



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

September 5, 2007

Cappy McGarr, Treasurer
New Leadership for America PAC
821 North Maple
Watertown, SD 57201

**Response Due Date:
October 5, 2007**

Identification Number: C00080655

Reference: Mid-Year Report (1/1/07-6/30/07)

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 8 items:

1. Schedule A supporting Line 17 of your report discloses a payment from "AB DataList." It appears this receipt was for goods and/or services provided by your committee. Pursuant to Advisory Opinion 1979-18, the sale/purchase price paid to a political committee could involve the receipt of a contribution from a purchaser if the purchase price exceeds the "usual and normal charge". The term "usual and normal charge" for goods is defined as the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution. Examples of goods and services include equipment, supplies, personnel, advertising services, membership lists, and mailing lists. 11 CFR §100.52(d)(1) and (2)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided and explain the steps your committee took in determining the amount charged. If your committee provided the goods and/or services at more than the usual and normal charge, the difference between the two is considered to be an in-kind contribution received by your committee from a corporation and is prohibited subject to the limits set forth at 2 U.S.C. §441b(a)

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2. Line 21(b) of the Detailed Summary Page of your report discloses a total of \$61,076.32 in Other Federal Operating Expenses. The sum of the entries itemized on Schedule B supporting Line 21(b), however, indicates the total to be \$63,739.89. Please amend your report to clarify the discrepancy.

3. Schedule A supporting Line 15 of your report discloses an offset to an operating expenditure(s) totaling \$11,939.22 from "USPS/Sioux Falls;" however, your report(s) does not appear to disclose a disbursement to this entity. Please provide clarifying information regarding this activity and amend your report(s) if necessary.

4. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule B supporting Line(s) 21(b) of your report to clarify the following description(s): "Consultant." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

5. Schedule B supporting Line 21(b) of your report discloses payments made to credit card companies. Payments made to credit card companies must identify in memo entries, 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 name and mailing address of the original vendor, along with the date, amount and purpose of each payment as required by 11 CFR §104.9(b) and clearly identify on the Schedule B, which credit card payment each memo entry relates to.

6. Schedule B of your report discloses reimbursements to individuals for "Postage Reimbursement," "PC Tuneup," and "Toner Cartridge." Please be advised that when itemizing reimbursements to individuals for goods or services, if the payment to the original vendor aggregates in excess of \$200 in a calendar year, a memo entry including the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule B, which reimbursement each memo entry relates to. If itemization is not necessary, you must indicate so in an amendment to this report. 11 CFR §§104.3(b)(3)(i) and 104.9, and Advisory Opinions 1992-1 and 1996-20, footnote 3

7. Schedule B supporting Line 21(b) of your report discloses a voided or returned check(s) for an expenditure(s) made during this or a previous

reporting period. Please clarify if and when this check(s) was reissued. If it was not reissued, please clarify the steps your committee has taken in order to avoid the acceptance of a prohibited in-kind contribution(s).

8. Your 2007 Mid-Year Report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule(s) B supporting Line 21(b) of the Detailed Summary Page. 2 U.S.C. §434(b)(5) If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty days or more. 11 CFR §104.11

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

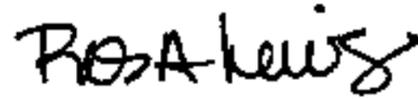
Clarification regarding administrative expenses should be disclosed during each two-year election cycle beginning with the first report filed in the non-election year. Please verify that all expenses referenced above (i.e., rent, salaries, utilities, etc.) have been adequately disclosed. If volunteers have provided these services, please confirm this in writing.

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) 694-1152.

Sincerely,



Rosa G. Lewis
Senior Campaign Finance Analyst
Reports Analysis Division

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