



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

December 10, 2012

BRADLEY SCOTT KNIPPA, TREASURER
TED CRUZ FOR SENATE
815 A BRAZOS PMB 550
AUSTIN, TX 78701

Response Due Date
01/14/2013

IDENTIFICATION NUMBER: C00492785

REFERENCE: OCTOBER QUARTERLY REPORT (07/12/2012 - 09/30/2012)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Senate Public Records Office by the response date noted above. Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 10 item(s):

1. Schedule A of your report discloses one or more contributions that appear to be from a corporation(s) and/or labor organization(s) (see attached). 2 U.S.C. § 441b(a) and 11 CFR § 103.3(b) prohibit the receipt of contributions from corporations and labor organizations unless made from separate segregated funds established by the corporations and labor organizations.

If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you must amend your original report with clarifying information.

If you have received prohibited contributions, you must make a refund within 30 days of the treasurer becoming aware of the illegality of the contribution. (11 CFR § 103.3(b)(1) and (2))

If you have not already done so, please inform the Commission of your corrective action immediately in writing and provide a photocopy of any refund checks. Refunds must be reported on a Schedule B supporting Line 20(a) of the report covering the period in which the refund is made. (11 CFR § 104.8(d)(4))

Although the Commission may take further legal action concerning the acceptance of prohibited contributions, your prompt action to refund the

TED CRUZ FOR SENATE

Page 2 of 6

prohibited amount will be taken into consideration.

2. Schedule A of your report discloses one or more contributions that appear to exceed the limits set forth in the Act (see attached). The Commission notes your additional explanation regarding the committee's corrective action taken for some of these contributions.

An individual or a political committee other than an authorized committee or a qualified multi-candidate committee may not make a contribution(s) to a candidate for federal office in excess of \$2,500 per election. An authorized committee may not make a contribution(s) to a candidate for federal office in excess of \$2,000 per election. A qualified multi-candidate committee and all affiliated committees may not make a contribution(s) to a candidate for federal office in excess of \$5,000 per election. The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. § 441a(a) and (f); 11 CFR §§ 110.1(b), (e) and (k), and 102.13(c))

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you must amend your original report with clarifying information.

Please be reminded that all refunds, redesignations and reattributions must be made within 60 days of receipt of the contribution. To date, one or more of the apparent excessive contributions have not been refunded, redesignated, or reattributed.

For reattributions, the funds can be retained if, within 60 days of receipt, the excessive amount was properly reattributed to another person. An excessive contribution is considered properly reattributed if (1) the contributors provide the committee with written documentation, signed by each contributor, authorizing a reattribution and indicating the amount of the contribution to be attributed to each contributor; or (2) the committee reattributes by presumption the excessive portion of the contribution if the contribution was made on a written instrument from a joint account and was signed by only one of the account holders. In this case, the treasurer must notify the contributors in writing within 60 days of receiving the contribution that the committee intends to reattribute the excessive portion and must give the contributor who signed the check an opportunity to request a refund. (11 CFR § 110.1(k)(3)(ii)(B))

For redesignations, the funds can be retained if, within 60 days of receipt, the

TED CRUZ FOR SENATE

Page 3 of 6

excessive amount was properly designated for a different election. An excessive contribution is considered properly redesignated if (1) the committee obtains signed written documentation from the contributor(s) authorizing the redesignation of the contribution for another election, provided that the new designation does not exceed the limitations on contributions made with respect to that election; or (2) the committee redesignates by presumption the excessive portion of the contribution for another election, provided that the new designation does not exceed the limitations on contributions made with respect to that election. In this case, the treasurer must notify the contributor of the redesignation in writing within 60 days of the treasurer's receipt of the contribution. The notification must give the contributor an opportunity to request a refund. (11 CFR § 110.1(b)(5)(ii)(B)) A contribution can only be redesignated to a previous election to the extent that the contribution does not exceed the committee's net debts outstanding for that election. (11 CFR § 110.1(b)(3)(i))

If the foregoing conditions for reattributions or redesignations are not met within 60 days of receipt, the excessive amount must be refunded. (11 CFR § 103.3(b)(1))

If you have not already done so, please inform the Commission of your corrective action immediately in writing and provide photocopies of any refund checks and/ or letters reattributing or redesignating the contributions in question. Refunds are reported on Line 20(a), (b), or (c), as applicable, of the Detailed Summary Page and on a supporting Schedule B of the report covering the period in which they are made. Redesignations and reattributions are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation and/or reattribution is received. (11 CFR § 104.8(d)(2), (3) and (4))

Although the Commission may take further legal action concerning the acceptance of excessive contributions, your prompt action to refund or redesignate and/or reattribute the excessive amount will be taken into consideration.

3. It appears that Schedule A of your report discloses the receipt of anonymous contributions, contributions with no name disclosed, that exceed \$50. Please be advised that federal regulations prohibit an individual from contributing anonymous contributions which, in the aggregate, exceed \$50. If any receipt in question was incompletely or incorrectly reported, you must amend your original report with the clarifying information. If the committee has been in receipt of an anonymous contribution greater than \$50, the excessive amount

TED CRUZ FOR SENATE

Page 4 of 6

must be promptly disposed of and may be used for any lawful purpose unrelated to any Federal election, campaign or candidate. In an amendment to this report, please inform the Commission of your corrective action immediately in writing, if you have not already done so. (11 CFR § 110.4(c) (3))

4. Schedule A of your report indicates that your committee may have failed to file one or more of the required 48-hour notices regarding "last minute" contributions received by your committee after the close of books for the 12 Day Pre-Runoff Report (see attached). A principal campaign committee must notify the Commission, in writing, within 48 hours of any contribution of \$1,000 or more received between two and twenty days before an election. These contributions are then reported on the next report required to be filed by the committee. To ensure that the Commission is notified of last minute contributions of \$1,000 or more to your campaign, it is recommended that you review your procedures for checking contributions received during the aforementioned time period. The failure to file 48-hour notices may result in civil money penalties or legal enforcement action. If any contribution of \$1,000 or more was incorrectly reported, you must amend your original report with the clarifying information. (11 CFR § 104.5(f))

5. Your committee filed 48-hour notices reporting the following "last minute" contributions (see attached). However, these contributions do not appear on Schedule A of this report. Please amend your report to include these contributions or provide an explanation of these apparent discrepancies. (11 CFR § 104.3(a)(4)(i))

6. Schedule A of your report discloses contributions through a conduit but fails to disclose the original earmarked contributions. Please be advised that when a committee receives an earmarked contribution(s) through an allowable conduit, each individual contribution should be itemized when the individual's total contributions to your committee aggregate over \$200 per calendar year. This itemization must include the full name, address, occupation, and employer of the individual contributor along with the date the contribution was received by the conduit. Any un-itemized contributions from individuals received through the conduit should be included in your totals on Line 11(a)(ii) of the Detailed Summary Page. Contributions from political party committees, PACs, authorized committees, or any political committee must be itemized, regardless of the amount contributed.

In addition, the total contribution(s) received through the conduit should be itemized on Schedule A as a memo entry. The conduit's full name and address

TED CRUZ FOR SENATE

Page 5 of 6

(and occupation and employer if the conduit is an individual) must also be provided, along with the date the contribution(s) was received by your committee and the total amount of earmarked contributions received from the conduit. Please amend your report to include the missing information. (11 CFR §§ 110.6(c)(2) and 104.3(a)(3))

7. The Commission notes the redesignation or reattribution of contributions from Carl A. Davis and Guy W. Grace. Please amend your report to disclose the proper format for redesignations or reattributions. The first entry must disclose, as a memo entry, the information for the contribution as it was originally reported; the second entry must disclose, as a memo entry, the information as it has been redesignated or reattributed, including the date the redesignation or reattribution was made. (11 CFR § 104.8(d)(2), (3), and (4)) Please refer to the Campaign Guide for Congressional Candidates and Committees for further guidance on how to report redesignations and reattributions.

8. Your report discloses \$16,787.52 in Offsets to Operating Expenditures on Line 14 of the Detailed Summary Page with no name identifying the individual or vendor providing the offset. Please be advised that if there are not corresponding expenditures for these entries, it may constitute an excessive or prohibited contribution. Please amend your report to include a name or provide an explanation for this apparent discrepancy. (11 CFR § 104.3(a)(4)(v))

9. Schedule B of your report discloses reimbursements to staff for apparent travel and subsistence advances in which the total amount reimbursed exceeds \$500. When the reimbursement amount to staff for travel and subsistence advances exceeds \$500, the payments by staff to any one vendor that make up the reimbursement may have to be itemized. For example, if the campaign related payments to any one vendor by the campaign/staff aggregate in excess of \$200 for the election cycle, the staff advance payment to the vendor must also be itemized in a memo entry for that reimbursement. Each memo entry must include the complete name and address of the original vendor, as well as the date, amount, and detailed purpose of the advance. If itemization is not necessary for a particular reimbursement to staff in excess of \$500, you must indicate so in an amendment to this report. Please amend your report to include the missing or clarifying information. See Advisory Opinion 1996-20 for additional clarification. (11 CFR § 104.9)

10. Schedule B of your report discloses disbursements with the purpose "intern stipend" that appear to be made from petty cash. Please be advised that disbursements from a petty cash fund to any person or vendor for any single

TED CRUZ FOR SENATE

Page 6 of 6

purchase or transaction may not exceed \$100. If payments to the original vendor exceed \$200 in an election cycle, a memo entry including the name of the original vendor as well as address, date, amount, and purpose of the original purchase must be provided. Please amend your report to include the missing information or provide clarifying information if memo items are not required. (2 U.S.C. § 432(h)(2) and 11 CFR § 102.11)

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

A written response or an amendment to your original report(s) correcting the above problems should be filed with the Senate Public Records Office. Please contact the Senate Public Records Office at (202) 224-0322 for instructions on how and where to file an amendment. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1166.

Sincerely,



Bradley Matheson
Sr. Campaign Finance & Reviewing Analyst
Reports Analysis Division

**Excessive, Prohibited, and Impermissible Contributions
Ted Cruz for Senate (C00492785)**

Excessive Contributions from Individuals

Contributor Name	Date	Amount	Election
Battista, Michael A.	9/24/12	\$2,500.00	G, 2012
Battista, Michael A.	9/30/12	\$714.29	G, 2012
Battle, Robert M.	3/12/12	\$500.00	O, 2012
Battle, Robert M.	3/12/12	\$500.00	O, 2012
Battle, Robert M.	3/24/12	\$500.00	O, 2012
Battle, Robert M.	4/10/12	\$500.00	O, 2012
Battle, Robert M.	5/8/12	\$500.00	O, 2012
Battle, Robert M.	5/30/12	\$500.00	O, 2012
Battle, Robert M.	6/24/12	\$500.00	O, 2012
Battle, Robert Mcree	7/1/12	\$500.00	O, 2012
Battle, Robert M.	7/24/12	\$500.00	O, 2012 RUNOFF
Battle, Robert M.	7/30/12	\$500.00	O, 2012 RUNOFF
Birdwell, Gene	9/30/12	\$4,000.00	G, 2012
Birdwell, Steven	3/23/11	\$2,500.00	G, 2012
Birdwell, Steven	9/30/12	\$2,500.00	G, 2012
Birdwell, Steven	7/18/12	\$10,000.00	O, 2012 RUNOFF
Birdwell, Steven	9/13/12	-\$2,500.00	O, 2012 RUNOFF
Butler, John R.	9/10/12	\$2,000.00	G, 2012
Butler, John R.	9/27/12	\$1,000.00	G, 2012
Carona, John, Sr.	9/30/12	\$5,000.00	O, 2012 RUNOFF
Cist, Dorothea	8/1/12	\$1,500.00	G, 2012
Cist, Dorothea	8/7/12	\$2,500.00	G, 2012
Coffee, Roy C., Jr.	9/21/12	\$5,000.00	O, 2012 RUNOFF
Davis, Carl A.	7/9/12	\$5,000.00	G, 2012
Davis, Carl A.	7/18/12	\$2,500.00	G, 2012
Davis, Carl A.	9/27/12	\$5,000.00	G, 2012
Dillard, Jack	9/19/12	\$5,000.00	O, 2012 RUNOFF
Donnell, James L., Jr.	9/27/12	\$7,500.00	P, 2012

**Excessive, Prohibited, and Impermissible Contributions
Ted Cruz for Senate (C00492785)**

Dreibelbis, Jay Dean	5/31/12	\$500.00	O, 2012
Dreibelbis, Jay Dean	7/24/12	\$13,500.00	O, 2012 RUNOFF
Duncan, Leslie R.	9/21/12	\$5,000.00	P, 2012
Edwards, James	8/7/12	\$2,900.00	G, 2012
Edwards, James	8/7/12	\$1,000.00	G, 2012
Elliott, Jessica Erin	8/31/12	\$1,000.00	G, 2012
Elliott, Jessica Erin	9/19/12	\$2,500.00	G, 2012
Elsenbrook, Leshia	9/30/11	\$1,000.00	G, 2012
Elsenbrook, Leshia	9/30/12	\$4,000.00	G, 2012
Fant, Richard	8/14/12	\$5,000.00	O, 2012 RUNOFF
Feavel, David	9/30/12	\$4,000.00	G, 2012
Fletcher, Gary	9/14/12	\$1,000.00	G, 2012
Fletcher, Gary	9/27/12	\$2,500.00	G, 2012
Francis, L. Frederick	9/27/12	\$5,000.00	G, 2012
Gates, Alonzo E. II	9/27/12	\$15,000.00	G, 2012
Graham, Ashleigh	9/27/12	\$7,500.00	P, 2012
Graham, James	5/15/12	\$2,500.00	G, 2012
Graham, James P. P.	9/30/12	\$50.00	G, 2012
Graham, Jan	5/15/12	\$2,500.00	G, 2012
Graham, Jan	9/27/12	\$500.00	G, 2012
Grimes, David	9/19/12	\$5,000.00	G, 2012
Grimes, David	9/30/12	\$1,250.00	G, 2012
Grundhoefer, Mary Jo	9/10/12	\$5,000.00	O, 2012 RUNOFF
Hanley, Alice	8/14/12	\$5,000.00	O, 2012 RUNOFF
Hixon, Karen	9/19/12	\$5,000.00	G, 2012

**Excessive, Prohibited, and Impermissible Contributions
Ted Cruz for Senate (C00492785)**

Hixon, Tim	9/19/12	\$10,000.00	G, 2012
Hixon, Tim	9/19/12	-\$5,000.00	G, 2012
Hunt, Woody L.	9/27/12	\$7,500.00	P, 2012
Katz, Jacqueline	8/7/12	\$5,000.00	G, 2012
Lefebvre, Dale	9/14/12	\$7,500.00	P, 2012
Mayrant, Julie	7/10/12	\$5,000.00	O, 2012
Mayrant, Julie V.	9/1/12	-\$2,500.00	O, 2012
Mayrant, Julie V.	7/17/12	\$250.00	O, 2012 RUNOFF
Mayrant, Julie V.	7/17/12	\$250.00	O, 2012 RUNOFF
Mccombs, B. J. Red	9/27/12	\$12,500.00	G, 2012
Mcguire, Weldon T.	9/30/12	\$5,000.00	O, 2012 RUNOFF
Melton, Jason	7/25/12	\$4,750.00	O, 2012 RUNOFF
Pappas, Christopher J.	8/23/12	\$7,500.00	P, 2012
Perry, Will C.	9/30/12	\$5,000.00	G, 2012
Ray, Richie	7/13/12	\$10,000.00	O, 2012 RUNOFF
Ray, Richie	9/1/12	-\$2,500.00	O, 2012 RUNOFF
Reese, Jordan W. III	8/2/12	\$5,000.00	G, 2012
Robertson, William Keen	3/29/11	\$2,500.00	G, 2012
Robertson, William Keen	9/26/12	\$5,000.00	G, 2012
Robison, Kirk	9/27/12	\$10,000.00	G, 2012
Seeligson, Arthur A.	9/5/12	\$5,000.00	O, 2012 RUNOFF
Toelke, Dudley Scott	9/10/12	\$5,000.00	O, 2012 RUNOFF
Troutt, Kenny	9/30/12	\$5,000.00	O, 2012 RUNOFF
Troutt, Lisa	9/30/12	\$5,000.00	O, 2012 RUNOFF

**Excessive, Prohibited, and Impermissible Contributions
Ted Cruz for Senate (C00492785)**

Wagner, Rex Robert	9/30/12	\$5,000.00	P, 2012
Weiss, Stephen	4/10/12	\$1,750.00	G, 2012
Weiss, Stephen	9/12/12	\$2,500.00	G, 2012
Willia, J. D.	9/30/12	\$5,000.00	O, 2012 RUNOFF
Woods, Gary Vernon	9/19/12	\$7,500.00	G, 2012
Wright, William Braxton	9/30/12	\$5,000.00	G, 2012

Excessive Contributions from Committees

Contributor Name	Date	Amount	Election
American Bankers Association	9/27/12	\$2,500.00	G, 2012
American Bankers Association	9/27/12	\$2,500.00	G, 2012
American Bankers Association Qualified Multi-Candidate Commi	9/19/12	\$2,500.00	G, 2012

Contributions from Possible Prohibited Entities

Contributor Name	Date	Amount	Election
Blackridge	9/21/12	\$2,500.00	G, 2012

**Incorrectly Reported Receipts on 48-Hour Notices
Ted Cruz for Senate (C00492785)**

Contributor Name	Date	Amount
Campbell, Robert	7/16/12	\$1,000.00
Evangelakos, John	7/16/12	\$1,000.00
Alcantara, Nitsch	7/18/12	\$1,750.00
Birdwell, Ashley	7/18/12	\$10,000.00
Cole, Douglas	7/18/12	\$5,000.00
Franklin, Jacob	7/18/12	\$2,500.00
Grace, Guy W.	7/18/12	\$5,000.00
Cameron, Nina	7/23/12	\$5,000.00
Foster, Cornelia Adams	7/23/12	\$1,000.00
McClellan, Marie	7/26/12	\$1,000.00

Missing 48-Hour Notices
Ted Cruz for Senate (C00492785)

Contributor Name	Date	Amount	Election
Birdwell, Steven	7/18/12	\$10,000.00	O, 2012 RUNOFF
Cole, Sarah	7/18/12	\$5,000.00	O, 2012 RUNOFF
Grace, Melinda	7/18/12	\$5,000.00	O, 2012 RUNOFF