



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

August 25, 2006

Drew Smith, Treasurer
Democratic Party of Arkansas
1300 West Capitol Avenue
Little Rock, AR 72201

**Response Due Date:
September 25, 2006**

Identification Number: C00024372

Reference: July Monthly Report (6/1/06 – 6/30/06)

Dear Mr. Smith:

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. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule H3 of your May Monthly (4/1/06 – 4/30/06), June Monthly (5/1/06 – 5/31/06), and July Monthly (6/1/06 – 6/30/06) Reports, combined, discloses \$470,073.33 in transfers from the non-federal account for allocated Administrative activity for the reporting period. However, Schedule H4 of your reports discloses \$264,816.29 as the non-federal share for allocated Administrative 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.

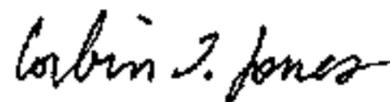
Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into

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consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. 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.

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) 694-1177.

Sincerely,



Corbin T. Jones
Campaign Finance Analyst
Reports Analysis Division

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