FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

William J. McManus, Treasurer
Republican National Committee - RNC
310 First Street, S.E.
Washington, DC 20003

SEP 7 1994

Identification Number: C00003418

Reference: July Monthly Report (6/1/94-6/30/94)

Dear Mr. McManus:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule H3 discloses receipt of $3,171.13 from your non-federal account for a fundraising event(s) which was listed as 100% non-federal on Schedules H2 and H4. A committee is permitted to pay the entire amount of an allocable activity from its federal account and receive a transfer(s) from its non-federal account solely to cover the non-federal share of the allocable expense(s). 11 CFR §106.5(g)(1). However, a 100% non-federal fundraising event does not fall within the definitions of an allocable expense, and constitutes an impermissible transfer of funds received by your federal account from your non-federal account.

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

-Schedule B supporting Line 22 of the Detailed Summary Page discloses a $3,000.00 disbursement to Master Entertainment; however, you have failed to provide the ultimate recipient of this apparent in-kind transfer. Please amend your report to disclose the committee receiving the goods or services from this in-kind transfer.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this

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