FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

JAN 29 1997

Vera C. Magee, Treasurer
Detroit Democratic Club - PAC
1642 First National Building
Detroit, MI 48226

Identification Number: C00321075

Reference: Year End Termination Report (10/1/96-12/30/96)

Dear Ms. Magee:

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:

-Schedule A of your report (pertinent portion(s) attached) discloses a contribution(s) from an organization(s) which is not a political committee registered with the Commission. In order for your committee to accept contributions from unregistered organizations into accounts used to influence federal elections, your committee should take steps to insure that the contributor(s) used permissible funds to make the contribution(s) to avoid violating 2 U.S.C. §§441a(f) and 441b or 11 CFR §102.5(b). Under 11 CFR §102.5(b), organizations which are not political committees under the Act and choose to contribute to federal committees must either: 1) establish a separate account which contains only those funds permitted under the Act, or 2) demonstrate through a reasonable accounting method that the organization has received sufficient funds subject to the limitations and prohibitions in order to make the contribution.

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. In addition, please clarify whether the contribution(s) received from the referenced organization(s) is permissible. To the extent that your committee has received impermissible funds, the Commission recommends that you transfer the impermissible funds to an account not used to influence federal elections or refund the impermissible amount(s) to the donor(s) in accordance with 11 CFR §103.3(b). In order to protect the

donor's interests, the Commission recommends that you inform the contributor(s) in writing to provide the donor(s) with the option of receiving a refund or granting written authorization for a transfer to another account.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out or refund. Should you choose to transfer-out or refund the contribution(s), the Commission will presume the funds were impermissible if no statement from your committee provides information to the contrary. Transfers-out and refunds should be disclosed on a Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

Although the Commission may take further legal action concerning the acceptance of prohibited contributions, prompt action by your committee in transferring-out or refunding the amounts will be taken into consideration.

-Your report discloses no 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 B supporting Line 21(b) 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 <u>during each two year election cycle</u> beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

-Be advised that you have used an incorrect committee identification number on the Summary Page of your report(s). Please file all future reports and correspondence using your correct identification number, C00321075, to avoid potential errors in entering your reports onto the public record.

-Your report requested that the Commission permit your committee to terminate pursuant to 2 U.S.C. §433(d) and 11 CFR §102.3. Preliminary review of the October Quarterly and Year End Termination Reports raised questions concerning certain information disclosed by your committee. Your committee must continue to file all required reports with the Commission until this matter has been resolved. The Commission will notify you when your request to terminate has been approved and the committee is no longer required to file reports with the Commission.

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) 219-3580.

Sincerely,

Neil Evans
Reports Analyst
Reports Analysis Division

97031644216

SCHEDULE A ITEMIZED RECEIPTS

Use separate schedule(s) for each category of the Detailed Summary Page

Page 1

Contributions for Individuals

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: Detroit Democratic Club P.A.C.

Full Name, Mailing Address and ZIP Code	Name of Employer / Occupation	Date (month, day, year)	Amount of Each Receipt this Period
Comm to Re-Elect Kym Worthy 18371 Monica Detroit, MI 48221 Receipt For: Primary General Year End Close of Books 12/30/96	Wayne County Judge Recorders Court Aggregate Year-to-Date: $700	10/26/96	$700
Judge Nancy Blount Reelection Comm. 18925 Parkside Detroit, MI 48221 Receipt For: Primary General Year End Close of Books 12/30/96	Wayne County Judge-36th Dist Court Aggregate Year-to-Date: $850	11/1/96	$850
Comm to Reelect Murray Jackson 18925 Parkside Detroit, MI 48221 Receipt For: Primary General Year End Close of Books 12/30/96	Michigan WSU-Bd of Trustee Aggregate Year-to-Date: $400	11/2/96	$400
Comm to Elect Harold Hood 903 First National Bldg Detroit, MI 48226 Receipt For: Primary General Year End Close of Books 12/30/96	State of Mich Appeals Court Judge Aggregate Year-to-Date: $850	11/7/96	$850
Vesta Svenson for Judge 1999 Hyde Park Detroit, MI 48207 Receipt For: Primary General Year End Close of Books 12/30/96	City of Detroit 36th Dist Crt Judge Aggregate Year-to-Date: $850	11/7/96	$850
Comm to Retain Izetta Bright 17305 Muirland Detroit, MI 48221 Receipt For: Primary General Year End Close of Books 12/30/96	City of Detroit 36th Dist Court Judge Aggregate Year-to-Date: $350	11/7/96	$350
Receipt For: Primary General Other Receipts			

Subtotal of Receipts this Page	$4,000
Total Receipts this Page	$4,000