

State of California



Fair Political Practices Commission

P.O. BOX 807 • SACRAMENTO, 95804 ••• 1100 K STREET BUILDING, SACRAMENTO, 95814

Technical Assistance •• Administration •• Executive/Legal •• Enforcement
(916) 322-5662 322-5660 322-5901 322-6441

May 22, 1984

Mario Sewell, Treasurer
Committee to Re-Elect Gloria Molina
1245 Sinaloa
Pasadena, CA 91104

Re: Your Request for Advice
Our File No. A-84-092

Dear Mr. Sewell:

This letter is sent at your request to confirm advice you received from the Commission's Technical Assistance and Analysis Division. You are the treasurer for the Committee to Re-Elect Gloria Molina ("Committee"); Ms. Molina is a member of the Assembly.

You requested advice concerning the legality of the following procedure for collecting contributions to the Committee. Prior to a fundraiser, the Committee would purchase a quantity of money orders in a specified amount. If an individual wished to contribute cash in the amount of the money order, he or she would sign the money order as the purchaser and indicate the Committee as the payee. The individual would then give the cash to the Committee as reimbursement for the money order. The Committee would report the contribution and identify the contribution if the contribution was \$100 or more.

As you know, Government Code Section 84300(c) provides that no contribution of \$100 or more shall be made unless by written instrument containing the name of the donor and the name of the payee. The procedure you propose would violate this prohibition on cash contributions of \$100 or more. Essentially the Committee would receive cash of over \$100 from a contributor and create a receipt for the cash using the previously purchased money orders. The purpose of the written instrument which is required for contributions of \$100 or more is to provide a means for verification outside of the Committee's records of the amount, source, and recipient of the contribution, the so-called

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audit trail. Under the system you propose, the bank's records will reflect only that the Committee purchased a number of money orders and not who was the ultimate purchaser, i.e. the contributor, nor who was the ultimate recipient, i.e. the Committee. Accordingly, the Committee may not utilize this procedure in its fundraising.

If I can be of further assistance, please feel free to contact me at (916) 322-5901.

Sincerely,

A handwritten signature in cursive script, appearing to read "Diane Maura Fishburn", with a long horizontal flourish extending to the right.

Diane Maura Fishburn
Staff Counsel
Legal Division

DMF:plh

F A P O
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Committee to Re-Elect Gloria Molina
1245 Sinaloa
Pasadena, California 91104
ID # 811850

April 11, 1984

Mary Ann Kvasager
Fair Political Practices Commission
1100 Kay Street
P.O. Box 807
Sacramento, California 95804-0807

Dear Ms. Kvasager,

On March 21, 1984 I had contacted your office to obtain technical advice and consultation on the proposed use of purchased money orders for a March 22 fundraiser for Assemblywoman Gloria Molina.

The purpose of the money orders was to provide an alternate means with full accountability for individuals to make contributions. Due to the prohibition against accepting cash contributions of \$100 or more it was proposed to purchase a quantity of money orders in a specified amount. The money order would be given to an individual contributing cash in the amount of the money order. The individual would in turn sign the money order as the purchaser and indicate the campaign committee as the payee. The cash would be returned to the campaign committee to reimburse the committee for the initial purchase of the money order.

The money order would then be included in the campaign reports as required with auditable documentation.

We feel that the procedure would provide an auditable, documented procedure in compliance with the intent of the law for acceptance of contributions from individuals who either do not have or choose not to use a checking account. However, in accordance with our discussion the afternoon of March 21 the procedure was not used for the March 22 fundraiser and will not be used in the future.

We would appreciate, however, if your office would provide a letter of advice in regard to our verbal request for technical advice on the procedure.

Thank you for your assistance.

Sincerely,



Mario Sewell, Treasurer