

Record

November 1999

Federal Election Commission

Volume 25, Number 7

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Regulations

New Rules Governing Contributions by LLCs Take Effect

The FEC's new rules regarding contributions by Limited Liability Companies (LLCs) will become effective on November 12, 1999. See *Federal Register* Announcement of Effective Date (64 FR 55125, October 12, 1999).

The new rules follow the Internal Revenue Service's "check the box" approach in classifying LLCs. Under the new rules, an LLC will be treated as a partnership under the Federal Election Campaign Act (the Act) unless it opts to be treated as a corporation for tax purposes. Consistent with the IRS's approach, publicly traded LLCs will also be treated as corporations under the Act.

See page 1 of the [August 1999 Record](#) for a more detailed discussion of these new rules. Alternatively, you may obtain a free copy of the final rules as they appeared in the *Federal Register* (64 FR 37397, July 12, 1999) through the FEC Faxline. Dial 202/501-3413 and request document 236.♦

Comments Sought on Changes to Campaign Finance Disclosure by PACs

On October 5, 1999, the Commission approved for publication a Notice of Availability relating to its regulations governing campaign finance disclosure by PACs. 11 CFR 100.6, 102.9(a)(3), 100.12, 104.8(d)(4) and 104.13. The notice invites comments on a petition for rulemaking submitted to the FEC by the Project on Government Oversight (POGO).

The petition urges the Commission to take six actions with regard to reports filed by PACs. It is based on a March 5, 1998, POGO Report entitled *Re-Establishing Institutional Integrity at the FEC: Ten Common Sense Campaign Finance Disclosure Reforms*.

Commission regulations at 11 CFR 200.2(b)(3) require rulemaking petitions to "identify the specific section(s) of the regulations to be affected." Two of the requested changes and portions of two others address internal Commission procedures, and therefore do not comply with this requirement. One requests the Commission to group its data by two and six-year campaign cycles. A second requests the Commission to eliminate duplicate entries on its databases. A third requests the Commission to compare PAC disbursements with

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Regulations

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candidate receipts. A final recommended procedural change addresses Commission procedures after the agency is notified of a returned contribution.

The remaining portions of the Petition propose the following regulatory changes:

- Revise 11 CFR 100.6 to require Federal PACs to list any soft money account to which they forward checks as an affiliated organization on their Statement of Organization;
- Revise 11 CFR 102.9(a)(3) to require candidates who receive PAC contributions to maintain records that list the full name of the PAC and the PAC's FEC identification number;
- Revise 11 CFR 100.12 to require political committees who receive PAC contributions to include the PAC's full name, address and FEC

Federal Election Commission 999 E Street, NW Washington, DC 20463

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identification number in their reports to the Commission;

- Revise 11 CFR 104.8(d)(4) to require PACs to notify the Commission within ten days of receiving a returned contribution; and
- Revise 11 CFR 104.13 to require PACs to notify the Commission within ten days of any in-kind contribution.

The Notice of Availability seeks comments on whether the FEC should initiate a rulemaking in response to the petition. The Commission routinely provides an opportunity for comments on rulemaking petitions before the agency considers the merits of the petition.

The petition and notice are available from the Public Records Office at 800/424-9530 (press 3) or 202.694-4140; through the FEC's Faxline at 202/501-3413 (document 243); and at the FEC's web site—www.fec.gov (click on Campaign Finance Law Resources). The notice was published in the *Federal Register* on October 13, 1999. 64 FR 55440.

Public comments must be submitted in either written or electronic form to Rosemary C. Smith, Acting Assistant General Counsel. Written comments should be mailed to the Federal Election Commission, 999 E St., NW, Washington, DC 20463. Faxed comments should be transmitted to 202/219-3923, with a copy mailed to the preceding address to ensure legibility. Comments also may be sent via e-mail to PACreports@fec.gov. Electronic submissions must include the commenter's full name, e-mail address and postal mail address. The deadline for comments is November 12, 1999. ♦

Court Cases

FEC v. Public Citizen, Inc., et al.

On September 15, 1999, the U.S. District Court for the Northern District of Georgia, Atlanta Division, dismissed an enforcement case brought by the Federal Election Commission (the FEC or Commission) against Public Citizen, Inc., and its separate segregated fund, Public Citizen's Fund for a Clean Congress (the Fund).

The Commission had alleged that the Fund had violated section 441b of the Federal Election Campaign Act (the Act) by making excessive in-kind contributions to Herman Clark, a 1992 primary opponent of former Representative Newt Gingrich. The Commission maintained that the contributions resulted from the fact that the Fund had coordinated several expenditures, made in opposition to Mr. Gingrich, with the Clark campaign. The court ruled that the expenditures were permissible independent expenditures—not coordinated expenditures.

The court also ruled in favor of the Fund on eight other charges brought against it, including charges that, in some or all cases, it failed to:

- Report expenditures as contributions;
- Indicate, in disclaimers, whether its television advertisement and flyers were authorized by a candidate;
- Inform contributors about the political purpose of the fund;
- Inform contributors of their right to refuse to contribute without reprisal; and
- Inform contributors that a checklist for donations, reading "\$20, \$40, \$50, OTHER," was merely a suggestion.

Background

Public Citizen, Inc. (Public Citizen) is an incorporated, non-profit membership organization. It created the Fund in 1992. The Fund, in turn, sponsored several communications that opposed Newt Gingrich in the 1992 primary for Georgia's Sixth Congressional District: a television ad, a direct mailing and a series of flyers—all of which urged voters to “Boot Newt” in the upcoming primary.

Coordination

The FEC alleged that the expenditures against Mr. Gingrich, totaling \$59,200, were not independent expenditures but, rather, were coordinated expenditures, which resulted in excessive contributions on behalf of Mr. Gingrich's opponent, Mr. Clark. 2 U.S.C. §441a(a)(1)(A).

The Act defines independent expenditure as an expenditure which expressly advocates the election or defeat of a clearly identified candidate and which is not made in concert with, or at the request or suggestion of, the candidate or the campaign. 2 U.S.C. §431(17).

FEC regulations elaborate on this definition. They add the following presumption:

“An expenditure will be presumed to be so made [in cooperation with the campaign] when it is based on information about the candidate's plans, projects, or needs provided to the expending person by the candidate, or by the candidate's agents with a view toward having an expenditure made.” 11 CFR 109.1(b)(4)(i)(A).

The Commission had argued that repeated contacts between the Fund and representatives of Mr. Clark's campaign constituted coordination. The court disagreed.

The court held that, “even construed most favorably for the FEC,” the evidence did not support the allegation that the expenditures by the Fund were coordinated with

the Clark campaign. Coordination, the court stated, implies “some measure of collaboration beyond a mere inquiry as to the position taken by a candidate on an issue.”¹

The court ruled that, because the expenditures had not been coordinated with the Clark campaign, the Fund did not need to report them as contributions.

Disclaimers

The FEC alleged that the Fund failed to include the disclaimer required by 2 U.S.C. §441d(a) in the “Boot Newt” television advertisement or in the “Boot Newt” flyers.

The statute states that, whenever a person makes an independent expenditure (see definition above), the communication must disclose both the name of the person who paid for the communication and the fact that the communication was not authorized by the candidate or his/her committee.

Although the Clark campaign identified who paid for the ads, it did not include a disclaimer stating whether or not the communications had been authorized by a candidate.

Based on a 6th Circuit decision,² the court found that the disclaimer requirement was broader than necessary to achieve the government's interests in notifying the public of the source of campaign funds, in preventing actual and perceived corruption in the political process, and in creating a recordkeeping method to detect violations of the Act's contribution limitations—interests identified by the Supreme Court in *Buckley v.*

Valeo. The court stated that the disclaimer used by the Fund, which stated that the ads were paid for by the Fund, was sufficient to accomplish all three of the government's objectives. The additional requirement that the disclaimer identify whether the communication was authorized by any candidate or candidate's committee, the court said, violated the Fund's First Amendment rights.

Special Fundraising Notices by Corporations and Labor Organizations

Purpose and Rights. The FEC alleged that the Fund's solicitation letters failed to make adequate disclosures required by the Act. First, two letters violated 2 U.S.C. §441b(b)(3)(B) and 11 CFR 114.5(a)(3) by failing to inform solicitees of the political purposes of the Fund. One solicitation stated that the Fund planned to vote out targeted incumbents by using “everything—T.V., radio, door-to-door canvassing—to let their constituents know what their members of Congress have been up to for the past few years.” In another solicitation, the Fund asked for solicitees' help “to tackle nine other House members.” The court stated that it was uncertain how the Fund could have been more explicit in stating the political purpose of their solicitation, and concluded that the letter did not violate 2 U.S.C. §441b(b)(3)(B).

Additionally, the FEC alleged that both letters violated 2 U.S.C. §441b(b)(3)(C) and 11 CFR 114.5(a)(4) by failing to inform solicitees of their right to refuse to contribute to the Fund without reprisal. The court dismissed this charge, stating that the purpose of the notice was “to prevent organizations with economic leverage over employees or members from using that leverage to coerce involuntary donations.” It was nonsensical, the

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¹ *Clifton v. Federal Election Commission*, 114 F.3d 1309, 1311 (1st Cir. 1997), citing *Buckley v. Valeo*, 424 U.S. 1, 46-47 and n.53 96 S.Ct. 612, 647-48 and n. 53 46 L.Ed.2d 659 (1976).

² *Kentucky Right to Life, Inc. v. Terry*, 108 F.3d 637, 647-48 (6th Cir. 1997).

Court Cases

(continued from page 3)

court stated, for Public Citizen, a purely voluntary, nonprofit membership organization, to include such a disclaimer since it controlled no benefits that could be denied to its individual members.

Lastly, the FEC alleged that the Fund violated 2 U.S.C. §441b(b)(3)(C) and 11 CFR 114.5(a)(2), which requires that, when a corporation suggests a contribution guideline in a solicitation for its separate segregated fund, the solicitees must be informed that the guidelines are merely suggestions and that solicitees are free to contribute more or less than the suggested amount. The court found that the Fund's solicitation included an alternative called "other," making it clear to the solicitee that the listed amounts were suggestions only. Therefore, the court stated, the letter was not violative of the Act. ♦

Back Issues of the Record Available on the Internet

This issue of the *Record* and all other issues of the *Record* starting with January 1996 are available through the Internet as PDF files. Visit the FEC's World Wide Web site at <http://www.fec.gov> and click on "What's New" for this issue. Click "Help for Candidates, Parties and PACs" to see back issues. Future *Record* issues will be posted on the web as well. You will need Adobe® Acrobat® Reader software to view the publication. The FEC's web site has a link that will take you to Adobe's web site, where you can download the latest version of the software for free.

FEC v. Friends of Jane Harman

On October 19, 1999, the FEC appealed this case to the U.S. Court of Appeals for the Ninth Circuit. The U.S. District Court for the Central District of California, Western Division, had ruled in favor of the FEC, finding that Friends of Jane Harman had violated 2 U.S.C. §441b(a), but had denied any remedy for the violations found. The FEC is appealing the district court's denial of remedy. See the [October 1999 Record](#), p. 4, and the [November 1998 Record](#), p. 3. ♦

FEC v. Dave Gentry for Congress Committee, et. al.

On September 28, 1999, the U.S. District Court for the Middle District of Florida, Orlando Division, found in a default judgment that the Dave Gentry for Congress Committee (the Committee) and its treasurer violated the Federal Election Campaign Act (the Act) when they failed to comply with the Act's reporting requirements. Mr. Gentry was defeated in the 1996 general election for Florida's 5th congressional district.

The Committee and its treasurer violated 2 U.S.C. §§434(a)(2)(A)(i), (ii) and (iii) and 434(a)(2)(B)(ii) by failing to file five reports of receipts and disbursements until after the deadlines established by the Act.¹ Specifically, they failed to file the reports listed below in a timely manner.

- The 1995 Year End Report
- The April 1995 Quarterly Report
- The July 1996 Quarterly Report
- The 1996 12 Day Pre-Primary Report

¹ For further information on filing FEC reports, refer to the Campaign Guide for Congressional Candidates and Committees, pp.35-37.

- The 1996 30 Day Post-General Election Report

The court ordered the Committee and its treasurer to pay a civil penalty of \$25,000 to the FEC within fifteen days of the final order and default judgment. ♦

Advisory Opinions

AO 1999-20 Solicitation of Insurance Agents by Corporation

The Equitable Companies, Inc., Political Action Committee (EQUI-PAC) may change its official name to Equitable Life Assurance Society of the United States Political Action Committee to reflect the full name of its connected organization. Further, it may continue to use its current acronym. The insurance agents of its connected organization, Equitable Life Assurance Society of the United States (Equitable Life), may not be solicited for contributions to EQUI-PAC.

Committee Name

Commission regulations state that the name of any separate segregated fund (SSF) must include the full name of its connected organization. 11 CFR 102.14(c). An SSF established by a subsidiary does not need to include the name of its parent or another subsidiary of its parent in its name. In this case, the committee is required to use the full name of its connected organization in its name, but it does not have to use the name of the holding company (soon to be called AXA Financial, Inc.) that owns Equitable Life, the connected organization. EQUI-PAC may, therefore, change its official name to Equitable Life Assurance Society of the United States PAC.

The regulations permit an SSF to use a clearly recognized abbreviation or acronym provided that the SSF uses both the abbreviation (or acronym) and the full official name in its Statement of Organization, in all reports filed by the SSF and in all disclaimer notices. 11 CFR 102.14(c); see also Advisory Opinions 1993-7 and 1987-26. In this case, the appearance of EQUI in public materials (e.g., Web site) supports the claim that the acronym is clearly recognized. Consequently, Equitable Life may use EQUI-PAC as a PAC abbreviation.

Solicitation of Insurance Agents

Under the Federal Election Campaign Act (the Act), a corporation or its SSF may solicit contributions to the SSF from its stockholders and their families and from its executive and administrative personnel and their families. 2 U.S.C. §441b(b)(4)(A). Commission regulations provide that individuals paid on a commission basis may be considered employees only if the corporation withholds income taxes from their wages. 11 CFR 114.1(c)(3). The Equitable Life insurance agents are paid on commission. Since, however, they are not subject to income tax withhold-

ing (even though they are subject to FICA and receive benefits from Equitable Life), they cannot be solicited as members of the executive or administrative class.

FEC regulations state that a corporation may also make two written SSF solicitations to all of its employees and their families, regardless of whether these employees are stockholders or executive personnel. 11 CFR 114.6. Again, since the agents are not subject to income tax withholding, they may not be solicited under the twice yearly solicitation procedures for nonexecutive employees.

Issued: September 30, 1999;
Length: 6 pages. ♦

AO 1999-22 Use of Merchant ID Number to Collect Internet Contributions Submitted for Matching Payment

Aristotle Publishing, Inc. (Aristotle) may use its own merchant ID number to collect credit card contributions for its clients via the Internet. It may not, however, use a single merchant ID number for contributions to Presidential campaigns that are to be submitted for Federal matching payments. Aristotle's overall plan to help political committees and candidates raise funds through the Internet is permissible. See details below.

Basic Plan for Internet Contributions

Screening Contributions. A candidate utilizing Aristotle's Internet contributions service downloads the software from Aristotle's Web site at the candidate's own expense. Internet contributions are then screened for impermissible or nonmatchable contributions through a series of measures.

First, through the candidate's Web site, contributors view the contribution solicitation form, informing them of the contribution limits and source restrictions of the Federal Election Campaign Act (Act).

Second, a prospective donor will be required to provide detailed information, including:

- The contributor's name;
- The contributor's name as it appears on the card;
- The billing address on record with the issuer of the card;
- The card number;
- The expiration date;
- The contributor's mailing address; and
- The amount of the contribution.

The FEC Takes Visa and Mastercard

FEC customers can pay for FEC materials with Visa or Mastercard. Most FEC materials are available free of charge, but some are sold, including financial statistical reports (\$10 each), candidate indexes (\$10) and PAC directories (\$13.25). The FEC also has a 5¢ per page copying charge for paper documents and a 15¢ per page copying charge for microfilmed documents.

Paying by credit card has its advantages. For instance, since the FEC will not fill an order until payment is received, using a credit card speeds delivery by four to five days.

Visitors to the FEC's Public Records Office may make payments by credit card. Regular visitors, such as researchers and reporters, who in the past have paid for FEC materials out of their own pockets, may make payments with a company credit card.

The credit card payment system also reduces costs and paperwork associated with check processing, enabling FEC staff to better serve the walk-in visitor.

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Advisory Opinions

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Third, if a prospective donor fails to provide all of the required information or fails to check any of the attestation boxes,¹ the contribution will be rejected. The contributor will then be prompted to either correct the omission or inaccurate information, or cancel the transaction.

Fourth, any contribution to a candidate in excess of \$1,000 will be rejected at the Web site.

Fifth, all contributor names will be matched against a nationwide file of public voter registration records.

Processing Contributions. Once the online form has been completed, the donor transmits it for “real time” processing. The credit card data is sent directly to the credit processing company, which cross-checks the submitted information with the processing company’s own records. The processing company then sends a message to the contributor notifying him or her that the contribution has been rejected or approved.

All approved contributions are deposited into a bank account established by Aristotle exclusively for political committee proceeds. This account is not only separate from Aristotle’s other corporate accounts, but is also maintained at an entirely different financial institution. To facilitate any audit process and to avoid commingling committee proceeds with Aristotle’s corporate funds, Aristotle will maintain separate book accounts for each political customer. All Internet contributions will be forwarded to

the campaigns in accordance with the time requirements of the Act.

Recordkeeping. Aristotle will provide committees with:

- The committee’s account number;
- The contributor’s name and address;
- The contributor’s employer and occupation;
- The date and total amount of the contribution;
- The unique contribution confirmation number; and
- The address verification used (billing address and zip code; also voter record matches if applicable).

Aristotle will retain all contributor-supplied information, records of each deposit into each political committee account, and records of transfers to each political committee. Aristotle affirms that it will make such records available at the Commission’s request or as otherwise required by law.

Use of Aristotle’s Merchant ID Number. As part of the transaction described above, Aristotle will use its own “merchant ID number” for clients for whom it is collecting and forwarding credit card contributions. (Aristotle does not help campaigns obtain their own merchant ID numbers for the various credit cards they use.) Each contributor will be notified in the “real time” confirmation that the credit card bill will reflect a contribution processed through “campaigncontribution.com”—not the name of the committee.

Cost of Service. The company will receive, as its fee, a negotiated percentage of the contributions. Depending on the terms of the contract, the company or the campaign will pay the credit card processing fee. The company will pay other transaction-based fees associated with collecting and forwarding the funds. The amount of such fees will be directly related

to the volume of contributions received by a campaign.

Such costs, along with costs associated with account servicing, recordkeeping, accounting, billing review and legal review, will normally be included in overhead and will be covered by the fees deducted by Aristotle from actual contributions received. The pricing for each committee will include allowance for an adequate profit.

Commission Analysis of the Basic Plan. The screening procedures in Aristotle’s plan are well within the “safe harbor” discussed in Advisory Opinion 1999-9 for matching contributions. See the [July 1999 Record](#), p.5. They permit the committee to rely on Aristotle’s services to submit evidence that the contributor affirmed that the contribution came from personal funds.

Aristotle’s plan provides for adequate compensation, and its procedures will be in the normal course of business for a vendor within its industry dealing with a similarly situated, nonpolitical client. With these arrangements, the vendor will avoid providing services to a political committee without charge or at less than the usual and normal charge—which would result in a prohibited corporate contribution.

Aristotle’s proposal to place contributions raised through the Internet in a banking account separate from the corporation’s own funds and to maintain separate book accounts for each political customer ensures that there will be no commingling of corporate and campaign funds. The Commission also noted Aristotle’s intention to use FDIC-insured depository institutions for these accounts and to provide the treasurers of its political committee clients with the identity of the depository bank which, in turn, the committees would disclose to the Commission. In light of these precautions, for contributions that

¹ Prospective donors will be required to check off an attestation box, affirming that they have been made aware of the Act’s contribution limits and source restrictions. For candidates who do not wish to accept contributions from minors, Aristotle will include an additional attestation that the contributor is at least 18 years old.

are not submitted under the Matching Fund Act, the use of Aristotle's own merchant ID to collect contributions for multiple clients is permissible under the Act.

Matching Fund Payments Through Internet

For purposes of federal matching payments,² a contribution is a gift of money made by a written instrument that identifies the person making the contribution. 11 CFR 9034.2.

In the case of a contribution made over the Internet, a "written instrument" is an electronic record of the transaction created and transmitted by the credit cardholder that can be maintained electronically and reproduced in a written form by the recipient candidate or candidate's committee. 11 CFR 9034.2(b). A written instrument, for these purposes, includes the name of the cardholder and the card number.

Contributions by credit or debit card are matchable contributions provided that the committee can provide evidence that the contributor has affirmed that the contribution is from personal funds and not from sources prohibited by law. 11 CFR 9034.2(c)(8)(ii).

Aristotle may not use its own merchant ID number for contributions to Presidential campaigns that will be submitted for Federal matching payments. Regulations for matchable contributions emphasize the identification of the committee receiving the contribution. The regulations implementing the Matching Act require that the instrument conveying the contribution be "payable on demand; and to the order of, or specifically endorsed without qualification to the Presidential candidate, or his or her

authorized committee." 11 CFR 9034.2(b). This requirement is necessary as a means of assuring not only that the contributor intends to make a campaign contribution, but also that the contributor intends his or her money to go to the specific candidate named on the credit card bill, as opposed to a different candidate who may also be doing business with the same vendor. When Aristotle uses its own merchant ID, the name of the committee receiving the contribution is not itemized on the monthly credit card bill received by the contributor. Without such disclosure on the bill, the contributor cannot review his or her contribution to verify the amount, date or other information regarding the use of a particular card to make the contribution.

Issued: September 23, 1999;
Length: 12 pages.◆

Advisory Opinion Requests

Advisory opinion requests are available for review and comment in the Public Records Office.

AOR 1999-28

Solicitation of PAC contributions from—and sending election advocacy communications to—restricted class of foreign corporation and its U.S. subsidiaries by one of U.S. subsidiaries (Bacardi-Martini USA, Inc., September 15, 1999; 17 pages)

AOR 1999-29

Fundraising exemption from state expenditure limit for direct mailing sent by Presidential campaign more than 28 days before primary or caucus (Bill Bradley for President, Inc., October 12, 1999; 2 pages)◆

Statistics

Midyear Disclosure Reports Show Increase in Fundraising Activity for Party Committees, Senate and House

Midyear disclosure reports filed by the two major political parties and Senate and House candidates show an increase in fundraising activity when compared to the six-month filings in past cycles.

Major Political Parties Show Large Gain in 'Soft Money' Contributions

Republican and Democratic party committees continued to raise record amounts of soft money. Republicans raised \$30.9 million in soft money for the first six months of this year, a 42 percent increase when compared to the first six months of the 1997-98 election cycle. Democrats raised \$26.4 million, a 93 percent increase. Soft money refers to funds raised outside the limitations and prohibitions of the Federal Election Campaign Act. Soft money, which cannot be used in connection with federal elections, must be deposited in separate,

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Need FEC Material in a Hurry?

Use FEC Faxline to obtain FEC material fast. It operates 24 hours a day, 7 days a week. More than 300 FEC documents—reporting forms, brochures, FEC regulations—can be faxed almost immediately.

Use a touch tone phone to dial **202/501-3413** and follow the instructions. To order a complete menu of Faxline documents, enter document number 411 at the prompt.

² Partial public funding is available to Presidential primary candidates in the form of matching payments. The federal government will match up to \$250 of an individual's total contribution to an eligible candidate.

Statistics

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nonfederal accounts.

The same reports show that Republican party committees raised \$66.4 million for federal elections and spent \$56.7 million from their federal (hard money) accounts, while the Democrats had receipts of \$38.1 million and expenditures of \$36.1 million. Contributions from individuals constituted the bulk of the receipts for both parties.

Six-Month Senate Fundraising Figures

According to the statistics, 73 candidates competing for 33 Senate seats in 2000 raised \$50 million and spent \$12.2 million during the first six months of 1999. By contrast, in 1997, 58 candidates raised \$42.6 million during the first six months of the cycle.

Mid-Year House Fundraising

House incumbents (a total of 435) reported receipts of \$77.9 million, a \$25 million increase from the comparable period for incumbents in 1997. Total receipts for the freshmen were also significantly higher (on a per-candidate basis) than in previous cycles.

For additional information on any of the above three topics, visit the FEC's Web site (<http://www.fec.gov>) or request a copy of the agency's three September 22 press releases (call 800/424-9530

and press 3 for the Public Records Office or press 5 and ask for the Press Office).◆

Legislation

Fiscal 2000 Appropriations Bill Makes Amendments to FECA

On September 29, 1999, President Clinton signed the fiscal 2000 Appropriations bill. The bill contains the following three amendments to the Federal Election Campaign Act:

- Mandatory electronic filing;
- Administrative fine schedule for certain kinds of reporting violations; and
- Reporting on an election-cycle basis (as opposed to calendar year reporting).◆

Information

Second Report to Congress on Status of PricewaterhouseCoopers Recommendations

Following publication of the PricewaterhouseCoopers audit of the Federal Election Commission, the Committee on House Administration, chaired by Representative Bill Thomas, requested that the Commission report to the Committee every six months on its progress in implementing the recommendations contained in the audit. The second report was sent to the Committee on September 24, 1999.

The report indicated that, in the last six months, the Commission had implemented the following recommendations contained in the audit:

- Set up Internet connections on several PCs in the Public Records Division so that the public can access the FEC web page.
- Prepare and maintain documentation supporting Enforcement Priority System (EPS) case-activation decisions.
- Select a permanent Staff Director tasked to improve overall organizational performance.
- Encourage more collaboration and communication among existing work groups.

Copies of the report are available from the FEC's Public Records Office at 800/424-9530 (press 3) or 202/694-1120.◆

Change of Address

Political Committees

Treasurers of registered political committees automatically receive the *Record*. A change of address by a political committee (or any change to information disclosed on the Statement of Organization) must, by law, be made in writing on FEC Form 1 or by letter. The treasurer must sign the amendment and file it with the Secretary of the Senate or the FEC (as appropriate) and with the appropriate state office.

Other Subscribers

Record subscribers who are not registered political committees should include the following information when requesting a change of address:

- Subscription number (located on the upper left corner of the mailing label);
- Subscriber's name;
- Old address; and
- New address.

Subscribers (other than political committees) may correct their addresses by phone as well as by mail.

Public Appearances

November 2-5, 1999
American Corporate Counsel
Association
San Diego, California
Lawrence Noble, General
Counsel

November 3, 1999
Leadership Institute
Arlington, Virginia
David Mason, Commissioner

Outreach

FEC Conducts Monthly Roundtable Sessions

The FEC is conducting monthly roundtable sessions for the regulated community at its offices in Washington. The roundtable sessions, limited to 12 participants per session, focus on a range of topics. See the table at right for dates and topics.

Registration is \$25 and will be accepted on a first-come, first-served basis. Please call the FEC before registering or sending money to be sure that openings remain in the session of your choice. Prepayment is required. The registration form is available at the FEC's Web site—<http://www.fec.gov>—and from Faxline, the FEC's automated fax system (202/501-3413, request document 590). For more information, call 800/424-9530 or 202/694-1100.

Individuals who have signed up for a roundtable but who will be unable to attend are strongly encouraged to call the FEC and cancel their registration so that the next person on the waiting list may attend in their place. ♦

Federal Register

Federal Register notices are available from the FEC's Public Records Office.


Notice 1999-19

Treatment of Limited Liability Companies Under the Federal Election Campaign Act; Announcement of Effective Date (64 FR 55125, October 12, 1999)

Notice 1999-20

Reporting by Political Action Committees; Rulemaking Petition; Notice of Availability (64 FR 55440, October 13, 1999)

Roundtable Schedule

Date	Subject	Intended Audience
November 3 9:30 - 11 a.m.	 Update on New FEC Regulations <ul style="list-style-type: none"> • Definition of Member • Contributions from Limited Liability Companies (Code #1199) 	<ul style="list-style-type: none"> • Trade/Member PACs • Recipients of Contributions from LLCs (e.g., PACs and Campaigns) • LLCs • Lawyers, Accountants and Consultants to Above
December 1 9:30 - 11 a.m.	Reporting Requirements for 2000 <ul style="list-style-type: none"> • Deadlines • Pitfalls to Avoid (Code #1299) 	<ul style="list-style-type: none"> • PACs • House and Senate Campaigns • Political Party Committees • Lawyers, Accountants and Consultants to Above
January 5 9:30 - 11 a.m.	Supporting Presidential Candidates <ul style="list-style-type: none"> • PAC Contributions • Independent Expenditures • Internal Communications by Corporations, Labor Organizations and Trade Associations (Code #100) 	<ul style="list-style-type: none"> • PACs • Corporations, Labor Organizations and Trade Associations • Lawyers, Accountants and Consultants to Above

FEC Conference Schedule

The FEC continues its series of conferences on campaign finance this fall. See below for details. To register for any conference, call Sylvester Management at 800/246-7277 or send an e-mail to tsylvester@worldnet.att.net. For program information, call the FEC's Information Division at 800/424-9530 or 202/694-1100. A regularly updated schedule for the conferences and a downloadable invitation/registration form appear at the FEC's Web site. Go to <http://www.fec.gov/pages/infosvc.htm> for the latest information.

Regional Conference (includes candidate, corporate/labor and party workshops)

Date: November 15-17, 1999

Location: San Francisco
(Grand Hyatt)

Registration: \$250

Candidate Conference

Date: February 10-11, 2000

Location: Washington, DC
(Hyatt Regency Capitol Hill)

Registration: To be determined

Regional Conference (includes candidate, corporate/labor and party workshops)

Date: March 8-10, 2000

Location: Miami, FL
(Sheraton Biscayne Bay)

Registration: \$240

Corporate and Labor Conference

Date: April 2000

Location: Washington, DC

Registration: To be determined

Membership and Trade Association Conference

Date: May 16-17, 2000

Location: Washington, DC

Registration: To be determined

Public Funding

Buchanan, Gore, Keyes and LaRouche Declared Eligible for Matching Funds

On September 30, the FEC certified 2000 Presidential hopefuls Pat Buchanan, Vice President Al Gore, Alan Keyes and Lyndon LaRouche as eligible to receive public matching funds. Thus far, nine 2000 Presidential candidates have qualified for public funding. In addition to the four mentioned above, Bill Bradley, Gary Bauer, Dan Quayle, Senator John McCain and Elizabeth Dole have all been certified by the FEC. These candidates will receive their first payment from the Presidential Public Funding Program in January 2000.

To establish eligibility for the Presidential public funding program, a candidate must submit documentation showing that he or she has raised in excess of \$5,000 in matchable contributions in each of at least 20 states. Only contributions received from individuals, and only up to \$250 of a contributor's total, are matchable. This threshold submission is reviewed by the FEC's Audit Division. The candidate must also certify that he or she will abide by spending limits, use funds for campaign-related expenses only, agree to an FEC audit and otherwise comply with the election law.

Once Presidential candidates establish eligibility for matching funds, they may submit additional contributions for matching fund consideration on a monthly basis.

The federal government will match an eligible campaign's matchable contributions on a dollar-for-dollar basis. ♦

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