

Opinion Withdrawn – Wisconsin Ethics Commission – 12/06/2016

Summary:

**Local union affiliate which acts solely as a conduit in collecting and transferring pre-determined contribution to state organization need not register as a political committee.
(Issued to Alfred G. Goldberg, July 30, 1974)**

This opinion was reviewed by the Government Accountability Board pursuant to 2007 Wisconsin Act 1 and was reaffirmed on October 6, 2008.

Opinion:

You state that it is the practice of the AFL-CIO that local union affiliates forward to the state organization a pre-determined equal sum of money each month for every dues-paying local affiliate member. At least some of this money is used for "political purposes" within the meaning of §11.01 (16), Stats. You inquire whether upon these facts registration under §11.05 (1), Stats., would be required of every local affiliated union.

It is the opinion of the Board that registration would not necessarily be required.

The central issue is whether the activity of the local union affiliate constitutes the acceptance of a contribution from the member and the making of a contribution to the state organization, which organization is a political committee as defined in §11.01 (3), Stats. If the local affiliate "accepts" or "makes" contributions exceeding \$25 in the aggregate during a calendar year, it must register and file reports. §§11.05 (1) and 11.06 (1), Stats. If there is making or accepting, the activity then at least constitutes a transfer between committees under the definition of a contribution in §11.01 (5) (d), Stats.

Implicit in the word "makes," however, is the will to determine whether a transfer shall be made, to whom a transfer shall be made, or what the amount of the transfer shall be. Likewise, the word "accepts" implies the will to reject or place conditions on the transfer. Where an intermediary acts solely as a conduit and is without discretion as to whether a transfer of money shall be made, to whom a transfer shall be made or what the amount of the transfer shall be, the law cannot be construed to require independent registration and reporting. Because such a process would be substantially repetitive, the state lacks the compelling interest in disclosure which is the primary purpose of the campaign finance law. §11.001 (1), Stats.

This interpretation produces the natural result that the activity described constitutes a contribution from the local affiliate member to the state organization and must be disclosed and counted as such.