



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Michelle Seligman, Treasurer
21st Century Democrats
1311 L Street N.W., Suite 300
Washington, DC 20005

JUN 12 2002

Identification Number: C00230342

Reference: Year End Report (7/1/01-12/31/01)

Dear Ms. Seligman:

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:

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include the purpose for the joint expenditure to *Sheads*. 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.

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

-The Detailed Summary Page, on Line 18 Column A of your report, discloses \$296,705.59 in transfers from the non-federal account for joint activity for the reporting period. However, Line 21 (a)(ii) Column A discloses \$242,959.10 as the non-federal share for joint activity for the

reporting period. While the non-federal account is permitted to transfer funds to the federal account for shared activity, transfers for shared activity must be made within a 70-day time period: no more than 10 days before or 60 days after the payment to the vendor. 11 CFR §§106.5(g)(2) and 106.6(e)(2) Please clarify the nature of the transfers-in from the non-federal account.

The Commission recommends that you immediately transfer back to the non-federal account, the total excessive amount which was received by your federal account outside the 70-day time period. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-Schedule H4 supporting Line 21(a) (pertinent portion(s) attached) discloses \$44,563.78 in disbursements to *21st Century Democrats* for "Transfer of excess allocation". You are advised that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections. Please provide clarifying information regarding these transactions including the date(s) when the original activity was conducted by the non-federal account. In addition, if any of the disbursements disclosed were made to influence the election or defeat of specific federal candidates, the disbursements should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, independent expenditures on Schedule E supporting Line 24, or as coordinated expenditures on Schedule F supporting Line 25. 11 CFR §§104.3(b)(3) and 106.1

Although the Commission may initiate legal action regarding the activities conducted by your non-federal account, any clarifying information that you can provide will be taken into consideration.

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, designation 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,

A handwritten signature in black ink, appearing to read 'Julie Perry', written over the word 'Sincerely,'.

Julie Perry
Reports Analyst
Reports Analysis Division

**DISBURSEMENT SCHEDULE H4 (FEC Form 3X)
JOINT FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE**

NAME OF COMMITTEE (in Full)
21st Century Democrats

A. Full Name (Last, First, Middle Initial)
21st Century Democrats

Mailing Address
1311 L Street NW #300

City	State	Zip Code	PAC
Washington	DC	20005	

Purpose/Event
Transfer of excess allocation

Description: Transfer of excess allocation

Type of Allocated Activity:
 Admin./Voter Drive Fundraising
 Exempt Direct Candidate Support

Event Year-To-Date
245846.37

Date: 07 / 11 / 2001

FEDERAL SHARE	+	NON-FEDERAL SHARE	=	TOTAL AMOUNT
44583.78		0.00		44583.78

Transaction ID: H4.8784

A. Full Name (Last, First, Middle Initial)
Frank Aguilar

Mailing Address
13355 Lincoln Ave

City	State	Zip Code	IND
San Martin	CA	95048	

Purpose/Event
Travel/Lodging

Description: Travel/Lodging

Type of Allocated Activity:
 Admin./Voter Drive Fundraising
 Exempt Direct Candidate Support

Event Year-To-Date
247036.47

Date: 07 / 12 / 2001

FEDERAL SHARE	+	NON-FEDERAL SHARE	=	TOTAL AMOUNT
18.02		72.08		90.10

Transaction ID: H4.5332

A. Full Name (Last, First, Middle Initial)
Frank Aguilar

Mailing Address
13355 Lincoln Ave

City	State	Zip Code	IND
San Martin	CA	95048	

Purpose/Event
Payroll

Description: Payroll

Type of Allocated Activity:
 Admin./Voter Drive Fundraising
 Exempt Direct Candidate Support

Event Year-To-Date
283238.47

Date: 07 / 13 / 2001

FEDERAL SHARE	+	NON-FEDERAL SHARE	=	TOTAL AMOUNT
60.00		240.00		300.00

Transaction ID: H4.5235

SUBTOTAL of Joint Federal and Non-Federal Activity This Page

FEDERAL SHARE	+	NON-FEDERAL SHARE	=	TOTAL AMOUNT
44841.80		312.08		44953.88

TOTAL This Period (last page for each line only) (Federal share to 21(a)(1) and non-Federal share to 21(a)(1))

FEDERAL SHARE		NON-FEDERAL SHARE		TOTAL AMOUNT

TOTAL This Period for the Non-Federal Share (used for line 31 of the detailed summary page)

NON-FEDERAL SHARE		

