



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

November 2, 2005

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

**Response Due Date:  
December 2, 2005**

Identification Number: C00001305

Reference: March Monthly Report (2/01/05 – 2/28/05)

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.** An itemization of the information needed follows:

-The outstanding balance of a debt owed to a creditor at the close of one report should be exactly the same as the beginning outstanding balance of the next report. The February Monthly Report (1/01/05 – 1/31/05) shows an ending balance to "Benedetti & Farris, LLC" of \$15,977.60, while this report shows a beginning balance of \$13,977.60. Please amend your report to clarify this discrepancy.

-Schedule D of your report discloses debts with negative opening and closing balances. Please provide further clarification regarding these debts.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$24,996.95 for "Direct Mail", "Telemarketing", "Event Brochures", and "Postage". Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) 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, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR

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§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.

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Insurance". 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 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.

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 this improper allocation activity, your prompt action will be taken into consideration.

-Schedule H4 of your report discloses \$4,600 in payments for "IT Consulting" and "Janitorial" to individuals. Please clarify whether these individuals are employees of your committee. You are 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 or activities in connection with a Federal election must not be allocated between or among federal, non-federal and Levin accounts. Rather, only federal funds may be used. Any reimbursement from your committee's non-federal or Levin account for salary and wage payments is not permissible and must be returned. Please provide clarification regarding these payments.

-Please clarify all expenditures made for "Fundraising Event" and "Fundraising Consultants" on Schedule(s) B and 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

-Schedule B of your report discloses reimbursements to individuals for

"Reimbursement/ Inaugural Tickets". Please be advised that when itemizing reimbursements to individuals for goods or services, if the payment to the original vendor aggregates in excess of \$200 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. If itemization is not necessary, you must indicate so in an amendment to this report. 11 CFR §104.9, and Advisory Opinions 1992-1 and 1996-20, footnote 3

-Schedule H4 of your report discloses reimbursements to individuals for "DSL Line Reimb.", "Mileage, Supplies Reimb.", "Office Supply Reimb." and "Supplies Reimb.". 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. 11 CFR §§104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3

-Schedule D of your report has failed to include certain information. Commission Regulations require the full name and mailing address of each creditor, the outstanding balance at the beginning and end of the reporting period, the amount incurred during the period, the payment made during the period, and the nature or purpose of each debt. Additionally, all debts must be reported continuously until extinguished or settled. Please amend your report by providing the nature or purpose of each debt. 11 CFR §104.11

-Schedule H4 discloses 100% non-federal activity. Please be advised that by definition, this activity does not qualify as a shared expense(s) to be allocated between your federal and non-federal accounts. If the disbursements represent 100% federal operating expenditures, they should be itemized on Schedule B supporting Line 21(b) of the Detailed Summary Page. If your non-federal account paid for these expenses as 100% non-federal expenditures, they should not be disclosed on Schedule H4. Any reimbursement from your committee's non-federal account for any portion of this activity is not permissible and must be returned. 11 CFR §102.5(a)(1)(i) Please amend your report to clarify this discrepancy.

**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) 694-1398.

Sincerely,



Michael H. Hartsock  
Campaign Finance Analyst  
Reports Analysis Division

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