



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

January 18, 2008

Rudy Parker, Treasurer
Democratic Executive Committee of Florida
214 South Bronough Street
Tallahassee, FL 32302

**Response Due Date:
February 19, 2008**

Identification Number: C00005561

Reference: Amended June Monthly Report (5/1/07-5/31/07), received 7/20/07

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 12 items:

1. The totals listed on Lines 11(a)(i), 11(a)(ii), 11(b), 11(c), 21(a)(i), 21(a)(ii), 21(b), and 32, Column B of the Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.
2. Schedule A supporting Line 15 of your report discloses an offset to an operating expenditure(s) totaling \$3,420.22 from "United States Postal Service"; however, your report(s) does not appear to disclose a disbursement to this entity. Please provide clarifying information regarding this activity and amend your report(s) if necessary.
3. 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. 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

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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))

4. Schedule B supporting Line 28(c) discloses a refund of a contribution received from "CWA COPE PCC." However, it appears that this contribution was not previously reported by your committee. Please amend the appropriate report(s) to disclose the original date of the contribution on Schedule A supporting Line 11(c) of the Detailed Summary Page.

5. Schedule H2 of your report indicates that your committee participated in "Ft. Myers 5.31.07" and "Naples - 2007" activities or events during the reporting period. However, there are no corresponding disbursements reflected on your Schedule H4. Note that you need not include activities on Schedule H2 if there are no corresponding payments made for the activity during the reporting period. If any disbursements were incorrectly reported, you should file an amended Schedule H4 with the correct activity or event identifier, or provide clarifying information regarding the activities on Schedule H2.

6. Schedule H3 of your report discloses "April Activity" as the name of account(s) for transfers received from an apparent non-federal account for shared activity. Please verify if these transfers were received from a non-federal account of your committee and amend your report with any clarifying information.

7. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Insurance," "Payroll," "Payroll Fees," "Payroll Taxes," and "Salary." 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.

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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.

8. On Schedule H4, your allocated activity or event year-to-date total calculations for Administrative are incorrect. Allocated activity or event year-to-date totals for administrative, voter drive, exempt activity costs and expenses for public communications made by PACs referencing only political parties are derived by aggregating all disbursements during the calendar year for each separate category. Allocated activity or event year-to-date totals for fundraising and direct candidate support activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous event year-to-date total for that category or event. This running event year-to-date total should be disclosed after each disbursement is listed. Please amend your report by providing the correct event year-to-date totals.

9. On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include the allocated activity or event year-to-date total amount for a payment(s) to "Fundraising Consultant," "Site Rental/Catering," and "JJ/Printing." Please amend your report to include the missing event year-to-date total(s).

10. Schedule H4 discloses a disbursement(s) for the "JJ 2007/06/09" activity/event(s) which appears to be using a ratio(s) inconsistent with what is disclosed on Schedule H2. Please amend your report to clarify this apparent discrepancy.

11. Schedule H4 of your report discloses a reimbursement(s) to an individual(s) for apparent travel and subsistence advances in which the total amount reimbursed exceeds \$500. When the reimbursement amount to staff for travel and subsistence advances exceeds \$500, the payments by committee staff that make up the reimbursement have to be itemized as memo entries regardless of the amount. Each memo entry must include the

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complete name and address of the original vendor, as well as the date, amount and an adequate purpose. Please amend your report to include the missing information and clearly identify on the Schedule H4, which reimbursement each memo entry relates to. 11 CFR §§104.10 and 104.17, and Advisory Opinion 1996-20, footnote 3

12. Schedule H4 of your report discloses reimbursements to individuals for "Staff Reimbursement." Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must include the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule H4, which reimbursement each memo entry relates to. 11 CFR §§104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3

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) 694-1153.

Sincerely,



Kristin DeCarmine
Senior Campaign Finance Analyst
Reports Analysis Division

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