



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

MAR 12 1997

Carol Pensky, Treasurer
DNC Services Corporation/Democratic
National Committee
430 South Capitol Street SE
Washington, DC 20003

Identification Number: C00010603

Reference: 12 Day Pre-General Report (10/1/96-10/16/96)

Dear Ms. Pensky:

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:

-Schedule H4 of your report (pertinent portion attached) discloses a \$17,702.96 disbursement for PRODUCTION COSTS to the Hollywood Women's Political Committee. This type of activity constitutes a contribution to another political committee, and is therefore not an activity that can be paid with allocated (federal and non-federal) monies. In addition, 2 U.S.C. §441a(a) precludes a committee from making contributions to another political committee in excess of \$5,000 per calendar year.

Please be advised that your federal account may receive transfers from your non-federal account in order to pay for the costs of the following categories of activity: administrative expenses, shared fundraising events, shared exempt activities, and generic voter drives. 11 CFR §106.5 Reimbursement from your committee's non-federal account for transfers and contributions to other committees is not permissible. 11 CFR §102.5

Federally registered committees which received these funds will be required to either transfer the funds to a non-federal account or return the non-federal portion to your committee's non-federal account.

The Commission recommends that you immediately transfer back to your non-federal account, the total amount received by your federal account for this activity. In addition, if you have made an excessive contribution, you should notify the recipient committee and request a refund of the amount in excess of \$5,000.

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

-Schedule A of your report (pertinent portion(s) attached) discloses a contribution(s) from an organization(s) which is not a political committee registered with the Commission. In order for your committee to accept contributions from unregistered organizations into accounts used to influence federal elections, your committee should take steps to insure that the contributor(s) used permissible funds to make the contribution(s) to avoid violating 2 U.S.C. §§441a(f) and 441b or 11 CFR §102.5(b). Under 11 CFR §102.5(b), organizations which are not political committees under the Act and choose to contribute to federal committees must either: 1) establish a separate account which contains only those funds permitted under the Act, or 2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution.

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. In addition, please clarify whether the contribution(s) received from the referenced organization(s) is permissible. To the extent that your committee has received impermissible funds, the Commission recommends that you transfer the impermissible funds to an account not used to influence federal elections or refund the impermissible amount(s) to the donor(s) in accordance with 11 CFR §103.3(b). In order to protect the donor's interests, the Commission recommends that you inform the contributor(s) in writing to provide the donor(s) with the option of receiving a refund or granting written authorization for a transfer to another account.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out or refund. Should you choose to transfer-out or refund the contribution(s), the Commission will presume the funds were impermissible if no statement from your committee provides information to the contrary. Transfers-out and refunds should be disclosed on a Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

Although the Commission may take further legal action concerning the acceptance of prohibited contributions, prompt action by your committee in transferring-out or refunding the amounts will be taken into consideration.

-Schedule A of your 1996 October Quarterly Report (pertinent portion(s) attached) disclosed a contribution(s) which appears to exceed the limits set forth in the Act. The Act precludes a political committee which is established and maintained by a national political party and any affiliated committees from accepting contributions in excess of \$20,000 in a calendar year from a person or political committee which is not a multicandidate committee. 2 U.S.C. §441a(f)

The Commission notes your refund(s) of the excessive contribution(s) disclosed on this report. Although the Commission may take further legal action concerning the acceptance of an excessive contribution(s), your prompt action in refunding the contribution(s) will be taken into consideration.

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

-Schedule H3 of your report discloses the aggregate amount of in-kind corporate donations received for allocable activity. Pursuant to Advisory Opinion 1992-93, "In order to clarify when these transfers occurred, the committee should also note, on the Schedule H3 listing, that the transfer reflected thereon relates to H4 entries of donors that are itemized on specific pages, e.g., H4, p. 4, entries A and C." Please amend your Schedule H3 to properly disclose this missing information.

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have not included the full name and/or mailing address for the vendor(s) listed. Please amend your report accordingly.

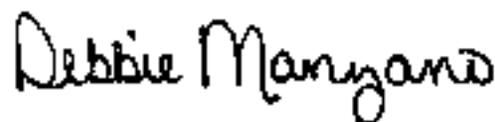
-Your report discloses offsets for operating expenditures on Schedule A supporting Line 15 to W.A. Wilde Company and Corporate Entertainment Services, Inc. Please clarify the nature of these refunds.

-Schedule D of your report has failed to include certain information. Commission Regulations require the full name and mailing address of each creditor, the outstanding balance at the beginning and end of the reporting period, the amount incurred during the period, the payment made during the period, and the nature or purpose of each debt. Additionally, all debts must be reported continuously until extinguished or settled. Please amend your report by providing the purpose of the debts owed to IPBS (previously Budda's Light Int'l Assoc.) and Music Express. 11 CFR §104.11

-Schedule D of your report discloses credits for debts owed to ARCHIBALD ALLEN ASSOCIATES, INC., BOOMERANG STUDIOS, MALCHOW & COMPANY, and ROMASH COMMUNICATIONS. Please clarify the reason for these credits.

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. My local number is (202) 219-3580.

Sincerely,



Debbie Manzano
Senior Reports Analyst
Reports Analysis Division

DISBURSEMENT SCHEDULE B-T

FOR LINE 21a

NAME OF COMMITTEE

DNC Services Corp. / Democratic National Committee

FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL
HOLLYWOOD WOMEN'S POLITICAL COMMITTEE 3679 MOTOR AVENUE, SUITE 300 LOS ANGELES, CA 90034	PRODUCTION COS	10/ 3/88	\$17,702.96	\$8,851.48	\$8,851.48

CATEGORY: FUNDRAISING/VICTO
EVENT YEAR-TO-DATE: \$2,302,153.17

FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL
ROBERT BURCH 1301 DEL RESTO DRIVE BEVERLY HILLS, CA 90210	OFFICE EXPENSES	10/ 7/88	\$55.77	\$27.89	\$27.89

CATEGORY: FUNDRAISING/VICTO
EVENT YEAR-TO-DATE: \$2,302,153.17

FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL
ROSEN, MARVIN S. 1221 BRICKELL AVENUE MIAMI, FL 33131	TELEPHONE	10/ 7/88	\$56.65	\$28.33	\$28.33

CATEGORY: FUNDRAISING/VICTO
EVENT YEAR-TO-DATE: \$2,302,153.17

FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL
ROSEN, MARVIN S. 1221 BRICKELL AVENUE MIAMI, FL 33131	PRODUCTION COS	10/ 7/88	\$432.00	\$216.00	\$216.00

CATEGORY: FUNDRAISING/VICTO
EVENT YEAR-TO-DATE: \$2,302,153.17

FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL
WELLS, MARY 1740 LANIER PL. N.W. WASHINGTON, DC 20009	AIRFARE	10/ 7/88	\$112.00	\$56.00	\$56.00

CATEGORY: FUNDRAISING/VICTO
EVENT YEAR-TO-DATE: \$2,302,153.17

FULL NAME, MAILING ADDRESS & ZIP CODE	PURPOSE/EVENT	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL
WELLS, MARY 1740 LANIER PL. N.W. WASHINGTON, DC 20009	TRAVEL EXPENSES	10/ 7/88	\$231.00	\$115.50	\$115.50

CATEGORY: FUNDRAISING/VICTO
EVENT YEAR-TO-DATE: \$2,302,153.17

SUBTOTAL OF JOINT FEDERAL AND NON-FEDERAL ACTIVITY THIS PAGE

TOTAL THIS PERIOD (last page for each line only fed share to 21 a i and non-fed share to 21 a ii)

TOTAL THIS PERIOD FOR THE NON-FEDERAL (used for line 31 of the detailed summary page)

DNC Services Corp. /Dem. Nat'l Committee
 Report of PAC Receipts
 Schedule A, Line 11(c)

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Itemized Reporting Period -- 10/01/96 to 10/16/96

NAME/ADDRESS	PERIOD	AGGREGATE Y.T.D.
New York Life Political Action Committee 51 Madison Avenue New York, NY 10010	10,000.00 10/15/96	10,000.00
P H & S Federal PAC 134 Doring Street Bryn Maur, PA 19010	5,000.00 10/09/96	5,000.00
Reliance Group Holdings Inc. Park Avenue Plaza New York, NY 10055	5,000.00 10/07/96	5,000.00
Swidler & Berlin PAC 3000 K Street, N.W. Suite 300 Washington, DC 20007	3,500.00 10/08/96	3,500.00
VSS & P Fed PAC 52 E. Gay St. P.O. Box 1008 Columbus, OH 43215	1,000.00 10/03/96	10,000.00
Wexler Group Political Action Committee 1317 F Street, NW Suite 600 Washington, DC 20004-1105	1,000.00 10/09/96	3,000.00
Wheat First Butcher Singer Inc 901 East Byrd Street Richmond, VA 23219	7,500.00 10/07/96	7,500.00
Daniel Zingale 1101 14th Street NW Suite 200 Washington, DC 20005	5,000.00 10/02/96	5,000.00
	Page Total:	38,000.00
	ITEMIZED RECEIPTS	84,150.00
	UNITEMIZED RECEIPTS	
	TOTAL RECEIPTS	84,150.00

ITEMIZED RECEIPTS
 DNC SERVICES CORPORATION/DEMOCRATIC NATIONAL COMMITTEE
 SCHEDULE A

NAME ADDRESS CITY STATE ZIPCODE	OCCUPATION EMPLOYER	YTD AGGREGATE	DATE	AMOUNT PERIOD
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Mrs. Ben Yurek 12364 Chippewa Rd Brecksville, OH 44141	Retired	390.00	7/25/96	110.00
			8/16/96	105.00

Ms. Tillie Yurich 12180 London Grove Ct Moorpark, CA 93021	Retired	310.00	7/17/96	25.00
			7/19/96	30.00
			8/27/96	30.00
			8/28/96	25.00

Mrs. KERLA YOUNG 105 Huntington Dr CHAPEL HILL, NC 27514	Retired	300.00	7/12/96	100.00
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Ms. Stuart Kachar 1714 20TH Street San Francisco, CA 94107	Attorney	250.00	9/26/96	250.00
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Dr. Alejandro Saffaroni 169 Isabella Avenue Atherton, CA 94027	Affymax Research Inc	40,000.00	7/17/96	20,000.00
			7/17/96	20,000.00

* 20,000 transferred to Non-Federal Individual on 10/16/96

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