FEDERAL ELECTION COMMISSION

RECORD

March 1986 999 E Street NW Washington DC 20463 Volume 12, Number 3

LEGISLATION

FEC SEEKS SUPPLEMENTAL FUNDS FOR DISCLOSURE

On February 20, 1986, the Federal Election Commission requested a $282,000 supplemental appropriation from Congress for Fiscal Year (FY) 1986 "to help restore vital disclosure services" which the agency has had to curtail since February 1, 1986, for lack of adequate funding. In a letter sent to Congress and the Office of Management and Budget requesting the funds, the agency stated that "if the supplement is not forthcoming, the public will be deprived of the level of disclosure enjoyed during the last election, and will have lost the historical data on the 1986 election cycle."

A total of $858,000 was cut from the FEC's 1986 Fiscal Year budget: $323,000, on the erroneous assumption of a government-wide pay cut, and $535,000, as the result of the Deficit Reduction Act of 1985. Although the President asked Congress to restore the $323,000, Congress did not. Nevertheless, the Senate Appropriations Committee advised the FEC to request an FY 1986 supplement if the agency's work could not be "effectively completed without additional funding."

NEW FEC HEADQUARTERS/PHONE NUMBERS

During February, the FEC completed its move to its new headquarters at 999 E Street, N.W., Washington, D.C. 20463. New phone numbers are now in effect for the following offices:

- o Public Records Office - 376-3140
- o Press Office - 376-3155
- o Information Services - 376-3120
- o Main Switchboard (for all other offices) - 376-5140

Anyone calling the Commission from outside of the Washington, D.C. area should continue to use the toll-free number, 800/424-9530.

ADVISORY OPINIONS

AO 1985-37: Affiliation of Local Chambers of Commerce with State Chamber; Local Chambers as Collecting Agents

The Michigan State Chamber of Commerce (the Michigan Chamber) does not qualify as a federation of trade associations. Accordingly, the Michigan Chamber may not solicit contributions to its separate segregated fund, Chamber Fed AC, from the members of the Grand Rapids Chamber of Commerce (the Grand Rapids Chamber) and other local chambers of commerce in Michigan (the local chambers). Furthermore, since the local

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chambers are merely organizational members of the Michigan Chamber and do not qualify as the state chamber's "local units," the local chambers may not serve as "collecting agents" for Chamber Fed PAC. 11 CFR 102.6(b).

FEC Regulations define a "federation of trade associations" as "an organization representing trade associations involved in the same or allied line of commerce." 11 CFR 114.8(g)(1). The Commission has interpreted this to mean that organizations within a federation must share an organizational relationship. See AOs 1979-62 and 1983-28. The Michigan Chamber and the Grand Rapids Chamber do not meet this requirement. Their respective by-laws do not establish or reflect such an organizational relationship. Moreover, the memberships of the Michigan Chamber and the Grand Rapids Chamber and the other local chambers include, respectively, several categories of members, such as individuals, firms and other organizations (including other local chambers). Finally, the Michigan Chamber and the local chambers represent many lines of commerce rather than a similar or related line.

The Commission noted that the Michigan Chamber must also comply with FEC Regulations governing:

- o Solicitations of its own solicitable members (11 CFR 114.7(g) and 114.8(e)(4)); and
- o Transactions involving both Fed Chamber PAC and the Michigan Chamber's PAC for nonfederal elections (11 CFR 102.5(a)).

(Date made public: January 16, 1986; Length: 5 pages)

AO 1985-38: Committee Established by House Candidate to Support State and Local Candidates

Congressman Vic Fazio, who has two authorized committees to support his 1986 reelection effort, plans to establish and register in California a third committee, the state committee. The state committee will engage exclusively in supporting state and local candidates and in making charitable contributions, as authorized by state law. Assuming the state committee limits its political activity to supporting state and local candidates, the committee will not be considered a "political committee," subject to the Federal Election Campaign Act (the Act). Accordingly, the committee may engage in the following activities:

- o The state committee may accept donations impermissible under the Act, i.e., corporate and labor donations and donations that exceed the Act's monetary limits.
- o The state committee may use Congressman Fazio's name in its title. By contrast, the Act prohibits any political committee (i.e., a committee which supports federal candidates) other than a candidate's authorized committee(s) from using the candidate's name in its title. The Commission noted, however, that references the state committee makes to Congressman Fazio in conjunction with the committee's fundraising efforts, general public advertising or charitable donations may or may not result in a contribution to Congressman Fazio's reelection effort, depending on all the facts and circumstances of a given situation.
- o The state committee may accept funds from Congressman Fazio's authorized committees, provided the state committee does not use the funds for federal elections but restricts their use to nonfederal election activity. (See above.)

Since Congressman Fazio's request indicated that the state committee would not be supporting his (or other federal candidates') reelection efforts, the Commission did not address the issues raised by transferring funds from the state committee to Congressman Fazio's authorized committee. See AO 1984-46. Nor did the Commission address issues related to relevant state and tax laws or House rules because they are beyond its jurisdiction. (Date issued: January 17, 1986; Length: 4 pages)

AO 1985-40: Expenditures on Behalf of Former Senator Testing the Waters for 1988 Presidential Candidacy

Former Senator Howard H. Baker, Jr., has established a fund (the testing Fund) to help him determine whether he should become a candidate for the 1988 Republican Presidential nomination. Mr. Baker wishes to avoid taking any action before November 4, 1986, that will trigger his candidacy under the Act or require the testing Fund to register and report as a political committee. The Republican Majority Fund (RMF), a nonconnected political committee "closely identified" with Mr. Baker, plans to support his testing-the-waters efforts through a series of activities. Any expenditures RMF makes on behalf of Mr. Baker's testing-the waters efforts will constitute in-kind gifts* to the testing Fund. Together, they will be subject to the contribution limit of $5,000 per year.** The limit will apply at the time RMF makes the expenditures.

Should Mr. Baker subsequently become a Presidential candidate, his principal campaign

"In-kind gifts" refer to RMF expenditures on behalf of Mr. Baker's testing-the-waters activity. "In-kind contributions" refer to RMF expenditures that would trigger Mr. Baker's candidate status under the Act.

***Prior to July 1, 1985, testing-the-waters activities could be financed with funds impermissible under the Act. Under the FEC's revised regulations, however, funds used for such activities must comply with the Act's limits and prohibitions on contributions. See 50 Fed. Reg. at 9993-4, 25698-9 (1985).*

committee will have to report RMF's expenditures for his testing-the-waters activities as both "contributions" and "expenditures" on the first report the committee files with the Commission.* Moreover, RMF's pre-candidacy expenditures, plus any expenditures RMF makes for Mr. Baker after he becomes a candidate, will: 1) be subject to an aggregate $5,000 limit and 2) count against the statutory spending limits for publicly funded Presidential candidates, should Mr. Baker accept public funding. Finally, if after Mr. Baker becomes a candidate, RMF makes expenditures for testing-the-waters activities that he engaged in before becoming a candidate, RMF will have to report the expenditures as in-kind contributions to Mr. Baker's Presidential campaign.

The Commission determined that a number of proposed activities would qualify as testing-the-waters efforts rather than as campaign expenditures or contributions.

The Fund's Expenditures for Solicitations

Although direct mail solicitations are customarily considered campaign activity, the testing Fund's direct mail solicitations to former contributors to RMF and to Mr. Baker's prior campaigns will qualify as testing-the-waters activity because: 1) the solicitations will clearly state that Mr. Baker has not yet determined whether he will seek the 1988 Republican Presidential nomination; 2) the funds raised will be used for Mr. Baker's testing-the-waters activities; and 3) the purpose of the solicitations is not to amass campaign funds.

Mailing lists provided for the solicitations will not constitute in-kind gifts to the testing Fund, provided the Fund reimburses the list owners.

RMF Expenditures as In-Kind Gifts to the Fund

RMF detailed five kinds of expenditures it plans to finance on behalf of Mr. Baker's efforts to test the waters for a potential 1988 Presidential candidacy. Provided Mr. Baker does not engage in activities that indicate he has decided to become a Presidential candidate or conduct campaign activity for the Presidential nomination, the RMF expenditures listed below will constitute in-kind gifts to the testing Fund:

Travel costs for public appearances. Travel costs paid by RMF for public appearances by Mr. Baker and his representatives at regional Republican Party meetings and conferences that feature potential 1988 Presidential candidates will be in-kind gifts to the testing Fund. RMF's expenditures for hosting hospitality suites in conjunction with these meetings and conferences will also be in-kind gifts to the testing Fund.

Travel costs for private political meetings. Travel costs paid by RMF for private meetings held by Mr. Baker with Republican Party leaders in states with early primaries and conventions will be gifts to the testing Fund. (Mr. Baker plans to seek their views on his potential candidacy.) If Mr. Baker's private meetings are held in conjunction with appearances on behalf of federal candidates running in 1986, RMF must allocate Mr. Baker's travel costs between his private meetings (i.e., as in-kind gifts to the testing Fund) and his appearances on behalf of 1986 candidates (i.e., as in-kind contributions to the candidates). See 11 CFR 106.1(a).

Similarly travel costs paid by RMF for private meetings held by Mr. Baker in conjunction with party-building appearances on behalf of local and state party committees must be allocated between the two kinds of activities. Since RMF's expenditures for this travel will become reportable expenditures should Mr. Baker become a candidate, RMF should use the formula for allocating travel costs between a candidate's campaign-related and noncampaign-related activities on a trip. (The particular allocation formula used will depend on whether, after becoming a candidate, Mr. Baker receives primary matching funds. See 11 CFR 106.3 and 9034.7.)

Steering committees. Money spent by RMF to establish steering committees in several states to encourage Mr. Baker to seek the nomination will be gifts to the testing Fund. The Commission cautioned, however, that to avoid triggering the Fund's status as a "political committee" or Mr. Baker's status as a "candidate" under the Act, the steering committees may not engage in activities relevant to a Baker candidacy or the establishment of a Baker campaign organization.

Administrative expenses. Administrative expenses (e.g., salaries, fees and overhead costs) incurred by RMF for meetings and travel related to Mr. Baker's testing-the-waters activities will represent in-kind gifts to the testing Fund. See 11 CFR 106.1(c) and 100.7(a)(3).

continued

**To facilitate reporting, FEC Regulations require that records be kept of funds received and spent for testing-the-waters activities.*

The Record is published by the Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463. Commissioners are: Joan D. Aikens, Chairman; John Warren McGarry, Vice Chairman; Lee Ann Elliott; Danny Lee McDonald; Thomas E. Harris; Thomas J. Josefiak; Jo-Anne L. Coe, Secretary of the Senate, Ex Officio; Benjamin J. Guthrie, Clerk of the House of Representatives, Ex Officio. For more information, call 202/376-3120 or toll-free 800/424-9530.

Newsletter solicitations. RMF distributes a newsletter to its contributors and party officials and activists. Expenditures RMF allocates to newsletter communications that refer briefly to Mr. Baker's potential candidacy, but which do not indicate that he has decided to become a candidate, will constitute in-kind gifts to the testing Fund. A lengthier solicitation message in the newsletter will also constitute in-kind support for his testing-the-waters effort rather than influencing his nomination because the message will not indicate that he has decided to become a candidate. Specifically, the solicitation message may: 1) state that contributions to RMF will "promote" Mr. Baker's potential candidacy; 2) enclose newsletter clippings favorable to Mr. Baker; and 3) indicate that contributors to RMF will be viewed as early supporters of Mr. Baker's possible candidacy.

The Commission noted, however, that, since RMF had not submitted samples of proposed solicitations, the agency's conclusion should not be interpreted as a determination regarding any specific situation.

RMF Expenditures That Are Not In-Kind Gifts to the Testing Fund

Travel costs RMF defrays for trips that Mr. Baker makes to qualified party-building events before he becomes a candidate, and at which he does not engage in testing-the-waters activities, will constitute neither an in-kind gift to the testing Fund nor an in-kind contribution to Mr. Baker's candidacy. However, if Mr. Baker becomes a candidate, RMF expenditures for his trips to party-building activities that occur after he is a candidate will constitute in-kind contributions to his campaign. 2 U.S.C. §431(16); 11 CFR 100.15. Commissioner Thomas E. Harris filed a dissenting opinion. (Date issued: January 24, 1986; Length: 23 pages, including dissent)

AO 1985-42: Campaign Funds Used to Pay Candidate's Apartment Rent

The principal campaign committee of Representative Gene Taylor, a candidate for reelection to the House in 1986, may pay a portion of the rent of an apartment in Washington, D.C. which will be used, in part, for the Representative's personal use and, in part, by his campaign staff during visits to the city. If the staff's visits are campaign-related, the reelection committee must report the portion of the rent allocable to staff use as operating expenditures. 2 U.S.C. §434(b); 11 CFR 104.3.

Alternatively, if the staff's Washington visits are not campaign-related, the rent paid by the reelection committee would be considered a personal use of excess campaign funds by Representative Taylor and should be reported as miscellaneous disbursements rather than as operating expenditures. 2 U.S.C. §434(b)(6)(A); 11 CFR 104.3 (b)(4)(vi)). Because Representative Taylor was a Member of Congress on January 8, 1980, the law permits him to use excess campaign funds for personal use. 2 U.S.C. §439a; 11 CFR 113.2. (Date made public: January 24, 1986; Length: 2 pages)

ADVISORY OPINION REQUESTS

The following chart lists recent requests for advisory opinions (AORs). The full text of each AOR is available to the public in the Commission's Office of Public Records.

AOR	Subject
1986-4	Corporation's plan to broaden involvement by senior management in contributions program. (Date made public: Janurary 24, 1986; Length: 1 page, plus 5-page supplement)
1986-5	Campaign funds transferred from candidate's 1984 House campaign to his 1986 campaign for local office. (Date made public: January 24, 1986; Length: 1 page)
1986-6	Multicandidate committee established by the Vice President for party building and support of local, state and federal candidates. (Date made public: January 24, 1986; Length: 7 pages)
1986-7	Cooperative PAC's shareholder solicitation program. (Date made public: January 29, 1986; Length: 1 page, plus 19-page supplement)

PUBLIC APPEARANCES

3/4 Emory University Law School
Atlanta, Georgia
Kenneth Gross, Associate General Counsel

3/12 Edison Electric Institute
Washington, D.C.
Chairman Joan D. Aikens

3/24 Ohio State Conference on State and Federal Campaign Finance Laws
Columbus, Ohio

INFORMATION

FEC EXPANDS DIRECT ACCESS PROGRAM

Despite recent cuts in the Commission's disclosure program, beginning in January 1986, the Commission added several new categories to its on-line computer information system, the Direct Access Program. Inaugurated in September 1985, the FEC's Direct Access Program is specifically designed for individuals with personal computers. FEC campaign finance information pertaining to the 1985-86 election cycle is available to users of the service in two formats: computer indexes and computer raw data. (For more information on the program's capabilities, call 376-3155 or toll free, 800/424-9530.)

The Direct Access Program will now provide the following cumulative information on each candidate's or committee's activity:

- o Total receipts and expenditures;
- o Total cash-on-hand; and
- o Total debts owed.

Moreover, users may obtain this summary information by type of candidate (e.g., an incumbent or challenger) or by type of political committee (e.g., a corporate or labor PAC). The new information supplements information previously available on records relating to: each individual candidate; each registered political committee, including its total receipts and disbursements; and political committee support.

In addition, users will now be able to search the data base for information on a political committee by using only a portion of the committee's title. This tool is particularly useful for users who do not know the exact title of an organization's political action committee (PAC).

How to Obtain Program Access

Individuals may purchase access to the program for: $50 per hour or for 1,000 per month for unlimited use. An initial, one-hour minimum purchase is required. Users may obtain access to the program from 10:00 a.m. to 10:00 p.m., Eastern Standard Time, Monday through Friday. Parties interested in the service should contact the agency's Freedom of Information Office by calling the phone numbers listed above.

800 LINE

DESIGNATING A PRINCIPAL CAMPAIGN COMMITTEE

Under what circumstances must an individual who plans to run for federal office in 1986 or 1988 designate a principal campaign committee?

Individuals running for federal office in 1986 or 1988 must designate a principal campaign committee within 15 days of becoming a candidate. (Individuals become candidates once they raise or spend more than $5,000 to influence their future election or when someone they authorize to work on their behalf raises or spends $5,000 to influence their election. See 11 CFR 101.1(a).)

Candidates designate a principal campaign committee by filing a Statement of Candidacy on FEC Form 2 or a letter containing the same information (i.e., the name and address of the principal campaign committee, as well as the candidate's name and address, party affiliation and office sought; and the district and state in which the office is sought). House candidates must file this information with the Clerk of the House; Senate candidates, with the Secretary of the Senate; and Presidential candidates, with the FEC.

Does this requirement also apply to an individual who ran in a previous federal election?

Yes. The requirement applies to individuals who were candidates in a previous election, and whose authorized committees are still registered with the Commission. They must file a new FEC Form 2, either designating a new principal campaign committee or redesignating their current committee. (While redesignated committees retain their original identification number, newly designated committees receive a new identification number.)

If the candidate redesignates an existing committee, the committee must amend its current Statement of Organization (FEC Form 1) to reflect any new information (e.g., a change in the committee's name or address).

To obtain FEC forms or more information, contact Information Services by writing or calling 202/376-3120 or toll free 800/424-9530.

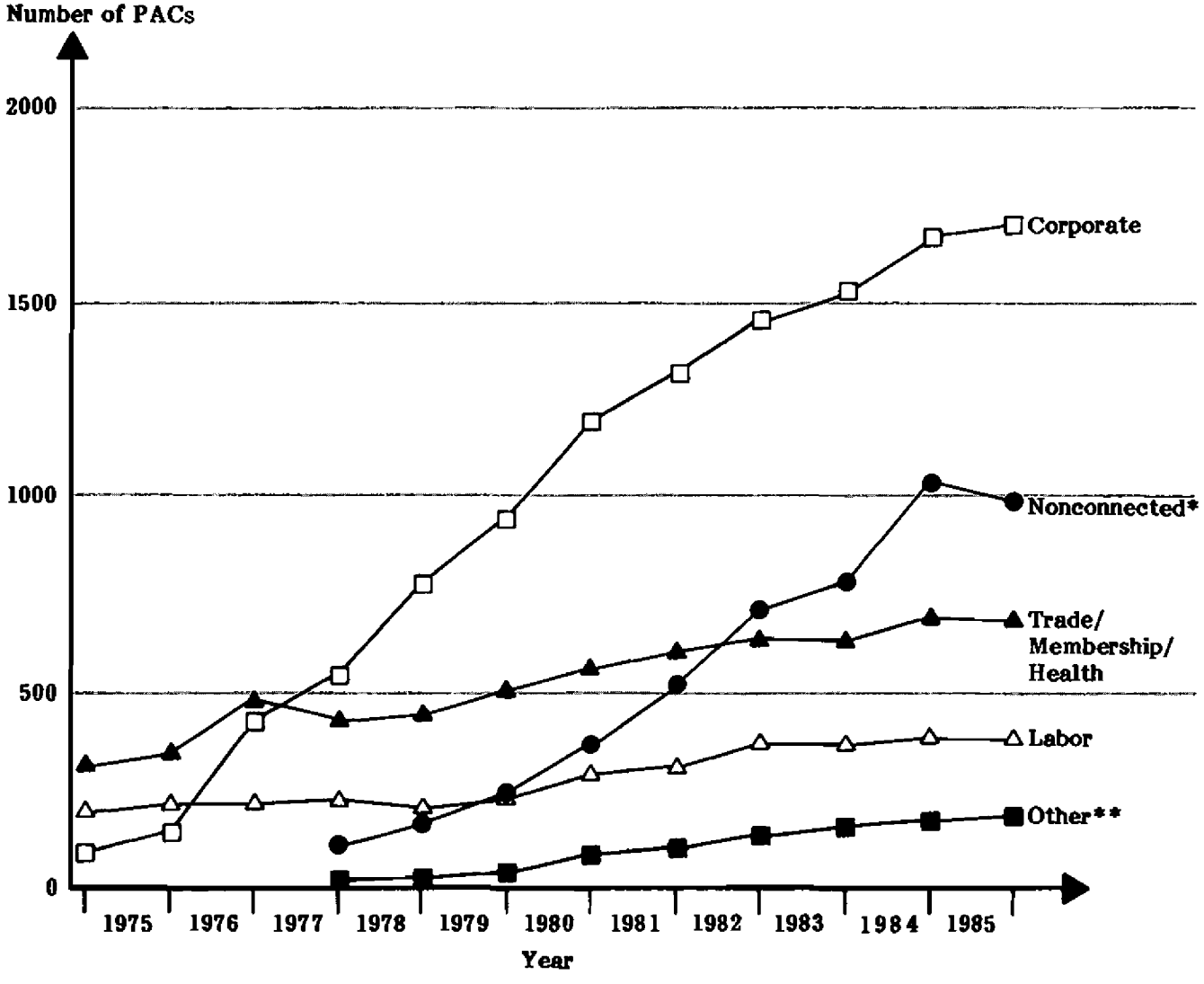
STATISTICS

DECREASE IN PAC GROWTH

During 1985, for the first time, the total number of PACs registered with the FEC reflected an absolute decline in the number of active PACs. By the end of 1985 there were 3,992 PACs registered with the FEC, a drop from the 4,009 PACs registered at the end of 1984. (The term PAC or political action committee refers to any political committee not authorized by a federal candidate or established by a political party.)

The graph below plots the total number of PACs in existence from 1975 through 1985. The graph does not reflect the financial activity of PACs.

CHART I
PAC GROWTH



For the years 1974 through 1976, the FEC did not identify subcategories of PACs other than corporate and labor PACs. Therefore, numbers are not available for Trade/Membership/Health PACs and Nonconnected PACs.

**Includes PACs formed by corporations without capital stock and cooperatives. Numbers are not available for these categories of PACs from 1974 through 1976.*

CAMPAIGN FINANCE ACTIVITY OF SENATE INCUMBENTS SEEKING REELECTION IN 1986

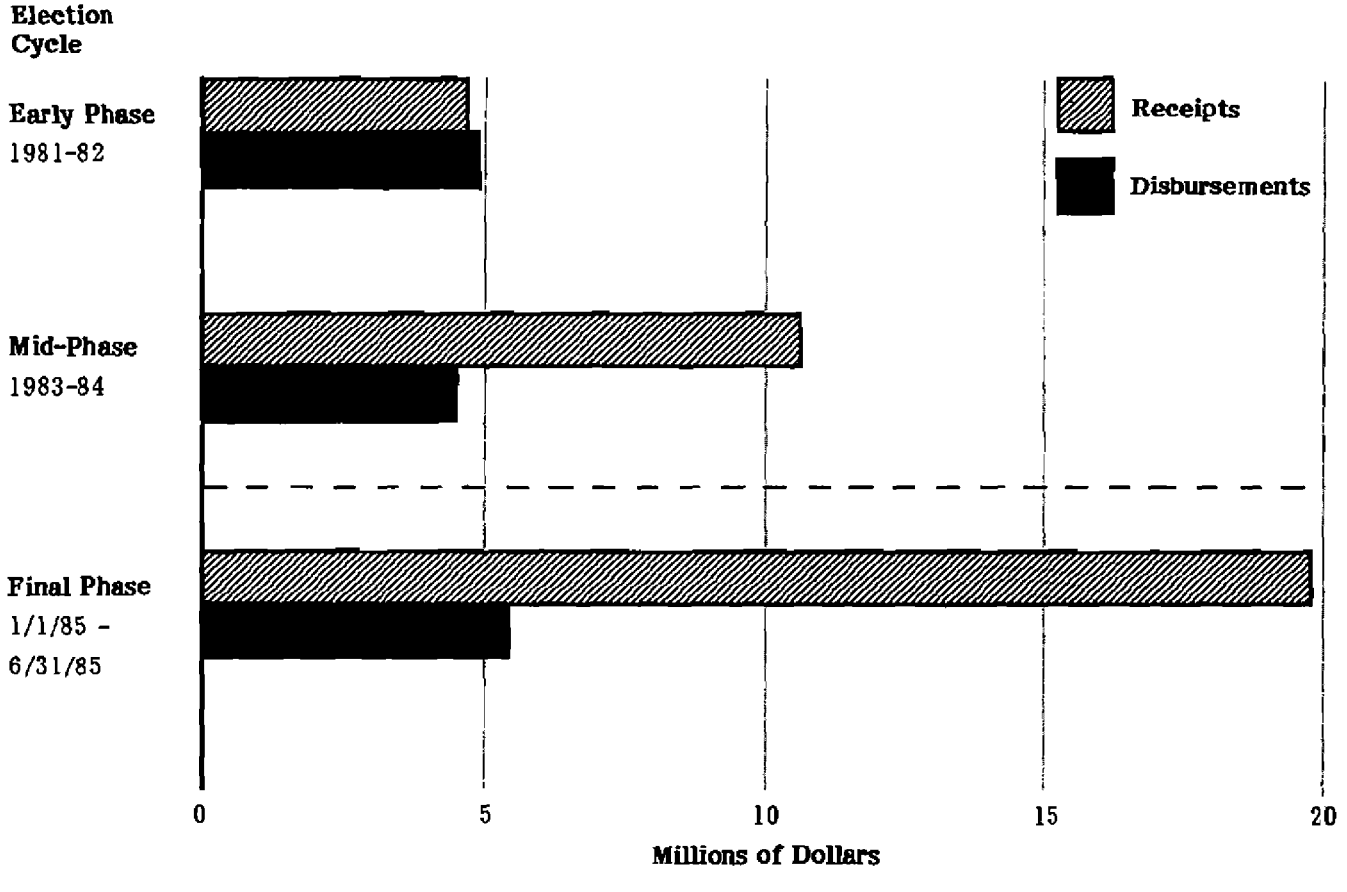
Senate incumbents up for reelection in 1986 have been most active in spending campaign funds during the early phase of their six-year reelection cycle (1981-82) and the final phase (1985-86). The substantial activity during the first phase of the cycle may be attributed, in part, to the candidates' efforts to retire debts of former campaigns rather than to their 1986 reelection efforts.

By contrast, the candidates' campaign receipts have increased in each two-year phase of their reelection cycle.

The chart below depicts the campaign finance activity of the candidates over the six-year reelection cycle (i.e., from January 1981 through June 1985).

More detailed information on Senate incumbents up for reelection in 1986 may be obtained from the FEC's January 31, 1986, press release, available from the FEC's Public Records Office.

CHART II
FINANCIAL ACTIVITY OF SENATE INCUMBENTS SEEKING REELECTION IN 1986



COURT CASES

FEC v. CALIFORNIANS FOR DEMOCRATIC REPRESENTATION

On January 9, 1986, the U.S. District Court for the Central District of California ruled that Californians for Democratic Representation (CDR), a nonprofit organization registered with the California Fair Political Practices Commission, had violated various provisions of the Federal Election Campaign Act in the course of conducting a slate mail program during 1982.

Background

CDR's slate mail program consisted of political ads distributed through direct mail to the general public. In addition to endorsing ballot issues and state and local candidates, CDR's slate mail program endorsed federal candidates active in California's 1982 primary and general elections. Candidates could purchase advertising space from CDR at fair market value. (A candidate's ad might include, for example, his/her photograph and a write-up.) CDR also listed candidates who did not purchase advertising space, at no charge to them.

Court's Ruling

The court ruled that those federal candidates who had paid for advertising space in CDR's slate mailings had not contributed to CDR; nor did their advertising space constitute in-kind contributions from CDR to the candidates.

On the other hand, the court found that costs incurred by CDR for listing federal candidates free of charge in mailings constituted expenditures by CDR on behalf of the candidates, which were subject to the election law. (Nine federal candidates were listed free of charge in mailings for the primary elections, and three candidates were listed in general election mailings.) Accordingly, the court found that CDR had violated the election law by failing to register and report as a political committee when these expenditures exceeded $1,000 during 1982. See 2 U.S.C. §§431 (4)(A), 433 and 434.

Finally, the court ruled that CDR's ads failed to state who paid for them and whether or not the candidates had authorized the mailings. See 2 U.S.C. §441d(a).

The court imposed a $15,000 civil penalty on the defendants. Subsequently the court denied defendants' motion to have the penalty reduced.

NEW LITIGATION

FEC v. Citizens Party

The FEC asks the district court to:

- Declare that the Citizens Party and its treasurer, Judi Gerhardt, violated the election law by failing to file the following reports for the 1984 election year: two quarterly reports, a post-general election report and a year-end report (2 U.S.C. §§434(a)(4)(A)(i)-(iii));
- Assess a civil penalty against defendants amounting to the greater of $5,000 or an amount equal to 100 percent of the amount involved in the violation; and
- Permanently enjoin defendants from further violations of the election law.

U.S. District Court for the Northern District of New York, Civil Action No. 85-CV-1576, December 9, 1985.

James Antosh v. FEC (Sixth Suit)

Pursuant to 2 U.S.C. §437g(a)(8)(A), James Antosh petitioned the district court to declare that the FEC acted contrary to law in dismissing two administrative complaints that Mr. Antosh filed with the FEC on March 1, 1984, and on May 11, 1984, respectively.

In the March 1, 1984, complaint, Mr. Antosh alleged that:

- Senator Edward M. Kennedy, his principal campaign committee, the Committee to Re-elect Senator Kennedy, and the committee's treasurer had knowingly accepted excessive contributions for Senator Kennedy's 1982 primary campaign from the Engineers Political Education Committee/International Union of Operating Engineers (EPEC/IUOE); and
- EPEC/IUOE had violated the election law by making the contributions to the Kennedy campaign.

In his May 11, 1984, complaint, Mr. Antosh alleged that:

- Senator Paul Sarbanes, his principal campaign committee, Citizens for Sarbanes, and the committee's treasurer had knowingly accepted excessive contributions from EPEC/IUOE and the American Federation of Government Employees' Political Action Committee (AFGE-PAC) and had failed to report them; and
- EPEC/IUOE and AFGE-PAC had violated the law by making the contributions to the Sarbanes campaign.

Mr. Antosh asked the court to order the FEC to act on the complaints within 30 days.

U.S. District Court for the District of Columbia, Docket No. 86-0179, January 21, 1986.

COMPLIANCE

SUMMARY OF MURs

The Act gives the FEC exclusive jurisdiction for its civil enforcement. Potential violations are assigned case numbers by the Office of General Counsel and become "Matters Under Review" (MURs). All MUR investigations are kept confidential by the Commission, as required by the Act. (For a summary of compliance procedures, see 2 U.S.C. §§437g and 437(d)(a) and 11 CFR Part 111.)

This article does not summarize every stage in the compliance process. Rather, the summaries provide only enough background to make clear the Commission's final determination. Note that the Commission's actions are not necessarily based on, or in agreement with, the General Counsel's analysis. The full text of these MURs is available for review and purchase in the Commission's Public Records Office.

MUR 1761: Failure to Amend Statement of Organization; Treasurer's Responsibilities

This MUR, resolved through conciliation, pertained to a committee which filed its report late, failed to amend its Statement of Organization and permitted someone other than the treasurer or assistant treasurer to sign its reports.

Complaint

The MUR was internally generated by the Commission in the normal course of carrying out its administrative responsibilities. A review of the reports submitted during 1984 indicated that the committee:

- o Filed a late report (2 U.S.C. §434(a)(4)(A));
- o Failed to amend its Statement of Organization to reflect the appointment of a new treasurer and a new assistant treasurer (2 U.S.C. §433(c));
- o Conducted financial transactions when the office of treasurer was vacant (2 U.S.C. §432(a)); and
- o Had its reports signed by a person who was not designated on the Statement of Organization as either the treasurer or the assistant treasurer (2 U.S.C. §434(a)(1)).

General Counsel's Report

The Commission's investigation revealed that the committee, having undergone some staff changes, neglected to file its 1984 quarterly report on time and failed to amend its Statement of Organization when changes in the offices of trea surer and assistant treasurer occurred. Furthermore, the reports were signed by an individual who had not been designated as either the treasurer or the assistant treasurer.

However, the investigation made clear that the committee did, in fact, have an assistant treasurer, acting as treasurer, at the time it received contributions and made expenditures.

Commission Determination

The Commission found no probable cause to believe the committee carried out financial transactions without having a treasurer or an assistant treasurer. As to the reporting violations, the Commission agreed with the recommendations contained in the General Counsel's report and entered into a conciliation agreement with the respondents. In the agreement, the Committee agreed to file an amended Statement of Organization reflecting the current treasurer and pay a civil penalty of $200. The agreement was concluded in September 1985.

MUR 2037: Bank Contributions Made in Connection with State and Local Elections

Resolved through conciliation, this MUR concerned prohibited contributions made by a bank in connection with state and local elections.

Complaint

The MUR was initiated by the Federal Election Commission as a result of a referral from the Supervisory Agent for the Federal Home Loan Bank Board on May 9, 1985. The General Counsel recommended that the Commission find reason to believe that a federal savings bank (the Bank) had violated 2 U.S.C. §441b(a) by making contributions in connection with state and local elections during 1983 and 1984.

General Counsel's Report

The Federal Election Campaign Act prohibits a national bank from making contributions or expenditures in connection with any election to any political office (national, state or local). The Bank, prior to September 30, 1983, was a state chartered savings bank eligible to make contributions to state and local elections. However, on September 30, the Bank converted to a federal savings bank, which made it ineligible to make contributions for any election. Nevertheless, it continued to make contributions in connection with state and local elections--amounting to $1,465—after the date of the conversion.

Commission Determination

In September 1985 (prior to finding probable cause to believe the Bank had violated the law), the Commission entered into a conciliation agreement with the respondent. The Bank agreed to pay a civil penalty to the Treasurer of the United States of $730 and not to undertake any activity in violation of the Act.

PUBLICATIONS

FREE PUBLICATIONS

The FEC offers the following free publications. To order, return the completed form below.

Federal Election Campaign Laws

Complete compilation of Federal election campaign laws prepared by FEC.

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FEC regulations; subject indexes prepared by FEC.

FEC Record

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Clear explanation and illustration of election law requirements. Separate Guide for:

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Party Committees
Corporations and Labor Organizations
Nonconnected Political Committees

House and Senate Bookkeeping Manual

Recommended method of bookkeeping and reporting for Federal candidates and their committees.

FEC and Federal Election Law

Brief overview of major provisions of the Federal Election Campaign Act and the Commission's role in administering it.

Using FEC Campaign Finance Information

Brochure explaining how to gather information on financial activity of political committees and candidates by using reports and FEC's computer indexes.

Brochures

Advisory Opinions
Candidate Registration
Contributions
Corporate/Labor Communications
Corporate/Labor Facilities
Independent Expenditures
Local Party Activity
Political Ads and Solicitations
Public Funding of President Elections
State Computer Access to FEC Data
State Elections & Federal Campaign Law
Trade Associations
Using FEC Campaign Finance Information
Volunteer Activity

Annual Report

Report to President and Congress, summarizing agency's activities, advisory opinions and litigation; and presenting Commission's legislative recommendations.

The First 10 Years

Special report providing statistical graphs on campaign financing, history of election laws, description of FEC functions and list of past Commissioners and statutory officers.

Order Form

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CONNECTED ORGANIZATION	PHONE (Optional)

Please indicate quantity in box to left of each item.

General

	Federal Election Campaign Laws		Bookkeeping Manual for Candidates
	FEC Regulations		Annual Report
	FEC Record (subscription)		10-Year Report

Campaign Guides

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	Party Committees		Nonconnected Committees

Brochures

	Advisory Opinions		Political Ads and Solicitations
	Candidate Registration		Public Funding of Presidential Elections
	Contributions		State Computer Access to FEC Data
	Corporate/Labor Communications		State Elections & Federal Campaign Law
	Corporate/Labor Facilities		Trade Associations
	FEC and Federal Election Law		Using FEC Campaign Finance Information
	Independent Expenditures		Volunteer Activity
	Local Party Activity		

Mail to: Federal Election Commission
Information Services
Washington, D.C. 20463

Phone: Toll Free 800/424-9530

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RECORD

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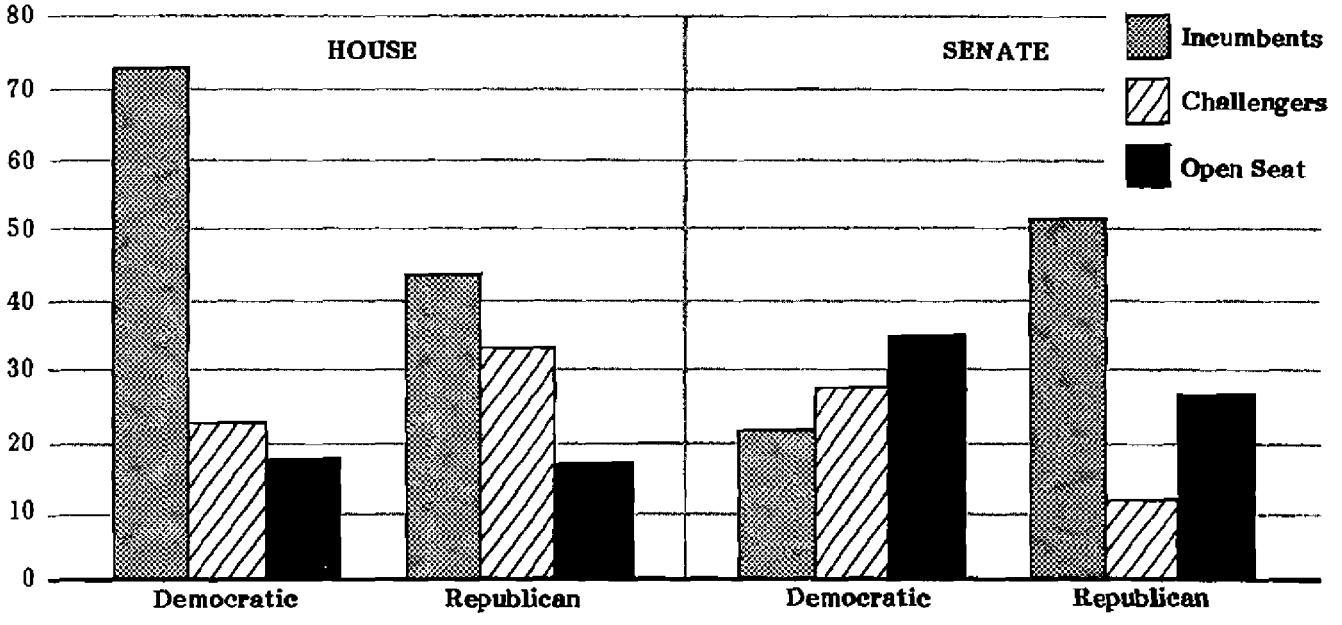
This special statistical supplement to the FEC Record presents a graphic summary of campaign finance activity for the 1983-84 federal election cycle. Information depicted in the charts represents final figures on the campaign finance activity of: House and Senate candidates, independent spenders, party committees and political action committees (PACs). The graphs cover activity between January 1, 1983, and December 31, 1984; the information has been adjusted for transfers among affiliated committees. More detailed information may be obtained from the five-volume study, FEC Reports on Financial Activity, 1983-84, Final Report. The study may be purchased at $15 per volume from the FEC.

The graphs also present preliminary information on the financial activity of Presidential primary campaigns. The final report for these campaigns will provide a detailed account of their activity.

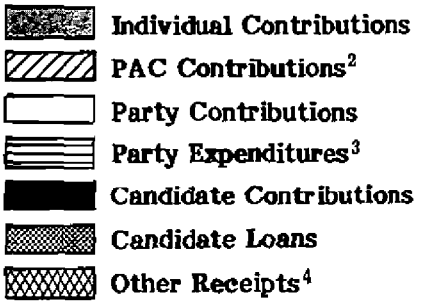
HOUSE AND SENATE CANDIDATES

CHART I
SPENDING BY HOUSE AND SENATE CANDIDATES,[1] 1983-84

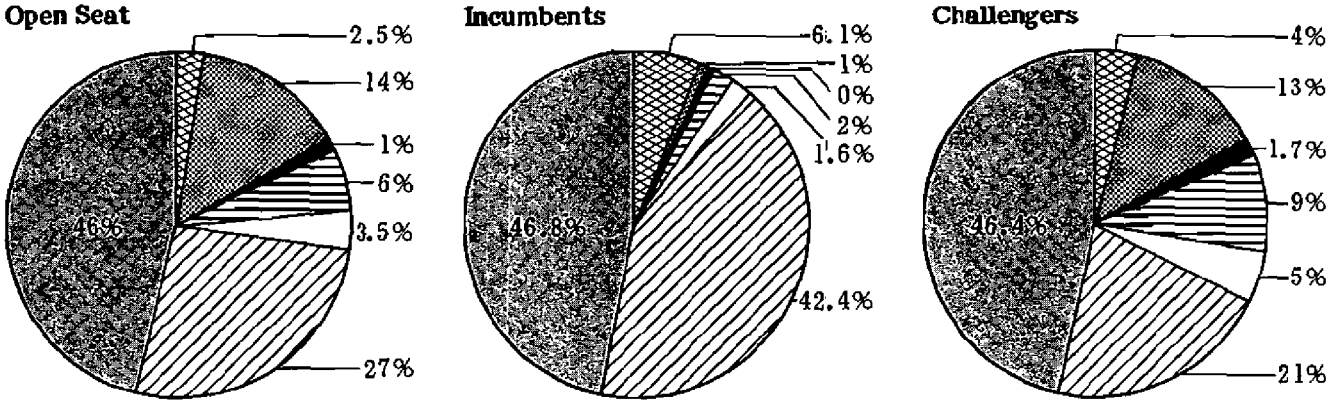


[1]*Includes spending by House and Senate candidates for 1984 or a future election or for retiring debts of former elections.*

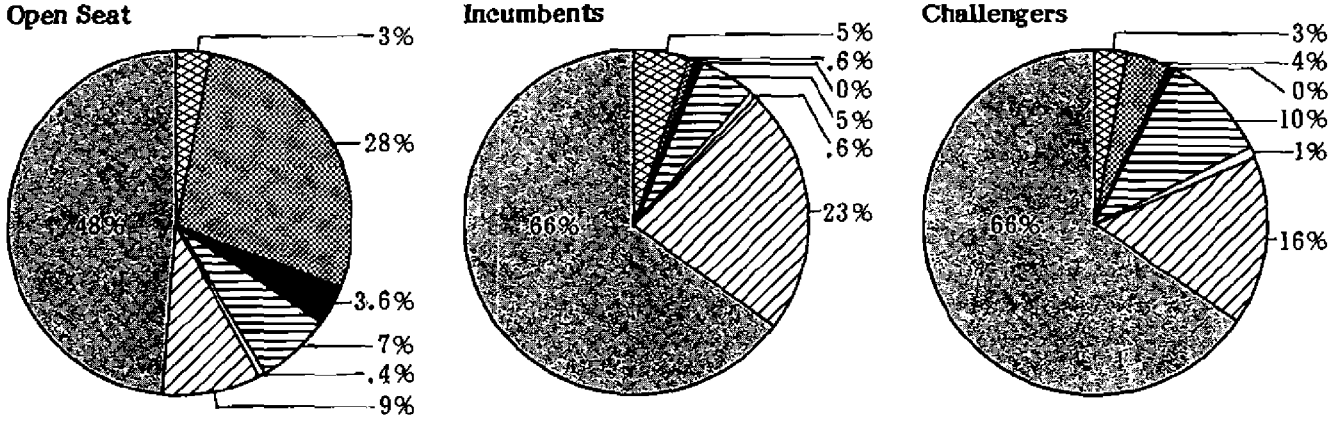
CHART II
SOURCES OF FUNDING,[1] 1983-84



HOUSE CANDIDATES



SENATE CANDIDATES[5]



[1]*Chart covers funding for all elections (primary, runoff and general) of those candidates running in the November 1984 general election.*

[2]*A "PAC" (or political action committee) is a political committee that is neither a candidate committee nor a party committee.*

[3]*"Party Expenditures" are limited expenditures made by party committees on behalf of federal candidates in the general election. 2 U.S.C. 441a(d).*

[4]*"Other Receipts" include loans, rebates, refunds, contributions from unregistered entities and other campaign committees, interest and dividends.*

[5]*Since there are relatively few Senate candidates, total figures on Senate races may be significantly affected by the activity of a single campaign. For example, a West Virginia candidate's loans to his campaign and the North Carolina candidates' large proportion of contributions from individuals have had significant impact on the overall activity depicted in these charts.*

INDEPENDENT EXPENDITURES

CHART III
INDEPENDENT EXPENDITURES[1] IN CONGRESSIONAL RACES, 1983-84

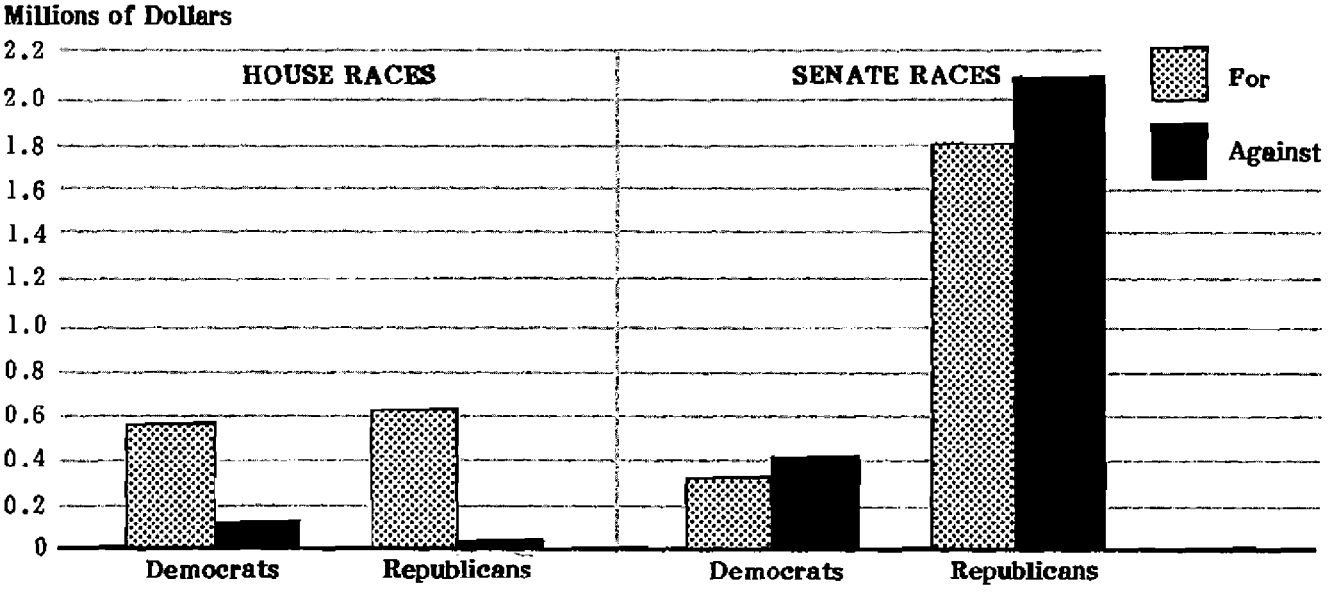
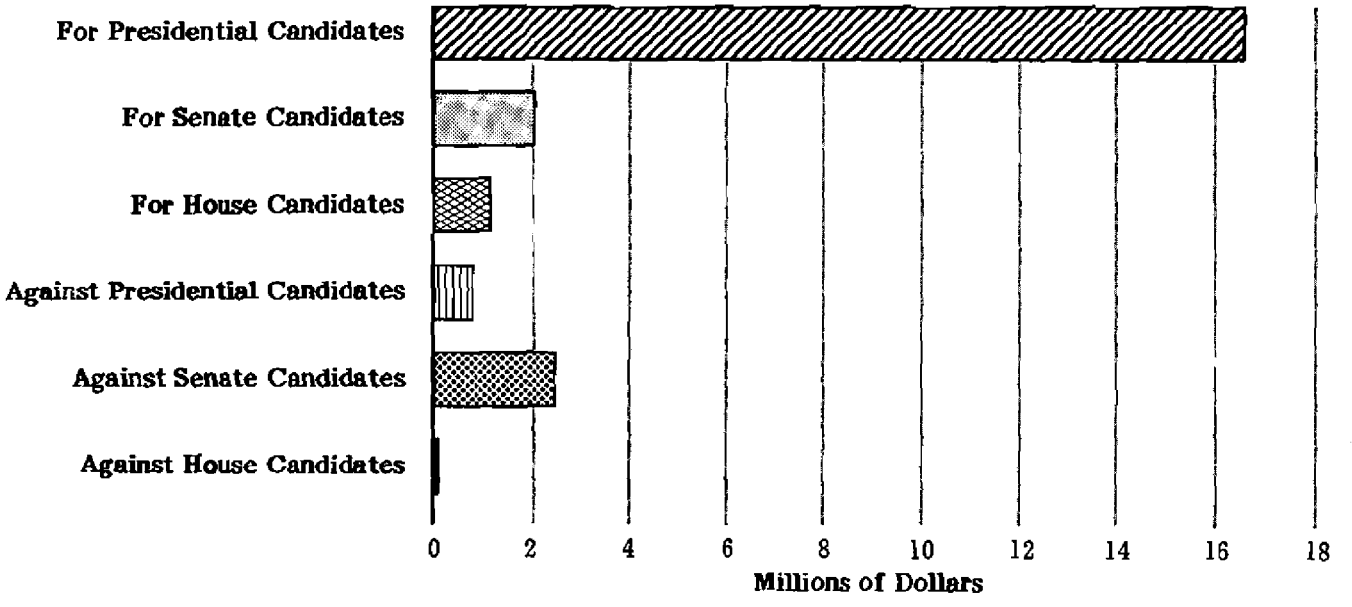


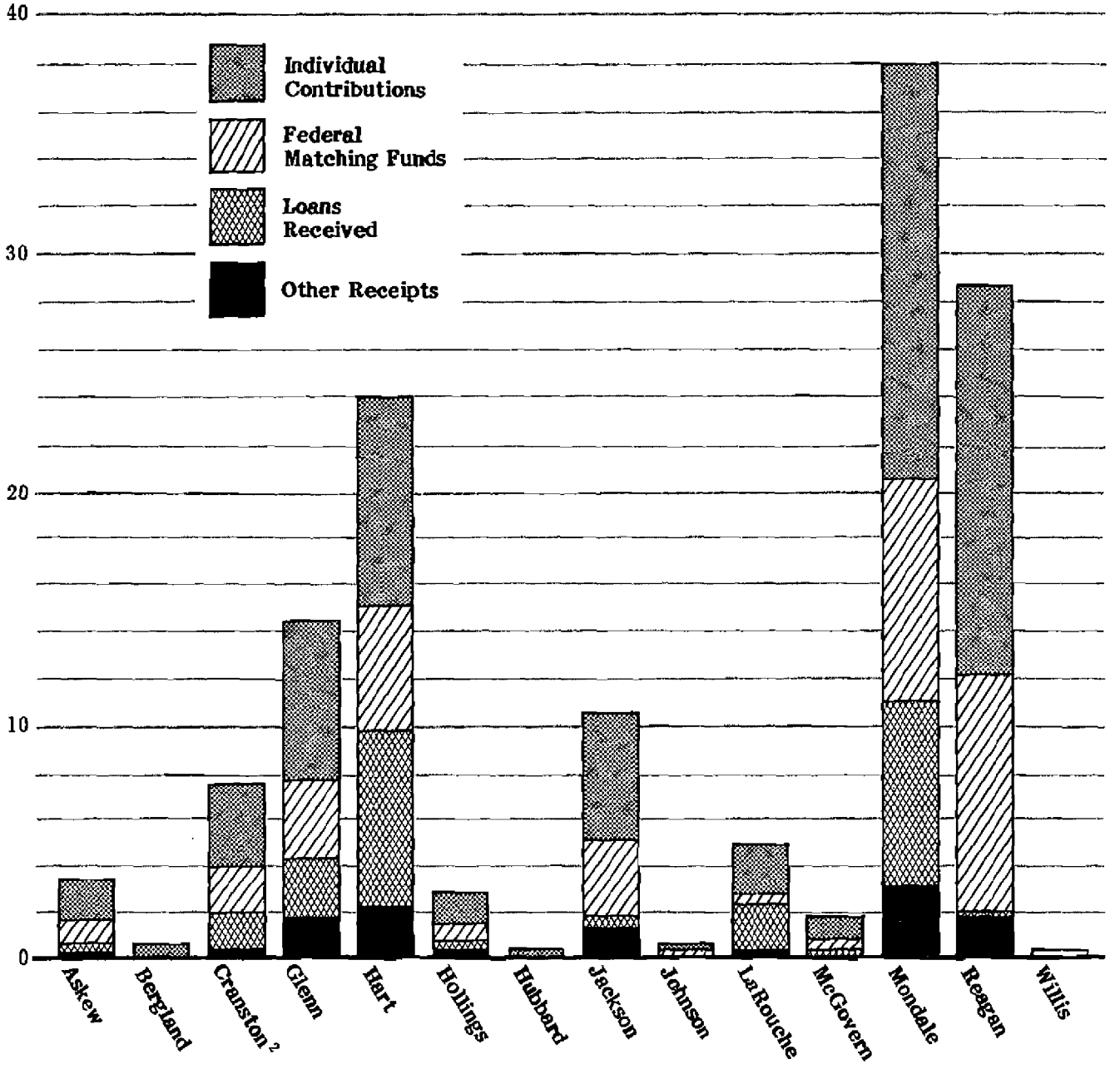
CHART IV
INDEPENDENT EXPENDITURES[1] IN ALL RACES, 1983-84



[1]*Under the federal election law, an independent expenditure is an expenditure for a communication expressly advocating the election or defeat of a clearly identified candidate. The expenditure must be made without cooperation or consultation with the candidate or his/her campaign.*

PRESIDENTIAL FUNDING

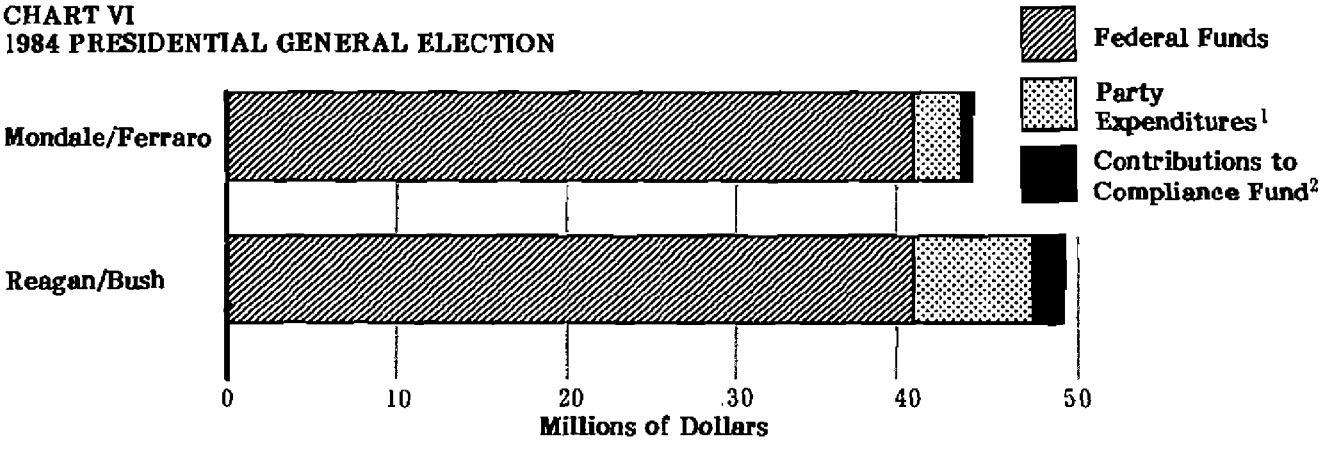
CHART V
RECEIPTS[1] OF PRESIDENTIAL PRIMARY CANDIDATES THROUGH 6/30/85



[1]*Includes total receipts minus transfers between each candidate's authorized committees.*

[2]*The Cranston for President Committee has not identified all the sources of funds received during 1984. Consequently, some of the receipt categories may eventually be larger (e.g., individual contributors).*

CHART VI
1984 PRESIDENTIAL GENERAL ELECTION

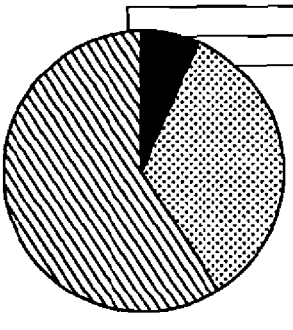


[1] *See 2 U.S.C. 441a(d).*
[2] *Fund supports legal and accounting services related to compliance with the election law.*

PARTY COMMITTEES

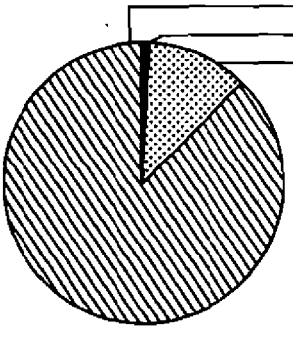
CHART VII
RECEIPTS[1] OF MAJOR PARTIES, 1983-84

DEMOCRATIC RECEIPTS BY SOURCE



Individual Contributions (59.2%)	$ 58.3 million
PAC Contributions (6.6%)	6.5 million
Other Receipts[2] (34.2%)	33.7 million
TOTAL	$ 98.5 million

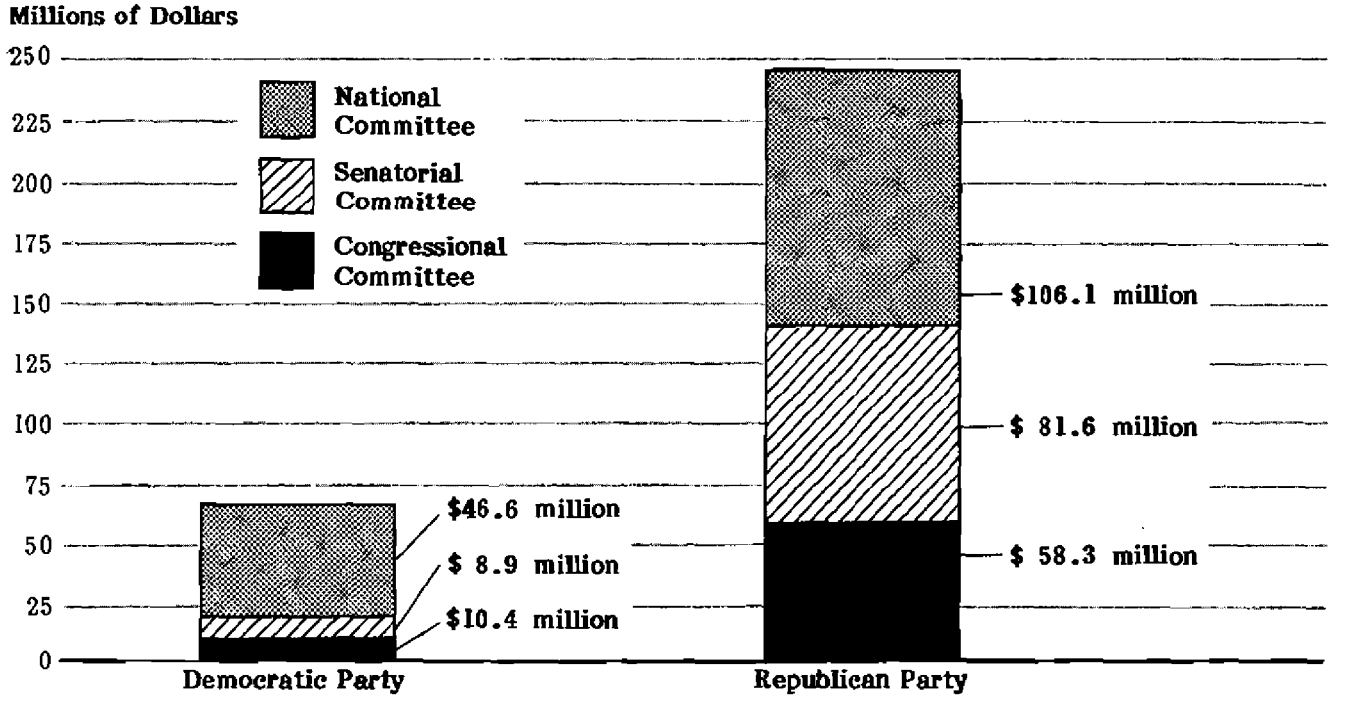
REPUBLICAN RECEIPTS BY SOURCE



Individual Contributions (87.9%)	$262.0 million
PAC Contributions (0.6%)	1.7 million
Other Receipts[2] (11.5%)	34.2 million
TOTAL	$297.9 million

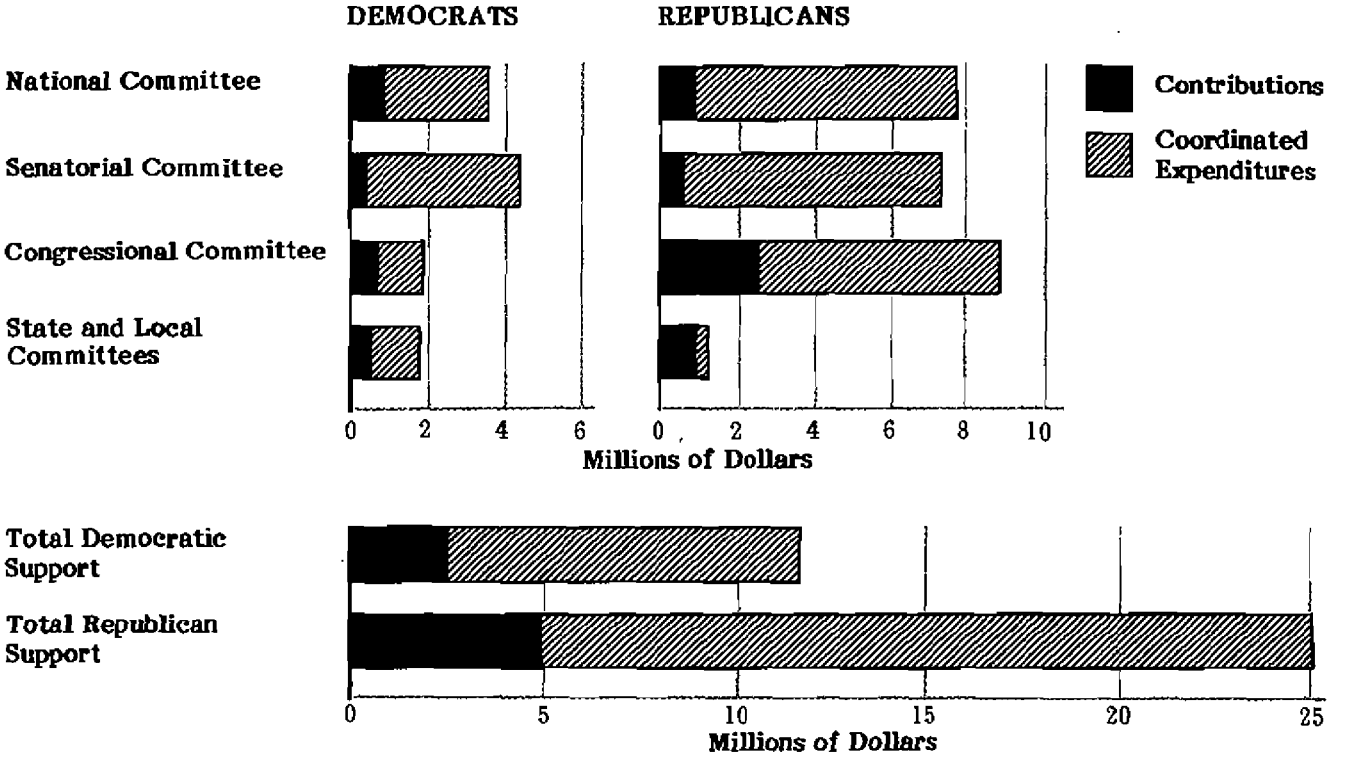
[1] *Includes total receipts minus transfers among each party's committees.*
[2] *Other receipts include contributions from other political committees and unregistered organizations (e.g., local party organizations); loans or loan repayments received by party committees; offsets to expenditures; dividends, interest and other miscellaneous income.*

CHART VIII
RECEIPTS[1] OF NATIONAL PARTY COMMITTEES, 1983-84



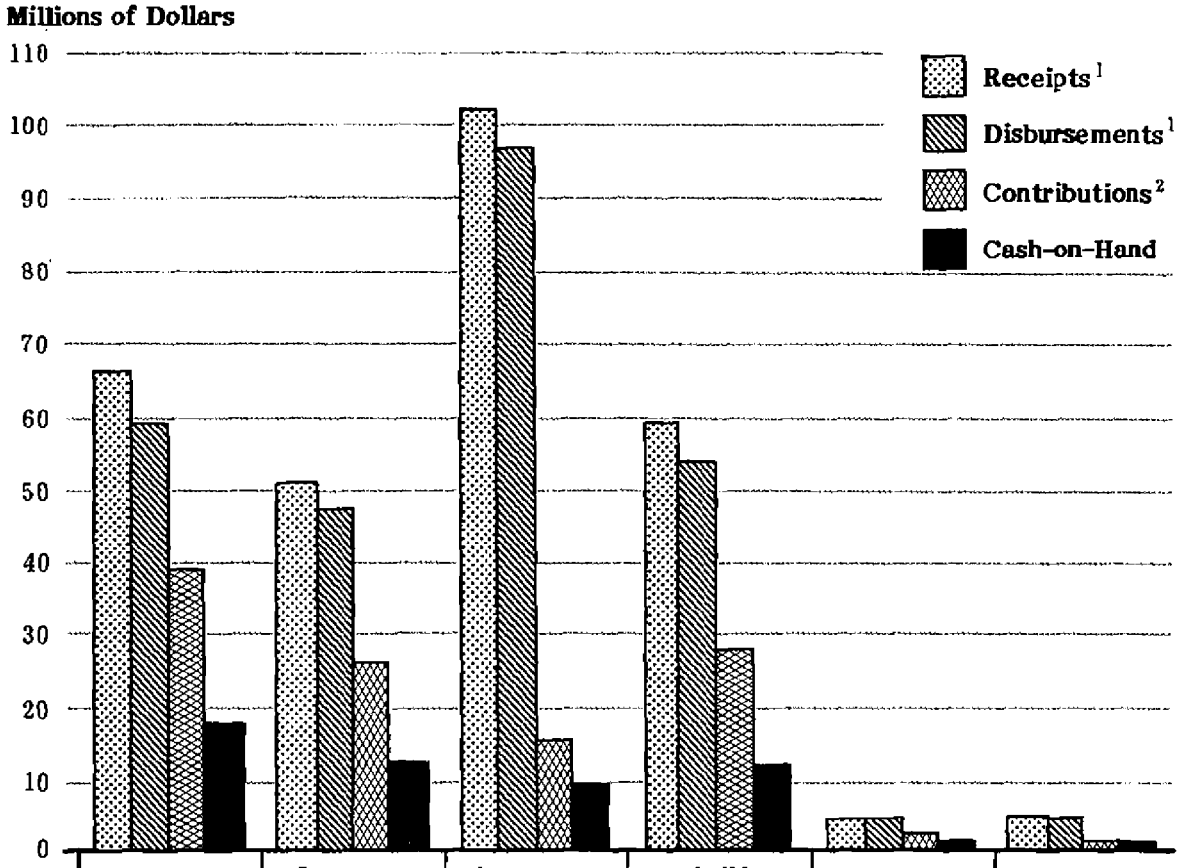
[1] *Includes total receipts minus transfers between each party's respective committees.*

CHART IX
MAJOR PARTY SUPPORT OF FEDERAL CANDIDATES, 1983-84



POLITICAL ACTION COMMITTEES

CHART X
FINANCIAL ACTIVITY OF PACs, 1983-84



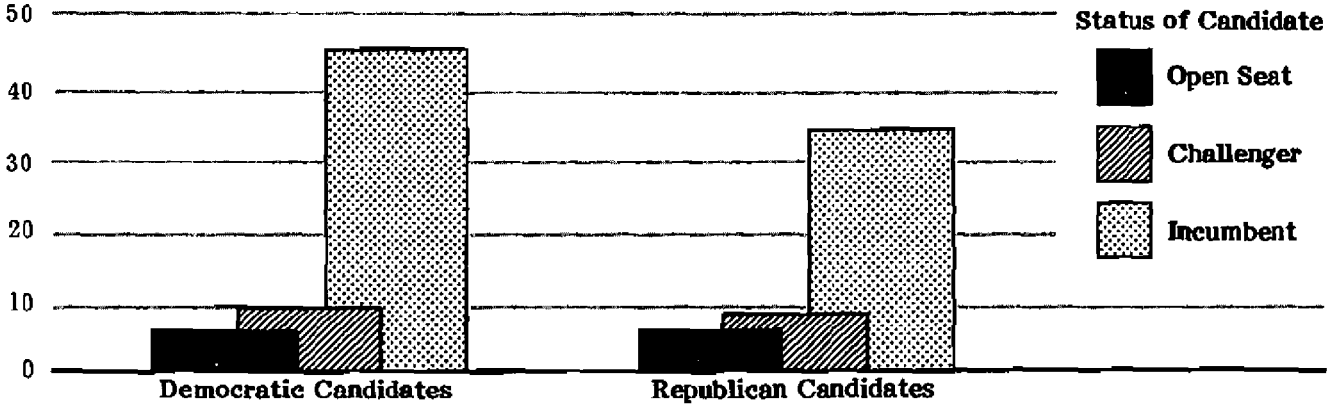
	Corporations	Labor Organizations	Non-Connected Organizations	Trade/Membership/ Health Organizations	Cooperatives	Corporations w/o Stock
Total Number of Committees[3]	1,809	438	1,146	757	58	139
Number of Committees Making Contributions	1,521	289	517	575	50	94

[1] *Receipts and disbursements do not include funds transferred between affiliated committees.*

[2] *Includes contributions to committees of: 1984 House and Senate candidates; and all federal candidates (for House, Senate and Presidency) campaigning in future elections or retiring debts of former campaigns.*

[3] *Includes total number of PACs active in federal elections at any time between January 1, 1983, and December 31, 1984. Since some committees have terminated, this figure does not represent all committees active as of December 31, 1984.*

CHART XI
PAC CONTRIBUTIONS TO HOUSE AND SENATE CANDIDATES, 1983-84



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