



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

August 11, 2011

ROBERT CHRISTOPHER ROSENTHAL, TREASURER  
MARYLAND REPUBLICAN STATE CENTRAL  
COMMITTEE  
15 WEST STREET  
ANNAPOLIS, MD 21401

**Response Due Date**  
**09/15/2011**

IDENTIFICATION NUMBER: C00120055

REFERENCE: MID-YEAR REPORT (01/01/2011 - 06/30/2011)

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 4 item(s):

1. Your report does not include a Schedule H1 to disclose the ratio for the allocation of certain costs. For State, District and Local party committees, Schedule H1 must be filed in the first report each calendar year that discloses an allocable disbursement. Further, all shared administrative, generic voter drive and exempt activity costs incurred during the two-year cycle must be allocated according to the appropriate fixed ratio, unless the federal account elects to pay a higher percentage of its cost. (11 CFR §§106.7(d)(2) and (3))
2. Schedule H3 of your report discloses "BB&T Bank - Operations" as the name of account(s) for transfers received from an apparent non-federal account for allocated activity. Please verify if these transfers were received from a non-federal account of your committee and amend your report with any clarifying information. (11 CFR §106.7(f))
3. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "401K plan," "Payroll taxes," "Payroll taxes refund" and "Salary." 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

MARYLAND REPUBLICAN STATE CENTRAL COMMITTEE

Page 2 of 3

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.

4. Schedule H4 of your report discloses voided or returned checks for expenditures made during this or previous reporting periods. However, you have failed to disclose a transfer-out for the non-federal portion of these voided checks issued for allocable expenses. Please provide clarifying information regarding the non-federal portion and, in addition, please clarify if and when these checks were reissued. If they were not reissued, please clarify the steps your committee has taken to account for the federal portion of these voided or returned checks in order to avoid the acceptance of a prohibited in-kind contribution. (11 CFR §104.17 and Advisory Opinion 1995-22)

**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) 694-1147.

MARYLAND REPUBLICAN STATE CENTRAL COMMITTEE

Page 3 of 3

Sincerely,

A handwritten signature in black ink that reads "Maureen Benitz". The signature is written in a cursive style with a large, looping initial 'M'.

Maureen Benitz  
Sr. Campaign Finance & Reviewing Analyst  
Reports Analysis Division

294