



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Trevor Potter, Esq.
Caplin & Drysdale, Chartered
One Thomas Circle, Northwest
Suite 1100
Washington, DC 20005

MAY 15 2009

RE: MUR 6105
Governor Sarah Palin

Dear Mr. Potter:

On October 29, 2008, the Federal Election Commission notified your client, Governor Sarah Palin, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). On April 30, 2009, the Commission found, on the basis of the information in the complaint, and information provided by your client, that there is no reason to believe Governor Palin violated the Act. Accordingly, the Commission closed its file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). The Factual and Legal Analysis, which more fully explains the Commission's findings, is enclosed.

If you have any questions, please contact J. Cameron Thurber, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script that reads "Susan L. Lebeaux".

Susan L. Lebeaux
Assistant General Counsel

Enclosure
Factual and Legal Analysis

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1 **FEDERAL ELECTION COMMISSION**

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3 **FACTUAL AND LEGAL ANALYSIS**

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5 **RESPONDENT: Governor Sarah Palin**

MUR: 6105

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7 **I. INTRODUCTION**

8 This matter was generated by a complaint filed with the Federal Election Commission
9 ("Commission") by Citizens for Ethics and Responsibility in Washington. See 2 U.S.C.
10 § 437g(a)(1). For the reasons set forth below, the Commission finds no reason to believe that
11 Governor Sarah Palin violated 2 U.S.C. § 439a(b)(2)(B) and 11 C.F.R. § 113.1(g).

12 **II. DISCUSSION**

13 The complaint alleges that Governor Sarah Palin violated the personal use prohibitions of
14 2 U.S.C. § 439a(b) and 11 C.F.R. § 113.1(g), in connection with the Republican National
15 Committee and Tim Morgan, in his official capacity as treasurer's, ("RNC") purchase of
16 clothing and accessories for Governor Palin and her family following her nomination
17 as the Republican vice-presidential candidate. The complaint itself lists purchases of \$144,731
18 and attaches a chart created by the complainant entitled "RNC 'Campaign Accessory'
19 Expenditures" showing purchases of \$145,914, and a copy of the RNC's Schedule F filed in
20 October 2008, which appears to show all of its coordinated party expenditures on behalf of the
21 Republican presidential campaign, not just the items in question. The complaint also attaches a
22 news article reporting that the purchases cost over \$150,000.

23 Governor Palin responded that the personal use prohibitions were not violated because
24 the RNC used its own funds and not campaign funds of a candidate to purchase the items, and
25 that the purchases, instead, constituted coordinated party expenditures by the RNC.

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1 A contribution accepted by a candidate may be used by the candidate for otherwise
2 authorized expenditures in connection with the campaign for federal office of the candidate.
3 See 2 U.S.C. § 439a(a)(1). However, a contribution or donation described in 2 U.S.C.
4 § 439a(a) shall not be converted by any person to personal use. 2 U.S.C. § 439a(b)(1).
5 "Personal use" means any use of funds in a campaign account of a present or future candidate to
6 fulfill a commitment, obligation, or expense of any person that would exist irrespective of the
7 candidate's campaign . . . [and] includes, but is not limited to the use of funds in a campaign
8 account for. . . . [c]lothing, other than items of *de minimis* value that are used in the campaign."
9 11 C.F.R. § 113.1(g)(1)(i)(c); see also 2 U.S.C. § 439a(b)(2)(B).

10 Gov. Palin states that the RNC used its own funds to make the expenditures for the
11 clothing and accessories, and not the funds in the campaign account of any candidate, which is
12 required for Section 439a to apply. We have no information to the contrary. As such, no
13 candidate funds were converted to "personal use" with in the meaning of 2 U.S.C. § 439a and
14 11 C.F.R. § 113.1(g).

15 Moreover, the response asserts that these expenditures were appropriate coordinated party
16 expenditures. The RNC, a national party committee, is permitted to make "coordinated party
17 expenditures," that is, to spend general election funds on behalf of and in coordination with their
18 presidential candidates' campaigns. 2 U.S.C. § 441a(d). Coordinated party expenditures are
19 limited in amount and may not consist of funds given directly to the campaigns to use at their
20 own discretion. 2 U.S.C. §§ 441a(d)(2), (d)(4)(C). The Act provides that "[n]otwithstanding any
21 other provision of law with respect to limitations on expenditures or limitations on contributions,
22 the national committee of a political party . . . may make expenditures in connection with the
23 general election campaign of a candidate for federal office." 2 U.S.C. § 441a(d)(1).

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1 **In this instance, the RNC, paid for the Palin and family campaign-related clothing and**
2 **accessories on behalf of and in coordination with the campaign. The RNC reported the**
3 **purchases in question as coordinated party expenditures to the Commission on its 2008 October**
4 **Monthly report on Schedule F. At that time, it does not appear that the RNC exceeded its**
5 **coordinated party expenditure limit of \$19,151,200 for the 2008 general election. See 2 U.S.C.**
6 **§ 441a(d)(2) and 11 C.F.R. § 109.32.**

7 **Therefore, there is no reason to believe that Governor Palin violated 2 U.S.C.**
8 **§ 439a(b)(2)(B) and 11 C.F.R. § 113.1(g).**