



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

September 13, 2006

David Mittleman, Treasurer
Michigan Democratic State Central Committee/Fed Acct
606 Townsend
Lansing, MI 48933

**Response Due Date:
October 16, 2006**

Identification Number: C00031054

Reference: August Monthly Report (07/01/06-07/31/06)

Dear Mr. Mittleman:

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) and 12 of your report disclose a receipt(s) from "Conyers for Congress," "Friends of John Conyers," "Kildee for Congress," "Levin for Congress," and "Stabenow for U. S. Senate" 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.

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Media Consulting". 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 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,

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

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 of your report discloses a voided or returned check(s) for an allocable expenditure(s) or reimbursement(s) made to an individual(s) during this or previous reporting periods where an adequate explanation has not been provided. Please clarify if and when this check(s) was reissued. If this check(s) was not reissued, please be advised that this may result in an in-kind contribution received by your committee from this individual(s) and should be reported on Schedules A and H4. Please amend your report to provide further clarification regarding this activity.

-Schedule H4 of your report discloses voided or returned checks for expenditures made during this or previous reporting periods. Please clarify if and when these checks were reissued. If they were not reissued, please clarify the steps your committee has taken to account for the federal portion of these voided or returned checks in order to avoid the acceptance of a prohibited in-kind contribution.

-On Schedule H4, your allocated activity or event year-to-date total calculations for the administrative category are incorrect. Allocated activity or event year-to-date totals for administrative, voter drive, exempt activity costs and expenses for public communications made by PACs referencing only political parties 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

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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.

-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): "Grassroots Materials not FEA" and "Exempt lit - not FEA." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Please clarify all expenditures made for "Catering" and "Rent of Facility" 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 Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

Alternatively, if the payment(s) on Schedule H4 is associated with fundraising activity conducted for your committee's federal and non-federal accounts, it must be allocated according to the funds received method and the ratio reflected on Schedule H2. Further, it must be categorized as a fundraising activity on Schedule H4. Please provide clarifying information regarding the nature of this transaction(s) and amend your report(s) as appropriate.

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Contributions from Other Political Committees should be properly disclosed on a separate Schedule A, supporting Line 11(c) of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

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.

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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) 694-1139.

Sincerely,



Karen E. Trainer
Senior Campaign Finance Analyst
Reports Analysis Division

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