



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

January 6, 2015

MIKE OSBORN, TREASURER
CALIFORNIA REPUBLICAN PARTY
1121 L ST STE 207
SACRAMENTO, CA 95814-3970

Response Due Date
02/10/2015

IDENTIFICATION NUMBER: C00140590

REFERENCE: 12 DAY PRE-GENERAL REPORT (10/01/2014 - 10/15/2014)

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 4 item(s):

1. Schedule A supporting Line 12 discloses a transfer(s)-in from "National Republican Congressional Comm." Schedule B supporting Line 30(b) reflects payments for "Volunteer Mail Piece/Exempt Activity." Please be advised that a state or local party committee may pay for campaign materials (such as pins, posters, bumper stickers and yard signs) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election and for voter drive activity conducted on behalf of the party's Presidential and Vice Presidential nominees. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.87 and 100.147 and to the Campaign Guide for Party Committees.

If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page

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as appropriate. Please amend your report or provide clarifying information.

2. The total listed on Line(s) 2, 3 and 8, Column B of the Schedule L Aggregation Page for the "Levin" account appears 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 total. Please amend your report and any subsequent reports that may be affected by this correction. (52 U.S.C. §30104(b) and (e) (formerly 2 U.S.C. §434(b) and (e)))

3. Line 7, Column B of the Schedule L Aggregation Page for the "Levin" account represents the total cash on hand as of January 1, 2014. This figure should be the same on all the reports covering the calendar year. Please amend your report to clarify the change made in Line 7, Column B. (52 U.S.C. §30104(b) and (e) (formerly 2 U.S.C. §434(b) and (e)))

4. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Payroll Taxes" and "Salaries". 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.

- Schedule A, supporting Line 12 of your report discloses transfers, totaling \$20,500 from "The Ose Victory Fund", that appear to be received through joint fundraising efforts. However, "The Ose Victory Fund" is not disclosed as a joint fundraising representative on your Statement of Organization. Please amend your Statement of Organization to disclose the joint fundraising representative or amend your report to provide clarifying information. (11 CFR

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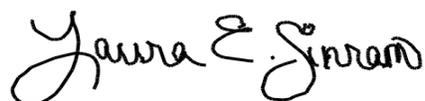
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§102.2)

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) 694-1157.

Sincerely,

A handwritten signature in black ink that reads "Laura E. Sinram". The signature is written in a cursive style with a large initial "L" and "S".

Laura Sinram
Sr. Campaign Finance & Reviewing Analyst
Reports Analysis Division