



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

October 20, 2004

Donna Marie Titzman, Treasurer
Valero Energy Corporation Political Action
Committee
P.O. Box 696000
San Antonio, TX 78269

Response Due Date:
November 19, 2004

Identification Number: C00109546

Reference: Amended Mid-Year Report (1/1/03-6/30/03), received 10/12/04.

Dear Ms. Titzman:

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 B supporting Line 23 of your report discloses a contribution(s) to political committees; however, you have disclosed a candidate name in the purpose of disbursement field(s). Please clarify whether this was an earmarked contribution(s) made by your committee through the political committee to this candidate, or if you made the contribution to the political committee exercising no direction or control over how the funds were to be used. If the latter is the case, please do not include the candidate's name in the purpose of disbursement field. Please amend your report to clarify the ultimate recipient of this contribution(s).

-Schedule B discloses one or more contributions totaling \$5,000 towards the general election campaign of a Presidential candidate(s). Please note that contributions to Presidential candidates are governed by specific regulations. Please refer to the following explanation of Presidential election financing.

All Presidential primary elections held during an election year are considered one election for the purpose of the contribution limits. A multicandidate committee, therefore may give only \$5,000 to a Presidential candidate's primary campaign, regardless of how many separate state Presidential primaries the candidate participates in, while a non-multicandidate may give only \$2,000. 11 CFR §§110.1(j)(1) and 110.2(i)(1)

In the general election, contributions to Presidential campaigns are not permitted if the candidate receives public funds. (An exception: Political committees may contribute to a publicly funded Presidential nominee's "compliance fund." A compliance fund is used solely for legal and accounting expenses incurred in complying with the election law. Gifts to compliance funds are considered contributions and are subject to usual per-candidate, per-election limits.) 11 CFR §9003.3(a)

If any apparently impermissible contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If you have made an impermissible contribution, you must request a refund within 60 days of the treasurer's receipt.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund request sent to the recipient committee(s). In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received.

Although the Commission may take further legal action regarding this impermissible activity, your prompt action in obtaining a refund of the contribution(s) will be taken into consideration.

-Your report disclosed certain categories of financial activity that have been reflected on the wrong lines of the Detailed Summary Page. Refunds to political committees should be properly disclosed on a separate Schedule(s) A, supporting Line(s) 16 of the Detailed Summary Page. Voided checks should be properly disclosed as negative entries on the line of which they were originally disclosed. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

Unlike previous election cycles, 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 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) 694-1140.

Sincerely,



Abbie Hodgson
Campaign Finance Analyst
Reports Analysis Division

