



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-3

October 4, 2001

Sue Schechter, Treasurer  
Harris County Democratic Party  
2404 LaBranch  
Houston, TX 77004

Identification Number: C00161067

Reference: ~~October Quarterly (7/1/00-9/30/00)~~ 12 Day Pre-General (10/1/00-10/18/00) and 30 Day Post-General (10/19/00-11/27/00) Reports

Dear Ms. Schechter:

This letter is to inform you that as of October 3, 2001 the Commission has not received your response to our requests for additional information dated September 12, 2001. These notices request information essential to full public disclosure of your federal election campaign finances. To ensure compliance with the provisions of the Federal Election Campaign Act (the Act), please respond to these requests (copies enclosed).

An adequate response must be received at the Commission by October 24, 2001. 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.

If you should have any questions regarding this matter, please contact Angel Williamson on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division) or our local number (202) 694-1130.

Sincerely,

John D. Gibson  
Assistant Staff Director  
Reports Analysis Division



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Sue Schechter, Treasurer  
Harris County Democratic Party  
2404 LaBranch  
Houston, TX 77004

SEP 12 2001

Identification Number: C00161067

Reference: October Quarterly Report (7/1/00-9/30/00)

Dear Ms. Schechter:

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:

-Your calculations for Lines 11(d), 19, 20, 21(c) and 31, Column B appear to be incorrect. FEC calculations disclose these amounts to be \$44,622.86, \$84,003.12, \$45,322.83, \$94,709.81 and \$55,857.81, respectively. Please provide the corrected totals on the Detailed Summary Page.

-Line 10 of the Summary Page of your report discloses a total of \$24,016.24 in Debts and Obligations Owed by the Committee. The sum of the entries itemized on Schedules C and D, however, indicates the total to be \$24,516.24. Please amend your report to clarify the discrepancy.

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include the total EVENT YEAR-TO-DATE amount for your disbursements. Please amend your report to include the missing EVENT YEAR-TO-DATE total(s).

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

-Your report discloses in-kind activity which appears to be reported

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incorrectly. Please be advised that in-kind contributions should be disclosed as receipts on Schedule A and reflected on the appropriate line of the Detailed Summary Page. In addition, the value of the in-kind contributions must be added to the operating expenditures total on Line 21(b), in order to avoid inflating the cash-on-hand amount. 11 CFR §104.13(a)(2) Please amend your report to properly disclose the in-kind activity.

-The Detailed Summary Page, on Line 18 Column A of your report, discloses \$14,545.82 in transfers from the non-federal account for joint activity for the reporting period. However, Line 21 (a)(ii) Column A discloses \$10,601.64 as the non-federal share for joint activity for the reporting period. While the non-federal account is permitted to transfer funds to the federal account for shared activity, transfers for shared 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 §§106.5(g)(2) and 106.6(e)(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.

-Your report discloses a category of financial activity that has been reflected on the wrong schedule. Please note that debts owed to your committee should be disclosed on a separate Schedule D supporting Line 9 of the Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

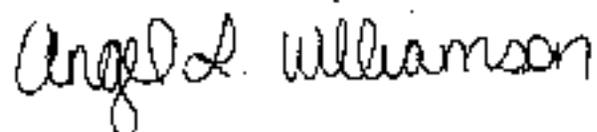
-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Offsets to Operating Expenditures should be properly disclosed on a separate Schedule A, supporting Line 15 of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

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

HARRIS COUNTY DEMOCRATIC PARTY  
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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,

A handwritten signature in black ink that reads "Angel L. Williamson". The signature is written in a cursive style with a large initial "A".

Angel L. Williamson  
Reports Analyst  
Reports Analysis Division

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The committee should include those receipts in the total for Line 11a(i) on the Detailed Summary Page (see page 35).

### Categorizing Receipts

Before beginning to itemize the committee's receipts, separate them into the different categories listed on the Detailed Summary Page ("Contributions from individuals," "Contributions from Political Committees," etc.); an illustration of a completed Detailed Summary Page appears on page 35. The receipts in each category must be itemized on a separate Schedule A designated for that category. Indicate the type of receipt itemized on a particular Schedule A by entering the corresponding line number from the Detailed Summary Page where indicated in the upper right corner of the schedule. The appropriate category of receipt may also be written at the top of each page.

Some categories may require several pages. The total for each category should be entered on the bottom line of the last page for that category.

### Itemized Information

For each itemized receipt, provide:

- The full name and address (including zip code) of the contributor or other source;
- The name of the contributor's employer (if the contributor is an individual);
- The contributor's occupation (if the contributor is an individual);
- The date of receipt;
- The amount; and
- The aggregate, year-to-date total of all receipts (within the same category) from the same source. 104.3(a)(4).

(The space indicating the election for which a contribution is made ("Receipt For") should be left blank by a party committee unless the receipt is a refund of a contribution made to a candidate.)

### Special Employer Information

If a contributor is self-employed, that should be recorded in the Employer space. If a contributor is not employed, the Employer space should be left blank, but the Occupation space should always be completed (e.g., "unemployed," "retired," "homemaker").

### Best Efforts Required

Apply "best efforts" to obtain and report the information listed above. See page 25 for information.

### In-Kind Contributions

When determining whether to itemize an in-kind contribution, follow the same guidelines listed under "When to Itemize Receipts," page 30. See page 6 for information on how to determine the dollar value of an in-kind contribution.

In addition, add the value of the in-kind contribution to the operating expenditures total on Line 21b (in order to avoid inflating the cash-on-hand amount). 104.13(a)(2).

If the in-kind contribution must be itemized on Schedule A, then it must also be itemized on a Schedule B for operating expenditures (see illustration).

### Appreciated Goods

When a committee receives an in-kind contribution whose value may appreciate over time, such as stock or artwork, special reporting rules apply:

- Itemize the initial gift, if necessary, as a memo entry on Schedule A. Under "Amount," report the fair market value of the contribution on the date the item was received. (Reminder: the amount is subject to the \$5,000 contribution limit.) Do not include that amount in the total for Line 11a(i) on the Detailed Summary Page.
- Once the item is sold, report the sale price as a contribution on Line 11a(i) if the purchaser is known or as an "other receipt" on Line 15 if the purchaser is unknown. Itemize the transaction on Schedule A if necessary. 104.13(b). See also AO 1989-8.

## IN-KIND CONTRIBUTIONS

SCHEDULE A		ITEMIZED RECEIPTS		PAGE 1 OF 1	
Contributions from Individuals				FOR LINE NUMBER 11a(i)	
Any information which may contain names and addresses may not be used or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any person authorized to solicit contributions from such committee.					
NAME OF COMMITTEE (in full) State Partisan Party Committee					
A. Full Name, Mailing Address and ZIP Code		Name of Employer	Date Received (day, year)	Amount of Cash Received (in-kind)	
Martin L. Kress 4 River Road City, State ZIP		Old Expenditure Co.	8/19/88	\$3,999.00 in-kind raffle prize	
Occupation (if individual) <input type="checkbox"/> Other party:		Date Received Chairman Aggregate Year to Date > \$3,999.00			

SCHEDULE B		ITEMIZED DISBURSEMENTS		PAGE 1 OF 1	
Operating Expenditures/Other Federal				FOR LINE NUMBER 21b	
Any information which may contain names and addresses may not be used or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any person authorized to solicit contributions from such committee.					
NAME OF COMMITTEE (in full) State Partisan Party Committee					
A. Full Name, Mailing Address and ZIP Code		Purpose of Disbursement	Date Received (day, year)	Amount of Cash Disbursed (in-kind)	
Martin L. Kress (contributor) 4 River Road City, State ZIP		raffle prize	8/19/88	\$3,999.00 in-kind	
		Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other party:			

Itemize in-kind contributions on both Schedules A and B so as not to inflate the cash-on-hand balance.