

RQ-2

April 21, 2019

BRIAN WESTRATE, TREASURER REPUBLICAN PARTY OF WISCONSIN 148 E. JOHNSON ST. MADISON, WI 53703

Response Due Date 05/28/2019

IDENTIFICATION NUMBER: C00074450

REFERENCE: OCTOBER MONTHLY REPORT (09/01/2018 - 09/30/2018)

#### 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 enforcement action. Additional information is needed for the following 3 item(s):

1. Schedule B supporting Line 30(b) of your report discloses payments for "NON-ALLOCABLE MAIL" 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.

2. The limitation on making coordinated party expenditures on behalf of a House candidate in the State of Wisconsin for the 2018 general election is \$49,700. Your reports, however, disclose coordinated party expenditures made

### REPUBLICAN PARTY OF WISCONSIN

Page 2 of 3

on behalf of BRYAN STEIL totaling \$96,000, which appear to exceed the limitations under 52 U.S.C. §30116(d) (formerly 2 U.S.C. §441a(d)) (see attached).

If any apparently excessive expenditure in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

If you have made an excessive coordinated party expenditure, you must notify the candidate and request a refund of the amount in excess of the limitation.

Please inform the Commission of your corrective action promptly in writing and provide a photocopy of the refund request sent to the candidate. In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received.

Although the Commission may take further legal action concerning the excessive coordinated party expenditures, prompt action in obtaining a refund will be taken into consideration. (11 CFR §103.3(b)(1) and (3))

**3.** Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "PAYROLL" and "PAYROLL TAX". 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.

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

### REPUBLICAN PARTY OF WISCONSIN

Page 3 of 3

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. For additional information about the report review process or specific filing information for your committee type, please visit http://transition.fec.gov/rad/. 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) 694-1173.

Sincerely,

Sincerely,

Kevin McQueen

Senior Campaign Finance Analyst

Reports Analysis Division

329

# Apparent Impermissible, Excessive, and Prohibited Contributions Republican Party of Wisconsin (C00074450)

# **Apparent Excessive Coordinated Expenditure on Behalf of a Candidate**

<b>Recipient Name</b>	Date	Amount	Election	Report
STEIL, BRYAN	9/24/18	\$96,000.00	G2018	2018 October Monthly