




FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 15, 2004

MEMORANDUM

TO: The Commission

THROUGH: James A. Pehrkon
Staff Director

FROM: Allan D. Silberman 
Director, ADR Office

SUBJ: Case for ADR Activation

On May 25, 2004, the ADR Office received from RAD a referral to review and determine its appropriateness for ADR processing. Based on that review, we determined that the case, **ADR 171**, is appropriate for ADR and recommend that it be assigned to the ADR Office.

ADR 171/RR 04L-03: RAD determined that Respondents – i.e., League of Conservation Voters Action Fund and Gwendolyn Sommer, Treasurer – failed to adequately explain a 205% increase or \$90,705 in aggregate receipts on its November 2003 Monthly Report and subsequently a 100% increase or \$83,820 in aggregate receipts on its December 2003 Monthly Report, violations of 2 U.S.C. § 434(b)(2). In response to two RFAs, Respondents explained that the failure to report the increase in receipts and disbursements was due to technical difficulties with the Committee's software. Respondents, thereafter, reported that the software problems had been resolved and should not reoccur in the future. RAD reported that as of April 30, 2004 there has been no further communication from the Committee regarding this matter.

Attached for the Commission's review is the *ADR Case Analysis Report* on **ADR 171** along with a copy of EPS and ADR Rating Sheets. The *Case Analysis Report* includes an analysis of the case and a description of the issues that the ADR Office (ADRO) anticipates addressing if the case is assigned to ADR. In addition, the Report has been reviewed by OGC, which concurs in the description of the case.

If the Commission concurs in the recommendation to assign the matter to ADRO, the above case description will be provided to Respondents as part of ADRO's notification package sent to Respondents.

Recommendation: We recommend that **ADR 171/RR 04L-03** be assigned to ADR Office for processing.

ADR CASE ANALYSIS REPORT

ADR Case: # 171

Respondents: League of Conservation Voters
Action Fund
Gwendolyn Sommer, Treasurer

RR: # 04L-03

Case Open Date: 4-30-04

Respondent's Rep: Gwendolyn Sommer

Date Forwarded to ADRO: 5-25-04

Committee Type: Political Committee

Date Reviewed by ADRO: 6-7-04

Committee Name: League Conservation Voters
Action Fund

Election Cycle: 2004

District #/or State: N/A

Election – Won/Lost: N/A

Complainant: RAD Referral

Summary of Referral: RAD determined that the League of Conservation Voters Action Fund failed to appropriately explain a 205% increase or \$90,705 in aggregate receipts on its November Monthly Report and subsequently a 100% increase or \$83,820 in aggregate receipts on its December Monthly Report. Specifically, Respondents disclosed itemized contributions from individuals/persons other than political committees of \$37,650 on their November 2003 Monthly Report and no unitemized receipts from individuals/persons other than political committees. On November 26, 2003, Respondents filed an amended November 2003 Monthly Report, which disclosed \$39,576 in itemized contributions from individuals/persons other than political committees. Simultaneously, Respondents reported \$88,779.80 in unitemized contributions from individuals/persons other than political committees. On December 19, 2003, Respondents reported in their December Monthly Report no itemized contributions from individuals/persons and no contributions from political committees. On January 26, 2004, Respondents amended their December 2003 Monthly Report (covering the same period as noted in their earlier December monthly report) disclosing \$78,820 in itemized contributions from individuals/persons and \$5,000 in contributions from political committees, representing total receipts for the month of December of \$83,820. A RFAI forwarded to Respondents on February 18, 2004 requested clarification for the additional receipts of \$90,705 over what was disclosed on the Committee's original November Monthly Report. A later RFAI sent to Respondents on March 3, 2004 requested clarification for the additional \$83,820 over the amount disclosed on the Committees December Monthly Report.

Respondents' Reply: Respondents' initial reply on February 27, 2004 explained that the listed increase in receipts and disbursements was due to technical difficulties with the Committee's internal software. Respondents reported that the software problems had been resolved and that they subsequently would file an amendment to clarify the matter. A later response dated March 1, 2004 from the Committee advised that the additional information on the amended reports was not included in the initial reports due to difficulties retrieving data from their system. In replying to a subsequent RFAI dated March 3, 2004 regarding the additional contribution of \$83,820, Respondents again noted difficulty in obtaining the "needed information" due to internal computer

problems. The Committee hereafter, asserted that the problem had been corrected and should not reoccur in the future. As of April 30, 2004, RAD reported that there has been no further communication from the Committee regarding this matter.

Alleged Violations. 2 U.S.C. §§ 434(b)(2)(A), 434(b)(2)(D), and 11 C.F.R. §§ 104.3(a)(2)(i)(A), 104.3(a)(2)(i)(B) and 104.3(a)(2)(iv).

Issues:

- Failure to report receipts – 2 U.S.C. § 434(b)(2) and 11 C.F.R. § 104.3(a)(2)

Analysis: The issues in this case center on Respondents' inability to explain increases in reported receipts other than to cite problems with the League's software. Two RFAs elicited similar inadequate responses. Those responses were followed by assertions that the problems have been resolved/corrected and system changes made to prevent continuation of past problems. However, there is no evidence of improvement in the League's reporting. Respondents have been filing reports with the Commission for more than ten years, therefore, the problems may have more to do with personnel changes in the office and their inability retrieve information from the League's computers.

Recommendation: Assign to ADR

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: April 30, 2004

ANALYST: Kristen Davis

- I. COMMITTEE: League of Conservation Voters Action Fund
(C00252940)
Gwendolyn M. Sommer, Treasurer
1920 L Street NW, Suite 800
Washington, DC 20036
- II. RELEVANT STATUTE: 2 U.S.C. §434(b)(2)(A), 2 U.S.C §434(b)(2)(D),
11 CFR §104.3(a)(2)(i)(A),
11 CFR §104.3(a)(2)(i)(B)
11 CFR §104.3(a)(2)(iv)
- III. BACKGROUND:

Failure to Disclose All Financial Activity

League of Conservation Voters Action Fund ("the Committee") filed an Amended 2003 November Monthly Report to disclose additional receipts totaling \$90,705.80 on November 26, 2003. Further, the Committee filed an Amended 2003 December Monthly Report to disclose additional receipts totaling \$83,820 on January 26, 2004.

On November 20, 2003, the Committee filed the 2003 November Monthly Report covering the period from October 1, 2003 through October 31, 2003. This original report disclosed \$37,650 on Line 11(a)(i) (itemized contributions from individuals/persons other than political committees) and no receipts on Line 11(a)(ii) (unitemized receipts from individuals/persons other than political committees) of the Detailed Summary Page (Image # 23992348222).

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On November 26, 2003, the Committee filed an Amended 2003 November Monthly Report, which disclosed \$39,576 on Line 11(a)(i) (itemized contributions from individuals/persons) and \$88,779.80 on Line 11(a)(ii) (unitemized contributions from individuals/persons) of the Detailed Summary Page, which totaled \$90,705.80 in additional receipts (Image # 23992378767).

On December 19, 2003, the Committee filed the 2003 December Monthly Report covering the period from November 1, 2003 through November 30, 2003. This original report disclosed no receipts on Line 11(a)(i) (itemized contributions from individuals/persons) and no receipts on Line 11(c) (contributions from political committees) of the Detailed Summary Page (Image #23992541612).

On January 26, 2004, the Committee filed an Amended 2003 December Monthly Report, which disclosed \$78,820 on Line 11(a)(i) (itemized contributions from individuals/persons) and \$5,000 on Line 11(c) (contributions from political committees) of the Detailed Summary Page, which totaled \$83,820 in additional receipts (Image #24990169195).

On February 18, 2004, a Request for Additional Information ("RFAI") was sent to the Committee. The RFAI asked for clarification regarding the \$90,705.80 in additional receipts that were not disclosed on the Committee's original 2003 November Monthly Report (Image # 24038322354).

On February 27, 2004, the Reports Analysis Division ("RAD") analyst received a call from Ms. Anne Saer-Driskol, the Assistant Treasurer of the Committee. Ms. Saer-Driskol indicated that the increase in receipts and disbursements on the Amended 2003 July, October, and November Monthly Reports was the result of technical difficulties with the Committee's internal software, that the problems had been resolved, and that the Committee would file a miscellaneous electronic submission clarifying this (Attachment 2).

On March 1, 2004, the Committee responded to the RFAI by stating, "Per letter dated February 18th referencing July monthly report amended 7/31, October monthly report amended 10/20 and November monthly report amended 10/26: The additional information disclosed on these amended reports that was not included on the original filing [was] due to [a] problem that we experienced obtaining the detail from our system necessary to meet the original filing deadline. We have made changes to the system this year and do not anticipate those problems this year" (Image # 24990700915).

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On March 3, 2004, an RFAI was sent to the Committee. The RFAI asked for clarification regarding the \$83,820 in additional receipts that were not disclosed on the Committee's original 2003 December Monthly Report (Image #24038333256).

On April 2, 2004, the Committee responded to the RFAI by stating, "In 2003 there were several months that we were unable to import the needed information required by the FEC due to our internal computer problems. We required special computer support. This problem has been corrected and we should not have these issues in the future" (Image #24990915591).

To date, no further communication has been received from the Committee regarding this matter.

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