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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 15, 2005

Deborah Trudell, Treasurer
Nevada State Democratic Party
409 Horn Street
Las Vegas, NV 89107

Response Due Date:
May 16, 2005

Identification Number: C00208991

Reference: 30 Day Post General Report (10/14/04 – 11/22/04)

Dear Ms. Trudell:

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 supporting Line(s) 11(a)(i), 11(b), and 11(c) of your report discloses a receipt(s) from a candidate committee(s) (see attached) which requires further clarification. For example, if this activity represents a transfer of funds, please indicate "transfer" on Schedule A supporting Line 11(c) of your report. If this activity represents a reimbursement for services provided to this committee, please indicate this on Schedule A supporting Line 15 of your report. Please amend your report to clarify the type of activity this receipt(s) represents.

-The totals listed on Lines 6(c), 7, 11(b), 11(a)(iii), 11(c), 15, 19, 20, 21(a)(i), 21(a)(ii), 21(c), 22, 30(b), 30(c), 31, and 32, Column B of the Summary and Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Schedule H4 of your report discloses a payment(s) for "Ad/Get Out The Vote rally," "Decorations/Get Out The Vote rally," "DJ-Get Out The Vote rally," "Early vote signs," "Gas/Vans-Get Out The Vote," and "Voter file

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maintenance." Please be advised that 11 CFR §100.24(b) defines as Federal Election Activity, Voter identification, Generic Campaign and Get-out-the-vote activities conducted in connection with an election in which one or more candidates for Federal office appear on the ballot. Furthermore, the costs for these types of Federal Election Activity must either be paid with federal funds or allocated between federal and Levin funds. It appears that you have allocated these costs between federal and non-federal funds. Any reimbursement from your committee's non-federal account for Federal Election Activity costs is not permissible and must be returned. 11 CFR §§300.32 and 300.33

Please inform the Commission of your corrective action immediately or provide clarifying information regarding this activity. Although the Commission may take further legal action regarding this apparent prohibited activity, your prompt action will be taken into consideration.

-Schedule L-A of your report discloses a receipt(s) from "Obama for Illinois." Please be advised that Levin funds expended or disbursed by any State, district or local committee must be raised solely by the committee that expends or disburses them. Consequently, funds from national party committees, other State, district and local committees and Federal candidates or officeholders, may not be accepted as Levin funds. 11 CFR §§300.31 and 300.34

If any receipt in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for any transfer-out or refund. Transfers-out and refunds should be disclosed on Schedule L-B supporting Line 5 on Schedule L of the report during which the transaction was made.

Although the Commission may take further legal action regarding the acceptance of impermissible Levin funds, prompt action by your committee to transfer-out or refund the funds will be taken into consideration.

-Schedule B supporting Line 30(b) of your report discloses negative entries for the receipt of apparent refunds/rebates of expenditures made during this or previous reporting periods. Please be advised that the receipt of offsets to operating expenditures should be disclosed on Schedule A supporting Line 15 of the Detailed Summary Page if the vendor wrote a refund/rebate check on its account. This method of reporting would clarify for the public

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record the total amount of receipts and more accurately disclose the cash-on-hand amount. Please amend your report to properly disclose this activity or provide clarifying information.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$3,061.44 for "Telemarketing fees." Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer 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).

Further, 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 amend your report to properly disclose this activity or provide clarifying information.

-Schedule B supporting Line 30(b) of your report discloses a payment(s) for "Early vote ads," "Election phonebanker," "Get Out The Vote ads," "GOTV ads," "Phone banking," "Postage," and "Reimb/postage" which is categorized as Federal Election Activity and therefore, may require the disclosure of the candidate(s) this activity should be attributed to. Expenditures and disbursements for public communications that refer 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).

Further, please be advised that 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 amend your report to properly disclose this activity or provide clarifying information.

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-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B of your report to clarify the following description(s): "Coord. Campaign field" and "Coord. campaign field." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Please amend your report by providing the address for each disbursement itemized on Schedule B supporting Line 30(b) and Schedule H6 supporting Line 30(a).

-Schedule A supporting Line 12 discloses a transfer(s)-in from the "Democratic National Committee." Schedule H6 supporting Line 30(a) reflects payments for Federal Election Activity. Please be advised that under 11 CFR §300.34, a state, district or local party committee must not use any Federal funds transferred to it from a national party committee or any other State, district or local party committee, as the Federal component of an expenditure or disbursement for Federal Election Activity. Furthermore, your committee must itself raise the Federal component of expenditure or disbursement allocated between Federal and Levin funds.

Please clarify whether the transfer(s)-in was used for the subsequent payments for Federal Election Activity. In addition, please clarify the procedures you are currently using to ensure that Federal funds transferred to your committee from national, state, district and local party committees are not being used for Federal Election Activity.

-The totals listed on Lines 1(a), 1(c), 3, and 8, Column B of the Schedule L Aggregation Page for the "Non-Federal Levin" account appear to be incorrect. Please be advised that you should add the "Column B Year-to-Date" total from your previous report to the current "Column A Total This Period" figure to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Please provide a Schedule L-B to support the entry disclosed on Line(s) 4(c) and 5 of the Schedule L Aggregation Page. Each transfer of Levin funds from a Levin or non-federal account to a Federal account must be itemized on Schedule L-B regardless of the amount transferred 11 CFR §300.36(b)(2)(ii)

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Ad/Get Out The Vote rally," "Early vote signs" and "signs." Please be advised that pursuant to 11 CFR §300.33(c)(1), expenditures for public

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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 and non-federal accounts. Only federal funds may be used.

Further, expenditures and disbursements for public communications that refer 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, 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 amend your report to properly disclose this activity.

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 account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Generic postcard mailing." Please be advised that 11 CFR §100.24(b) defines as Federal Election Activity; Generic campaign activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot. In addition, 11 CFR §100.25 defines Generic campaign activity as a public communication that promotes or opposes a political party and does not promote or oppose a clearly identified Federal candidate or non-Federal candidate.

Furthermore, the costs for this type of Federal Election Activity must either be paid with federal funds or allocated between federal and Levin funds. It appears that you have allocated these costs between federal and non-federal funds. Any reimbursement from your committee's non-federal account for Federal Election Activity costs is not permissible and must be returned. 11 CFR §§300.32 and 300.33

Please inform the Commission of your corrective action immediately or provide clarifying information regarding this activity. Although the

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Commission may take further legal action regarding this apparent prohibited activity, your prompt action will be taken into consideration.

-Schedule H4 of your report discloses \$1,678.98 in payments for "DJ services," "Equipment maintenance," "Janitorial service," "Security guard fee," and "Utility maintenance" to individuals. Please clarify whether these individuals are employees of your committee. You are 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, non-federal and Levin accounts. Rather, only federal funds may be used. Any reimbursement from your committee's non-federal or Levin account for salary and wage payments is not permissible and must be returned. Please provide clarification regarding these payments.

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Reimb/insurance premium." 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.

-Schedule A supporting Line 12 discloses a transfer(s)-in from the Democratic National Committee. Schedule H4 supporting Line 21(a) reflects payments for "car signs." 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

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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.

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, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page as appropriate.

-Please amend your report by providing the address for each disbursement itemized on Schedule(s) B and H4 supporting Line(s) 21(b) and 21(a).

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) H4 of your report to clarify the following description(s): "Event expenses," "Office supplies (to an individual)," "Reimb/office supplies (to an individual)," "Reimb/office supp. (to an individual)," and "See Memo Entries." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-On Schedule H4, your allocated activity or event year-to-date total calculations for Administrative and Voter Drive categories are incorrect. Allocated activity or event year-to-date totals for administrative, voter drive and exempt activity costs are derived by aggregating all disbursements during the calendar year for each separate category. Allocated activity or event year-to-date totals for fundraising and direct candidate support activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous event year-to-date total for that category or event. This running event year-to-date total should be disclosed after each disbursement is listed. Please amend your report by providing the correct event year-to-date totals.

-Your report disclosed certain categories of financial activity that have been reflected on the wrong lines of the Detailed Summary Page. Contributions from other political committees should be properly disclosed on a separate Schedule(s) A, supporting Line(s) 11(c) of the Detailed Summary Page. Transfers from federal candidates should be properly disclosed on a separate Schedule(s) A, supporting Line(s) 11(c) of the Detailed Summary

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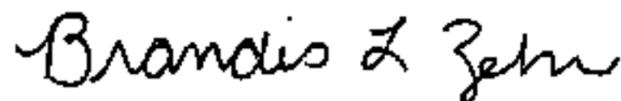
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Page. Offsets to operating expenditures (refunds) should be properly disclosed on a separate Schedule(s) A, supporting Line(s) 15 of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

Unlike previous election cycles, 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) 694-1148.

Sincerely,



Brandis L. Zehr
Campaign Finance Analyst
Reports Analysis Division

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Contributor Name	Date	Amount	Report
John Kerry for President	10/20/04	\$40,000.00	2004 30 Day Post-General
John Kerry for President	10/26/04	\$36,000.00	2004 30 Day Post-General
John Kerry for President	10/26/04	\$47,343.00	2004 30 Day Post-General
Obama for Illinois	10/27/04	\$12,500.00	2004 30 Day Post-General

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