



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-3

August 5, 1999

Lee Snyder, Treasurer
Federal Independent Campaign Committee
828 South Wabash St., Suite 290
Chicago, IL 60605

Identification Number: C00262923

Reference: Year End Report (10/1/98-12/31/98)

Dear Mr. Snyder:

This letter is to inform you that as of August 4, 1999 the Commission has not received your response to our request for additional information, dated July 14, 1999. This notice requests 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 this request (copy 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 Chacona on our toll-free number (800) 424-9530 or our local number (202) 694-1130.

Sincerely,

A handwritten signature in black ink that reads "John D. Gibson".

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Lee Snyder, Treasurer
Federal Independent Campaign Committee
201 North Wells Street, Suite 706
Chicago, IL 60606

Identification Number: C00262923

JUN 23 1999

Reference: Year End Report (10/1/98-12/31/98)

REMAIL
JUL 14 1999

Dear Mr. Snyder:

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:

-Please clarify all expenditures made for "Advertising" on Schedules B and H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedule B or E supporting Line 23 or 24 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Schedule B supporting Line 21(b) (pertinent portion(s) attached) discloses \$6,974.07 in disbursements to Independent Campaign Committee to "Repay Debt". 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 on Schedule B supporting Line 21(b) 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, or as independent expenditures on Schedule E supporting Line 24. 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.

-Schedule D supporting line 9 of the Summary Page discloses a \$3,137.80 debt owed to your committee by the Independent Campaign Committee for the non-federal share of expenditures. In addition, Schedule A supporting Line 15 discloses payments for this debt.

Please be advised that Schedule H3 should be used to report all transfers received by your federal account, from your non-federal account(s), to pay the non federal share of allocable expenses. In addition, transfers for shared activity must be made within a 70-day time period: no more than 10 days before or 60 days after the payments to the vendor. 11CFR §§106.5(g)(2) and 106.6(e)(2). Please clarify the procedures you are currently using to pay the non-federal share of allocable expenses. The Commission recommends that you take steps to correct any non-compliance with the regulations.

-Schedule H4 discloses a disbursement(s) which is categorized as direct candidate support; however, a Schedule H2 has not been filed to disclose the allocation ratio. All committees are required to allocate the payment for direct candidate support in which the committee collects both federal and non-federal funds. The costs are allocated according to the time and space method or 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 direct candidate support activity.

-Your report does not include a Schedule H1 to disclose the ratio for the allocation of administrative and generic voter drive costs. This ratio is determined at the beginning of each two-year election cycle. All shared administrative and generic voter drive costs incurred during the two-year cycle must be allocated according to this ratio, unless the federal account elects to pay a higher percentage of its cost. 11 CFR §106.5(b)(2), (d)(1), (d)(2) and 11 CFR §§104.10(b)(1)(ii)(B) and 106.6(c)

-Your 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 H4, supporting Line 21(a) 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 these services have been provided by volunteers, please confirm this in writing.

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) 694-1130.

Sincerely,

Debbie Chacona

Debbie Chacona
Senior Reports Analyst
Reports Analysis Division

SCHEDULE B

ITEMIZED DISBURSEMENTS

Any information copied from such Reports and 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)

Federal Independent Campaign Committee

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
US Post Office 1104 W. WABASH CHICAGO 60611	Postage Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/21/98	989.00
Stevens-Maloney 2 W. LA Salle CHICAGO IL 60602	Office Supplies Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/21/98	203.69
Chicago Sun-Times 401 N. WABASH CHICAGO IL 60611	Advertising Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/22/98	11,305.35
Extra 3918 W. NORTH CHICAGO 60647	Advertising Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/26/98	1,100.00
The Reader 11 E. Illinois CHICAGO IL 60611	Advertising Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/26/98	5911.00
Independent Campaign Committee 201 N Wells #706 Chicago IL 60606	Repay Debt Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/27/98	4922.00
Cash Daily Pay for 20 workers	Literature Distribution Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/27/98	500.00
Independent Campaign Committee 201 N Wells #706 Chicago IL 60606	Repay Debt Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	11/16/98	1551.50
Independent Campaign Committee 201 N Wells #706 Chicago IL 60606	Repay Debt Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	11/16/98	500.50

SUBTOTAL of Disbursements This Page (optional)

26,983.11

TOTAL This Period (last page of this line number only)

