



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Katherine Moret, Treasurer
Democratic State Central Committee
of California-Federal
911 20th Street
Sacramento, CA 95814

JUN 6 2001

Identification Number: C00105668

Reference: 30 Day Post-General Report (10/19/00-11/27/00)

Dear Ms. Moret:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses receipts totaling \$4,750 and \$350,477.77 from American Women Vote 2000! and the Democratic State Victory Fund, respectively, which is a joint fundraising committee(s) affiliated with your committee. Please be advised that a memo Schedule A must be provided to itemize your committee's share of the gross contributions received through the joint fundraiser(s). The memo schedule should itemize each individual who has contributed an aggregate in excess of \$200 during the calendar year, and provide the amount of unitemized contributions received. In addition, the memo schedule should itemize your committee's share of all contributions from political committees, regardless of amount. 11 CFR §102.17(c)(8)(i)(B)

-Please provide a Schedule C or D, as appropriate, to support the entry of \$24,538.94 reported on Line 9 of the Summary Page. Loans and debts must be continuously reported until they are either repaid or settled. 11 CFR §104.3(d)

-Your previous filing, the 12 Day Pre-General Report, disclosed a \$5,000 (\$2,000 outstanding balance) loan(s) from Carmen Warshaw. This report, however, does not include a Schedule C to disclose the status of the loan(s),

nor are there any loan repayments on Schedule B. Please provide a Schedule C to show the status of the loan(s) and/or a Schedule B to show loan repayments. Loans must be continuously reported until they are repaid. 11 CFR §104.3(d)

-Schedule A supporting Line 12 discloses a transfer(s)-in from the Democratic Senatorial Campaign Committee, the Democratic Congressional Campaign Committee and the Democratic National Committee. Schedules B and H4 supporting Line 21 reflects payments for "buttons" and various purposes categorized as 'exempt' (Schedule H4). Please be advised that a state or local party committee may pay for campaign materials (such as bumper stickers) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election. 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 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 §100.7(b)(15) and (17) 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 and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate

-You have made disbursements for "Equip. rental", "Sign lang. interpreting", "Interpreter", "Chairs", "tables", "Walkie talkie rental", "Confetti for rally", "Decorations", "Facility rental", "Lightning", "Photographer", "Advertisement", "Mailing Service", "Stage management", "Mail list", "Mail files", "Room Rental", "Stage production services", "Stage, lighting sound for rally", "Flatbed rentals", "Flags", "Flag rental", "Rally supplies", "Stage Production", "Portable toilets", "Mail production", "Parking, Stipend" and "Hilton Hotel" which you have characterized as exempt activities. In order for an activity to be classified as exempt, it must meet the following conditions: (1) For slate cards and sample ballots: it

names at least three candidates running for election to any public office, it is not distributed through public political advertising (including broadcast media, newspapers, magazines, and billboards), the content is limited to the identification of each candidate, the office or position currently held, the office sought and party affiliation, and the costs allocable to federal candidates are paid with permissible funds; (2) For campaign materials: the activity is conducted on behalf of the party's nominees in the general election, the materials are distributed by volunteers--not through public political advertising, the party committee does not use materials purchased by the national party committee or money transferred from the national committee to purchase materials, the party committee does not use funds designated for a particular federal candidate, a payment from a non-federal campaign to help pay for the materials does not exceed its allocated share of the expenses, and the costs allocable to federal candidates are paid with permissible funds; (3) For voter drives: the activity is on behalf of the party's Presidential and Vice Presidential nominees, the activity does not involve the use of public political advertising such as television, radio, newspapers, magazines, billboards or direct mail, phone banks are operated by volunteers (although paid professionals may design the system, develop calling instructions and train supervisors), the party committee does not use funds transferred by the national party committee for voter drive activities, the party committee does not use funds designated for a particular federal candidate, and the cost allocable to federal candidates are paid with permissible funds.

If the activity disclosed on your report does not meet the definition of "exempt" activity as described above, and if any portion of the expenditures were made on behalf of specifically identified candidates, this amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate. Please provide the Commission with a more detailed explanation of these activities.

-Please clarify all expenditures made for "Advertisement" on Schedule(s) H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E or F supporting Lines 23, 24 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Please clarify all expenditures for "GOTV" and "GOTV Services". In addition, if any of the voter registration or get-out-the-vote activities

referenced House or Senate candidates, they should be allocated accordingly, unless merely incidental to the overall activity. If a portion or all of these expenditures were made on behalf of federal candidates, they should be reported on Schedules B, E or F for Lines 23, 24 or 25 of the Detailed Summary Page, as appropriate.

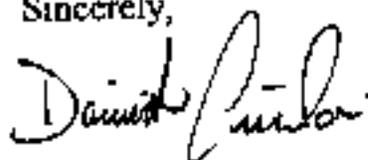
-On Schedule H2, you disclose the ratios for "Chair/Finance Dept Program", "Walkpiece Postcard - 00W1", "Walkpiece2 00W2" and "San Diego Walkpiece 00W3" to be NEW; however, Schedules H2 of your previous reports disclose ratios for these activities/events which are identical to the ones given in this report. Please amend your report to clarify these discrepancies. 11 CFR §104.10(a)(1)

-Schedule H2 of your report discloses what appears to be duplicate entries for each of the listed fundraising and exempt activities/events. Please amend Schedule H2 by disclosing each event/activity only once.

-Schedule H4 of your report discloses a payment(s) for "petty cash" that exceeded \$100. Please be advised that a political committee may maintain a petty cash fund out of which it may make expenditures not in excess of \$100 to any person per purchase or transaction. 11 CFR §102.11 Please provide clarifying information regarding these transactions.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Dominick Ciaraldi
Reports Analyst
Reports Analysis Division

