



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

January 2, 2023

ROBERT PHILLIPS III, TREASURER
KAROLINE FOR CONGRESS
PO BOX 307
PLAISTOW, NH 03865

Response Due Date
02/06/2023

IDENTIFICATION NUMBER: C00784884

REFERENCE: 30 DAY POST-GENERAL REPORT (10/20/2022 - 11/28/2022)

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 5 item(s):

1. Schedule A of your report discloses one or more contributions that appear to be from a limited liability corporation(s) (LLC) (see attached). 11 C.F.R. §110.1(g) allows the receipt of contributions from LLCs providing the LLC is treated as a partnership for tax purposes, and has not elected to be treated as a corporation by the Internal Revenue Service (IRS). Both LLCs that claim corporate status and those that are publicly traded would be treated as corporations for FECA purposes.

Please amend your report to clarify if the LLCs in question are treated as partnerships. If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you must amend your original report with clarifying information. 52 U.S.C. § 30116(f) prohibits a candidate for federal office from accepting contributions from a person in excess of \$2,900 per election. A partnership is included in the definition of "person" under 52 U.S.C. § 30101(11) (formerly 2 U.S.C. §431(11)).

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(a) of the

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report covering the period in which the refund was 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.

2. 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 (to include loans, in-kind contributions, and advances) received by your committee after the close of books for the **12 Day Pre-General 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. (11 CFR § 104.5(f))

If any contribution of \$1,000 or more was incorrectly reported, you must amend your original report with the clarifying information.

3. 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))

4. Schedule A of your report discloses contributions earmarked through a conduit but fails to disclose required information for the Winred conduit(s).

Please be reminded that when a committee receives an earmarked contribution(s) through an allowable conduit, each individual contribution must be itemized when the individual's total contributions to your committee aggregate over \$200 per election cycle. This itemization must include the full name, address, occupation, and employer of the individual contributor along with the date the contribution(s) was received by the conduit. Any un-itemized contributions received through the conduit must be included in your totals on Line 11(a)(ii) of the Detailed Summary Page.

In addition, information regarding the conduit or intermediary for each

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contribution must be itemized on Schedule A as a memo entry. The conduit's full name and address (and occupation and employer if the conduit is an individual) must also be provided, along with the date the contribution(s) was received by your committee and the total amount of earmarked contributions received from the conduit.

Please amend your report to disclose the proper format for earmarked contributions received from a conduit or intermediary. Please clearly indicate which conduit memo entry corresponds to each earmarked contribution. You can refer to the FEC Campaign Guide for Congressional Candidates and Committees for further guidance on how to report earmarked contributions through a conduit (11 CFR § 110.6(c)(2))

5. 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 **attached** employer and occupation entries appear on your report and are not considered acceptable.

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.

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)(i)(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;

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- 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.

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. For information about the report review process or specific filing information for your committee type, please visit www.fec.gov/help-candidates-and-committees. For more information about Requests for Additional Information (RFAI), why you received a letter, and how to respond, please visit www.fec.gov/help-candidates-and-committees/request-additional-information. Should you 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) 694-1167.

Sincerely,



Denise Stilla
Senior Campaign Finance Analyst

Apparent Excessive, Prohibited, and Impermissible Contributions
Karoline for Congress (C00784884)

Contributions from Possible Prohibited Entities

Contributor Name	Date	Amount	Election
Chestnut Realty Partners LLC	11/2/22	\$1,000.00	G2022
Crescent Group LLC	10/28/22	\$2,000.00	G2022

Missing 48-Hour Notices
Karoline for Congress (C00784884)

Contributor Name	Date	Amount	Election
Melli, Ali	10/28/22	\$2,900.00	G2022

**Incorrectly Reported Receipts on 48-Hour Notices
Karoline for Congress (C00784884)**

48-Hour Notices Filed/Contributions Not Disclosed on Schedule A

Contributor Name	Date	Amount
Brady, Patrick	10/24/22	\$1,000.00
Chesapeake PAC	10/25/22	\$2,500.00
Chip Roy for Congress	10/24/22	\$1,000.00
Christopher, Steve	10/27/22	\$2,900.00
Conway, Susan	10/24/22	\$1,000.00
Crawford, Gabriela	10/24/22	\$1,000.00
Garcia Quintana, CPA Javier M.	10/25/22	\$2,900.00
Gonzalez, Ivan	10/23/22	\$2,900.00
Irizarry, Thomas	10/26/22	\$1,400.00
Novoa, Luis	10/25/22	\$1,000.00
Plaza, Keishla	10/24/22	\$2,900.00
Sanchez, Carlos	10/25/22	\$2,900.00
Stahl, Lewis	10/23/22	\$5,800.00
Suarez, Jorge	10/26/22	\$1,500.00
Valentin, Leornado	10/23/22	\$2,900.00
Valentin, Leornado	10/25/22	\$2,900.00
Valentin, Wilmer	10/25/22	\$2,900.00
Vega Perez, Melvin	10/25/22	\$2,900.00

48-Hour Notices Filed/Only Partial Contributions Disclosed on Schedule A

Contributor Name	Date	Amount
Richards, Daniel	10/23/22	\$5,800.00

Inadequate Employer/Occupation Entries
Karoline for Congress (C00784884)

Employer	Occupation
Best efforts	Best efforts
Best efforts	Teacher
Best efforts to collect data	Best efforts to collect data
Blank	Blank
Dd	Dd
Info requested	Info requested
N/A	N/A
Self	Small business owner
Self	Taxpayer
Self	CFI
Self	Restaurant owner
Self employed	Businessman
Self employed	President
Self Employed	Self Employed
Who cares	Baker