FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Donna M. Anderson, Treasurer
National Republican Congressional
Committee - Expenditures
320 First Street
Washington, DC 20003

FEB 25 2000

Identification Number: C00075820

Reference: December Monthly Report (11/1/99-11/30/99)

Dear Ms. Anderson:

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:

-Your calculations for Line 20, Column B appear to be incorrect. FEC calculations disclose this amount(s) to be $28,681,869 Please provide the corrected total(s) on the Detailed Summary Page.

-Schedule D of your report has failed to include certain information. Commission Regulations require the full name and mailing address of each creditor, the outstanding balance at the beginning and end of the reporting period, the amount incurred during the period, the payment made during the period, and the nature or purpose of each debt. Additionally, all debts must be reported continuously until extinguished or settled. Please amend your report by providing the nature or purpose of each debt. 11 CFR §104.11

-On Schedule H2, you disclose the ratio for 313-325-419 to be the same as previously reported; however, your November Monthly Report disclosed a different ratio for this event. Please clarify the nature of this revision. 11 CFR §104.10(a)(1)

-The independent expenditure schedule (Schedule E) should disclose the following information: the name and mailing address of the payee, purpose of the expenditure, date of payment, amount of payment, the name and

office sought of the federal candidate supported or opposed, signature of the treasurer, and notarized certification of the information provided. Please amend Schedule E by providing the signature of the treasurer, notarized certification of the information provided and clarification of "Adjunct Staff". 11 CFR §104.3(b)(3)(vii)

-Schedule E discloses an independent expenditure(s) on behalf of a federal candidate(s) (pertinent portion(s) attached). Schedule F of your November Monthly Report and this report disclose coordinated expenditure(s) on behalf of the same candidate(s). Under 2 U.S.C. §431(17), an "independent expenditure" is defined as:

> ... an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

The coordination involved in making coordinated expenditures for a candidate may preclude your committee from making an independent expenditure in support of the same candidate. Under 11 CFR §109.1(c), any expenditure which does not qualify as an independent expenditure is considered an in-kind contribution. Please amend your report to disclose the aforementioned transactions as in-kind contributions (Schedule B supporting Line 23 of the Detailed Summary Page), or provide additional clarifying information concerning the independent expenditure(s) made in support of Elia Pirozzi.

If reclassification of the expenditure(s) as an in-kind contribution(s), results in an excessive contribution(s), the Commission recommends that you notify the recipient(s) and request a refund of the amount in excess. Please inform the Commission immediately in writing and provide a photocopy of your refund request(s) sent to the recipient(s). In addition, any refund should be disclosed on Schedule A supporting Line 16 of your next report.

-The event year-to-date totals for 313-323, 313-325-323 and administrative expenses are incorrect on Schedule H4. This appears to result from the omission of the corporate in-kind contribution amounts from the event year-to-date totals. The in-kind contributions should be included in the totals for the appropriate event(s) (see enclosed pages from the Campaign Guide for Political Party Committees). Please amend these reports and any subsequent reports to clarify the event year-to-date totals.

-Schedule B supporting Line 21(b) of your report (pertinent portion(s) attached) discloses "transfers from Fed Exp to TRUST Allocation Correction." Please clarify the circumstances surrounding this transfer and provide the date of the deposit.

-Your report indicates that you have received corporate in-kind contributions during this reporting period; however, you have failed to properly disclose the original receipt and disbursement of these in-kinds by your non-federal account(s). Please refer to the following reporting requirements for National Committees:

In accordance with 11 CFR 104.8(e), a National Party Committee shall disclose in a memo Schedule A, information about each individual, committee, corporation, labor organization, or other entity that donates in excess of $200 in a calendar year to the committee's non-federal account(s). Furthermore, in accordance with 11 CFR 104.9(c), a National Party Committee shall report in a memo Schedule B the full name and mailing address of each person to whom a disbursement in an aggregate amount or value in excess of $200 within the calendar year is made from the committee's non-federal account(s), together with the date, amount and purpose of such disbursement.

You should amend this report to fully disclose the corporate in-kind contributions by your non-federal account(s)

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. My local number is (202) 694-1130.

Sincerely,

Andrea Wilkens

Andrea Wilkens
Reports Analyst
Reports Analysis Division

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SCHEDULE B — **ITEMIZED DISBURSEMENTS**

FOR LINE NUMBER 21B

Other Federal Operating Expenditures

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE: National Republican Congressional Committee

Name, Mailing Address and ZIP Code	Purpose of Disbursement / Disbursement for: Primary, General, Other	Date	Amount This Period
A. J.W. ELLIS COMPANY, 6430 22ND ST., NORTH, ARLINGTON, VA 22205	Adjunct Staff	11-15-99	$1,875.00
B. JOHN M. FELIZ, 1640 WESTMINSTER COURT, CARMICHAEL, CA 95806	Adjunct Staff	11-15-99	$999.90
C. MOORE INFORMATION, 10200 S.W. EASTRIDGE STREET, SUITE 210, PORTLAND, OR 97225	Survey	11-30-99	$5,700.00
D. MOORE INFORMATION, 10200 S.W. EASTRIDGE STREET, SUITE 210, PORTLAND, OR 97225	Survey	11-30-99	$3,400.00
E. NATIONAL REPUBLICAN CONGRESSIONAL COMM - NON-FED, 320 FIRST STREET, SE, WASHINGTON, DC 20003	Trf From Fed Exp To TRUST ALLOCATION CORRECTION	11-30-99	$96,250.00
F. PUBLIC OPINION STRATEGIES, 277 SOUTH WASHINGTON ST., SUITE 320, ALEXANDRIA, VA 22314	Survey	11-30-99	$6,500.00
G. PUBLIC OPINION STRATEGIES, 277 SOUTH WASHINGTON ST., SUITE 320, ALEXANDRIA, VA 22314	Survey	11-30-99	$14,500.00
H. PUBLIC OPINION STRATEGIES, 277 SOUTH WASHINGTON ST., SUITE 320, ALEXANDRIA, VA 22314	Survey	11-30-99	$5,750.00
I. PUBLIC OPINION STRATEGIES, 277 SOUTH WASHINGTON ST., SUITE 320, ALEXANDRIA, VA 22314	Survey	11-30-99	$6,000.00
SUBTOTAL of Disbursements This Page			$140,974.90
TOTAL This Period			

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SCHEDULE E

ITEMIZED INDEPENDENT EXPENDITURES

National Republican Congressional Committee

Full Name, Mailing Address & Zip Code	Purpose of Expenditure	Date	Amount	Name of Federal Candidate
WESTERN PACIFIC RESEARCH 4100 TRUXTUN AVENUE SUITE 210 BAKERSFIELD, CA 93309	Adjunct Staff	11-03-99	$20,000.00	ELIA PIROZZI House of Representatives ☒ Support ☐ Oppose
WESTERN PACIFIC RESEARCH 4100 TRUXTUN AVENUE SUITE 210 BAKERSFIELD, CA 93309	Adjunct Staff	11-04-99	$20,000.00	ELIA PIROZZI House of Representatives ☒ Support ☐ Oppose
WESTERN PACIFIC RESEARCH 4100 TRUXTUN AVENUE SUITE 210 BAKERSFIELD, CA 93309	Postage	11-04-99	$97.00	ELIA PIROZZI House of Representatives ☒ Support ☐ Oppose
WESTERN PACIFIC RESEARCH 4100 TRUXTUN AVENUE SUITE 210 BAKERSFIELD, CA 93309	Adjunct Staff	11-05-99	$190,000.00	ELIA PIROZZI House of Representatives ☒ Support ☐ Oppose
WESTERN PACIFIC RESEARCH 4100 TRUXTUN AVENUE SUITE 210 BAKERSFIELD, CA 93309	Supplies	11-05-99	$9,000.00	ELIA PIROZZI House of Representatives ☒ Support ☐ Oppose
WESTERN PACIFIC RESEARCH 4100 TRUXTUN AVENUE SUITE 210 BAKERSFIELD, CA 93309	PRODUCTION	11-05-99	$72,703.00	ELIA PIROZZI House of Representatives ☒ Support ☐ Oppose

(a) SUBTOTAL of Itemized Independent Expenditures ..... $ 311,800.00

(b) SUBTOTAL of Unitemized Independent Expenditures ..... $ .00

(c) TOTAL Independent Expenditures ..... $

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication, in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Signature _____ Date _____

Subscribed and sworn to before me this _____ day of _____, 19____

My Commission Expires: _____ NOTARY PUBLIC

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SCHEDULE E

ITEMIZED INDEPENDENT EXPENDITURES

National Republican Congressional Committee

Full Name, Mailing Address & Zip Code	Purpose of Expenditure	Date	Amount	Name of Federal Candidate
WESTERN PACIFIC RESEARCH 4100 TRUXTUN AVENUE SUITE 210 BAKERSFIELD, CA 93309	EQUIPMENT	11-05-99	$18,000.00	ELIA PIROZZI House of Representatives [X] Support [ ] Oppose
WESTERN PACIFIC RESEARCH 4100 TRUXTUN AVENUE SUITE 210 BAKERSFIELD, CA 93309	CATERING COSTS	11-05-99	$50,000.00	ELIA PIROZZI House of Representatives [X] Support [ ] Oppose
WESTERN PACIFIC RESEARCH 4100 TRUXTUN AVENUE SUITE 210 BAKERSFIELD, CA 93309	DATA PROCESSING	11-05-99	$15,000.00	ELIA PIROZZI House of Representatives [X] Support [ ] Oppose
WESTERN PACIFIC RESEARCH 4100 TRUXTUN AVENUE SUITE 210 BAKERSFIELD, CA 93309	Phone Banks	11-05-99	$84,000.00	ELIA PIROZZI House of Representatives [X] Support [ ] Oppose
WESTERN PACIFIC RESEARCH 4100 TRUXTUN AVENUE SUITE 210 BAKERSFIELD, CA 93309	Phone Banks	11-12-99	$50,000.00	ELIA PIROZZI House of Representatives [X] Support [ ] Oppose
WESTERN PACIFIC RESEARCH, INC 4100 TRUXTON AVENUE, SUITE 210 BAKERSFILED, CA 93309	Adjunct Staff	11-02-99	$20,000.00	ELIA PIROZZI House of Representatives CA-42 [X] Support [ ] Oppose

(a) SUBTOTAL of Itemized Independent Expenditures ..... $ _____

(b) SUBTOTAL of Unitemized Independent Expenditures ..... $ _____

(c) TOTAL Independent Expenditures ..... $ 548,800.00

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Signature _____ Date _____

Subscribed and sworn to before me this _____ day of _____, 19____

My Commission Expires: _____ NOTARY PUBLIC

"Disbursement" of In-Kind Donation (H4)

Like in-kind contributions, in-kind donations must be reported as both receipts and disbursements so as not to inflate the cash-on-hand balance. (The disbursement side reflects the use or "expenditure" of the resources.) Schedule H4 is used for the disbursement entry, which shows the $5,000 in-kind donation as a 100 percent nonfederal disbursement. The donor's name and address is disclosed in the box generally used for payees.

Transfer from Federal Account (H4)

The second entry on Schedule H4 shows the contemporaneous transfer of $2,500 (the federal share of the donation) from the federal account to the nonfederal account. The explanation of the transfer is described in the "Purpose" box, with a reference to the previous entry.

Alternative Reporting Method

To minimize entries and avoid duplication, a committee may use alternative methods to report transactions relating to in-kind donations.

The committee may use one entry on Schedule H3 to show the receipt of all in-kind donations made within the same reporting period for a particular fundraising program or event (or administrative activity).

The committee may also use one entry on Schedule H4 to show total federal payments (transfers) made on the same day for the federal share of in-kind donations.

Example

A committee receives two in-kind donations from prohibited sources for a mixed federal/nonfederal fundraising event, "July Fundraiser":

- Invitations donated by XYZ Printers, Inc. (value: $3,000) received on July 1; and
- Balloons donated by ABC Balloons, Inc. (value: $1,000) received on July 15.

The fundraising ratio for "July Fundraiser" is 50 percent federal, 50 percent nonfederal. The federal account transfers its $2,000 share of the two donations on July 1.

DISBURSEMENT OF IN-KIND DONATION; FEDERAL TRANSFER (H4)

DISBURSEMENT SCHEDULE H4 (effective 1/1/96) — JOINT FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE — PAGE 1 OF 1 — FOR LINE 21a

NAME OF COMMITTEE: State Party Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Flowers by Fader, Inc. 800 Main Highway City, State ZIP	flowers for Chairman's Gala	10/1/96	$5,000.00 in-kind	0	$5,000.00

CATEGORY: ☐ ADMINISTRATIVE/VOTER DRIVE ☒ FUNDRAISING ☐ EXEMPT
EVENT YEAR-TO-DATE: $21,000.00 ☐ DIRECT CANDIDATE SUPPORT

B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
State Party Committee/ Nonfederal Account 448 Democracy Blvd. City, State ZIP	transfer of federal share (see above)	10/1/96	$2,500.00	$2,500.00	0

The first entry shows the "disbursement" of the $5,000 in-kind donation by the nonfederal account. The second entry shows the federal account's transfer of its share of the donation (50 percent or $2,500) to the nonfederal account.

Schedule H3—Receipt of In-Kind Donations

The committee uses one entry on Schedule H3 to show the total in-kind donations for "July Fundraiser" received during the reporting period. The "date of receipt" shows the period during which the committee received the contributions. The "July Fundraiser" entry cross references the Schedule H4 entries showing the "disbursement" of the donations and the identity of the contributors.

RECEIPT OF IN-KIND DONATIONS (H3)

NAME OF ACCOUNT	DATE OF RECEIPT	
Nonfederal Account	7/1-7/15/96	$4,000.00

	BREAKDOWN OF TRANSFER RECEIVED: ADMIN/VOTER DRIVE AMOUNT	DIRECT FUNDRAISING AMOUNT	EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT
f) Total Administrative/Voter Drive			
g) Direct Fundraising (List Events Amount for Each)			
a) July Fundraiser		$4,000.00	
b) See H4, p. 1, entries A and B			
c)			
d)			

The $4,000 in-kind transfer represents a $3,000 donation received on July 1 and a $1,000 donation received on July 15. The entry notes the Schedule H4 entries where information on the donations is available.

Schedule H4—"Disbursement" of Donations; Federal Transfer
Schedule H4 shows the "disbursement" of the two in-kind donations by the nonfederal account, each entry identifying the donor and the dates the donations were received.

The third entry shows the federal account's payment for its 50 percent share of the two donations and the date of the transfer to the nonfederal account. The entry refers to the previous two entries to show the transfer relates to those transactions.

"Escrow" Transfer

Advance transfers from the federal account to the nonfederal account to pay the federal share of anticipated in-kind donations are reported on Schedule H3. If known, the particular activity (fundraising program/event or administrative) to which the transfer applies should be noted. If the corresponding in-kind donations are received in a later reporting period, it is understood that the Schedule H3 entry will not be able to list the related Schedule H4 donor entries (showing the nonfederal "disbursement" of the donations).

DISBURSEMENT OF IN-KIND DONATIONS; FEDERAL TRANSFER (H4)

DISBURSEMENT SCHEDULE H4
(effective 1/1/91)

JOINT FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE

PAGE 1 OF 1

FOR LINE 21(a)

NAME OF COMMITTEE
State Party Committee

A. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/REMARKS	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
XYZ Printing Incorporated 9180 Pine Street City, State ZIP	Invitations for July Fundraiser	7/1/96	$3,000.00 in-kind	0	$3,000.00
CATEGORY: ☐ ADMINISTRATIVE/VOTER DRIVE ☒ FUNDRAISING ☐ EXEMPT EVENT YEAR-TO-DATE: $15,000.00 ☐ DIRECT CANDIDATE SUPPORT					
B. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/REMARKS	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Balloons Inc. 267 Oak Street City, State ZIP	balloons for July Fundraiser	7/15/96	$1,000.00 in-kind	0	$1,000.00
CATEGORY: ☐ ADMINISTRATIVE/VOTER DRIVE ☒ FUNDRAISING ☐ EXEMPT EVENT YEAR-TO-DATE: $16,000.00 ☐ DIRECT CANDIDATE SUPPORT					
C. FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/REMARKS	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
State Party Committee/ Nonfederal Account 448 Democracy Blvd. City, State ZIP	transfer of federal share (see A. and B above)	7/1/96	$2,000.00	$2,000.00	0
CATEGORY: ☐ ADMINISTRATIVE/VOTER DRIVE ☐ FUNDRAISING ☐ EXEMPT EVENT YEAR-TO-DATE: $ ☐ DIRECT CANDIDATE SUPPORT					

The first two entries on this schedule provide information on the in-kind donations received and "disbursed" by the nonfederal account. The third entry shows that the federal account's 50 percent share of the donations was transferred to the nonfederal account on July 1. The entry cross references the related entries.