

# Fair Political Practices Commission

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

Technical Assistance/Administration (916) 322-5660      Executive/Legal 322-5901      Enforcement/Conflict of Interest 322-6441

March 8, 1976

Vigo Nielsen  
Dobbs, Boyle and Nielsen  
Suite 2500, The Alcoa Building  
One Maritime Plaza  
San Francisco, CA 94111

76-306

Re: Request for Opinion  
No. 76-028

Dear Mr. Nielsen:

Thank you for your letter of February 20, 1976, asking several questions concerning campaign reporting under the Political Reform Act. This letter is to advise you that the Commission will issue an opinion in response to your first question which concerns the meaning of the term "principal offer," as used in Government Code Section 84102(c). Because your second and third questions raise no substantial question involving an interpretation of the Act, no formal opinion will be issued in response to those questions. However, I hope the following informal comments will be helpful.

In your second question, you ask whether a corporate contributor can be required to disclose "its nature or type of business." It is the opinion of the Commission that this information is not required to be disclosed.

In response to your third question, the signatory of a corporate check is not an agent or intermediary of the corporation for the purpose of campaign reporting.

The Commission reserves the right to request more information which the Commission or its staff considers relevant to the preparation of the opinion answering your first question. A draft opinion will be prepared by the staff for presentation to the Commission and a copy of this draft will be furnished to you in approximately sixty days.

If you have any questions, please contact Natalie West, an attorney with the Legal Division of the Commission staff.

Sincerely,  
*Daniel H. Lowenstein*  
Daniel H. Lowenstein  
Chairman,  
For the Commission

DHL:ppp

DOORSE, LOWIE & HILSON

ATTORNEYS AT LAW  
SUTTER STREET, SUITE 2000  
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February 20, 1976

Fair Political Practices Commission  
Post Office Box 807  
Sacramento, California 95804

Re: Request for Opinion

Gentlemen:

As special legal counsel for the Republican State Central Committee of California, we request clarification of the following questions:

1) Who is considered a "principal officer" of a political committee and, therefore, disclosed pursuant to Government Code § 34102(c)? If a committee has named, elected and/or appointed officers, are the members of an executive committee which might be any where from a small number to, in the case of the RSCCC, 100 people, considered principal officers? Since the RSCCC may also create additional committees pursuant to Government Code § 82013 for special functions, would members of an executive committee of such a committee be principal officers if the only actual officer of the committee were the treasurer?

The Secretary of State's office believes that the members of an executive committee, when the only designated officer is a treasurer, are "principal officers." Because the Attorney General's opinion concludes that principal officers are personally liable for the infractions of the committee, your answer will have more significance than just what is disclosed on Form 410.

2) Schedule A of the campaign statement (Form 429) requires that a contributor be identified by name, address, occupation, employer (or principal place of business) and date of contribution. According to the

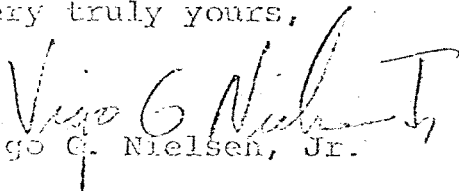
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Secretary of State's office, a corporate contribution should be identified by name of corporation, address, date of contribution, and in lieu of occupation and employer, the nature or type of business. Your opinion is specifically requested on the statutory or regulatory bases to require disclosure of the "nature or type of business" for a corporate contributor.

3) Government Code § 84302 requires special information to be disclosed if an intermediary is involved in a campaign contribution. The Secretary of State's office has indicated that there has not yet been an official statement issued by the FPCC on whether a corporate officer or employee is considered an intermediary of the corporation for such corporate contribution. Consequently, the disclosure requirement is unclear. Apparently, the RSCCC, under earlier legal advice, has disclosed the signatory on a corporate check as an intermediary. Your clarification of the legal requirements of this provision as it relates to corporate contributions is sincerely appreciated.

Thank you for your assistance and cooperation in these matters.

Very truly yours,

  
Vigo G. Nielsen, Jr.

VGN:jy  
cc: RSCCC



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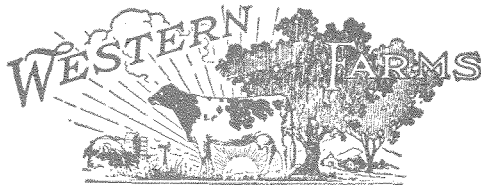
Mr. Daniel H. Lowenstein  
Fair Political Practices Commission  
1100 K Street  
Sacramento, California 95814

Dear Mr. Lowenstein

I understand decisions will be made soon regarding financial disclosures and conflicts of interest as outlined in the Fair Political Practices Act. As Chairman of the Board of the Dairy Council of California, I am interested in the possible outcome and ask for consideration of the following points.

My appointment to the Dairy Council Board is made by the Director of the Department of Food and Agriculture and the law states clearly that we are strictly advisory to him. I feel that I am appointed because my knowledge of what the dairy industry wants done with the funds collected by the Director will help him in approving plans that meet the changing industry needs but are always within the law outlined in the Dairy Council Act. Serving the industry and the Director in this way is satisfying to me and, like virtually all board members, I consider it a "labor of Love" rather than one returning immediate economic benefit.

To be required to file a complete financial statement for me and for my company to serve only in an advisory capacity



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Mr. Daniel Lowenstein

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would be time-consuming, and an invasion of my privacy and a questionable business practice that would serve no public or private benefit.

Concerning conflict of interest, it would seem that a body other than those within the dairy industry would find it most difficult to advise the Director about the use of funds allocated from the industry. It could well lead the Director into embarrassing decisions that would cause the termination of programs that are designed to help California's number one industry - agriculture. A specific example concerns the research efforts the dairy industry, through Dairy Council, has underwritten at UC Davis for 30 years. The benefit to the consumer is a better quality product at a lower price in relation to other time periods. This research must have the input of the industry to be practical and eventually usable so that it benefits the public.

I consider my service on the Dairy Council Board to be of public interest as well as valuable to the dairy industry, and would like to continue, but not if the government makes demands like those listed here.

Sincerely

*Hugh Boyle*  
Hugh Boyle