



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

January 7, 2011

RANDY BLAIR, TREASURER
CANSECO FOR CONGRESS
10004 WURZBACH ROAD #366
SAN ANTONIO, TX 78230

Response Due Date
02/11/2011

IDENTIFICATION NUMBER: C00394353

REFERENCE: 30 DAY POST-GENERAL REPORT (10/14/2010 - 11/22/2010)

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 8 item(s):

1. Schedule A of your report discloses one or more contributions that appear to be from a corporation(s) and/or labor organization(s) (see attached). 2 U.S.C. § 441b(a) prohibits the receipt of contributions from corporations and labor organizations unless made from separate segregated funds established by the corporations and labor organizations.

If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you must amend your original report with clarifying information.

If you have received prohibited contributions, you must make a refund. (11 CFR § 103.3(b)(1)) The refund must be made within thirty (30) days of the treasurer becoming aware of the illegality of the contribution. (11 CFR § 103.3(b)(2))

Please inform the Commission of your corrective action immediately and provide a photocopy of any refund checks. Refunds must be reported on a Schedule B supporting Line 20(a) of the report covering the period in which the refund was made. (11 CFR § 104.8(d)(4))

Although the Commission may take further legal action, prompt action by you to refund the prohibited amount will be taken into consideration.

2. Schedule A of your report discloses one or more contributions that appear to exceed the limits set forth in the Act (see attached). You should examine all of

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your contributions to check for additional excessive contributions. The Committee's procedures for processing contributions should also be reviewed.

An individual or a political committee other than an authorized committee or qualified multi-candidate committee may not make a contribution to a candidate for federal office in excess of \$2,400 per election. An authorized committee may not make a contribution to a candidate for federal office in excess of \$2,000 per election. A qualified multi-candidate committee and all affiliated committees may not make a contribution(s) to a candidate for federal office in excess of \$5,000 per election. The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. § 441a(a) and (f); 11 CFR § 110.1(b), (e) and (k))

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you must amend your original report with the clarifying information. If any contribution you received exceeds the limits, you may have to refund the excessive amount.

Excessive contributions may be retained if, within sixty (60) days of receipt, the excessive portions are properly redesignated or reattributed. Guidelines for each option are provided below:

For reattributions, excessive contributions from individuals can be retained, if within sixty (60) days of receipt, the excessive amount is properly reattributed to another person. Please note that reattributions only apply to excessive contributions from individuals. An excessive contribution is considered properly reattributed if (1) the contributors provide the committee with written documentation, signed by each contributor, authorizing a reattribution and indicating the amount of the contribution to be attributed to each contributor, or (2) the committee reattributes, by presumption, the excessive portion of the contribution if the contribution was made on a written instrument from a joint account and was signed by only one of the account holders. In this case, the treasurer must notify the contributors in writing within 60 days of receiving the contribution that the committee intends to reattribute the excessive portion and must give the contributor an opportunity to request a refund. (11 CFR § 110.1(k)(3)(ii)(B))

For redesignations, the funds can be retained if, within sixty (60) days of receipt, the excessive amount is properly redesignated for a different election. An excessive contribution is considered properly redesignated if (1) the

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committee obtains signed written documentation from the contributor(s) authorizing the redesignation of the contribution for another election, provided that the new designation does not exceed the limitations on contributions made with respect to that election, or (2) your committee redesignates by presumption the excessive portion of the contribution for another election provided that the new designation does not exceed the limitations on contributions made with respect to that election. In this case, the treasurer must notify the contributor of the redesignation in writing within 60 days of the treasurer's receipt of the contribution. The notification must give the contributor an opportunity to request a refund. (11 CFR § 110.1(b)(5)(ii)(B)) Please note that you cannot presumptively redesignate an excessive contribution from a multi-candidate committee. Also, a contribution can only be redesignated to a previous election to the extent that the contribution does not exceed the committee's net debts outstanding for that election. (11 CFR § 110.1(b)(3)(i))

If the foregoing conditions for reattributions or redesignations are not met within 60 days of receipt of the contribution, the excessive amount must be refunded. See 11 CFR § 103.3(b)(1).

Please inform the Commission of your corrective action immediately in writing and provide photocopies of any refund checks and/ or letters reattributing or redesignating the contributions in question. Refunds are reported on Line 20 of the Detailed Summary Page and on a supporting Schedule B of the report covering the period in which they are made. Redesignations and reattributions are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation and/or reattribution is received. (11 CFR § 104.8(d)(2), (3) and (4))

The acceptance of excessive contributions is a serious problem. Again, the committee's procedures for processing contributions should be examined and corrected in order to avoid this problem. Although the Commission may take further legal action, prompt action by you to refund, redesignate, and/or reattribute of the excessive amount will be taken into consideration.

3. Schedule A of your report discloses one or more contributions received after the runoff and general election that are designated for the runoff and general. These contributions may only be accepted to the extent that the committee has net debts outstanding from the runoff and general elections. For more information on how to calculate net debts outstanding, please see page 25 of the Campaign Guide for Congressional Candidates and Committees, which is available online at <http://www.fec.gov/pdf/candgui.pdf>. (11 CFR § 110.1(b)(3))

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(i)

A contribution is considered made when the contributor relinquishes control over the contribution. A contributor shall be considered to have relinquished control over the contribution when it is delivered to the candidate, when it is delivered to an authorized committee of the candidate, or to an agent of an authorized committee of the candidate. A contribution that is mailed to any of the aforementioned recipients will be considered made on the date of the postmark. Envelopes should be retained for the committee's records. (11 CFR § 110.1(b)(6))

If any contribution in question was incompletely or incorrectly reported, you must amend your original report with the clarifying information.

If a contribution exceeds the amount of net debts outstanding from the runoff general elections, you may have to refund or redesignate the contribution.

The funds can be retained if, within sixty (60) days of receipt, the excessive amount was properly redesignated for a different election. An excessive contribution is considered properly redesignated if (1) the committee obtains signed written documentation from the contributor(s) authorizing the redesignation of the contribution for another election provided that the new designation does not exceed the limitations on contributions made with respect to that election, or (2) the committee redesignates by presumption the excessive portion of the contribution for another election provided that the new designation does not exceed the limitations on contributions made with respect to that election. In this case, the treasurer must notify the contributor of the redesignation in writing within 60 days of the treasurer's receipt of the contribution. The notification must give the contributor an opportunity to request a refund. (11 CFR § 110.1(b)(5)(ii)(B))

If the foregoing conditions for redesignations are not met within 60 days of receipt, the excessive amount must be refunded. See 11 CFR § 103.3(b)(1).

Please inform the Commission of your corrective action immediately in writing and provide photocopies of any refund checks and/or letters redesignating the contributions in question. Refunds are reported on Line 20 of the Detailed Summary Page and on a supporting Schedule B of the report covering the period in which they are made. Redesignations are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation is received. (11 CFR § 104.8(d)(2), (3) and (4))

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The acceptance of excessive contributions is a serious problem. Again, the committee's procedures for processing contributions should be examined and corrected in order to avoid this problem. Although the Commission may take further legal action, prompt action by you to refund or redesignate the excessive amount will be taken into consideration.

4. Some of the contributions itemized on Schedule A of your report appear to have incorrect values in the "Election Cycle-to-Date" field. This field should reflect the total amount that the committee received from the contributor in the current election cycle, from 11/5/08 through the date of receipt of the contribution. (11 CFR § 104.3(a)(3)) Some of the election cycle-to-date totals reported on your Schedule A do not appear to include all contributions from the contributor received in this election cycle. Failure to correctly total contributions received from a given source in the election cycle could lead to acceptance of excessive contributions by the committee. Please note that this problem frequently occurs when the contributor name is entered in the committee's electronic reporting database more than once using a different spelling and/or format. This prevents the database from properly aggregating contributions from the same individual or entity. Entering correct election cycle dates and ensuring that the name of each contributor is entered into the database only once would help avoid election cycle-to-date errors. When reporting contributions from political action committees, using the contributor's FEC identification number will help prevent duplicate entries.

Please review your procedures for compliance with this requirement and amend your report(s) as necessary. See the attached list of incorrect aggregate election cycle to date totals for contributors listed on your report.

5. Your report discloses a transfer of joint fundraising receipts. You must provide a Memorandum Schedule A disclosing your share of gross receipts. Contributions from original contributors whose total contributions to your committee have exceeded \$200 during the election cycle must be itemized on this schedule. The itemization should include the full name, mailing address and zip code of the person, along with the name of his/her employer, the date of the contribution, his/her occupation, the election designation and the election cycle-to-date amount of contributions made by this person. If necessary, please provide a memo Schedule A containing the required information. (11 CFR § 102.17(c)(8)(i)(B))

6. Schedule A of your report indicates that your committee may have failed to file one or more of the required 48-hour notices regarding "last minute" contributions received by your committee after the close of books for the 12

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Day Pre-General Report (see attached). A principal campaign committee must notify the Commission, in writing, within 48 hours of any contribution of \$1,000 or more received between two and twenty days before an election. These contributions are then reported on the next report required to be filed by the committee. To ensure that the Commission is notified of last minute contributions of \$1,000 or more to your campaign, it is recommended that you review your procedures for checking contributions received during the aforementioned time period. The failure to file 48-hour notices may result in civil money penalties or legal enforcement action. If any contribution of \$1,000 or more was incorrectly reported, you must amend your original report with the clarifying information. (11 CFR § 104.5(f))

7. Commission Regulations require that a committee discloses the identification of all individuals who contribute in excess of \$200 in an election cycle. (11 CFR § 104.3(a)(4)(i)) Identification for an individual is defined as the full name (initials 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.

The following employer and occupation entries appear on your report and are not considered acceptable: "blank"/blank," "Info Requested/Info Requested," "none/none," "self/not given," "self/oil & gas," "self/Gil Robinson" and "self/self."

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 § 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 request via mail, e-mail or telephone documented in writing. (11 CFR § 104.7(b)(2)) Follow-up requests should be done, if necessary. The requests must:

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- 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 the missing information and a detailed description of your procedures for requesting the information. For more information on demonstrating "best efforts," please refer to the Campaign Guide for Congressional Committees and Candidates.

8. Your report discloses the receipt of a contributions from an unincorporated partnership, limited liability corporation and sole proprietorship. Generally, these types of contributions are attributed to each person based on their percentage of ownership in the firm. However, any other acceptable formula may be used. Each person who has contributed in excess of \$200 since 11/5/08 should be identified, on a memo Schedule A, by name, address, occupation, name of employer, amount of contribution, and aggregate total. (11 CFR § 110.1(g))

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) 694-1168.

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Sincerely,

A handwritten signature in black ink that reads "Michelle Lee Grant". The signature is written in a cursive, flowing style.

Michelle Grant
Senior Campaign Finance Analyst
Reports Analysis Division

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**Excessive and/or Prohibited Contributions
Canseco for Congress Committee (C00394353)
30 Day Post General Report (10/14/10 - 11/22/10)**

**P = Primary Election
G = General Election**

CONTRIBUTOR NAME	DATE	AMOUNT	ELECTION
Fasken Management LLC	10/14/2010	\$500.00	G2010
M.T.C. Real Estate LLC	9/21/2010	\$2,400.00	G2010
M.T.C. Real Estate LLC	9/21/2010	\$100.00	P2010
M.T.C. Real Estate LLC	10/22/2010	\$2,000.00	G2010
Word B. Wilson Oil & Gas	10/25/2010	\$250.00	G2010

**Aggregate Election Cycle-to-Date Discrepancies
Canseco for Congress Committee (C00394353)
30 Day Post General Report (10/14/10 - 11/22/10)**

CONTRIBUTOR NAME	DATE	AMOUNT	REPORTED ECTD TOTAL	ECTD TOTAL CALCULATED BY FEC
Birnbaum, Michael L	5/20/2010	\$500.00	\$500.00	
Birnbaum, Michael L	8/18/2010	\$500.00	\$500.00	
Birnbaum, Michael L	10/15/2010	\$500.00	\$1,000.00	\$1,500.00
Kelleher, Joan M	5/4/2010	\$250.00	\$250.00	
Kelleher, Joan N.	12/31/2009	\$250.00	\$250.00	
Kelleher, Joan N.	1/27/2010	\$500.00	\$750.00	
Kelleher, Joan N.	2/8/2010	\$500.00	\$1,250.00	
Kelleher, Joan N.	5/25/2010	\$500.00	\$1,750.00	
Kelleher, Joan N.	10/10/2010	\$200.00	\$1,950.00	
Kelleher, Joan N.	10/24/2010	\$1,300.00	\$3,250.00	\$3,500.00
M.T.C. Real Estate LLC	9/21/2010	\$100.00	\$2,500.00	
M.T.C. Real Estate LLC	9/21/2010	\$2,400.00	\$2,400.00	
M.T.C. Real Estate LLC	10/22/2010	\$2,000.00	\$2,500.00	\$4,500.00

Missing 48-hour notices**Canseco for Congress (C00394353)****30 Day Post General Report (10/14/10 - 11/22/10)****2010 General Election****48-hour notice period (10/14/10 - 10/30/10)**

CONTRIBUTOR NAME	DATE	AMOUNT	ELECTION
21st Century PAC	10/27/2010	\$2,000.00	G2010
Altria Group, Inc. PAC	10/27/2010	\$1,000.00	G2010
Cavender, James M III	10/26/2010	\$1,000.00	R2010
NFIB Safe Trust	10/27/2010	\$1,000.00	G2010