

REPORTS ANALYSIS REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: April 25, 2007

ANALYST: Michael H. Hartsock

- I. COMMITTEE: Americans Against Illegal Immigration
PAC (C00412718)
Mr. John W. Leuthold, Treasurer
2029 Verdugo Blvd #1020
Montrose, CA 91020
- II. RELEVANT STATUTE: 2 U.S.C. §434(b)(2)(A)
2 U.S.C. §434(b)(2)(H)
2 U.S.C. §434(b)(2)(I)
2 U.S.C. §434(b)(4)(A)
2 U.S.C. §434(b)(8)
11 CFR §104.3(a)(2)(i)(B)
11 CFR §104.3(a)(2)(vi)
11 CFR §104.3(a)(2)(vii)(A)
11 CFR §104.3(b)(1)(i)(A) and (B)
11 CFR §104.3(d)

III. BACKGROUND:

Failure to Provide Supporting Schedules (Failure to Disclose All Financial Activity)

Americans Against Illegal Immigration ("the Committee") filed an Amended 2005 Year-End Report on October 12, 2006 which disclosed additional receipts totaling \$83,571.85, additional disbursements totaling \$75,764.62 and additional debts totaling \$98,715.26 (Attachment 2).

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On January 31, 2006, the Committee filed its original 2005 Year-End Report¹ covering the period of January 1, 2005 through December 31, 2005. This original report disclosed \$0.00 in receipts on Line 11(a)(ii) (Unitemized Contributions From Individuals/Persons Other Than Political Committees), \$0.00 in receipts on Line 13 (All Loans Received), \$0.00 in receipts on Line 15 (Offsets to Operating Expenditures), \$0.00 in disbursements on Line 21(b) (Other Federal Operating Expenditures) and \$0.00 in debts owed on Line 10 (Debts and Obligations Owed By the Committee) of the Summary and Detailed Summary Pages (Images 26038990921-23).

On October 12, 2006, the Committee filed an Amended 2005 Year-End Report² covering the period of July 1, 2005 through December 31, 2005. This amended report disclosed \$79,135.97 in receipts on Line 11(a)(ii) (Unitemized Contributions From Individuals/Persons Other Than Political Committees), \$3,000 in receipts on Line 13 (All Loans Received), \$1,435.88 in receipts on Line 15 (Offsets to Operating Expenditures), \$75,764.62 in disbursements on Line 21(b) (Other Federal Operating Expenditures) and \$98,715.26 in debts owed on Line 10 (Debts and Obligations Owed By the Committee) of the Summary and Detailed Summary Pages (Images 26950547358-60).

On November 8, 2006, a Request for Additional Information ("RFAI") was sent to the Committee referencing the Amended 2005 Year-End Report, received on October 12, 2006. Among other noted discrepancies, the RFAI requested clarification regarding the \$83,571.85 in additional receipts on Lines 11(a)(ii), 13 and 15; the \$75,764.62 in additional disbursements on Line 21(b) and the \$98,715.26 in additional debts on Line 10 that were not disclosed on the Committee's original 2005 Year End Report (Image 26039270998).

On December 11, 2006, the Committee filed a miscellaneous electronic submission (Form 99) which stated,

"Americans Against Illegal Immigration (AAII) had great difficulty utilizing the FECfile software needed to electronically file its Disclosure Reports, as stated in the Committee's letter to the Federal Election Commission, dated January 31, 2006. Further, a lack of familiarity with some of the accounting issues involved, resulted in an under reporting of receipts and disbursements. We have corrected this problem by hiring a professional who is experienced in filing FEC Disclosure Reports. To this end, we are committed to filing timely and accurate reports. Despite the fact that many committee's ignore the requirement to file outstanding debts on their disclosure reports, we are dedicated to accurately reporting our financial position. For that reason we included the outstanding debts of \$98,715.26 on our amended report" (Image 26930727503).

¹ The original report was filed on paper. The Committee had not crossed the Commission's electronic filing threshold at the time the original Year End Report was filed and was not required to electronically file this report. However, the Committee included a cover letter with the original report that provides an explanation as to why the report was not filed electronically (Image 26038990918).

² This amendment was filed electronically. Note that the report coverage dates have changed.

On December 20, 2006, the RAD analyst called Mr. John Leuthold, the Committee Treasurer. The Analyst advised Mr. Leuthold that the Committee's increases in receipts, disbursements and debts on the Amended 2005 Year-End Report, received on October 12, 2006, were referable to the Alternative Dispute Resolution Office (ADRO). The Analyst attempted to ask Mr. Leuthold if the Committee had any additional information to provide regarding the matter; however, Mr. Leuthold promptly terminated the conversation (Attachment 3).

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

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