



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

November 1, 2006

Patricia Blevins, Treasurer
Democratic State Committee Delaware
P.O. Box 2065
Wilmington, DE 19899

**Response Due Date:
December 4, 2006**

Identification Number: C00211763

Reference: September Monthly Report (8/1/06-8/31/06)

Dear Ms. Blevins:

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. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule A of your August Monthly (7/1/06-7/31/06) and September Monthly (8/1/06-8/31/06) Reports disclose transfers totaling \$4,569.73 from the DE Party Victory Fund, which is a joint fundraising committee affiliated with your committee.

The Commission notes that your September Monthly Report (8/1/06-8/31/06) includes memo text clarification for transfers related to this joint fundraising program which states, "This transfer of the joint fundraising proceeds... represents the committee's share of proceeds for contributions received during the Second quarter of this year. The memo entries for these contributions were included in the committee's July Monthly report."

However, the sum of the entries relating to the DE Party Victory Fund itemized on the memo Schedule A of your July Monthly Report (6/1/06-6/30/06) total only \$2,674.25.

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. The memo schedule should itemize each individual who has contributed an aggregate in excess of \$200 during the calendar year, and

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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 clarify this discrepancy.

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "payroll," "staff salary" and "payroll taxes." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding this improper allocation activity, your prompt action will be taken into consideration.

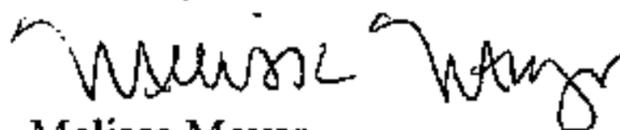
-On Schedule H2, you disclose the ratio for "Dean 2006 Event" to be the same as previously reported; however, it appears that this activity/event was not previously reported. Please amend your report to clarify this discrepancy. 11 CFR §§104.10 and 104.17

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. 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.

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) 694-1397.

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Sincerely,



Melissa Meyer
Campaign Finance Analyst
Reports Analysis Division

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