



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

May 20, 2005

Barbara Ernsberger, Treasurer
Allegheny County Democratic Primary Campaign
Committee Fed 2004
819 River Ave, Riverfront Place
Pittsburgh, PA 15212

Response Due Date:
June 20, 2005

Identification Number: C00399956

Reference: Amended July Quarterly Report (04/22/04-07/14/04), received 10/21/04

Dear Ms. Ernsberger:

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 from an organization(s) which is not a political committee registered with the Commission. In order for your committee to accept contributions from unregistered organizations into accounts used to influence federal elections, your committee should take steps to insure that the contributor(s) used permissible funds to make the contribution(s) to avoid violating 2 U.S.C. §§441a(f) and 441b or 11 CFR §102.5(b). Under 11 CFR §102.5(b), organizations which are not political committees under the Act and choose to contribute to federal committees must either: 1) establish a separate account which contains only those funds permitted under the Act, or 2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution.

The Commission notes the partial transfer of the apparent impermissible funds received from organizations that are not registered political committees. The Commission further notes the disclosure of debts to

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unregistered entities for repayment of impermissible funds. Although the Commission may take further legal action concerning the acceptance of impermissible funds, your prompt corrective action will be taken into consideration.

-Schedule D discloses \$4,043.70 in debts owed to "Allegheny County Democratic Committee." You are advised that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections. Please clarify whether the debts owed to the non-federal account relate to activity conducted in connection with federal elections and if so, provide the date(s) when the original activity was conducted by the non-federal account. Any payments on debts related to the election or defeat of federal candidates should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, or as independent expenditures on Schedule E supporting Line 24. 11 CFR §§104.3(b)(3) and 106.1

Although the Commission may initiate legal action regarding the activities conducted by your non-federal account, prompt repayment of the debt and any clarifying information that you provide will be taken into consideration.

-Line 11(a)(i) of the Detailed Summary Page of your report discloses a total of \$34,000.00 in contributions from individuals/persons other than political committees. The sum of the entries itemized on Schedule A, however, indicates the total to be \$27,411.00. Please amend your report to clarify the discrepancy.

-Please provide a Schedule A to support the entries disclosed on Lines 11(b) and 11(c) of the Detailed Summary Page. All contributions from political committees must be itemized on Schedule A regardless of the amount. 2 U.S.C. §434(b)(3)(B)

-Your report discloses additional receipts totaling \$10,811.00 on Line(s) 11(b) and additional disbursements totaling \$10,811.00 on Line(s) 29 of the Detailed Summary Page that were not disclosed on your original report. Please provide clarifying information as to why this activity was not disclosed on your original report.

-Schedule B supporting Line 29 of your report discloses a payment(s) for "Slate Cards-Pres., Senate, Cong. State," "Pres. Sen. Cong. Slate Cards Printed-Fed and State" and "Mailing of Slate Card-in kind" which appears

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to meet the definition of Federal Election Activity ("FEA") and may also meet the conditions of exempt party activity as defined under 11 CFR §§100.80, 100.87, 100.89 and 11 CFR §§100.140, 100.147 and 100.149. Please be advised that activity which simultaneously constitutes both exempt activity and FEA must be paid for as an FEA activity.

If this apparent exempt activity represents Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot, it is considered to be Federal Election Activity. If this apparent exempt activity represents Voter Registration activity during the period that begins on the date that is 120 calendar days before the date that a regularly scheduled Federal election is held and ends on the date of the election, it is considered to be Federal Election Activity. 11 CFR §100.24

If this apparent exempt activity is a public communication(s) (as defined under 11 CFR §100.26) that refers to a clearly identified candidate for Federal office and promotes, supports, attacks or opposes any candidate for Federal office, it meets the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b).

Please amend your report to clarify (1) whether the activity disclosed meets the conditions of exempt party activity and (2) the type of FEA this activity represents or provide clarifying information as to why it does not meet the definition of FEA. In addition, please properly disclose this activity if necessary.

-Your report does not disclose any payments for salary or wages on Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §100.24 defines as Federal Election Activity, services provided by an employee of a State, district or local party committee who spends more than 25 percent of their time during that month on activities in connection with a Federal election. You are advised that payments for salaries and

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wages for employees who spend more than 25 percent of their compensated time in a given month on Federal Election Activity or activities in connection with a Federal election must be made with Federal funds only. Please provide clarification regarding the lack of payments for salary and wages disclosed by your committee.

-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Each state, district or local party committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses (excluding salary) between the accounts according to a fixed percentage selected on FEC Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X filed at the beginning of each calendar year. Payments for salary and wages for employees who spend more than 25% of their compensated time on Federal election activities or on activities in connection with a Federal election must be made from a federal account and disclosed on a Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §106.7

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

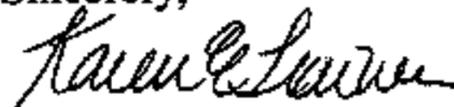
Clarification regarding administrative expenses should be provided during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

-Your report disclosed certain categories of financial activity that have been reflected on the wrong lines of the Detailed Summary Page. Receipts from Political Party Committees should be properly disclosed on a separate Schedule(s) A, supporting Line(s) 11(b) of the Detailed Summary Page. Receipts from Other Committees should be properly disclosed on a separate Schedule(s) A, supporting Line(s) 11(c) of the Detailed Summary Page. Other Federal Operating Expenditures should be properly disclosed on a separate Schedule(s) B, supporting Line(s) 21(b) of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

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) 694-1139.

Sincerely,



Karen E. Trainer
Campaign Finance Analyst
Reports Analysis Division

Contributor Name	Date	Amount
Walko for State Legislator	05/07/04	\$800.00
Neighbors for Frank Pistella	05/07/04	\$400.00
Barash for Attorney General	05/07/04	\$1,000.00
Dan Frankel/23rd District	05/07/04	\$800.00
Readshaw for Legislator	05/07/04	\$800.00
Kotik for Representative	05/07/04	\$800.00
Friends of Frank Dermody	05/07/04	\$800.00
Citizen for Sean Ramaley	05/07/04	\$400.00
Committee to Re-Elect Joseph Preston, Jr.		\$800.00
Thomas Petrone Committee	05/07/04	\$800.00
Friends of Ken Ruffing	05/07/04	\$800.00

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