



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

October 25, 2012

KATHERINE MORET, TREASURER  
DEMOCRATIC STATE CENTRAL COMMITTEE  
OF CA - FEDERAL  
1401 21ST STREET, SUITE 200  
SACRAMENTO, CA 95811-5221

**Response Due Date**  
**11/29/2012**

IDENTIFICATION NUMBER: C00105668

REFERENCE: AMENDED APRIL MONTHLY REPORT (03/01/2012 - 03/31/2012),  
RECEIVED 05/20/2012

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 4 item(s):

1. Schedule H3 discloses a transfer(s)-in which is categorized as a fundraising expense associated with the event "Chiang (269)" and "Harris 2/1/12 (268)"; however, a Schedule H2 has not been filed to disclose the allocation ratio. All committees are required to allocate the direct costs of each fundraising event in which the committee collects both federal and non federal funds. The costs are allocated according to the funds received ratio and reported on Schedule H2. (11 CFR §§106.6(d) and 106.7(d)(4)) Please file a Schedule H2 to disclose the ratio for the fundraising event(s).

2. On Schedule H4, your allocated activity or event year-to-date total calculations for the Administrative category are incorrect. Allocated activity or event year-to-date totals for administrative, voter drive, exempt activity costs and expenses for public communications made by PACs referencing only political parties are derived by aggregating all disbursements during the calendar year for each separate category. Allocated activity or event year-to-date totals for fundraising and direct candidate support activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous event year-to-date total for that category or event. This running event year-to-date total should be disclosed after each disbursement is listed. Please amend your report by providing the correct event

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year-to-date totals. (11 CFR §§104.10(b)(2) and 104.17(b)(1)(ii))

**3.** Schedule H4 of your report discloses disbursements for the Administrative category which use a ratio that is inconsistent with the ratio disclosed on Schedule H1. The fixed ratio for the allocation of administrative, generic voter drive and exempt activity expenses by State, district and local party committees should be the same for the full two-year election cycle, unless a Special election is scheduled during an odd numbered year. Please amend your report to clarify this apparent discrepancy.

Please note that if your non-federal account has overpaid your federal account because of this miscalculation, it will be necessary to immediately transfer these funds back to the non-federal account. While the Commission may take further legal action concerning any impermissible overpayments by the non-federal account, your prompt action will be taken into consideration. (11 CFR §§106.7(d))

**4.** Please clarify all expenditures made for "fundraising software" on Schedule H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. (11 CFR §§104.3(b) and 106.1)

Alternatively, if the payment(s) on Schedule H4 is associated with fundraising activity conducted for your committee's federal and non-federal accounts, it must be allocated according to the funds received method and the ratio reflected on Schedule H2. Further, it must be categorized as a fundraising activity on Schedule H4. Please provide clarifying information regarding the nature of this transaction(s) and amend your report(s) as appropriate.

- Schedule B supporting Line 22 of your report discloses the balancing entry for an inkind contribution received for "on-line voter file access" which appears to be disclosed on the wrong line of the Detailed Summary Page. For your information and consideration when preparing future filings, please be advised that Voter Identification, Generic Campaign and Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot is considered to be Federal Election Activity and should be disclosed on Schedule B for Line 30(b) of the Detailed Summary Page. (11 CFR §100.24) For your next filing, please refer to the instructions for each line when determining the proper categorization(s).

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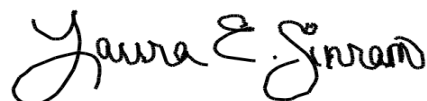
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- Your report discloses an in-kind contribution(s) made on behalf of a federal committee(s). The attribution to each federal committee has been noted as a memo entry on supporting Schedule B for Line 23 (Contributions to Federal Candidates and Other Political Committees). For your information and consideration when preparing future filings, please be advised that in-kind contributions made to federal committees should be disclosed as a negative disbursement on Schedule B supporting Line 21(b), as a positive contribution on Schedule B supporting Line 23, and reflected on the appropriate lines of the Detailed Summary Page. The value of the in-kind contributions must be subtracted from the operating expenditures total on Line 21(b) and added to the contributions to federal committees total on Line 23, in order to avoid inflating the cash-on-hand amount. (11 CFR ?104.13(a)(2)) For future filings, please refer to the Campaign Guide.

**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) 694-1157.

Sincerely,



Laura Sinram  
Senior Campaign Finance Analyst  
Reports Analysis Division