



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

September 5, 2008

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

**Response Due Date:
October 6, 2008**

Identification Number: C00024372

Reference: July Monthly Report (6/1/08-6/30/08)

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 6 items:

1. The beginning cash balance of this report should equal the ending balance of your June Monthly Report (5/1/08-5/31/08). Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.
2. The totals listed on Lines 7, 21(a)(i), 21(a)(ii), 21(c), 31, and 32, Column B of the Summary and Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.
3. Your May Monthly (4/1/08-4/30/08), June Monthly (5/1/08-5/31/08), and July Monthly (6/1/08-6/30/08) Reports combined do 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 wages for employees who spend more than

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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.

4. The Detailed Summary Page, on Line 18(a) Column A of your May Monthly (4/1/08-4/30/08), June Monthly (5/1/08-5/31/08), and July Monthly (6/1/08-6/30/08) Reports combined, disclose \$138,274.89 in transfers from the non-federal account for allocated Administrative activity for the reporting period. However, Line 21 (a)(ii) Column A discloses \$99,620.63 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.

5. On Schedule H4, your allocated activity or event year-to-date total calculations for the Administrative category are incorrect. Allocated activity or event year-to-date totals for administrative, voter drive, exempt activity costs and expenses for public communications made by PACs referencing only political parties are derived by aggregating all disbursements during the calendar year for each separate category. Allocated activity or event year-to-date totals for fundraising and direct candidate support activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous event year-to-date total for that category or event. This running event year-to-date total should be disclosed after each disbursement is listed. Please amend your report by providing the correct event year-to-date totals.

6. On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include the purpose for the payment made to "ADP, Inc," "Dixon, Martha," "Farris, Anna," "Grumbles, Peter," Meadows, Donell," "Rancifer, Keith," and "Williams, Mary Louise." Note that the

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activity or event identifier is not considered an adequate description of purpose. Please amend your report to include this missing information.

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 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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