



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

July 13, 2007

Brian L. Wolff, Treasurer
Democratic Congressional Campaign Committee
430 South Capitol Street SE, 2nd Floor
Washington, DC 20003

**Response Due Date:
August 13, 2007**

Identification Number: C00000935

Reference: September Monthly Report (8/1/06-8/31/06)

Dear Mr. Wolff:

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:

-Schedule A supporting Line 15 of your report discloses a payment(s) from a federal candidate committee(s) for goods and/or services provided by your committee. 11 CFR §100.52(d)(1) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel, membership lists and mailing lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.52(d)(2)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided to the federal candidate committee(s) and explain the steps your committee took in determining the amount(s) charged. If your committee provided the goods and/or services at less than the usual and normal charge, the difference between the two is considered to be an in-kind contribution by your committee to the federal

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candidate committee(s) and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.52(d)(1))

-Schedule A supporting Line 17 of your report discloses a payment from **American List Council, Inc.** It appears this receipt was for goods and/or services provided by your committee. Pursuant to Advisory Opinion 1979-18, the sale/purchase price paid to a political committee could involve the receipt of a contribution from a purchaser if the purchase price exceeds the "usual and normal charge". The term "usual and normal charge" for goods is defined as the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution. Examples of goods and services include equipment, supplies, personnel, advertising services, membership lists, and mailing lists. 11 CFR §100.52(d)(1) and (2)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided and explain the steps your committee took in determining the amount charged. If your committee provided the goods and/or services at more than the usual and normal charge, the difference between the two is considered to be an in-kind contribution received by your committee from a corporation and is prohibited subject to the limits set forth at 2 U.S.C. §441b(a)

-Schedule A of your report discloses aggregate year-to-date totals for contributions received from individuals which appear to be incorrect (**for either earmarks or conduits**). Please be advised that federal regulations require aggregate year-to-date totals to include only those contributions which are received during the calendar year. In the event that the aggregate year-to-date total is correct, please note that federal regulations also require the disclosure of all contributions received from individuals who have contributed over \$200. 11 CFR §104.3(a)(4) Please amend your report to provide the correct aggregate year-to-date totals.

-Schedule A of your report discloses apparent earmarked contributions totaling \$350,040.00 with \$463,565.06 in corresponding entries on Schedule B. Pursuant to 11 CFR §110.6(c)(1)(v), all earmarked contributions that have passed through a conduit's account **must be itemized on the receipt (Schedule A) and disbursement (Schedule B) schedules, regardless of amount.** All earmarked contributions that have been forwarded in the form of the contributor's check or written instrument **must be itemized as memo entries on the receipt (Schedule A) and disbursement (Schedule B)**

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schedules, regardless of the amount, see attached reporting example. Please amend your report to clarify these discrepancies.

-Pursuant to 11 CFR §110.6(c), all earmarked contributions, that have passed through a conduit's account, must be itemized on the receipt (Schedule A) and disbursement (Schedule B) schedules, regardless of the amount. Please identify **the original contributors for earmarked contributions made and disclosed on Schedule B.**

-Your committee filed **24 hour notice(s) (which apparently were filed in error and should have been 48 hour notice(s))** informing the Commission of independent expenditures made in support or opposition of federal candidates. However, the amounts and dates of public dissemination disclosed on the notice(s) do not appear to correlate with the entries disclosed on Schedule E, supporting Line 24 for the reporting period. If your committee has filed a **24 (48 hour notice(s))** for independent expenditures that are not reflected on your report(s), you must file Schedule E during the appropriate reporting period(s) to disclose the payments. Please amend your report to clarify this discrepancy and provide clarifying information.

-Schedule E of your report indicates that your committee may have failed to **timely file** one or more of the required **48 hour notices** for independent expenditures (**see attached**). A political committee must file a 48 hour report with the Federal Election Commission as specified in 11 CFR §104.4(b), within 48 hours of any independent expenditures aggregating \$10,000 or more with respect to a given election, made any time during the calendar year up to and including the 20th day before an election. The notice must be received by the Commission by 11:59 p.m. on the second day following the date on which independent expenditures that aggregate \$10,000 or more are publicly distributed or disseminated. These expenditures must then be fully itemized on Schedule E, or as memo entries on Schedule E and reflected on Schedule D if distributed or disseminated prior to payment, of the next report required to be filed by the committee. Although the Commission may take further action concerning this matter, your prompt response will be taken into consideration. 11 CFR §104.3(b)

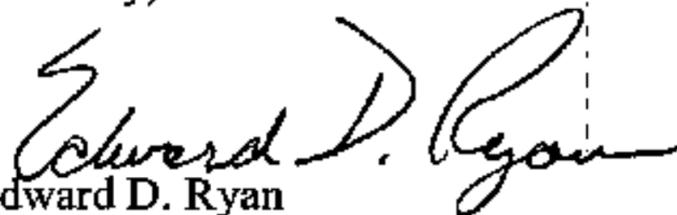
-Itemized coordinated expenditures must include a brief statement or description of why the expenditures were made. Please amend Schedule F of your report to clarify the following description(s): **"Coordinated Expenditures."** For further guidance regarding acceptable purposes, please refer to 11 CFR §104.3(b)(3).

-You have received a contribution from **Channel Properties, LLC**, which appears to be an unincorporated proprietorship or partnership. Generally, these types of contributions are to be attributed to each person based on their percentage of ownership in the firm. Each person who has contributed in excess of \$200 since January 1 should be identified by name, address, occupation, **name of employer**, amount of contribution, and aggregate total on Schedule A. 11 CFR §110.1(e) Please amend your report by clarifying the **name of employer** of the partners this contribution was attributed to..

Please note, 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) 694-1144.

Sincerely,



Edward D. Ryan
Senior Campaign Finance Analyst
Reports Analysis Division

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Late 48 Hour Notices

Payee	Date	Amount	Notice	Candidate
Murphy Putnam Shorr & Partners, LLC	8/01/06	\$14,188.60	8/04/2006	J. Christopher Chocola
Great American Media	8/01/06	\$58,671.51	8/04/2006	J. Christopher Chocola
Great American Media	8/01/06	\$47,978.42	8/04/2006	John Hostettler
Great American Media	8/11/06	\$29,833.29	8/16/2006	J. Christopher Chocola
Great American Media	8/15/06	\$31,129.36	8/18/2006	John Hostettler
Great American Media	8/17/06	\$49,634.17	8/23/2006	John Hostettler
Great American Media	8/24/06	\$49,809.82	8/30/2006	John Hostettler
Greer, Margolis, Mitchell, Burns & Associates, Inc.	8/24/06	\$10,100.00	8/30/2006	Michael Louis Whalen
Great American Media	8/24/06	\$44,098.58	8/30/2006	Michael Louis Whalen
Great American Media	8/25/06	\$57,810.31	8/30/2006	Michael Angelo Arcuri
Great American Media	8/31/06	\$171,821.53	9/03/2006	Jon Steven Huffman, Jr.
Great American Media	8/31/06	\$40,326.22	9/06/2006	J. Christopher Chocola
Great American Media	8/31/06	\$80,906.90	9/06/2006	John Gard
Great American Media	8/31/06	\$48,828.04	9/06/2006	Charles Taylor
Great American Media	8/31/06	\$48,167.19	9/06/2006	Michael Louis Whalen
Great American Media	8/31/06	\$61,418.07	9/06/2006	Michael Angelo Arcuri
Great American Media	8/31/06	\$83,141.07	9/06/2006	John Hostettler

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5. Contents of Transmittal Reports

Both conduit reports must disclose the following information:

- The name and mailing address of each contributor and, if the contribution exceeds \$200, the contributor's occupation and employer.
- The amount of each earmarked contribution and the date the conduit received it.
- The intended recipient designated by the contributor. It is suggested that the conduit also include the election for which the contribution was designated (if any), the office sought by the candidate (state and, if applicable, Congressional district) and the name and address of the recipient candidate committee.

- The date the earmarked contribution was forwarded to the recipient committee.
- How the contribution was forwarded (by cash, contributor's check or conduit's check).
- A statement indicating that the conduit's limit was also affected, if applicable. 110.6(c)(1)(iv) and (d)(2).

6. Reporting Instructions for Political Committee Conduits

Using Schedules A and B

A political committee acting as a conduit itemizes information on earmarked contributions in its regular FEC reports using Schedules A and B. Note that if a committee forwards earmarked

contributions in the form of the contributors' checks, without depositing them, it must itemize the earmarked contributions as memo entries on Schedules A and B. 110.6(c)(1)(v). Alternatively, instead of labeling each entry as a memo entry, the committee may itemize the contributions on Schedules A and B clearly labeled as memo entry schedules.

Schedule A

A conduit committee reports the following information on Schedule A for each earmarked contribution:

- Contributor information (name, address and, if applicable, occupation and employer).
- The date of receipt and amount of the contribution.
- The name of the designated candidate.

Earmarked Contributions

SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS		FOR LINE NUMBER: (check only one)	PAGE	OF
<small>Use separate schedule(s) for each category of the Detailed Summary Page</small>		<input checked="" type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 11d <input type="checkbox"/> 11e <input type="checkbox"/> 11f <input type="checkbox"/> 11g <input type="checkbox"/> 11h <input type="checkbox"/> 11i	18	17
<small>Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.</small>				
NAME OF COMMITTEE (in full) Freedom Party State Committee				
Full Name (Last, First, Middle Initial) A. Michael Chaplin				
Mailing Address 111 River Road City State ST Zip Code 00000			Date of Receipt 08 19 2004	
FEC ID number of contributing federal political committee Name of Employer Kamerica Inc.			Amount of Each Receipt this Period 500.00	
Occupation Vice-president			Earmarked for Guy Blank, House, ST.	
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)			Aggregate Year-to-Date	

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS		FOR LINE NUMBER: (check only one)	PAGE	OF
<small>Use separate schedule(s) for each category of the Detailed Summary Page</small>		<input type="checkbox"/> 21a <input type="checkbox"/> 21b <input type="checkbox"/> 21c <input checked="" type="checkbox"/> 21d <input type="checkbox"/> 21e <input type="checkbox"/> 21f <input type="checkbox"/> 21g <input type="checkbox"/> 21h <input type="checkbox"/> 21i	20	20
<small>Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.</small>				
NAME OF COMMITTEE (in full) Freedom Party State Committee				
Full Name (Last, First, Middle Initial) A. Friends of Guy Blank				
Mailing Address 111 Gari Street City State ST Zip Code 00000			Date of Disbursement 08 25 2004	
Purpose of Disbursement Contribution Candidate Name Guy Blank			Amount of Each Disbursement this Period 500.00	
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President State: ST District: 6			Earmarked by Michael Chaplin and transmitted by committee check.	
Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)			Category/Type D11	

These reporting procedures apply when the committee deposits an earmarked contribution before transmitting the funds to the candidate for whom the contributor earmarked them. When the committee transmits the contributor's original check, the procedures are the same, but the itemized information must appear as memo entries on Schedules A and B. Or, the committee may use Schedules A and B clearly labeled as memo entry schedules.

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Schedule B

A conduit committee reports the following information on Schedule B:

- The designated candidate and, preferably, the office sought by the candidate and the name and address of the candidate committee.
- The amount of the contribution, the date it was forwarded and, preferably, the election (if any) designated by the contributor.
- A notation as to how the contribution was forwarded (cash, contributor check, committee check).
- A statement that the conduit's limit was also affected, if applicable.

CHAPTER 7

Other Candidate Support Activities

In addition to making contributions, party committees may support federal candidates in the ways described below.

In general, candidate-support activities must be paid with federally permissible funds.

1. Coordinated Party Expenditures

A national party committee and state party committees may make special expenditures in connection with the general election campaigns of federal candidates. 109.30. These coordinated party expenditures do not count against the contribution limits but are subject to a different set of limits, as explained below. Also, coordinated party expenditures must be made with federally permissible funds only.

(Coordinated party expenditures are also called "441 a(d) expenditures" because they are provided for in Section 441 a(d) of the Federal Election Campaign Act.)

Committees Authorized to Make Coordinated Party Expenditures

National Committee

Only a national party committee has a coordinated party spending limit for the party's Presidential nominee. 109.32(a).

A national party committee also has a coordinated party expenditure limit for the party's House and Senate candidates in the general election. 109.32(b).

State Committee

A state party committee has its own separate spending limit for each of the party's House and Senate nominees in that state. 109.32(b).

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