



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

March 23, 2011

REX TEMPLETON, TREASURER  
GEORGIA FEDERAL ELECTIONS COMMITTEE  
1100 SPRING, SUITE 408  
ALTANTA, GA 30309

**Response Due Date**  
**04/27/2011**

IDENTIFICATION NUMBER: C00041269

REFERENCE: AMENDED OCTOBER MONTHLY REPORT (09/01/2010 - 09/30/2010),  
RECEIVED 01/31/2011

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 5 item(s):

1. The limitation on making coordinated party expenditures on behalf of a House candidate in the State of Georgia for the 2010 general election is \$43,500. Your reports, however, disclose coordinated party expenditures made on behalf of "Sanford Bishop" totaling \$50,210, which appear to exceed the limitations under 2 U.S.C. §441a(d) (see attached).

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

If you have made an excessive coordinated party expenditure, you must notify the candidate and request a refund of the amount in excess of the limitation.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund request sent to the candidate. In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received.

Although the Commission may take further legal action concerning the excessive coordinated party expenditures, prompt action in obtaining a refund will be taken into consideration

2. Schedule A supporting Line 15 of your report discloses a payment(s) from

## GEORGIA FEDERAL ELECTIONS COMMITTEE

Page 2 of 5

an organization(s) which is not a political committee(s) registered with the Commission (see attached). It appears the receipt(s) was for goods and/or services provided by your committee. Pursuant to Advisory Opinion 1979-18, the sale/purchase price paid to a political committee could involve the receipt of a contribution from a purchaser if the purchase price exceeds the "usual and normal charge". The term "usual and normal charge" for goods is defined as the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution. Examples of goods and services include equipment, supplies, personnel, advertising services, membership lists, and mailing lists. 11 CFR §100.52(d)(1)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided and explain the steps your committee took in determining the amount charged. If your committee provided the goods and/or services at more than the usual and normal charge, the difference between the two is considered to be an in-kind contribution(s) received by your committee from an unregistered organization(s) and is prohibited subject to the limits set forth at 2 U.S.C. §§441a(f) and 441b or 11 CFR §102.5(b).

**3.** Commission Regulations require that a committee discloses the identification of all individuals who contribute in excess of \$200 in a calendar year. (11 CFR § 104.3(a)(4)(i)) Identification for an individual is defined as the full name (first name, middle name or initial, if available, and last name; initials for first and last name are not acceptable), complete mailing address, occupation, and name of employer. (11 CFR § 100.12) Your report discloses contributions from individuals for which the identification is not complete.

Further, the following appear on your report and are not considered acceptable: "CHALLENGED CHILD AND FRIENDS INC./NA," "Information Requested/Information Requested," "n/a/n/a," "none/none," "Self/Information Requested," and "Self-Employer/Green."

You must provide the missing information or clarify the information provided. If you are unable to do so, you must demonstrate that "best efforts" have been used to obtain the information. To establish "best efforts," you must provide the Commission with a detailed description of your procedures for requesting the information. Establishing "best efforts" is a three-fold process.

First, your original solicitation must include a clear and conspicuous request for the contributor information and must inform the contributor of the requirements of federal law for the reporting of such information. (11 CFR §

## GEORGIA FEDERAL ELECTIONS COMMITTEE

Page 3 of 5

104.7(b)(1)) See 11 CFR § 104.7(b)(1)(B) for examples of acceptable statements regarding the requirements of federal law.

Second, if the information is not provided, you must make one follow-up, stand alone effort to obtain this information, regardless of whether the contribution(s) was solicited or not. This effort must occur no later than 30 days after receipt of the contribution and may be in the form of a written request or an oral request documented in writing. (11 CFR § 104.7(b)(2)) The requests must:

- clearly ask for the missing information, without soliciting a contribution;
- inform the contributor of the requirements of federal law for the reporting of such information, and
- if the request is written, include a pre-addressed post card or return envelope.

Third, if you receive contributor information after the contribution(s) has been reported, you should either a) file with your next regularly scheduled report, an amended memo Schedule A listing all the contributions for which additional information was received; or b) file on or before your next regularly scheduled reporting date, amendments to the report(s) originally disclosing the contribution(s). (11 CFR § 104.7(b)(4))

Please amend your report to provide/clarify the information or provide a detailed description of your procedures for requesting the information. For more information on demonstrating "best efforts," please refer to the Campaign Guide.

**4.** The Detailed Summary Page, on Line 18(a) Column A of your Amended August Monthly (7/1/10-7/31/10), received 1/31/11, Amended September Monthly (8/1/10-8/31/10), received 1/31/11, and Amended October Monthly (9/1/10-9/30), received 1/31/11, Reports combined, disclose \$151,234.69 in transfers from the non-federal account for allocated activity for the reporting period. However, Line 21 (a)(ii) Column A discloses \$128,045.29 as the non-federal share for allocated activity for the reporting period. While the non-federal account is permitted to transfer funds to the federal account for allocated activity, transfers for allocated activity must be made within a 70-day time period: no more than 10 days before or 60 days after the payment to the vendor. 11 CFR §§106.6(e)(2) and 106.7(f)(2) Please clarify the nature of the transfers-in from the non-federal account.

The Commission recommends that you immediately transfer back to the non-federal account, the total excessive amount which was received by your

GEORGIA FEDERAL ELECTIONS COMMITTEE

Page 4 of 5

federal account outside the 70-day time period. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

5. Schedule H4 of your report 12 Day Pre-General Report (10/1/10-10/13/10) discloses a \$3,500.68 transfer to your non-federal account for what appears to be the federal account's share of an in-kind corporate contribution(s) to the non-federal account. Pursuant to Advisory Opinion 1992-33, the Commission concluded that a party committee may accept corporate in-kind contributions in connection with fundraising activities as long as the federal share of goods and services is paid or transferred to the non-federal account *in advance or upon receipt* of the acceptance of the corporate in-kind donations. It appears that the federal share of the in-kind donation(s) received by your committee was not transferred to the non-federal account in advance or upon receipt of the acceptance of the corporate in-kind donation(s). The Commission notes your 12 Day Pre-General transfer and your memo text stating "Non-Federal portion of this in-kind was transferred in October and will appear on the Committee's Pre-General report."

Please clarify the procedures that you are currently using regarding the acceptance of corporate in-kind contributions by the federal account and amend your report if necessary.

**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) 694-1139.

GEORGIA FEDERAL ELECTIONS COMMITTEE

Page 5 of 5

Sincerely,

A handwritten signature in black ink that reads "Nicole Della Rocco". The signature is written in a cursive, flowing style.

Nicole Della Rocco  
Senior Campaign Finance Analyst  
Reports Analysis Division

303

Excessive Coordinated Party Expenditure:

<b>Recipient Name</b>	<b>Date</b>	<b>Amount</b>	<b>Election</b>	<b>Report</b>
Bishop, Sanford	9/29/10	\$50,210	G-2010	2010 October Monthly

## Receipt From an Unregistered Organization:

<b>Contributor Name</b>	<b>Date</b>	<b>Amount</b>
Clarke County Democratic Committee	09/09/2010	\$700.00
Clarke County Democratic Committee	09/16/2010	\$234.76