

**ADVISORY OPINION AO-1989-006  
RECONSTITUTED AS ETHICS INTERPRETATION EI-1989-006  
ISSUED AUGUST 23, 1989**

The Oklahoma Council on Campaign Compliance and Ethical Standards ["the Council"] has received your request for an advisory opinion asking, in effect:

1. *Are Title 74 O.S. Supp. 1989, § 4212 (B), Item Nine and Rule 2, Definition 3, of the term "Affiliated or Connected Organizations" intended to reflect the Federal Election Commission's definition of these terms [found at 11 CFR, §§ 100.5 (g) (2) (i) (A) and 100.6 (a) and (c)],*
2. *How the Council defines "political entity" as it is used in the definition of "Affiliated or Connected Organization", and*
3.
  - (a) *Is a proper response to Item 9 by a corporate PAC to list as the "primary connected organization" in the "Organization Name" column the name of the parent corporation and in this same column to further identify the names of any subsidiary corporations which have established their own PAC's, and*
  - (b) *Is it proper to identify in the "Relationships" column all subsidiary organization PAC's as "Affiliates" of the primary connected organization?*

Section 4212 (B), Item 9 reads, in pertinent part:

9. CONNECTED ORGANIZATIONS: List all affiliated or connected organizations and indicate their relationship to this committee. List primary connected organizations first; use attached sheet if necessary.

Organization Name	Address	Relationship
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Rule 2, Definition 3 of the Emergency Rules and Regulations, last certified as emergency rules on May 18, 1989, reads:

"Affiliated" or "Connected Organization" means any organization which directly or indirectly establishes, administers or financially supports a political entity.

Political Entity is not a defined term in the statute or rules; however, the term "organization" is defined in 74 O.S. Supp. 1989, § 4202 (16) as follows:

"Organization" includes a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, union, education or action group or committee or entity with two or more persons having a joint or common political interest;

"Political Action Committee" is also defined in the rules as follows:

"Political Action Committee" means any committee, club, association or other group of persons voluntarily acting in concert which receives or expends two hundred dollars [\$200.00] or more for the purpose of promoting, opposing or attempting to influence any official action of any governmental entity in the State of Oklahoma or in support of or opposition to any campaign in the State of Oklahoma.

The Federal Election Commission's definition of "Affiliated Committee" and "Connected Organization", found at 11 Code of Federal Regulations, Sections 110.5 (g) (2) (i) (A) states:

(g) Affiliated committee.

(2) All committees [including a separate segregated fund, see 11 CFR Part 114] established, financed, maintained or controlled by the same corporation, labor organization, person, or group of persons including any parent, subsidiary, branch, division, department, or local unit thereof, are affiliated

(i) Application of the rule of this paragraph means that:

(A) All political committees set up by a single corporation and/or its subsidiaries are affiliated;

\* \* \*

Section 100.6 (a) and (c) state:

(a) "Connected organization" means any organization which is not a political committee but which directly or indirectly establishes, administers, or financially supports a political committee. A connected organization may be a corporation [including a corporation without capital stock], a labor organization, a membership organization, a cooperative or a trade association.

\* \* \*

(c) For the purposes of 11 CFR 100.6, the term "financially supports" does not include contributions to the political committee, but does include the payment of establishment, administration and solicitation costs of such committee.

It is obvious that the Federal Election Commission's definitions are much clearer and provide a guide to the interpretation of the Council's rule definition. In the absence of any Oklahoma authority interpreting the statutory or rule definition of "affiliated or connected organization", the Council will rely on the Federal Election Commission's definition for interpreting its requirements.

The definitions above of "organization" and "political action committee" may be used to determine the definition of "political entity". The Council has no authority to further define the term since it may not adopt rules pursuant to 74 O.S. Supp. 1989, § 4206 (A) (8) except at the request of the Legislature.

**It is, therefore, the advisory opinion of the Council, as voted on at its regular meeting on August 23, 1989, that:**

1. **Title 74 O.S. Supp. 1989, § 4212 (B) and Rule 2, Definition 3 of the Emergency Rules last certified on May 18, 1989, were intended to reflect the Federal Election Commission's definitions of "Affiliated Committee" and "Connected Organization" found at 11 CFR, Sections 100.5 (g) (2) (i) (A) and Section 100.6 (a) and (c).**
2. **"Political entity" should be defined as an "organization" or "political action committee" as those terms are defined in Title 74 O.S. Supp. 1989, § 4202 (16) and Rule 2, Definition 3 of the Council's emergency rules; and**
3. **A proper response for a corporate PAC to Question 9 of Form R-1 would be to list under the "Organization Name" column the name of the parent corporation and to designate it as the "primary connected organization" in the "Relationships" column; to list all subsidiary corporations and to designate them as "subsidiary connected organizations"; and to further list the names of all PAC's established by any subsidiary corporations and to designate them as "affiliates" of the Registrant.**