

Federal Election Commission Inquiry  
March 17, 2004

Democratic Party of Wisconsin  
Identification Number: C00019331  
Reference: Year-End Report (7/1/03-12/31/03)

Response Due Date: April 16, 2004

Attn: Maureen Benitz  
Campaign Finance Analysis, Reports Analysis Division

Request for additional information:

1) Schedule A supporting Line 17 of your report discloses a payment(s) from a federal candidate committee(s) for goods and/or services provided by your committee . Please clarify whether your committee assessed the usual and normal charge for 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.

Response: The Democratic Party of Wisconsin (DPW) did assess the usual and normal charge for the goods and/or services provided to the purchasing entities. Consistent with FEC Advisory Opinion Number 2002-14, the DPW mailing list has been developed over a period of time, has a unique nature, and does not constitute merely a list or lists that were purchased from other sources. The DPW ascertains fair market value, consistent with it's understanding of similar commercial products, and then enters into a bona fide, contractual, arm's length transaction with the purchaser - with consistent pricing for similar product. The DPW, valuing it's list, did not provide the goods and/or services at less than the usual and normal charge, and therefore concludes that no contribution has occurred.

2) Your report does not disclose any payments for salary or wages on Schedule B supporting Line 30(b) of the Detailed Summary Page. Please provide clarification regarding the lack of payments for salary and wages disclosed by your committee.

Response: The Democratic Party of Wisconsin is monitoring employee activity on a monthly basis to comply with 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, non-federal and Levin accounts. Rather, only federal funds may be used. The first salary and wage payments for employees of the Democratic Party of Wisconsin, using only federal funds, in compliance of this requirement, occurred in January 2004, and is expected to continue, as required, for the balance of 2004. DPW employees will be paid from federal funds as they achieve the 25% monthly compensation time FEA trigger.

3) Schedule A supporting Line 12 discloses a transfer(s)-in from the Democratic National Committee. Please clarify whether the transfer(s)-in was used for the subsequent payments for Federal Election Activity. In addition, please clarify the procedures you are currently using to ensure that Federal funds transferred to your committee from national, state, district and local party committees are not being used for Federal Election Activity.

Response: It is the understanding of the Democratic Party of Wisconsin that the above question has been clarified and that a state party committee may use funds transferred from a national party committee to pay for Federal Election Activities for which it will use federal funds exclusively.

4) Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Signs," "Printing" and "Printing:

**ETEXT ATTACHMENT**

Letterhead" .Please provide further clarification regarding this activity, specifically whether it referenced and promoted, supported, attacked or opposed a clearly identified candidate for Federal office.

Response: For the period in question, 7/1/03-12/31/03, payments to vendors for various printing projects were made for various types of materials. Working with our vendors, the DPW has reviewed all print production for the period in question, and has confirmed that none of the printed materials were public communications containing Federal Election Activity. The DPW has implemented a review process for samples of each print production at invoice receipt, to insure appropriate classification of these materials on future reports. Future reports will specifically address this classification question, with an annotation of "non FEA activity" for each payment, as appropriate.

5) Your report discloses activity that indicates your committee has raised or spent funds for Federal Election Activity as defined at 11 CFR 100.24 .Please comply with the monthly filing schedule in calendar year 2004, when your committee raises or spends funds for Federal Election Activity.

Response: The Democratic Party of Wisconsin, beginning with the February filing, covering the period 1/1/04-1/31/04, intends to file reports under a monthly filing schedule in calendar year 2004.