



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Michael Denea, Treasurer  
Arizona Republican Party  
3501 North 24<sup>th</sup> Street  
Phoenix, AZ 85016

MAR 21 2001

Identification Number: C00008227

Reference: October Quarterly Report (8/24/00-9/30/00) and Amended October Quarterly Report (8/24/00-9/30/00), dated 10/25/2000

Dear Mr. Denea:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-The amount of debts and obligations owed by your committee as reported on the Summary Page conflicts with the amount reported on the loan and/or debt schedule(s) (Schedule C and/or D), when your amended October Quarterly, dated 10/25/2000, is taken into account. Please amend your report to clarify this discrepancy.

-Your report discloses receipts totaling \$135,815.94 from the 1999 State Victory Fund Committee, which is a joint fundraising committee(s) affiliated with your committee. Please be advised that a memo Schedule A must be provided to itemize your committee's share of the gross contributions received through the joint fundraiser(s). The memo schedule should itemize each individual who has contributed an aggregate in excess of \$200 during the calendar year, and provide the amount of unitemized contributions received. In addition, the memo schedule should itemize your committee's share of all contributions from political committees, regardless of amount. 11 CFR §102.17(e)(8)(i)(B)

-The Detailed Summary Page, on Line 18 Column A of your report, discloses \$238,226.63 in transfers from the non-federal account for joint activity for the reporting period. However, Line 21 (a)(ii) Column A

discloses \$158,370.22 as the non-federal share for joint activity for the reporting period. While the non-federal account is permitted to transfer funds to the federal account for shared activity, transfers for shared activity must be made within a 70-day time period: no more than 10 days before or 60 days after the payment to the vendor. 11 CFR §§106.5(g)(2) and 106.6(e)(2) Please clarify the nature of the transfers-in from the non-federal account.

The Commission recommends that you immediately transfer back to the non-federal account, the total excessive amount which was received by your federal account outside the 70-day time period. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-Schedule A supporting Line 12 discloses a transfer(s)-in from the National Republican Congressional Committee. Schedule B supporting Line 21(b) reflects payments for "signs, bumper stickers". Please be advised that a state or local party committee may pay for campaign materials (such as bumper stickers) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §100.7(b)(15) and (17) and to the Campaign Guide for Party Committees.

Please clarify the nature of the transfer(s)-in and subsequent payments for the aforementioned disbursement(s). 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, that amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate

-Payments made to credit card companies must identify the original vendors from which you have purchased an item or service if your payments to these vendors have exceeded \$200 this year. Please amend your report by providing the mailing address, date, amount and purpose of such payments as required by 11 CFR §104.9(b).

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B and H4 of your report to clarify the following description(s): "Professional Fees", "Early Ballot", "Consulting Services" and "Ntl. convention expenses". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Please amend your report by providing the purpose for each disbursement itemized on Schedule H4 supporting Line 21.

-Your EVENT YEAR-TO-DATE calculations for Administrative/Voter Drive are incorrect. EVENT YEAR-TO-DATE totals for administrative and voter drive costs are derived by aggregating all disbursements during the calendar year for the whole Administrative/Voter Drive category. EVENT YEAR-TO-DATE totals for fundraising, direct candidate support, and exempt activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous EVENT YEAR-TO-DATE total for that category or event. This running EVENT YEAR-TO-DATE total should be disclosed after each disbursement is listed. Please amend your report by providing the correct EVENT YEAR-TO-DATE totals.

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to check the appropriate CATEGORY box for the payment(s) made to "C3 Conference Calling". Please amend your report to disclose the appropriate category.

-2 U.S.C. §434(b)(3) requires itemization of contributions from individuals and persons other than political committees, where the aggregate total from the contributor exceeds \$200 in a calendar year. In addition, 11 CFR §104.3(a)(2)(i)(B) requires a committee to report the total amount of unitemized contributions (see Line 11(a)(ii) of the Detailed Summary Page). If a committee wishes to disclose contributions regardless of the amount contributed, the committee must separate (on separate receipt schedules) those contributors requiring itemization from those who are not required to be itemized. 11 CFR §104.3(a)(4)(i) For future filings, please submit your reports in this order.

-On Schedule A supporting Line 18 you disclose transfers from your non-federal account which appear to be identical to the transfers disclosed

on Schedule H3. Be advised that transfers from your non-federal account should only be disclosed on Schedule H3 supporting Line 18. Please amend your report to clarify this discrepancy.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Dominick Ciaraldi  
Reports Analyst  
Reports Analysis Division