



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Jim Pledger, Treasurer
The Democratic Party of Arkansas
Federal Account
1300 West Capitol
Little Rock, AR 72201

APR 24 1996

Identification Number: C00024372

Reference: Year End Report (7/1/95-12/31/95)

Dear Mr. Pledger:

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 6(c) and 7, Column B of the Summary Page 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 totals listed on Lines 11(a)(i), 11(a)(iii), 11(d), 18, 19, 20, 21(b), 30, and 31, Column B of the Detailed Summary Page 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.

-Your report discloses \$645,448.33 in total receipts on Line 19 of the Detailed Summary Page. However, you have failed to itemize these receipts on the appropriate lines of the Detailed Summary Page. Please amend your report to disclose the breakdown of this total on Lines 11(a)(i) through 18.

-You must make an attempt to obtain the full name, mailing address, occupation and name of employer for all individuals who contribute more than \$200 in a calendar year. Please amend your report to include the omitted information.

Celebrating the Commission's 20th Anniversary

YESTERDAY. TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

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A committee may demonstrate "best efforts" to obtain the required information by providing the Commission with a description of its procedures for requesting the information and may also supply a copy of a solicitation; the committee must request the contributor information in initial solicitations; make follow-up requests (if necessary); report the information; and file amendments to disclose previously unreported information. Each solicitation must include a clear and conspicuous request for the information. If a committee receives a contribution that exceeds the \$200 threshold but lacks contributor information, the committee must, within 30 days, make an additional written or oral request for the information. Please note that a written request may not include an additional solicitation or material on any other subject, other than thanking the contributor for the donation and must include a pre-addressed return post card or envelope for the contributor's response. An oral request must be documented in writing. Committees must also disclose information that was not provided by the contributor, but is available in any of the committee's records for that current election cycle. Furthermore, if a committee receives contributor information after the contributions have been reported, it must submit, with its next report, an amended memo Schedule A listing all the contributions for which additional information was received or file, on or before the next reporting date, amendments to the previous reports on which the contributions were originally disclosed. See 11 CFR §104.3(a)(4)(i) and 11 CFR §104.7.

-Schedule A of your report (pertinent portion(s) attached) discloses a receipt(s) of \$434,864.99 from the Democratic Party of Arkansas. Please clarify whether this transfer(s) is from an account maintained by your committee for non-federal activity. If so, be advised that such a transfer is prohibited by 11 CFR §102.5(a)(1)(i) and the full amount of the transfer(s) should be returned to the non-federal account. Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out. In addition, the transfer-out should be disclosed on Schedule B supporting Line 22 of your next report.

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THE DEMOCRATIC PARTY OF ARKANSAS FEDERAL ACCOUNT
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If this transaction represents an "internal transfer" of funds from one federal account to another, and the source(s) of such funds has been identified in previous reports of receipts and disbursements, please note that such transfers should not be itemized as doing so inflates total receipts and cash on hand. If this is the case, please amend your report accordingly.

Although the Commission may take further legal action regarding the acceptance of funds from a non-federal account, your prompt transfer-out of the impermissible funds or clarification of the transaction, will be taken into consideration.

-Please provide a Schedule H² to support the entry reported on Line 18 of the Detailed Summary Page. All transfers received from a committee's non-federal account for joint activity must be itemized on Schedule H3 regardless of the amount transferred. 2 U.S.C. §434(b)(3)(D)

-Your report does not include a Schedule H1 to disclose the ratio for the allocation of administrative and generic voter drive costs. This ratio is determined at the beginning of each two-year election cycle. All shared administrative and generic voter drive costs incurred during the two-year cycle must be allocated according to this ratio, unless the federal account elects to pay a higher percentage of its cost. 11 CFR §106.5(b)(2), (d)(1), (d)(2) and 11 CFR §§104.10(b)(1)(ii)(B) and 106.6(c)

-Line 18 of the Detailed Summary Page discloses \$434,864.99 in transfers from the non-federal account for joint activity. Your report does not include Schedule H4 which is intended to disclose the non-federal portion of shared expenses. While the non-federal account is permitted to transfer funds to the federal account for allocable activity, the transfers must be made within a 70-day time period: no more than 10 days before or 60 days after payment to the vendor.

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THE DEMOCRATIC PARTY OF ARKANSAS FEDERAL ACCOUNT
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Transfers from the non-federal account for purposes other than shared activity or greater than the non-federal share of allocable activity are prohibited by 11 CFR 102.5(a)(1)(i). Please clarify this discrepancy and provide the required supporting Schedule H4 if necessary.

The Commission recommends that you immediately transfer back to the non-federal account, the amount which is either impermissible or in excess of the non-federal share. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

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

-Payments made to credit card companies must identify the original vendors from which you have purchased an item or service if your payments to these vendors have exceeded \$200 this year. Please amend your report by providing the date, amount, and purpose of such payments as required by 11 CFR §104.9(b).

-Your report includes computer produced formats of the Form 3X. Computer produced formats may only be used upon prior approval of the Commission. You should submit a separate sample format with a cover letter requesting approval. Until your format has been approved, FEC forms must be used. 11 CFR §104.2(d)

-Column B figures should be cumulative for a single calendar year. Please amend the Column B totals of your report to reflect 1995 activity only.

-For your information, each category on the Detailed Summary Page for which your committee discloses activity must have a separate schedule. Please note this for future filings.

-Your report disclosed certain categories of financial activity that have been reflected on the wrong lines of the Detailed Summary Page. Contributions from other political committees (such as PACs) and transfers from

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affiliated/other party committees should be properly disclosed on a separate Schedule A, supporting Line 11(c) and 12, respectively of the Detailed Summary Page.

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 toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,



Edward D. Ryan
Reports Analyst
Reports Analysis Division

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NAME OF COMMITTEE (in Full)
Democratic Party of Arkansas-Federal Account C00024372

Any information copied from such Reports and Statements may not be sold or used by any person for the purposes of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
Democratic Party Of Arkansas 1300 West Capitol Little Rock, AR 72201- Receipt for [X]Primary	No Recorded Employer No Recorded Occupation	07/10/95	\$253907.00 <i>EDR</i>
Aggregate YTD >			\$253907.00
Democratic Party Of Arkansas 1300 West Capitol Little Rock, AR 72201- Receipt for [X]Primary	No Recorded Employer No Recorded Occupation	07/10/95	\$2539.07 <i>EDR</i>
Aggregate YTD >			\$256446.07
Democratic Party Of Arkansas 1300 West Capitol Little Rock, AR 72201- Receipt for [X]Primary	No Recorded Employer No Recorded Occupation	07/25/95	\$2909.29 <i>EDR</i>
Aggregate YTD >			\$259356.36
Democratic Party Of Arkansas 1300 West Capitol Little Rock, AR 72201- Receipt for [X]Primary	No Recorded Employer No Recorded Occupation	08/01/95	\$5992.78 <i>EDR</i>
Aggregate YTD >			\$265348.14
Democratic Party Of Arkansas 1300 West Capitol Little Rock, AR 72201- Receipt for [X]Primary	No Recorded Employer No Recorded Occupation	08/15/95	\$9592.75 <i>EDR</i>
Aggregate YTD >			\$274940.89
Democratic Party Of Arkansas 1300 West Capitol Little Rock, AR 72201- Receipt for [X]Primary	No Recorded Employer No Recorded Occupation	08/16/95	\$9592.75 <i>EDR</i>
Aggregate YTD >			\$284533.64
Democratic Party Of Arkansas 1300 West Capitol Little Rock, AR 72201- Receipt for [X]Primary	No Recorded Employer No Recorded Occupation	09/15/95	\$100000.00 <i>EDR</i>
Aggregate YTD >			\$384533.64
Democratic Party Of Arkansas 1300 West Capitol Little Rock, AR 72201- Receipt for [X]Primary	No Recorded Employer No Recorded Occupation	09/30/95	\$5000.00 <i>EDR</i>
Aggregate YTD >			\$389533.64
SUBTOTAL of Receipts This Page.....>			\$389533.64
TOTAL This Period.....>			

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SCHEDULE A ITEMIZED RECEIPTS
Transfers from Nonfederal Account

NAME OF COMMITTEE(In Full)
Democratic Party of Arkansas-Federal Account C00024372

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Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
Democratic Party Of Arkansas 1300 West Capitol Little Rock, AR 72201- Receipt for [X]Primary	No Recorded Employer No Recorded Occupation	11/13/95	\$24351.58
Aggregate YTD >			\$413885.20
Democratic Party Of Arkansas 1300 West Capitol Little Rock, AR 72201- Receipt for [X]Primary	No Recorded Employer No Recorded Occupation	11/30/95	\$3874.41
Aggregate YTD >			\$417759.61
Democratic Party Of Arkansas 1300 West Capitol Little Rock, AR 72201- Receipt for [X]Primary	No Recorded Employer No Recorded Occupation	12/23/95	\$17105.38
Aggregate YTD >			\$434864.99
SUBTOTAL of Receipts This Page.....>			\$45331.35
TOTAL This Period.....>			\$434864.99

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