



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

RQ-2

Earl Scales, Treasurer
Democratic Executive Committee of Florida
810 Thomasville Road
Tallahassee, FL 32303

Identification Number: C00005561

Reference: 12 Day Pre-General Report (10/1/02-10/16/02)

Dear Mr. Scales:

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:

-The totals listed on Lines 11(a)(iii), 11(d), 18, 19, 20, 21(a)(i), 21(a)(ii), 21(c), 30, and 31, Column B of the Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-The beginning cash balance of this report should equal the ending balance of your October Quarterly Report. Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

-Your calculations for Lines 6(c) and 7, Column B appear to be incorrect. FEC calculations disclose these amounts to be \$3,129,250.92 and \$3,070,928.48, respectively. Please provide the corrected totals on the Summary Page.

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have checked the category Administrative/Voter Drive for the payment(s) to "Vic Johnson" for "Direct Mail/Thurman/CD5-441/a.d." This expenditure does not meet the definition of a generic expenditure but instead direct candidate support. Furthermore, you have disclosed the FEDERAL

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SHARE(S) as \$1,182.15. Be advised that any FEDERAL SHARE of a coordinated expenditure for DIRECT CANDIDATE SUPPORT must also be itemized on Schedule F supporting Line 25 of the Detailed Summary Page, respectively, and not included in the total for this page. Please amend your report to include the allocation ratio on a Schedule H2, classify this expenditure as direct candidate support on Schedule H4, and report the federal portion of this expenditure on a Schedule F.

-On Schedule H2, you disclose the ratio for "A015" to be the same as previously reported; however, it appears that this activity/event was not previously reported. Please amend your report to clarify this discrepancy.
11 CFR §104.10(a)(1)

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have checked the category DIRECT CANDIDATE SUPPORT for the payment(s) to "Tyson". You have disclosed the FEDERAL SHARE(S) as \$9,855.97. Be advised that any FEDERAL SHARE of coordinated expenditures for DIRECT CANDIDATE SUPPORT should not be included in the total for this page but instead included in the total for Schedule F. Please amend your report to correct this apparent discrepancy and refer to the enclosed instructions on how to properly report coordinated expenditures.

-Your EVENT YEAR-TO-DATE calculations for Administrative/Voter Drive 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.

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

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-Please amend your report by providing the purpose for each disbursement itemized on Schedule(s) H4 supporting Line(s) 21(a).

-Schedules H2 and H4 disclose 100% federal activity. Please be advised that by definition, this activity does not qualify as a shared expense to be allocated between your federal and non-federal accounts. This activity should be itemized on a Schedule B for Line 21(b) of the Detailed Summary Page. Any reimbursement from your committee's non-federal account for any portion of this activity is not permissible and must be returned. Please amend your report to clarify this discrepancy.

-The coordinated expenditure schedule (Schedule F) should disclose the following information: the identification of the designating committee, the payee's name and address, the purpose of the expenditure, the identification of the candidate supported, the office sought, state and district (if applicable), the date and amount of the payment and the aggregate general election expenditure total for each candidate supported. Please amend Schedule F by providing the payee's name and address, office sought, state and district (if applicable) for each candidate, and aggregate general election expenditure total for each candidate supported. 2 U.S.C. §441a(d)

-Schedule F of your report discloses a coordinated expenditure made directly to a candidate committee (pertinent portion(s) attached). Please be advised that a coordinated expenditure is to be made on behalf of a candidate for the General Election. The money cannot be contributed directly to the candidate committee. As such your expenditure appears to be a contribution to a federal candidate and is subject to the limits set forth in the Act. Please amend your report to clarify your expenditures and record them on the appropriate schedule supporting the correct line of the Detailed Summary Page.

-Schedule F, supporting Line 25 of your report discloses \$2.00 in coordinated expenditures to "Congresswoman Karen L. Thurman." However, the purpose of each expenditure is "Polling/Thurman/CD-5 \$12,500.00 441a.d." and "Direct Mail/Thurman/-CD5-\$7,000," respectively. Please amend your report to clarify this apparent discrepancy.

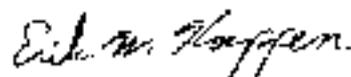
-Please be advised that Schedule H2 is used for shared federal and non-federal fundraising, exempt, and direct candidate support activity. The ratio for **administrative expenses** is derived from the Schedule H1 and should not be included on your Schedule H2. Please amend your report to clarify this discrepancy.

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A response or 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. 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 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,



Erik W. Koeppen
Senior Campaign Finance Analyst
Reports Analysis Division

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SCHEDULE F (FEC Form 3X)

**ITEMIZED COORDINATED EXPENDITURES MADE BY
POLITICAL PARTY COMMITTEES OR DESIGNATED AGENT(S)
ON BEHALF OF CANDIDATES FOR FEDERAL OFFICE**

(2 U.S.C. §441a(d)) (To be used only by Political Committees in the General Election)

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FOR LINE 35 OF FORM 3X

NAME OF COMMITTEE (In Full)
Democratic Executive Committee of Florida

Has your committee been designated to make coordinated expenditures by a political party committee?
YES X NO

If YES, name the designating committee:
Full Name of Subordinate Committee
Mailing Address
City State ZIP Code

Full Name (Last, First, Middle Initial) of Each Payee
Congresswoman Karen L. Thurman
Purpose of Expenditure
Filing Thurman CD5 - \$12500.00 441a d.
IND Category/Type

Mailing Address
450 Pleasant Grove Road
Date
City State ZIP Code
Inverness FL 34452
10 / 10 / 2002

Name of Federal Candidate Supported: Office Sought: House State: Senate District: Presidential
Amount

Aggregate General Election Expenditure for this Candidate ▶ .00 1.00
Transaction ID: D30261

Full Name (Last, First, Middle Initial) of Each Payee
Congresswoman Karen L. Thurman
Purpose of Expenditure
Direct Mail Thurman - CD5-\$7000
IND Category/Type

Mailing Address
450 Pleasant Grove Road
Date
City State ZIP Code
Inverness FL 34452
10 / 15 / 2002

Name of Federal Candidate Supported: Office Sought: House State: Senate District: Presidential
Amount

Aggregate General Election Expenditure for this Candidate ▶ .00 1.00
Transaction ID: D30247

SUBTOTAL of Expenditures This Page (optional) ▶ 2.00
TOTAL This Period (last page this line number only) ▶ 2.00

Payments (H4, F)

Schedule H4

The committee uses Schedule H4 to itemize payments for "Vote/96" and to disclose the allocated federal and nonfederal shares.

In this case, the federal portion (\$7,500) must be further allocated between the Presidential ticket and the U.S. Senate candidate. The committee allocates 60 percent (or \$4,500) as an exempt activity on behalf of the Presidential ticket and 40 percent (or \$3,000) as a coordinated party expenditure in support of the U.S. Senate candidate. The allocation is based on the number of questions and statements devoted to each candidate compared to total questions/statements devoted to both candidates.

The federal share of the payment on Schedule H4 reflects this allocation: \$4,500 is labeled as an "exempt activity"; \$3,000 is labeled as a *memo entry* with a cross reference to Schedule F.

The \$4,500 payment for the exempt party activity is included in the Schedule H4 total of federal payments. That total is also disclosed on line 21a(i) of the Detailed Summary Page.

Schedule F

The \$3,000 coordinated party expenditure is itemized on Schedule F. The Schedule F total of all coordinated expenditures made during the reporting period is entered on line 25 of the Detailed Summary Page.

ALLOCATED PAYMENTS (H4)

DISBURSEMENT SCHEDULE H4 (Include 11/94)		JOINT FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE		FORM 1141 FOR LINE 21a	
NAME OF COMMITTEE Loyalist State Party Committee					
ALL BANK, CREDIT CARD & DEBIT CARDS	PURPOSE/DATE	DATE	TOTAL AMOUNT	FEDERAL SHARE	NON-FEDERAL SHARE
Phone Bank Make Calls 806 Alameda Drive City, State ZIP	phone bank services: Vote/96	11/5/96	\$10,000.00	\$4,500.00 exempt; \$3,000 MEMO—see Schedule F	\$2,500.00
CARDNO: <input type="checkbox"/> 1141/1141/1141/1141 <input type="checkbox"/> 1141/1141/1141/1141	MEMO: <input type="checkbox"/> MEMO/1141/1141/1141/1141 <input type="checkbox"/> MEMO/1141/1141/1141/1141				
TOTAL FEDERAL SHARE: \$7,500.00	TOTAL NON-FEDERAL SHARE: \$2,500.00				

The \$7,500 federal share has to be broken down: \$4,500 is reported as exempt party activity (labeled as an operating expenditure); \$3,000 is reported as a memo entry with a cross-reference to Schedule F, where the amount is itemized as a coordinated party expenditure.

COORDINATED PARTY EXPENDITURE (F)

SCHEDULE F		ITEMIZED COORDINATED EXPENDITURES MADE BY POLITICAL PARTY COMMITTEES OR DESIGNATED AGENTS ON BEHALF OF CANDIDATES FOR FEDERAL OFFICE (2 U.S.C. §441a(e))			FORM 1141 LINE NUMBER 25
(To be used only by Political Committees in the General Election)					
Name of Political Committee (or Full) Loyalist State Party Committee					
Has your Committee been chartered to have complete responsibility, or partial responsibility, for the general election? <input type="checkbox"/> YES <input type="checkbox"/> NO					
Full name, mailing address and ZIP Code of the candidate covered:					
Full name, mailing address and ZIP Code of Donor	Name of Person Candidate Supported (NAME, DATE & OTHER INFO)	Purpose of Expenditure	Date made (day, month)	Amount	
Phone Bank Make Calls 806 Alameda Drive City, State ZIP	County Date, Precinct, State	phone bank 806/3066; Vote/96	11/5/96	\$3,000.00	
Aggregate Donor Expenditure in the District—\$3,000.00					

The \$3,000 coordinated party expenditure (shown as a memo entry on Schedule H4, above) is itemized on Schedule F.



