



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

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**AGENDA DOCUMENT NO. 14-11-B**  
**AGENDA ITEM**  
**For meeting of April 3, 2014**  
**(SUBMITTED LATE)**

April 2, 2014

**MEMORANDUM**

TO: The Commission

FROM: Lisa J. Stevenson *LJS*  
Deputy General Counsel

Adav Noti *AN*  
Acting Associate General Counsel

Robert M. Knop *RMK*  
Assistant General Counsel

Cheryl Hemsley *CH*  
Attorney

Esther D. Gyory *EDG*  
Attorney

Kevin Paulsen *KP by RMK*  
Extern

Subject: AO 2014-01 (Solano County Democratic Central Committee)  
Draft C

Attached is a proposed draft of the subject advisory opinion.

Members of the public may submit written comments on the draft advisory opinion. We are making this draft available for comment until 9:00 am (Eastern Time) on April 3, 2014.

Members of the public may also attend the Commission meeting at which the draft will be considered. The advisory opinion requestor may appear before the Commission at this meeting to answer questions.

For more information about how to submit comments or attend the Commission meeting, go to <http://www.fec.gov/law/draftaos.shtml>.

1  
2 ADVISORY OPINION 2014-01

3  
4 Mr. Paul Stichick  
5 Treasurer  
6 Solano County United Democratic Central Committee  
7 P.O. Box 2140  
8 Fairfield, CA 94533  
9

**DRAFT C**

10 Dear Mr. Stichick:

11  
12 We are responding to your advisory opinion request on behalf of the Solano County  
13 United Democratic Central Committee (the “Requestor”) concerning the application of the  
14 Federal Election Campaign Act of 1971, as amended (the “Act”), and Commission regulations to  
15 the Requestor’s proposed use of funds in a dormant bank account established by the Requestor’s  
16 predecessor political committee, the Solano County Democratic Central Committee (“SCDCC”).  
17 Based upon the information provided in the Advisory Opinion Request and supplemental filings,  
18 the Commission concludes that the Requestor may transfer funds from the SCDCC’s dormant  
19 account to the Requestor’s federal account and spend such funds on federal election activity  
20 provided it makes best efforts to disclose the source of the cash on hand balance.

21 ***Background***

22 The facts presented in this advisory opinion are based on your letter received on  
23 January 13, 2014, supplemental information provided to the Commission on March 3, 2014, and  
24 March 28, 2014, and reports filed with the Commission.

25 In August 2004, the SCDCC established a federal and a non-federal bank account. The  
26 SCDCC’s treasurer registered the SCDCC with the Commission as a political party committee<sup>1</sup>  
27 in September 2004 and filed two regular reports with the Commission in October 2004. The  
28 treasurer subsequently failed to file any reports for the SCDCC in 2004 or 2005. The

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<sup>1</sup> FEC committee number C00406108.

1 Commission issued nine separate notifications to the SCDCC regarding its failure to file during  
2 this time, but the treasurer did not respond to these notifications. The Commission therefore  
3 administratively terminated the committee on September 20, 2005.<sup>2</sup> Between 2004 and 2008 the  
4 treasurer reported monthly to the SCDCC's members and officers that the SCDCC was fully in  
5 compliance with law.<sup>3</sup> Once the SCDCC's chairman discovered in 2008 that the committee had  
6 been terminated, the chairman took steps to notify the committee membership and the SCDCC  
7 stopped using the account, which held only \$11,654.77 as of October 2008.

8 In 2008, the SCDCC's chairman discovered that the Commission had administratively  
9 terminated the SCDCC in 2005. The chairman then "isolated" the committee's federal account,  
10 suspended its further use, and registered a new committee with the Commission. The new  
11 committee — the Solano United –SCDCC Federal Account — is the Requestor here.<sup>4</sup> The  
12 Requestor retained a financial management agency to manage its funds and reporting  
13 obligations.

14 The Requestor states that the SCDCC's federal account remained isolated and unused,  
15 becoming "nearly forgotten," between October 2008 and June 2012. In 2012, the Requestor  
16 elected a new treasurer, who re-discovered the SCDCC's federal account and learned that it held  
17 a balance of \$11,654.77 as of October 2008. The Requestor has located bank records associated  
18 with the account. These records include the name and address of contributors and the date and  
19 amount of contributions received between 2005-2008.

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<sup>2</sup> The SCDCC's reports and notices can be obtained by entering committee number C00406108 into the Commission's committee viewer at <http://www.fec.gov/fecviewer/CandidateCommitteeDetail.do>.

<sup>3</sup> The treasurer later admitted to facing "overwhelming personal issues during the period [from] 2004-2008 that caused distraction from his duties."

<sup>4</sup> FEC committee number C00455865.

1 ***Question Presented***

2 *May the Requestor spend the funds that are in the SCDCC's dormant federal account?*

3 ***Legal Analysis and Conclusion***

4 Yes, under the circumstances as described above, the Requestor may deposit the funds  
5 from the SCDCC's dormant federal account into the Requestor's federal account and use those  
6 funds to finance federal election activity, provided it makes best efforts to disclose the source of  
7 the cash on hand balance.

8 The Act and Commission regulations generally provide that state, district, and local party  
9 committees may finance federal election activity only with funds that are subject to the  
10 limitations, prohibitions, and reporting requirements of the Act. *See* 2 U.S.C. § 441i(b)(1); *see*  
11 *generally* 11 C.F.R. §§ 300.30-.36. A political committee's treasurer is "responsible for  
12 examining all contributions received for evidence of illegality" and must maintain records and  
13 accounts of the contributions for three years after filing the report to which the records and  
14 accounts relate. 11 C.F.R. §§ 102.9(c), 103.3; *see also* 2 U.S.C. § 432(d). Where a committee  
15 seeks to spend funds for which the three-year recordkeeping period has expired, a treasurer  
16 "need only make his or her best efforts to disclose the source of the cash-on-hand balance." *See*  
17 *Advisory Opinion 1981-01 (Bay Area Committee)* at 3.

18 The Commission notes the following material facts set forth in the *Advisory Opinion*  
19 *Request*: 1) the SCDCC's treasurer informed the SCDCC's members and officers that the  
20 SCDCC was fully in compliance with the law, even though the treasurer failed to file required  
21 reports and the committee was terminated as a result; 2) when the SCDCC discovered the  
22 committee was not in compliance and had been terminated by the Commission, the account at

1 issue here was isolated and suspended from further use; and 3) the account at issue held only  
2 \$11,654.77 as of October 2008.

3 Under these circumstances, the Requestor may deposit the funds from the SCDCC's  
4 dormant federal account into the Requestor's federal account and use those funds to finance  
5 federal election activity provided it make best efforts, as described below, to disclose the source  
6 of its cash on hand balance. The SCDCC's federal account has not been used since 2008, placing  
7 it well outside of the Commission's three-year record retention requirement. The Requestor  
8 does, however, have bank records for the dormant federal account which provide at least the  
9 name and address of contributors and the date and amount of accompanying contributions. As  
10 noted, where a committee seeks to spend funds for which the three-year recordkeeping period  
11 has expired, the treasurer must make his or her best efforts to disclose the source of the cash on  
12 hand balance. *See* 11 C.F.R. § 102.9(c) and (d).

13 The best efforts requirement stated above may be satisfied in this case by attributing the  
14 remaining cash on hand balance to contributors listed on the committee's bank records through a  
15 reasonable accounting method that employs generally accepted accounting principles. *See*  
16 Advisory Opinion 2007-26 (Schock) at 3 (noting that in prior advisory opinions "the  
17 Commission stated that the method described in 11 CFR 110.3(c)(4), which is known as the 'last  
18 in, first transferred' method is a reasonable accounting method. . . . This does not preclude [the  
19 Requestor] from using a different reasonable accounting method that employs generally accepted  
20 accounting principles when identifying remaining donations in its campaign account and  
21 determining what funds are Federally permissible."); *see also* 11 C.F.R. § 110.3(c)(4); 11 C.F.R.  
22 § 104.12. The Requestor must review all contributor information available for any potential

1 excessive contributions or prohibited sources, and making at least one written or oral request for  
2 evidence of the contribution's legality if it cannot be determined on its face.

3 Commission regulations permit transfers of funds between party committees of the same  
4 party outside of the contribution limits set forth at 2 U.S.C. § 441a. 11 C.F.R. § 110.3(c)(1).  
5 Commission regulations further provide that committees are affiliated for purposes of the Act's  
6 contribution limits if they are "established, financed, maintained, or controlled" by the same  
7 person or group of persons. 11 C.F.R. §100.5(g)(2). The Requestor is a successor committee to  
8 SCDCC; they both appear to be committees of the same party that were and are "established,  
9 financed, maintained, or controlled" by the same person or persons, *i.e.*, the Solano County  
10 Democratic Party. Thus, upon completing the best efforts described above, the Requestor may  
11 receive only those funds which it has determined not to be excessive contributions or  
12 contributions from prohibited sources into its current federal account. Any such receipt should  
13 be reported as a transfer from an affiliated committee on Line 12 of the Requestor's Schedule A  
14 (FEC Form 3X), and the Requestor should also disclose SCDCC as an affiliated committee on  
15 Line 6 of their Statement of Organization (FEC Form 1).

16 In the unique circumstances here, where the original contributors should have been listed  
17 on the SCDCC's original reports but were not due to the committee's failure to file required  
18 reports, the Requestor should list the original contributors as determined above as memo entries  
19 to the itemized transfer disclosed on Schedule A. *See* Attachment A.

20 The Commission expresses no view as to whether the Requestor may transfer SCDCC's  
21 funds to the Requestor's nonfederal account and/or spend these funds on nonfederal activity,  
22 which are questions of state and local law outside of the Commission's jurisdiction.



**SCHEDULE A (FEC Form 3X)**  
**ITEMIZED RECEIPTS**

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: PAGE 6 OF 8  
(check only one)

|                              |                              |                              |  |                             |                             |                             |                             |                             |
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|------------------------------|------------------------------|------------------------------|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)  
**SOLANO COUNTY UNITED DEMOCRATIC CENTRAL COMMITTEE**

**A. SOLANO COUNTY DEMOCRATIC CENTRAL COMMITTEE SCDCC**  
Full Name (Last, First, Middle Initial)  
Mailing Address 2790 VISTA GRANDE  
City State Zip Code  
FAIRFIELD CA 94534  
FEC ID number of contributing federal political committee. **C** C00406108  
Name of Employer Occupation  
Receipt For:  
 Primary  General  
 Other (specify) ▼  
Aggregate Year-to-Date ▼  
10808.81

Date of Receipt  
M M / D D / Y Y Y Y Y Y  
01 / 01 / 2014  
**Transaction ID : SA12.4098**  
Amount of Each Receipt this Period  
10808.81  
Transfer

**B. Mary Cruz**  
Full Name (Last, First, Middle Initial)  
Mailing Address 11 Vista Montana Drive  
City State Zip Code  
Fairfield CA 94534  
FEC ID number of contributing federal political committee. **C**  
Name of Employer Occupation  
Self Radiologist  
Receipt For:  
 Primary  General  
 Other (specify) ▼  
Aggregate Year-to-Date ▼  
3000.00

Date of Receipt  
M M / D D / Y Y Y Y Y Y  
01 / 01 / 2014  
**Transaction ID : SA12.4098.0**  
Amount of Each Receipt this Period  
3000.00  
\*\*SOLANO COUNTY DEMOCRATIC CENTRAL COMMITTEE SCDCC  
**[MEMO ITEM]**

**C. John Jones**  
Full Name (Last, First, Middle Initial)  
Mailing Address 12 Main Street  
City State Zip Code  
Vacaville CA  
FEC ID number of contributing federal political committee. **C**  
Name of Employer Occupation  
Self Attorney  
Receipt For:  
 Primary  General  
 Other (specify) ▼  
Aggregate Year-to-Date ▼  
4000.00

Date of Receipt  
M M / D D / Y Y Y Y Y Y  
01 / 01 / 2014  
**Transaction ID : SA12.4098.1**  
Amount of Each Receipt this Period  
4000.00  
\*\*SOLANO COUNTY DEMOCRATIC CENTRAL COMMITTEE SCDCC  
**[MEMO ITEM]**

**SUBTOTAL** of Receipts This Page (optional).....▶ 10808.81  
**TOTAL** This Period (last page this line number only).....▶

**SCHEDULE A (FEC Form 3X)**  
**ITEMIZED RECEIPTS**

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|---|------------------------------|-----------------------------------|---|
| Use separate schedule(s) for each category of the Detailed Summary Page |                              | FOR LINE NUMBER: (check only one) | PAGE 7 OF 8   |
| <input type="checkbox"/> 11a  | <input type="checkbox"/> 11b | <input type="checkbox"/> 11c      | <input checked="" type="checkbox"/> 12                  |
| <input type="checkbox"/> 13   | <input type="checkbox"/> 14  | <input type="checkbox"/> 15       | <input type="checkbox"/> 16 <input type="checkbox"/> 17 |

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)  
**SOLANO COUNTY UNITED DEMOCRATIC CENTRAL COMMITTEE**

|   |  |   |
|---|--|---|
| Full Name (Last, First, Middle Initial)<br><b>A. David Smith</b>  |  | Date of Receipt<br>M M / D D / Y Y Y Y Y Y<br>01 / 01 / 2014<br><b>Transaction ID : SA12.4098.2</b> |
| Mailing Address 4 West Third St.  |  | Amount of Each Receipt this Period<br>3195.00   |
| City<br>Fairfield   | State<br>CA  | Zip Code<br>94534   |
| FEC ID number of contributing federal political committee.<br>C   | **SOLANO COUNTY DEMOCRATIC CENTRAL COMMITTEE SCDCC |   |
| Name of Employer  | Occupation<br>Retired                              | <b>[MEMO ITEM]</b>  |
| Receipt For:<br><input type="checkbox"/> Primary <input type="checkbox"/> General<br><input type="checkbox"/> Other (specify) ▼ | Aggregate Year-to-Date ▼<br>3195.00                |   |

|   |  |   |
|---|--|---|
| Full Name (Last, First, Middle Initial)<br><b>B. Paul Johnson</b>   |  | Date of Receipt<br>M M / D D / Y Y Y Y Y Y<br>01 / 01 / 2014<br><b>Transaction ID : SA12.4098.3</b> |
| Mailing Address 104 Rockville Road  |  | Amount of Each Receipt this Period<br>58.81   |
| City<br>Fairfield   | State<br>CA  | Zip Code<br>94534   |
| FEC ID number of contributing federal political committee.<br>C   | **SOLANO COUNTY DEMOCRATIC CENTRAL COMMITTEE SCDCC |   |
| Name of Employer  | Occupation<br>Student                              | <b>[MEMO ITEM]</b>  |
| Receipt For:<br><input type="checkbox"/> Primary <input type="checkbox"/> General<br><input type="checkbox"/> Other (specify) ▼ | Aggregate Year-to-Date ▼<br>58.81                  |   |

|   |  |   |
|---|--|---|
| Full Name (Last, First, Middle Initial)<br><b>C. Albert Lang</b>  |  | Date of Receipt<br>M M / D D / Y Y Y Y Y Y<br>01 / 01 / 2014<br><b>Transaction ID : SA12.4098.4</b> |
| Mailing Address 22 Bank Street  |  | Amount of Each Receipt this Period<br>200.00  |
| City<br>Fairfield   | State<br>CA  | Zip Code<br>94534   |
| FEC ID number of contributing federal political committee.<br>C   | **SOLANO COUNTY DEMOCRATIC CENTRAL COMMITTEE SCDCC |   |
| Name of Employer<br>Community Hospital  | Occupation<br>ER Nurse                             | <b>[MEMO ITEM]</b>  |
| Receipt For:<br><input type="checkbox"/> Primary <input type="checkbox"/> General<br><input type="checkbox"/> Other (specify) ▼ | Aggregate Year-to-Date ▼<br>200.00                 |   |

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| <b>SUBTOTAL</b> of Receipts This Page (optional).....▶           | 0.00 |
| <b>TOTAL</b> This Period (last page this line number only).....▶ |      |

**SCHEDULE A (FEC Form 3X)**  
**ITEMIZED RECEIPTS**

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| Use separate schedule(s) for each category of the Detailed Summary Page |                              | FOR LINE NUMBER: (check only one) | PAGE 8 OF 8   |
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NAME OF COMMITTEE (In Full)  
**SOLANO COUNTY UNITED DEMOCRATIC CENTRAL COMMITTEE**

**A. Martha Miller**  
Full Name (Last, First, Middle Initial)  
Mailing Address 46 Quincy Street  
City Fairfield State CA Zip Code 94534  
FEC ID number of contributing federal political committee. **C**  
Name of Employer Self Occupation Doctor  
Receipt For:  Primary  General  Other (specify) ▼  
Aggregate Year-to-Date ▼ 75.00

Date of Receipt 01 / 01 / 2014  
**Transaction ID : SA12.4098.5**  
Amount of Each Receipt this Period 75.00  
\*\*SOLANO COUNTY DEMOCRATIC CENTRAL COMMITTEE SCDCC  
**[MEMO ITEM]**

**B. Bob Ryan**  
Full Name (Last, First, Middle Initial)  
Mailing Address 84 Van Buren Street  
City Fairfield State CA Zip Code 94534  
FEC ID number of contributing federal political committee. **C**  
Name of Employer Bob's Organic Produce Occupation Farmer  
Receipt For:  Primary  General  Other (specify) ▼  
Aggregate Year-to-Date ▼ 130.00

Date of Receipt 01 / 01 / 2014  
**Transaction ID : SA12.4098.6**  
Amount of Each Receipt this Period 130.00  
\*\*SOLANO COUNTY DEMOCRATIC CENTRAL COMMITTEE SCDCC  
**[MEMO ITEM]**

**C. Jessica Jones**  
Full Name (Last, First, Middle Initial)  
Mailing Address 17 Oxford Street  
City Fairfield State CA Zip Code 94534  
FEC ID number of contributing federal political committee. **C**  
Name of Employer Western Electronics Occupation Engineer  
Receipt For:  Primary  General  Other (specify) ▼  
Aggregate Year-to-Date ▼ 150.00

Date of Receipt 01 / 01 / 2014  
**Transaction ID : SA12.4098.7**  
Amount of Each Receipt this Period 150.00  
\*\*SOLANO COUNTY DEMOCRATIC CENTRAL COMMITTEE SCDCC  
**[MEMO ITEM]**

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| <b>SUBTOTAL</b> of Receipts This Page (optional).....▶           | 0.00     |
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