



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Jane G. Mattoon, Treasurer
Keep Our Majority Political Action Committee
(KOMPAC)
Post Office Box 20209
Alexandria, VA 22320

FEB 06 2002

Identification Number: C00307405

Reference: Amended 12 Day Pre-Special Report (1/1/01-4/25/01), received 7/18/01

Dear Ms. Mattoon:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule B of your report discloses one or more contributions to Dickey for Congress for the retirement of debts incurred by the 2000 General election campaign; however, it appears that the recipient committee(s) had insufficient debts to warrant such a contribution. Please note that a committee may only designate contributions to retire a candidate's debts if those debts exist.

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

If you have made an impermissible contribution, you must request a refund or provide a written authorization for a redesignation of the contribution pursuant to 11 CFR §110.2(b) within 60 days of the treasurer's receipt.

If the foregoing conditions for redesignations were not met within 60 days of the treasurer's receipt, your committee must obtain a refund.

KEEP OUR MAJORITY POLITICAL ACTION COMMITTEE (KOMPAC)

PAGE 2

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund or redesignation request sent to the recipient committee(s). In addition, refunds are reported on Line 16 of the Detailed Summary Page and on Schedule A of the report covering the period during which they are received. Redesignations are reported as memo entries on Schedule B of the report covering the period during which the redesignation is made. 11 CFR §110.2(b)

Although the Commission may take further legal action regarding this impermissible activity, your prompt action in obtaining a refund and/or redesignating the contribution(s) will be taken into consideration.

- Schedule B of your report discloses a contribution(s) designated for the Special Primary election in the state of Virginia. Since the state of Virginia did not hold a Special Primary election in 2001, contribution(s) so designated by your committee must be returned by the candidate committee or redesignated by your committee in accordance with § 11 CFR 110.1(b).

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

If you have made an impermissible contribution, you must request a refund or provide a written authorization for a redesignation of the contribution pursuant to 11 CFR § 110.2(b) within 60 days of the treasurer's receipt.

If the foregoing conditions for redesignations were not met within 60 days of the treasurer's receipt, your committee must obtain a refund.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund or redesignation request sent to the recipient committee(s). In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received. Any redesignations should be disclosed as memo entries on Schedule B supporting Line 23 of the report covering the period during which the redesignation is made. 11 CFR § 110.1(b)

Although the Commission may take further legal action regarding this impermissible activity, your prompt action in obtaining a refund and/or

redesignating the contribution(s) will be taken into consideration.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) to another political committee(s) for goods and/or services provided by that committee(s). 11 CFR §100.7(a)(1)(iii)(A) 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 §100.7(a)(1)(iii)(B)

Please clarify whether your committee was assessed the usual and normal charge for the goods and/or services you received and explain the steps the political committee(s) took in determining the amount(s) charged to you. If your committee was 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 the political committee(s) to your committee and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.7(a)(1)(iii)(A))

-Schedule A of your report discloses aggregate year-to-date totals for contributions received from individuals which appear to be incorrect. Please be advised that federal regulations require aggregate year-to-date totals to include only those contributions which are received during the calendar year. In the event that the aggregate year-to-date total is correct, please note that federal regulations also require the disclosure of all contributions received from individuals who have contributed over \$200. 11 CFR §104.3(a)(4) Please amend your report to provide the correct aggregate year-to-date totals.

-Schedule B supporting Line 28(c) discloses a refund to Mylan Laboratories Inc. PAC, however, it appears that the original contribution(s) has not been reported by your committee. Please amend the report covering the period(s) during which the contribution(s) was disbursed and disclose the original

date of the contribution.

-Commission Regulations require that a committee disclose the identification of all individuals who contribute in excess of \$200 in a calendar year. (11 CFR §104.3(a)(4)(i)) Identification for an individual is defined as the full name, mailing address, occupation and name of employer. (11 CFR §100.12) Your report discloses contributions from individuals for which the identification is not complete.

You must provide the missing information, or if you are unable to do so, you must demonstrate that "best efforts" have been used to obtain the information. To establish "best efforts," you must provide the Commission with a detailed description of your procedures for requesting the information. Establishing "best efforts" is a three-fold process.

First, your original solicitation must include a clear and conspicuous request for the contributor information and must inform the contributor of the requirements of federal law for the reporting of such information. (11 CFR §104.7(b)(1))

Second, if the information is not provided, you must make one follow-up, stand alone effort to obtain this information, regardless of whether the contribution(s) was solicited or not. This effort must occur no later than 30 days after receipt of the contribution and may be in the form of a written request or an oral request documented in writing. (11 CFR § 104.7(b)(2))
The request must:

- clearly ask for the missing information, without soliciting a contribution;
- inform the contributor of the requirements of federal law for the reporting of such information, and
- if the request is written, include a pre-addressed post card or return envelope.

Third, if you receive contributor information after the contribution(s) has been reported, you shall either a) file with your next regularly scheduled report, an amended memo Schedule A listing all the contributions for which additional information was received; or b) file on or before your next regularly scheduled reporting date, amendments to the report(s) originally disclosing the contribution(s). (11 CFR §104.7(b)(4))

Please provide the missing information or a detailed description of your procedures for requesting the information. For more information on demonstrating "best efforts," please refer to the Campaign Guide.

-The Detailed Summary Page, on Line 18 Column A of your report, discloses \$43,257.98 in transfers from the non-federal account for joint activity for the reporting period. However, Line 21 (a)(ii) Column A discloses \$28,940.74 as the non-federal share for joint activity for the reporting period. While the non-federal account is permitted to transfer funds to the federal account for shared activity, transfers for shared activity must be made within a 70-day time period: no more than 10 days before or 60 days after the payment to the vendor. 11 CFR §§106.5(g)(2) and 106.6(e)(2) Please clarify the nature of the transfers-in from the non-federal account.

The Commission recommends that you immediately transfer back to the non-federal account, the total excessive amount which was received by your federal account outside the 70-day time period. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-Schedule A supporting Line 15 of the Detailed Summary Page discloses a refund or rebate from Southern California Edison. Please clarify whether the original disbursement was reported on Schedule B or Schedule H4. Please be advised that when a committee receives a refund or rebate of an allocable expense, it must be allocated between the federal and non-federal accounts according to the same allocation ratio used to allocate the original disbursement. Furthermore, the federal account must transfer the non-federal portion to the non-federal account and disclose this transfer-out on Schedule H4. Please provide further clarification regarding the activity on Schedule A supporting Line 15.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule H4 of your report to clarify the following description(s): "Accounting Fees/Expenses". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Please amend your report by providing the address for each disbursement

itized on Schedule(s) B supporting Line(s) 21(b).

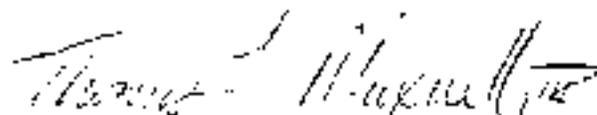
-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Each separate segregated fund and non-connected committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses between the accounts in proportion to the FUNDS EXPENDED METHOD derived from FEC Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X filed at the beginning of each two-year election cycle. 11 CFR §106.6(c)

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

A response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. Electronic filers must file amendments 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 need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Thomas F. Maxwell, III
Reports Analyst
Reports Analysis Division

**SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS**

Use separate schedule(s)
for each category of the
Detailed Summary Page

FOR LINE NUMBER:
(check only one)

PAGE 52 / 79

21b 22 23 24 25
 26 27 28a 28b 28c 29

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee

NAME OF COMMITTEE (In Full)
Keep Our Majority PAC

Full Name (Last, First, Middle Initial) A. Dickey for Congress		Date of Disbursement M M / D D / Y Y Y Y 03 / 07 / 2001	
Mailing Address P.O. Box 8766 City State Zip Code Pine Bluff AR 71611		Amount of Each Disbursement this Period 5000.00	
Purpose of Disbursement YTD: \$5,000.00 Contribution-2000 Gen. Deb		011 Category/ Type	
Candidate Name Jay Dickey		Contribution-2000 Gen. Debt	
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) ▼ 2000 US GENERAL ELEC		
State: AR District: 4	Transaction ID: 1580047		

Full Name (Last, First, Middle Initial) B. Grucel for Congress		Date of Disbursement M M / D D / Y Y Y Y 03 / 14 / 2001	
Mailing Address PO Box 790 City State Zip Code Medford NY 11763		Amount of Each Disbursement this Period 5000.00	
Purpose of Disbursement YTD: \$5,000.00		011 Category/ Type	
Candidate Name Felix Grucel		Transaction ID: 1581611	
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼		
State: NY District: 1			

Full Name (Last, First, Middle Initial) C. Bill Shuster for Congress		Date of Disbursement M M / D D / Y Y Y Y 03 / 22 / 2001	
Mailing Address PO Box 27 City State Zip Code Hollidaysburg PA 15548		Amount of Each Disbursement this Period 5000.00	
Purpose of Disbursement YTD: \$5,000.00 Contribution-PA Special		011 Category/ Type	
Candidate Name Bill Shuster		Contribution-PA Special	
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) ▼ PA Special		
State: PA District: 8	Transaction ID: 1582138		

SUBTOTAL of Disbursements This Page (optional)	15000.00
TOTAL This Period (last page this line number only)	

**SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS**

Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)								PAGE 53/79	
	<input type="checkbox"/> 21b	<input type="checkbox"/> 22	<input checked="" type="checkbox"/> 23	<input type="checkbox"/> 24	<input type="checkbox"/> 25	<input type="checkbox"/> 26	<input type="checkbox"/> 27	<input type="checkbox"/> 28a	<input type="checkbox"/> 28b	<input type="checkbox"/> 28c

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee

NAME OF COMMITTEE (In Full)
Keep Our Majority PAC

Full Name (Last, First, Middle Initial) A. Judy Biggert For Congress			Date of Disbursement 04 / 03 / 2001		
Mailing Address PO Box 637			Amount of Each Disbursement this Period 5000.00		
City Hinsdale	State IL	Zip Code 60522	011 Contribution Type Contribution		
Purpose of Disbursement YTD:\$5,000.00 Contribution					
Candidate Name Congresswoman Judy Biggert		Transaction ID: 1580113			
Office Sought: <input checked="" type="checkbox"/> House Senate President	Disbursement For: <input checked="" type="checkbox"/> Primary General Other (specify) ▼				
State: IL District: 13					

Full Name (Last, First, Middle Initial) B. Forbes for Congress			Date of Disbursement 04 / 06 / 2001		
Mailing Address 524 Johnstown Rd.			Amount of Each Disbursement this Period 5000.00		
City Chesapeake	State VA	Zip Code 23322	011 Contribution Type Contribution-VA Special-Primary		
Purpose of Disbursement YTD:\$5,000.00 Contribution-VA Special-Pr					
Candidate Name Randy Forbes		Transaction ID: 1582139			
Office Sought: <input checked="" type="checkbox"/> House Senate President	Disbursement For: Primary General <input checked="" type="checkbox"/> Other (specify) ▼ VA Special				
State: VA District: 4					

C.

SUBTOTAL of Disbursements This Page (optional)	10000.00
TOTAL This Period (last page this line number only)	25000.00

