



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

September 22, 2011

MICHAEL F. CHILDERS, TREASURER
DEMOCRATIC PARTY OF WISCONSIN
110 KING ST STE 203
MADISON, WI 53703

Response Due Date**10/27/2011**

IDENTIFICATION NUMBER: C00019331

REFERENCE: MAY MONTHLY REPORT (04/01/2011 - 04/30/2011)

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 5 item(s):

1. Schedules B and H4 of your report disclose a payment(s) for "intern stipend." Please be advised that a political committee may maintain a petty cash fund out of which it may make expenditures not in excess of \$100 to any person per purchase or transaction. (11 CFR §102.11) However, if this expenditure(s) represents an apparent reimbursement(s) to an individual(s) for apparent travel and subsistence advances in which the total amount reimbursed exceeds \$500, there are additional reporting requirements. Please provide clarifying information regarding this activity and amend your report to include any missing information as noted below.

When the reimbursement amount to staff for travel and subsistence advances exceeds \$500, the payments by committee staff that make up the reimbursement have to be itemized as memo entries regardless of the amount. Each memo entry must include the complete name and address of the original vendor, as well as the date, amount and an adequate purpose. Schedule H4 should clearly identify which reimbursement each memo entry relates to. (11 CFR §§104.10 and 104.17, and Advisory Opinion 1996-20, footnote 3)

2. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "health care reimbursement," "Payroll- see memo," "dental/life insurance," "health insurance premiums," "Salary" and "FICA match." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal

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Election Activity (FEA) or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding any improper allocation activity, your prompt action will be taken into consideration.

3. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Robo calls," "sign printing" and "communications consulting." Please be advised that pursuant to 11 CFR §300.33(c)(1), expenditures for public communications (as defined by 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any such candidate for Federal office must not be allocated between or among federal and non-federal accounts. Only federal funds may be used.

Further, expenditures and disbursements for public communications that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s). However, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please amend your report to properly disclose this activity or provide clarifying information.

If this activity was categorized incorrectly, the Commission recommends that you immediately transfer the funds received by your federal account for this activity back to the non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will

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be taken into consideration.

4. Please clarify all expenditures made for "Room rental for fundraising event " 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 Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. (11 CFR §§104.3(b) and 106.1)

Alternatively, if the payment(s) on Schedule H4 is associated with fundraising activity conducted for your committee's federal and non-federal accounts, it must be allocated according to the funds received method and the ratio reflected on Schedule H2. Further, it must be categorized as a fundraising activity on Schedule H4. Please provide clarifying information regarding the nature of this transaction(s) and amend your report(s) as appropriate.

5. Please clarify all expenditures made for "voter file consulting," "modeling for voter contact" and "List acquisition" on Schedule(s) H4. If a portion or all of these expenditures were made for activity that promotes or opposes a Federal candidate, but does not qualify as exempt party activity, this amount should be disclosed on Schedule B or F supporting Lines 23 or 25. (11 CFR § §104.3(b), 104.17(a) and 106.1)

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) 694-1143.

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Sincerely,

A handwritten signature in black ink that reads "Kaitlin Eger". The signature is written in a cursive style with a large, stylized 'K' and 'E'.

Kaitlin Eger
Senior Campaign Finance Analyst
Reports Analysis Division

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