



FEDERAL ELECTION COMMISSION RQ-3
WASHINGTON, D.C. 20463

January 9, 1997

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

Identification Number: C00024372

Reference: Amended Year End (7/1/95-12/31/95) dated 8/22/96, Amended April Quarterly (1/1/96-3/31/96) dated 8/9/96, July Quarterly (4/1/96-6/30/96), October Quarterly (7/1/96-9/30/96) and 12 Day Pre-General (10/1/96-10/16/96) Reports

Dear Mr. Pledger:

This letter is to inform you that as of January 8, 1997, the Commission has not received your response to our requests for additional information dated December 18, 1996. 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).

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions regarding this matter, please contact Edward D. Ryan on our toll-free number (800) 424-9530 or our local number (202) 219-3580.

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Gibson".

John D. Gibson
Assistant Staff Director
Reports Analysis Division



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WASHINGTON, D.C. 20463

RQ-2

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

DEC 18 1996

Identification Number: C00024372

Reference: July Quarterly Report (4/1/96-6/30/96)

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:

-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.

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

**THE DEMOCRATIC PARTY OF ARKANSAS
FEDERAL ACCOUNT**

PAGE 2

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.

-The totals listed on Lines 21(a)(i), 21(a)(ii), and 21(c), 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.

-Please provide the total(s) for Line 26, Column B of the Detailed Summary Page. Note that changes in your figures may affect your Column B totals on this report and/or on subsequent reports.

-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, not by individual purpose such as "Utilities" or "Rent". Please amend your report by providing the correct Administrative/Voter Drive EVENT YEAR-TO-DATE totals.

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have not included the full name and/or mailing address for the vendor(s) listed. Please amend your report accordingly.

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include the purpose/event for several joint expenditures to various vendors. Note that the unique identifying code for an event is not considered an adequate description of purpose. Please amend your report to include this missing information.

-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): expense reimbursement, Futa, Suta, deposit, expense reimb, exp. reimb, P/R deposit, and contract labor. For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

**THE DEMOCRATIC PARTY OF ARKANSAS
FEDERAL ACCOUNT
PAGE 3**

-Please clarify all expenditures made for Radio Adv. and Survey 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 Schedule B or F supporting Line 23 or 25 and include the amount, name, address and office sought by each candidate. (11 CFR §104.3(b))

-Schedule A supporting Line 12 discloses a transfer-in from ASDC Dollars for Democracies and Demo Victory Fund. Schedule H4 supporting Line 21(a) reflects payments for bumper stickers. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used including distribution by direct mail; all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.7(b)(15) and (17) and Pages 14 and 15 of the Campaign Guide for Party Committees.

Please clarify the nature of the transfers-in and subsequent payments for bumper stickers. If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate.

-Schedule B supporting Line 29 of the Detailed Summary Page discloses \$167,565 in disbursements to the "Democratic Party Ar" for what appears to be "Transfer from Fed to Fed". 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 and distorts total receipts, total disbursements, and cash on hand. If this is the case, please amend your report accordingly.

-On Schedule A supporting Line 18 you disclose transfers from your non-federal account which appear to be identical to the transfers disclosed on Schedule H3. Be advised that transfers from your non-federal account should only be disclosed on Schedule H3 supporting Line 18. Please amend your report to clarify this discrepancy.

THE DEMOCRATIC PARTY OF ARKANSAS
FEDERAL ACCOUNT
PAGE 4

-Schedule H4 of your report discloses a disbursement(s) to non-federal organizations. Please be advised that contributions to federal and non-federal committees do not qualify as shared expenses to be allocated between your federal and non-federal accounts. Contributions to federal committees should be disclosed on a Schedule B supporting Line 23 of the Detailed Summary Page and contributions to non-federal committees on a separate Schedule B supporting Line 29. Any reimbursement from your committee's non-federal account for any portion of this contribution(s) is not permissible. 11 CFR §102.5(a)(1)(i)

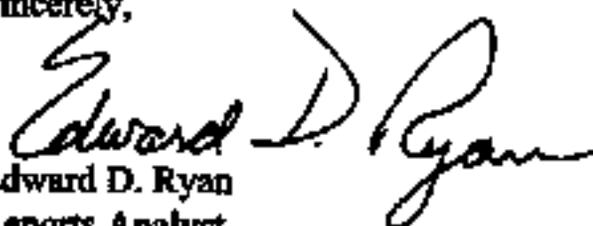
The Commission recommends that you immediately transfer the funds received by your federal account, as reimbursement for the non-federal portion, back to your non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-Schedule A supporting Line 16 of the Detailed Summary Page disclosed a refund from "AR Democrat Gazette" for \$942. Please be advised, that Line 16 is only used to disclose refunds received from federal candidates and committees and each refund must be itemized on Schedule A regardless of the amount. Please clarify the circumstances surrounding this transaction and if it was incompletely or incorrectly disclosed, you should amend your original report accordingly. Please refer to the instructions contained on the forms to determine the proper categorization for this transaction.

-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).

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