



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

February 19, 2013

MICHAEL KASPER, TREASURER
DEMOCRATIC PARTY OF ILLINOIS
P.O. BOX 518
SPRINGFIELD, IL 62705

Response Due Date
03/26/2013

IDENTIFICATION NUMBER: C00167015

REFERENCE: 12 DAY PRE-GENERAL REPORT (10/01/2012 - 10/17/2012)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report 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 8 item(s):

1. Schedule B supporting Line 30(b) of your report discloses \$21,184.76 in activity identified as MEMO entries that do not appear to correspond with any itemized transaction(s). Please be advised, a memo entry is used to disclose additional information about an itemized transaction and the amount of a memo entry is not included in the total receipts or disbursements for the report. Please amend your report to provide clarifying information regarding this activity. (11 C.F.R. § 104.3(a) and (b))
2. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B for Line 30(b) of your report to clarify the following description(s): "Campaign expenses," "Campaign expenses-DNC 2012," and "Campaign expenses DNC." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).
3. Schedule B of your report discloses a payment(s) for "Per diem." 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 this activity.
4. Schedule A supporting Line 11(c) discloses a transfer(s)-in from "Democratic Congressional Campaign Committee." Schedule B supporting

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Line 30(b) reflects payments for "Volunteer exempt mail-promote Schneider for Congress," "Volunteer exempt mail-Promote David Gill for Congress," and "Volunteer exempt mail-promote Foster for Congress." Please be advised that a state or local party committee may pay for campaign materials (such as pins, posters, bumper stickers and yard signs) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election and for voter drive activity conducted 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 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.

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, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page as appropriate. Please amend your report or provide clarifying information.

5. Schedule H4 discloses a disbursement(s) which is categorized as a fundraising expense(s); however, a Schedule H2 has not been filed to disclose the allocation ratio. All committees are required to allocate the direct costs of each fundraising event in which the committee collects both federal and non federal funds. The costs are allocated according to the funds received ratio and reported on Schedule H2. (11 CFR §§106.6(d) and 106.7(d)(4)) Please file a Schedule H2 to disclose the ratio for the fundraising event(s).

6. Schedule H6 supporting Line 30(a) of your report discloses a payment(s) for "IL Absentee forms." Please be advised that pursuant to 11 CFR §300.33(c) (1), expenditures for public communications (as defined by 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any such candidate for Federal office must not be allocated between or among federal, non-federal and Levin accounts. Only federal funds may be used.

Further, expenditures and disbursements for public communications that refer

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to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s). However, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please clarify if this activity meets the definition of Federal Election Activity or if it contains express advocacy and amend your report to properly disclose this activity, if necessary.

If this activity was categorized incorrectly, the Commission recommends that you immediately transfer the funds received by your federal account for this activity back to the non-federal or Levin account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

7. Schedule H5 of your report discloses a \$222,175.29 transfer(s)-in of Levin funds to your federal account for Generic Campaign Activity. However, you have failed to include a Schedule L and L-B to disclose the transfer(s)-out of Levin funds for this activity. Please amend your report to clarify this apparent discrepancy.

8. Schedule H5 of your report discloses a transfer(s) of Levin funds for allocated Federal Election Activity from the "Democratic Party of IL Non Federal" account. Please clarify whether this account is an account that functions as both a non-federal account and a Levin account or if it was established solely for the receipt of Levin funds for Federal Election Activity. (11 CFR §300.30)

- Please be advised that you have used an incorrect committee identification number(s) for one or more contributions disclosed on Schedule A, supporting Line 11(c). Contributions from political action committees (i.e. separate segregated funds) should not disclose the identification numbers used to file Reports of Communication Costs (FEC FORM 7) by their connected organizations. Please file all future reports using correct identification numbers for contributions from other committees, where applicable, to avoid potential errors in entering these contributions onto the public record.

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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) 694-1147.

Sincerely,

A handwritten signature in black ink that reads "Maureen Benitz". The signature is written in a cursive, flowing style.

Maureen Benitz
Sr. Campaign Finance & Reviewing Analyst
Reports Analysis Division