



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 1, 2004

RQ-2

David Rudd, Treasurer
Democratic Senatorial Campaign Committee
120 Maryland Avenue, NE
Washington, DC 20002

Response Due Date:
December 31, 2004

Identification Number: C00042366

Reference: August Monthly Report (7/1/04-7/31/04)

Dear Mr. Rudd:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule A of your report (see attached) discloses one or more contributions which appear to exceed the limits set forth in the Act. 2 U.S.C. §441a(f) and 11 CFR §110.1(c) prohibit a political committee which is established and maintained by a national political party, and any affiliated committees, from accepting contributions from a person or non-multicandidate political committee in excess of \$25,000 in a calendar year.

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information.

If any contribution you received exceeds the limits, you may have to refund the excessive amount. The funds can be retained if within 60 days of receipt, (1) the excessive amount was properly reattributed to another person, such as a joint account holder, by obtaining signed written authorizations from each person making the contribution pursuant to 11 CFR 110.1(k)(3), and (2) the treasurer informs the person making the contribution that he or she may request the return of the excessive portion of the contribution if it is not intended to be a joint contribution. Any request from a donor for a refund must be honored.

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Alternatively, the funds can be retained if within 60 days of receipt you (1) transferred the excessive amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund. Any request from a donor for a refund must be honored.

If the foregoing conditions for reattributions or transfers to a non-federal account were not met within 60 days of receipt, the excessive amount must be refunded.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out or refund. In addition, any reattributions should be reported as memo entries on Schedule A of the report covering the period during which the authorization for the reattribution is received. Any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

Although the Commission may take further legal action regarding the acceptance of an excessive contribution(s), prompt action by your committee to seek reattribution, transfer-out or refund the excessive amount will be taken into consideration.

-Schedule A supporting Line 15 of your report discloses a payment(s) from a federal candidate committee(s) for goods and/or services provided by your committee. 11 CFR §100.52(d)(1) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel, membership lists and mailing lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.52(d)(2)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided to the federal candidate committee(s) and explain the steps your committee took in determining the amount(s) charged. If your committee provided the goods and/or services at less than the usual and normal charge, the difference between the two is considered to be an in-kind contribution by your committee to the federal candidate committee(s) and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.52(d)(1))

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-Please clarify all expenditures made for "Letter Production/ Mailing", "Printing", "Catering/Facilities", "Postage/Shipping", "Telemarketing", "Cons./Prof. Serv. Program Mgmt- Direct Mail", "Cons/Prof. Serv. Direct Mail Dev", "Cons/Program Mgmt- Direct Mail" and "Fees- Direct Mail Processing" on Schedule(s) B. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E or F supporting Lines 23, 24 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule B of your report to clarify the following description(s): "Cashiering." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-The limitation on making coordinated party expenditures on behalf of a Senate candidate for the 2004 general election is \$74,620. Your reports, however, disclose coordinated party expenditures made on behalf of Tom Daschle totaling \$119,758.74, which appear to exceed the limitations under 2 U.S.C. §441a(d) (see attached).

If any apparently excessive expenditure in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

If you have made an excessive coordinated party expenditure, you must notify the candidate and request a refund of the amount in excess of the limitation.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund request sent to the candidate. In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received.

Although the Commission may take further legal action concerning the excessive coordinated party expenditures, prompt action in obtaining a refund will be taken into consideration.

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. Requests for extensions of time in which to respond will not be considered. Failure

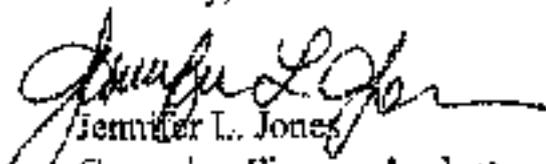
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to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1393.

Sincerely,



Jennifer L. Jones
Campaign Finance Analyst
Reports Analysis Division

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Excessive Receipt from an Individual

Contributor Name	Date	Amount	Report
Phillip H. Corboy	02/05/2004	\$5,000	2004 March Monthly Report
Phillip H. Corboy	07/08/2004	\$23,000	2004 August Monthly Report
Phillip H. Corboy	07/19/2004	\$3,000	2004 August Monthly Report

Excessive Coordinated Expenditures

Recipient Name	Date	Amount	Election	Report
Tom Daschle	02/02/2004	\$101.35	2004 General	2004 March Monthly Report
Tom Daschle	02/02/2004	\$405.98	2004 General	2004 March Monthly Report
Tom Daschle	06/16/2004	\$1,543.10	2004 General	2004 July Monthly Report
Tom Daschle	06/18/2004	\$60,000.00	2004 General	2004 July Monthly Report
Tom Daschle	06/18/2004	\$20,917.68	2004 General	2004 July Monthly Report
Tom Daschle	07/13/2004	\$36,790.63	2004 General	2004 August Monthly Report

