



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

December 6, 2006

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

Response Due Date:
January 8, 2007

Identification Number: C00008227

Reference: October Monthly Report (9/1/06-9/30/06)

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:

-The totals listed on Lines 7, 21(b), 21(c), 30(a)(i), 30(a)(ii), 30(b), 30(c), 31, and 32, Column B of the Summary and Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-The beginning cash balance of this report should equal the ending balance of your 2006 September Monthly Report. Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

-Schedule H6 discloses \$29,918.40 in memo entries for apparent allocable Federal Election Activity ("FEA") in which it appears the Levin account originally paid for the entire expense(s), as disclosed on Schedule L-B supporting Line 5. The federal share of these memo entries total \$6,282.86. The Commission notes the transfer-out of the federal share to the Levin account on your 2006 October Monthly Report.

26039284566

Please be advised, all disbursements, contributions, and expenditures made wholly or in part in connection with Federal elections **must be made entirely from the Federal account**, and not from any non-Federal account. 11 CFR §§102.5(a)(1)(i), 300.30(b)(1) and (3)(iii) If your committee chooses to have one or more separate allocation accounts, which must be treated as Federal accounts for reporting purposes, all disbursements, contributions, and expenditures made wholly or in part in connection with Federal elections must be made entirely from this separate allocation account, and not from any non-Federal account. 11 CFR §§102.5(a)(1)(i) and (5), 300.30(b)(4) However, the non-Federal account or Levin account is permitted to transfer its share of allocable expenditures or disbursements for FEA to the Federal or separate allocation account pursuant to 11 CFR §300.33.

Note, these transfers for allocable Federal Election Activity must not exceed the Levin share of the allocable expenses and must be made within a 70-day time period: no more than 10 days before and no more than 60 days after the payments to the vendors are made from the Federal or allocation account. Exception: transfers may be made more than 10 days if advance payment is required by the vendor(s) and such payment is based on a reasonable estimate of the activity's final costs as determined by the committee and the vendor(s) involved. 11 CFR §300.33(d)(2)

Please clarify the procedures you are currently using to pay for allocable FEA expenses. The Commission recommends that you take steps to correct any non-compliance with the regulations. Also, your committee should establish procedures to ensure future compliance with the allocation regulations for FEA.

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

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B supporting Lines 21(b) and 30(b), H4, H6, and L-B of your report to clarify the following description(s): "Party Consultant," "Party Fundraiser," "GOTV Party Collateral," "Reimbursement see below," "FEA Voter Registration Consulting," "LEVIN Voter Registration Consulting," and "LEVIN Voter Registration." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

26038284567

-Schedule B supporting Line 30(b) of your report discloses a payment(s) for "FEA Non Alloc Mailing" and "FEA Voting Logo" which are categorized as Federal Election Activity and therefore, may require the disclosure of the candidate(s) this activity should be attributed to. Expenditures and disbursements for public communications 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, please be advised that 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.

-The totals listed on Lines 1(b), 1(c), 3, 5, 6, 8, 9, and 10, Column B of the Schedule L Aggregation Page for the LEVIN ACC account appear to be incorrect. Please be advised that you should add the "Column B Year-to-Date" total from your previous report to the current "Column A Total This Period" figure to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Schedule B supporting Lines 21(b) and 30(b) of your report discloses reimbursements to individuals for "Office Meeting Lunch," "Office Supplies," "Supplies for Office," "Volunteer Food," "Pizza for Office," "Food for Office," "Food for Volunteers," "GOTV-Pizza for GOTV Phone Bank," and "GOTV-Pizz for Voluteers." Please be advised that when itemizing reimbursements to individuals for goods or services, if the payment to the original vendor aggregates in \$200 or more 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), §104.9, §300.36(b), and Advisory Opinions 1992-1 and 1996-20, footnote 3

26039284569

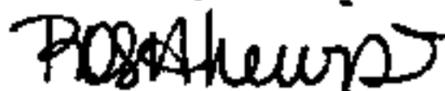
-Schedule H4 of your report discloses reimbursements to individuals for "Office Supplies-under \$200," "Computer Supplies," "Party Office Supplies," and "Office Printer Supplies." Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must include 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 H4, which reimbursement each memo entry relates to. 11 CFR §§104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Transfers to affiliated/other party committees should be properly disclosed on a separate Schedule B, supporting Line 22 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 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 Reports Analysis Division) or my local number (202) 694-1152.

Sincerely,



Rosa G. Lewis
Campaign Finance Analyst
Reports Analysis Division

26039284570