



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

March 13, 2012

MICHAEL CORWIN, TREASURER
INDEPENDENT SOURCE PAC
11024 MONTGOMERY BLVD, NE #128
ALBUQUERQUE, NM 87111

Response Due Date
04/17/2012

IDENTIFICATION NUMBER: C00497727

REFERENCE: YEAR-END REPORT (10/01/2011 - 12/31/2011)

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 8 item(s):

1. The totals listed on Line(s) 6, 11(a)(i), 11(a)(iii), 11(d), 19, and 20, Column B of the Summary and Detailed Summary Page(s) appear to be incorrect. Column B figures for the Summary and Detailed Summary Pages should equal the sum of the Column B figures on your previous report and the Column A figures on this report. Please file an amendment to your report to correct the Column B discrepancies for this report and all subsequent report(s) which may be affected by this correction. Note that Column B should reflect only the Calendar Year-to-Date totals. (2 U.S.C. § 434(b))
2. The beginning cash balance of this report does not equal the ending balance of your 2011 October Quarterly Report (7/1/11-9/30/11). Please correct this discrepancy and amend all subsequent reports(s) that may be affected by the correction. (2 U.S.C. § 434)(b)(1))
3. Schedule E of your report indicates that your committee may have failed to file one or more of the required 48 hour report(s) for independent expenditures (see attached). A political committee must file a 48 hour report with the Federal Election Commission as specified in 11 CFR §104.4(b), within 48 hours of any independent expenditures aggregating \$10,000 or more with respect to a given election, made any time during the calendar year up to and including the 20th day before an election. The report must be received by the Commission by 11:59 p.m. on the second day following the date on which independent expenditures that aggregate \$10,000 or more are publicly

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distributed or disseminated. These expenditures must then be fully itemized on Schedule E, or as memo entries on Schedule E and reflected on Schedule D if distributed or disseminated prior to payment, of the next report required to be filed by the committee. Although the Commission may take further action concerning this matter, your prompt response will be taken into consideration. (11 CFR §104.3(b))

4. Your report does not include a Schedule H1 to disclose the ratio for the allocation of certain costs. Separated Segregated Funds and Nonconnected committees that choose to allocate administrative expenses, generic voter drive costs and expenses related to public communications referencing any party committee (but no clearly identified candidates), should disclose the allocation ratio applied to these expenses on Schedule H1. 11 CFR §104.10(b)(1)

5. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) H4 of your report to clarify the following description(s): "Consulting," "Equipment," and "Event." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

6. Schedule B of your report discloses reimbursements to individuals for "Expense reimbursement," "Media," and "Postage Reimbursement." 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 §104.9, and Advisory Opinions 1992-1 and 1996-20, footnote 3)

7. Schedule H4 of your report discloses activity which is 100% federal. For future reporting, please be advised that any activity which is financed entirely by the federal account (including administrative expenses), should be reported on Schedule B supporting Line 21(b). (11 CFR §§104.10 and 104.17)

8. Schedule H4 discloses 100% non-federal activity. Please be advised that by definition, this activity does not qualify as an expense(s) that can be allocated between your federal and non-federal accounts. If the disbursements were for operating expenditures paid for with 100% federal funds, they should be itemized on Schedule B for Line 21(b) of the Detailed Summary Page. If these

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expenses were permissibly paid for with 100% non-federal funds, they should not be disclosed on Schedule H4. Further, any reimbursement from your committee's non-federal account for any portion of this activity is not permissible and must be returned. (11 CFR §102.5(a)(1)(i)) Please amend your report to clarify this discrepancy.

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) 694-1139.

Sincerely,



Nicole Della Rocco
Senior Campaign Finance Analyst
Reports Analysis Division

Missing 48 Hour Report (Schedule E)
Independent Source PAC (C00497727)

Name of Payee	Date	Amount	Purpose	Candidate
Ceremony Studios	10/17/11	\$434.50	Recording Studio	Barack Obama
Hutton Broadcasting	10/18/11	\$1,139.22	Radio	Barack Obama
Clear Channel	10/21/11	\$2,915.75	Radio	Barack Obama
Hutton Broadcasting	10/21/11	\$1,898.70	Radio	Barack Obama
Ceremony Studios	10/24/11	\$434.50	Recording	Barack Obama
Clear Channel	11/01/11	\$3,016.33	Radio	Barack Obama
Hutton Broadcasting	11/01/11	\$1,139.22	Radio	Barack Obama
Sunrise Broadcasting	11/01/11	\$1,677.98	Radio	Barack Obama