



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

November 21, 2008

Karen Garcia, Treasurer  
Democratic Party of Arkansas  
1300 West Capitol Avenue  
Little Rock, AR 72201

Response Due Date:  
December 22, 2008

Identification Number: C00024372

Reference: October Monthly Report (9/1/08-9/30/08)

Dear Treasurer:

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. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 4 items:

1. Schedule A supporting Line(s) 11(c) of your report discloses a receipt(s) from "Friends Of Blanche Lincoln Campaign Comm" and "Marion Berry For Congress" which requires further clarification. For example, if this activity represents a transfer of funds, please indicate "transfer" on Schedule A supporting Line 11(c) of your report. If this activity represents a reimbursement for services provided to this committee, please indicate this on Schedule A supporting Line 15 of your report. Please amend your report to clarify the type of activity this receipt(s) represents.

2. Schedule A supporting Line 15 of your report discloses an offset to an operating expenditure(s) totaling \$10,700.00 from "EMC Insurance Companies"; however, there are \$2,395.00 in disbursements to this entity disclosed on your disbursement schedule(s) H4 for the year. Please provide clarifying information regarding this discrepancy and amend your report(s) if necessary.

Furthermore, 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. The federal account must transfer the non-federal portion to the non-federal account and disclose this transfer-out on

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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.

3. 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 "Bell, Amy" and " Ozark Electric." 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.

4. The Detailed Summary Page, on Line 18(a) Column A of your August Monthly (7/1/08-7/31/08), September Monthly (8/1/08-8/31/08), and October Monthly (9/1/08-9/30/08) Reports combined discloses \$95,374.77 in transfers from the non-federal account for allocated administrative activity for the reporting period. However, Line 21 (a)(ii) Column A discloses \$85,740.92 as the non-federal share for allocated administrative activity for the reporting period. While the non-federal account is permitted to transfer funds to the federal account for allocated activity, transfers for allocated activity must be made within a 70-day time period: no more than 10 days before or 60 days after the payment to the vendor. 11 CFR §§106.6(e)(2) and 106.7(f)(2) Please clarify the nature of the transfers-in from the non-federal account.

The Commission recommends that you immediately transfer back to the non-federal account, the total excessive amount which was received by your federal account outside the 70-day time period. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Offsets to operating expenditures should be properly disclosed on a separate Schedule A, supporting Line 15 of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

**Please note, you will not receive an additional notice from the Commission on this matter.** Adequate responses must be received by the Commission on or before the

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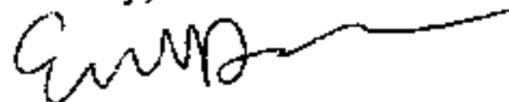
DEMOCRATIC PARTY OF ARKANSAS

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due date noted above to be taken into consideration in determining whether audit action will be initiated. 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. **Requests for extensions of time in which to respond will not be considered.**

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) 694-1135.

Sincerely,



Erinn D. Larkin  
Campaign Finance Analyst  
Reports Analysis Division

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