



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

JAN 9 2002

Michelle Seligman, Treasurer
21st Century Democrats
1311 L Street, N.W., Suite 300
Washington, DC 20005

Identification Number: C00230342

Reference: Mid-Year Report (1/1/01-6/30/01)

Dear Ms. Seligman:

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:

-On Schedule H2 of your report you disclose the ratio for "Fundraising-Direct Mail (01/01/2001)" to be 90% **FEDERAL** and 10% **NON-FEDERAL**. However, your Schedule H4 calculations reflect the ratio to be 71% **FEDERAL** and 29% **NON-FEDERAL**. Please amend your report to clarify this discrepancy.

Please note that if your non-federal account has overpaid your federal account because of this miscalculation, it will be necessary to immediately transfer these funds back to the non-federal account. While the Commission may take further legal action concerning any impermissible overpayments by the non-federal account, your prompt action will be taken into consideration.

-Schedule A supporting Line 15 of the Detailed Summary Page discloses a refund(s) or rebate(s) of what appears to be a previously disclosed allocable expense(s) from American Business Info, Lauren Falzarano, NCS and Working Assets. Please be advised that when a committee receives a refund or rebate of an allocable expense, it must be allocated between the

- federal and non-federal accounts according to the same allocation ratio used to allocate the original disbursement. Furthermore, the federal account must transfer the non-federal portion to the non-federal account and disclose this transfer-out on Schedule H4. Your report does not appear to disclose a transfer-out of the non-federal portion of this refund(s) or rebate(s). Please provide clarification regarding this apparent omission.

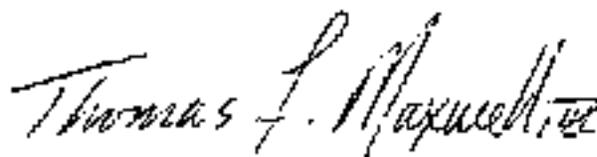
-Schedule H2 of your report indicates that your committee participated in fundraising activities or events during the reporting period. However, there are no corresponding disbursements reflected on your Schedule H4. Note that you need not include activities on Schedule H2 if there are no corresponding payments made for the activity during the reporting period. If any disbursements were incorrectly reported, you should file an amended Schedule H4 with the correct unique identifying code or title, or provide clarifying information regarding the activities on Schedule H2.

-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): "Administrative Fees" and "Annual Dinner". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Please clarify all expenditures made for "Advertising" on Schedule(s) 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 or E supporting Lines 23 or 24 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

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

Sincerely,



Thomas F. Maxwell, III
Reports Analyst
Reports Analysis Division

