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April 12, 1999

N. Bradley Litchfield
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Re: AOR 1999-9

Dear Mr. Litchfield:

We have received your letter of March 31, 1999, requesting additional information relevant to the Advisory Opinion Request we submitted on March 18, 1999 on behalf of Bill Bradley for President, Inc. (the "Committee"). The Committee is pleased to assist the Commission as it considers our request.

You have asked "whether the Committee's proposal will entail the verification of credit card account numbers to the names of all persons identified with those accounts." The Committee intends to use the services of an Internet credit card processing vendor which has the capability to compare the contributor information submitted to the Committee with the name, address and other billing information on file with the issuer of the contributing credit or debit card. This capability will allow the Committee to verify the identity of those who contribute via credit or debit card with the same degree of confidence that political committees generally accept checks via direct mail and other forms of solicitation that are consistent with Commission regulations while not necessarily involving direct personal contact between Committee staff and donors.

You also asked which specific controls and procedures the Committee intends to utilize for a variety of different situations. The remainder of this letter discusses specific features that the Committee intends to incorporate in its web site to ensure compliance with the source restrictions of the Federal Election Campaign Act as amended, 2 U.S.C. § 431 et seq. ("the Act"), as suggested in the first, second and fourth situations set out in your letter. It then discusses additional safeguards that the Committee will put in place to ensure compliance with the Act's contribution limits, as addressed by the third situation you presented.

[21507-0001/DA990970.022]

Supplement to
AOR 1999-09

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
APR 12 3 16 PM '99

1. **Contributions made by credit card through the Committee web site by individuals using corporate or other business entity (e.g., partnership, limited liability company or other non-personal) credit accounts.**
2. **Contributions made by credit card through the Committee web site by foreign nationals, by Federal Government contractors, or by labor organizations.**
4. **Contributions made on credit cards through the Committee web site by two or more individuals who are each authorized to use the same credit card account, but where the legal obligation to pay the account extends to one (or more) of the card holders, but not to all of them.**

The Committee intends to screen for impermissible or nonmatchable contributions by taking a series of sequential measures. First, on the web page which contains the contribution solicitation form, the Committee will post language in a clear and conspicuous manner informing prospective donors of the Act's source restrictions and contribution limits. This language is derived from the Commission's guidance in Advisory Opinion 1995-9, and will consist of the following:

We may accept contributions from an individual totaling up to \$1,000. Federal law prohibits contributions to the campaign from:

- *the general treasury funds of corporations, labor organizations or national banks (including corporate or other business entity credit cards);*
- *any person contributing another person's funds;*
- *foreign nationals who lack permanent resident status; and*
- *government contractors.*

We may accept contributions from minor children (i.e., persons under 18 years of age) if the minor makes the decision to contribute knowingly and voluntarily, and the child contributes his or her own funds, and the

contribution is not controlled by another individual or made from the proceeds of a gift given to provide funds to be contributed.

Second, to contribute to the Committee, a donor will have to successfully complete an electronic form on the Committee's web site, and decide to transmit that form to the Committee for further processing. The form will require a prospective donor to provide detailed information including, among other things:

- the contributor's name
- the contributor's name as it appears on the card;
- the billing address on record with the issuer of the credit or debit card;
- the credit or debit card number;
- the expiration date of the card;
- the contributor's residential address; and
- the amount of the contribution.¹

In the event a prospective donor fails to provide any of the required information, or leaves one of these fields blank, the Committee's web site will reject the form and prompt the prospective donor to provide the missing information.

To screen further for corporate or business entity cards, the Committee intends to take advantage of the fact that corporate or business entity credit cards are generally billed directly to the entity's offices, rather than to an individual's home. Should the billing and residential addresses provided by the prospective donor be different, the Committee's web site will display the following message:

We've noticed that the billing address on your card is different from your home address. Please remember that we cannot accept

¹ The Committee will also request the donor's name of employer and occupation. If the amount to be contributed exceeds \$200 and such information is not provided, the Committee's web site will reject the form and prompt the donor to provide the missing information. In addition, if an amount over \$1,000 is entered, the web site will reject the form.

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corporate or business entity credit cards, and that your contribution must be made on a card that represents your own personal funds.

The donor will then be prompted either to continue with the transaction or cancel it altogether.

The Committee also intends to require the donor to check a series of boxes within the contribution form attesting that their contribution is made with funds within the source restrictions and contribution limits of the Act, in a manner similar to that approved by the Commission in Advisory Opinion 1995-9. Specifically, the donor will be asked to attest to the legality of their contribution by checking the following boxes:

This contribution is made from my own funds, and not those of another.

This contribution is not made from the general treasury funds of a corporation, labor organization or national bank.

I am not a Federal government contractor, nor am I a foreign national who lacks permanent resident status in the United States.

This contribution is made on a personal credit or debit card for which I have the legal obligation to pay, and is made neither on a corporate or business entity card nor on the card of another.

The failure to check any of the attestation boxes will cause the Committee's web site to reject the form, and display a message noting the applicable source restriction -- for example, "*We're sorry. Federal law prohibits contributions from the general treasury funds of corporations, labor organizations or national banks.*" It will then prompt the donor either to correct any missing or inaccurate information, or to cancel the transaction.

When the form has been successfully completed, the donor transmits it to the Committee for "real time" processing. The credit or debit card data will be sent directly to the credit card processing company. The company will cross-check the contributor information submitted with its own information on the name, billing address, account number and expiration date of the card, and process the transaction.

In the event the contribution is rejected by the processing company, the campaign will then send a message to the prospective donor that the contribution has been rejected.

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In the event the credit card or debit submission is approved, the Committee will send a confirming message to the donor expressing appreciation for the contribution, will note the contribution in its database, and will then receive the contribution less the processing fee into the campaign depository. The Committee also will request that the donor contact the Committee promptly either by phone or by e-mail with any questions or concerns about the contribution, or about the process through which it was made.

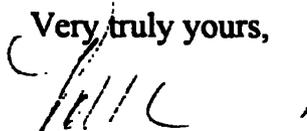
- 3. Contributions made by credit cards through the Committee web site by the same individual using different or multiple credit card accounts.**

In addition to these screening and notification procedures, the Committee intends to employ the same practices it would follow if a donor would write checks through different or multiple checking accounts.

Upon receipt of a contribution, it will enter the donor's name into a database of contributors, checking as an initial matter to see if the donor had given before. If the contribution appeared to be excessive, the Committee will either seek a timely reattribution, or refund the excessive portion.

Should you have any additional questions, or should you require additional information, please do not hesitate to contact either of us at the above address and phone number.

Very truly yours,



Robert F. Bauer
Brian G. Svoboda
General Counsel
Bill Bradley for President, Inc.