



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

June 15, 2005

Ralph Santora, Treasurer
Independent Action, Inc.
1317 F St., NW, #900
Washington, DC 20004

Response Due Date:
July 15, 2005

Identification Number: C00139741

Reference: Amended October Quarterly Report (7/01/04-9/30/04), received 5/18/05

Dear Mr. Santora:

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:

-Your report discloses additional receipts totaling \$285 on Line 18(a) and additional disbursements totaling \$11,225 on Line(s) 21(a)(i), 21(a)(ii), 21(b) and 23 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.

-Please clarify all expenditures made for "direct mail fundraising" and "postage for direct mail" on Schedule(s) B. 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

-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. The Commission's records indicate that your committee has reported payments for salary, utilities and services, but has not reported payment for rent. Each separate segregated fund and non-connected committee utilizing separate federal

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and non-federal accounts is required to allocate any administrative expenses between the accounts in proportion to the Funds Expended Method derived from FEC Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X filed at the beginning of each two-year election cycle. 11 CFR §106.6(c)

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 disclosed 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

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) 694-1206.

Sincerely,



Jennifer Jaketic
Campaign Finance Analyst
Reports Analysis Division

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