9530 or 202/694-1100;
- Fax the reporting tables to yourself using the FEC's Faxline (202/501-3413, document 586); or
- Visit the FEC's web page at http://www.fec.gov/info/report_dates_2015.shtml to view the reporting tables online.

(Posted 01/05/2015; By: Katherine Carothers)

Resources:

- [2015 Reporting Dates](#)
- [Compliance Map](#)
- [FEC Electronic Filing](#)

Outreach

Expanded Online Training for 2015-16 Cycle

The Commission will expand its online compliance training program during the 2015-16 election cycle and replace its in-house seminars and workshops with webinars. This move reflects the relative attendance numbers for in-person and online training over the last year and the FEC's desire to increase training opportunities for committees by eliminating travel time and expense.

The online programs will share the FECCConnect moniker originally ascribed to the agency's personalized online training program launched in 2014, and will include:

	Day-long programs covering rules for candidates, party committees and PACs, as well as 90-minute workshops on specific topics.
	A growing library of online training videos on various compliance topics.
	The original FECCConnect individualized training service for individuals, committees and other groups.

In addition to these online training programs, the Commission will continue to offer two -day regional conferences throughout the country. During 2015, [regional conferences](#) will be held in Chicago, August 25-26, and in San Diego, October 20-21.

For the latest information on FECCConnect and other outreach programs, please visit the [Educational Outreach page](#) of FEC.gov and [subscribe to FECMail](#) to receive email updates when registration opens for a program or new information becomes available. Should you have questions, please call 800/424-9530 (press 6) or email conferences@fec.gov (for questions about FECCConnect Live) or speaker@fec.gov (for questions about FECCConnect One:One).

(Posted 01/09/2015; By: Greg Scott)

Resources:

- [Help with Reporting and Compliance](#)

FEC to Host February 18 Webinar for Corporations and their PACs

The Commission will hold a one-day online seminar for corporations and their political action committees (PACs) on Wednesday, February 18, 2015. Commission staff will conduct several technical workshops on the federal campaign finance laws affecting corporations and their PACs. Workshops are designed for those seeking an introduction to the basic provisions of the law as well as for those more experienced in campaign finance law.



Attendees can choose one of two options for the morning session, Basics for Beginners or Recent Developments in the Law. The afternoon will feature a two-part workshop on Corporate PAC operations. Participants will be able to download electronic copies of the workshop materials in advance, and will receive additional instructions and technical information shortly before the event. For more information, and a detailed agenda, please visit the Corporate Webinar web page: <http://www.fec.gov/info/conferences/2015/corporateseminar.shtml>.

The cost to participate is \$80. Refunds (minus a \$20 registration fee) will be made for all cancellations received by Friday, February 13; no refund will be made for cancellations

received after that date. Register online at: <http://www.cvent.com/d/5rqjh3>. Please direct all questions about registration and fees to Sylvester Management Corporation (Phone: 1-800/246-7277; email: Rosalyn@sylvestermanagement.com). For other questions call the FEC's Information Division at 1-800/424-9530 (press 6), or send an email to Conferences@fec.gov.

Webinar Schedule:

February 18, 2015

Morning Sessions

- Option 1: Basics for Beginners, 10:30 AM - 12:00 PM EST
- Option 2: Recent Developments in the Law, 10:30 AM - 12:00 PM EST

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Afternoon Sessions

- Corporate PAC Operations Part 1, 1:15 - 2:45 PM EST
- Corporate PAC Operations Part 2, 3:00 - 4:30 PM EST

(Posted 01/14/2015; By Isaac Baker)

Resources:

- [Educational Outreach](#)

National Parties May Establish New Accounts

On December 16, President Obama signed into law the Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83). Provisions of that law enable national party committees to establish accounts to defray certain expenses incurred with respect to:

- Presidential nominating conventions;
- Election recounts and other legal proceedings; and
- Headquarters buildings.

The contribution limits applicable to these accounts are 300% of the limits on contributions to national party committees, which means that the accounts may accept up to \$45,000 per year from a multicandidate PAC and \$97,200 per year from other contributors during the 2013-2014 election cycle.

The Commission is assessing the full effects of the new provisions on existing regulations and will provide additional guidance to the public as soon as practicable.

(Posted 12/22/2014)

Resources:

- [Consolidated and Further Continuing Appropriations Act, 2015 \(H.R. 83\)](#) [PDF]

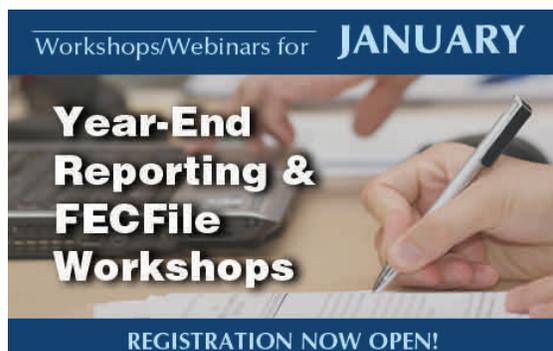
FEC to Host Year-End Reporting and E-Filing Webinars

The Commission will offer its annual Year-End Reporting and FECFile workshops in January 2015. The webinars for PACs and party committees will be held on January 14, while the webinars for candidates will be offered on January 21.

The reporting session will address common filing problems and provide answers to questions committees may have as they prepare to file their January 31 Year-End Reports. The electronic filing session will demonstrate the Commission's FECFile software and address questions filers may have concerning electronic filing.

Webinar Information. All sessions will be available in a webinar format to online attendees. Additional instructions and technical information will be provided to those who register for a webinar.

Registration Information. The registration fee is \$25 per webinar. For the PAC and party webinars, a full refund will be made for all cancellations received before 5 p.m. EST on Friday, January 9; no refunds will be made for cancellations received after that time. For the candidate webinars, a full refund will be made for all cancellations received before 5



p.m. EST on Friday, January 16; no refunds will be made for cancellations received after that time. Complete registration information is available on the FEC's website at <http://www.fec.gov/info/outreach.shtml#roundtables>.

Registration Questions

Please direct all questions about the roundtable/webinar registration and fees to Sylvester Management at 1-800/246-7277 or email Rosalyn@sylvestermanagement.com. For other questions call the FEC's Information Division at 800/424-9530 (press 6), or send an email to Conferences@fec.gov.

(Posted 12/12/2014; By: Isaac Baker)

Roundtable Schedule:

Reporting Workshops/Webinars

January 14, 2015

Online Only

Reporting for PACs & Party Committees, 1:00 - 2:30 PM EST

FECFile for PACs & Party Committees 2:45 - 4:15 PM EST

January 21, 2015

Online Only

Reporting for Candidate Committees, 1:00 - 2:30 PM EST

FECFile & E-Filing for Candidate Committees, 2:45 - 4:15 PM EST

Resources:

- [Educational Outreach](#)
- [Filing Dates](#)