

RQ-2



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 4, 2004

Douglas B. England, Treasurer
Indiana Democratic Congressional Victory
Committee
One North Capitol, Suite 200
Indianapolis, IN 46204

Response Due Date:
September 3, 2004

Identification Number: C00108613

Reference: Amended February Monthly Report (1/1/04-1/31/04), received 5/19/04

Dear Mr. England:

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:

-Your report discloses a total of \$24,307.75 in prepayments from Federal candidates on Schedule A. However on Schedule B, it appears that there are only \$9,741.15 in payments for services on behalf of these candidates. Please clarify this apparent discrepancy.

-Schedule A supporting Line 17 of your report discloses one or more receipts totaling \$23,055 from the "Auditor of the State of Indiana". Please amend your report to clarify the nature of these receipts.

-Schedule B supporting Line 21(b) discloses \$50,000 in transfers to what appears to be a non-federal account of your committee. Please provide further clarification regarding this transfer to your non-federal account.

You are advised that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections. If any of the disbursements disclosed on Schedule B supporting Line 21(b) were made to influence the election or defeat of specific federal candidates, the

INDIANA DEMOCRATIC STATE CONGRESSIONAL VICTORY COMMITTEE

Page 2

disbursements should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, independent expenditures on Schedule E supporting Line 24, or as coordinated expenditures on Schedule F supporting Line 25. 11 CFR §§104.3(b)(3) and 106.1 In addition, if your non-federal account has paid any expenditures which should have been allocated, you are advised to correct any non-compliance with 11 CFR §§106.6 and 106.7 and establish procedures to insure future compliance with allocation regulations.

-Please clarify all expenditures made for "fundraising" 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

-Your report does not disclose any payments for salary or wages on Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §100.24 defines as Federal Election Activity, services provided by an employee of a State, district or local party committee who spends more than 25 percent of their time during that month on activities in connection with a Federal election. You are advised that payments for salaries and wages for employees who spend more than 25 percent of their compensated time in a given month on Federal Election Activity or activities in connection with a Federal election must be made with Federal funds only. Please provide clarification regarding the lack of payments for salary and wages disclosed by your committee.

-Your report does not include a Schedule H1 to disclose the ratio for the allocation of certain costs. Schedule H1 must be filed with the first report each year for State, District and Local party committees, and with the first report filed in the two-year election cycle for Separate Segregated Funds and Non-connected committees. For State, District and Local party committees, all shared administrative, generic voter drive and exempt activity costs incurred during the two-year cycle must be allocated according to this ratio, unless the federal account elects to pay a higher percentage of its cost. For Separate Segregated Funds and Non-connected committees, all shared administrative and generic voter drive costs must be allocated according to this ratio unless the federal account elects to pay a higher cost. 11 CFR §106.7(d)(2), (d)(3) and 11 CFR §§104.10(b)(1) and 106.6(e)

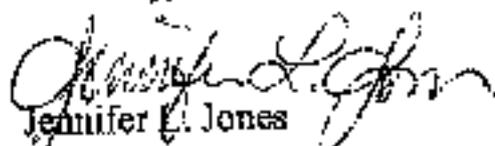
INDIANA DEMOCRATIC STATE CONGRESSIONAL VICTORY COMMITTEE

Page 3

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 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 E. Jones
Campaign Finance Analyst
Reports Analysis Division

203

