



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Karen E. Craig, Treasurer
Patrick Henry Group
P.O. Box 3619
Avon, CO 81620

APR 11 2001

Identification Number: C00343269

Reference: Mid-Year Report (1/1/99-6/30/99)

Dear Ms. Craig:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule H4 of your report discloses activity which is 100% federal. For future reporting, please be advised that any activity which is financed entirely by the federal account (including administrative expenses), should be reported on Schedule B supporting Line 21(b). 11 CFR §106.5

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include the purpose for the joint expenditure to Brian Tetmore. Note that the unique identifying code for an event is not considered an adequate description of purpose. Please amend your report to include this missing information.

-Your report does not include a Schedule H1 to disclose the ratio for the allocation of administrative and generic voter drive costs. This ratio is determined at the beginning of each two-year election cycle. All shared administrative and generic voter drive costs incurred during the two-year cycle must be allocated according to this ratio, unless the federal account elects to pay a higher percentage of its cost. 11 CFR §106.5(b)(2), (d)(1), (d)(2) and 11 CFR §§104.10(b)(1)(ii)(B) and 106.6(c)

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) H4 of your

report to clarify the following description(s): "expenses". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

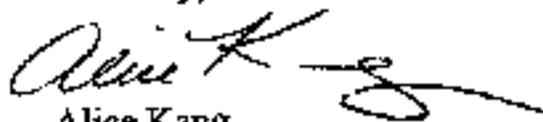
-Schedule H4 discloses a disbursement(s) which is categorized as a fundraising expense(s); however, a Schedule H2 has not been filed to disclose the allocation ratio. All committees are required to allocate the direct costs of each fundraising event in which the committee collects both federal and non-federal funds. The costs are allocated according to the funds received ratio and reported on Schedule H2. 11 CFR §§106.5(f) and 106.6(d). Please file a Schedule H2 to disclose the ratio for the fundraising event(s).

-Your EVENT YEAR-TO-DATE calculations for administrative/voter drive and fundraising are incorrect. EVENT YEAR-TO-DATE totals for administrative and voter drive costs are derived by aggregating all disbursements during the calendar year for the whole Administrative/Voter Drive category. EVENT YEAR-TO-DATE totals for fundraising, direct candidate support, and exempt 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.

-Line 21(a) of the Detailed Summary Page should only be used to report the federal and non-federal shares of allocable activities. If your committee has only one account, the total operating expenditures (administrative expenses) should be reported on Line 21(b). Please amend your report to confirm the nature of your expenditures and to provide the total on the appropriate line.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Alice Kang
Reports Analyst
Report Analysis Division

