

June 16, 2008

Identification Number: C00386573

Reference: Mid-Year Report (1/1/07 - 6/30/07)

This is in response to the FEC letter dated May 14, 2008, involving reports filed by the Northstar Leadership PAC (LPAC) for the Mid-Year Report 1/1/07 to 6/30/07.

1. There were two contributions made to the Friends of Gordon Smith Committee during this filing period, both for \$5,000. Due to a clerical error in filing the report, both were designated as contributions for the Primary 2008 race. A review of committee records, however, indicates that the 6/29/2007 payment was for the General Election 2008. This has been corrected on the Amended filing for this Mid-Year Report and, therefore, no excessive contribution resulted.
2. Schedule B supporting Line 21(b) of our report discloses payments to a federal candidate for goods and/or services. The Northstar LPAC was assessed the usual and normal charge for all of these goods and/or services (hotel, meals and cab fare) as evidenced to us by copies of the actual receipts supporting these items. Further, we've amended the report to clarify the PAC purpose of these receipts.
3. The calculations for Line 8 have been corrected in the Amended filing for this Mid-Year Report.
4. The Northstar LPAC did not receive a contribution 'earmarked' for a Federal candidate and, therefore, as a matter of law, the PAC did not receive an 'earmarked' contribution. See 11 C.F.R. 110.6(B)(1). The National Association of Broadcasters PAC (NAB), however, received a contribution from a Mr. Louis Buron, which NAB indicated on the memo of its check to the PAC was 'earmarked' from Mr. Buron. We were trying to provide additional information to the FEC by reporting this receipt as a contribution from NAB with an additional MEMO Entry indicating the original donation to NAB was from Mr. Louis Buron. There is no 'earmark' on these funds for a Federal candidate and, therefore, there is no related disbursement on Schedule B.
5. See comment above.
6. The Commission's January 9, 2007 Statement of Policy: 'Purpose of Disbursement' Entries for Filings with the Commission includes the acceptable description 'Consultant-Fundraising'. If this is a sufficiently clear description, your objection to 'PAC Fundraising Consultant Fee(s)' must have been over-inclusive. Nonetheless, the committee has amended its description accordingly. In addition, your objection to the description 'Change Fee' when the disbursements were made to 'Delta Airlines' and 'Northwest Airlines' would appear to have resulted from an oversight. The committee has nonetheless amended its description with the redundant 'Airline Ticket Change Fee'. Finally, the description 'Holiday Gifts' has been amended with 'PAC Holiday Gifts: donors, supporters' to provide more detail. The remaining descriptions mentioned were amended as well to provide sufficient detail.
7. You asked that Schedule B be amended to include memo entries supplying information regarding the ultimate vendor for which reimbursements to individuals were made. There is no statutory or regulatory authority for this requirement. You cite as authority, 11 C.F.R. 104.9, but this requires itemization only of the actual recipient. You also cite Advisory Opinion 1996-20, footnote 3, but this in turn provides no legal basis for requiring such itemization. The committee has nonetheless complied with your request in its amended report.
8. We have amended several Schedule B disclosures to further clarify that all Direct Mail and Polling expenses were for the sole benefit of the Northstar LPAC. None of these disbursements expressly advocated the election or defeat of any candidate.
9. The Northstar LPAC has filed an Amended 12/31/2006 report to show a corrected amount due to Patton Boggs, LLP of \$2,100.00 as of the end of that period. Due to a clerical error when producing that report, a debt of \$853.75 that was paid in 2006 was reported still due to Patton Bogg
