



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

December 14, 2012

LYSA RAY, TREASURER  
STRICKLAND FOR CONGRESS 2012  
603 EAST ALTON AVENUE, SUITE H  
SANTA ANA, CA 92705

**Response Due Date**  
**01/18/2013**

IDENTIFICATION NUMBER: C00510545

REFERENCE: AMENDED OCTOBER QUARTERLY REPORT (07/01/2012 - 09/30/2012),  
RECEIVED 10/31/2012

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. **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 2 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

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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).

An individual or a political committee other than an authorized committee or 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))

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you must amend your original report with the clarifying information. If any contribution you received exceeds the limits, you may have to refund the excessive amount.

Excessive contributions may be retained if, within 60 days of receipt, the excessive portions are properly redesignated or reattributed. Guidelines for each option are provided below.

For reattributions, excessive contributions from individuals can be retained if, within 60 days of receipt, the excessive amount is properly reattributed to another person. Please note that reattributions only apply to excessive contributions from individuals. 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 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 excessive amount is properly redesignated for a different election. An

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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) your 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)) Please note that you cannot presumptively redesignate an excessive contribution from a multi-candidate committee. Also, 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 of the contribution, the excessive amount must be refunded. See 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, redesignate, and/or reattribute the excessive amount will be taken into consideration.

**3.** Schedule A of your report discloses one or more contributions received after the primary election that are designated for the primary. These contributions may only be accepted to the extent that the committee has net debts outstanding from the primary election. For more information on how to calculate net debts outstanding, please see page 25 of the Campaign Guide for Congressional Candidates and Committees, which is available online at <http://www.fec.gov/pdf/candgui.pdf>. (11 CFR § 110.1(b)(3)(i))

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A contribution is considered made when the contributor relinquishes control over the contribution. A contributor shall be considered to have relinquished control over the contribution when it is delivered to the candidate, when it is delivered to an authorized committee of the candidate, or to an agent of an authorized committee of the candidate. A contribution that is mailed to any of the aforementioned recipients will be considered made on the date of the postmark. Envelopes should be retained for the committee's records. (11 CFR § 110.1(b)(6))

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

If a contribution exceeds the amount of net debts outstanding from the primary election, you may have to refund or redesignate the contribution.

The funds can be retained if, within 60 days of receipt, the excessive amount was properly redesignated 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))

If the foregoing conditions for redesignations are not met within 60 days of receipt, the excessive amount must be refunded. See 11 CFR § 103.3(b)(3).

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 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 are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation is received. (11 CFR § 104.8(d)(2), (3) and (4))

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

**4.** Schedule A of your report discloses one or more contributions from an organization(s), which is not a political committee registered with the Commission (see attached). In order for your committee to accept contributions from unregistered organizations, your committee should take steps to ensure that the contributor(s) used permissible funds to make the contribution(s) to avoid violating 2 U.S.C. §§441a(f) and 441b or 11 CFR §102.5(b). Under 11 CFR §102.5(b), organizations which are not political committees under the Act and choose to contribute to federal committees must either: (1) establish a separate account which contains only those funds permitted under the Act, or (2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution.

If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. In addition, please clarify whether the contribution(s) received from the referenced organization(s) is permissible.

If you have received prohibited contributions, you must make a refund. (11 CFR § 103.3(b)(1)) The refund must be made within 30 days of the treasurer becoming aware of the illegality of the contribution. (11 CFR § 103.3(b)(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(b) of the report covering the period in which the refund was 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 prohibited amount will be taken into consideration.

**5.** The totals listed on Lines 6(a), 6(c), 7(a), 7(c), 11(a)(iii), 11(c), 11(e), 16, 17 and 21, Column B of the Summary and Detailed Summary Pages appear to be incorrect. Column B figures for the Summary and Detailed Summary Pages should equal the sum of the Column B figures on your previous report and the Column A figures on this report. Please file an amendment to your report to

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correct the Column B discrepancies for this report and all subsequent report(s) which may be affected by this correction. Note that Column B should reflect only the election cycle-to-date totals (11/3/10 through 11/6/12). (2 U.S.C. § 434(b) and 11 CFR § 104.3)

6. The beginning cash balance of this report does not equal the ending balance of your July Quarterly Report. Please correct this discrepancy and amend all subsequent reports that may be affected by the correction. (2 U.S.C. § 434(b) (1) and 11 CFR § 104.3(a)(1))

7. On Schedule B supporting Lines 17 and 21 of your report, you have itemized disbursements for which you have failed to include the address and/or purpose. Please amend your report to include the missing information. (11 CFR § 104.3(b)(4))

8. Itemized disbursements must include a brief statement or description of why each disbursement was made. Please amend Schedule B supporting Line 17 of your report to clarify the attached descriptions. For further guidance regarding acceptable purposes of disbursement, please refer to 11 CFR 104.3(b)(4)(i)(A).

Additional clarification regarding inadequate purposes of disbursement published in the Federal Register is available on the FEC website at [www.fec.gov/law/policy/purposeofdisbursement/inadequate\\_purpose\\_list\\_3507.pdf](http://www.fec.gov/law/policy/purposeofdisbursement/inadequate_purpose_list_3507.pdf). A non-exhaustive list of acceptable purposes is also available on the FEC website at <http://www.fec.gov/rad/pacs/documents/ExamplesofAdequatePurposes.pdf>.

9. Schedule B supporting Line 17 of your report discloses reimbursements to individuals for expenses other than travel and subsistence. Please be advised that when itemizing reimbursements to individuals for goods or services, if the payment to the original vendor aggregates in excess of \$200 in an election cycle, a memo entry including the name and address of the original vendor, as well as the 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. (11 CFR §§ 104.3(b)(4)(i) and 104.9, and Advisory Opinions 1992-1 and 1996-20)

**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

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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.**

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) 694-1161.

Sincerely,



Christopher Whyrick  
Senior Campaign Finance Analyst  
Reports Analysis Division

**Excessive, Prohibited, and Impermissible Contributions  
Strickland for Congress 2012 (C00510545)**

**Contributions from Possible Prohibited Entity**

<b>Contributor Name</b>	<b>Date</b>	<b>Amount</b>	<b>Election</b>
Medtronic Medical Technology, NW, Suite 500	8/22/12	\$1,000.00	G2012
Medtronic Medical Technology, NW, Suite 500	9/30/12	\$1,000.00	G2012

**Excessive Contributions from Committees not Qualified for Multi-Candidate Status**

American Optometric Association PAC (AOA-PAC)	6/4/12	\$2,500.00	G2012
American Optometric Association PAC (AOA-PAC)	9/30/12	\$5,000.00	G2012
American Physical Therapy Association PT-PAC,	6/4/12	\$2,000.00	G2012
American Physical Therapy Association PT-PAC,	9/25/12	\$5,000.00	G2012
Independent Insurance Agents & Brokers of America, Inc. PAC	6/2/12	\$1,000.00	G2012
Independent Insurance Agents & Brokers of America, Inc. PAC	8/3/12	\$2,500.00	G2012
InsurPac Independent Insurance Agents & Brokers of America	9/25/12	\$2,500.00	G2012
Valero PAC	3/30/12	\$2,500.00	G2012
Valero PAC	9/27/12	\$5,000.00	G2012

**Contributions from an Unregistered Organization**

<b>Contributor Name</b>	<b>Date</b>	<b>Amount</b>	<b>Election</b>
Friends of Steve Lavagnino, Lavagnino for Supervisor 2014	9/30/12	\$1,000.00	G2012



**Inadequate Purposes of Disbursement  
Strickland for Congress 2012 (C00510545)**

<b>Name</b>	<b>Date</b>	<b>Amount</b>	<b>Purpose</b>
The Bovee Company	7/6/12	\$807.35	Administration Fees
National Republican Congression	7/2/12	\$5,000.00	Aug. 2012 Event Expenses
Wangsaporn, Chris	7/31/12	\$1,288.75	CMP Expenses
Parsons, Jake	7/1/12	\$7,000.00	Consulting
The Justin Company	8/10/12	\$1,000.00	Consulting
The Justin Company	8/10/12	\$1,138.62	Consulting
The Justin Company	9/10/12	\$2,000.00	Consulting
Sands, Carla	7/1/12	\$2,500.00	Fundraiser payment
Sands, Fred	7/1/12	\$2,500.00	Fundraiser payment
West, Mallory	7/30/12	\$2,340.00	Fundraising Payment
Studio Recording, Inc.	8/24/12	\$2,435.78	Inv. 15546
Lintz, Alex	8/20/12	\$600.00	July/Aug Ventura Consulting
Parsons, Jake	8/3/12	\$7,000.00	July Consulting
Lubas, Joe	7/1/12	\$2,000.00	June Consulting
Hammond & Associates	7/6/12	\$3,215.90	June Invoice
Christina, Atchley	7/1/12	\$1,900.00	June RPD Consulting
Desser, Andrew	7/1/12	\$2,000.00	June RPD Consulting
Knight, Jonathan	7/1/12	\$2,000.00	June RPD Consulting
Taylor, La Christian	7/1/12	\$1,750.00	June RPD Consulting
Wilson, Charles	7/1/12	\$1,750.00	June RPD Consulting
Wolfel, Elizabeth	7/1/12	\$1,600.00	June RPD Consulting
Lysa Ray Campaign Services	7/5/12	\$2,000.00	Professional Service Retainer Fee
Lysa Ray Campaign Services	7/5/12	\$752.50	Professional Services
Lysa Ray Campaign Services	8/31/12	\$2,000.00	Professional Services
R&D Rentals	8/30/12	\$2,200.00	Rental for Workers
Camp, Sam	8/20/12	\$800.00	RPD Consulting
Pavell, Tim	7/17/12	\$1,142.00	TSCong Website