



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Kevin M. Madden, Treasurer  
National Association of Insurance and  
Financial Advisors Political Action  
Committee  
2901 Telestar Court  
Falls Church, VA 22042

JAN 30 2002

Identification Number: C00005249

Reference: Amended October Monthly Report (9/1/01-9/30/01), received 11/19/01

Dear Mr. Madden:

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:

-Commission Regulations require that a committee disclose the identification of all individuals who contribute in excess of \$200 in a calendar year. (11 CFR §104.3(a)(4)(i)) Identification for an individual is defined as the full name, mailing address, occupation and name of employer. (11 CFR §100.12) Your report discloses contributions from individuals for which the identification is not complete.

You must provide the missing information, or if you are unable to do so, you must demonstrate that "best efforts" have been used to obtain the information. To establish "best efforts," you must provide the Commission with a detailed description of your procedures for requesting the information. Establishing "best efforts" is a three-fold process.

First, your original solicitation must include a clear and conspicuous request for the contributor information and must inform the contributor of the requirements of federal law for the reporting of such information. (11 CFR §104.7(b)(1))

Second, if the information is not provided, you must make one follow-up, stand alone effort to obtain this information, regardless of whether the

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contribution(s) was solicited or not. This effort must occur no later than 30 days after receipt of the contribution and may be in the form of a written request or an oral request documented in writing. (11 CFR § 104.7(b)(2))  
The request must:

- clearly ask for the missing information, without soliciting a contribution;
- inform the contributor of the requirements of federal law for the reporting of such information, and
- if the request is written, include a pre-addressed post card or return envelope.

Third, if you receive contributor information after the contribution(s) has been reported, you shall either a) file with your next regularly scheduled report, an amended memo Schedule A listing all the contributions for which additional information was received; or b) file on or before your next regularly scheduled reporting date, amendments to the report(s) originally disclosing the contribution(s). (11 CFR §104.7(b)(4))

Please provide the missing information or a detailed description of your procedures for requesting the information. For more information on demonstrating "best efforts," please refer to the Campaign Guide.

-Schedule A supporting Line 11(a)(i) of your report discloses contributions received through what appears to be a payroll deduction plan. Please amend your report to disclose the amount deducted per pay period. 11 CFR §104.8(b) Please refer to the enclosed sample of properly reported payroll deductions.

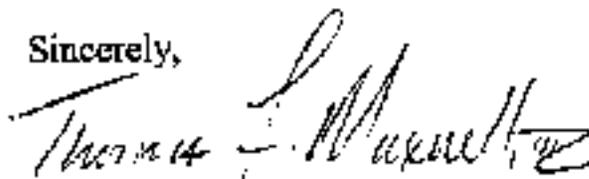
-Schedule B supporting Line 23 discloses a contribution(s) to a federal candidate(s) for the 2001 Florida Special Election (pertinent portions attached). Please provide the election designation in order to avoid the appearance of excessive contributions made to federal candidates by your committee.

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 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

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Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

A handwritten signature in cursive script that reads "Thomas F. Maxwell, III". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Thomas F. Maxwell, III  
Reports Analyst  
Reports Analysis Division

## PAYROLL DEDUCTIONS

SCHEDULE A (FEC Form 302)		FOR LONG NUMBER: PAGE 1 OF 1	
ITEMIZED RECEIPTS		Use spaces necessary for each category of the Detailed Summary Page	
Key information about both full Reports and Statements may not be used by any person for the purpose of soliciting contributions or for campaign purposes, other than using the name and address of any political committee to solicit contributions for the committee.			
NAME OF COMMITTEE (in full)			
Critical Reason, Inc. PAC			
FULL NAME (Last, First, Middle Name)			
A. <u>Bank, International</u>			
Mailing Address			
8 Christmas Ave.			
City		State	Zip Code
Kannapolis		VA	28355
FEC ID number of contributing federal political committee		Amount of Each Receipt this Period	
C		\$90.00	
Name of Employer		Occupation	
Critical Reason, Inc.		Executive Officer	
Receipt For		Aggregate Year-to-Date	
<input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify)		288.00	
		payroll deduction	
		Date of Receipt	
		11/11/98	
		Amount of Each Receipt this Period	
		(\$18 biweekly) <sup>a</sup>	

\*Adding Extra Text/Explanation: When using PEOPLE electronic filing software, this information can be entered using the "memo text" window. To make a "memo text" entry, select the "View" menu on the PEOPLE toolbar. Select "All Transactions." Single click (highlight) the transaction to which the "memo text" will be attached. Then select the "Edit" menu on the toolbar and select "memo text."

<sup>a</sup>When using PEOPLE electronic filing software, enter this information in the "description" field.

### Categorizing Receipts

Before beginning to itemize the committee's receipts, separate them into the different categories listed on the Detailed Summary Page ("Contributions from Individuals," "Contributions from Political Committees," etc.; an illustration of a completed Detailed Summary Page appears on pages 54-55). The receipts in each category must be itemized on a separate Schedule A designated for that category.

Indicate the type of receipt itemized on a particular Schedule A by checking the box for the corresponding line number from the Detailed Summary Page where indicated in the upper right corner of the schedule. The appropriate category of receipt may also be written at the top of each page.

Some categories may require several pages. The total for each category should be entered on the bottom line of the last page for that category.

### Itemized Information

For each itemized contribution, provide:

- The full name and address (including zip code) of the contributor or other source;
- The name of the contributor's employer (if the contributor is an individual);

- The contributor's occupation (if the contributor is an individual);
- The date of receipt;
- The amount; and
- The aggregate year-to-date total of all receipts (within the same category) from the same source. 104.3(a)(3).

The space indicating the election for which an itemized contribution was made ("Receipt For") does not apply to SSFs; leave those boxes blank.

#### Special "Employer" Information

If a contributor is self-employed, that should be recorded in the Employer space. If a contributor is not employed, the Employer space should be left blank, but the Occupation space should always be completed (e.g., "unemployed," "retired," "homemaker").

#### Best Efforts Required

Note that committees and their treasurers must use "best efforts" to obtain and report the information listed above. See page 38 for more information.

## Payroll Deductions

Once an individual's deductions aggregate over \$200 in a calendar year, report the total amount deducted from the donor's paychecks during the reporting period on Schedule A. In parentheses indicate the amount that was deducted each pay period. Instead of stating a specific date of receipt, type "payroll deduction" under "Date." The other itemized information, including the year-to-date total, must be completed for each donor. 104.6(b).

**EXAMPLE:** During an election year, a corporate manager authorizes her employer to deduct \$15 per pay period (each pay period is two weeks) for the company's SSF. The SSF, which files FEC reports on a quarterly schedule, includes the manager's first-quarter contributions (\$90 for six pay periods) as "unitemized contributions" on Line 11(a)(ii) in the April quarterly report.

By June 30 (the closing date for the July quarterly report), 13 pay periods have passed, and the manager's aggregate contributions are \$195—still below the \$200 itemization threshold. The manager's second-quarter contributions again are included in "unitemized contributions" in the July report.

By September 30 (the closing date for the October quarterly report), 19 pay periods have passed, and the manager's contributions reach \$285. Now the committee itemizes the total contributions received from the manager during the third quarter (\$90), providing the year-to-date total in the appropriate space. (See item A in the illustration above.)

**SCHEDULE B (FEC Form 3X)  
ITEMIZED DISBURSEMENTS**

I file separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)								PAGE 81 / 84	
	<input type="checkbox"/> 21b	<input type="checkbox"/> 22	<input checked="" type="checkbox"/> 23	<input type="checkbox"/> 24	<input type="checkbox"/> 25	<input type="checkbox"/> 26	<input type="checkbox"/> 27	<input type="checkbox"/> 28a	<input type="checkbox"/> 28b	<input type="checkbox"/> 28c

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee

NAME OF COMMITTEE (In Full)  
National Association of Insurance and Financial Advisors Political Action Committee

Full Name (Last, First, Middle Initial) <b>A. Fletcher for Congress</b>			Date of Disbursement 09 / 05 / 2001		
Mailing Address PO Box 4703 City Lexington State KY Zip Code 40544			Amount of Each Disbursement this Period 1000.00		
Purpose of Disbursement Contribution: Ernie Fletcher (KY-6-R-US)		Candidate Name Ernie Fletcher (KY-6-R)	Category/Type	Contribution: Ernie Fletcher (KY-6-R-US)	
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Transaction ID: D6392	
State: KY District: 6					

Full Name (Last, First, Middle Initial) <b>B. Jeff Miller For Congress</b>			Date of Disbursement 09 / 18 / 2001		
Mailing Address PO Box 100 City Milton State FL Zip Code 32572			Amount of Each Disbursement this Period 2500.00		
Purpose of Disbursement Contribution: Jeff Miller (FL-1-R-US Hou)		Candidate Name Jeff Miller (FL-1-R)	Category/Type	Contribution: Jeff Miller (FL-1-R-US Hou)	
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Transaction ID: D6393	
State: FL District: 1					

Full Name (Last, First, Middle Initial) <b>C. Denny Pierson For Congress-2002</b>			Date of Disbursement 09 / 18 / 2001		
Mailing Address PO Box 2002 City Sioux Falls State SD Zip Code 57101-2002			Amount of Each Disbursement this Period 2000.00		
Purpose of Disbursement Contribution: Denny Pierson (SD-1-D-US H)		Candidate Name Denny Pierson (SD-1-D)	Category/Type	Contribution: Denny Pierson (SD-1-D-US)	
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Transaction ID: D6394	
State: SD District: 1					

SUBTOTAL of Disbursements This Page (optional)	5500.00
TOTAL This Period (last page this line number only)	

