



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Jim Pledger, Treasurer
The Democratic Party of Arkansas-
Federal Account
1300 West Capitol
Little Rock, AR 72201

JUN 24 1998

Identification Number: C00024372

Reference: April Quarterly Report (1/1/98-3/31/98)

Dear Mr. Pledger:

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 discloses a disbursement(s) to NationsBank of Arkansas for interest payments of Line of Credit. Please be advised that interest payments on loans do not qualify as shared expenses to be allocated between your federal and non-federal accounts. All interest payments should be disclosed on a Schedule B supporting Line 21(b) of the Detailed Summary Page. Any reimbursement from your committee's non-federal account for any portion of this disbursement(s) is not permissible. 11 CFR § 102.5(a)(1)(i)

The Commission recommends that you immediately transfer the funds received by your federal account, as reimbursement for the non-federal portions, back to your 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 activity which is 100% federal. For future reporting, please be advised that any activity which is financed entirely by the federal account (including administrative expenses), should be reported on Schedule B supporting Line 21(b). 11 CFR §106.5

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Contributions to federal candidates should be properly disclosed on a separate Schedule B, supporting Line 23 of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

-You have previously indicated that your committee has been using "best efforts" to obtain the occupation and name of employer for each contributor. However, an increasing number of entries lack this information. Please amend your report by supplying the omitted information or providing an explanation of your efforts in this regard. 11 CFR §§104.3(a)(4)(i) and 104.7

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) 694-1130.

Sincerely,



Scott Francis
Reports Analyst
Reports Analysis Division

