



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

May 4, 2015

JONATHAN LINES, TREASURER
ARIZONA REPUBLICAN PARTY
3501 NORTH 24TH STREET
PHOENIX, AZ 85016

Response Due Date
06/08/2015

IDENTIFICATION NUMBER: C00008227

REFERENCE: AMENDED 30 DAY POST-GENERAL REPORT (10/16/2014 -
11/24/2014), RECEIVED 01/15/2015

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report 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 21 item(s):

1. Your amended report discloses an increase in receipts totaling \$436,270.32 from the amounts disclosed on your original report. Please amend your report or provide clarifying information as to why this activity was not disclosed on your original report. (11 CFR § 104.3)
2. Schedule A of your report (see attached) discloses one or more contributions which appear to exceed the limits set forth in the Act. Please be advised that 52 U.S.C. §30116(f) (formerly 2 U.S.C. §441a(f)) and 11 CFR §110.1(c) prohibit a state, district or local party committee (combined) from receiving any contribution from a person or non-multicandidate political committee in excess of \$10,000 per calendar year.

The Commission notes the partial transfer-out of the excessive contributions received from "Lynn Londen." However, \$25,000 in excessive funds remain in the federal account.

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

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excessive amount. The funds can be retained if within 60 days of receipt, (1) the excessive amount was properly reattributed to another person, such as a joint account holder, by obtaining signed written authorizations from each person making the contribution pursuant to 11 CFR 110.1(k)(3), and (2) the treasurer informs the person making the contribution that he or she may request the return of the excessive portion of the contribution if it is not intended to be a joint contribution. Any request from a donor for a refund must be honored.

Alternatively, the funds can be retained if within 60 days of receipt you (1) transferred the excessive amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund. Any request from a donor for a refund must be honored.

If the foregoing conditions for reattributions or transfers to a non-federal account were not met within 60 days of receipt, the excessive amount must be refunded.

Please inform the Commission of your corrective action promptly in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any reattributions should be reported as memo entries on Schedule A of the report covering the period during which the authorization for the reattribution is received. Any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report during which the transaction was made.

Although the Commission may take further legal action regarding the acceptance of an excessive contribution(s), prompt action by your committee to seek reattribution, transfer-out or refund the excessive amount will be taken into consideration.

3. Schedule B, Line 22 discloses a transfer for "Excess contributions - Londens" totaling \$20,000 which appears to have occurred prior to the receipt of the original contribution. Please clarify this discrepancy and provide the exact date the excess contribution was received by your committee (Schedule A) and transferred out to another account of your Committee (Schedule B).

4. A review of the reports filed by your committee indicates that your committee received one or more transfers from "Wendy Rogers.org" which has not been disclosed on their report(s) of receipts and disbursements. Please clarify if the contribution(s) was received from the disclosed donor's federal

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account and amend your report(s) if necessary.

5. On Schedule B supporting Line 22 of the Detailed Summary Page, your committee discloses transfers for: "Transfer excess contributions - Ellegard," "Excess contributions - Londens," "Transfer Excess contributions - Farnsworth," and "Transfer of excess contributions - Najafi" and lists itself (Arizona Republican Party-Federal Account) as the payee. Please clarify the nature of this transaction or amend Schedule B by providing the correct name and mailing address of the payee.

6. Please amend your report by providing the purpose for each disbursement itemized on Schedule H4 supporting Line 21(a). (11 CFR §§104.3(a)(4) and 104.10(4))

7. Schedule H4 supporting Line 21(a) of your report discloses payments for "Advertisement," "Auto Dialer," "Communications Expense," and "Printing and Mailing Expense." 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

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be taken into consideration.

8. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule H4 to clarify the following descriptions: "Consulting," "Event Fees," and "Voter Registration." (11 CFR §§104.3(b)(3) and 104.10(a)(4))

Additional clarification regarding inadequate purposes of disbursement published in the Federal Register can be found at: http://www.fec.gov/law/policy/purposeofdisbursement/inadequate_purpose_list_3507.pdf

9. Schedule H4 of your report discloses payments for "Voter Registration" which appear to meet the definition of Federal Election Activity ("FEA") and may also meet the conditions of exempt party activity as defined under 11 CFR §§100.80, 100.87, 100.89 and 11 CFR §§100.140, 100.147 and 100.149. Please be advised that activity which simultaneously constitutes both exempt activity and FEA must be paid for as an FEA activity.

If this apparent exempt activity represents Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot, it is considered to be Federal Election Activity. If this apparent exempt activity represents Voter Registration activity during the period that begins on the date that is 120 calendar days before the date that a regularly scheduled Federal election is held and ends on the date of the election, it is considered to be Federal Election Activity. (11 CFR §100.24) Further, Levin funds may only be used for these types of FEA if there is no reference to a clearly identified candidate for Federal office. (11 CFR §300.32(b) and (c))

If this apparent exempt activity is a public communication(s) (as defined under 11 CFR §100.26) that refers to a clearly identified candidate for Federal office and promotes, supports, attacks or opposes any candidate for Federal office, it meets the definition of Federal Election Activity under 11 CFR §100.24 and must be paid for with 100% Federal funds and disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, 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

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expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate.

It appears that you have allocated the costs for this activity between federal and non-federal funds. Any reimbursement from your committee's non-federal or Levin account for Federal Election Activity costs referencing a clearly identified candidate for Federal office is not permissible and must be returned. (11 CFR §§300.32 and 300.33)

Please amend your report to clarify if the activity disclosed meets the conditions of exempt party activity and also if it meets the definition of Federal Election Activity conducted within FEA timeframe. If the activity does not meet the conditions of exempt party activity, please clarify if it contains express advocacy. If this activity does in fact meet the definition of FEA, please clarify the date(s) the activity actually occurred. Further, please inform the Commission of any corrective action immediately and properly disclose this activity, if necessary.

10. Please clarify all expenditures made for "Fundraising Retainer Fee" and "Venue Fees" on Schedule H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. (11 CFR § §104.3(b) and 106.1)

Alternatively, if the payment(s) on Schedule H4 is associated with fundraising activity conducted for your committee's federal and non-federal accounts, it must be allocated according to the funds received method and the ratio reflected on Schedule H2. Further, it must be categorized as a fundraising activity on Schedule H4. Please provide clarifying information regarding the nature of this transaction(s) and amend your report(s) as appropriate.

11. Schedule H4 supporting Line 21(a) of your report discloses payments for "Insurance Premiums" and "Payroll." 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

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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.

12. Schedule H4 of your report discloses apparent disbursements to "Vote Reagan 2014," "Mark for AZ," "Pima County Republican Committee," "Yavapai County Republican Committee," and "Gila County Republican Committee." Please be advised that contributions and transfers to federal committees and/or non federal committees/organizations do not qualify as shared expenses to be allocated between your federal and non federal accounts. Transfers to affiliated committees should be disclosed on Schedule B supporting Line 22 of the Detailed Summary Page, contributions to federal committees should be disclosed on a Schedule B supporting Line 23 of the Detailed Summary Page and contributions to non federal committees/organizations on a separate Schedule B supporting Line 29. Any reimbursement from your committee's non federal account for any portion of this activity is not permissible. (11 CFR §102.5(a)(1)(i))

The Commission recommends that you immediately transfer the funds received by your federal account, as reimbursement for the non federal portion, back to your non federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

13. Schedule H4 of your report discloses payments to "Hyatt Regency Phoenix," which are categorized as Administrative expenses; however, the purpose of disbursement disclosed is "Party Venue." Please be advised that payments made for your committee's fundraising activities must be allocated according to the funds received method and the ratio reflected on Schedule H2. Please amend your report to clarify the appropriate category for this activity(s) or provide clarifying information regarding this apparent discrepancy(s). (11 CFR §106.7(d)(4))

14. Schedule H5 discloses a \$112,000 transfer-in from what appears to be your federal account for Generic Campaign activity. However, Schedule L-B

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supporting Line 4(d) of the Schedule L Aggregation discloses a \$112,000 transfer-out to what appears to be your Levin account.

Schedule H5 should disclose Transfers of Levin Funds Received For Allocated Federal Election Activity and Schedule L-B should disclose Itemized Disbursements of Levin Funds. Please amend your report to clarify this apparent discrepancy. (11 CFR §300.36)

15. Your amended report discloses additional receipts of Levin funds totaling \$40,000 on Line 1(c) of the Schedule L Aggregation Page supporting the "AZ FEDERAL" account and \$62,500 on Line 1(c) of the Schedule L Aggregation Page supporting the "LEVIN ACCO" account that were not disclosed on your original report. Please provide clarifying information as to why this activity was not disclosed on your original report. (11 CFR §300.36)

16. Your amended report discloses additional disbursements of Levin funds totaling \$112,000 on Line 4(d) of the Schedule L Aggregation Page supporting the "AZ FEDERAL" account that were not disclosed on your original report. Please provide clarifying information as to why this activity was not disclosed on your original report. (11 CFR §300.36)

17. The Schedule L Aggregation Page of your report discloses a negative ending cash balance of \$72,000 for the "AZ FEDERAL" account. This suggests that you have overdrawn your account, made a mathematical error, or incurred a debt. Please amend your report to provide clarifying information regarding this apparent discrepancy.

18. Your calculations for Line 11 on the Schedule L Aggregation Page for the "AZ FEDERAL" account appear to be incorrect. Cash on hand at the close of the current reporting period (Column A) should always equal the closing calendar year to date (Column B) cash on hand amount. Please amend your report to disclose the corrected total(s). (52 U.S.C. §30104(b) and (e) (formerly 2 U.S.C. §434(b) and (e)))

19. Schedule L discloses "AZ FEDERAL" as the name of account. Please note that 11 CFR §300.33(d) permits a committee to pay the entire amount of an allocable expense from its federal account and transfer from its non-federal or Levin account to its federal account solely to cover the Levin share of that allocable expense. As the "AZ FEDERAL" account is not a non-federal or Levin account of your committee, such a transfer(s) is prohibited.

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If the transfer(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If you have received a prohibited transfer(s), you must transfer-out the impermissible funds to an account not used to influence federal elections or refund the full amount to the donor.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out or refund. In addition, any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

Although the Commission may take further legal action concerning the acceptance of prohibited transfers, prompt action by your committee to transfer-out or refund the amount will be

20. Schedule L-A supporting Line 1(a) of the Schedule L Aggregation for the "AZ FEDERAL" account discloses \$40,000 in itemized receipts from what appears to be a Levin account of your committee. However, your reports do not disclose a transfer of funds made from a Levin account. Please amend your report to clarify this apparent discrepancy.

21. Schedules H5 and L-B of your report discloses a transfer-in of \$112,000 from your Levin account for Generic campaign activity; however, a Schedule H6 has not been filed to disclose any payments for allocable Federal Election Activity, which is necessary to support such a transfer-in.

Please be advised that transfers for allocated Federal Election Activity must not exceed the Levin share of the allocated disbursements and that these transfers must be made within a 70-day time period: no more than 10 days before and no more than 60 days after payment to the vendor. 11 CFR §300.33(d)(2) In addition, unless your Levin account is reimbursing your federal account for allocable Federal Election Activity, the transfer-in of funds from a Levin account is prohibited by 11 CFR §102.5(a)(1)(i) and §300.30(b)(3). Please clarify the nature of this transfer-in from the Levin account.

The Commission recommends that you immediately transfer the impermissible funds received by your federal account, back to your Levin account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

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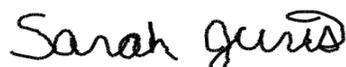
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- Your report discloses certain categories of financial activity that have been reflected on the wrong lines of the Detailed Summary Page. For your information and consideration when preparing future filings, contributions received from Indian Tribes should be properly disclosed on a separate Schedule A, supporting Line 11(a) of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing. (52 U.S.C. §30104(b) (formerly 2 U.S.C §434(b)) and FORM 3X Instructions)
- On Schedule H4 of your report you have disclosed transactions for \$0.00. For your information and consideration when preparing future filings, only transactions with an actual monetary value should be itemized on your report. If the amounts for these transactions were entered in error, please amend your report to include the correct amounts. (11 CFR §104.3)

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) 694-1175.

Sincerely,



Sarah Juris
Senior Campaign Finance Analyst
Reports Analysis Division

Excessive, Prohibited, and Impermissible Contributions
ARIZONA REPUBLICAN PARTY (C00008227)

Excessive Contributions from Individuals

Contributor Name	Date	Amount	Report
Lynn Londen	4/21/14	\$5,000.00	2014 May Monthly
Lynn Londen	11/6/14	\$25,000.00	2014 30 Day Post-General
Lynn Londen	11/6/14	\$25,000.00	2014 30 Day Post-General
Arizona Republican Party-Federal Account: Excess contributions - Londens	10/17/14	-\$20,000.00	2014 30 Day Post-General
Total Excessive		\$25,000.00	
Eric Crown	11/6/14	\$15,000.00	2014 30 Day Post-General
Gila River Indian Community	10/31/14	\$10,000.00	2014 30 Day Post-General
Gila River Indian Community	10/31/14	\$10,000.00	2014 30 Day Post-General
Gila River Indian Community	10/31/14	\$5,000.00	2014 30 Day Post-General