



California Fair Political Practices Commission

September 16, 1993

Mimi Strauss
Los Angeles Ethics Commission
201 North Los Angeles Street
Los Angeles Mall, Suite 2
Los Angeles, CA 90012

Re: Your Request for Advice
Our File No. I-93-346

Dear Ms. Strauss:

This is in reply to your request for written confirmation of information that I and Lynda Cassady of our Technical Assistance Division provided to you by telephone on September 9, 1993. Since your request is one of a general nature, we treat it as one for informal assistance.¹

The situation you described is as follows. The Los Angeles City Charter requires that candidates for city office who receive "laundered" campaign funds return those funds to the city treasury. As a result of the recent settlement of a "laundering" case, the Los Angeles Ethics Commission plans to send letters to city candidates who received these funds and request that the funds be paid to the city. You indicated that some of these candidates were still in office and others had left office and closed their campaign accounts. You asked for information on how these candidates could appropriately pay this debt under the Political Reform Act.²

As we informed you, because of the unique circumstances of this case, these candidates may pay this debt as follows:

(1) Candidates who currently hold office must pay the debt from any existing campaign or officeholder bank account. The payment, and any contributions received to make the payment, must be reported on the appropriate campaign forms.

¹ Informal assistance does not provide the requestor with the immunity provided by an opinion or formal written advice. (Government Code Section 83114; 2 Cal. Code of Regs. Section 18329(c)(3).)

² Government Code Sections 81000-91015.

(2) Candidates not currently in office but who maintain a campaign bank account either from a previously held office or in connection with a current campaign for office must pay the debt from that account and must report the payment on the appropriate campaign forms. Any contributions received and used by these candidates to make this payment must be deposited into the campaign bank account and likewise reported on the appropriate campaign forms.

(3) Candidates who are no longer in office and who have not maintained a campaign bank account may pay the debt directly from their personal bank account.

Alternatively, these candidates may reopen the campaign bank account for their previous office and pay the debt from that account. Because the bank account is being established for a past election, the candidate should file a letter of explanation with Forms 501 and 502 and Form 410.

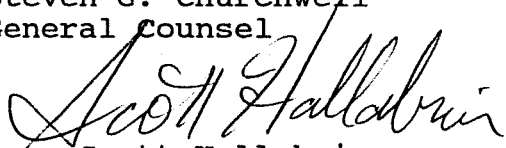
Please note that these candidates can receive and use contributions to assist in paying the debt. However, if they do so, they must reopen their previous campaign bank account, deposit the contributions into the account and pay the debt from this account. They cannot place the contributions into their personal account and pay the debt.

Finally, whether a candidate pays this debt from his or her personal bank account or from a reopened campaign bank account, he or she must report the payment on appropriate campaign forms.

Should you have any questions, please contact me at your convenience. You may direct questions regarding the technical aspects of this letter to Lynda Cassady in the Commission's Technical Assistance Division.

Sincerely,

Steven G. Churchwell
General Counsel


By: Scott Hallabrin
Assistant General Counsel