



FAIR POLITICAL PRACTICES COMMISSION

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February 18, 2004

Mr. Ken Carpenter
Culver City Fire Fighters
9600 Culver Blvd.
Culver City, CA 90232

**Re: Your Request for Advice
Our File No. A-04-023**

Dear Mr. Carpenter:

This letter is in response to your request on behalf of the Culver City Fire Fighters for Quality Government Political Action Committee for advice regarding the use of funds provisions of the Political Reform Act (the "Act").¹

QUESTION

May you use PAC funds to send one or two of your members to an employer/employee relations seminar sponsored by the California State Firefighters Association?

CONCLUSION

Yes, you may use PAC funds to send one or two of your members to the employer/employee relations seminar that will cover contract negotiations, because this use of funds is directly related to a political purpose of the PAC.

FACTS

You are the treasurer of the Culver City Fire Fighters for Quality Government Political Action Committee (ID # 1253095). You would like to use PAC funds to send one or two of your members to an employer/employee relations seminar, with specific emphasis on contract negotiations. The seminar will be held in Sacramento and is sponsored by the California State Firefighters Association. The contract between the Culver City Fire Fighters and Culver City will expire in December of 2004, so the subject matter of the seminar is relevant to your members. The negotiation of firefighters'

¹ Government Code sections 81000 – 91014. Commission regulations appear at Title 2, sections 18109-18997, of the California Code of Regulations.

wages, hours and benefits is a primary focus of the Culver City Fire Fighters' PAC. You would like to use PAC funds to pay for the tuition/registration, travel, lodging and expenses for one or two of your members to attend the seminar.

ANALYSIS

The Act's provisions about the use of campaign funds (sections 89510-89522, copy enclosed) are designed to ensure that campaign funds held by a PAC are used for the political, legislative, or governmental purposes of the PAC, and are not spent for the personal benefit of PAC members or officers.

Section 89512.5 provides the general standard for the use of PAC funds. Any expenditure by a committee (that is not controlled by a candidate) must be "*reasonably related* to a political, legislative, or governmental purpose of the committee." (Section 89512.5(a), emphasis added.)

A higher standard applies to expenditures, for items such as travel, that provide a personal benefit to a PAC member or officer. Section 89512.5(b) provides that "[a]ny expenditure by a committee that confers a substantial personal benefit² on any individual or individuals with authority to approve the expenditure of campaign funds held by the committee, shall be *directly related* to a political, legislative, or governmental purpose of the committee." (Emphasis added.)

With respect to the use of campaign funds for travel, section 89513 states:

"(a) Campaign funds shall not be used to pay or reimburse the candidate, the elected officer, or any individual or individuals with authority to approve the expenditure of campaign funds held by a committee, or employees or staff of the committee or the elected officer's governmental agency for travel expenses and necessary accommodations except when these expenditures are directly related to a political, legislative, or governmental purpose.

(1) For the purposes of this section, payments or reimbursements for travel and necessary accommodations shall be considered as directly related to a political, legislative, or governmental purpose if the payments would meet standards similar to the standards of the Internal Revenue Service pursuant to Sections 162 and 274 of the Internal Revenue Code for deductions of travel expenses under federal income tax law."

Internal Revenue Code section 162(a)(2), copy enclosed, sets forth general rules which permit the deduction of all ordinary and necessary expenses while traveling away

² "Substantial personal benefit" is defined to mean "an expenditure of campaign funds which results in a direct personal benefit with a value of more than two hundred dollars (\$200) to a candidate, elected officer, or any individual or individuals with authority to approve the expenditure of campaign funds held by a committee." (§ 89511(b)(3).)

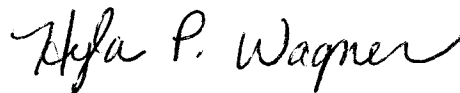
from home in the pursuit of a trade or business. Under the Act, these rules have been applied to permit the use of campaign funds for only the portions of the trip when political, legislative, or governmental "business" is conducted. To the extent that any day is not a business day (such as days on which there are no meetings or formal activities), campaign funds may not be used. In addition, an individual's personal activities on the trip, such as sightseeing or golf, that are not related to a political purpose of the committee's, may not be paid for with committee funds.

The *Kaufman* Advice Letter, No. A-96-175, copy enclosed, provides a good discussion of the permissible uses of a union PAC's funds under the Act, including the use of funds for travel and an educational seminar. Applying the Act's standards to your proposed expenditures, we find consistent with the *Kaufman* advice letter, *supra*, that payment for the travel, lodging, and meals for one or two individuals to attend the employer/employee relations seminar is a permissible use of PAC funds, because attending the seminar is directly related to a political, legislative or governmental purpose of the committee. One of the main purposes of the Culver City Fire Fighters' PAC is to attempt to obtain the best wages, hours and benefits for the firefighters. Similarly, the use of Culver City Fire Fighters PAC funds for payment of tuition/registration for the seminar is permissible under the Act, because it also meets the lower standard of being reasonably related to a political, legislative or governmental purpose of the committee.

If you have any other questions regarding this matter, please contact me at (916) 322-5660.

Sincerely,

Luisa Menchaca
General Counsel



By: Hyla P. Wagner
Senior Counsel, Legal Division

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