FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

Darrell L. Reed, Treasurer
Ail Systems Inc. Political Action Committee
455 Commack Road
Deer Park, NY 11729

DEC 1 1 1998

Identification Number: C00292953

Reference: 12 Day Pre-General Report (10/1/98-10/14/98)

Dear Mr. Reed:

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:

-Your calculations for Line 8 appear to be incorrect. Cash-on-hand at the close of the current reporting period should always equal the closing calendar year-to-date cash-on-hand amount. Please provide the corrected total on the Summary Page.

-2 U.S.C. §434(b)(3) requires itemization of contributions from individuals and persons other than political committees, where the aggregate total from the contributor exceeds $200 in a calendar year. In addition, 11 CFR §104.3(a)(2)(i)(B) requires a committee to report the total amount of unitemized contributions (see Line 11(a)(ii) of the Detailed Summary Page). If a committee wishes to disclose contributions regardless of the amount contributed, the committee must separate (on separate receipt schedules) those contributors requiring itemization from those who are not required to be itemized. 11 CFR §104.3(a)(4)(i) For future filings, please submit your reports in this order.

-Schedule B supporting Line 23 discloses contributions to federal candidates for which no election designation has been provided. Please note that if no designation is included in your report, the contributions will be attributed to the next upcoming election for the recipient candidate.

Thus, for future reporting purposes, it is in your committee's interest to designate the appropriate election in order to avoid the appearance of excessive contributions made to federal candidates by your committee.

Any amendment or clarification should be filed with the Federal Election Commission. 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,

Antoinette Kitchen
Reports Analyst
Reports Analysis Division