



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

March 22, 2006

Carl Pope, Treasurer
America Coming Together
888 16th Street NW, Fourth Floor, Suite 1120
Washington, DC 20006

**Response Due Date:
April 21, 2006**

Identification Number: C00388876

Reference: Year End Report (7/1/05 – 12/31/05)

Dear Mr. Pope:

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 17 of your report discloses a payment(s) from "Ackerman, Karen," "America Votes," "Boundy, David J.," "Dozier, Courtney L.," "Frias, Michael," "Jones, Takethia L.," "McMurray, Lisa C.," "Meche, Jude," "Mulligan, Chris," "NGP Software Inc.," "Richards, Cecile," "Robinson, Jessica R.," "Scanlan, Shannon K.," "The Organizing Group," "Tincher, Jaime R.," "Traxel, Pamela," and "ULLICO Management Company." 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

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normal charge, the difference between the two is considered to be (1) a contribution(s) received by your committee from an individual and may be prohibited subject to the limits set forth at 2 U.S.C. §§441a(f) and 441b or 11 CFR §110.1(d), (2) 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), and (3) an in-kind contribution(s) received by your committee from an unregistered organization(s) and is prohibited subject to the limits set forth at 2 U.S.C. §§441a(f) and 441b or 11 CFR §102.5(b).

-Schedule B supporting Line 29 of your report discloses a \$5,000.00 disbursement to "America Coming Together-NF Act" for "Trnsfr Excess Contr. to NonFed." 2 U.S.C. §441a(f) and 11 CFR §§110.1(d) and 110.2(d) prohibit a committee and its affiliates from receiving any contribution from another political committee or person in excess of \$5,000 per calendar year. Previously filed reports by your committee do not appear to disclose the original receipt of the apparent excessive contribution on Schedule A. Please clarify this discrepancy and amend the report covering the period during which the transaction occurred to disclose the receipt of these funds.

-Your report discloses a total of \$31,375.23 in disbursements to "America Votes" for "Reimbursement for Salary" (see attached). This appears to be an in-kind contribution made on behalf of your committee as the original payment for the goods and services has been made by an entity other than your committee. Further, this entity appears to be an unregistered organization. 2 U.S.C. §441a(f) states that no candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of this section. Further, in order for a committee to accept contributions from unregistered organizations, your committee should take steps to insure that the contributor(s) used permissible funds to make the contribution(s) to avoid violating §§441a(f) and 441b or 11 CFR §102.5(b).

Additionally, under 11 CFR §102.5(b), organizations which are not political committees under the Act and choose to contribute to federal committees must either: 1) establish a separate account which contains only those funds permitted under the Act, or 2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution.

Please amend your report to clarify the nature of the transaction(s) in question and provide the date(s) of activity conducted by "America Votes."

Although the Commission may take further legal action concerning this matter, your prompt action will be taken into consideration.

-Schedule D discloses \$5,000.00 in payment(s) this period to "REFERENCES-ETC. LLC;" however, there are -\$5,000.00 in payments reflected on your disbursement schedules. Please amend your report to clarify this discrepancy.

-Your report does not include a Schedule H1 to disclose the ratio for the allocation of certain costs. For State, District and Local party committees, Schedule H1 must be filed in the first report each calendar year that discloses an allocable disbursement and for Separate Segregated Funds and Non-connected committees, in each report that discloses an allocable disbursement for administrative expenses, generic voter drives or public communications that refer to any political party, but do not refer to any clearly identified candidates.

Further, for State, District and Local party committees, all shared administrative, generic voter drive and exempt activity costs incurred during the two-year cycle must be allocated according to the appropriate fixed ratio, unless the federal account elects to pay a higher percentage of its cost. For Separate Segregated Funds and Non-connected committees, administrative expenses, generic voter drive costs and expenses related to public communications referencing any political party committee (but no clearly identified candidates) must be allocated according to a 50% flat minimum federal percentage unless the federal account elects to pay a higher cost. 11 CFR §106.7(d)(2), (d)(3) and 11 CFR §§104.10(b)(1) and 106.6(c)

-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 §§106.6(d) and 106.7(d)(4). Please file a Schedule H2 to disclose the ratio for the fundraising event(s).

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule H4 of your report to clarify the following description(s): "Fees & Licenses," "Consultant Expense Reimbursement" (to a vendor), and "Recruitment Ad." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

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-Schedule H4 of your report discloses reimbursements to individuals for "Consultant Expense Reimbursement." Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must include the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule H4, which reimbursement each memo entry relates to. 11 CFR §§104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3

-Schedule H4 of your report discloses a total of \$47,453.08 in payments made to apparent credit card companies; however, the sum of the memo entries provided identifying the original vendors associated with these payments total \$48,637.52. Please amend your report to clarify this apparent discrepancy.

-Please clarify all expenditures made for "Office & Equipment Rental" on Schedule H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B or E supporting Lines 23 or 24 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

Alternatively, if the payment(s) on Schedule H4 is associated with fundraising activity conducted for your committee's federal and non-federal accounts, it must be allocated according to the funds received method and the ratio reflected on Schedule H2. Further, it must be categorized as a fundraising activity on Schedule H4. Please provide clarifying information regarding the nature of this transaction(s) and amend your report(s) as appropriate.

-Schedule H4 discloses an expenditure(s) for "Canvasser Gear," "Polling," "Recruitment Ad," and "Voter List." Please be advised that public communications (as defined by 11 CFR §100.26) and voter drive activity (under 11 CFR §106.6(b)(2)(i)) containing express advocacy as defined under 11 CFR §100.22, would constitute an in-kind contribution or an independent expenditure and should be properly disclosed on a Schedule B or E supporting Line 23 or 24 as appropriate. Public communications and voter drive activity that refer to a clearly identified Federal candidate, but that do not expressly advocate the election or defeat of that candidate should be reported on Schedule B for Line 21(b) of the Detailed Summary Page.

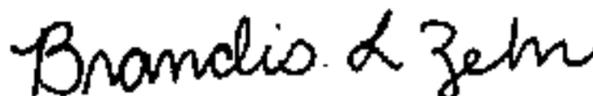
Furthermore, the costs for public communications and voter drive activity that refer to one or more clearly identified Federal candidates must be paid for with 100% federal funds. It appears that you have allocated these costs between federal and non-federal funds. Any reimbursement from your committee's non-federal account for public communications and voter drive activity referencing a clearly identified Federal candidate is not permissible and must be returned. 11 CFR §106.6(f)

Please clarify this activity and amend your report, if necessary, to properly disclose this activity. In addition, please inform the Commission of any corrective action immediately. Although the Commission may take further legal action regarding this apparent prohibited activity, your prompt action will be taken into consideration.

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) 694-1148.

Sincerely,



Brandis L. Zehr
Campaign Finance Analyst
Reports Analysis Division

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Recipient Name	Date	Amount
America Votes	09/14/2005	\$4,709.68
America Votes	10/25/2005	\$4,695.23
America Votes	10/25/2005	\$3,189.40
America Votes	11/01/2005	\$4,695.23
America Votes	11/21/2005	\$4,695.23
America Votes	12/20/2005	\$4,695.23
America Votes	12/20/2005	\$4,695.23

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