



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

June 13, 2007

Mr. J. Peter Clements, Treasurer  
Republican Party of Virginia Inc  
115 East Grace Street  
Richmond, VA 23219

**Response Due Date:  
July 16, 2007**

Identification Number: C00001305

Reference: March Monthly Report (2/01/07 – 2/28/07)

Dear Mr. Clements:

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.** Additional information is needed for the following 6 items:

1. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B of your report to clarify the following description(s): "Consulting Fee (non-employee)". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).
2. Please clarify all expenditures made for "Voter Survey" on Schedule(s) B. If a portion or all of these expenditures were made for activity that promotes or opposes a Federal candidate, but does not qualify as exempt party activity, this amount should be disclosed on Schedule B or F supporting Lines 23 or 25. 11 CFR §§104.3(b), 104.17(a) and 106.1
3. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Communication Services". Please be advised that pursuant to 11 CFR §300.33(c)(1), expenditures for public communications (as defined by 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any such candidate for Federal office must not be allocated between or among federal and non-federal accounts. Only federal funds may be used.

Further, 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). However, 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 amend your report to properly disclose this activity or provide clarifying information.

If this activity was categorized incorrectly, the Commission recommends that you immediately transfer the funds received by your federal account for this activity back to the non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

4. Schedule H1 of your February Monthly Report (1/01/07 – 1/31/07) indicates that the federal percentage for allocated administrative, generic voter drive and exempt activity costs is 15%. However, based on Commission calculations, the federal percentage used by your committee should be 36% for the 2007-2008 election cycle. Furthermore, Schedule H3 discloses a non-federal transfer(s) received based on a 15% federal ratio. Please clarify this discrepancy and transfer the excessive non-federal amount back to the non-federal account, if appropriate.

5. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Info Tech Consulting Fee". 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 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.

6. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) H4 of your report to clarify the following description(s): "Party Fundraiser" and "Party Fundraising Event". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

**Please note, you will not receive an additional notice from the Commission on this matter.** Adequate responses must be received on or before the due date noted above to 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) 694-1398.

Sincerely,



Michael H. Hartsock  
Senior Campaign Finance Analyst  
Reports Analysis Division

27029452581