



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

January 6, 2010

Mitch McAbee, Treasurer
Oklahoma Leadership Council
4031 N. Lincoln Boulevard
Oklahoma City, OK 73105

Response Due Date:
February 10, 2010

Identification Number: C00167213

Reference: November Monthly Report (10/1/09-10/31/09)

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 H4 discloses a disbursement(s) which is categorized as a fundraising expense(s); however, a Schedule H2 has not been filed to disclose the allocation ratio. All committees are required to allocate the direct costs of each fundraising event in which the committee collects both federal and non-federal funds. The costs are allocated according to the funds received ratio and reported on Schedule H2. 11 CFR §§106.6(d) and 106.7(d)(4). Please file a Schedule H2 to disclose the ratio for the fundraising event(s).
2. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "EFTPS - FEDERAL PAYROLL TAX DEPOSIT," "STAFF COMPENSATION - CONTRACT LABOR," "STAFF WAGES - NET PAYROLL," "STAFF WAGES - NET COMPENSATION," "STATE PAYROLL TAX DEPOSIT," and "STATE UNEMPLOYMENT TAX ." 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 employee-specific "fringe benefits," consisting of health

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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.

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) 694-1153.

Sincerely,

Kristin DeCarmine

Kristin DeCarmine
Senior Campaign Finance Analyst
Reports Analysis Division