



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-3

February 13, 1997

Gary Paul, Treasurer  
Democratic State Central Committee  
of California-Federal  
911 20th Street, Suite 100  
Sacramento, CA 95814

Identification Number: C00105668

Reference: October Quarterly (7/1/96-9/30/96) and 12 Day Pre-General (10/1/96-10/16/96) Reports

Dear Mr. Paul:

This letter is to inform you that as of February 12, 1997, the Commission has not received your response to our requests for additional information dated January 22, 1997. 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 Debbie Manzano 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

Enclosures



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Gary Paul, Treasurer  
Democratic State Central  
Committee of California-Federal  
911 20th Street, Suite 100  
Sacramento, CA 95814

JAN 22 1997

Identification Number: C00105668

Reference: 12 Day Pre-General Report (10/1/96-10/16/96)

Dear Mr. Paul:

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

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was not provided by the contributor, but is available in any of the committee's records for that current election cycle. Furthermore, if a 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.

-Schedule A of your report (pertinent portion(s) attached) discloses a contribution(s) from an organization(s) which is not a political committee registered with the Commission. In order for your committee to accept contributions from unregistered organizations into accounts used to influence federal elections, your committee should take steps to insure that the contributor(s) used permissible funds to make the contribution(s) to avoid violating 2 U.S.C. §§441a(f) and 441b or 11 CFR §102.5(b). Under 11 CFR §102.5(b), organizations which are not political committees under the Act and choose to contribute to federal committees must either: 1) establish a separate account which contains only those funds permitted under the Act, or 2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution.

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. In addition, please clarify whether the contribution(s) received from the referenced organization(s) is permissible. To the extent that your committee has received impermissible funds, the Commission recommends that you transfer the impermissible funds to an account not used to influence federal elections or refund the impermissible amount(s) to the donor(s) in accordance with 11 CFR §103.3(b). In order to protect the donor's interests, the Commission recommends that you inform the contributor(s) in writing to provide the donor(s) with the option of receiving a refund or granting written authorization for a transfer to another account.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out or

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refund. Should you choose to transfer-out or refund the contribution(s), the Commission will presume the funds were impermissible if no statement from your committee provides information to the contrary. Transfers-out and refunds should be disclosed on a Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

Although the Commission may take further legal action concerning the acceptance of prohibited contributions, prompt action by your committee in transferring-out or refunding the amounts will be taken into consideration.

-Schedule H4 (page 10) of your report discloses a contribution to Lou Correa for State Assembly. 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, 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 these contributions 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.

-On Schedule D of your previous report, you disclosed a debt(s) owed to Accountants on Call. This obligation(s), however, has been omitted from this report. Please amend your report to include this debt(s) on Schedule D and Line 10 of the Summary Page. All debts and obligations must be disclosed until extinguished. 11 CFR §104.11

-Your report discloses a payment(s) on Schedule B to Wells Fargo Bank that has not been recorded on Schedule C. Loan payments must also be reflected on Schedule C. Please amend your report to clarify this discrepancy. 2 U.S.C. §434(b)(4)

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-Your report discloses receipts totalling \$52,094.66 from the Democratic State Party Victory Fund, which is a joint fundraising committee affiliated with your committee. Please be advised that a memo Schedule A must be provided to itemize your committee's share of the gross contributions received through the joint fundraiser. The memo schedule should itemize each individual who has contributed an aggregate in excess of \$200 during the calendar year, and provide the amount of unitemized contributions received. In addition, the memo schedule should itemize your committee's share of all contributions from political committees, regardless of amount.  
11 CFR §102.17(c)(8)(i)(B)

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have checked the category DIRECT CANDIDATE SUPPORT for the payments to Brothers Printing and Sheingold Associates. You have disclosed the FEDERAL SHARE for each payment to be \$5,685.83 and \$185.19. Be advised that any FEDERAL SHARE in-kind payments for DIRECT CANDIDATE SUPPORT must also be itemized on Schedule B supporting Line 23 of the Detailed Summary Page and not included in the total for this page. Please amend your report to correct this apparent discrepancy.

-Schedule A supporting Line 12 discloses a transfer-in from the Democratic National Committee. Schedule B supporting Line 21(b) reflects payments for mugs, hats, bumper stickers, t-shirts, buttons, pins, and signs. 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 the mugs, hats, bumper stickers, t-shirts, buttons, pins, and signs. If the activity disclosed on your report does not meet the definition of "exempt"

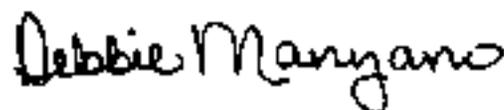
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activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate.

-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): Voter registration. For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

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,



Debbie Manzano  
Senior Reports Analyst  
Reports Analysis Division

## SCHEDULE A

## ITEMIZED RECEIPTS

Any info. copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)

Democratic State Central Comm. of CA-Federal COO105658

Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this period
James F. Thurber 894 Sarvenus Ave. Los Altos, CA 94024	Self-Employed  Occupation Consultant	10/18/96	28.00
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date \$	564.00	
Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this period
Viejas Indian Reservation PO Box 608 Alpina, CA 91903	Information Requested-No Response  Occupation Information Requested-No Response	10/18/96	5000.00
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date \$	5000.00	

SUBTOTAL of Receipts This Page (optional)..... 5020.00  
TOTAL This period (last page this line number only)..... 28686.00

