FEDERAL ELECTION COMMISSION

RECORD

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STATISTICS

FINANCIAL ACTIVITY OF PARTY COMMITTEES

During the first 18 months of the 1981-82 election cycle, Republican party committees at the national, state and local levels spent five and one-half times as much as their Democratic counterparts and contributed three and one-half times more funds to federal candidates. Of the $134.1 million they spent, Republican party committees contributed 2 percent ($2.68 million) to federal candidates. Democratic party committees, on the other hand, contributed 3 percent ($.76 million) of the total amount they spent ($24.2 million).

The information released by the FEC on October 7, 1982, is based on a four-volume study, FEC Reports on Financial Activity: 1981-82 Interim Report No. 2, Party and Non-Party Political Committees. The study also showed that from January 1, 1981, through June 30, 1982, Republican party committees raised a total of $161.2 million and had a cash-on-hand balance of $33.8 million at the close of the period. By contrast, Democratic party committees raised a total of $24.8 million and had a remaining cash-on-hand balance of $3 million.

Republican party committees also made more coordinated party expenditures* in support of federal candidates in the general election than did Democratic party committees. Through June 30, 1982, Republican party committees spent $.83 million in special coordinated expenditures on behalf of their candidates. Democratic party committees made special coordinated expenditures totaling $.43 million on behalf of their candidates. Since, however, these expenditures may only be made on behalf of general election candidates, most of the major party committees' spending occurred after June 30, 1982, and was not reflected in the Interim Report.

*These limited expenditures are separate from contributions made by party committees to candidates and therefore do not count against contribution limits. They are, however, subject to separate expenditure limits. See 2 U.S.C. §441a(d) and 11 C.F.R. 110.7.

The FEC study also showed a variation in the sources of support provided to the two major parties. For example, PAC** contributions amounted to 8.5 percent ($2.12 million) of Democratic party committees' total receipts ($24.83 million). PAC contributions to Republican party committees, on the other hand, constituted only .6 percent ($.93 million) of their total receipts ($161.2 million).

Single contributions of $500 or more from individuals constituted 19.8 percent of the Democratic party's total receipts (or $4.9 million), while they constituted 15.9 percent of the Republican party's total receipts (or $25.7 million).

More detailed information may be obtained from the four-volume study, FEC Reports on Financial Activity: 1981-82 Interim Report No. 2, Party and Non-Party Political Committees. The study may be purchased ($5.00 per volume) from the FEC's Public Records Office, 1325 K Street, N.W., Washington, D.C. 20463. Checks should be made payable to the FEC.

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**PAC is a popular term used to define any political committee that has not been authorized by a candidate or political party. The term includes a separate segregated fund connected to a corporation or labor organization as well as a political committee without any connected organization (i.e., corporate or labor sponsor).

PUBLIC APPEARANCES

12/2 American Association of Political Consultants
Post-election Conference
Washington, D.C.
Kent Cooper, Assistant Staff Director
Public Disclosure

12/8 National Association of Manufacturers
5th National Public Affairs Conference
Washington, D.C.
Commissioner Lee Ann Elliott

12/8 The Twentieth Century Fund
Task Force on Political Committees
Washington, D.C.
Commissioner Lee Ann Elliott
Commissioner Thomas E. Harris

ADVISORY OPINIONS

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
1982-57	Congressman-elect's use of excess campaign funds for interim activities; fundraisers for these activities. (Date made public: November 8, 1982; Length: 1 page)
1982-58	Independent magazine's publication of unauthorized solicitation of contributions to PAC. (Date made public: November 8, 1982; Length: 1 page)
1982-59	Transfer of defeated incumbent's campaign funds to committee supporting unidentified candidate for incumbent's seat in 1984. (Date made public: November 9, 1982; Length: 1 page)

ADVISORY OPINIONS: SUMMARIES

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

AO 1982-54: Corporate Member Approvals Sought by Association PAC for Solicitations in Following Year*

Public Securities Association Political Action Committee (PSA-PAC), the separate segregated fund of a trade association called the Public Securities Association (PSA), may send mailings to PSA's corporate members during the last three months of 1982 to request their approval to solicit their solicitable personnel during 1983. The Act and Commission Regulations state that a corporate member's prior approval of solicitations for the separate segregated fund is valid only for the calendar year in which the approval is obtained. The regulations do not specify, however, when the trade association or its separate segregated fund must **request** the approval for such solicitations. 2 U.S.C. §441b(b) (4)(D); 11 CFR 114.8(d)(4); Re: AOR 1976-113.

The Commission cautioned that PSA-PAC must receive the approvals **after** December 31, 1982, in order to conduct solicitations in 1983. Commissioners Lee Ann Elliott and Joan D. Aikens filed dissenting opinions. (Date issued: November 9, 1982; Length: 6 pages, including dissents)

*On November 18, 1982, the Commission voted to endorse a new regulation which would permit trade associations to seek and receive corporate approval of solicitations to take place in the following year. The regulation has not yet been sent to Congress, which has the authority to disapprove Commission regulations. See Agenda Document No. 82-166.

AO 1982-55: Combined Payment of Membership Dues and PAC Contributions to Association's Trust Account

The Prince George's County Board of Realtors, Inc. (the Board) may solicit contributions to its political fund, the Realtors Political Action Committee (RPAC), by using a combined dues payment/contribution plan. Moreover, the Board may establish a special trust account to separate two types of payments made by two types of payers: separation of dues payments by individuals from their contributions to influence federal elections, on the one hand; and separation of dues payments by member corporations from their contributions for Maryland's state and local elections, on the other.

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

Under the plan, the Board will send individual and corporate members a statement billing them for both membership dues and a contribution, payable by one check for the total amount. The billing statement, as proposed by the Board, will indicate that the Board's contribution guidelines are merely suggestions, that the contributor may give more or less than the suggested amount and that, if a member does **not** wish to make a contribution, the member should deduct the suggested contribution amount from the total shown on the billing statement. This proposed billing notice is permissible under the Act provided it is modified to indicate that a member will not be favored or disadvantaged by the amount of a contribution or a decision not to contribute. 11 CFR 114.5(a)(7); AO 1982-11.

The Board's use of a separate trust account is consistent with the established purpose of a transmittal account, that is, to separate membership dues from contributions. (See AO's 1978-42 and 1979-19.) Moreover, the trust account may be used to transmit corporate contributions **not** permissible in federal elections to a separate account for state and local elections. Section 102.5(a)(1) of Commission Regulations specifically permits a political committee financing activity in connection with both federal and nonfederal elections to establish a separate account solely for federal election activity. By using the trust account to separate contributions permissible under the Act from impermissible contributions (i.e., contributions from corporate members), the Board can ensure that no impermissible contributions are forwarded to RPAC's federal account. (Date issued: October 29, 1982; Length: 4 pages)

AO 1982-56: Congressional Candidate's Endorsement of Local Candidate in Local Candidate's T.V. Ad

Congressman Andrew Jacobs (D-Ind.) appeared in a television ad sponsored by the campaign committee for Ann Delaney, a Democratic candidate for county prosecutor. His appearance did not, however, result in an in-kind contribution to Congressman Jacobs' reelection campaign because the ad did not endorse or seek to influence Congressman Jacobs' reelection. Rather, the 30-second ad was limited to advocating Ms. Delaney's election. The ad did not mention Congressman Jacobs' candidacy or advocate his opponent's defeat; nor did it solicit contributions to his campaign. Consequently, the payments made by the Delaney campaign in connection with Congressman Jacobs' appearance in the t.v. ad are not reportable by his campaign committee.

The Federal Election Commission (FEC) expressed no opinion on the application of the Communications Act or Federal Communications Commission regulations to the ad because they are outside the FEC's jurisdiction. (Date issued: October 29, 1982; Length: 3 pages)

800 LINE

In recent weeks, the Public Communications Office has received inquiries from candidates who wish to conduct concert fundraisers in order to retire debts of their primary and/or general election campaigns. The following article is offered in response to these questions. For further information, call the Commission at 202/523-4068 or toll free 800/424-9530. See also advisory opinions 1977-22 and 1980-42.

CONCERT FUNDRAISERS

May an entertainer volunteer his or her services for a fundraising concert held to retire debts of a candidate's primary or general election campaign?

Yes. However, to qualify as a volunteer, the entertainer may not accept any compensation for the services he or she provides. 2 U.S.C. §431(8)(B). (For full details, see AO's 1977-22 and 1980-42.)

What steps should the candidate's campaign committee take to ensure that the support services provided in conjunction with the concert do not result in excessive or prohibited contributions to the candidate?

The campaign committee must reimburse the entertainer, and any other individuals and vendors, for the support services and materials they pay for in connection with the fundraising concert. For example, if the entertainer pays for the services of a lighting crew and back-up band or for stage props, these production expenses must be reimbursed by the committee, or else they will be regarded as contributions to the candidate.

However, individuals other than the entertainer may also volunteer their services (but not goods), that is, provide them without any compensation from anyone. As such, these services are not contributions.

continued

Is the full price of a ticket for the concert fundraiser considered a contribution to the candidate's campaign?

Yes. Ticket purchases are considered contributions in the full amount of the purchase price. Any purchases, therefore, are subject to the Act's prohibitions and contribution limits (i.e., the limits for a primary, runoff, special or general election campaign). 11 CFR 100.7(a)(2).

What controls should the candidate's campaign committee establish to ensure that ticket purchases do not result in prohibited or excessive contributions to the campaign?

In AO 1980-42, the Commission said that advance publicity and notices at sales locations (e.g., flyers, posters and handbills) must inform potential ticket purchasers that the concert will benefit the candidate's campaign. These signs must also advise purchasers of the Act's limits and prohibitions on contributions. To avoid receiving anonymous contributions exceeding $50 (which cannot be used in federal elections), the committee might also require that ticket purchases of $50 or more either be paid by check or be paid in cash and accompanied by a statement identifying the donor's name and address. 11 CFR 110.4(c)(3).

Does a disclaimer notice have to be used for newspaper ads or radio and t.v. spots advertising the fundraising concert?

Yes. A public political ad promoting the concert must include an authorization notice: "Paid for by _____ for Congress Committee." 2 U.S.C. §441d; 11 CFR 110.11.

Does any special disclaimer notice have to appear on concert tickets?

It depends on the size of the ticket. If the tickets are the usual size of concert tickets, a disclaimer notice is not required. 11 CFR 110.11(a)(2).

Since ticket proceeds are treated as contributions to the candidate's campaign committee, what controls should the committee establish to ensure compliance with the Act's recordkeeping requirements?

Records must be kept of total concert proceeds. In addition, the name and address of the purchaser must be obtained when his/her ticket purchases exceed $50 at the same selling location. When ticket purchases by one person exceed $200, records must also identify the purchaser's (i.e., contributor's) occupation and the name of his/her employer. In addition, detailed records must be kept of any political committee purchasing tickets, regardless of the amount of the committee's purchase. 2 U.S.C. §432(b); 11 CFR 102.9.

How should the candidate's campaign committee report ticket proceeds?

The committee must follow the same procedures in reporting ticket proceeds that it uses in reporting contributions. This means that: 1) All purchases of $200 or less must be lumped together and reported as part of the total figure for unitemized contributions on Form 3, Detailed Summary Page; and 2) Any ticket purchase exceeding $200 from the same purchaser, or exceeding $200 when added to other contributions the purchaser has made to the candidate's campaign during the year, must be itemized on Schedule A. Tickets purchased by political committees, regardless of amount, must also be itemized on Schedule A. 11 CFR 104.3(a)(i), 104.3(a)(4)(i) and 104.8.

How should the candidate's campaign committee report payments for concert expenses?

Any payments the committee makes for concert expenses must be reported as operating expenditures and, if the combined total of payments exceeds $200 to the same payee, they must be itemized on Schedule B. 11 CFR 102.9(b) and 104.3(b)(4)(i).

May a candidate's campaign committee contract with a promoter to handle concert arrangements?

Yes, provided the promoter's fee represents the usual and normal charge for his or her services at the time the contract is signed. 11 CFR 100.7(a)(1)(iii) and 100.8(a)(1)(iv). (For details on one such arrangement, see AO 1980-42.)

continued

FEDERAL REGISTER

FEDERAL REGISTER NOTICES

The item below identifies an FEC document that appeared in the Federal Register on October 1, 1982. Copies of this notice are available in the Public Records Office.

Notice	Title
1982-8	11 CFR, Parts 106 and 9031 through 9039; Presidential Primary Matching Fund -- extension of deadline for comments on notice of proposed rulemaking (47 Fed. Reg. 43392)

What types of concert arrangements may the promoter handle?

As long as the promoter is acting as the **authorized agent** of the candidate's campaign committee, he or she may handle all concert arrangements for the campaign, including: advance publicity, concert hall rental, ticket sales and promotion arrangements. The promoter may also handle ticket proceeds and pay concert expenses. All these activities are, however, subject to the requirements of the Act and Commission Regulations.

Under the contractual arrangements, may ticket sales be made at outlets normally used for commericial concerts?

Yes, assuming this sales arrangement meets all statutory and regulatory requirements. Moreover, the candidate's campaign committee must establish controls at each ticket sales outlet to ensure compliance with the Act's recordkeeping requirements. (See above.)

May ticket purchasers make their checks payable to either the promoter or the ticket sales outlet?

Yes, although it is preferable to have checks made payable to the candidate's campaign committee. Any checks that are not made payable to the candidate's campaign committee must, however, be deposited in a special account established for the fundraiser. 2 U.S.C. §432(b)(3); 11 CFR 102.15.

How does the special account work?

The campaign committee must designate the bank where the special account is established as an **official campaign depository** by amending its Statement of Organization (FEC Form 1). Moreover, since the ticket proceeds are to be treated as "contributions," the promoter must deposit them in the special account within 10 days of their receipt. 11 CFR 103.3(a).

May the promoter pay concert expenses directly from the special account?

Yes. The promoter may pay these expenses by using checks drawn on the special account. 2 U.S.C. §432(h)(1); 11 CFR 102.10 and 103.3.

May the promoter pay any concert expenses from his own checking account?

No. The promoter must pay all concert expenses from the special account designated by the candidate's campaign committee.

Must the promoter keep records of all proceeds deposited in the special account, as well as expenditures made from it?

Yes. 2 U.S.C. §432; 11 CFR 102.9. Using these records, the candidate's campaign committee must then disclose the information on its next regularly scheduled report. (See reporting requirements above.)

If the candidate's campaign committee pays for a portion of the concert expenses directly from its campaign account, how should it report them?

The same reporting procedures apply to concert expenses that are paid directly from the campaign committee's account or from the special account established for the fundraiser. (See above.)

How should the committee report the promoter's fees?

If total payments to the promoter exceed $200 during the year, they must be itemized as an operating expenditure on Schedule B, with the promoter identified as the payee. If less than $200, the payments would be reported as part of the total figure for disbursements on Form 3, Detailed Summary Page. 2 U.S.C. §434(b)(4) and (b)(5)(A); 11 CFR 104.3(b)(4).

After all concert expenses (including the promoter's fees) have been paid, may the balance of the proceeds be transferred to the general account of the campaign committee?

Yes.

AUDITS

AUDITS RELEASED TO THE PUBLIC

The following is a chronological listing of audits released by the Commission between September 23 and October 1, 1982. The audit reports are available to the general public in the Public Records Office.

1. Reagan Bush Committee, Reagan Bush Compliance Fund and Democrats for Reagan (addendum to final audit report for the general election campaign, released September 23, 1982)
2. Democratic Executive Committee of Florida (final audit report, released October 1, 1982)
3. Citizens for LaRouche (addendum to final audit report for the primary campaign, released October 1, 1982)

COURT CASES

NEW LITIGATION

Satellite Business Systems v. FEC

Satellite Business Systems (SBS), a partnership composed of three unaffiliated corporations, claims that the FEC misconstrued Section 441b(a) of the Act in an advisory opinion issued to plaintiff on March 15, 1982. (In AO 1981-56, the Commission stated that the Act barred SBS from either establishing a separate segregated fund or making direct contributions for federal elections.) SBS therefore asks the court to declare that:

1. The Commission's decision in AO 1981-56 was erroneous and SBS should, therefore, be allowed to participate in federal elections; and
2. Section 441b(a), as construed by the Commission in AO 1981-56, violates plaintiff's First and Fifth Amendment rights.

U.S. District Court for the District of Columbia, Civil Action No. 82-2900, October 12, 1982.

COMPLIANCE

FEC PUBLISHES THE NAMES OF NONFILERS

On October 29, 1982, the Commission published separate listings of authorized candidate committees that had failed to file either their third quarterly or their pre-general election reports. In accordance with the federal election law, the Commission published the names of five House campaigns which had failed to file their third quarterly report, due by October 15. During 1982, a quarterly report is required of all authorized candidate committees active in the 1982 elections, as well as of all authorized Presidential committees and all unauthorized committees that choose to file on a quarterly (rather than a monthly) basis. Prior to this publication, the campaigns had received mailgrams notifying them of their failure to file the report.

On October 29, the Commission also published the names of 21 House campaigns and one Senate campaign in 14 different states which had failed to file their pre-general election reports, due 12 days before the November 2 general election. Other political committees not authorized by candidates (i.e., noncandidate committees) were also required to file the pre-general election report if they had made contributions, coordinated party (§441a(d)) expenditures or independent expenditures in connection with the general election.

Further Commission actions against committees that failed to file reports required during the 1982 election year will be decided on a case-by-case basis. The Act gives the Commission broad authority to initiate enforcement actions against any nonfiler, including civil enforcement and the imposition of civil penalties.

INFORMATION

FEC COMMENTS ON FCC'S PROPOSED REINTERPRETATION OF RULES GOVERNING CANDIDATE DEBATES

On October 14, 1982, the FEC submitted comments to the Federal Communications Commission (FCC) concerning the FCC's proposed reinterpretation of equal opportunity rules governing candidate debates sponsored by broadcast licensees. Under the proposed reinterpretation of Section 315(a)(4) of the Communications Act, the broadcasting of candidate debates sponsored by broadcasters would be considered "on-the-spot coverage of bona fide news events" exempt from the equal opportunity rules. (Under the current rules, broadcasters sponsoring candidate debates must provide equal opportunities for all legally qualified candidates to air their political views.*) The FCC had sought comments on the reinterpretation of the equal opportunity rules in a notice published in the Federal Register September 20, 1982 (47 Fed. Reg. 41421).

*A candidate debate may be exempted from the equal opportunities rules, however, if it is: arranged and sponsored by a party **other than the broadcaster;** broadcast in its entirety, live or no later than the day following the event; and covered because of the broadcaster's reasonable, good faith judgment that the debate is newsworthy and not for the purpose of giving a political advantage to any candidate.

STATISTICS

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1982 CONGRESSIONAL CAMPAIGNS SPEND RECORD AMOUNT

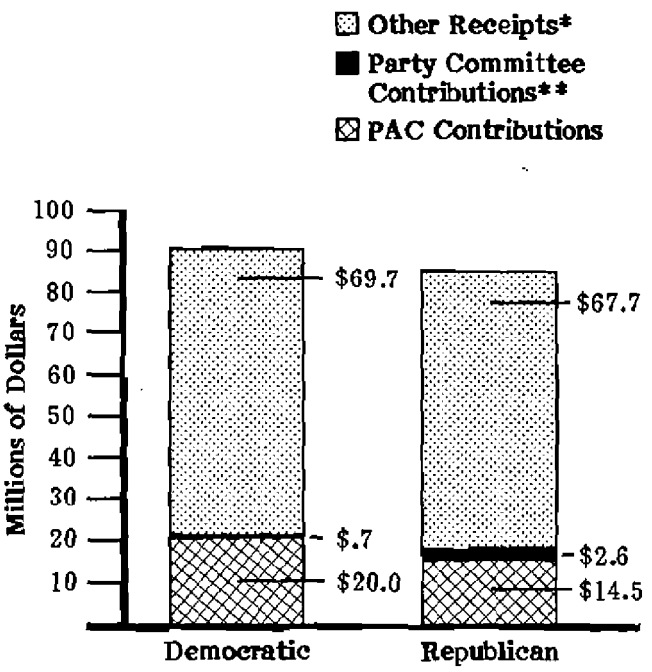
During the first 18 months of the 1982 election cycle, campaign spending by 2,020 House and Senate candidates reached $133.6 million, an amount $30.6 million higher than spending by 2,184 candidates during the same period in the 1980 elections and $53 million higher than spending by 1,812 candidates in the 1978 elections.

The information released by the FEC on October 6, 1982, is based on an interim study, FEC Reports on Financial Activity: 1981-82 U.S. Senate and House Campaigns. The study showed that from January 1, 1981, through June 30, 1982, Congressional candidates raised a total of $175.6 million for their campaigns. Of this amount, $34.6 million (or 20 percent) was contributed by PACs.* During the same period in 1979-80, Congressional candidates had raised $125.8 million, of which $20.8 million (or 16.5 percent) came from PACs. Receipts for 1977-78 campaigns totaled $93.6 million, with PACs having contributed $10.7 million (or 11 percent) of this amount. The charts below detail contributions made to 1982 Congressional candidates by the various categories of contributors.

More detailed information may be obtained from FEC Reports on Financial Activity, 1981-82 -- Interim Report No. 1: Senate and House Campaigns. The study may be purchased for $5.00 from the FEC's Public Records Office, 1325 K Street, N.W., Washington, D.C. 20463. Checks should be made payable to the FEC.

*PAC is a popular term used to define any political committee that has not been authorized by a candidate or a political party. The term includes a separate segregated fund connected to a corporation or labor organization as well as a political committee without any connected organization (i.e., corporate or labor sponsor).

CHART I
CAMPAIGN RECEIPTS OF 1982 CONGRESSIONAL CANDIDATES
1/1/81 - 6/30/82

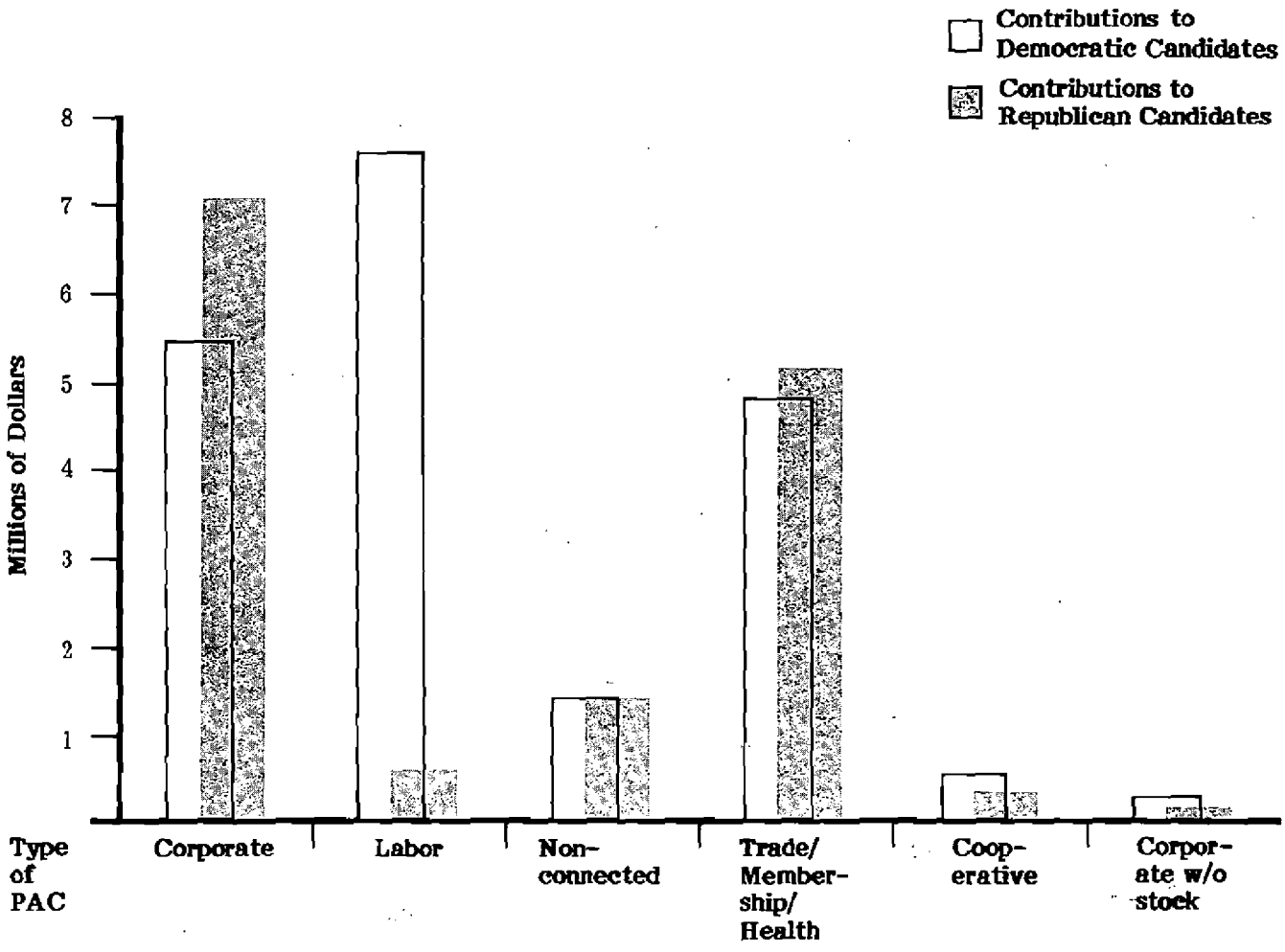


*Other campaign receipts include, for example, contributions from individuals, contributions from candidates to their own campaigns, transfers among authorized committees of the same candidate, loans, refunds, and interest income earned on investments.

**Party contributions include contributions from national, state and local party committees registered with the FEC. These figures do not include coordinated party expenditures made by national and state party committees on behalf of federal candidates in general elections. 2 U.S.C. §441a(d); 11 CFR 110.7. Nor do the figures include disbursements by state and local party committees that benefit federal candidates but are exempt from the definitions of contribution and expenditure. 2 U.S.C. §§431(8)(B)(v), (x), and (xii); 11 CFR 100.7(b)(9) and 100.8(b)(10).

continued

CHART II
PAC CONTRIBUTIONS TO 1982
HOUSE AND SENATE CANDIDATES
1/1/81 - 6/30/82



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