



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

November 29, 2012

H O'NEIL WILLIAMS, TREASURER
DONALD M PAYNE JR FOR CONGRESS
P. O. BOX 2406
NEWARK, NJ 07114

Response Due Date
01/03/2013

IDENTIFICATION NUMBER: C00519355

REFERENCE: JULY QUARTERLY REPORT (05/17/2012 - 06/30/2012)

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 **11** item(s):

1. The totals listed on Line(s) 6(a), 6(c), 7(a), 7(c), 11(a)(iii), 11(c), 11(e), 16, 17, and 22, Column B of the Summary and Detailed Summary Page(s) appear to be incorrect. Column B figures for the Summary and Detailed Summary Pages should equal the sum of the Column B figures on your previous report and the Column A figures on this report. Please file an amendment to your report to correct the Column B discrepancies for this report and all subsequent report(s) which may be affected by this correction. Note that Column B should reflect only the election cycle-to-date totals (11/3/10 through 11/6/12). (2 U.S.C. § 434(b) and 11 CFR § 104.3)
2. Your report discloses a negative ending cash balance of \$8,421.06. This suggests that you have overdrawn your account, made a mathematical error, or incurred a debt. If your committee has incurred a debt or obligation, please itemize this debt on Schedule D, show a zero balance on Line 8 of the Summary Page and include the amount on Line 10. If the negative ending cash balance is a result of an overdraft, it may constitute a prohibited bank contribution unless it is made on an account that has automatic overdraft protection with usual and customary interest rates and a definite repayment schedule. Please file an amendment to your report to accurately disclose your financial activities. (2 U.S.C. § 434(b)(8) and 11 CFR § 104.3(d))
3. Schedule A of your report discloses one or more contributions that appear to be from a corporation(s) and/or labor organization(s) (see attached). 2 U.S.C. §

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441b(a) and 11 CFR § 103.3(b) prohibit the receipt of contributions from corporations and labor organizations unless made from separate segregated funds established by the corporations and labor organizations.

If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you must amend your original report with clarifying information.

If you have received prohibited contributions, you must make a refund within 30 days of the treasurer becoming aware of the illegality of the contribution. (11 CFR § 103.3(b)(1) and (2))

If you have not already done so, please inform the Commission of your corrective action immediately in writing and provide a photocopy of any refund checks. Refunds must be reported on a Schedule B supporting Line 20(a) of the report covering the period in which the refund is made. (11 CFR § 104.8(d)(4))

Although the Commission may take further legal action concerning the acceptance of prohibited contributions, your prompt action to refund the prohibited amount will be taken into consideration.

4. Schedule A of your report discloses one or more contributions that appear to exceed the limits set forth in the Act (see attached).

An individual or a political committee other than an authorized committee or qualified multi-candidate committee may not make a contribution(s) to a candidate for federal office in excess of \$2,500 per election. An authorized committee may not make a contribution(s) to a candidate for federal office in excess of \$2,000 per election. A qualified multi-candidate committee and all affiliated committees may not make a contribution(s) to a candidate for federal office in excess of \$5,000 per election. The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. § 441a(a) and (f); 11 CFR § 110.1(b), (e) and (k))

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you must amend your original report with the clarifying information. If any contribution you received exceeds the limits, you may have to refund the excessive amount.

Excessive contributions may be retained if, within 60 days of receipt, the

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excessive portions are properly redesignated or reattributed. Guidelines for each option are provided below.

For reattributions, excessive contributions from individuals can be retained if, within 60 days of receipt, the excessive amount is properly reattributed to another person. Please note that reattributions only apply to excessive contributions from individuals. An excessive contribution is considered properly reattributed if (1) the contributors provide the committee with written documentation, signed by each contributor, authorizing a reattribution and indicating the amount of the contribution to be attributed to each contributor; or (2) the committee reattributes by presumption the excessive portion of the contribution if the contribution was made on a written instrument from a joint account and was signed by only one of the account holders. In this case, the treasurer must notify the contributors in writing within 60 days of receiving the contribution that the committee intends to reattribute the excessive portion and must give the contributor an opportunity to request a refund. (11 CFR § 110.1(k)(3)(ii)(B))

For redesignations, the funds can be retained if, within 60 days of receipt, the excessive amount is properly redesignated for a different election. An excessive contribution is considered properly redesignated if (1) the committee obtains signed written documentation from the contributor(s) authorizing the redesignation of the contribution for another election, provided that the new designation does not exceed the limitations on contributions made with respect to that election; or (2) your committee redesignates by presumption the excessive portion of the contribution for another election provided that the new designation does not exceed the limitations on contributions made with respect to that election. In this case, the treasurer must notify the contributor of the redesignation in writing within 60 days of the treasurer's receipt of the contribution. The notification must give the contributor an opportunity to request a refund. (11 CFR § 110.1(b)(5)(ii)(B)) Please note that you cannot presumptively redesignate an excessive contribution from a multi-candidate committee. Also, a contribution can only be redesignated to a previous election to the extent that the contribution does not exceed the committee's net debts outstanding for that election. (11 CFR § 110.1(b)(3)(i))

If the foregoing conditions for reattributions or redesignations are not met within 60 days of receipt of the contribution, the excessive amount must be refunded. See 11 CFR § 103.3(b)(1).

If you have not already done so, please inform the Commission of your

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corrective action immediately in writing and provide photocopies of any refund checks and/or letters reattributing or redesignating the contributions in question. Refunds are reported on Line 20(a), (b), or (c), as applicable, of the Detailed Summary Page and on a supporting Schedule B of the report covering the period in which they are made. Redesignations and reattributions are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation and/or reattribution is received. (11 CFR § 104.8(d)(2), (3) and (4))

Although the Commission may take further legal action concerning the acceptance of excessive contributions, your prompt action to refund, redesignate, and/or reattribute the excessive amount will be taken into consideration.

5. Schedule A of your report discloses one or more contributions from an organization(s), which is not a political committee registered with the Commission (see attached). In order for your committee to accept contributions from unregistered organizations, your committee should take steps to ensure that the contributor(s) used permissible funds to make the contribution(s) to avoid violating 2 U.S.C. §§441a(f) and 441b or 11 CFR §102.5(b). Under 11 CFR §102.5(b), organizations which are not political committees under the Act and choose to contribute to federal committees must either: (1) establish a separate account which contains only those funds permitted under the Act, or (2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution.

If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. In addition, please clarify whether the contribution(s) received from the referenced organization(s) is permissible.

If you have received prohibited contributions, you must make a refund. (11 CFR § 103.3(b)(1)) The refund must be made within 30 days of the treasurer becoming aware of the illegality of the contribution. (11 CFR § 103.3(b)(2))

If you have not already done so, please inform the Commission of your corrective action immediately in writing and provide a photocopy of any refund checks. Refunds must be reported on a Schedule B supporting Line 20(b) of the report covering the period in which the refund was made. (11 CFR § 104.8(d)(4))

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Although the Commission may take further legal action concerning the acceptance of prohibited contributions, your prompt action to refund the prohibited amount will be taken into consideration.

6. Schedule A of your report indicates that your committee may have failed to file one or more of the required 48-hour notices regarding "last minute" contributions received by your committee after the close of books for the 12-Day Pre-Primary Report (see attached). A principal campaign committee must notify the Commission, in writing, within 48 hours of any contribution of \$1,000 or more received between two and twenty days before an election. These contributions are then reported on the next report required to be filed by the committee. To ensure that the Commission is notified of last minute contributions of \$1,000 or more to your campaign, it is recommended that you review your procedures for checking contributions received during the aforementioned time period. The failure to file 48-hour notices may result in civil money penalties or legal enforcement action. If any contribution of \$1,000 or more was incorrectly reported, you must amend your original report with the clarifying information. (11 CFR § 104.5(f))

7. Your committee filed 48-hour notices reporting the following "last minute" contributions (see attached). However, these contributions do not appear on Schedule A of this report. Please amend your report to include these contributions or provide an explanation of these apparent discrepancies. (11 CFR § 104.3(a)(4)(i))

8. Commission Regulations require that a committee discloses the identification of all individuals who contribute in excess of \$200 in an election cycle. (11 CFR § 104.3(a)(4)(i)) Identification for an individual is defined as the full name (initials for first or last name are not acceptable), complete mailing address, occupation, and name of employer. (11 CFR § 100.12) Your report discloses contributions from individuals for which the identification is not complete.

The following employer and occupation entries appear on your report and are not considered acceptable: "Information Requested/Information Requested" and "Self/Information Requested."

You must provide the missing information, or if you are unable to do so, you must demonstrate that "best efforts" have been used to obtain the information. To establish "best efforts," you must provide the Commission with a detailed description of your procedures for requesting the information. Establishing "best efforts" is a three-fold process.

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First, your original solicitation must include a clear and conspicuous request for the contributor information and must inform the contributor of the requirements of federal law for the reporting of such information. (11 CFR § 104.7(b)(1)) See 11 CFR § 104.7(b)(1)(B) for examples of acceptable statements regarding the requirements of federal law.

Second, if the information is not provided, you must make one follow-up, stand alone effort to obtain this information, regardless of whether the contribution(s) was solicited or not. This effort must occur no later than 30 days after receipt of the contribution and may be in the form of a written request or an oral request documented in writing. (11 CFR § 104.7(b)(2)) The requests must:

- clearly ask for the missing information, without soliciting a contribution;
- inform the contributor of the requirements of federal law for the reporting of such information, and
- if the request is written, include a pre-addressed post card or return envelope.

Third, if you receive contributor information after the contribution(s) has been reported, you should either a) file with your next regularly scheduled report, an amended memo Schedule A listing all the contributions for which additional information was received; or b) file on or before your next regularly scheduled reporting date, amendments to the report(s) originally disclosing the contribution(s). (11 CFR § 104.7(b)(4))

Please amend your report to provide the missing information or a detailed description of your procedures for requesting the information. For more information on demonstrating "best efforts," please refer to the Campaign Guide.

9. Itemized disbursements must include a brief statement or description of why each disbursement was made. Please amend Schedule B supporting Line 17 of your report to clarify the following description(s): "Consulting" and "Bonus." For further guidance regarding acceptable purposes of disbursement, please refer to 11 CFR 104.3(b)(4)(i)(A).

Additional clarification regarding inadequate purposes of disbursement published in the Federal Register is available on the FEC website at www.fec.gov/law/policy/purposeofdisbursement/inadequate_purpose_list_3507.pdf. A non-exhaustive list of acceptable purposes is also available on the FEC website at <http://www.fec.gov/rad/pacs/documents/ExamplesofAdequate>

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Purposes.pdf.

10. When a committee reports receiving a loan from the candidate, it is necessary to clarify whether or not the candidate used personal funds or borrowed the money from a lending institution or some other source. Please amend your report to indicate whether the loan is from the candidate's personal funds or if he/she obtained the loan from a bank loan, brokerage account, credit card, home equity line of credit, or other line of credit.

If the candidate loan was obtained from a lending institution, you must also file a Schedule C-1 with the Commission, providing the name of the lending institution and the complete terms of the loan between the candidate and the lending institution. Schedule C-1 can be downloaded from the FEC website at <http://www.fec.gov>, or requested through the FEC Faxline at (202) 501-3413. Electronic filers must submit the Schedule C-1 electronically.

If the loan(s) was from personal funds, please acknowledge that fact in an amendment to this report. It is important to note that "personal funds" is strictly defined by Commission Regulations. See 11 CFR §100.33.

11. Schedule C of your report fails to include information required by Commission regulations. With every report submitted, you must provide the date incurred, the original source and amount of the loan, the due date, the interest rate, the cumulative payment, and the outstanding balance. In addition, if there are any endorsers or guarantors, their mailing address, along with the name of their employer and occupation, must be disclosed. Please amend your report to include the due date for the following loan(s): "Mr. Donald M. Payne Jr." (11 CFR §§ 100.52(a), 100.52(b) and 104.3(d))

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.

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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) 694-1393.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul R. Stoetzer". The signature is written in a cursive style with a large, stylized initial "P".

Paul Stoetzer
Campaign Finance Analyst
Reports Analysis Division

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**Excessive, Prohibited, and Impermissible Contributions
Donald M. Payne, Jr. for Congress (C00519355)**

Excessive Contributions from Individuals

Contributor Name	Date	Amount	Election
Manzoni, Cosimo	5/17/2012	\$1,250.00	P2012
Manzoni, Cosimo	5/25/2012	\$2,500.00	P2012
Shauger, Donald	5/24/2012	\$2,500.00	P2012
Shauger, Donald	5/25/2012	\$2,500.00	P2012

Excessive Contributions from Committees

Contributor Name	Date	Amount	Election
International Longshoremen's Association Committee	5/23/2012	\$5,000.00	P2012
International Longshoremen's Association Committee	5/23/2012	\$5,000.00	P2012

Contributions from Possible Prohibited Entities

Contributor Name	Date	Amount	Election
The Incubator Inc	5/21/2012	\$500.00	P2012
El Merengue Restuarant Inc	5/29/2012	\$500.00	P2012

Contributions from Unregistered Organizations

Contributor Name	Date	Amount	Election
Committee to Elect Anibal Ramos Jr. for Newark City Council	5/31/2012	\$1,000.00	P2012
Committee to Elect Sheila Oliver	6/29/2012	\$1,000.00	P2012
Committee To Re-Elect Anibal Ramoc JR	5/29/2012	\$1,000.00	P2012
Liberian Committee Association of NJ	5/29/2012	\$241.00	P2012
Luciano 4 Freeholder	5/25/2012	\$250.00	P2012

Missing 48-Hour Notices**Donald M. Payne, Jr. for Congress (C00519355)**

Contributor Name	Date	Amount	Election
Prudential Financial Inc. State & Federal PAC	5/17/2012	\$3,000.00	P2012
International Longshoremen's Association Committee	5/23/2012	\$5,000.00	P2012
International Longshoremen's Association Committee	5/23/2012	\$5,000.00	P2012
Shauger, Donald	5/24/2012	\$2,500.00	P2012
Mason, Elizabeth A.	5/29/2012	\$2,500.00	S2012
IBEW Local 351 State PAC Fund	5/29/2012	\$4,000.00	P2012
Mason, Elizabeth A.	5/31/2012	\$2,500.00	P2012
Payne, Donald M Jr.	5/31/2012	\$58,000.00	P2012

**48-Hour Notices with No Contributions on Schedule A
Donald M. Payne, Jr. for Congress (C00519355)**

Contributor Name	Date	Amount
AMERIPAC: The Fund For A Greater America	5/25/2012	\$5,000.00
Hoyer for Congress	5/25/2012	\$2,000.00
McEnerney, Brady & Company, LLC	5/25/2012	\$1,000.00
Retail, Wholesale & Department Store Union Committee On Political Education (RWDSU COPE)	5/29/2012	\$5,000.00
American Association For Justice Political Action Committee (AAJ PAC)	5/31/2012	\$5,000.00
Lum, Drasco, Positan, LLC	5/31/2012	\$1,000.00
Robert Caufield	6/2/2012	\$2,500.00
Gerville Gibbs Jr.	6/2/2012	\$1,500.00
John Sakellaris	6/2/2012	\$1,000.00