



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

January 22, 2013

KATHERINE MORET, TREASURER
DEMOCRATIC STATE CENTRAL COMMITTEE
OF CA - FEDERAL
1401 21ST STREET, SUITE 200
SACRAMENTO, CA 95811-5221

Response Due Date
02/26/2013

IDENTIFICATION NUMBER: C00105668

REFERENCE: AMENDED SEPTEMBER MONTHLY REPORT (08/01/2012 - 08/31/2012),
RECEIVED 11/05/2012

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 5 item(s):

1. Schedule A supporting Line 12 discloses a transfer(s)-in from "Democratic Congressional Campaign Committee" and "Democratic National Committee." Schedule B supporting Line 30(b) reflects payments for "graphics -vol.distrib. Obama,Pres/Feinstein,USSenate," "printing - exempt act BeraCD03Gen," "printng -vol.distrib. Obama,Pres/Feinstein,USSenator," "printng -vol.distrib. Obama,Pres/Feinstein USSenate," "walk card-exempt act HernandezCD10Gen" and "walk card-exempt act RuizCD36Gen." Please be advised that a state or local party committee may pay for campaign materials (such as pins, posters, bumper stickers and yard signs) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election and for voter drive activity conducted on behalf of the party's Presidential and Vice Presidential nominees. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.87 and 100.147 and to the Campaign Guide for Party Committees.

DEMOCRATIC STATE CENTRAL COMMITTEE OF CA - FEDERAL

Page 2 of 4

If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page as appropriate. Please amend your report or provide clarifying information.

2. Schedule H4 of your report discloses a disbursement(s) for "bags (Nat'l Conv)." Please be advised that expenses related to sending a delegate to a National Convention do not qualify as shared expenses to be allocated between your federal and non-federal accounts. Federal operating expenses should be disclosed on a Schedule B supporting Line 21(b) of the Detailed Summary Page. Any reimbursement from your committee's non-federal account for this disbursement(s) is not permissible and should be transferred-out immediately. (11 CFR §102.5(a)(1)(i)) Please amend your report to clarify the disbursement(s).

3. 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): "donor gifts." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

4. Schedule H4 of your report discloses a payment(s) for "per diem." Please be advised that a political committee may maintain a petty cash fund out of which it may make expenditures not in excess of \$100 to any person per purchase or transaction. (11 CFR §102.11) However, if this expenditure(s) represents an apparent reimbursement(s) to an individual(s) for apparent travel and subsistence advances in which the total amount reimbursed exceeds \$500, there are additional reporting requirements. Please provide clarifying information regarding this activity and amend your report to include any missing information as noted below.

When the reimbursement amount to staff for travel and subsistence advances exceeds \$500, the payments by committee staff that make up the reimbursement have to be itemized as memo entries regardless of the amount. Each memo entry must include the complete name and address of the original vendor, as well as the date, amount and an adequate purpose. Schedule H4 should clearly identify which reimbursement each memo entry relates to. (11 CFR §§104.10 and 104.17, and Advisory Opinion 1996-20, footnote 3)

DEMOCRATIC STATE CENTRAL COMMITTEE OF CA - FEDERAL

Page 3 of 4

5. Schedule H4 of your report discloses an offset to an operating expenditure(s) totaling \$5,250 from several local party organizations for "offset liability ins pmt:Milsner 3/12"; however, you have already disclosed offsets on prior reports totaling more than the amount of the original disbursements totaling \$48,676.23 to R.L. Milsner, Inc. on 3/2/12 . Please provide clarifying information regarding this discrepancy and amend your report(s) if necessary. (2 U.S.C. 434(b) and 11 CFR §104.3(a) and (b))

- Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. For your information and consideration when preparing future filings, contributions to other federal committees should be properly disclosed on a separate Schedule B, supporting Line 23 of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing. (2 U.S.C § 434(b) and FORM 3X Instructions)

- Schedule B supporting Line 22 of your report discloses the balancing entry for an inkind contribution received for "on-line voter file access" which appears to be disclosed on the wrong line of the Detailed Summary Page. For your information and consideration when preparing future filings, please be advised that Voter Identification, Generic Campaign and Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot is considered to be Federal Election Activity and should be disclosed on Schedule B for Line 30(b) of the Detailed Summary Page. (11 CFR §100.24) For your next filing, please refer to the instructions for each line when determining the proper categorization(s).

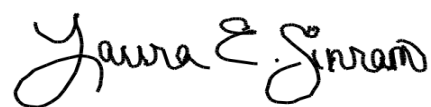
Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions 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) 694-1157.

DEMOCRATIC STATE CENTRAL COMMITTEE OF CA - FEDERAL

Page 4 of 4

Sincerely,

A handwritten signature in black ink that reads "Laura E. Sinram". The signature is written in a cursive style with a large initial "L" and a distinct "E" before the last name.

Laura Sinram
Senior Campaign Finance Analyst
Reports Analysis Division