



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

September 26, 2008

Wayne Tucker, Treasurer
Republican Party of Texas
900 Congress Ave, Suite 300
Austin, TX 78701

**Response Due Date:
October 27, 2008**

Identification Number: C00143743

Reference: August Monthly Report (7/1/08-7/31/08)

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 items:

1. Your report discloses a transfer(s) for "Refund from Republic Group Insurance Tra" to the "Republican Party of Texas Corporate" which appears to be a non-federal account of your committee. 11 CFR §§106.6 and 106.7 prohibits a committee's federal account from reimbursing its non-federal account for shared allocable expenses. Also, the non-federal account is prohibited from paying the federal account's share of these expenses. These types of costs must be paid according to the allocation ratio derived from the appropriate method on Schedule H1.

The Commission notes that in a Miscellaneous Electronic Submission (Form 99) referencing the May Monthly Report (4/1/08-4/30/08), you state "Schedule A Line 15 disclosed as an offset to an operating expenditure in the amount of \$1,715 from the Republic Group. The original expenditure was made from non-federal funds and this amount has been transferred to the non-federal account as of July 31, 2008 and will be reflected on the August Monthly report." Please clarify if the original payments to "Republic Group" represent payments for shared allocable expenses by your nonfederal account. 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 ensure future compliance with allocation regulations.

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If the transfer(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

Although the Commission may take further legal action regarding this improper allocation activity, your prompt action will be taken into consideration.

2. On Schedule D of your previous report, you disclosed a debt(s) owed to "Maxcel Company". This obligation(s), however, has been omitted from this report. Please amend your report to include this debt(s) on Schedule D and Line 10 of the Summary Page. All debts and obligations must be disclosed until extinguished. 11 CFR §104.11

3. Schedule D of your report discloses a credit(s) for a debt owed to "Naman, Howell, Smith & Lee". In memo text you state, "Schedule D Debt/Obligation Page shows credit that represents fees actually incurred in nonfederal accounts." 11 CFR §§106.6 and 106.7 requires that all shared expenses be paid from the federal account and allows the non-federal account to transfer-in its share of the expense no more than 10 days before or 60 days after payment by the federal account.

Please clarify if the goods or services provided to your Committee by "Naman, Howell, Smith & Lee" represent shared allocable expenses. If this is the case, please be advised that payments for these goods or services must be made from the federal account, and you should amend your report to disclose this debt as outstanding until it is extinguished. 11 CFR §104.11

If these goods or services could permissibly be paid for with 100% non-federal funds, you should not report outstanding debt owed to this vendor, and you should amend your report(s) to remove this debt or obligation from Schedule D.

Please provide additional clarifying information about the debt owed to "Naman, Howell, Smith & Lee" and amend your report, if necessary.

4. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Party TV Webisode Series". Please be advised that 11 CFR §100.24(b) defines as Federal Election Activity, Generic campaign activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot. In addition, 11 CFR §100.25 defines Generic campaign activity as a public communication that

promotes or opposes a political party and does not promote or oppose a clearly identified Federal candidate or non-Federal candidate.

Furthermore, the costs for this type of Federal Election Activity must either be paid with federal funds or allocated between federal and Levin funds. It appears that you have allocated these costs between federal and non-federal funds. Any reimbursement from your committee's non-federal account for Federal Election Activity costs is not permissible and must be returned. 11 CFR §§300.32 and 300.33

Please inform the Commission of your corrective action immediately or provide clarifying information regarding this activity. Although the Commission may take further legal action regarding this apparent prohibited activity, your prompt action will be taken into consideration.

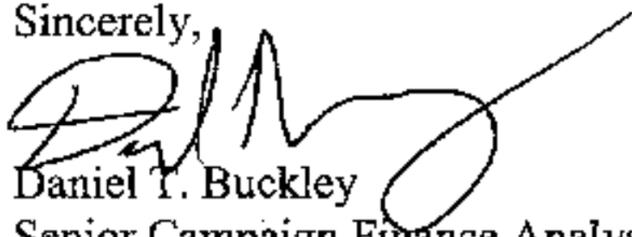
5. Schedule B supporting Line 21(b) of your report discloses a payment(s) for "Party Generic Voter ID" and "Voter List" which appears to be disclosed on the wrong line of the Detailed Summary Page. Please be advised that Voter Identification, Generic Campaign and Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot is considered to be Federal Election Activity. 11 CFR §100.24 Please amend your report to properly disclose this activity on Line 30(b) or provide clarification regarding this activity.

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) 694-1141.

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Sincerely,



Daniel T. Buckley

Senior Campaign Finance Analyst

Reports Analysis Division

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