



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

October 27, 2010

Karen Garcia, Treasurer
Democratic Party of Arkansas
1300 West Capitol Avenue
Little Rock, AR 72201

Response Due Date:
December 1, 2010

Identification Number: C00024372

Reference: August Monthly Report (7/1/10 – 7/31/10)

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 4 items:

1. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) H4 of your report to clarify the following description(s): "General Strategic Consultant" and "Strategic Consultant." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).
2. Please amend your report by providing the address for each disbursement itemized on Schedule(s) H4 supporting Line(s) 21(a).
3. Schedule A supporting Line 12 discloses a transfer(s)-in from the "Democratic National Committee" and "Democratic Senatorial Campaign Committee." Schedule(s) B supporting Line 21(b) reflects payments for "General Party Signs and TShirts". Please be advised that a state or local party committee may pay for campaign materials (such as bumper stickers, pins and yard signs) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election and voter drive activity on behalf of the party's Presidential and Vice Presidential nominees. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from

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commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.87 and 100.147 and to the Campaign Guide for Party Committees.

Please clarify the nature of the transfer(s)-in and subsequent payments for the aforementioned disbursement(s). If the activity disclosed on your report does not meet the definition of "exempt" activity as described above, any portion of the expenditures made on behalf of specifically identified candidates must be disclosed on Schedule B, E or F supporting Line 23 or 30(b), 24 or 25 of the Detailed Summary Page as appropriate.

4. Schedules C and C-1 of your current report indicates loans obtained by your committee from "First National Bank of Jonesboro" with a due date of 5/1/10. Please amend your report to clarify the current status of these loans and disclose the current terms and conditions if the loans have been renegotiated. 11 CFR §100.82(a)

Note that an overdue loan from a lending institution to a federal political committee may be considered a prohibited contribution by the bank or lending institution. 2 U.S.C. §441b(a)

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) 694-1172.

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Sincerely,



Alexandra T. Broomhead
Senior Campaign Finance Analyst
Reports Analysis Division

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