



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

July 16, 2010

Ken Lawson, Treasurer  
Hillsborough County Republican Executive  
Committee  
P.O. Box 2598  
Brandon, FL 33509

**Response Due Date:**  
**August 20, 2010**

Identification Number: C00431643

Reference: April Quarterly Report (1/1/10-3/31/10)

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. Your report does not include a Schedule H1 to disclose the ratio for the allocation of certain costs. For State, District and Local party committees, Schedule H1 must be filed in the first report each calendar year that discloses an allocable disbursement. Further, all shared administrative, generic voter drive and exempt activity costs incurred during the two-year cycle must be allocated according to the appropriate fixed ratio, unless the federal account elects to pay a higher percentage of its cost. 11 CFR §106.7(d)(2), (d)(3)
2. The Detailed Summary Page, on Line 18(a) Column A of your report, discloses \$14,425.52 in transfers from the non-federal account for "Lincoln Day Dinner 2010 (03/06/2010)" for the reporting period. However, Line 21 (a)(ii) Column A discloses \$10,446.07 as the non-federal share for "Lincoln Day Dinner 2010 (03/06/2010)" for the reporting period. While the non-federal account is permitted to transfer funds to the federal account for allocated activity, transfers for allocated 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 §§106.6(e)(2) and 106.7(f)(2) Please clarify the nature of the transfers-in from the non-federal account.

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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.

3. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Payroll Taxes" 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.

**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) 694-1177.

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Sincerely,

A handwritten signature in black ink, appearing to read "Corbin T. Jones", with a long horizontal flourish extending to the right.

Corbin T. Jones

Senior Campaign Finance Analyst

Reports Analysis Division

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