



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

October 13, 2014

KATHERINE MORET, TREASURER  
CALIFORNIA DEMOCRATIC PARTY  
1830 9TH STREET  
SACRAMENTO, CA 95811

**Response Due Date**  
**11/17/2014**

IDENTIFICATION NUMBER: C00105668

REFERENCE: AUGUST MONTHLY REPORT (07/01/2014 - 07/31/2014)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 4 item(s):

1. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) H4 to clarify the following description(s): "production cost" and "**production fee**,airfare, parking, hotel, graphic design,car rental." (11 CFR §§104.3(b)(3) and 104.10(a)(4))

Additional clarification regarding inadequate purposes of disbursement published in the Federal Register can be found at: [http://www.fec.gov/law/policy/purposeofdisbursement/inadequate\\_purpose\\_list\\_3507.pdf](http://www.fec.gov/law/policy/purposeofdisbursement/inadequate_purpose_list_3507.pdf)

2. Schedule A supporting Line 17 discloses a transfer(s)-in from the "Democratic Congressional Campaign Committee". Schedule(s) H4 supporting Line 21(a) reflects payments for "pins" and "pins for Labor Caucus." Please be advised that a state or local party committee may pay for campaign materials (such as bumper stickers, pins and yard signs) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election and voter drive activity on behalf of the party's Presidential and Vice Presidential nominees. 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

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funds used for the activity 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, any portion of the expenditures made on behalf of specifically identified candidates must be disclosed on Schedule B, E or F supporting Line 23 or 30(b), 24 or 25 of the Detailed Summary Page as appropriate.

**3.** Please clarify all expenditures made for "facility rental" 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.

**4.** Schedule H4 of your report discloses reimbursements to individuals for "mileage (\$189.84), **supplies.**" Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must include the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule H4, which reimbursement each memo entry relates to. (11 CFR § 104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3)

- Your report discloses certain categories of financial activity that have been reflected on the wrong lines of the Detailed Summary Page. For your information and consideration when preparing future filings, transfers from affiliated committees, including national party committees, should be properly

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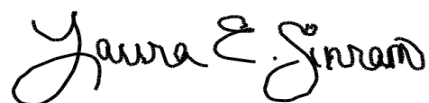
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disclosed on a separate Schedule(s) A, supporting Line(s) 12 of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing. (52 U.S.C. §30104(b) (formerly 2 U.S.C §434(b)) and FORM 3X Instructions)

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

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) 694-1157.

Sincerely,



Laura Sinram  
Sr. Campaign Finance & Reviewing Analyst  
Reports Analysis Division