FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Elizabeth Smith, Treasurer
The Madison Project Inc.
P.O. Box 100
Centreville, VA 20122

JUN 04 2003

Identification Number: C00298000

Reference: Amended 30 Day Post-General Report (10/1/02-11/25/02), received 4/15/03

Dear Mrs. Elizabeth Smith:

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:

-Schedules A and B of your report disclose your committee has received apparent earmarked contributions for several federal candidates. Please be advised, if the contributions passed through your committee's account, then a notation must be made which states this and each must be itemized on Schedules A and B, regardless of the amount. In addition, if the earmarked contributions were forwarded in the form of the contributor's check, then a notation must be made which states this and they should be disclosed as MEMO entries on Schedules A and B, regardless of the amount. For disclosure purposes, the name and mailing address for each contributor must be provided and where the contribution exceeds $200, the individual's occupation and name of employer must also be itemized. 11 CFR §110.6(c)(1)(iv) Please amend your report accordingly and provide the omitted schedule(s).

-Your report discloses a transfer(s) for "Legal Fees" and "Legal Services" to the **Madison Project State Account** which appears to be a non-federal account of your committee. 11 CFR §§106.5 and 106.6 prohibits a committee's federal account from reimbursing its non-federal account for shared allocable expenses. Furthermore, all disbursements, contributions, expenditures and transfers by the committee in connection with any federal election shall be made from its federal account. 11 CFR §102.5(a)(i) Please provide clarifying information regarding these transactions including the date(s) when the original activity was conducted by the non-federal account.

if the transfer(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If your non-federal account has paid for any expenditure which should have been allocated, you are advised to correct any non-compliance with 11 CFR §106.5 and 106.6 and establish procedures to insure future compliance with the allocation regulations.

Although the Commission may take further legal action regarding this apparent improper allocation activity, your prompt action will be taken into consideration.

A response or 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. 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 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,

Antoinette Kitchen
Senior Campaign Finance Analyst
Reports Analysis Division