



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 13, 2011

MEMORANDUM

To: Lynn M. Fraser
Director
Office of Alternative Dispute Resolution

Through: Alec Palmer *AP*
Acting Staff Director

From: Patricia Carmona *PC*
Chief Compliance Officer

Joseph F. Stoltz *JFS*
Assistant Staff Director
Audit Division

Thomas J. Nurthen *TJN*
Audit Manager

By: Brenda E. Wheeler *BW*
Lead Auditor

Subject: Hillary Clinton for President (A08-05) - Referral Matter

On April 7, 2011, the Commission approved the final audit report on Hillary Clinton for President. The final audit report includes the following matter that is referable:

Receipt of Contributions that Exceed Limits. The Committee received excessive contributions, totaling \$21,400, from other political committees. Although referable when compared to the total contributions received from all other political committees, the amount in question represents a very small amount of total receipts (\$21,400 / \$253,000,000). Therefore, this matter may not warrant any additional Commission resources.

All workpapers and related documentation are available for review in the Audit Division. Should you have any questions regarding this matter, please contact Brenda Wheeler or Tem Nurthen at 694-1200.

Attachment: Finding - Receipt of Contributions that Exceed Limits

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Commission Finding

Receipt of Contributions that Exceed Limits

Summary

The Audit staff's review of contributions from other political committees indicated that HCFP failed to timely resolve excessive contributions totaling \$21,400. The contributions were either designated to the general election by the contributing committee or presumptively redesignated by HCFP.

HCFP provided documentation indicating the contributions have been refunded. In response to the Interim Audit Report recommendation, HCFP's legal counsel noted that the amount was a small part of the total receipts and explained that the excessive contributions were due to three minor databasc errors imdvertently overlonked by HCFP. When the contributions were brought to HCFP's attention, it took appropriate steps to return the funds.

The Commission approved this finding.

Legal Standard

A. Authorized Committee Limits. An authorized committee may not receive more than a total of \$2,300 per election from any one person or \$5,000 per election from a multicandidate political committee. 2 U.S.C. §441a(a)(1)(A), (a)(2)(A), and (f); 11 CFR §§110.1(a) and (b), 110.2(b), and 110.9.

B. Handling Contributions That Appear Excessive. If a committee receives a contribution that appears to be excessive, the committee must either:

- Return the questionable check to the donor; or
- Deposit the check into its federal account and:
 - Keep enough money in the account to cover all potential refunds;
 - Keep a written record explaining why the contribution may be illegal;
 - Include this explanation on Schedule A if the contribution has to be itemized before its legality is established;
 - Seek a reattribution or a redesignation of the excessive persion, following the instructions provided in the Commission regulations; and
 - If the committee does not receive a proper reattribution or redesignation within 60 days after receiving the excessive contribution, refund the excessive portion to the donor. 11 CFR §§103.3(b)(3), (4) and (5) and 110.1(k)(3)(ii)(B).

C. General Election Contributions. If a candidate is not a candidate in the general election, any contributions made for the general election shall be refunded to the contributors or redesignated in accordance with 11 CFR §§110.1(b)(5) or 110.2(b)(5), as appropriate. 11 CFR §102.9(e)(3).

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Facts and Analysis

A. Facts

A review of contributions from other political committees revealed HCFP received excessive contributions from 10 political committees totaling \$21,400, which were unresolved. The contributions were either designated to the general election by the contributing committee or presumptively redesignated to the general election by HCFP. Since the Candidate did not run in the general election, these contributions were required to be refunded. HCFP maintained sufficient funds to make the necessary refunds.

B. Interim Audit Report & Audit Division Recommendation

The Audit staff discussed this matter at the exit conference and provided HCFP representatives with a schedule of the apparent excessive contributions. In response to the exit conference, HCFP submitted copies of refund checks totaling \$21,400. The refund checks have been negotiated and were traced to the appropriate bank account.

The Audit staff recommended that HCFP provide any comments it deemed necessary with respect to this matter.

C. Committee Response to Interim Audit Report

HCFP's legal counsel noted that the amount was a small part of total receipts and explained that excessive contributions were due to three minor database errors that were overlooked inadvertently. Counsel noted that the contributions were refunded when brought to HCFP's attention.

D. Draft Final Audit Report

The Draft Final Audit Report acknowledged HCFP's efforts in resolving this matter.

Commission Conclusion

The Commission approved this finding.