



FEDERAL ELECTION COMMISSION
WASHINGTON, D. C. 20463

RQ-2

August 18, 2004

Bruce Gates, Treasurer
The Freedom Project
111 C Street SE
Washington, DC 20003

Response Due Date:
September 17, 2004

Identification Number: C00305805

Reference: June Monthly Report (5/01/04-5/31/04)

Dear Mr. Gates:

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 of your report (see attached) discloses one or more contributions which appear to exceed the limits set forth in the Act. 2 U.S.C. §441a(f) and 11 CFR §§110.1(d) and 110.2(d) prohibit a committee and its affiliates from receiving any contribution from another political committee or person in excess of \$5,000 per calendar year.

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you must amend your original report with the clarifying information.

If any contribution you received exceeds the limits, you may have to refund the excessive amount. The funds can be retained if within 60 days of receipt, (1) the excessive amount was properly reattributed to another person, such as a joint account holder, by obtaining signed written authorizations from each person making the contribution pursuant to 11 CFR 110.1(k)(3), and (2) the treasurer informs the person making the contribution that he or she may request the return of the excessive portion of the contribution if it is not intended to be a joint contribution. Any request from a donor for a refund must be honored.

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Alternatively, the funds can be retained if within 60 days of receipt you (1) transferred the excessive amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund. Any request from a donor for a refund must be honored.

If the foregoing conditions for reattributions or transfers to a non-federal account were not met within 60 days of receipt, the excessive amount must be refunded.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any reattributions should be reported as memo entries on Schedule A of the report covering the period during which the authorization for the reattribution is received. Any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report during which the transaction was made.

Although the Commission may take further legal action regarding the acceptance of an excessive contribution(s), prompt action by your committee to seek reattribution, transfer-out or refund the excessive amount will be taken into consideration.

-Schedule B of your report (see attached) discloses one or more contributions which appear to exceed the limits set forth in the Act. 2 U.S.C. §441a(a) prohibits a multicandidate committee and its affiliates from making a contribution to a candidate for federal office in excess of \$5,000 per election.

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

If any contribution you made exceeds the limits, you must request a refund of the excessive amount or provide a written authorization for a redesignation of the contribution pursuant to 11 CFR §110.2(b) within 60 days of the treasurer's receipt.

If the foregoing conditions for redesignations were not met within 60 days of the treasurer's receipt, your committee must obtain a refund of the excessive amount.

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Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund or redesignation request sent to the recipient committee(s). In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received. Any redesignations should be disclosed as memo entries on Schedule B supporting Line 23 of the report covering the period during which the redesignation is made. 11 CFR §110.1(b)

Although the Commission may take further legal action regarding the excessive contribution(s), your prompt action in obtaining a refund and/or redesignating the contribution(s) will be taken into consideration.

-Schedule B of your report discloses an in-kind contribution(s) designated for the general election, but made before the primary election (pertinent portion(s) attached). In-kind contributions of equipment, such as computers, with a long-term useful life (e.g., an election cycle, or perhaps longer) are similar to contributions of money and may be designated for elections beyond the next election, provided the contributor designates the contribution as such in writing. A contribution of this type of equipment is distinguishable from in-kind contributions that are used only for one particular election, such as non-exempt contributions of food or beverages consumed by primary election day workers, or printing or mailing costs related to general election events or fundraisers. Please amend your report to include a description of the nature of the in-kind contribution(s) in question. If the in-kind contribution(s) on your report does not have a "long-term useful life", it may constitute an excessive contribution(s) for the primary election (see Advisory Opinion 1996-29).

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

If you have made an excessive contribution, you must request a refund or provide a written authorization for a redesignation of the contribution pursuant to 11 CFR §110.2(b) within 60 days of the treasurer's receipt.

If the foregoing conditions for redesignations were not met within 60 days of the treasurer's receipt, your committee must obtain a refund.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund or redesignation request sent to the recipient committee(s). In addition, any refunds should be reported

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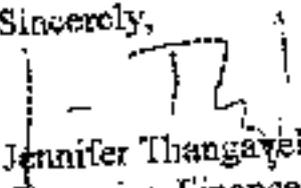
on Schedule A supporting Line 16 of the Detailed Summary Page of the report covering the period in which they are made. Resignations should be reported as memo entries on Schedule B of the report covering the period in which the resignation is made. 11 CFR §110.2(b)

Although the Commission may take further legal steps, prompt action by your committee to refund or seek redesignation of the excessive amount will be considered.

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) 694-1143.

Sincerely,


Jennifer Thangayelu
Campaign Finance Analyst
Reports Analysis Division

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Excessive Contribution from a Committee/Individual

Contributor Name	Date	Amount	Report
Victor Klatt	01/30/03	\$1,000.00	2004 February Monthly
Victor Klatt	03/02/04	\$1,850.00	2004 April Monthly
Victor Klatt	03/02/04	\$150.00	2004 April Monthly
Victor Klatt	03/13/04	\$1,000.00	2004 April Monthly
Victor Klatt	05/26/04	\$2,000.00	2004 June Monthly

Excessive Contribution to a Committee/Candidate

Recipient Name	Date	Amount	Election	Report
Richard Burr Committee	12/15/03	\$5,000.00	G2004	2003 Year End
Richard Burr Committee	5/20/04	\$1,190.00	G2004	2004 June Monthly

In-Kind Contribution Designated for General Election but Made Before Primary Election

Recipient Name	Date	Amount	Election	Election State - Date
Richard Burr Committee	5/20/04	\$1,190.00	G2004	North Carolina - 7/20/04

