



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

November 26, 2003

RQ-2

Stephen E. Chaudet, Treasurer  
Lockheed Martin Employees Political Action  
Committee  
1725 Jefferson Davis Highway, Crystal Square  
Two, Suite 300  
Arlington, VA 22202

**Response Due Date:**  
**December 26, 2003**

Identification Number: C00303024

Reference: Amended July Quarterly Report (4/1/03-6/30/03), received 7/21/03

Dear Mr. Chaudet:

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:

-The totals listed on Lines 6(c), 7, 11(a)(iii), 19, 20, 23, 31, and 32, Column B of the Summary and Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Your calculations for Line 8 appear to be incorrect. Cash-on-hand at the close of the current reporting period should always equal the closing calendar year-to-date cash-on-hand amount. Please provide the corrected total on the Summary Page.

-Your report discloses a negative ending cash balance of \$10,264.80. This suggests that you have either overdrawn your account, made a mathematical error, or incurred a debt. If your committee has incurred a debt or obligation, please show a zero balance on Line 8 of the Summary Page and

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reflect the amount and the nature of the debt on Schedule D and Line 10 or provide clarifying information. 2 U.S.C. §434(b)(8)

-Schedule B of your report discloses a \$7,200 payment(s) to your connected organization for "In-kind contribution: James E. Clyburn," "Contribution: Eddie Bernice Johnson," "In-kind contribution: Kendra B. Meek," "In-kind contribution: Bennie G. Thompson," and "In-kind contribution: Elijah E. Cummings." 2 U.S.C. §441b prohibits a corporation or labor organization from contributing or expending funds for the purpose of influencing any federal election; however, a connected organization may pay for the solicitation and administrative costs of its separate segregated fund. Further, 11 CFR §114.2(f) prohibits corporations and labor organizations from facilitating the making of contributions to candidates or political committees, other than to the separate segregated funds of the corporations and labor organizations. Facilitation means using corporate or labor organization resources or facilities to engage in fundraising activities in connection with any federal election. The use of corporate or labor organization resources in connection with a fundraiser is permissible only if the corporation or labor organization receives advance payment for the fair market value of such services.

Please amend your report to clarify whether the payment to your connected organization was for expenditures which were intended to influence federal elections and provide the dates of the activity conducted by your connected organization. In addition, please clarify whether your committee made advance payment for these services to your connected organization. Although the Commission may take further legal action concerning this matter, your prompt action will be taken into consideration.

-Records at the Commission indicate that your committee should be following a monthly filing schedule; however, the report you have recently filed indicates that you may be following a quarterly filing schedule. Please be advised that 11 CFR §104.5(c) requires political committees to notify the Commission prior to changing its reporting schedule. Please provide further clarification regarding your committee's filing schedule.

**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.**

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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 1, then press 2 to reach the Reports Analysis Division) or my local number (202) 694-1139.

Sincerely,



Scott Walker  
Senior Campaign Finance Analyst  
Reports Analysis Division

