



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

August 3, 2016

JONATHAN LINES, TREASURER  
ARIZONA REPUBLICAN PARTY  
3501 NORTH 24TH STREET  
PHOENIX, AZ 85016

**Response Due Date**

**09/07/2016**

IDENTIFICATION NUMBER: C00008227

REFERENCE: MARCH MONTHLY REPORT (02/01/2016 - 02/29/2016)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report 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. Schedule A supporting Line 15 of the Detailed Summary Page discloses a refund or rebate of what appears to be a previously disclosed allocable expense from "Paul Ash Management Company LLC." Please be advised that when a committee receives a refund or rebate of an allocable expense, it must be allocated between the federal and non-federal accounts according to the same allocation ratio used to allocate the original disbursement. Furthermore, the federal account must transfer the non-federal portion to the non-federal account and disclose this transfer-out on Schedule H4. Your report does not appear to disclose a transfer-out of the non-federal portion of this refund(s) or rebate(s). Please provide clarification regarding this apparent omission. (11 CFR §104.17 and Advisory Opinion 1995-22)
2. On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have not included the full name and/or mailing address for the payment made to "FireDrum." Please amend your report accordingly. (11 CFR §§104.10(b)(4) and 104.17(b)(3))
3. Schedule H4 supporting Line 21(a) of your report discloses payments for "Insurance," "Payroll," and "Payroll Taxes." 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

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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.

4. Schedule H4 of your report discloses reimbursements to individuals for "Landscaping services" and "Parliamentarian services." Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must include 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 H4, which reimbursement each memo entry relates to. (11 CFR §§104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3)

5. Please clarify all expenditures made for "Award dinner venue" on Schedule H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. (11 CFR §§104.3(b) and 106.1)

Alternatively, if the payment on Schedule H4 is associated with fundraising activity conducted for your committee's federal and non-federal accounts, it must be allocated according to the funds received method and the ratio reflected on Schedule H2. Further, it must be categorized as a fundraising activity on Schedule H4. Please provide clarifying information regarding the nature of this transaction and amend your report(s) as appropriate.

6. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule H4 to clarify the following description: "Contract labor for administrative services." (11 CFR §

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§104.3(b)(3) and 104.10(a)(4))

Additional clarification regarding inadequate purposes of disbursement published in the Federal Register can be found at: [http://www.fec.gov/law/policy/purposeofdisbursement/inadequate\\_purpose\\_list\\_3507.pdf](http://www.fec.gov/law/policy/purposeofdisbursement/inadequate_purpose_list_3507.pdf)

7. Schedules H5 and L-B of your report discloses a transfer-in of \$30,000 from your Levin account for Generic campaign activity; however, a Schedule H6 has not been filed to disclose any payments for allocable Federal Election Activity, which is necessary to support such a transfer-in.

Please be advised that transfers for allocated Federal Election Activity must not exceed the Levin share of the allocated disbursements and that these transfers must be made within a 70-day time period: no more than 10 days before and no more than 60 days after payment to the vendor. 11 CFR §300.33(d)(2) In addition, unless your Levin account is reimbursing your federal account for allocable Federal Election Activity, the transfer-in of funds from a Levin account is prohibited by 11 CFR §102.5(a)(1)(i) and §300.30(b)(3). Please clarify the nature of this transfer-in from the Levin account.

The Commission recommends that you immediately transfer the impermissible funds received by your federal account, back to your Levin account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

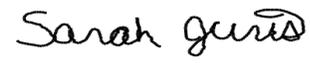
**Please note, you will not receive an additional notice from the Commission on this matter.** Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions 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) 694-1175.

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Sincerely,

A handwritten signature in black ink that reads "Sarah Juris". The signature is written in a cursive, flowing style.

Sarah Juris  
Senior Campaign Finance Analyst  
Reports Analysis Division

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