



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

September 13, 2006

Kirk Adams, Treasurer
Arizona Republican Party
3501 North 24th Street
Phoenix, AZ 85016

Response Due Date:
October 16, 2006

Identification Number: C00008227

Reference: Amended July Monthly Report (6/1/06-6/30/06), received 8/18/06

Dear Mr. Adams:

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 B supporting Line 21(b) of your report discloses a payment(s) to another political committee(s) for goods and/or services provided by that committee(s). 11 CFR §100.52(d)(1) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel, membership lists and mailing lists. 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". The usual and normal charge for services is defined as "...the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.52(d)(2)

Please clarify whether your committee was assessed the usual and normal charge for the goods and/or services you received and explain the steps the political committee(s) took in determining the amount(s) charged to you. If your committee was provided the goods and/or services at less than the usual and normal charge, the difference between the two is

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considered to be an in-kind contribution by the political committee(s) to your committee and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.52(d)(1))

-Schedule B of your report discloses reimbursements to individuals for "Reimbursement See Below," "Maps," and "Office Supplies." 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 a calendar year, 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 and clearly identify on the Schedule B, which reimbursement each memo entry relates to. If itemization is not necessary, you must indicate so in an amendment to this report. 11 CFR §§104.3(b)(3)(i) and 104.9, and Advisory Opinions 1992-1 and 1996-20, footnote 3

-On Schedule(s) B supporting Line(s) 21(b) of the Detailed Summary Page, you have not included the full name and/or mailing address for the payment made to "The Magnolia." Please amend your report accordingly.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) L-B and B supporting Lines 21(b) and 30(b) of your report to clarify the following description(s): "Party Fundraising Event" paid to an individual, "Payroll Fees," "Voter Registration," "Reimbursement See Below," "FEA Voter Registration," and "LEVIN FUNDS Voter Registration." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-On Schedule L-A supporting Line 1(a) of the Schedule L Aggregation Page for Levin Funds, your report disclosed donations from entities that omit the occupation and name of employer or principal place of business. Please be advised that 11 CFR §300.36(b)(2)(iv) requires the itemization of the receipt of Levin funds for Federal Election Activity when the amount donated is \$200 or more from an entity in a calendar year. Please amend your report to disclose the information.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$5,711.50 for "Event Photography," "Film for Tribute Dinner," "Invitation Postage/Mailing," "Invitations Printing," and "Postage for

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Machine.” Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) 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).

Further, 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 clarify if this activity meets the definition of Federal Election Activity or if it contains express advocacy and amend your report to properly disclose this activity, if necessary.

-Please clarify all expenditures made for “Event Rental,” “Tribute Dinner,” “Invite Package,” and “Event Room Rental,” on Schedule(s) B. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-The Detailed Summary Page, on Line 18(a) Column A of your 2006 Amended May Monthly Report, received 8/2/06, 2006 Amended June Monthly Report, received 8/4/06, and 2006 Amended July Monthly Report, received 8/18/06, discloses \$32,898.38 in transfers from the non-federal account for allocated activity for the reporting period. However, Line 21 (a)(ii) Column A discloses \$23,337.51 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 federal account outside the 70-day time period. Although the

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Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Transfers of Levin Funds to the Federal Account for "Voter Registration Activity" should be properly disclosed on a separate Schedule L-B, supporting Line 4(a). Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) for "Voter Registration" which appears to be disclosed on the wrong line of the Detailed Summary Page. Please be advised that Voter Registration activity during the period that begins on the date that is 120 calendar days before the date that a regularly scheduled Federal election is held and ends on the date of the election is considered to be Federal Election Activity. 11 CFR §100.24 Please amend your report to properly disclose this activity on Line 30(b).

-Schedule B supporting Line 21(b) of your report discloses a payment(s) for "Voter Poll" 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.

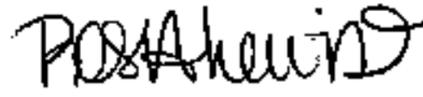
Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.**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

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Reports Analysis Division) or my local number (202) 694-1152.

Sincerely,



Rosa G. Lewis
Campaign Finance Analyst
Reports Analysis Division

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