



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-3

March 14, 2002

Alfred A. Valdez, Treasurer  
Nevada State Republican Central Committee  
8625 W Sahara Avenue  
Las Vegas, NV 89117

Identification Number: C00082925

Reference: 12 Day Pre-Special Election Report (1/1/01-5/30/01)

Dear Mr. Valdez:

On February 20, 2002, you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your March 5, 2002 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-Schedule H3 of your report discloses "Bank of the West Non-Federal Account and Bank West Non-Federal Account" as the name(s) of the account(s) for transfers received from your non-federal account(s) for shared activity. Please verify that these transfers were in fact received from your committee's non-federal account(s) and amend your report with clarifying information.

-You have made disbursements for rent, furniture, education, travel, computer, and Voter I which you have characterized as exempt activities. In order for an activity to be classified as exempt, it must meet the following conditions: (1) For slate cards and sample ballots: it names at least three candidates running for election to any public office, it is not distributed through public political advertising (including broadcast media, newspapers, magazines, and billboards), the content is limited to the identification of each candidate, the office or position currently held, the office sought and party affiliation, and the costs allocable to federal candidates are paid with permissible funds; (2) For campaign materials: the activity is conducted on behalf of the

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party's nominees in the general election, the materials are distributed by volunteers--not through public political advertising, the party committee does not use materials purchased by the national party committee or money transferred from the national committee to purchase materials, the party committee does not use funds designated for a particular federal candidate, a payment from a non-federal campaign to help pay for the materials does not exceed its allocated share of the expenses, and the costs allocable to federal candidates are paid with permissible funds; (3) For voter drives: the activity is on behalf of the party's Presidential and Vice Presidential nominees, the activity does not involve the use of public political advertising such as television, radio, newspapers, magazines, billboards or direct mail, phone banks are operated by volunteers (although paid professionals may design the system, develop calling instructions and train supervisors), the party committee does not use funds transferred by the national party committee for voter drive activities, the party committee does not use funds designated for a particular federal candidate, and the cost allocable to federal candidates are paid with permissible funds.

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, this amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate. Please provide the Commission with a more detailed explanation of these activities.

-Schedule H3 discloses the receipt of \$16,991.17 from your non-federal account for a exempt expenditure event(s) which is listed as 100% non-federal on Schedules H2 and H4. A committee is permitted to pay the entire amount of an allocable activity from its federal account and receive a transfer(s) from its non-federal account solely to cover the non-federal share of the allocable expense(s). 11 CFR §106.5(g)(i). However, a 100% non-federal exempt expenditure event does not fall within the definitions of an allocable expense, and constitutes an impermissible transfer of funds received by your federal account from your non-federal account.

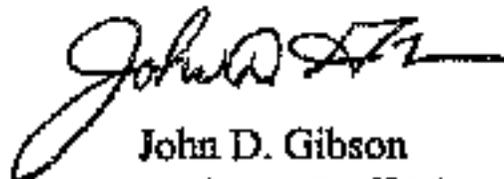
The Commission recommends you immediately transfer the total amount received by your federal account back to your non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

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An adequate response must be received at the Commission by April 3, 2002. 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 related to this matter, please contact Alice Kang on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division) or our local number (202) 694-1130.

Sincerely,



John D. Gibson  
Assistant Staff Director  
Reports Analysis Division

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