



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

JUN 28 2007

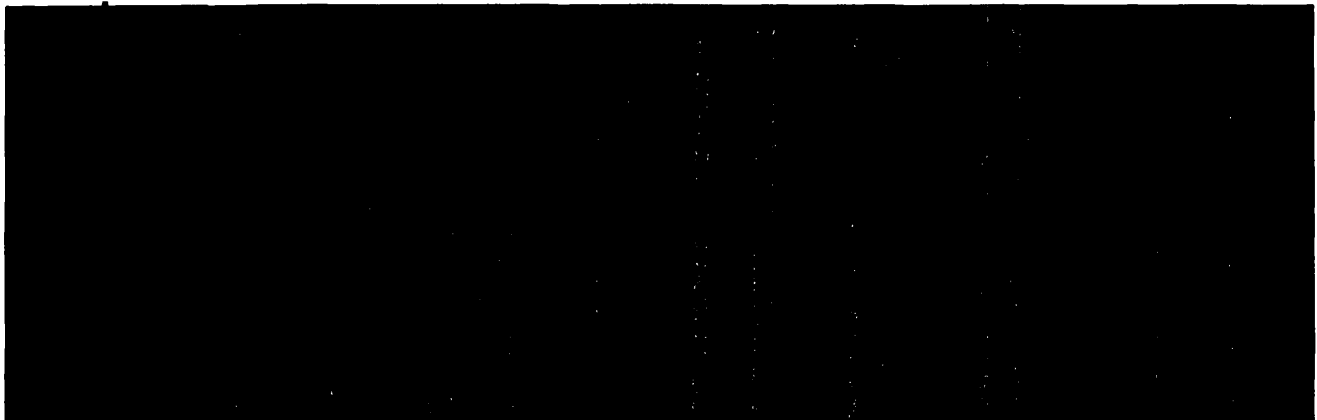
Ken Sagar, Treasurer
Iowa Democratic Party
5661 Fleur Drive
Des Moines, IA 50321

RE: MUR 5921

Dear Mr. Sagar:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission (the "Commission") became aware of information suggesting that the Iowa Democratic Party ("the Committee") and you, in your official capacity as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). On June 20, 2007, the Commission found reason to believe that the Committee and you, in your official capacity as treasurer, violated 2 U.S.C. § 434(b), a provision of the Act. Enclosed is the Factual and Legal Analysis that sets forth the basis for the Commission's determination.

We have also enclosed a brief description of the Commission's procedures for handling possible violations of the Act. In addition, please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519. In the meantime, this matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.



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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed Designation of Counsel form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

We look forward to your response.

Sincerely,



Robert D. Lenhard
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Iowa Democratic Party and
Ken Sagar, in his official capacity
as treasurer

MUR: 5921

I. BACKGROUND

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

II. FACTUAL AND LEGAL ANALYSIS

The Iowa Democratic Party and Ken Sagar, in his official capacity as treasurer ("the IDP"), is a political committee within the meaning of 2 U.S.C. § 431(4) and is the state committee of the Democratic Party in Iowa as defined at 2 U.S.C. § 431(15) and 11 C.F.R. § 100.14(a). The IDP amended its 2003 Year-End Report to disclose additional disbursements totaling \$706,530.72 that it omitted from its original report. For the reasons set out below, the Commission finds reason to believe that the IDP violated 2 U.S.C. § 434(b) by failing to disclose disbursements in its original 2003 Year-End Report.

On January 30, 2004, the IDP filed its original 2003 Year-End Report disclosing no disbursements. On March 22, 2004, the IDP filed an amendment to that report disclosing additional disbursements, consisting of numerous operating expenditures, transfers to other party committees and refunds, totaling \$706,530.72.

On September 21, 2005, the Reports Analysis Division ("RAD") issued a Request for Additional Information ("RAI") inquiring about the increased activity that was not disclosed in

1 the Committee's original 2003 Year-End Report. On October 21, 2005, the IDP filed a
2 miscellaneous electronic submission in response to the RFAI referencing its Amended 2003
3 Year-End Report, which stated that the IDP had "an almost complete turnover of staff" after the
4 2004 election. The IDP indicated that it could not explain the reasons for the omission because it
5 was unable to contact the former comptroller. However, it speculated that the omission may
6 have been caused by technical difficulties with the reporting software.

7 Over a year and a half later, on March 30, 2007, the Committee filed another
8 miscellaneous electronic submission referencing its Amended 2003 Year-End Report, stating the
9 following:

10 After conducting additional research, it is the committee's understanding
11 that the failure to provide this information on the original report was due
12 to technical problems regarding the ability to import disbursement data
13 into FECFile, the electronic filing software provided by the FEC to
14 committees. Due to this technical problem, the committee was unable
15 to transfer the disbursement data from the committee's database in time
16 for inclusion in the report. It is our understanding and belief that the
17 committee had to then hand enter the data into the FEC software which,
18 due to the high volume of transactions during the period, took several
19 weeks to complete. It should be noted that the committee no longer uses
20 FECFile to prepare and file reports and this issue has not and will not
21 affect the committee from filing complete reports in the future.

22
23 The treasurer of a political committee must file reports of all receipts and disbursements
24 in accordance with the Federal Election Campaign Act of 1971, as amended. 2 U.S.C.
25 § 434(a)(1). A committee filing on a monthly schedule shall file monthly reports by the 20th day
26 of the following month, except that in any year in which a regularly scheduled general election is
27 held, a year end report shall be filed no later than January 31 of the following calendar year.
28 2 U S C § 434(a)(4)(B); 11 C.F.R. § 104.5(c)(3)(i)-(ii). Such reports shall disclose the total
29 amount of all disbursements for that reporting period and calendar year. 2 U.S.C. § 434(b)(4).

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1 The IDP did not comply with these reporting requirements when it failed to disclose
2 \$706,530.72 in disbursements in its original 2003 Year-End Report. Therefore, there is reason to
3 believe that the Iowa Democratic Party and Ken Sagar, in his official capacity as treasurer,
4 violated 2 U.S.C. § 434(b).

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