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FEDERAL ELECTION COMMISSION WASHINGTON, D.C. 20463

May 15, 2009

Jon Jewett, Treasurer Williamson County Republican Party Federal PAC P.O. Box 393 Round Rock, TX 78680 Response Due Date: June 15, 2009

Identification Number: C00454942

Reference: October Quarterly Report (7/1/08 - 9/30/08)

Dear Treasurer:

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. 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 items:

1. Schedule A of your report discloses a receipt of \$29,519.00 from the "Williamson County Republican Party (State) Campaign Fund." Please clarify whether this transfer is from an account maintained by your committee for non-federal activity. If so, be advised that such a transfer is prohibited by 11 CFR 102.5(a)(1)(i) and the full amount of the transfer(s) should be returned to the non-federal account. Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out. In addition, the transfer-out should be disclosed on Schedule B supporting Line 22 of your next report.

If this transaction represents an "internal transfer" of funds from one federal account to another, and the source(s) of such funds has been identified in previous reports of receipts and disbursements, please note that such transfers should not be itemized as doing so inflates total receipts and cash on hand. If this is the case, please amend your report accordingly.

Although the Commission may take further legal action regarding the acceptance of funds from a non-federal account, your prompt transfer-out of the impermissible funds or clarification of the transaction, will be taken into consideration.

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2. Schedule B supporting Line 30(b) (see attached) discloses \$1,899.30 in disbursements to "Williamson County Republican Party (State) Campaign Fund" for "Replace state fuds spent FEA." You are advised that 11 CFR \$102.5 prohibits a non-federal account from financing activity in connection with federal elections. Please provide clarifying information regarding these transactions including the date(s) when the original activity was conducted by the non-federal account. In addition, if any of these disbursements were made to influence the election or defeat of specific federal candidates, the disbursements should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, or as independent expenditures on Schedule E supporting Line 24. 11 CFR \$104.3(b)(3) and 106.1

Although the Commission may initiate legal action regarding the activities conducted by your non-federal account, any clarifying information that you can provide will be taken into consideration.

3. Schedule A supporting Line 11(c) of your report discloses payments from a federal candidate committee(s) for goods and/or services provided by your committee. 11 CFR §100.52(d)(1) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel, membership lists and mailing lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.52(d)(2)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided to the federal candidate committee(s) and explain the steps your committee took in determining the amount(s) charged. If your committee provided the goods and/or services at less than the usual and normal charge, the difference between the two is considered to be an in-kind contribution by your committee to the federal candidate candidate committee(s) and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.52(d)(1))

4. Schedule B supporting Line 30(b) of your report discloses \$2,741.07 in activity identified as MEMO entries that do not appear to correspond with any itemized transaction(s). Please be advised, a memo entry is used to disclose additional information about an itemized transaction and the amount of a memo entry is <u>not</u> included in the total receipts or

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disbursements for the report. Please amend your report to provide clarifying information regarding this activity.

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.

<u>Electronic filers must file amendments (to include statements, designations and</u> 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) 694-1143.

Sincerely.

Kaitlin Eger Campaign Finance Analyst Reports Analysis Division

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## Payment to Non-Federal Account

| Recipient Name   | Date    | Amount    |
|--|---------|-----------|
| Williamson County Republican Party (State) Campaign Fund | 9/12/08 | \$1899.30 |