FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-3

April 26, 2001

Ron L. Oliver, Treasurer
Democratic Party of Arkansas
1300 West Capitol Avenue
Little Rock, AR 72201

Identification Number: C00024372

Reference: October Quarterly Report (7/1/00-9/30/00)

Dear Mr. Oliver:

On April 4, 2001 you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your April 23, 2001 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-Please clarify all expenditures made for "JJ Jackson exp," "advertising" and "ads" on Schedule(s) 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

-On schedule H4 supporting Line 21(a) of the Detailed Summary Page, your committee discloses a disbursement for "reimb for postage & photos/Administrative" and lists itself (Democratic Party of Arkansas) as the payee. Please clarify the nature of this transaction or amend Schedule H4 by providing the correct name and mailing address of the payee.

Please note 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 §106.5

-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): "inkind production," "production," "reimbursement". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Schedule A supporting Line 12 discloses a transfer(s)-in from the Democratic Congressional Campaign Committee and the Democratic National Committee. Schedule H4 supporting Line 21(a) reflects payments for bumper stickers and yard signs . Please be advised that a state or local party committee may pay for campaign materials (such as bumper stickers) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election. 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 (mailings by a commercial vendor or from commercial lists); 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 to the Campaign Guide for Party Committees.

Please clarify the nature of the transfer(s)-in and subsequent payments for the aforementioned disbursement(s). If the activity disclosed on your report does not meet the definition of "exempt" 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.

An adequate response must be received at the Commission by May 16, 2001. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions for 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.

If you should have any questions related to this matter, please contact Nicholas Ebinger on our toll-free number (800) 424-9530 (a the prompt press 1, then press 2 to reach the Reports Analysis Division) or our local number (202) 694-1130.

Sincerely,

John D. Gibson
Assistant Staff Director
Reports Analysis Division

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