



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

November 21, 2007

Bill Combs, Treasurer  
21st Century Democrats  
1731 Connecticut Ave NW, 2nd Floor  
Washington, DC 20009

**Response Due Date:**  
**December 24, 2007**

Identification Number: C00230342

Reference: October Monthly Report (9/1/07-9/30/07)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 4 items:

1. Schedule H4 of your report discloses voided or returned checks to MCI Worldcom and JB Realty for expenditures made during this or previous reporting periods. Please clarify if and when these checks were reissued. If they were not reissued, please clarify the steps your committee has taken to account for the federal portion of these voided or returned checks in order to avoid the acceptance of a prohibited in-kind contribution.
2. Schedule H4 of your report discloses a voided or returned check(s) for an allocable expenditure(s) or reimbursement(s) made to an individual(s) during this or previous reporting periods where an adequate explanation has not been provided. Please clarify if and when this check(s) was reissued. If this check(s) was not reissued, please be advised that this may result in an in-kind contribution received by your committee from this individual(s) and should be reported on Schedules A and H4. Please amend your report to provide further clarification regarding this activity.
3. Schedule H4 of your report discloses voided checks with memo text attached to the entries indicating the checks were originally disbursed in 2004. Your 2004 reports indicate that the non-federal account's share of the allocable expenses was 90%; however, the voids on this report are disclosing the non-federal share to be 50%. Please be advised that when a

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committee voids a check for an allocable expense, it must be allocated between the federal and non-federal accounts according to the same allocation ratio used to allocate the original disbursement. Please amend your report to clarify this apparent discrepancy.

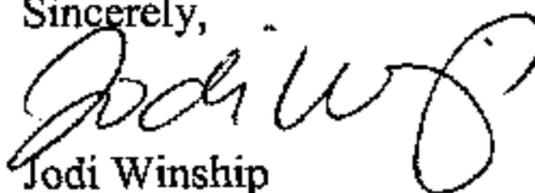
4. The Detailed Summary Page, on Line 18(a) Column A of your August Monthly (7/1/07-7/31/07), September Monthly (8/1/07-8/31/07), and October Monthly (9/1/07-9/30/07) Reports combined, discloses \$151,246.24 in transfers from the non-federal account for allocated activity for the reporting period. However, Line 21 (a)(ii) Column A discloses \$148,964.91 as the non-federal share for allocated activity for the reporting period. While the non-federal account is permitted to transfer funds to the federal account for allocated activity, transfers for allocated 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 §§106.6(e)(2) and 106.7(f)(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.

**Please note, you will not receive an additional notice from the Commission on this matter.** Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

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 should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1136.

Sincerely,



Jodi Winship

Senior Campaign Finance Analyst

Reports Analysis Division

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