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Advisory Opinions

AO 2003-2 Socialist Workers Party Disclosure Exemption

The Socialist Workers Party National Campaign Committee and committees supporting candidates of the Socialist Workers Party (SWP) remain exempt from some FEC disclosure requirements for political committees.

Under the Federal Election Campaign Act (the Act), political committees are required to file reports with the FEC disclosing their receipts and disbursements, including the identification of individuals and other persons who have made contributions aggregating \$200 or more during a calendar year. 2 U.S.C. §434(b)(3), (5) and (6). According to FEC regulations, identification, in the case of an individual, includes his or her full name, mailing address, occupation and the name of his or her employer.¹ Under the Act, the treasurer

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¹ 11 CFR 100.12 includes this definition for an individual, but also includes the definition of identification for any other person as the person's full name and address.

Regulations

Notice of Proposed Rulemaking on the Public Financing of Presidential Candidates and Nominating Conventions

On April 3, 2003, the Commission approved a Notice of Proposed Rulemaking (NPRM) requesting comments on proposed changes to its rules governing publicly financed Presidential candidates and national nominating conventions. The rules at issue implement the provisions of the Presidential Election Campaign Fund Act (the Fund Act) and the Presidential Matching Payment Account Act (the Matching Payment Act), which:

- Establish eligibility requirements for Presidential candidates and convention committees seeking public funds;
- Indicate how funds received under the public financing system may be spent; and
- Require the Commission to audit publicly financed committees and seek repayments where appropriate.

The Commission proposes revisions to these rules to implement relevant provisions of the Bipartisan Campaign Reform Act of 2002

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Regulations

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(BCRA) and to respond to issues that arose while administering the public funding program during recent election cycles.

Presidential Candidates

Winding down costs. The proposed rules would make several changes to Commission regulations governing winding down costs, including limiting the length of time during which a committee could use public funds to pay winding down expenses and limiting the total amount of winding down expenses that could be paid, in whole or in part, with public funds. The Commission also requests comments on alternatives to these proposed new regulations, such as disallowing the use of public funds to pay winding down costs or more precisely stating in the regulations what types of expenses are permissible winding down expenses.

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The proposed rules would also clarify which costs constitute primary winding down costs for candidates who participate in both primary and general elections, and the Commission seeks comments on methods of allocating winding down expenses between primary and general election committees and on whether and to what extent General Election Legal and Accounting Compliance (GELAC) funds may be used to pay primary winding down expenses. Additionally, the Commission seeks comments on whether certain convention expenses incurred by Presidential primary candidates after their dates of ineligibility should be considered qualified campaign expenses.

Primary Expenditure Limitations and Repayments. The Commission also proposes to clarify its rules concerning which expenses apply to the expenditure limitations for Presidential primary candidates and repayments based on expenditures in excess of these limitations. Some of the proposed changes in the regulations would, for example, address the extent to which in-kind contributions, coordinated expenditures, coordinated communications, coordinated party expenditures and coordinated party communications would count against the expenditure limitations, particularly in light of the Commission's recent rulemaking on coordinated and independent expenditures. The Commission also requests comments on whether similar changes should be made to the regulations governing publicly funded general election Presidential candidates.

GELAC funds. In addition, the Commission is considering making changes to its regulations concerning the use of GELAC funds in order to:

- Update the list of permissible uses of GELAC funds, consistent with the BCRA;
- Require candidates to use GELAC funds to make primary campaign

repayments if the primary committee cannot make them before excess or remaining GELAC funds may be used for other purposes;

- Change or eliminate the June 1 starting date for candidates soliciting or accepting direct contributions to their GELAC funds; and
- Apply the Commission's new rules concerning the reattribution and redesignation of individual contributions to GELAC contributions.

Other candidate issues. The NPRM proposes a number of additional revisions to its regulations concerning Presidential candidates, such as allowing publicly funded candidates to receive salary from their campaign committees, under limited circumstances and in limited amounts, and creating a new "shortfall exemption" from a primary candidate's overall expenditure limitation to mitigate the effect of delayed or deficient payments of matching funds.

National Nominating Conventions

The Commission also proposes revisions to its regulations concerning national nominating conventions in order to implement the BCRA's ban on the use of nonfederal funds by national party committees and to further clarify other requirements.

BCRA provisions concerning nonfederal funds. Under the BCRA, a national committee of a political party may not solicit, receive or direct to another person a contribution, donation or transfer of funds or anything of value, or spend any funds, that are not subject to the limits, restrictions and reporting requirements of the Federal Election Campaign Act. This prohibition also applies to agents acting on behalf of the national party committee and to entities directly or indirectly established, financed, maintained or controlled by a national party committee. 2 U.S.C. §§441i(a)(1) and (2).

The Commission seeks comments on whether host committees and

municipal funds for national nominating conventions are “agents” of a national party committee or are directly or indirectly established, financed, maintained or controlled by that committee. The BCRA also prohibits an entity directly or indirectly established, financed, maintained or controlled by, or acting on behalf of, a federal candidate or officeholder from raising or spending nonfederal funds in connection with a federal election. 2 U.S.C. §441(e)(1). The NPRM requests comments on whether expenses of a host or municipal committee are in connection with a federal election.

Convention committees, in contrast, are as a matter of law directly or indirectly established, financed, maintained or controlled by a national party committee. Thus, the proposal would ban convention committees from raising and spending nonfederal funds. The Commission seeks comments on whether this prohibition would bar convention committees from accepting many of the in-kind donations typically provided by host committees and municipal funds.

The NPRM also poses other questions concerning the application of BCRA provisions to convention activities, such as whether:

- Host committees and municipal funds would be eligible to make a certification that they do not make

expenditures or disbursements in connection with a federal election under 11 CFR 300.11(d), and whether they would be eligible for the exceptions from the ban on solicitations by federal candidates and officeholders at 11 CFR 300.65;

- A convention committee may offset in-kind contributions received from host committees in the form of impermissible expenses with convention committee expenditures that could have been paid by the host committee;
- Commercial vendors may provide goods and services to convention committees at discounted rates or no charge under certain circumstances; and
- Private events held by corporations, labor organizations and other groups in the convention city are subject to Commission regulations solely on that basis.

Other issues. The Commission is proposing a number of other changes to the regulations, which are not directly related to the BCRA. For example, the NPRM includes a proposal to treat host committees and municipal committees similarly in its regulations, except that municipal organizations, which are subject to governmental controls, would not be routinely audited by the Commission. The NPRM also proposes revising Commission regulations that define “convention expenses” and removing the requirement that donations to host committees and municipal funds be from “local” businesses and organizations. Finally, the Commission asks whether its final regulations relating to the financing of national nominating conventions should be effective for the 2004 elections, or postponed until the 2008 elections.

Additional Information

The full text of the NPRM was published in the April 15, 2003, *Federal Register* (68 FR 18484) and

is available on the Commission’s web site at <http://www.fec.gov/register.htm>. Public comments must be submitted, in either written or electronic form, to Mai T. Dinh, Acting Assistant General Counsel. Comments may be sent by:

- E-mail to pubfund2004@fec.gov (e-mailed comments must include the commenter’s full name, e-mail address and postal address);
- Fax to 202/219-3923 (send a printed copy follow-up to ensure legibility); or
- Overnight mail to the Federal Election Commission, 999 E Street NW, Washington, DC 20436.

All comments must be received by May 9, 2003. If sufficient requests to testify are filed with the Commission, it will hold a public hearing on these proposed rules on May 19, 2003. Commenters who wish to testify at the hearing must indicate this intent in their written or electronic comments. ♦

—Amy Kort

Advisory Opinions

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of a political committee is required to put forth his or her best efforts to obtain this information.²

In *Buckley v. Valeo*, 424 U.S. 1 (1976), the Supreme Court recognized that, under certain circumstances, the Act’s disclosure requirements as applied to a minor party would be unconstitutional because the threat to their First Amendment rights resulting from disclosure would outweigh the interest in disclosure. According to the Court’s opinion, “minor parties must be allowed sufficient flexibility in the proof of injury to assure a fair consideration of their claim [for a reporting exemption] . . . The

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² For more information regarding the “best efforts” provision, please consult 11 CFR 104.7.

Federal Register

Federal Register notices are available from the FEC’s Public Records Office, on the FEC web site at <http://www.fec.gov/register.htm> and from the FEC faxline, 202/501-3413.

Notice 2003-8

Public Financing of Presidential Candidates and Nominating Conventions (68 FR 18484, April 15, 2003)

Advisory Opinions

(continued from page 3)

evidence offered need only show a reasonable probability that the compelled disclosure of a party's contributors' names will subject them to threats, harassment, or reprisals from either the government or private parties." 424 U.S. at 74.

The Socialist Worker Party has been a minor party in the United States since 1938. SWP candidates have participated in every presidential election since 1948. Although they have consistently fielded candidates for federal, state and local elections, none have ever been elected to office. Furthermore, SWP candidates have received very low vote totals.

The SWP national committee and committees supporting SWP candidates were first granted a partial reporting exemption in 1979 by the U.S. District Court for the District of Columbia, permitting them to file disclosure reports without providing the identification of their contributors. When the exemption expired in 1984, the court approved an updated settlement agreement that extended the exemption until the end of 1988. When this renewed exemption expired, the SWP missed the deadline for reapplication for the exemption through the courts. Subsequently, they have sought extension of this exemption from the Federal Election Commission.

The Commission has granted extension of the partial reporting exemption to the SWP in Advisory Opinions 1990-13 and 1996-46. Opinions issued by the Commission have considered both current and historical incidents of systematic harassment of SWP supporters by governmental as well as private entities.

In making a determination, the Commission has examined evidence of the following provided by the party: the electoral status of the SWP, the history of government

harassment, fears expressed by party supporters and harassment and violence from private sources. The SWP remains a minor party that has never applied or qualified for national committee status.³ Although it appears that government harassment has abated, harassment from the private sector along with the historical treatment of party supporters appear to have a chilling effect on possible membership in or association with the SWP.

The totality of evidence from 1997-2002 indicates that there is a reasonable probability that contributors to and vendors doing business with the SWP and committees supporting SWP candidates would face threats, harassment or reprisal if their names and information about them were disclosed. Consequently, the Commission has extended the partial reporting exemption to the Socialist Workers Party National Campaign Committee and committees supporting SWP candidates. Furthermore, the Commission has renewed a provision from AO 1996-46 that requires SWP committees to assign a code number to each individual or entity from whom it receives contributions in excess of \$200 during a calendar year. This allows FEC staff and members of the public who review their reports to determine whether any contributor has exceeded the contribution limits found at 2 U.S.C. §441a.

SWP committees must comply with all other requirements of the Act and FEC regulations, such as filing reports in a timely manner, maintaining records of contributions of disbursements and complying with the limits and prohibitions of the Act. This exemption is effective through December 31, 2008. ♦

—Michelle L. Ryan

³ See 2 U.S.C §431(14) and Advisory Opinions 2001-13, 1998-2, 1995-16, and 1992-30.

Advisory Opinion Requests

AOR 2003-5

Participation of federal candidates and officeholders and other individuals covered by the Federal Election Campaign Act in conventions, forums and other activities of trade association that engages in federal election activities and activities in connection with a federal election (National Association of Home Builders of the United States, January 17, 2003)

AOR 2003-6

Transfer of SSF contributors' payroll deduction authorizations to an affiliated SSF in the absence of payroll consolidation resulting from a merger or acquisition (Public Service Enterprise Group, Inc., March 11, 2003)

AOR 2003-7

Refund to donors of unexpected tax refund received by nonfederal committee administered by a Member of Congress that had previously disbursed all funds and ceased activities (Virginia Highlands Advancement Fund, March 17, 2003)

AOR 2003-8

The requester withdrew his request for this advisory opinion on March 28, 2003. The request, filed on March 17, 2003, sought the Commission's opinion on the role of a Member of Congress in the leadership of a state party committee that raises and spends soft money.

AOR 2003-9

Whether candidate's interest payments on 1998 campaign loan are "expenditure(s) from personal funds" for the 2004 election cycle under the Millionaires' Amendment (Senator Peter G. Fitzgerald, March 27, 2003)

AOR 2003-10

Nonfederal fundraising on behalf of a state party committee by person who may under some circumstances be an agent of a federal officeholder (Nevada State Democratic Party and Rory Reid, Commissioner of Clark County Nevada, April 2, 2003)

AOR 2003-11

State party committee employee fringe benefits treated as “salaries and wages” under allocation regulations (Michigan Democratic State Central Committee, March 31, 2003)

AOR 2003-12

Relationship between referendum committee and federal officeholder/candidate under BCRA rules regarding establishment and control of committee, candidate fundraising, “federal election activity” and electioneering messages (Stop Taxpayer Money for Politicians Committee and U.S. Representative Jeff Flake, March 4, 2003)◆

Court Cases

FEC v. Freedom’s Heritage Forum

On March 20, 2003, the U.S. District Court of Appeals for the Sixth Circuit granted Freedom’s Heritage Forum and Frank Simon’s motion to voluntarily dismiss their appeal of the March 28, 2002, decision in this case by the U.S. District Court for the Western District of Kentucky at Louisville. See the August 2002 *Record*, page 2.

U.S. District Court of Appeals for the Sixth Circuit, 03-5178; U.S. District Court for the Western District of Kentucky at Louisville, 3:98CV549-S.◆

—Amy Kort

New Litigation**Luis M. Correa, et. al. v. FEC**

On March 3, 2003, the Comité Jose Hernandez Mayoral Comisionado Residente, Inc., (the Committee) and its treasurer Luis M. Correa filed a petition in the U.S. District Court for the District of Puerto Rico challenging the Commission’s final determination that the Committee violated 2 U.S.C. §434(a) by failing to file its 2001 Year-End report in a timely manner and the assessment of a \$1,000 civil money penalty. The plaintiffs’ petition alleges that they were unable to file the report electronically by the January 31, 2002, deadline because of electronic data conversion and transmission problems for which the Commission was responsible.

Background. On June 14, 2002, the Commission found reason to believe that the plaintiffs violated 2 U.S.C. §434(a) by failing to file the report in a timely manner and made an initial determination to assess a \$1,000 civil money penalty. The plaintiffs filed a challenge to the preliminary determination and penalty on July 24, 2002.

On January 24, 2003, the Commission made its final determination that the Committee had violated 2 U.S.C. §434(a) and assessed the full \$1,000 civil money penalty. The FEC Reviewing Officer, in recommending that the Commission make this final determination, found that the plaintiffs had failed to show that timely filing had been prevented by “extraordinary circumstances” beyond their control under 11 CFR 111.35.

Court Petition. The petition claims that, despite attempts to gain technical support from the Commission, the Committee did not receive adequate assistance with its electronic data problems until after the filing deadline. The plaintiffs claim that they were not responsible for the late filing because the

Commission’s technical support staff sent data to an incorrect e-mail account, and because the Commission’s electronic filing system software could not accept Spanish characters.

The plaintiffs ask the court to set aside the Commission’s final determination and penalty assessment.

U.S. District Court for the District of Puerto Rico, 03-1208.◆

—Phillip Deen

FEC v. California Democratic Party, et al.

On March 17, 2003, the Commission filed a complaint in the U.S. District Court for the District of California, Sacramento Division, against the California Democratic Party (CDP), its federal account, the Democratic State Central Committee of California-Federal, its nonfederal account, the Democratic State Central Committee of California-Non-federal, and Katherine Moret, the treasurer of the CDP’s federal and nonfederal accounts. The Commission alleges that in its get-out-the-vote (GOTV) activities for a 1998 special election, the CDP:

- Violated the Federal Election Campaign Act’s (the Act) ban on corporate and labor union contributions;
- Failed to report its activities as independent expenditures; and
- Failed to include the required disclaimer on GOTV communications.

Background. Under the Act, political party committees must only spend funds that are consistent with the limits and prohibitions of the Act to influence a federal election. Among other restrictions, the Act prohibits corporations and labor unions from making any contribution in connection with a federal election, and also prohibits a political committee from receiving

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Court Cases

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such a contribution. 2 U.S.C. §441b. See also 2 U.S.C. §§431(8), 441a, 441(b), 441(c), 441(e), 441(f) and 441(g); 11 CFR parts 100, 110, 114 and 115. A party committee that maintains both federal and nonfederal accounts may pay for some mixed federal/nonfederal activities with a combination of federal and nonfederal funds using the allocation rules set forth in Commission regulations. See 11 CFR 106.5. However, any expenditure made by a political party committee for activities that urge the public to vote for a clearly identified federal candidate must be made with federally permissible funds.

In the 22nd Congressional District of California, a special general election was held on March 10, 1998, to fill a House seat left vacant after the death of Walter Capps. This federal office was the only office on the ballot for the special election, and Lois Capps was the only candidate on the ballot nominated by the Democratic Party. According to the complaint, the CDP paid \$99,097 for direct mailings and radio advertisements that contained statements urging the public to vote on March 10th for Lois Capps. In its FEC disclosure reports, the CDP reported the expenditures for these communications as mixed federal/nonfederal activity, and it paid for the costs of these communications with funds from both its federal and nonfederal accounts. Of the \$99,097 spent on the communications, \$77,281 came from the CDP's nonfederal funds, which, the Commission contends, contained funds prohibited under the Act, including corporate and union funds.

The Commission asserts that these communications violated the Act in several respects. First, a GOTV drive conducted in connection with an election in which only

federal candidates appear on the ballot is not a mixed federal/nonfederal activity. The expenditures for these communications were required to have been paid entirely from federal funds. 2 U.S.C. §441(b); 11 CFR 102.5. Second, the Commission contends that these communications, which included phrases such as "Continue the Walter Capps Tradition" and "Vote Democratic" in the "Special Election, Tuesday, March 10," expressly advocated the election or defeat of a clearly identified federal candidate and, thus, required a disclaimer stating both who paid for the communication and whether it was authorized by a candidate. 2 U.S.C. §441d(a) and 11 CFR 110.11(a)(1). These communications did not contain the required disclaimers. Third, the Commission argues that the communications were independent expenditures and that the committee violated the Act by failing to properly disclose them as such in its FEC reports.¹

Relief. The Commission asks that the court:

- Declare that the defendants violated these provisions of the Act and Commission regulations;
- Permanently enjoin the defendants from further such violations of the Act;
- Order the defendants to transfer \$77,281 from the Democratic State Central Committee of California-

¹ The Act defines an "independent expenditure" as an expenditure that expressly advocates the election or defeat of a clearly identified federal candidate and is not made in cooperation or consultation with any candidate, candidate's committee or their agents and is not made in concert with or at the request or suggestion of any of these. 2 U.S.C. §431(17). See also 11 CFR 109.1(b)(4). Independent expenditures must be paid for with federally permissible funds and must be reported under 2 U.S.C. §§434(b)(4)(H)(iii) and (6)(B)(iii).

Federal to the CDP's nonfederal account;

- Order the defendants to correct reports for the 1998 special general election in order to accurately describe these activities as independent expenditures; and
- Assess an appropriate civil penalty against the defendants jointly and severally for each violation found, not in an amount to exceed the greater of \$5,500 or the amount of the expenditures involved for each violation.

See 2 U.S.C. §437g(a)(6)(B) and 11 CFR 111.24.

U.S. District Court for the District of California, Sacramento Division, 1:02CV00875.♦

—Amy Kort

Budget

Commission Submits Budget Request for 2004

On March 21, 2003, the Commission submitted to Congress and the Office of Management and Budget a \$50,440,000 budget request for fiscal year (FY) 2004. The FY2004 proposal requests an increase of only 1.8 percent over the enacted FY2003 appropriation of \$49,541,871, representing a continuation of that funding level, adjusted for inflation and salary and benefits increases. The requested budget appropriation is identical to the Administration's budget mark for the FEC—both seek funding approval for a total of 391 FEC employees in FY2004.

The executive summary of the budget request cites several FEC successes over the past two years, including meeting the statutory and court deadlines associated with the Bipartisan Campaign Reform Act, expanding the Commission's compliance program with the addition of the Administrative Fine and Alternative Dispute Resolution programs, implementing mandatory

electronic filing and issuing the Voting Systems Standards (VSS). The Summary concludes, “The success of these initiatives has resulted, and will continue to result in, improved disclosure through electronic filing, improve compliance through varied enforcement programs, and improved federal election administration through updating and enhancing the VSS. When considered within the context of the continuing record levels of total federal campaign finance activity each election cycle, . . . these initiatives have enabled the Commission to handle an expanding workload without proportionate requests for additional staff.

“In order to continue reaping the benefits of automation in our disclosure and compliance programs without adding additional staff, it is imperative that the Commission receive the requested resources in FY2004 to continue to implement the automated review of financial disclosure reports, to initiate the portal development project to enhance the analysis and accessibility of information, and to continue the alternative compliance programs.” ♦

—Amy Kort

Administrative Fines

Committees Fined for Nonfiled and Late Reports

The Commission recently publicized its final action on 18 new Administrative Fine cases, bringing the total number of cases released to the public to 519, with \$722,221 in fines collected.

Civil money penalties for late reports are determined by the number of days the report was late, the amount of financial activity involved and any prior penalties for violations under the administrative fines regulations. Penalties for late

Committees Fined and Penalties Assessed

1. Clay Jr. for Congress	_____ ¹
2. Del Webb Corporation Employees Fund for Better Government	\$3,500
3. Dub Maines for Congress	\$2,700 ²
4. Giordano for United States Senate	Mid-Year 2001 \$0 ³
5. Giordano for United States Senate	Year-End 2001 _____ ¹
6. Gormley for Senate Primary Election Fund	_____ ¹
7. Guy Gregg for U.S. Senate	_____ ¹
8. Helms for Senate Committee (2002)	_____ ¹
9. Jim Sullivan for Congress	\$2,700 ²
10. Kalogianis for Congress, Inc.	\$2,475 ²
11. Louisiana Sheriffs’ Association – Louisiana Sheriffs’ & Deputies’ Political Action Committee	\$850
12. McNary for Congress Committee	\$1,575 ^{2,4}
13. National Italian American Political Action Committee	\$2,700 ²
14. Raczkowski for Senate	\$6,000 ²
15. Republicans for Phil Bradley	\$1,850 ²
16. Robert W. Rock for Congress	\$4,500 ^{2,5}
17. Ross for Congress	July Quarterly 2002 \$5,500 ²
18. Ross for Congress	12-Day Pre-Primary 2002 \$6,000 ²

¹ The Commission took no further action in this case.

² This civil money penalty has not been collected.

³ The Commission waived the \$8,000 civil money penalty because the respondents were able to demonstrate the existence of extraordinary circumstances that were beyond their control.

⁴ This civil money penalty was reduced from \$11,375 due to the level of activity on the report.

⁵ The Commission’s finding in this case was unsuccessfully challenged in the U.S. District Court, Southern District of Indiana. See Jeremiah T. Cunningham, et al. v. FEC, in the January 2003 Record, page 19.

reports—and for reports filed so late as to be considered nonfiled—are also determined by the financial activity for the reporting period and any prior violations. Election sensitive reports, which include reports and notices filed prior to an election (i.e., 12 day pre-election, October quarterly and October monthly reports), receive higher penalties. Penalties for 48-hour notices that are filed late or not at all are determined by the amount of the contribution(s) not timely reported and any prior violations.

The committees and the treasurers are assessed civil money penal-

ties when the Commission makes its final determination. Unpaid civil money penalties are referred to the Department of the Treasury for collection.

The committees listed in the chart above, along with their treasurers, were assessed civil money penalties under the administrative fines regulations.

Closed Administrative Fine case files are available through the FEC Press Office, at 800/424-9530 (press 2), and the Public Records Office, at 800/424-9530 (press 3). ♦

—Amy Kort

Statistics

PAC and Party Activity Increases

Financial activity by political party committees and political action committees (PACs) increased, in some cases sharply, during 2001-2002, when compared to recent comparable cycles. The Commission has compiled the following statistics based on political committees' financial disclosure reports.

Democratic and Republican Party Committees

Political committees of the two major parties reported raising more than \$1.15 billion and spending \$1.13 billion during 2001-2002—an increase of 73 percent over 1997-1998, the most recent campaign with no Presidential race on the ballot. The two parties raised a total

of \$658.8 million in federal funds, an increase of 33 percent over the 1998 cycle. Nonfederal funds (“soft money”) raised by national parties totaled \$496 million, a 98 percent increase over 1998 totals. The recently-enacted Bipartisan Campaign Reform Act of 2002 now bars national party committees from raising or spending nonfederal funds and further restricts the raising and spending of these funds by state and local party committees.

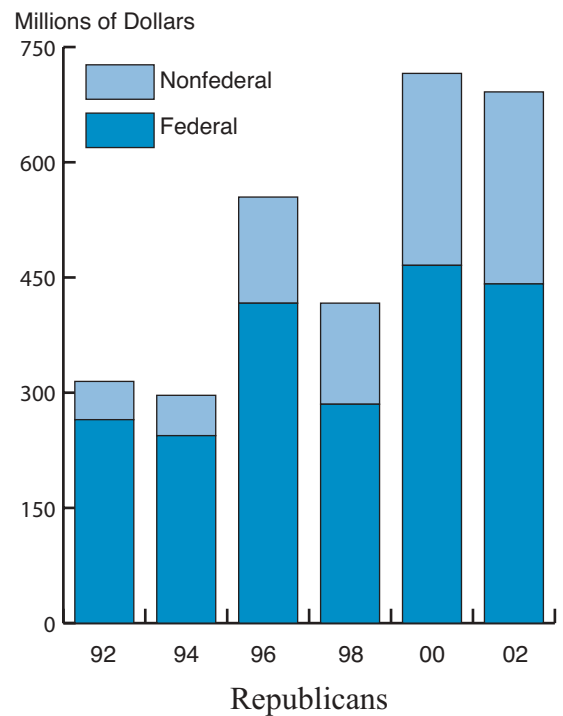
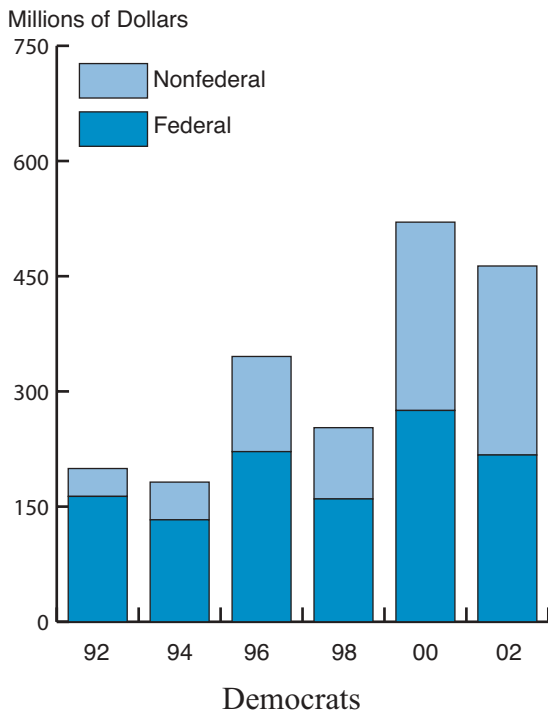
In 2002, Democratic committees for the first time reported more nonfederal receipts by national committees than federal receipts for national, state and local committees combined. Both parties raised more nonfederal funds in 2002 than they had in 2000, in spite of the open Presidential campaign waged that year. See the chart below.

Party support for Congressional candidates in the form of direct contributions, coordinated expenditures and independent expenditures

made by party committees totaled \$22.6 million for Republican committees and \$11.1 million for Democratic party committees. The Republican total was dominated by the Republican National Committee (RNC), which made \$14.1 million in coordinated expenditures on behalf of Senate and House candidates in 2002. The Senate and House campaign committees of the two parties, by contrast, spent much less in direct support of their candidates than they had in the mid-1990s, before the extensive use of nonfederal funds by these organizations.

Republican national committees transferred \$42.3 million in federal funds and \$103.3 million in nonfederal funds to their state and local organizations, while Democratic national committees transferred \$39 million in federal funds and \$119.6 million in nonfederal funds to state and local party committees.

Party Committee Federal and Nonfederal Receipts—1992-2002



PACs

From January 1, 2001, through December 31, 2002, PACs raised \$685.3 million and spent \$656.5 million, each up 13 percent over 1999-2000. As of December 31, 2002, cash on hand for the 4,594 federal PACs totaled \$184.3 million.

PAC contributions to federal candidates during 2001-2002 totaled \$282 million, up 9 percent from 1999-2000. Most of the money—\$266.1 million—was given to candidates seeking election in 2002. The remaining \$15.9 million went to candidates running for office in future years or to debt retirement for candidates in past cycles.

House candidates received \$212 million from PACs, up 8 percent from the previous cycle. As in past years, incumbent candidates received the largest portion of PAC funds. See the chart below for more information on contributions from corporate, labor, nonconnected and

trade association PACs to incumbent candidates and challengers.

Senate candidates received \$70 million from PACs, an increase of 14 percent. Republican Congressional candidates received \$145.4 million, an increase of 7 percent from the previous cycle, while Democrats received \$136.5 million, up 11 percent.

In addition to making \$282 million in contributions, PACs made \$14 million in independent expenditures for and against candidates. Of this, \$12.7 million was spent to support various candidates, and \$1.3 million was spent to oppose candidates. ♦

—Amy Kort

Publications

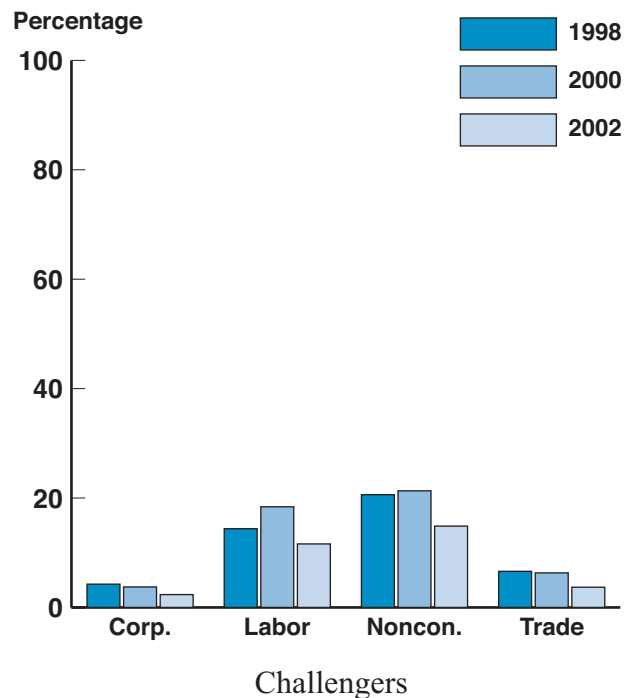
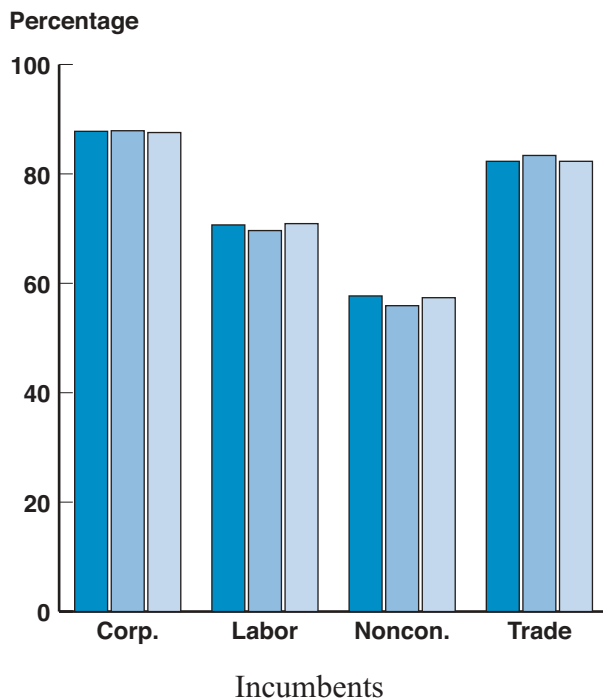
Updated Commission Regulations Available

The new edition of the Commission regulations at [Title 11 of the Code of Federal Regulations](#) are now available. Current as of February 2003, this edition of 11 CFR incorporates amendments made by the Bipartisan Campaign Reform Act of 2002 (BCRA).

The Commission has mailed copies of the new edition of the regulations to registered political committees. Free copies are also available to the public. Simply call 800/424-9530 (press 1, then 3) or 202/694-1100. ♦

—Amy Kort

PAC Contributions to House Candidates by Type of PAC and Candidate Status—1998-2002



Alternative Dispute Resolution

ADR Program Update

The Commission recently resolved two additional cases under the Alternative Dispute Resolution (ADR) program. The respondents, the alleged violations of the Federal Election Campaign Act (the Act) and the penalties assessed are listed below.

1. The Commission reached agreement with Citizens to Elect Rick Larsen and its treasurer, Robert Anderson, concerning excessive contributions. The respondents acknowledged that a violation occurred due to committee staffs' misunderstanding of the Act and agreed to appoint a staff person to serve as the FEC compliance officer and to have this individual attend an FEC-sponsored seminar within the next year. (ADR 078)
2. The Commission reached agreement with Craig Schelske, Craig Schelske for Congress and its treasurer, Lesley Lyons, concerning corporate contributions, violations of the Act's disclaimer provisions and the committee's failure to file timely Statements of Candidacy and Organization. The respondents acknowledged inadvertent violations of the Act, and they agreed to pay a \$500 civil penalty and to have a staff member attend an FEC-sponsored seminar within the next year. (ADR 083)◆

—Amy Kort

Outreach

Spring Conference Schedule

Conference for Candidates and Party Committees

In response to the overwhelming demand for the FEC's March conference for House and Senate candidates and political party committees, the Commission will hold a second conference for candidates and party committees May 21-22 at the Royal Sonesta Hotel in Boston. The conference will consist of a series of workshops conducted by Commissioners and experienced FEC staff who will explain how the federal campaign finance law, as amended by the Bipartisan Campaign Reform Act of 2002 (BCRA), applies to House and Senate candidates and party committees. Workshops will specifically address new rules for fundraising, new restrictions on the use of nonfederal funds or "soft money," new requirements for communications and revised reporting requirements. A representative from the IRS will also be available to answer election-related tax questions.

The registration fee for the conference is \$385, which covers the cost of the conference, materials and meals. A ten dollar late fee will be assessed for registration forms received after April 27. Because demand for this conference is exceptionally high, the FEC can only accept conference registrations from two attendees representing any given organization.

The Royal Sonesta Hotel is located at 5 Cambridge Parkway, Cambridge, MA. A room rate of \$179 per night is available to conference attendees who make room reservations on or before April 27.

Conference for Trade Associations, Membership Organizations and their PACs

The FEC will hold a conference for trade associations, membership and labor organizations and their PACs June 16-17 in Washington, DC. Commissioners and experienced FEC staff will conduct a series of workshops to address how the campaign finance law affects these associations and organizations. Seminars and workshops will also discuss how the BCRA affects trade associations, member and labor organizations and their PACs. In addition, a representative from the IRS will be available to answer election-related tax questions.

The registration fee for the conference is \$385, which covers the cost of the conference, materials and meals. The registration form must be received by May 23—a ten dollar late fee will be assessed for late registrations. Because demand for this conference is exceptionally high, the FEC can only accept conference registrations from two attendees representing any given association or organization.

The conference will be held at the Loews L'Enfant Plaza Hotel, 480 L'Enfant Plaza, SW., Washington, DC. A room rate of \$189 per night is available to conference attendees who make room reservations on or before May 23.

Public Appearances

May 5, 2003
Enable America
Linthicum Heights, MD
Chair Weintraub

May 28, 2003
Federalist Society—Capital
District Lawyers Chapter
Albany, NY
Vice-Chairman Smith

Registration Information

Complete conference registration information is available online. Conference registrations will be accepted on a first-come, first-served basis. Attendance is limited, and FEC conferences are selling out quickly this year, so please register early. For registration information:

- Call Sylvester Management Corporation at 800/246-7277;
- Visit the FEC web site at <http://www.fec.gov/pages/infosvc.htm#Conferences>; or
- Send an e-mail to toni@sylvestermanagement.com. ♦
—Amy Kort

Conference Schedule for 2003

Conference for House and Senate Campaigns and Political Party Committees

May 21-22, 2003
Boston, MA

Conference for Trade Associations, Membership and Labor Organizations and their PACs

June 16-17, 2003
Washington, DC

Regional Conference for House and Senate Campaigns, Political Party Committees and Corporate/Labor/Trade PACs

September 9-10, 2003
Chicago, IL

Regional Conference for House and Senate Campaigns, Political Party Committees and Corporate/Labor/Trade PACs

October 28-29, 2003
San Diego, CA

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Need FEC Material in a Hurry?

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

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

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