



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

April 21, 2006

J. Peter Clements, Treasurer
Republican Party of Virginia Inc
115 East Grace Street
Richmond, VA 23219

Response Due Date:
May 22, 2006

Identification Number: C00001305

Reference: March Monthly Report (2/01/06 – 2/28/06)

Dear Mr. Clements:

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 Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule D supporting Line 10 of your report discloses forgiven debts totaling \$2,977.60 owed to "Benedetti & Farris, LLC", which appears to be a corporation. Please be advised that a forgiven debt owed to a corporate entity constitutes a receipt to the committee. 2 U.S.C. §441b(a) prohibits the receipt of contributions from corporations unless made from a separate segregated fund established by the corporation.

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

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

Although the Commission may take further legal action concerning the acceptance of a prohibited contribution, prompt action by your committee to transfer-out or refund the amount will be taken into consideration.

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-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Insurance". Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding this improper allocation activity, your prompt action will be taken into consideration.

-Schedule B supporting Line 22 discloses \$4,000 in transfers to what appears to be a non-federal account of your committee. Please provide further clarification regarding this transfer(s) to your non-federal account.

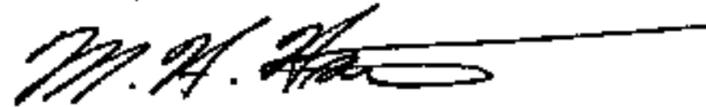
You are advised that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections. If any of these disbursements were made to influence the election or defeat of specific federal candidates, the disbursements should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, independent expenditures on Schedule E supporting Line 24, or as coordinated expenditures on Schedule F supporting Line 25. 11 CFR §§104.3(b)(3) and 106.1 In addition, if your non-federal account has paid any expenditures which should have been allocated, you are advised to correct any non-compliance with 11 CFR §§106.6 and 106.7 and establish procedures to insure future compliance with allocation regulations.

-Schedule H4 of your report discloses \$7,350 in payments for "IT Consultant", "IT Consulting", and "Janitorial Service" to individuals. Please clarify whether these individuals are employees of your committee. You are advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity or activities in connection with a Federal election must not be allocated between or among federal, non-federal and Levin accounts. Rather, only federal funds may be used. Any reimbursement from your committee's non-federal or Levin account for salary and wage payments is not permissible and must be returned. Please provide clarification regarding these payments.

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. 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.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. 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) 694-1398.

Sincerely,



Michael H. Hartsock
Campaign Finance Analyst
Reports Analysis Division

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