



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

April 7, 2011

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

**Response Due Date**  
**05/12/2011**

IDENTIFICATION NUMBER: C00167213

REFERENCE: 30 DAY POST-GENERAL REPORT (10/14/2010 - 11/22/2010)

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 7 item(s):

1. Please amend your report by providing the address for each disbursement itemized on Schedule B supporting Line(s) 30(b). 11 CFR §104.3(b)(3)
2. Schedule B supporting Line 30(b) of your report discloses payments made to credit card companies. Payments made to credit card companies must identify in memo entries, 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 name and mailing address of the original vendor, along with the date, amount and purpose of each payment as required by 11 CFR §104.9(b) and clearly identify on the Schedule B, which credit card payment each memo entry relates to.
3. Schedule B of your report discloses reimbursements to individuals for "Reimbursement for cell phone use," "Reimbursement for committee expense," "Reimbursement for committee expenses," "Reimbursement for food for door hangers, get out the vote," "Reimbursement for mileage, *food for volunteers, maps,*" "Reimbursement for motel room rental, meal - watch party," "Reimbursement for office supplies," "Reimbursement for staff travel (mileage) & *food for volunteers,*" "Reimbursement for travel (mileage) & *food for volunteers,*" "Reimbursement staff travel (mileage), *postage & food,*" and "Reimbursement staff travel (mileage) *food for volunteers, tee shirts & office supplies.*" Please be advised that when itemizing reimbursements to individuals for goods or services, if the payment to the original vendor

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aggregates in excess of \$200 in a calendar year, a memo entry including the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule B, which reimbursement each memo entry relates to. If itemization is not necessary, you must indicate so in an amendment to this report. 11 CFR § 104.3(b)(3)(i) and 104.9, and Advisory Opinions 1992-1 and 1996-20, footnote 3

4. Schedule B of your report discloses a reimbursement(s) to an individual(s) for apparent travel and subsistence advances in which the total amount reimbursed exceeds \$500. When the reimbursement amount to staff for travel and subsistence advances exceeds \$500, the payments by committee staff that make up the reimbursement may have to be itemized. For example, if the related payment(s) to any one vendor by the staff aggregates in excess of \$200 for the calendar year, the payment(s) must be itemized as a memo entry for that reimbursement. Each memo entry must include the complete name and address of the original vendor, as well as the date, amount and an adequate purpose. Please amend your report to include the missing information and clearly identify on the Schedule B, which reimbursement each memo entry relates to. If itemization is not necessary for a particular reimbursement to staff in excess of \$500, you must clarify this in an amendment to this report. 11 CFR §104.9 and Advisory Opinion 1996-20, footnote 3

5. Schedule B supporting Line 30(b) of your report discloses payment(s) for "Design mailers get out the vote," "Printing get out absentee mailing," "Voter ID and get out the vote calls," "Reimbursement staff travel (mileage), postage & food," "Lettershop plate & print absentee ballot," "Printing and design," "Printing & design," "Get out the vote calls in stephens co okla," and "Postage for get out the vote - absentee info," which are categorized as Federal Election Activity and therefore, may require the disclosure of the candidate(s) this activity should be attributed to. Expenditures and disbursements for public communications that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, please be advised that public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a

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coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate rather than on Schedule B for Line 30(b). Please clarify if this activity meets the definition of Federal Election Activity or if it contains express advocacy and amend your report to properly disclose this activity, if necessary.

**6.** Schedule H4 supporting Line 21(a) of your report discloses payment(s) for "Compensation - temp staff," "Net payroll - staff compensation" and "New payroll - staff wages." 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.

**7.** Schedule H4 of your report discloses a \$39.50 payment for "Building maintenance - janitorial staff" to an individual. Please clarify whether this individual is an employee of your committee. If they are an employee, please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on Federal Election Activity (FEA) or activities in connection with a Federal election. You are 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 FEA or activities in connection with a Federal election must not be allocated between or among federal, non-federal and Levin accounts. Rather, only federal funds may be used.

Any reimbursement from your committee's non-federal or Levin account for salary and wage payments for employees who spent more than 25% of their compensated time in a given month on FEA is not permissible and must be returned. Please provide clarification regarding these payments.

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**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) 694-1140.

Sincerely,



James McAllister  
Campaign Finance Analyst  
Reports Analysis Division