



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

May 9, 2019

JEFFREY PADWA, TREASURER  
RHODE ISLAND DEMOCRATIC STATE  
COMMITTEE  
P.O. BOX 6004  
PROVIDENCE, RI 02940

**Response Due Date**  
**06/13/2019**

IDENTIFICATION NUMBER: C00136200

REFERENCE: AMENDED 30 DAY POST-GENERAL REPORT (10/18/2018 -  
11/26/2018), RECEIVED 01/30/2019

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report 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 enforcement action.** Additional information is needed for the following 6 item(s):

1. Schedule F supporting Line 25 of your report discloses \$49,706 in activity identified as MEMO entries that do not appear to correspond with any itemized transaction(s). Please be advised, a memo entry is used to disclose additional information about an itemized transaction and the amount of a memo entry is not included in the total receipts or disbursements for the report. Please amend your report to provide clarifying information regarding this activity. (11 C.F.R. § 104.3(a) and (b))
2. Schedule A supporting Line 12 of your report discloses earmarked contributions totaling \$2,862 marked as memo entries with "ActBlue" disclosed as the conduit. Line 12 of your report also discloses \$2,748.93 in non-memo receipts received from "ActBlue," which appear to relate to the memo entries disclosed. Please be advised that the total amount of earmarked contributions transferred by a conduit should not be included in your Schedule A total to avoid inflating your cash on hand. Please amend your report or provide additional clarifying information regarding this apparent discrepancy.
3. Schedule A supporting Line 12 discloses transfers-in from "Democratic National Committee." Schedule B supporting Line 30(b) reflects payments for "Printing Exempt Mail" and "Postage for Mailer Exempt." Please be advised that a state or local party committee may pay for campaign materials (such as pins,

## RHODE ISLAND DEMOCRATIC STATE COMMITTEE

Page 2 of 3

posters, bumper stickers and yard signs) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election and for voter drive activity conducted on behalf of the party's Presidential and Vice Presidential nominees. 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 §§100.87 and 100.147 and to the Campaign Guide for Party Committees.

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, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page as appropriate. Please amend your report or provide clarifying information.

4. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule H4 to clarify the following descriptions: "Community Outreach" and "Clean Out." (11 CFR §§104.3(b)(3) and 104.10(a)(4))

Additional clarification regarding inadequate purposes of disbursement published in the Federal Register can be found at: <https://www.fec.gov/help-candidates-and-committees/purposes-disbursement>

5. Schedule H4 of your report discloses \$9,500 in payments for "Fundraising Consultant (Non-event)" and "Digital Consulting" to individuals. Please clarify whether these individuals are employees of your committee. If they are employees, please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on Federal Election Activity (FEA) or activities in connection with a Federal election. You are advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on FEA or activities in connection with a Federal election must not be allocated between or among federal, non-federal and Levin accounts. Rather, only federal funds may be used.

Any reimbursement from your committee's non-federal or Levin account for salary and wage payments for employees who spent more than 25% of their

RHODE ISLAND DEMOCRATIC STATE COMMITTEE

Page 3 of 3

compensated time in a given month on FEA is not permissible and must be returned. Please provide clarification regarding these payments.

6. Please clarify all expenditures made for "Facility Rental & Catering" and "Facility Rental Balance" 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 payments 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.

**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. For additional information about the report review process or specific filing information for your committee type, please visit <http://transition.fec.gov/rad/>. 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) 694-1176.

Sincerely,



Michael Adamsky  
Campaign Finance Analyst  
Reports Analysis Division