



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

July 19, 2006

Dave Syverson, Treasurer
Illinois Republican Party
P.O. Box 64897
Chicago, IL 60664

**Response Due Date:
August 18, 2006**

Identification Number: C00005926

Reference: June Monthly Report (5/01/06-5/31/06)

Dear Mr. Syverson:

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. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Insurance". 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 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.

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 this improper allocation activity, your prompt action will be taken into consideration.

-Your report discloses a transfer(s) for "Offset to Operating Expenses" to the Illinois Republican Party which appears to be a non-federal account of your committee. 11 CFR §§106.6 and 106.7 prohibits a committee's federal account from reimbursing its non-federal account for shared allocable

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expenses. Also, the non-federal account is prohibited from paying the federal account's share of these expenses. These types of costs must be paid according to the allocation ratio derived from the appropriate method on Schedule H1.

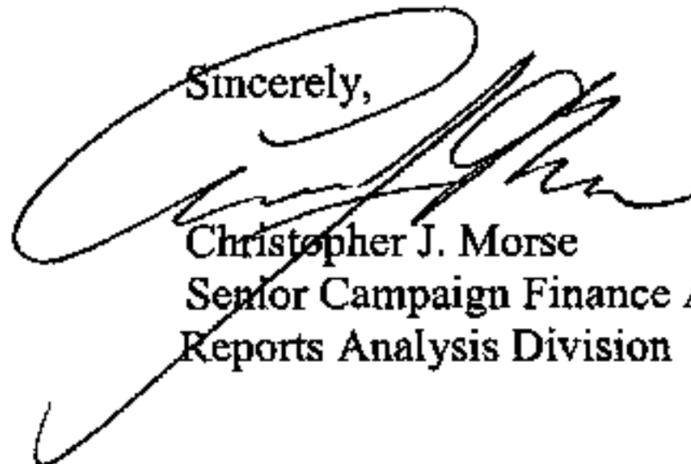
If the transfer(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If your non-federal account has paid any expenditures which should have been allocated, you are advised to correct any non-compliance with 11 CFR §§106.6 and 106.7 and establish procedures to insure future compliance with allocation regulations.

Although the Commission may take further legal action regarding this 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 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 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) 694-1133.

Sincerely,



Christopher J. Morse
Senior Campaign Finance Analyst
Reports Analysis Division

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