

ETEXT ATTACHMENT

05/13/2004 21 : 12

May 14, 2004

Reports Analysis Division
Federal Election Division
ATT: Kristen Davis
Washington, DC 20463

RE: March Monthly Report (01/01/2004-02/29/2004) - C00160937

Dear Ms. Davis

This is response to the letter dated April 14th, 2004 regarding the South Dakota Democratic Party March Monthly Report.

Memo will be provided to the FEC on a quarterly basis. As per the agreement made between our attorney, Neil Reiff and the FEC. Please note that the memo entries were provided in our April 2004 monthly filing.

No employees spent more than 25 percent of their time doing federal election activity or activity connected with a federal election.

There were no non-federal transfers made for the items listed as "Staff Dental Insurance" "Health Insurance" "Employee Dental Insurance" etc. Those entries are now listed on Schedule B Line 21(b).

The items listed on Schedule H4 Line 21 (a) listed as "Mail Prep and Postage" did not refer to a clearly identify a candidate for Federal office and it did not promote, support, attack or oppose any such candidate for Federal office.

The transfer for \$264,398.21 was a contribution to the non-federal account to fund non-federal activity, and was merely done for cash flow reasons. Those funds did not refer to a clearly identify a candidate for Federal office and it did not promote, support, attack or oppose any such candidate for Federal office. These funds were not used to fund any federal election activity.

Regarding the rebate from "Wellmark Blue Cross", no federal transfer was for the payment that was refunded therefore no funds must be returned to the non-federal account.

The individual who received payments for "political consulting" was an independent contractor and not an employee of the South Dakota Democratic Party.

A Schedule H1 will be provided in the electronic amendment.

For clarification purposes the South Dakota Democratic Party will be filing on a monthly basis as of March 2004 through the end of this year.

Sincerely,