



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

April 22, 2009

Sherrienne Standley, Treasurer
Indiana Democratic Congressional Victory
Committee
1 North Capitol, Suite 200
Indianapolis, IN 46204

Response Due Date:
May 22, 2009

Identification Number: C00108613

Reference: Amended 12 Day Pre-General (10/01/08 -10/15/08), received 12/04/08

Dear Treasurer:

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. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 6 items:

1. Schedule A supporting Line(s) 11(c) and 15 of your report discloses a receipt(s) from "Obama for America," "Andre Carson for Congress," "Donnelly for Congress Committee," "Ellsworth for Congress Committee," "Evan Bayh Committee," "Hoosiers for Hill," and "Nels Ackerson for Congress" which requires further clarification. For example, if this activity represents a transfer of funds, please indicate "transfer" on Schedule A supporting Line 11(c) of your report. If this activity represents a reimbursement for services provided to this committee, please indicate this on Schedule A supporting Line 15 of your report. Please amend your report to clarify the type of activity this receipt(s) represents.
2. Your report discloses in-kind contributions made on behalf of federal candidates. The original payments for the goods and services have been itemized as negative disbursements on Line 21(b) and attributed to each federal candidate as a positive disbursement on Schedule B supporting Line 23. This method of reporting fails to accurately disclose a disbursement on behalf of the federal candidates receiving the in-kind contributions and will adversely impact you committees ending cash balance.

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Please be advised that if a Federal candidate receives an in-kind contribution on the same date that the vendor was paid for the good or service provided, the disbursement to the vendor should only be reflected on Schedule B supporting line 23 along with the identification of the candidate and race supported.

If the candidate received the in-kind good or services on a different date than the vendor was paid, please follow the reporting method in the attached sample from the Campaign Guide.

Please amend your report to address these apparent discrepancies and/or provide additional information regarding these transactions.

3. Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$169.56 for "Audio Equipment." Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please clarify if this activity meets the definition of Federal Election Activity or if it contains express advocacy and amend your report to properly disclose this activity, if necessary.

4. Schedule B supporting Line 21(b) of your report discloses a payment(s) for "Literature" which appears to meet the definition of Federal Election Activity ("FEA") and may also meet the conditions of exempt party activity as defined under 11 CFR §§100.80, 100.87, 100.89 and 11 CFR §§100.140, 100.147 and 100.149.

If this apparent exempt activity represents Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot, it is considered to be Federal Election Activity. If this apparent exempt activity represents Voter Registration activity during the period that begins on the date that is 120 calendar days before the date that a regularly scheduled Federal election is

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held and ends on the date of the election, it is considered to be Federal Election Activity. 11 CFR §100.24

If this apparent exempt activity is a public communication(s) (as defined under 11 CFR §100.26) that refers to a clearly identified candidate for Federal office and promotes, supports, attacks or opposes any candidate for Federal office, it meets the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b).

Please amend your report to clarify if the activity disclosed meets the conditions of exempt party activity and also if it meets the definition of Federal Election Activity. If the activity does not meet the conditions of exempt party activity, please clarify if it contains express advocacy. In addition, please properly disclose this activity if necessary.

5. Schedule B supporting Line 30(b) of your report discloses a payment(s) for "Absentee Chase Call," "Generic Radio Ad," "Paid ID Calls," and "Postage" which is categorized as Federal Election Activity and therefore, may require the disclosure of the candidate(s) this activity should be attributed to. Expenditures and disbursements for public communications that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, please be advised that public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate rather than on Schedule B for Line 30(b). Please clarify if this activity meets the definition of Federal Election Activity or if it

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contains express advocacy and amend your report to properly disclose this activity, if necessary.

6. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "401k," "Health Insurance," "Life Insurance," "Payroll," and "Payroll Taxes." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity (FEA) or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding any improper allocation activity, your prompt action will be taken into consideration.

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. 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. **Requests for extensions of time in which to respond will not be considered.**

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) 694-1394.

Sincerely,


Marlene R. Daughtrey

Senior Campaign Finance Analyst
Reports Analysis Division

IN-KIND CONTRIBUTIONS TO CANDIDATES

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)
 21b 22 23 24 25 26
 27 28a 28b 28c 29 30a

PAGE 1 OF 1

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)
Civil Republic PAC

Full Name (Last, First, Middle Initial)

A. Westroads Liquor

Mailing Address
19 Main Street

City State Zip Code
City ST Zip Code 00000

Purpose of Disbursement
Reception

Candidate Name
Stephen Bagwell

Office Sought: House Senate President
 Primary General
 Other (specify) _____

Disbursement For: Primary General
 Other (specify) _____

Date of Disbursement
08 26 2008

Amount of Each Disbursement this Period
972.40

MEMO: In-kind:
See Schedule B, Line 23

and indicate the report on which the original contribution was itemized.

In the illustration on the next page, a nonconnected committee originally made a \$10,000 contribution to a candidate's campaign, intending half of it to count toward the general election. The nonconnected committee itemized the contribution in its April quarterly report. The following month, the campaign requested that the committee redesignate the excessive \$5,000 for the general election campaign. The nonconnected committee then itemized the redesignation in its July quarterly report.

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)
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Full Name (Last, First, Middle Initial)

A. Westroads Liquor

Mailing Address
19 Main Street

City State Zip Code
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Purpose of Disbursement
Reception

Candidate Name
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Office Sought: House Senate President
 Primary General
 Other (specify) _____

Disbursement For: Primary General
 Other (specify) _____

Date of Disbursement
08 24 2008

Amount of Each Disbursement this Period
972.40

In-kind

Memo Entry

Use a memo entry on a schedule to provide information that is not included in the schedule's total dollar figure. Memo entries are used, for example, to disclose the redesignation of a contribution.

Filers should exercise caution not to confuse "memo entries" with the "memo text" function used to supply additional information when filing electronically using FECFile.

Additional Information on Candidates

Further information is required when itemizing a contribution to a candidate committee on Schedule B. List the candidate's name and the office sought (including the state and, if applicable, Congressional district). When itemizing a contribution or loan to a candidate committee, specify the election for which the payment was made by checking the appropriate category in the election designation box. 104.3(b)(3)(v). See illustrations above.

Redesignations of Contributions

Use memo entries to show any redesignations of contributions.

If a contribution to a candidate is redesignated for a different election after the close of books for the reporting period during which the contribution was made, show the redesignation on the next report

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