



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

January 27, 2010

Keith Carlson, Treasurer
California Republican Party/V8
1903 W. Magnolia Blvd.
Burbank, CA 91506

Response Due Date:
March 3, 2010

Identification Number: C00140590

Reference: November Monthly Report (10/1/09 – 10/31/09)

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 3 items:

1. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Medical Benefits," "Payroll Taxes," "Pension Fund Contribution" and "Salary." 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.

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