



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

April 1, 2009

Timothy Lee, Treasurer
Arizona Republican Party
3501 North 24th Street
Phoenix, AZ 85016

Response Due Date:
May 1, 2009

Identification Number: C00008227

Reference: Amended 30 Day Post-General Report (10/16/08-11/24/08), received
12/18/08

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 8 items:

1. Your amended report discloses additional receipts and disbursements totaling \$25,000 and \$50,000 respectively on Line(s) 12 and 29 of the Detailed Summary Page that were not disclosed on your original report. The Commission notes the memo text attached to your report stating, "Please note that once reconciling the bank accounts a transfer of \$25,000 from the RNC and \$50,000 to the non federal account were discovered. The reports are being amended to reflect these changes." Although the Commission may take further legal action concerning this matter, your clarification and any additional clarification you may have will be taken into consideration. 11 CFR §104.3

2. Schedule A supporting Line(s) 11(c) of your report discloses a receipt(s) from "David Schweikert for Congress" which requires further clarification. For example, if this activity represents a transfer of funds, please indicate "transfer" on Schedule A supporting Line 11(c) of your report. If this activity represents a reimbursement for services provided to this committee, please indicate this on Schedule A supporting Line 15 of your report. Please amend your report to clarify the type of activity this receipt(s) represents.

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3. On Schedule H6 supporting Line 30(a) of the Detailed Summary Page, you have not included the full name and/or mailing address for the payment made to "McKinney, K." Please amend your report accordingly.

4. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B for Line 30(b) of your report to clarify the following description(s): "FEA Collateral materials." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

5. Schedule B supporting Line 30(b) of your report discloses a payment(s) for "FEA Collateral/signs" and "FEA Collateral materials" which is 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 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 L-B supporting Line 5 of Schedule L of your report discloses \$8,369.72 in disbursements for "FEA GOTV Postage," which appears to be a payment(s) made for Federal Election Activity with 100% Levin funds. Please be advised that a State, district, or local committee of a political party may pay for Federal Election Activity expenses either entirely with Federal funds or with an allocation of Federal and Levin funds. It appears you have used impermissible funds to pay for this allocable Federal Election Activity. 11 CFR §300.32(c)(4)

Please be advised that 11 CFR §102.5 prohibits a non-federal or Levin account from financing activity in connection with federal elections. The

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Commission recommends that you immediately transfer the federal portion of this allocable Federal Election Activity to your non-federal or Levin account and disclose this transaction as a transfer-out on Schedule B supporting Line 22 of the Detailed Summary Page, and as a receipt on Schedule L-A supporting Line 2 of Schedule L, or provide clarifying information regarding the apparent impermissible payment(s).

Although the Commission may take further legal action regarding the activity conducted by your non-federal or Levin account, any clarifying information that you can provide will be taken into consideration.

7. The Schedule L Aggregation Page of your report discloses a negative ending cash balance of \$-17,420.67 for the "LEVIN ACCO" account. This suggests that you have either overdrawn your account, made a mathematical error, or incurred a debt. Please amend your report to provide clarifying information regarding this apparent discrepancy.

8. Schedule B supporting Line 29 discloses \$50,000 in transfers to what appears to be a non-federal account of your committee. Please provide further clarification regarding this transfer(s) to your non-federal account.

You are advised that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections. If any of these disbursements were made to influence the election or defeat of specific federal candidates, the disbursements should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, independent expenditures on Schedule E supporting Line 24, or as coordinated expenditures on Schedule F supporting Line 25. 11 CFR §§104.3(b)(3) and 106.1 In addition, 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 ensure future compliance with allocation regulations.

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.**

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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) 694-1152.

Sincerely,



Rosa G. Lewis
Senior Campaign Finance Analyst
Reports Analysis Division

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