



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

APR 17 2007

Timothy Lee, Treasurer
Arizona Republican Party
3501 North 24th Street
Phoenix, AZ 85016

RE: MUR 5909
Arizona Republican Party

Dear Mr. Lee:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission (the "Commission") became aware of information suggesting that the Arizona Republican Party (the "Committee") and you, in your official capacity as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). On April 4, 2007, the Commission found reason to believe that the Committee and you, in your official capacity as treasurer, violated 2 U.S.C. § 434(b), a provision of the Act. Enclosed is the Factual and Legal Analysis that sets forth the basis for the Commission's determination.

We have also enclosed a brief description of the Commission's procedures for handling possible violations of the Act. In addition, please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. *See* 18 U.S.C. § 1519. In the meantime, this matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed Designation of Counsel form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

We look forward to your response.

Sincerely,



Robert D. Lenhard
Chairman

Enclosures

Factual and Legal Analysis

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Arizona Republican Party and Timothy Lee,
in his official capacity as treasurer

MUR 5909

I. BACKGROUND

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

II. FACTUAL AND LEGAL ANALYSIS

The Arizona Republican Party (the "ARP") is the state committee of the Republican Party for Arizona as defined at 2 U.S.C. § 431(15) and 11 C.F.R. § 100.14(a). The ARP amended its 2006 April Monthly Report to disclose additional receipts totaling \$232,238, a 215% increase over the financial activity reported in its original 2006 April Monthly Report.

The ARP filed its 2006 April Monthly Report on April 20, 2006. On May 17, 2006, 27 days after it submitted its original report, the ARP filed an amendment to the report disclosing \$232,238 in additional receipts on its Schedule A (Itemized Receipts). On July 5, 2006, the Reports Analysis Division ("RAD") issued a Request for Additional Information ("RFAI") inquiring, *inter alia*, about the increased activity that was not disclosed on the ARP's original 2006 April Monthly Report.

On August 2, 2006, the ARP amended its 2006 April Monthly Report a second time. The ARP disclosed no additional receipts on the Schedule A of this second amendment, but included memo text explaining the increased activity on its initial amendment. The memo text stated, "The difference in the original [report] filed and the amendment in receipts and disbursements

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was due to a late discovery of lack of dat[a] entered into the reporting software. We filed the original report with what was entered at the time of the due date, entered and corrected the remaining data for the month and submitted an amendment." The ARP further stated: "This occurrence has not happened before and measures have been taken to ensure the data entry is finished correctly in a timely manner." On August 22, 2006, the RAD analyst contacted a representative of the ARP, who explained that a new employee had filed the report and that she thought it was better to file with incomplete information and amend later rather than to file late.

The treasurer of a political committee must file reports of all receipts and disbursements in accordance with the Act. 2 U.S.C. § 434(a)(1). A committee filing on a monthly schedule shall file monthly reports by the 20th day of the following month and such reports shall disclose the total amount of all receipts for that reporting period and calendar year. 2 U.S.C.

§§ 434(a)(4)(B) and 434(b)(2). The ARP did not comply with these reporting requirements when it failed to disclose \$232,238 in receipts in its original 2006 April Monthly Report.

Therefore, there is reason to believe the Arizona Republican Party and Timothy Lee, in his official capacity as treasurer, violated 2 U.S.C. § 434(b).

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