



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

October 12, 2016

JONATHAN LINES, TREASURER
ARIZONA REPUBLICAN PARTY
3501 NORTH 24TH STREET
PHOENIX, AZ 85016

Response Due Date

11/16/2016

IDENTIFICATION NUMBER: C00008227

REFERENCE: MAY MONTHLY REPORT (04/01/2016 - 04/30/2016)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report 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 **10** item(s):

1. Schedule A of your report (see attached) discloses one or more contributions which appear to exceed the limits set forth in the Act. Please be advised that 52 U.S.C. §30116(f) (formerly 2 U.S.C. §441a(f)) and 11 CFR §110.1(c) prohibit a state, district or local party committee (combined) from receiving any contribution from a person or non-multicandidate political committee in excess of \$10,000 per calendar year.

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. The funds can be retained if within 60 days of receipt, (1) the excessive amount was properly reattributed to another person, such as a joint account holder, by obtaining signed written authorizations from each person making the contribution pursuant to 11 CFR 110.1(k)(3), and (2) the treasurer informs the person making the contribution that he or she may request the return of the excessive portion of the contribution if it is not intended to be a joint contribution. Any request from a donor for a refund must be honored.

Alternatively, the funds can be retained if within 60 days of receipt you (1) transferred the excessive amount to an account not used to influence federal

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elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund. Any request from a donor for a refund must be honored.

If the foregoing conditions for reattributions or transfers to a non-federal account were not met within 60 days of receipt, the excessive amount must be refunded.

Please inform the Commission of your corrective action promptly in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any reattributions should be reported as memo entries on Schedule A of the report covering the period during which the authorization for the reattribution is received. Any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report during which the transaction was made.

Although the Commission may take further legal action regarding the acceptance of an excessive contribution(s), prompt action by your committee to seek reattribution, transfer-out or refund the excessive amount will be taken into consideration.

2. Schedule A of your report discloses aggregate year to date totals for contributions received from individuals which appear to be incorrect (see attached). Please be advised that federal regulations require aggregate year to date totals to include only those contributions which are received during the calendar year. In the event that the aggregate year to date total is correct, please note that federal regulations also require the disclosure of all contributions received from individuals who have contributed over \$200. 11 CFR §104.3(a) (4) Please amend your report to provide the correct aggregate year to date totals.

3. Schedule A of your report (see attached) discloses one or more contributions from organizations, which are not political committees registered with the Commission. In order for your committee to accept contributions from unregistered organizations into accounts used to influence federal elections, your committee should take steps to insure that the contributor(s) used permissible funds to make the contribution(s) to avoid violating 52 U.S.C. § 30116(f) and 30118 (formerly 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

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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.

To the extent that your committee has received prohibited funds, you may have to make a refund. If within 30 days of receipt you (1) transferred the prohibited amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund, you may retain the contribution in an account not used to influence federal elections. Any request from a donor for a refund must be honored.

If the foregoing conditions for transfers to a non-federal account were not met within 30 days of receipt, the prohibited amount must be refunded. (11 CFR §103.3(b)(1))

Please inform the Commission of your corrective action promptly in writing and provide a photocopy of your check for any transfer-out or refund. Should you choose to transfer-out or refund the contribution(s), the Commission will presume the funds were impermissible if no statement from your committee provides information to the contrary. Transfers-out and refunds should be disclosed on a 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 prohibited contributions, prompt action by your committee in transferring-out or refunding the amounts will be taken into consideration.

4. A review of the reports filed by your committee indicates that your committee received one or more contributions from "AMERICAN SOCIETY OF ANESTHESIOLOGISTS POLITICAL ACTION COMMITTEE" which has been disclosed on their report(s) of receipts and disbursements as a contribution for the non-federal account (see attached). Please be advised, contributions deposited in a federal account must meet the following conditions: the contributions are designated or expressly solicited for use in connection with federal elections and contributors are informed that their contributions are subject to the limits and prohibitions of the Act. 11 CFR

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§102.5(a)

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

If the contribution(s) received was misdeposited into the federal account, you may have to make a refund. If within 30 days of receipt you (1) transferred the misdeposited amount to an account not used to influence federal elections, and (2) provided a written notice to the committee making the contribution of the option of receiving a refund, you may retain the contribution in an account not used to influence federal elections. Any request from a donor for a refund must be honored.

If the foregoing conditions for transfers to a non-federal account were not met within 30 days of receipt, the misdeposited amount must be refunded. (11 CFR §103.3(b)(1))

Please clarify if the contribution(s) received from the disclosed donor's federal account was permissible. If the contribution was intended for a non-federal account, please inform the Commission of your corrective action promptly in writing and provide a photocopy of your check for any transfer-out or refund. Although the Commission may take further legal action regarding the misdeposited funds, your prompt action will be taken into consideration.

5. On Schedule H2, you have disclosed more than one allocation ratio for "Legislative Salute (04/10/2015)." (11 CFR §106.7)

Additionally, you have disclosed multiple ratio types (i.e., New, Revised, Same as Previously Reported) for " Legislative Salute (04/10/2015)." Schedule H2 of your Amended May Monthly Report (4/1/15-4/30/15), received 9/4/15, disclosed a ratio for this event which is different from the ones given on this report. Please amend your report to clarify these discrepancies. (11 CFR § §104.10 and 104.17)

6. Please amend your report by providing the address and purpose for each disbursement itemized on Schedule H4 supporting Line 21(a). (11 CFR § §104.3(a)(4) and 104.10(4))

7. Schedule H4 supporting Line 21(a) of your report discloses payments for "Advertisement," "Direct Mail," "Media," "Media Consulting," and "Printing."

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Please be advised that pursuant to 11 CFR §300.33(c)(1), expenditures for public communications (as defined by 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any such candidate for Federal office must not be allocated between or among federal and non-federal accounts. Only federal funds may be used.

Further, expenditures and disbursements for public communications that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s). However, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please amend your report to properly disclose this activity or provide clarifying information.

If this activity was categorized incorrectly, the Commission recommends that you immediately transfer the funds received by your federal account for this activity back to the non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

8. Schedule H4 of your report discloses payments to "Mesa Convention Center" and "Flag World" which are categorized as Administrative expenses; however, the purposes of disbursement disclosed are "Convention Center Rental," "Convention venue," and "Flags for event." Please be advised that payments made for your committee's fundraising activities must be allocated according to the funds received method and the ratio reflected on Schedule H2. Please amend your report to clarify the appropriate category for this activity(s) or provide clarifying information regarding this apparent discrepancy(s). (11 CFR §106.7(d)(4))

9. Schedule H4 of your report discloses reimbursements to individuals for "Travel Reimbursement." Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must include the name and address of the original vendor, as well as the

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date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule H4, which reimbursement each memo entry relates to. (11 CFR § 104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3)

10. Schedule H4 supporting Line 21(a) of your report discloses payments for "Dental Insurance," "Insurance," "Payroll," and "Payroll Taxes." 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 (FEA) 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.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, 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 any improper allocation activity, your prompt action will be taken into consideration.

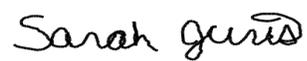
Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions 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.**

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) 694-1175.

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Sincerely,

A handwritten signature in black ink that reads "Sarah Juris". The signature is written in a cursive, flowing style.

Sarah Juris
Senior Campaign Finance Analyst
Reports Analysis Division

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Impermissible, Excessive, and Prohibited Contributions
ARIZONA REPUBLICAN PARTY (C00008227)

Excessive Contributions from Individuals

Contributor Name	Date	Amount	Report
Jim Click	2/12/16	\$25,000.00	2016 March Monthly
Transfer to Levin - excess Jim Click	2/16/16	-\$10,000.00	2016 March Monthly
Transfer to Non Federal - Excess Jim Click	2/16/16	-\$5,000.00	2016 March Monthly
Jim Click	4/9/16	\$10,000.00	2016 May Monthly
Total Excessive		\$10,000.00	

Contributions from Unregistered Organizations

Contributor Name	Date	Amount	Report
Graham County Republican Committee	4/18/16	\$450.00	2016 May Monthly
Navajo County Republican Committee	4/18/16	\$350.00	2016 May Monthly
Yavapai County Republican Committ	4/18/16	\$450.00	2016 May Monthly
Committee to Elect Rick Gray	4/29/16	\$250.00	2016 May Monthly
Committee to Elect Steve Watson	4/9/16	\$100.00	2016 May Monthly

**Aggregate Year-to-Date Total Calculated Incorrectly
ARIZONA REPUBLICAN PARTY (C00008227)**

Contributor Name	Date	Amount	Reported YTD Total	YTD Total Calculated by FEC
Jim Click	2/12/16	\$25,000.00	\$25,000.00	\$25,000.00
Transfer to Levin - excess Jim Click	2/16/16	-\$10,000.00		\$15,000.00
Transfer to Non Federal - Excess Jim Click	2/16/16	-\$5,000.00		\$10,000.00
Jim Click	4/9/16	\$10,000.00	\$35,000.00	\$20,000.00

**SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS**

Use separate schedule(s)
for each category of the
Detailed Summary Page

FOR LINE NUMBER:
(check only one)

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<input type="checkbox"/> 21b	<input type="checkbox"/> 22	<input type="checkbox"/> 23	<input type="checkbox"/> 24	<input type="checkbox"/> 25	<input type="checkbox"/> 26
<input type="checkbox"/> 27	<input type="checkbox"/> 28a	<input type="checkbox"/> 28b	<input type="checkbox"/> 28c	<input checked="" type="checkbox"/> 29	<input type="checkbox"/> 30b

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)

American Society of Anesthesiologists Political Action Committee

Full Name (Last, First, Middle Initial)

A. Arizona Republican Party

Mailing Address 3501 N 24th St

City Phoenix State AZ Zip Code 85016

Purpose of Disbursement
Non-Federal Contribution

011

Candidate Name

Category/
Type

Office Sought: House
 Senate
 President

Disbursement For: 2016
 Primary General
 Other (specify) ▼

State: District:

Non-Federal Contribu

Date of Disbursement

MM / DD / YYYY
04 / 04 / 2016

Transaction ID : D172200

Amount of Each Disbursement this Period

5000.00

Full Name (Last, First, Middle Initial)

B. ARIZONA STATE DEMOCRATIC CENTRAL EXECUTIVE COMMITTEE

Mailing Address 2910 N Central Ave

City Phoenix State AZ Zip Code 85012-2704

Purpose of Disbursement
Non-Federal Contribution

011

Candidate Name

Category/
Type

Office Sought: House
 Senate
 President

Disbursement For: 2016
 Primary General
 Other (specify) ▼

State: District:

Non-Federal Contribu

Date of Disbursement

MM / DD / YYYY
04 / 20 / 2016

Transaction ID : D172559

Amount of Each Disbursement this Period

5000.00

Full Name (Last, First, Middle Initial)

C. Democratic Attorneys General Association

Mailing Address 1580 Lincoln St
Ste 1125

City Denver State CO Zip Code 80203-1501

Purpose of Disbursement
Non-Federal Contribution

011

Candidate Name

Category/
Type

Office Sought: House
 Senate
 President

Disbursement For: 2016
 Primary General
 Other (specify) ▼

State: District:

Non-Federal Contribu

Date of Disbursement

MM / DD / YYYY
04 / 20 / 2016

Transaction ID : D172553

Amount of Each Disbursement this Period

25000.00

SUBTOTAL of Disbursements This Page (optional)..... ▶

35000.00

TOTAL This Period (last page this line number only)..... ▶