



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

November 6, 2009

Mrs. Ashley Ragan, Treasurer
Senate Majority Fund
P.O. Box 32025
Phoenix, AZ 85064

**Response Due Date:
December 11, 2009**

Identification Number: C00368431

Reference: Mid-Year Report (1/1/09-6/30/09)

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 items:

1. 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 considered to be an in-kind contribution by the political committee(s) to

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your committee and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.52(d)(1))

2. Schedule B supporting Line 23 of your report discloses a contribution designated for the Primary and General elections that were made after the date the candidate terminated their candidacy. At this time, the Presidential candidate's committee can no longer accept contributions for the Presidential election.

Your committee must either request a refund of the Primary and General election contribution made after the date of the announcement or, to the extent there are net debts outstanding for the campaign on the date the Primary election contribution was received, you may designate the contribution for debt retirement. 11 CFR §110.2(b)

If the apparent impermissible contributions in question were incompletely or incorrectly disclosed, you must amend your original report with the clarifying information. If the contribution in question should have been designated for debt retirement, you should amend you report to indicate "debt retirement."

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

Although the Commission may take further legal action regarding this apparent impermissible 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. Contributions to federal candidates and committees should be properly disclosed on a separate Schedule B, supporting Line 23 of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

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

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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) 694-1152.

Sincerely,



Rosa G. Lewis
Senior Campaign Finance Analyst
Reports Analysis Division

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