FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

James J. Bonham, Treasurer
Democratic Congressional Campaign
Committee - Expenditures
430 South Capitol Street SE, 2nd Floor
Washington, DC 20003

JUN 19 2003

Identification Number: C00000935

Reference: Amended June Monthly (5/1/01-5/31/01) Received 3/25/03

Dear Mr. Bonham:

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 E discloses an independent expenditure(s) on behalf of a federal candidate(s) (pertinent portion(s) attached). Schedule F of your report discloses a coordinated expenditure(s) on behalf of the same candidate(s). Under 2 U.S.C. §431(17), an "independent expenditure" is defined as:

> ... an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

The coordination involved in making coordinated expenditures for a candidate may preclude your committee from making an independent expenditure in support of the same candidate. Under 11 CFR §109.1(c), any expenditure which does not qualify as an independent expenditure is considered an in-kind contribution. Please amend your report to disclose the aforementioned transactions as in-kind contributions (Schedule B supporting Line 23 of the Detailed Summary Page), or provide additional clarifying information concerning the independent expenditure(s) made in

support of Lucas Louise (House/VA/04).

If reclassification of the expenditure(s) as an in-kind contribution(s), results in an excessive contribution(s), the Commission recommends that you notify the recipient(s) and request a refund of the amount in excess. Please inform the Commission immediately in writing and provide a photocopy of your refund request(s) sent to the recipient(s). In addition, any refund should be disclosed on Schedule A supporting Line 16 of your next report.

-Please clarify whether the disbursements on Schedule B for line 23 are earmarked contributions. Pursuant to 11 CFR §110.6(c), the original contributor for earmarked contributions must be disclosed on Schedule B. Please refer to the attached portions of the Federal Election Commission Campaign Guide for further guidance on the reporting of earmarked contributions and amend your report accordingly.

-Schedule F of your report discloses coordinated expenditures made on behalf of candidates and indicates that your committee has been designated to make coordinated expenditures by the Democratic National Committee or State Democratic Party. If your committee has been designated to make such expenditures by a State Democratic Party committee, please provide the name of the designating committee. If your committee has not been designated to make coordinated expenditures, they must be considered as in-kind contributions to the candidate(s) and be subject to the limitations of 2 U.S.C. §441a. Please amend your report with clarifying information. 2 U.S.C. §441a(d)

A 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. 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,

Edward D. Ryan

Edward D. Ryan
Campaign Finance Analyst
Reports Analysis Division

23038110699

SCHEDULE E (FEC Form 3X)
ITEMIZED INDEPENDENT EXPENDITURES

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FOR LINE 24 OF FORM 3X

NAME OF COMMITTEE (In Full)
Democratic Congressional Campaign Committee - Expenditures

FEC IDENTIFICATION NUMBER ▼
C00000935

Full Name (Last, First, Middle, Initial) of Payee
Applied Political Technologies Inc.

Mailing Address
6225 Brandon Avenue Suite 305

City: Springfield | State: VA | Zip Code: 22150

Date: 06 18 2001

Amount: 10303.11

Transaction ID: G24-13532

Purpose of Expenditure

Category/Type

Name of Federal Candidate supported or opposed by expenditure:
Lucas Louise

Office Sought: X House / Senate / Presidential

State: VA District: 04

Check One: X Support / Oppose

Full Name (Last, First, Middle, Initial) of Payee
Hall Anderson Communications Group Inc.

Mailing Address
10 St. Patrick's Drive Suite 201

City: Waldorf | State: MD | Zip Code: 20603

Date: 06 25 2001

Amount: 22445.00

Transaction ID: G24-13536

Purpose of Expenditure

Category/Type

Name of Federal Candidate supported or opposed by expenditure:
Lucas Louise

Office Sought: X House / Senate / Presidential

State: VA District: 04

Check One: X Support / Oppose

Full Name (Last, First, Middle, Initial) of Payee
Hall Anderson Communications Group Inc.

Mailing Address
10 St. Patrick's Drive Suite 201

City: Waldorf | State: MD | Zip Code: 20603

Date: 05 25 2001

Amount: 22650.00

Transaction ID: G24-13534

Purpose of Expenditure

Category/Type

Name of Federal Candidate supported or opposed by expenditure:
Lucas Louise

Office Sought: X House / Senate / Presidential

State: VA District: 04

Check One: X Support / Oppose

(a) SUBTOTAL of Itemized Independent Expenditures ..... ▶ 55398.11

(b) SUBTOTAL of Unitemized Independent Expenditures ..... ▶ 0.00

(c) TOTAL Independent Expenditures ..... ▶

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Subscribed and sworn to before me this M M D D Y Y Y Y day of

My Commission expires: M M D D Y Y Y Y

Signature

Date M M D D Y Y Y Y

NOTARY PUBLIC

23038110700

SCHEDULE E (FEC Form 3X)
ITEMIZED INDEPENDENT EXPENDITURES

PAGE 211 / 248
FOR LINE 24 OF FORM 3X

NAME OF COMMITTEE (in Full): Democratic Congressional Campaign Committee - Expenditures

FEC IDENTIFICATION NUMBER: C00000935

Full Name (Last, First, Middle, Initial) of Payee: Hall Anderson Communications Group Inc.
Mailing Address: 10 St. Patrick's Drive Suite 201
City: Waldorf | State: MD | Zip Code: 20603
Date: 05 25 2001
Amount: 23450.00
Transaction ID: G24-13535
Purpose of Expenditure:
Category/Type:
Name of Federal Candidate supported or opposed by expenditure: Lucas Louise
Office Sought: X House / Senate / Presidential
State: VA District: 04
Check One: X Support / Oppose

Full Name (Last, First, Middle, Initial) of Payee: Hall Anderson Communications Group Inc.
Mailing Address: 10 St. Patrick's Drive Suite 201
City: Waldorf | State: MD | Zip Code: 20603
Date: 05 17 2001
Amount: 23665.00
Transaction ID: G24-13531
Purpose of Expenditure:
Category/Type:
Name of Federal Candidate supported or opposed by expenditure: Lucas Louise
Office Sought: X House / Senate / Presidential
State: VA District: 04
Check One: X Support / Oppose

Full Name (Last, First, Middle, Initial) of Payee: SHJ Merkel/Highwood Group Communications
Mailing Address: The Highwood House Box 8734
City: Washington | State: DC | Zip Code: 20020
Date: 05 22 2001
Amount: 89505.00
Transaction ID: G24-13533
Purpose of Expenditure:
Category/Type:
Name of Federal Candidate supported or opposed by expenditure: Lucas Louise
Office Sought: X House / Senate / Presidential
State: VA District: 04
Check One: X Support / Oppose

(a) **SUBTOTAL** of Itemized Independent Expenditures ..... ▶ 136620.00

(b) **SUBTOTAL** of Unitemized Independent Expenditures ..... ▶ 0.00

(c) **TOTAL** Independent Expenditures ..... ▶

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Signature _____ Date M M D D Y Y Y Y

Subscribed and sworn to before me this M M day of D D Y Y Y Y

My Commission expires: M M D D Y Y Y Y

NOTARY PUBLIC

23038110701

SCHEDULE E (FEC Form 3X)
ITEMIZED INDEPENDENT EXPENDITURES

PAGE 212 / 248
FOR LINE 24 OF FORM 3X

NAME OF COMMITTEE (In Full)
Democratic Congressional Campaign Committee – Expenditures

FEC IDENTIFICATION NUMBER
C00000935

Full Name (Last, First, Middle, Initial) of Payee
Media Strategies & Research - DC

Purpose of Expenditure

Category/Type

Mailing Address
318 Massachusetts Avenue NE

City: Washington
State: DC
Zip Code: 20002

Name of Federal Candidate supported or opposed by expenditure:
Lucas, Louise

Office Sought: X House / Senate / Presidential
State: VA District: 04

Date: 05 17 2001

Amount: 269600.00

Transaction ID: G24-13530

Check One: X Support / Oppose

(a) SUBTOTAL of Itemized Independent Expenditures ..... ▶ 269600.00

(b) SUBTOTAL of Unitemized Independent Expenditures ..... ▶ 0.00

(c) TOTAL Independent Expenditures..... ▶ 461618.11

Under penalty of perjury, I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, the campaign committee, or their agents.

Signature

Date M M D D Y Y Y Y

Subscribed and sworn to before me this M M D D Y Y Y Y day of

My Commission expires: M M D D Y Y Y Y

NOTARY PUBLIC

FEC Schedule E (Form 3X) (Revised 10/01)

4. Reporting Conduit Activity

The conduit must comply with special reporting rules, which vary depending on whether the contribution was deposited in the conduit's bank account or was passed on directly to the campaign in the form of the original contributor's check. 110.6(c)(1)(v).

A registered nonconnected committee acting as a conduit must disclose its activity on its next regularly scheduled FEC report. 110.6(c)(1)(ii).

Contributions Deposited in Committee's Account

Schedule A

If an earmarked contribution passes through a nonconnected committee's account, the committee reports the following information on Schedule A:

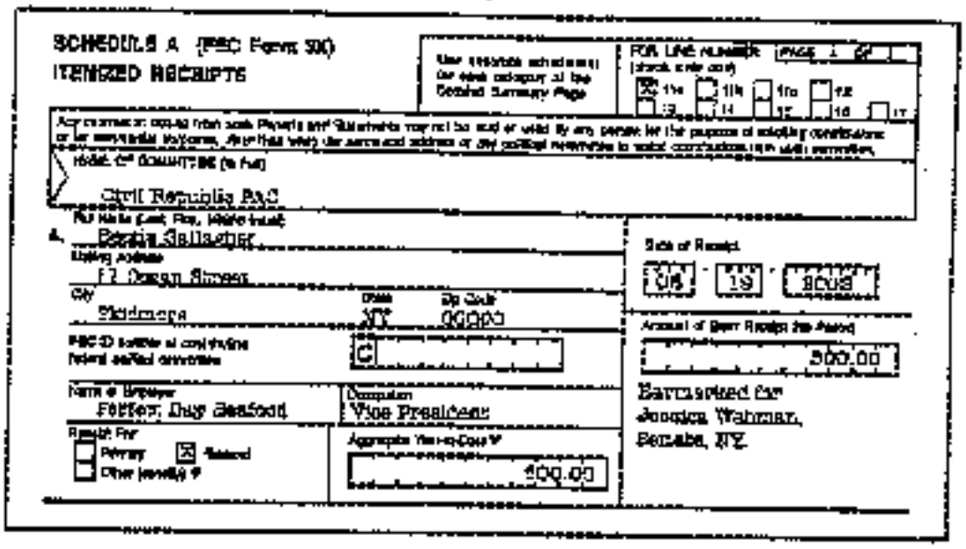
- The name and mailing address of each person making an earmarked contribution (including earmarked contributions of $200 or less) (110.6(c)(1)(iv)(A));
- The occupation and employer of each individual making an earmarked contribution exceeding $200 (110.6(c)(1)(iv)(A));
- The candidate designated by the contributor as the recipient of the contribution (110.6(c)(1)(iv)(B));
- The *election* for which the contribution was designated, if any (see 110.1(b)(3)(i));
- The amount of the earmarked contribution (110.6(c)(1)(iv)(B)); and
- The date the contribution was received by the conduit (110.6(c)(1)(iv)(C)).

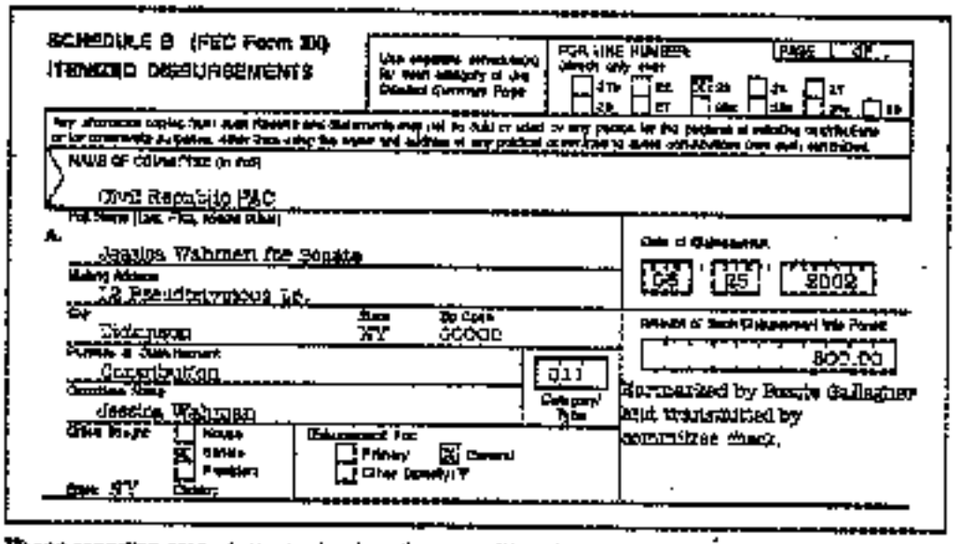
Schedule B

Once the committee has forwarded the contribution to the candidate (after depositing it in its own account), the committee reports on Schedule B:

- The candidate designated by the contributor (110.6(c)(1)(iv)(A));
- The date the contribution was forwarded (110.6(c)(1)(iv)(C);
- The amount forwarded to the candidate (110.6(c)(1)(iv)(B));
- The election designated by the contributor, if any (see 110.1(b)(3)(i));
- The name of the contributor (110.6(c)(1)(iv)(A));
- A notation that the contribution was forwarded in the form of a check drawn on the conduit's account (110.6(c)(1)(iv)(C); and
- A statement indicating that the conduit's limit was also effected, if appropriate. (110.6(d)(2)).

EARMARKED CONTRIBUTIONS





These reporting procedures apply when the committee deposits an earmarked contribution before transmitting the funds to the candidate for whom the contributor earmarked them. When the committee transmits the contributor's original check, the procedures are the same, but the dollar amounts are listed as memo entries.

Undeposited Contributions

If the committee forwards the contribution without depositing it first (i.e., in the form of the contributor's original check), the committee must itemize the same information listed above in *memo entries* on Schedules A and B. The entries should indicate that the contribution was passed on in the form of the contributor's original check and, if appropriate, should indicate that the conduit's limits for that candidate were affected.