



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

William J. Ellis, Chairman
Smithtown Republican Committee
35 Manor Road, Suite 4
Smithtown, New York 11787

APR 11 2017

RE: MUR 6985
Smithtown Republican Victory Fund

Dear Mr. Ellis:

On November 24, 2015, the Federal Election Commission notified Smithtown Republican Victory Fund of a complaint alleging violation of certain sections of the Federal Election Campaign Act of 1971, as amended.

On March 23, 2017, the Commission found, on the basis of the information in the complaint and other information, that there is no reason to believe that Smithtown Republican Victory Fund violated the Act. Accordingly, the Commission closed the file in this matter as it pertains to Smithtown Republican Victory Fund. The Factual and Legal Analysis, which more fully explains the Commission's finding, is enclosed for your information.

The Commission reminds you that the confidentiality provisions of 52 U.S.C. § 30109(a)(12)(A) remain in effect, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

If you have any questions, please contact Elena Paoli, the attorney assigned to this matter, at (202) 694-1548 or epaoli@fec.gov.

Sincerely,

A handwritten signature in cursive script that reads "Mark Allen".

Mark Allen
Assistant General Counsel

Enclosure
Factual and Legal Analysis

REPRODUCTION

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Smithtown Republican Victory Fund

I. INTRODUCTION

This matter was generated by a complaint filed with the Federal Election Commission alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by Smithtown Republican Victory Fund.

II. FACTUAL AND LEGAL ANALYSIS

In 2013, Lee Zeldin was a state senator in Suffolk County, New York. On October 7, 2013, Zeldin announced that he would seek the U.S. House seat in New York's First Congressional District in 2014. The Commission received Zeldin's Statement of Candidacy on October 21, 2013.

The State Committee remained active while Zeldin completed his state senate term and campaigned for the U.S. House.¹ New York State allows state candidates to receive contributions that would be impermissible under the Act; for example, a corporation can contribute \$5,000 to a candidate per year.² During the 2012 and 2014 election cycles, the contribution limit for a state senate candidate was \$6,500 for the primary election and \$10,300

¹ The State Committee terminated on April 28, 2016. See New York State Board of Elections campaign finance disclosure website (http://www.elections.ny.gov:8080/plsql_browser/getfiler2_loaddates). It does not appear that Zeldin ever sought to be a candidate for the state senate seat in 2014.

² See N.Y. ELEC. LAW § 14-116(2) (McKinney 2016).

1. impermissible the requestor's plan to use surplus state funds to make indirect transfers to the
2 requestor's federal committee.¹⁰

3 A review of the available information reveals that most of the alleged reciprocal
4 contributions do not match up closely in amounts or time.¹¹ For example, in the first transaction
5 identified in the Complaint, the State Committee contributed \$500 to the Committee to Elect a
6 Republican Majority ("CERM") on October 25, 2013, and CERM contributed \$1,000 to the
7 Federal Committee on March 20, 2014, about five months later.¹² Similarly, the second such
8 identified transaction involves a \$100 transfer from the State Committee to the Smithtown
9 Women's Republican Club in early December 2013 and a \$500 contribution from that group to
10 the Federal Committee over seven months later.¹³ The closest alleged reciprocal contribution
11 appears to involve Islip Town Conservative Executive Committee ("ITCEC"). On January 25,
12 2014, the State Committee contributed \$1,000 to ITCEC, and on March 19, 2014, ITCEC
13 contributed the same amount to the Federal Committee.

14 For its part, Smithtown Republican Victory Fund ("SRVF") received the following
15 donations from the State Committee:

- 16 • January 16, 2014 -- \$1,500
- 17 • January 25, 2014 -- \$1,000
- 18 • April 16, 2014 -- \$500

¹⁰ Advisory Op. 1996-33 (Colantuono) (Requester sought to contribute surplus state funds to fellow state legislators who would then make "roughly equivalent" contributions to Colantuono's federal committee).

¹¹ In fact, the Commission has information indicating that two respondents received no donations from the State Committee.

¹² See Compl. at 6.

¹³ *Id.*

