

State of California



Fair Political Practices Commission

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

September 16, 1976

Mr. Reed Hundt
Latham & Watkins
555 South Flower Street
Los Angeles, CA 90071

Dear Reed:

This letter responds to the questions raised in our telephone conversations of September 3 and 7, 1976. You asked a number of questions concerning the reporting requirements and record keeping procedures applicable to a political action committee ("PAC") which makes contributions to both federal and state candidates.

When an employee designates a specific candidate as the intended recipient of the funds, the PAC acts as an agent or intermediary in the distribution of the funds. Consequently, the PAC must comply with the provisions of Government Code Section 84302 when it ultimately contributes the designated funds to the candidate. This means the PAC must disclose the "full name and street address, occupation, and the name of the employer ..." of the contributor, as well as relevant information for the PAC.

When the PAC files campaign statements it is not required to report receipt or disbursement of funds for which it acts only as an agent or intermediary. However, the treasurer may report receipt and disbursement of all funds if doing so will facilitate his record keeping. If he chooses the latter approach, the treasurer need not differentiate the contributions that are intended for specific recipients from other contributions received by the PAC if the contribution is less than fifty dollars. However, if any employee makes a contribution of fifty dollars or more and designates the recipient, the treasurer should indicate that the contribution was so designated when disclosing the other information required by Section 84210(g).

If the record keeping requirements imposed by Section 84302 are excessively burdensome, the PAC may want to alter its procedures so that it merely acts as a conduit for designated funds instead of as an agent or intermediary. For example, the PAC is not an agent or intermediary if an

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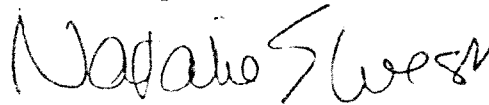
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employee makes a check payable to a candidate or candidate's committee and the PAC merely delivers the check to the candidate. Even if the employee makes a check payable to the PAC and the PAC endorses the check over to the ultimate recipient, the PAC has not acted as an agent or intermediary. If these procedures are followed, the PAC is not an agent or intermediary and is not required to follow the procedures set forth in Section 84302. However, the PAC should inform contributors that the candidate, not the PAC, should be listed as the recipient of the contribution on any campaign statement required to be filed by the contributor.

If employees make contributions stating that the funds should be dispersed to "Democratic candidates" or "Republican candidates," the PAC is not acting as an agent or intermediary. Instead, the PAC exercises considerable discretion to determine who the recipient of the contributions will be. Thus, Government Code Section 84302 is not applicable.

This advice is not an opinion of the Commission. If you disagree with the information contained herein, you may request a formal opinion pursuant to 2 Cal. Adm. Code Section 18320. If I can be of assistance, don't hesitate to call.

Sincerely,



Natalie E. West
Staff Counsel
Legal Division

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