



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

February 19, 2015

ANTHONY J. FERATE, TREASURER  
OKLAHOMA LEADERSHIP COUNCIL  
4031 N. LINCOLN BOULEVARD  
OKLAHOMA CITY, OK 73105

**Response Due Date**  
**03/26/2015**

IDENTIFICATION NUMBER: C00167213

REFERENCE: OCTOBER MONTHLY REPORT (09/01/2014 - 09/30/2014)

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 3 item(s):

1. Your August Monthly (7/1/14-7/31/14), September Monthly (8/1/14-8/31/14), and October Monthly (9/1/14-9/30/14) Reports combined, do not disclose any payments for salary or wages on Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §100.24 defines as Federal Election Activity, services provided by an employee of a State, district or local party committee who spends more than 25 percent of their time during that month on activities in connection with a Federal election. You are advised that payments for salaries and wages for employees who spend more than 25 percent of their compensated time in a given month on Federal Election Activity or activities in connection with a Federal election must be made with Federal funds only. Please provide clarification regarding the lack of payments for salary and wages disclosed by your committee.

2. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "PAYROLL" and "PAYROLL TAXES/FEES." 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,

OKLAHOMA LEADERSHIP COUNCIL

Page 2 of 3

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.

**3.** Your August Monthly (7/1/14-7/31/14), September Monthly (8/1/14-8/31/14), and October Monthly (9/1/14-9/30/14) Reports combined, disclose limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Each state, district or local party committee utilizing separate federal and non federal accounts is required to allocate any administrative expenses (excluding salary) between the accounts according to a fixed percentage selected on Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X filed at the beginning of each calendar year. Payments for salary and wages for employees who spend more than 25% of their compensated time on Federal election activities or on activities in connection with a Federal election must be made from a federal account and disclosed on a Schedule B supporting Line 30(b) of the Detailed Summary Page. (11 CFR §106.7)

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in kind contribution from that person, and would be subject to the disclosure requirements of 52 U.S.C. §30104 (formerly 2 U.S.C. §434(b)(3)) and 11 CFR §104.13, and the limitations and prohibitions of 52 U.S.C. §§30116 and 30118 (formerly 2 U.S.C. §§441a and 441b). Payments to a consulting, law or accounting firm will be considered acceptable for salary.

Clarification regarding administrative expenses should be provided during each two year election cycle beginning with the first report filed in the non election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

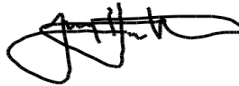
OKLAHOMA LEADERSHIP COUNCIL

Page 3 of 3

**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) 694-1148.

Sincerely,



Quy Vuong  
Senior Campaign Finance Analyst  
Reports Analysis Division