

Michael E. Toner
202.719.7545
mtoner@wiley.law

April 4, 2022

VIA E-MAIL (CELA@FEC.GOV)

Mr. Charles Kitcher
Associate General Counsel – Enforcement
Federal Election Commission
1050 First Street, NE
Washington, DC 20463

Re: AR 22-01 (Republican Party of Minnesota—Federal)

Dear Mr. Kitcher:

We represent the Republican Party of Minnesota—Federal (“RPM”) in the above-captioned matter. We have reviewed the correspondence dated February 17, 2022 (the “Referral”) alleging that RPM violated the Federal Election Campaign Act of 1971, as amended, and Federal Election Commission (the “Commission”) regulations.

The Referral references four findings from the Commission’s 2017-2018 audit of RPM: (1) recordkeeping for employees, (2) recordkeeping for communications, (3) disclosure of transfers and allocation ratios, and (4) disclosure of loans and loan repayments. These findings, and the actions that RPM has taken in response to each finding, are addressed and detailed below.

I. Recordkeeping for Employees

The Referral notes that RPM did not maintain monthly payroll logs to document the percentage of time spent in connection with a federal election for employees whose salaries were paid with allocated federal and non-federal funds or with exclusively non-federal funds. The audit identified salary payments of \$297,945 without sufficient corresponding logs. RPM has implemented a biweekly time log system to document time for its employees. Time logs include descriptions of the major tasks or projects performed by these employees and the hours spent on each task.

II. Recordkeeping for Communications

The Referral notes that RPM did not maintain sufficient documentation to support its disclosure of \$712,662 in communications. RPM previously provided all available information on these communications, including any additional information received from vendors and affiliated committees, to the Commission during the audit. RPM has implemented a new recordkeeping system to address this finding. All RPM vendors are notified of the Commission’s recordkeeping requirements. RPM’s political director and finance director ensure that RPM’s vendors provide the required documentation. The documentation is then saved by RPM both digitally and in hard copy.

wiley

Wiley Rein LLP
2020 M Street NW
Washington, DC 20036
Tel: 202.719.7000

wiley.law

Federal Election Commission
 April 4, 2022
 Page 2

III. Disclosure of Transfers and Allocation Ratios

The referral notes that RPM incorrectly reported two transfers to other party committees totaling \$64,303 on Schedule H4 and failed to report the correct allocation ratios for fundraising expenses totaling \$73,129. RPM previously responded to this finding by filing two Form 99s clarifying these reporting issues.¹ As the Referral acknowledges, the Audit staff “determined that [RPM] did not make an overpayment from the non-federal account for its share of allocable expenses.”² Accordingly, this finding involves a pure reporting issue for a modest amount of disbursements.

IV. Disclosure of Loans and Loan Repayments

The referral indicates that RPM listed an incorrect purpose of disbursement for several loan repayments and interest payments on Schedule B and listed incorrect loan terms on Schedules C and C-1. RPM previously submitted several Form 99s on June 24, 2021 clarifying the information on Schedules C and C-1 for each report that contained incorrect information. RPM submitted additional Form 99s on April 4, 2022 clarifying the purposes of disbursement related to the loan repayments and interest payments.

With respect to the purposes of disbursement, it is important to note that it was clear on the face of the original reports that the \$497,721 in disbursements for loan repayments were made for such purpose. RPM reported the purposes as “loan received” instead of “loan repayment.” This is a minor typographical error that did not affect the substance of RPM’s reports. Any person reviewing RPM’s reports would understand from the face of the report that these disbursements were for loan repayments—particularly in light of the fact that these disbursements were properly reported on Line 26 (*Loan Repayments Made*).

V. Conclusion

RPM has taken a number of proactive steps detailed above to address the findings of the audit, which are all minor reporting issues. In light of the foregoing, if the Commission believes that additional action is warranted, this matter should be assigned to ADR for appropriate disposition.

Respectfully Submitted,



Michael E. Toner
 Brandis L. Zehr

¹ See RPM, Form 99 (filed June 24, 2021),
<https://docquery.fec.gov/pdf/124/202106249449840124/202106249449840124.pdf> (addressing the transfers to other party committees); RPM, Form 99 (filed June 24, 2021),
<https://docquery.fec.gov/pdf/123/202106249449840123/202106249449840123.pdf> (addressing allocation ratios).

² See Referral at pp. 7 and 9.