

Record

June 1996

Federal Election Commission

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Table of Contents

Regulations

- 1 New Regulations: Candidate Debates and News Stories

Reports

- 1 July Reporting Reminder

Information

- 2 New Version of FEC Form 5 Now Available
- 2 Point-of-Entry Change Improves Disclosure
- 2 FEC Expands Home Page
- 10 Flashfax Menu

Court Cases

- 3 Minnesota Citizens Concerned for Life, et al., v. FEC
- 4 FEC v. Wofford
- 4 Buchanan v. FEC
- 4 New Litigation

Statistics

- 5 PAC Activity Increases in 1995

Advisory Opinions

Compliance

- 8 Pre-Primary Election Report Nonfilers
- 8 MURs Released to the Public

Federal Register Notices

Index

Regulations

New Regulations: Candidate Debates and News Stories for Cable Television

On April 18, 1996, the FEC transmitted to Congress its revisions to the rules governing candidate debates and news stories staged, produced or distributed by cable television organizations. The rules were published in the Federal Register on April 24, 1996 (61 FR 18049). These rules will take effect once they have been before Congress for 30 legislative days.

Copies of the Federal Register notice of the revised rules may be obtained by calling the FEC at 800/424-9530 or through the FEC's automated Flashfax system: dial 202/501-3413 and request document 233.

Cable Television News Stories

Corporations are generally prohibited from making contributions or expenditures in connection with federal elections. 2 U.S.C. §441b. However, the Federal Election Campaign Act and FEC regulations at 11 CFR 100.7(b)(2) and 100.8(b)(2) exempt from the definitions of contribution and expenditure news stories, commentaries and editorials distributed to the public through the facilities of any broadcast station or periodical publication, provided the

(continued on page 2)

Reports

July Reporting Reminder

Committees filing on a quarterly basis must file their second quarterly report by July 15. Those filing on a monthly schedule have a report due on July 20.

Please note that, in addition to filing quarterly reports, committees of candidates active in 1996 primary and runoff elections must file pre-election reports and may have to file 48-hour notices. PACs and party committees filing on a quarterly basis may also have to file pre-election reports.

Also note that committees of candidates who are not active in any 1996 election must file a mid-year report by July 31.

For more information on 1996 reporting, including reporting dates and when to file 48-hour notices, see the reporting schedule in the January 1996 *Record*. To order the 1996 reporting schedule handout, call 800/424-9530 or 202/219-3420. Or use Flashfax: 202/501-3413 and request document 344. This information is also available at the FEC's World Wide Web home page: <http://www.fec.gov>. ♦

Regulations

(continued from page 1)

media organization is not owned or controlled by any candidate, political committee or political party.¹ The new regulations extend this exemption to cable television operators, programmers and producers acting in their capacities as press entities.

Cable Television Candidate Debates

Additionally, FEC rules exempt from the definitions of contribution and expenditure federal candidate debates staged by broadcasters and bona fide print media. 11 CFR 110.13

¹ If these distribution facilities are owned or controlled by a political party, political committee or candidate, the cost of producing and distributing the news story is still exempt if it represents a bona fide news account communicated in a publication of general circulation or on a licensed broadcasting facility and is part of a general pattern of campaign-related news accounts which give reasonably equal coverage to all opposing candidates.

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

800/424-9530
202/219-3420
202/501-3413 (Flashfax Service)
202/219-3336 (TDD)
800/877-8339 (FIRS)

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John C. Surina, Staff Director
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Counsel

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Division

Louise D. Wides, Director
Dario Bard, Editor

and 114.4(f). New language added at 110.13 and 114.4(f) expands the types of media entities that may stage candidate debates to include cable television operators, programmers and producers.² Cable organizations may stage candidate debates under the same terms that apply to debates staged by other media organizations. The revised rules also permit cable organizations acting in their capacity as news media to cover or carry candidate debates staged by other groups. 11 CFR 100.7(b)(2), 100.8(b)(2) and 110.13. Finally, the new rules clarify the existing requirement that no media organization—broadcast, cable or print—may stage candidate debates if it is owned or controlled by a candidate, political committee or political party. 11 CFR 110.13(a)(2). ♦

Information

New Version of FEC Form 5 Now Available

FEC Form 5 has been updated and also modified to accommodate qualified nonprofit corporations. Additionally, the instructions for filling out the form have been improved and are now easier to follow.

The new Form 5 should be used by both individuals and qualified nonprofit corporations (defined at 11 CFR 114.10) to disclose the making of independent expenditures in excess of \$250. Corporations should also use this form to certify

² The Explanation and Justification accompanying these new rules cites rulings by the Federal Communications Commission that the equal time provisions under the Communications Act do not apply to candidate debates as long as the broadcaster exercises a reasonable, good faith judgment that the debate is newsworthy and not for the purpose of giving political advantage to any candidate.

that they meet the criteria, at 11 CFR 114.10, for being a qualified nonprofit corporation.

The new Form 5 may be ordered by calling 800/424-9530. To have a copy of the form faxed to you, use the FEC's automated Flashfax system; dial 202/501-3413 and request document 365. ♦

Point-of-Entry Change Improves Disclosure

The point-of-entry change for House candidate campaign reports is already yielding benefits.¹

The processing of the First Quarter report went smoothly with fewer duplicate reports submitted and clearer copies of reports for the public.

These benefits are attributable to the point-of-entry change. Formerly, House candidates submitted their reports to the Clerk of the House, who then forwarded microfilmed copies to the FEC.

Now the FEC receives the reports directly. This enables the FEC to process reports and code information faster than before. The FEC's Public Records Office has processed more than 6,500 documents, helped more than 1,100 visitors and handled more than 1,500 calls in connection with the First Quarter filing period.

Senate candidate committees are now the only committees that do not file with the FEC; they file with the Secretary of the Senate, instead. The FEC urged Congress to change this point of entry, as well. See the May 1995 Record, page 3. ♦

FEC Expands Home Page

The FEC has made more information available on its World Wide Web home page: <http://www.fec.gov>. The main menu's offerings have been expanded from three options to six options:

¹ Public Law 104-79 changed the point of entry for House FEC reports from the Clerk of the House to the FEC. See the February 1996 Record, page 1.

- Citizens Guide to Contributions and the Law (information for the general public);
- Using FEC Services;
- Financial Information About Candidates, Parties and PACs (data drawn from reports submitted by political committees);
- Help for Candidates, Parties and PACs (materials written to help committees understand and comply with the law);
- About Elections and Election Administration; and
- News Releases, Media Advisories.

“What’s New” and “New” options highlight recent additions to the home page.

The regulated community may wish to explore the fourth option (Help for Candidates, Parties and PACs), which includes PDF files of the *Campaign Guide for Corporations and Labor Organizations*, the *Campaign Guide for Candidates* and past 1996 *Records*. This option also offers HTML versions of brochures on the following subjects: the Commission (in English and in Spanish), the \$3 checkoff, independent expenditures, the \$25,000 contribution limit, foreign nationals, federal and state campaign finance laws, and public financing of Presidential elections. ♦

(Information continued on page 10)

Court Cases

Minnesota Citizens Concerned for Life, et al. v. FEC, et al.

On April 19, 1996, the U.S. District Court for the District of Minnesota ruled that the FEC’s regulations defining and governing qualified nonprofit corporations (11 CFR 114.10) were unconstitutional on First Amendment grounds.

Legal Analysis

The Federal Election Campaign Act (the Act) contains a broad prohibition against using corporate and labor organization money in connection with a federal election. 2 U.S.C. §441b.

In *FEC v. Massachusetts Citizens for Life (MCFL)* 479 U.S. 238 (1986), the Supreme Court, citing First Amendment concerns, concluded that §441b could not constitutionally prohibit certain nonprofit corporations from making independent expenditures.¹ In that case, the Supreme Court ruled that independent expenditures made by MCFL were exempt from the ban at §441b because MCFL had the following essential features:

- It was formed to promote political ideas and did not engage in business activities;
- It did not have shareholders or other persons who had a claim on its assets or earnings, or who had other disincentives to disassociate themselves from the organization; and
- It was not established by a business corporation or labor union and had a policy of not accepting donations from such entities.

The FEC promulgated the regulations at 11 CFR 114.10 to incorporate the *MCFL* decision into its regulatory framework. These regulations established a test to determine whether a corporation qualified for exemption from the Act’s prohibition against corporate independent expenditures.

MCCL, a nonprofit corporation, brought suit to challenge the constitutionality of the FEC’s new regulations. MCCL alleged that it does not qualify to make independent expenditures under the FEC’s regulations because:

¹ An independent expenditure is an expenditure made without any coordination with a candidate’s campaign for a communication which expressly advocates the election or defeat of a clearly identified candidate for federal office.

- It engages in business activities (sells advertising space in its newsletter, rents its membership list and engages in fundraisers that are not expressly described as requests for donations to be used for political purposes);
- It issues affinity credit cards to its members (impermissible under 11 CFR 114.10(c)(3)(ii) because it creates a disincentive for members to disassociate themselves from MCCL); and
- It accepts corporate contributions.

Court’s Decision

The court noted that the U.S. Court of Appeals for the Eighth Circuit, in addressing a similar Minnesota state law, rejected the argument that *MCFL* had created a bright-line test for exemption from the Act’s prohibition against corporate independent expenditures. *Day v. Holohan* (34 F.3d 1356 (8th Cir., 1994)). Since the judicial district of Minnesota is in the eighth circuit, *Day* constituted controlling law in this district court. The court also noted the decision of the U.S. Court of Appeals for the Second Circuit in *FEC v. Survival Education Fund*, 65 F.3d 285 (2nd Cir., 1995). See the December 1995 *Record*, page 4, for a summary of that case.

The *Day* decision concluded that, by disqualifying from the independent-expenditure exemption those nonprofit, membership corporations that engaged in some business activities and/or accepted corporate donations, Minnesota’s regulations were too restrictive and not narrowly tailored to serve a compelling governmental interest. Relying on *Day*, the district court ruled that these aspects of the FEC’s regulations at 11 CFR 114.10(c) were unconstitutional.

The *Day* decision, however, did not address other aspects of the FEC’s regulations, which plaintiffs had challenged in this suit, including: the imposition of reporting

(continued on page 4)

Court Cases

(continued from page 3)

requirements on those corporations that make independent expenditures under the *MCFL* exemption (11 CFR 114.10(e)); and the requirement that exempt corporations disclose to their contributors that their donations may be used for political purposes (11 CFR 114.10(f)).

Instead of deciding whether these parts of the regulation were independently unconstitutional, the district court found that the unconstitutional provision was not severable under the severability doctrine: A regulation that contains unconstitutional provisions must be stricken in its entirety unless that which remains after the unconstitutional provisions are excised is fully operative as law and the body enacting the regulation would have enacted the constitutional provisions even in the absence of those which are unconstitutional. Because the court found that the FEC's definition of a qualified nonprofit corporation at 114.10(c) was flawed and that that provision was not severable from the rest of 114.10, the court concluded that the entire provision at 114.10 was void.²

U.S. District Court for the District of Minnesota, 3-95-CV-1147. ♦

FEC v. Wofford

On March 27, 1996, the U.S. District Court for the Middle District of Pennsylvania accepted the January 1, 1996, recommendation of the magistrate judge in this case; a \$15,000 civil penalty was imposed

² Although the court voided 11 CFR 114.10 in its entirety, the court noted that the FEC had the authority to impose certification and reporting requirements and to require qualified nonprofits to inform potential donors that their donations could be used for political purposes. These provisions, had they not been inextricably linked to the unconstitutional provisions, would have been entitled to deference.

on the Citizens for Wofford committee and its treasurer for accepting contributions in excess of the per-election limits. 2 U.S.C. §441a(f).

This case involved an FEC enforcement action born out of the 1991 Pennsylvania special election to fill a U.S. Senate seat. The Democratic party nominated Harris Wofford on June 1, 1991. The party chose not to certify him to the state as the Democratic nominee until September 5, however, because the Republican party did not nominate his opponent, Richard Thornburgh, until then.

Mr. Wofford's principal campaign committee, Citizens for Wofford, regarded contributions received after June 1 but before September 5 as primary election contributions. In doing so, contributors were able to give twice as much to Mr. Wofford's general election effort; contributors gave up to their per-election limit for his primary election effort after the fact and again to his general election effort.

The court determined that contributions received after June 1 should have been treated as general election contributions. 11 CFR 110.1(b)(2) and (3).

Although the amount of unlawful contributions received by the defendants was stipulated to have been \$198,075, the court did not issue a higher civil penalty because "there is not a basis presented upon which one may reasonably infer that the defendants acted in bad faith" and because the committee had less than \$15,000 in assets and was \$70,000 in debt. The court concluded: "A fine in the amount of \$15,000 would be adequate to vindicate all of the interests of the Commission and of the public in this case."

U.S. District Court for the Middle District of Pennsylvania, 1:CV-94-2057. ♦

Buchanan v. FEC

On April 18, 1996, the U.S. Court of Appeals for the District of Columbia Circuit granted a joint stipulation to dismiss this case; the parties settled this matter out of court.

Patrick J. Buchanan and his publicly-funded 1992 Presidential campaign committee had petitioned this court to review the FEC's final repayment determination. See the November 1995 *Record*, page 8, for a summary of the suit filed by plaintiffs. See the October 1995 *Record*, page 9, for the FEC's final repayment determination.

The Buchanan committee made most of the repayment immediately from an escrow fund previously established, and agreed to pay the remainder of the amount ordered by the FEC, with full interest, within 6 months.

U.S. Court of Appeals for the District of Columbia Circuit, 95-1458. ♦

New Litigation

DCCC v. FEC (1:96CV00764)

The Democratic Congressional Campaign Committee (DCCC) asks the court to require the FEC to complete an expedited investigation of an administrative complaint (MUR 4128) it filed alleging violations of the Federal Election Campaign Act (the Act) by Grant Lally. Under 2 U.S.C. §437g(a)(8)(A), the filer of an administrative complaint may petition the court after 120 days of the date of its filing.

The DCCC filed this complaint on November 4, 1994. In the complaint, the DCCC alleged that Mr. Lally, a candidate for Congress from the fifth district of New York, received substantial sums (more than \$300,000) in undisclosed contributions, in violation of the

limits at 2 U.S.C. §441a, that he claimed were “personal funds” lent to his campaign. On August 2, 1995, the DCCC filed a supplemental complaint alleging that Mr. Lally continued to accept impermissible contributions.

U.S. District Court for the District of Columbia, 1:96CV00764, April 23, 1996. ♦

the total for the last nonelection year (1993). Two million dollars of the 1995 total was contributed to Presidential candidates, with the remainder concentrated in House campaigns.

Including the \$67.6 million in federal contributions, PAC spending in 1995 totaled \$148.6 million, an 8.5 percent increase over 1993. PAC fundraising in 1995 totaled \$192.6 million in federal dollars (does not include soft money), a 9.2 percent increase over 1993.

Incumbent federal candidates were the recipients of \$59.2 million in PAC contributions. Their challengers received \$3.9 million in PAC contributions. Open-seat candidates received \$4.5 million in PAC contributions. Challengers and open-seat candidates do not usually begin significant fundraising until the election year.

PAC contributions to Republican candidates increased from \$20 million in 1993 to \$42 million in 1995, due in part to the increase in Republican incumbents. Conversely, PAC contributions to Democratic candidates decreased from \$36.6 million in 1993 to \$25.6 million in 1995.

An April 4, 1996, FEC news release contains these and other data on PAC financial activity in 1995. To obtain a copy of this release, contact the Office of Public Disclosure (800/424-9530 or 202/219-4140) or use the automated Flashfax system (202/501-3413) and request document 532. The latest available figures are on the FEC’s World Wide Web site: <http://www.fec.gov>.

The accompanying graph is based on data contained in the news release. ♦

Statistics

PAC Activity Increases in 1995

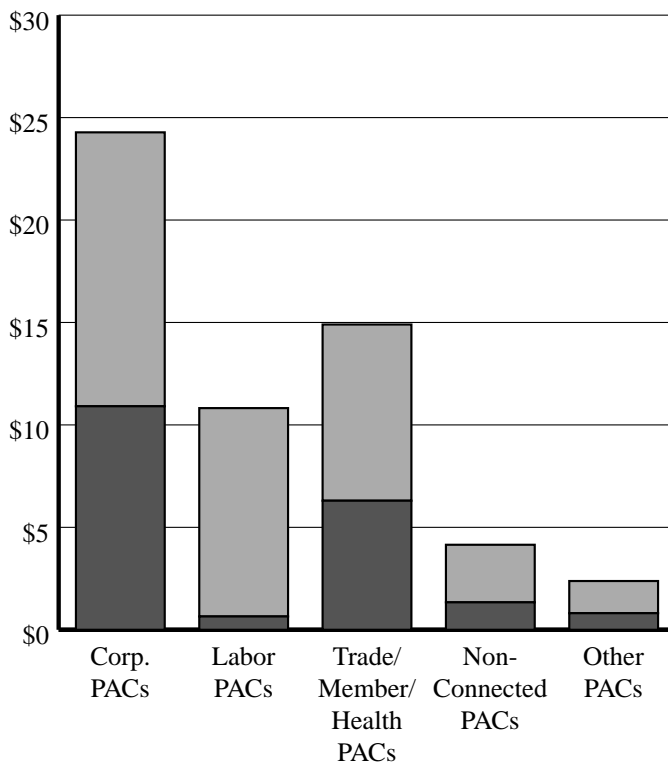
According to reports filed with the FEC, PAC contributions to federal candidates in 1995 totaled \$67.6 million, a 19.2 percent increase over

PAC Contributions to Candidates

The bar graphs below show PAC contributions to candidates in 1993 and 1995 by type of PAC. Each bar has two segments, representing contributions made to Democratic and Republican candidates. The “Other PACs” bar represents contributions made to candidates by the PACs of cooperatives and corporations without stock.

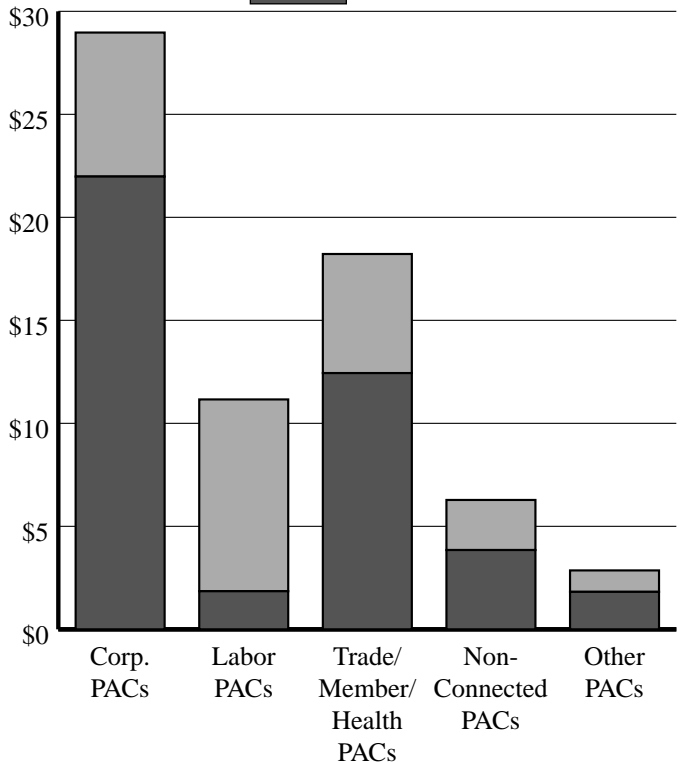
1993

Millions



1995

Millions



Advisory Opinions

AO 1995-49

Status of a State Affiliate of National Party Committee

The Natural Law Party of Texas (Texas Party) is not a state party committee of the Natural Law Party of the United States of America (the Natural Law Party-National) because it has not yet secured ballot access in the State of Texas for its Presidential and other federal candidates.

Under the Act and Commission regulations, a "state committee" is defined as an organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operations of the party at the state level, as determined by the Commission. 2 U.S.C. §431(15); 11 CFR 100.14.

In a previous advisory opinion, the FEC determined that the Natural Law Party-National was a national committee and set forth the following requirements for state affiliates to be considered state committees under the Act. First, the state affiliate must have an agreement indicating that it is responsible for the day-to-day operation of the party at the state level. Second, the relationship between the national committee and the state committee must be based on that agreement. Third, the state affiliate must obtain ballot access for federal candidates, including the Presidential candidate, in that state. AO 1992-30.

While the Commission determined that the bylaws of the Texas Party did delineate activity commensurate with the day-to-day functioning of the party on the state level, the Texas affiliate had not yet successfully placed any federal candidates on the state ballot. Thus, until ballot access for these candidates is secured, the Texas affiliate

will not be a state committee of the Natural Law Party-National.

Date Issued: April 19, 1996;
Length: 3 pages. ♦

AO 1996-2

Providing Free On-Line Accounts to Candidates

CompuServe, Inc., may not make free on-line accounts available to federal candidates. Providing such a service to a candidate would constitute an illegal corporate contribution. 2 U.S.C. §441b(a). The fact that this service would be made available to all candidates and that CompuServe has a practice of providing free accounts to certain customers does not legitimize this arrangement.

CompuServe's Proposed Activity

CompuServe proposed offering free on-line accounts to all federal candidates as part of its plan to create a nonpartisan on-line election headquarters called "The Election Connection '96." Although CompuServe normally charges \$9.95 for on-line accounts, it has a regular practice of making on-line accounts available free of charge to certain classes of customers, including: journalists who cover the on-line industry; public service-oriented users such as a wide variety of schools and charitable organizations, as well as museums, religious organizations and government entities; and a few trade and professional associations.

CompuServe provides this free service to these customers because it feels that the publicity it obtains through such users heightens the company's prestige and goodwill, stimulates usage by existing CompuServe customers and encourages others to subscribe to CompuServe. Providing free accounts to federal candidates would serve the same purposes.

FEC Laws and Regulations

Corporations may not make contributions or expenditures in connection with a federal election. 2 U.S.C. §441b(a); 11 CFR 114.2(b). Goods or services provided for free or at a discount are considered contributions valued at the difference between the amount actually charged and the usual and normal charge. 11 CFR 100.7(a)(1)(iii)(A).

The FEC has permitted vendors to provide a rebate or a discount to a federal candidate without its counting as a contribution when such rebate or discount was made available in the ordinary course of business and on the same terms and conditions to nonpolitical customers, too. AOs 1995-46, 1994-10, 1989-14 and 1987-24.

The Commission, however, has explicitly noted that (except under narrow circumstances) the allowance of vendor discounts in the ordinary course of business does not extend to providing valuable goods and services to federal candidates free of charge. AO 1988-25 (national nominating convention).¹

With respect to the publicity and promotional value CompuServe places on the use of its services by federal candidates, past advisory opinions have noted that the promotional or goodwill value that a vendor expects to derive from the free use of its services by a candidate does not avoid a prohibited corporate contribution. AOs 1991-23, 1988-25, 1987-22 and 1986-30.

Therefore, even though CompuServe has an ordinary business practice of providing free on-line accounts to certain classes of customers, its proposed free gift to

¹ In AO 1982-44, for example, the Commission allowed a cablecast television station to donate free air time to two national parties without its counting as a contribution because the activity fell within the news story exemption at 2 U.S.C. §431(9)(B)(i) and 11 CFR 100.7(b)(2) and 100.8(b)(2).

federal candidates would constitute a prohibited corporate contribution under 2 U.S.C. §441b(a).

Date Issued: April 25, 1996;
Length: 6 pages. ♦

AO 1996-3 Determining Political Committee Status

The Breeden-Schmidt Foundation is not a political committee because its major purpose is not to influence federal elections. The Foundation does not, therefore, need to register and file reports with the FEC as a political committee.

The Foundation was established to receive a testamentary distribution from Wilmer Breeden who left funds, in trust, to be used to advance the principles of socialism. The Foundation is not incorporated. Since its founding, the Foundation's only income has been derived from the investment of Mr. Breeden's original endowment. A Board of Trustees controls the Foundation's assets, and this board has made and plans to continue to make contributions to federal candidates.

The Foundation appears to meet the definition of "political committee" under 2 U.S.C. §431(4)(A) because its contributions to federal candidates have exceeded \$1,000 in a calendar year. However, given the Foundation's other disbursements of significant amounts for non-election purposes, the FEC determined its status as a political committee by applying the major-purpose test. Under that test, a group qualifies as a political committee if, in addition to satisfying the criteria at §431(4)(A), its major purpose is campaign activity, i.e., making payments or donations to influence any election to public office. 26 U.S.C. §527(e)(1) and (2); AOs 1995-11 and 1994-25; and *Akins v. FEC*.

The declaration of trust under which the Foundation was created states that the Foundation's funds may be used for a variety of pur-

poses, including supporting federal candidates.

Except for the Foundation's first year (1990), when its disbursement programs were not yet fully developed, contributions to federal, state and local candidates constituted no more than 10 percent of the Foundation's total outlays for any one calendar year, and the total remained under \$5,000 per year for the past 6 years. None of the other disbursements made by the Foundation is in any way related to election campaigns.

It is also relevant that, apart from the contributions, there is no indication that the Foundation's disbursements were related to election campaigns. For example, the Foundation does not appear to distribute materials featuring candidates or members of Congress, recruit candidates for public office or solicit people to assist campaigns for public office.

Based on all of these factors, the making of political contributions was not the Foundation's major purpose. This conclusion is valid only insofar as the Foundation does not alter the pattern of its activities.

Contributions made by the Foundation should be attributed to the Foundation and not to its individual trustees.

This advisory opinion does not address any tax ramifications of the Foundation's proposed activities because these issues are outside the FEC's jurisdiction.

Date Issued: April 19, 1996;
Length: 5 pages. ♦

AO 1996-9 Building a Library Center with Excess Campaign Funds

The Re-Elect Exon for U.S. Senate Committee may transfer excess campaign funds to the Nebraska Democratic Party, which will use these funds in part to build a library to house the candidate's papers. There is no limit to the amount that may be transferred. The

proposed use of campaign funds does not constitute personal use.

Background

Since Senator J. James Exon is not seeking reelection, his campaign committee plans to transfer excess campaign funds to the Nebraska Democratic Party with the understanding that the party will use part of the money to create a library facility to house Senator Exon's papers.

Under the proposal, the party would govern access to the library and to the papers the senator decides to place in the library. The Senator would provide guidance on the layout, construction and accuracy of the displays, and would be consulted occasionally on these matters, but once these decisions were made, the party would retain control of the facility with respect to issues of access, planning and future use. This library center would include an office that would be open to the public and that the Senator would use on occasion, principally for library projects and to greet visitors. No one performing research or writing services for the Senator would receive compensation from the party.

Personal Use

Under 2 U.S.C. §439a, excess campaign funds may be used for any lawful purpose that does not constitute personal use, including making unlimited transfers to party committees. Since candidates are permitted to make unlimited transfers of excess campaign funds to a state party committee, the principal issue here is whether Senator Exon's use of the office would constitute a "personal use" of campaign funds.

"Personal use" is defined as any use of campaign funds to fulfill a commitment, obligation or expense of any person that would exist irrespective of the candidate's campaign or duties as a federal officeholder. 11 CFR 113.1(g).

(continued on page 8)

Advisory Opinions

(continued from page 7)

The Senator's use of library facilities for matters connected to the operation of the library facility or to other party business does not constitute a personal use of campaign funds. 2 U.S.C. §439a. There is therefore no limit on the amount of time the Senator may spend at the library for those purposes. Use of the office for personal activities, however, will be personal use, unless they are of a *de minimis* amount. Compare 11 CFR 113.1(g)(1)(ii)(D).

Date Issued: April 19, 1996;
Length: 4 pages. ♦

Advisory Opinion Requests

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

AOR 1996-14

Use of campaign funds to pay for moving expenses of retiring member of Congress (Congressman E. de la Garza; April 18, 1996; 1 page)

AOR 1996-15

Storing federal reports without accompanying envelopes (Ethics Commission of the State of Oklahoma; April 18, 1996; 2 pages)

AOR 1996-16

Electronic town meetings with Presidential candidates sponsored by on-line interactive network (Bloomberg L.P.; April 26, 1996; 3 pages)

AOR 1996-17

Loaning cars to two major parties for use at national nominating conventions (General Motors Corporation; April 24, 1996; 4 pages)

AOR 1996-18

Contributions designated for SSF through a connected organization's "conduit account" established under Wisconsin law (International Association of Fire Fighters; April 25, 1996; 2 pages)

AOR 1996-19

Use of campaign funds to pay travel expenses for candidate's children to attend national party convention (Congressman James T. Walsh; May 1, 1996; 1 page)

AOR 1996-20

Use of campaign funds to pay travel expenses of Congressman's Chief of Staff to attend national party convention (Congressman Frank D. Lucas; May 2, 1996; 2 pages)

AOR 1996-21

Distribution of membership organization's communication endorsing candidates and urging support for them (Business Council of Alabama; May 3, 1996; 6 pages plus 3 page attachment)

AOR 1996-22

Public funding of candidates and nominating conventions of new and minor parties (Perot Reform Committee; May 7, 1996; 5 pages) ♦

Compliance

Pre-Primary Election Report Nonfilers

The candidate committees listed below failed to file required pre-primary election campaign finance disclosure reports.

Candidate	Office Sought
Funderburk, David B.	House, NC/2
Greenwood, James	House, PA/8
Houseman, Gerald L.	House, IN/4
Hutchinson, Tim	House, AR/3
Jones, Walter, Jr.	House, NC/3
Moran, James P.	House, VA/8
Sanders, Gregory J.	House, UT/1

The list is based on the FEC news releases of April 19 and May 3, 8, 15 and 17. The FEC is required by law to publicize the names of

nonfiling candidate committees. 2 U.S.C. §438(a)(7). The FEC pursues enforcement actions against nonfilers on a case-by-case basis. ♦

MURs Released to the Public

Listed below are summaries of FEC enforcement cases (Matters Under Review or MURs) recently released for public review. This listing is based on the FEC news releases of April 16, 19 and 25, and May 3, but it does not include the 9 MURs in which the Commission took no action. Files on closed MURs are available for review in the Public Records Office.

MUR 3507

Respondents: (a) Thomas Ligenfelter (PA); (b) Brown for President, Blaine Quick, treasurer (CA)

Complainant: Steve Petrov (PA)

Subject: Corporate contributions; disclaimers; failure to forward contributions; excessive contribu-

Disposition: (a) Reason to believe, but took no further action, sent admonishment letter (excessive contributions); no reason to believe (corporate contributions, disclaimers, failure to forward contributions); (b) reason to believe, but took no further action (excessive contributions, failure to disclose debt); no reason to believe (disclaimers)

MUR 3632/Pre-MUR 265

Respondents: (a) Brown for President, Blaine Quick, treasurer (CA); (b) KIMCO Industries, Inc., Paul M. Zarillo, individually and as President (NY)

Complainants: Paul M. Zarillo, President, KIMCO Industries, Inc. (NY)

Subject: Corporate contributions; failure to disclose debt; cash dis-

Disposition: (a) Reason to believe, but took no further action; (b) reason to believe, but took no further action (corporate contributions)

MUR 4044

Respondents: (all in TX): (a) Eddie Bernice Johnson for Congress, Pao-Ling W. Chen, treasurer; (b) Jason Justice; (c) Sandra Coaxum; (d) Lorlee Bartos; (e) Dr. Louis Deere

Complainant: FEC initiated (RAD)

Subject: Failure to accurately report PAC contribution; failure to file disclosure reports timely; failure to file 48-hour reports; excessive contributions; corporate contributions; failure to provide contributor information ("best efforts") and aggregate year-to-date totals; failure to itemize certain disbursements accurately

Disposition: (a) \$44,000 civil penalty, committee will amend reports to provide contributor information and accurate itemization for disbursements; (b-e) reason to believe, but took no further action (excessive contributions)

MUR 4108

Respondents: (all in VA): (a) Buchanan for President, Inc. (1992 Committee), Angela M. Buchanan, treasurer; (b) Patrick J. Buchanan; (c) Janet Fallon; (d) Paul Erickson

Complainant: FEC initiated (Audit)
Subject: Corporate contributions; excessive contributions; excessive contributions in the form of staff advances

Disposition: (a) \$20,000 civil penalty and disgorged to the U.S. Treasury \$8,166, representing corporate contributions, and \$53,759, representing excessive contributions; (b-d) reason to believe, but took no further action (excessive contributions in the form of staff advances)

MUR 4115

Respondents: (a) Gene Taylor for U.S. Congress, Carroll Gordon, treasurer (MS); (b) The Honorable Gary Eugene Taylor (MS); (c) Wayne Weidie (DC); (d) Chevron Corporation (DE); (e) Mr. and Mrs. Graham Somerville (MS)

Complainant: George Barlos for Congress Committee (MS)

Subject: Disclaimers

Disposition: (a) Reason to believe, but took no further action; sent admonishment letter; (b-c) no reason to believe; (d-e) took no action

MUR 4152

Respondents: (a) Colin R. McMillan (NM); (b) McMillan for U.S. Senate, Jack C. Emmons, treasurer (NM)

Complainant: Robert F. Bauer

Subject: Failure to accurately report receipts and disbursements

Disposition: (a) No reason to believe; (b) reason to believe, but took no further action; sent admonishment letter

MUR 4159

Respondents: (a) Peter B. Kappelman (FL); (b) Merle A. Kappelman (FL)

Complainant: Harold W. Needham (FL)

Subject: Foreign national contributions

Disposition: (a-b) Reason to believe, but took no further action; sent admonishment letters

MUR 4217

Respondents: Durenberger '94 Volunteer Committee, Richard L. Evans, treasurer (MN)

Complainant: FEC initiated (RAD)

Subject: Receipt of excessive primary election contributions; receipt of general election contributions (candidate dropped out of race after losing primary election)

Disposition: \$10,764.81 civil penalty; committee will attempt to maximize recovery from pending settlement with Piper Jaffray Investment firm and, within 30 days of receipt of any settlement proceeds, committee will transfer all proceeds to FEC as civil penalty; committee to refund primary contributions and amend reports to reflect refunds

MUR 4239

Respondents: (a) Ted Arison (Israel); (b) The Florida Congressional Committee, Forrest B. Raffel, treasurer (FL); (c) Harvey Friedman (FL)

Complainant: Sua sponte

Subject: Foreign national contributions

Disposition: (a) \$5,000 civil penalty; (b) \$2,000 civil penalty; (c) reason to believe, but took no further action; sent admonishment letter

MUR 4277

Respondents: Citizens for Senator Wofford, John D. Sheridan, treasurer (PA)

Complainant: FEC initiated (RAD)

Subject: Failure to file 48-hour reports

Disposition: \$10,000 civil penalty

MUR 4280

Respondents: Democratic Party of Hawaii—Federal Campaign Committee, Jane Sugimura, treasurer (HI)

Complainant: FEC initiated (RAD)

Subject: Failure to file disclosure reports timely

Disposition: \$8,000 civil penalty

MUR 4302

Respondents: Nevada State Republican Central Committee, Robert T. Beers, treasurer

Complainant: FEC initiated (RAD)

Subject: Failure to file disclosure report timely

Disposition: \$1,200 civil penalty ♦

Federal Register

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

1996-11

11 CFR 110: Candidate Debates and News Stories (staged by cable television stations); Correction (61 FR 24533, May 15, 1996)

Information

(continued from page 3)

Flashfax Menu

To order any of these documents, 24 hours a day, 7 days a week, call **202/501-3413** on a touch tone phone. You will be asked for the numbers of the documents you want, your fax number and your telephone number. The documents will be faxed shortly thereafter.

Disclosure

- 301. Guide to Researching Public Records
- 302. Accessibility of Public Records Office
- 303. Federal/State Records Offices
- 304. Using FEC Campaign Finance Information
- 305. State Computer Access to FEC Data
- 306. Direct Access Program (DAP)
- 307. Sale and Use of Campaign Information
- 308. Combined Federal/State Disclosure Directory 1996 on Disk
- 309. Selected Political Party Organizations and Addresses
- 310. Internet Access to the FEC
- 311. Downloadable Databases via the Internet

Limitations

- 315. Contributions
- 316. Coordinated Party Expenditure Limits
- 317. Advances: Contribution Limits and Reporting
- 318. Volunteer Activity
- 319. Independent Expenditures
- 320. Local Party Activity
- 321. Corporate/Labor Facilities
- 322. Corporate/Labor Communications
- 323. Trade Associations
- 324. Foreign Nationals
- 325. The \$25,000 Annual Contribution Limit
- 326. Personal Use of Campaign Funds

Public Funding

- 330. Public Funding of Presidential Elections
- 331. The \$3 Tax Checkoff
- 332. 1993 Changes to Checkoff
- 333. Recipients of Public Funding
- 334. Presidential Fund Tax Checkoff Status
- 335. Presidential Spending Limits

Compliance

- 340. Candidate Registration
- 341. Committee Treasurers
- 342. Political Ads and Solicitations
- 343. 10 Questions from Candidates
- 344. Reports Due in 1996
- 345. 1996 Congressional Primary Dates
- 346. Filing A Complaint
- 347. 1996 FEC Regional Conferences
- 348. 1996 Special Election Reporting Dates

Federal Election Commission

- 401. The FEC and the Federal Campaign Finance Law
- 402. La Ley Federal relativa al Financiamiento de las Campañas
- 403. State and Local Elections and the Federal Campaign Law
- 404. Compliance with Laws Outside the FEC's Jurisdiction
- 405. Biographies of Commissioners and Officers
- 406. Telephone Directory
- 407. Table of Organization
- 408. Index for 1995 *Record* Newsletter
- 409. Free Publications
- 410. Personnel Vacancy Announcements
- 411. Complete Menu of All Material Available

Clearinghouse on Election Administration

- 424. List of Reports Available
- 425. Voting Accessibility for the Elderly and Handicapped Act
- 426. National Voter Registration Act Regulations
- 427. National Voter Registration Act of 1993
- 428. The Electoral College
- 429. Organizational Structure of the American Election System
- 430. Primary Functions of an Electoral System

Money in Politics Statistics

- 525. 1991-2 Political Money
- 526. 1995 Year-End PAC Count
- 527. 1993-4 Congressional
- 528. 1993-4 National Party
- 529. 1993-4 PAC Finances
- 530. 1995-6 Congressional
- 531. 1995-6 National Party
- 532. 1995-6 PAC Finances

1996 Presidential Election

- 550. 1996 Presidential Primary Dates
- 551. Selected 1996 Campaign Names and Addresses
- 552. Selected 1996 Campaign Finance Figures
- 553. 1996 Matching Fund Certifications and Convention Fund Payments

Regulations (11 CFR Parts 100-201)

- 100. Part 100, Scope and Definitions
- 101. Part 101, Candidate Status and Designations
- 102. Part 102, Registration, Organization and Recordkeeping by Political Committees
- 103. Part 103, Campaign Depositories
- 104. Part 104, Reports by Political Committees
- 105. Part 105, Document Filing
- 106. Part 106, Allocations of Candidate and Committee Activities
- 107. Part 107, Presidential Nominating Convention, Registration and Reports
- 108. Part 108, Filing Copies of Reports and Statements with State Offices
- 109. Part 109, Independent Expenditures
- 110. Part 110, Contribution and Expenditure Limitations and Prohibitions
- 111. Part 111, Compliance Procedure
- 112. Part 112, Advisory Opinions
- 113. Part 113, Excess Campaign Funds and Funds Donated to Support Federal Officeholder Activities
- 114. Part 114, Corporate and Labor Organization Activity
- 115. Part 115, Federal Contractors
- 116. Part 116, Debts Owed by Candidates and Political Committees
- 200. Part 200, Petitions for Rulemaking
- 201. Part 201, Ex Parte Communications

Recent Actions on Regulations, Including Explanations and Justifications

- 227. Presidential Nominating Conventions
- 228. Personal Use of Campaign Funds
- 229. Express Advocacy; Independent Expenditures; Corporate and Labor Organization Expenditures

- 230. Corporate and Labor Organization Activity; Express Advocacy and Coordination with Candidates
- 231. Communications Disclaimer Requirements
- 232. Public Financing of Presidential Primary and General Election Campaigns
- 233. Candidate Debates and News Stories
- 234. Electronic Filing of Reports by Political Committees

Forms

- 361. Form 1, Statement of Organization
- 362. Form 2, Statement of Candidacy
- 363. Form 3 and 3Z, Report for an Authorized Committee
- 364. Form 3X, Report for Other Than an Authorized Committee
- 365. Form 5, Report of Independent Expenditures
- 366. Form 6, 48-Hour Notice of Contributions/Loans Received
- 367. Form 7, Report of Communication Costs
- 368. Form 8, Debt Settlement Plan
- 369. Form 1M, Notification of Multi-candidate Status

Schedules

- 370. Schedule A, Itemized Receipts
- 371. Schedule B, Itemized Disbursements
- 372. Schedules C and C-1, Loans
- 373. Schedule D, Debts and Obligations
- 374. Schedule E, Itemized Independent Expenditures
- 375. Schedule F, Itemized Coordinated Expenditures
- 376. Schedules H1 – H4, Allocation
- 377. Schedule I, Aggregate Page Nonfederal Accounts

U.S. Code (Title 2)

- | | |
|------------------|------------------|
| 431. Section 431 | 441. Section 441 |
| 432. Section 432 | 442. Section 442 |
| 433. Section 433 | 451. Section 451 |
| 434. Section 434 | 452. Section 452 |
| 437. Section 437 | 453. Section 453 |
| 438. Section 438 | 454. Section 454 |
| 439. Section 439 | 455. Section 455 |

Advisory Opinions

- 601-9. AOs 1996-1 through 1996-9
- 700. Brochure
- 701-49. AOs 1995-1 through 1995-49
- 801-40. AOs 1994-1 through 1994-40
- 901-25. AOs 1993-1 through 1993-25

Index

The first number in each citation refers to the “number” (month) of the 1996 *Record* issue in which the article appeared. The second number, following the colon, indicates the page number in that issue. For example, “1:4” means that the article is in the January issue on page 4.

Advisory Opinions

- 1995-38: Corporate vendor and nonconnected PAC with common officer, 1:14
- 1995-40: Disaffiliation of PACs, 3:7
- 1995-41: Preemption of state disclosure requirements, 2:3
- 1995-42: Using campaign funds to pay child-care expenses, 2:3
- 1995-43: Refunding legal fees to candidate committee, 3:8
- 1995-44: Presidential primary candidate excused from filing 48-hour notices, 3:8
- 1995-45: Qualified campaign expenses for ballot access, 3:9
- 1995-46: Purchase of candidate’s book by his campaign, 3:9
- 1995-47: Use of campaign funds for travel to party’s Presidential nominating convention, 5:7
- 1995-48: Preemption of Georgia law limiting receipt of contributions, 3:10
- 1995-49: Status of a state affiliate of national party committee, 6:6
- 1996-1: Corporate partisan communications, 5:7
- 1996-2: Providing free on-line accounts to candidates, 6:6
- 1996-3: Determining political committee status, 6:7
- 1996-4: Public funding shortfalls and bridge loans, 5:8
- 1996-5: Returning illegal contributions, 5:9
- 1996-7: Public funding certifications, 5:9
- 1996-9: Building a library center with excess campaign funds, 6:7

Court Cases

- FEC v. _____
- Democratic Senatorial Campaign Committee (95-2881), 1:5
- GOPAC, 4:1
- Hartnett, 4:12
- Legi-Tech, 4:9
- National Right to Work, 4:11
- Parisi, 3:6
- Wofford, 6:4
- _____ v. FEC
- Albanese, 5:4
- Buchanan, 6:4
- Center for Responsive Politics, 1:3
- Chamber of Commerce of the U.S.A., et al., 1:2
- Clifton, 5:6
- Common Cause (94-02104), 5:5
- DCCC (1:96CV00764), 6:4
- Hooker, 3:7
- Jordan, 4:12
- Maine Right to Life Committee, 1:3; 4:9
- Minnesota Citizens Concerned for Life, 3:6; 6:3
- Republican National Committee (94-1017), 4:10
- Stockman, 2:9
- Whitmore, 3:6
- On Appeal?, 5:6

Reports

- Electronic filing system, FEC authorized to develop, 2:2
- Point of entry change for House candidates, 2:1
- Reporting reminders, 4:3; 6:1
- Schedule for 1996, 1:5
- Special elections
- House, California’s 37th district, 2:5
- House, Maryland’s 7th district, 3:2
- House, Oregon’s 3rd district, 3:2

800 Line

- Ballot access payments, 2:8
- Conventions, permissible corporate and labor activity, 2:7
- Filing tips, 5:1

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, the Clerk of the House or the FEC (as appropriate) and with the appropriate state office.

Other Subscribers

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- Subscription number (located on the upper left corner of the mailing label);
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- New address.

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