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MISSOURI REPUBLICAN STATE COMMITTEE

OFFICE OF GENERAL
COUNSEL

**BEFORE THE
FEDERAL ELECTION COMMISSION**

Anthony Herman
General Counsel
Federal Election Commission
999 E St., NW
Washington, D.C. 20463

MUR # 6497

COMPLAINT

This complaint ("Complaint") is filed pursuant to 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4 by the Missouri Republican Party based on information and belief that Claire McCaskill and her campaign committee are in massive non-compliance with, and have violated the Federal Election Campaign Act of 1971, as amended ("FECA"). Specifically, Senator McCaskill's reports failed to disclose an enormous amount of activity – both money coming into and being spent by her campaign in violation of 2 U.S.C. § 434(b) and 11 C.F.R. § 104.3(a) and (b).

FACTS

Failure to Report Increased Activity

Published reports demonstrate that Senator McCaskill's campaign committee has violated the law by failing to account for 143 contributions during the 2006 election cycle. The filings totaled over a quarter of a million dollars – approximately \$277,000. Senator McCaskill's

P O Box 73 / Jefferson City, MO 65102 / (573) 636-3146 / www.mogop.org
Paid for by the Missouri Republican State Committee - Richard C. Pearson, Treasurer
This communication is not authorized by any candidate or candidate committee.

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campaign committee also failed to account for approximately \$277,000 in disbursements.

Henry C. Jackson, *McCaskill Amends 2006 Campaign Report After Failing To Account For \$277,000 Of Donations*, Associated Press, July 20, 2011. (Exhibit A) A cursory review of Senator McCaskill's filings on low dollar contributions alone shows the following:

- Her original post-general election report, filed December 7, 2006 stated that her unitemized receipts totaled \$1,036,202.
- Her amended post-general report, filed July 15, 2011 – *five years later* – now states her unitemized receipts total \$1,281,222.
 - A difference of \$245,020 – or approximately 24% of activity.
 - Even assuming that each unreported unitemized receipt totaled \$199.99 (the maximum amount for a contribution to remain unitemized), this would mean Senator McCaskill failed to report contributions from 1,225 individuals. The actual number, of course, is likely higher by an order of magnitude.

Continuing Failure to Report In-kind Contributions

According to various press reports (Exhibit B), Senator McCaskill used taxpayer dollars to fund her travel on a private jet to political events. These events reportedly took place on March 3, 2007 (in Hannibal, MO) and May 19, 2007 (in Kansas City, MO). Once caught, Senator McCaskill admitted to misusing taxpayer funds and wrote a personal check to cover the cost of those flights.

According to Politico, July 19, 2011, Senator McCaskill amended several of her past reports to show personal payments for flights on her plane as in-kind contributions. But nowhere in the recent deluge of McCaskill campaign committee amendments are the political flights to Hannibal or Kansas City, for which McCaskill ultimately paid, reported as in-kind contributions.

ANALYSIS

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The facts are clear: Senator McCaskill's failure to report receipts and disbursements violates the Act and Commission regulations. 2 U.S.C. § 434(b); 11 C.F.R. § 104.3(a) and (b); and § 110.10.

Commission action is all the more necessary due to Senator McCaskill's public statements regarding the above – which would be laughable if they did not concern her own lawlessness.

- Senator McCaskill has consistently run and in part won elections based upon her being an auditor, and her self-proclaimed expertise with compliance issues. Yet massive non-compliance has plagued virtually every required disclosure she's ever made as a Senator – from her Personal Financial Disclosures to her FEC filings.
- Senator McCaskill has publicly stated that these recent amendments represent nothing more than "minor updates." (St. Louis Beacon, July 15, 2011). While they are certainly typical for Senator McCaskill, they are not for anyone else; her dismissive posture toward required public disclosure undermines the law and the public's confidence in both their public officials and this commission.
- Senator McCaskill stated that she had failed to report "only" 143 contributions. As the above cursory analysis shows, at a bare minimum she failed to report 1,225 donors. This is consistent with Senator McCaskill's response to this (and other) instances where she has secreted information from the public: it does not comport with the facts.

Indeed, the Commission has previously considered violations along the lines of Senator McCaskill's for candidate committees, and those cases have been referred for enforcement proceedings:

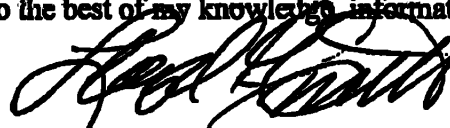
- In 2005, Clay for Congress.com amended a 2004 report to disclose additional disbursements totaling \$247,519.72, a 54% increase over the disbursements reported originally. Clay for Congress.com claimed that the failure to initially report the disbursements were a result of "[a] breakdown . . . [where] some things were missed" because the campaign staff disbanded after the candidate's loss in the Primary Election. The Commission referred the case to the Office of General Counsel for further investigation.
- In 2005, Magnum for Congress was referred to the Office of General Counsel after amending its prior filings to reflect additional receipts totaling \$126,394.39, an 873% increase over the financial activity it originally reported.

- In 2005, Mike Thompson for Congress was referred to the Office of General Counsel after failing to originally report disbursements totaling \$65,111, a 49.1% increase in financial activity.
- In 2005, Boyd for Congress was referred to the Office of General Counsel after failing to report disbursements totaling \$117,403, a 22% increase over the financial activity it originally reported.
- In 2004, Friends of Mark Henry was referred to the Office of General Counsel for failing to report disbursements totaling \$95,401, and receipts totaling \$12,693 – a, respectively, 100% and 63% increase over the financial activity originally reported.
- Multiple other committees have been referred for enforcement proceedings on similar basis as well, including: the New Hampshire Democratic Party; the Minnesota Democratic Farmer Laborer Party; and the Oakland County Democratic Party.

All of the above referrals are attached hereto as Ex. C.

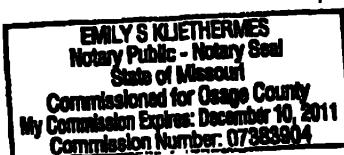
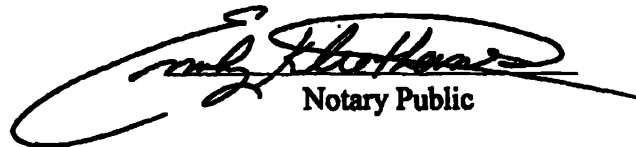
Senator McCaskill's reporting violations are massive and ongoing – and they have taken five years to come to light. We respectfully request the Commission open an investigation into Senator McCaskill's campaign activities; conduct a full audit of her campaign committee; impose the necessary civil fines and penalties; and take whatever other action the Commission deems appropriate.

The forgoing is correct and accurate to the best of my knowledge, information, and belief.



Lloyd Smith
Executive Director
Missouri Republican Party

Subscribed and sworn to before me on this 23 day of Aug, 2011.

Notary Public

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Exhibit A

McCaskill amends 2006 campaign report to account for \$277,000 of donations

Associated Press
Henry C Jackson
July 20, 2011

WASHINGTON — Sen. Claire McCaskill has made some changes to campaign finance reports stemming from her 2006 election victory.

McCaskill filed an amendment to the report attached to her 2006 race that accounts for about \$277,000 in additional donations and roughly the same amount in expenditures. The amendment, first reported by the St. Louis Beacon, was filed last week with the Federal Election Commission.

The filing accounts for about 143 contributions to McCaskill's campaign. She raised approximately \$11.5 million to defeat former Sen. Jim Talent.

McCaskill's campaign said Wednesday that clearing up the discrepancies was a routine move as she closes her 2006 account. The error came amid a flurry of donations at the end of McCaskill's race and after her top campaign-finance aide died in a July 2006 plane crash, the campaign said.

The revised report also includes four amendments accounting for McCaskill's use of a private plane she owns with her husband. Those amendments include political flights McCaskill took from St. Louis to Kansas City, St. Louis to Chicago, St. Louis to Kansas City to Springfield, Mo., and back to St. Louis. The amendments list the flights as in-kind contributions and are valued at approximately \$6,500.

The changes in the report related to McCaskill's plane come after she reimbursed the federal government \$88,000 for using taxpayer funds to pay for dozens of flights she took on the plane for official business. McCaskill and her husband, Missouri businessman Joe Shepard, also paid approximately \$320,000 in back taxes and other penalties on the plane earlier this year.

Republicans on Wednesday said the extent of McCaskill's revisions to her FEC report was unusual.

"This is not in any way a typical bookkeeping error," said Sean Cairncross, the general counsel for the National Republican Senatorial Campaign Committee. "It's atypical and it calls into question the fact whether you can believe what she says."

Caitlin Legacki, a spokeswoman for the Missouri Democratic Party, said McCaskill was simply tidying up her books.

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"The process of closing an old campaign account is very routine, but of course the Washington Republican spin machine will try to make it into something it is not," Legacki said.

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Exhibit B

McCaskill billed, repaid taxpayers for political flights

Politico
Ben Smith
March 10, 2011

Senator Claire McCaskill's spokeswoman this evening confirmed that the Missouri Senator billed taxpayers for a purely political travel on a private plane co-owned by her family, a violation of Congressional ethics rules that deepens questions around her use of the plane.

POLITICO's John Bresnahan and Scott Wong reported yesterday that McCaskill billed taxpayers for almost \$76,000 for official travel on the twin-engine Piper aircraft, which she co-owns with her husband and other investors. Lawmakers routinely accept reimbursement from the government for their travel, but after the revelation that she used official public dollars to partially subsidize a private aircraft, McCaskill refunded taxpayers -- citing appearances, not any violation of ethics rules.

A cursory examination of the 89 flights for which McCaskill reimbursed the Treasury this week revealed the purely political round trip. On Saturday, March 3, 2007 she flew from St. Louis to Hannibal, MO, and back, for the local Democratic Party's annual Hannibal Days. Her speech at the event, a recollection of the dying former Senator Tom Eagleton, was reported in the local press. And she billed taxpayers \$1,220.44 for the travel, according to the public records examined by POLITICO.

McCaskill spokeswoman Maria Speiser conceded that the bill was inappropriate, and had no immediate explanation for how it had come to be submitted as an official expense.

"It appears that a mistake may have been made here," Speiser said. "Fortunately those payments have already been returned."

McCaskill "feels embarrassed by the situation, but ultimately is glad that it's already been fixed," Speiser said, referring to the fact that McCaskill had reimbursed the treasury for the entire group of flights earlier this week.

The questions around McCaskill's flights are likely to be an issue in McCaskill's re-election campaign next year in a difficult state for Democrats, and they undercut her image as a transparent, crusading reformer -- who pushed for, among other things, a new post overseeing Senatorial expenses.

Speiser cited McCaskill's own work in support of legislation she introduced earlier this year that would extend the tight regulation covering domestic flights to international travel.

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"It's through the more stringent disclosure rules for domestic travel that you were able to uncover these mistakes, and they could be fixed," she said. "We don't have those rules for foreign travel."

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GOP to McCaskill: Release 'damn records'

Politico
Scott Wong
March 22, 2011

A day after Sen. Claire McCaskill (D-Mo.) revealed she failed to pay nearly \$290,000 in Missouri property taxes on her private plane, state Republicans called on her to release all tax returns associated with the aircraft to prove she hasn't profited from publicly funded flights.

"We're saying release the damn records," Lloyd Smith, executive director of the Missouri Republican Party, said Tuesday on a conference call with reporters.

His call for action played off McCaskill's comments Monday in which she urged her husband, St. Louis businessman Joe Shepard, to "sell the damn plane" after discovering they owed the state \$287,273 for four year's worth of back taxes. One of her husband's corporations, Sunset Cove LLC, made out four checks Monday to St. Louis County's Division of Assessment to cover all unpaid personal property taxes on the plane, according to copies of the checks obtained by POLITICO. McCaskill said she will pay additional interest and late fees when they are calculated.

Despite pressure from Republicans, McCaskill's office has refused to release any tax returns and has no obligation to do so under state or federal law. But McCaskill has repeatedly denied that she or her husband enriched themselves from the taxpayer-funded flights. Depreciation of the plane has more than offset any revenues, she said.

"I can assure you that this plane has not been a profitable endeavor," McCaskill told reporters Monday.

Smith said the Missouri GOP plans to file a second letter with the Senate Ethics Committee by Wednesday, supplementing a complaint it filed last week against McCaskill urging an investigation into the senator for using taxpayer dollars to pay for political trips on the plane. That development came after McCaskill disclosed Monday that the plane had been used to take her to a Democratic events in Kansas City in 2007.

Earlier this month, McCaskill reimbursed the Treasury Department \$88,000 after POLITICO reported she used taxpayer dollars to pay for 89 flights on her private plane. A day later, POLITICO learned that at least one of those publicly funded trips was to a political event, Democrat Days in Hannibal in 2007.

The Missouri GOP is now pressing McCaskill to release tax records from two of her husband's limited liability corporations linked to the plane: Delaware-based Timesaver LLC, which owns the plane, and Missouri-based Sunset Cove LLC, which leases the plane.

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McCaskill reported in her financial disclosure statement that Timesaver LLC earned between \$50,000 and \$100,000 in income in 2007 – the same year she billed taxpayers for 30 flights on her plane.

"Missourians are looking at this as a breach of trust," Smith said. "Maybe Claire McCaskill thinks she can just write a big check and everything disappears but we do not feel that's the case."

McCaskill pledged Monday to release details for the 89 flights, and records related to sales and property taxes paid on the plane.

"We will be releasing for you all of the purposes of those trips and the official events that took place," McCaskill said, "because I think it's very important that since I initially used public money, that the public has a right to inspect those."

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Exhibit C

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: September 26, 2005

ANALYST: Camilla Reminsky

I COMMITTEE: Clay for Congress.com
(C00388280)
Thomas Rogers, Treasurer
337 S. Millidge Avenue Ste. 204
Athens, GA 30605

II RELEVANT STATUTE: 11 CFR §104.3(b)
2 U.S.C. §434(b)

III BACKGROUND:**Failure to Provide Supporting Schedules (Failure to Disclose All Financial Activity)**

Clay for Congress.com ("the Committee") amended its 2004 October Quarterly Report on May 20, 2005 to disclose additional disbursements totaling \$247,519.72, a 54% increase over the disbursements reported in their original 2004 October Quarterly Report (Attachment 2).

On October 15, 2004, the Committee filed the 2004 October Quarterly Report (Image 25990910721) covering the period from July 1 through September 30, 2004. The report disclosed disbursements of \$450,468.26 on Line 17 (Operating Expenditures) and \$454,468.26 on Line 22 (Total Disbursements) of the Detailed Summary Page (Image 24962530735).

On May 20, 2005, the Committee filed an Amended 2004 October Quarterly Report (Image 25990910721) which disclosed disbursements of \$697,987.98 on Line 17 (Operating Expenditures) and \$701,987.98 on Line 22 (Total Disbursements) of the Detailed Summary Page (Image 25990910724).

On May 26, 2005, the Reports Analysis Division ("RAD") sent a Request for Additional Information ("RAI") to the Committee referencing the Amended 2004 October Quarterly Report, received on May 20, 2005. The RAI requested that the Committee clarify the substantial increase in the amount of receipts and

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disbursements not disclosed on the original 2004 October Quarterly Report (Image Z5099814851).

On July 1, 2005, the RAD analyst called Paul Kilgore, the FEC Filing Consultant for the Committee, to verify the Committee's address of record. The Analyst advised Mr. Kilgore that a RFAI referencing the Amended 2004 October Quarterly Report, received May 20, 2005, was returned to the Commission as "undeliverable." Mr. Kilgore provided an updated address and stated that he did not know that the Post Office Box had been closed. The Analyst also explained that the RFAI requested that the Committee clarify the substantial increase in the amount of receipts and disbursements not disclosed on the original 2004 October Quarterly Report (Attachment 3).

On July 5, 2005, the RFAI to the Committee referencing the Amended 2004 October Quarterly Report, received on May 20, 2005 was resent, with a response due date of August 4, 2005.

On July 21, 2005, the Committee filed a miscellaneous electronic submission with the Commission. The submission referenced the Amended 2004 October Quarterly Report and stated that the failure in reporting the receipts and disbursements on the original 2004 October Quarterly Report was due to poor record keeping. According to the Committee, the poor record keeping resulted from the candidate's loss in the 2004 Primary Election and the disbanding of the campaign staff. The Committee stated further: "Many of the people who had been in charge of receiving, tracking, and recording financial activity were no longer there. A breakdown occurred and some things were missed." The Committee acknowledged that "no excuse is acceptable, but wanted to simply inform the Commission of the circumstances that led to the campaign not reporting some expenditures for media buys. We have attempted to correct the public record and completely disclose all activity." (Image Z5970744544)

On August 8, 2005, the RAD analyst called Paul Kilgore to advise that a referral regarding the Committee's increased activity on the 2004 October Quarterly Report would be forwarded to the FEC's Office of General Counsel (Attachment 4).

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

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REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: June 30, 2005

ANALYST: Anne Marie Brady

I COMMITTEE: Magnum for Congress
C00401067
Thomas Diehl, Treasurer
P.O. Box 1030
Madison, WI 53701

II RELEVANT STATUTE: 2 U.S.C. §434(b)
11 CFR §104.3(a)

III BACKGROUND:

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

On January 20, 2005, Magnum for Congress ("the Committee") amended its 2004 30 Day Post General Report disclosing additional receipts totaling \$126,394.39, an increase over the financial activity reported in the original 2004 30 Day Post General Report (Image 25970066225) (Attachment 2).

On December 2, 2004, the Custodian of Records and Assistant Treasurer, Mary Ann McCoshen called the RAD Analyst to state that the Committee was having software complications and would not be able to file a completed 30 Day Post General Report. Ms. McCoshen noted that the Committee was working with their software provider to rectify the problem, but wanted to know what to do in the interim because the problem would not be corrected until after the filing deadline. The Analyst instructed Ms. McCoshen to file the report timely to avoid a possible administrative fine for filing late. The analyst instructed Ms. McCoshen that the Committee could always file an amendment with the completed information as soon as possible thereafter (Attachment 3).

On December 2, 2004, the Committee filed the 2004 30 Day Post General Report covering the period from October 10, 2004 through November 22, 2004. The report disclosed \$0.00 on Line 11(e) (Total Contributions), \$0.00 on Line 13c (Total Loans) and \$14,470.00 on Line 16 (Total Receipts) of the Post-Election Detailed Summary Page (Image 24981612952).

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On January 3, 2005, the Committee filed an Amended 2004 30 Day Post General Report which disclosed \$84,639.39 on Line 11(e) (Total Contributions), \$35,000.00 on Line 13c (Total Loans) and \$119,639.39 on Line 16 (Total Receipts) of the Post-Election Detailed Summary Page (Image 250386016110).

On January 18, 2005, the Reports Analysis Division (RAD) sent a Request for Additional Information ("RFAI") to the Committee referencing the 2004 Amended 30 Day Post General Report. The RFAI requested clarification on the substantial increase in receipts that was not disclosed in the Committee's original filing (Image 25038693858).

On January 30, 2005, the Committee filed another 2004 Amended 30 Day Post General Report which disclosed \$105,864.39 on Line 11(e) (Total Contributions), \$35,000.00 on Line 13c (Total Loans) and \$140,864.39 on Line 16 (Total Receipts) of the Post-Election Detailed Summary Page (Image 25979060228).

On February 3, 2005, the Committee filed a miscellaneous report to the Commission. The filing was an e-text response to the RFAI for the Amended 30 Day Post General Report which was sent on January 18, 2005. The Committee noted that the increase in activity was due to "data base errors that were discovered on December 2, 2004," and further explained that a "staff member" had inadvertently deleted all entries made after October 14, 2004 (Image 25976175851).

On April 28, 2005, a RFAI was sent to the Committee referencing the Amended 30 Day Post General Report submitted on January 30, 2005. The RFAI requested clarification on the substantial increase in receipts that was not disclosed in the Committee's original filing (Image 25038803046).

On May 31, 2005 a RAD Analyst called the Committee's treasurer, Mr. Thomas Diehl to advise him that the matter of increased activity, disclosed on the Amended 2004 30 Day Post General Report, would be referred to the Office of General Counsel (OGC). The Analyst advised the Treasurer that the explanation concerning software issues, previously provided by the Assistant Treasurer, would also be taken into consideration (Attachment 4).

On June 1, 2005, the Assistant Treasurer called RAD to inquire about the conversation which took place on May 31st between the Analyst and the Treasurer. The Analyst reiterated that the matter of the increased activity disclosed on the Amended 2004 30 Day Post General Report would be referred to OGC. Ms. McCoshen then asked if the e-text response she filed with an explanation for the increased activity would be included in the referral. The Analyst confirmed that all pertinent documentation concerning the matter would be included within the referral. The Assistant Treasurer also noted within the phone call that the official address for the Committee was no longer valid. The Analyst advised the Assistant Treasurer to fill a new Statement of Organization which would indicate a valid address and to file the required 2005 April Quarterly Report (Attachment 5).

On June 24, 2005, a RAD Assistant Branch Chief (ABC) contacted the Treasurer of the Committee to advise that the Commission still had not received an updated Statement of Organization with the Committee's new address. The Treasurer stated that he would forward the message to the Assistant Treasurer who would contact the ABC. Later that day, the Treasurer left a voice message for the ABC and asked her to call him

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back if there was still no response from the committee. On June 27, 2005, the ABC left a voice message for the Treasurer stating that no one else from the committee contacted her regarding this issue (Attachment 6).

On June 27, 2005 the candidate, Dave Magnum, called and left a voice message for the RAD Analyst. He expressed concern that the Commission is not receiving all the necessary information from the committee. Further, he stated that he would do anything, including making sure that all information is accounted, to cooperate with the Commission (Attachment 7).

On June 28, 2005, the Assistant Treasurer called the RAD Analyst to discuss the Committee's address. The Assistant Treasurer stated that she did not file an amended Statement of Organization because the committee suspended their P.O. Box, thereby retaining the same address (Attachment 8).

To date, no further communications have been received from the Committee regarding this matter.

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FEDERAL ELECTION COMMISSION

DATE 8/30/2005
OSC INDEX - (0) (2003-2004)

PAGE 1

MAGNIN, DAVID ROBERT

ID 8440102054

MAGNIN FOR CONGRESS
BJENL, THOMAS
FILING FREQUENCY: QUARTERLY

PO BOX 1030

NADISON

HOUSE
WI 53701

ID 8C00401067

FORM TYPE NPT TYPE AI PSI REC DATE PGS REG IMAGE COVERAGE DATES REG CASH RECEIPTS DISBURSE END CASH DEBTS BY

1		N	5/15/2004	5	24038412412		
1		A	5/15/2004	5	24038414814		
1		A	7/23/2004	5	24038416116		
NS		J	7/14/2004	2	24038414448		
NS		T	8/27/2004	7	24038504857		
NS		4	8/28/2004	2	24982385880		
NS		J	9/01/2004	3	24038510838		
NS		J	9/01/2004	2	24038510838		
NS		4	9/02/2004	2	24971421376		
NS		J	9/27/2004	3	24038510838		
NS		J	10/18/2004	3	24038510838		
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NS		4	10/21/2004	2	24981284371		
NS		4	10/21/2004	2	24981284371		
NS		4	10/22/2004	2	24981284371		
NS		4	10/22/2004	2	24981284371		
NS		4	10/23/2004	2	24981284371		
NS		4	10/23/2004	2	24981284371		
NS		4	10/27/2004	2	24981284371		
NS		4	10/29/2004	2	24981284371		
NS		4	11/01/2004	2	24981284371		
NS		4	11/01/2004	2	24981284371		
NS		02	7/27/2004	4	24038413748	4/05/2004	8/30/2004
NS		12P	9/07/2004	3	24038511378	7/01/2004	8/25/2004
NS		03	12/07/2004	4	24038880847	8/28/2004	9/30/2004
NS		128	12/07/2004	4	24038880843	10/01/2004	10/13/2004
NS		308	1/18/2005	8	25038883885	10/14/2004	11/22/2004
NS		308	4/28/2005	3	25038883888	10/14/2004	11/22/2004
NS		YE	3/24/2005	3	25038782801	11/28/2004	12/31/2004

Attachment 1

FEDERAL ELECTION COMMISSION

DATE 8/30/2006
DOC INDEX - (0) (2003-2006)

PAGE 2

MAGNUM, DAVID ROBERT

ID #HAW02064

MAGNUM FOR CONGRESS
DEM., THOMAS
FILING FREQUENCY: QUARTERLY

PO BOX 1030

HAWAII

HOUSE
WV 53701

ID #C000401067

FORM TYPE	RPT TYPE	AI	PSI	REC DATE	PBS	REG IMAGE	COVERAGE DATES	REG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
3	Q2	H	G	7/16/2004	48	24981253834	4/01/2004 8/30/2004	8382	71470	48672	31180	0
3	Q2	A	P	9/02/2004	104	24982323673	4/01/2004 8/30/2004	8382	71270	57238	22414	0
3	Q2	A	R	1/30/2005	135	25078001461	4/01/2004 8/30/2004	8382	71870	57238	22414	0
3	12P	H	P	9/02/2004	125	24981253740	7/01/2004 8/25/2004	22414	172285	77167	118332	132000
3	12P	A	P	1/30/2005	125	25078003998	7/01/2004 8/25/2004	22414	172285	77167	117532	132000
3	12P	A	P	1/30/2005	128	25078004791	7/01/2004 8/25/2004	22414	174085	77167	118332	132000
3	Q3	H	G	10/16/2004	108	249812533016	8/25/2004 9/25/2004	18832	188325	230840	37891	232000
3	Q3	A	G	10/17/2004	195	249812544128	8/25/2004 9/25/2004	18832	188325	230840	72497	232000
3	Q3	A	G	1/30/2005	182	25078005040	8/25/2004 9/25/2004	18832	188325	230840	76827	232000
3	12P	H	G	10/21/2004	108	249812537137	10/01/2004 10/13/2004	78517	84548	84548	138884	292000
3	12P	A	G	1/30/2005	78	250780018827	10/01/2004 10/13/2004	78517	84548	84548	140258	292000
3	12P	A	G	3/26/2005	78	250780030408	10/01/2004 10/13/2004	78517	84548	84548	140258	292000
3	12P	A	G	4/23/2005	78	250780058314	10/01/2004 10/13/2004	78517	84548	84548	140258	292000
308	H	G	12/02/2004	38	249812532814	10/14/2004 11/22/2004	18832	140258	230840	83895	292000	
308	A	G	1/03/2005	78	250780076376	10/14/2004 11/22/2004	18832	140258	230840	21884	327000	
308	A	G	1/30/2005	190	250780088888	10/14/2004 11/22/2004	18832	140258	230840	27838	327000	
YE	H	G	1/31/2005	78	250780088888	11/22/2004 11/22/2004	83840	48	87128	18832	327000	
TOTAL								88832	88832	88832		

Magnum for Congress (C00401067)

**2004 30 Day Post General Report/Amended 2004 30 Day Post General Report
Overview of Receipt Variances**

Line	2004 30 Day Post General Report Received 12-2-2004 (Range: 3495161-79571)	Amended 2004 30 Day Post General Report Received 01-30-05 (Range: 2597000-225)	Receipt Variance Amount
Line 11(e)	\$14,470.00	\$105,864.39	\$91,394.39
Line 13c	\$0.00	\$35,000.00	\$35,000.00
Line 16	\$14,470.00	\$140,864.39	\$126,394.39

13044330022

26190263598



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

June 30, 2005

MEMORANDUM

TO: LAWRENCE H. NORTON
GENERAL COUNSEL

THROUGH: JAMES A. PEHRKON *[Signature]*
STAFF DIRECTOR

ROBERT J. COSTA *[Signature]*
DEPUTY STAFF DIRECTOR

FROM: JOHN D. GIBSON *[Signature]*
ASSISTANT STAFF DIRECTOR
REPORTS ANALYSIS DIVISION

SUBJECT: REFERRAL OF MAGNUM FOR CONGRESS

Magnum for Congress ("the Committee") is being referred to the Office of General Counsel for amending its 2004 30 Day Post General Report to disclose additional receipts totaling \$126,394.39, a 873% increase over the financial activity reported in the original 2004 30 Day Post General Report. According to the 2003-2004 RAD Review and Referral Procedures for Authorized Committees (Standard 7), this matter requires further examination by your office.

The Committee is the Principal Campaign Committee for David Robert Magnum, a candidate in the 2004 election for Wisconsin's Second (2nd) Congressional District. The Candidate lost the November 2, 2004 General Election, receiving thirty six percent (36%) of the vote.

Copies of any reports or letters either filed by the Committee or sent by RAD, and referenced in this referral are available for your review on the FEC Imaging System or web site.

If you should have any questions regarding this referral, please feel free to contact Anne Marie Brady at 694-1395.

Attachments

13044330023

26100263592



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 17, 2005

MEMORANDUM

TO: LAWRENCE H. NORTON
GENERAL COUNSEL

THROUGH: JAMES A. PEHRKON
STAFF DIRECTOR

ROBERT J. COSTA
DEPUTY STAFF DIRECTOR

FROM: JOHN D. GIBSON
ASSISTANT STAFF DIRECTOR
REPORTS ANALYSIS DIVISION

SUBJECT: REFERRAL OF MIKE THOMPSON FOR CONGRESS

Mike Thompson for Congress ("The Committee") is being referred to the Office of General Counsel for amending its 2004 October Quarterly Report in order to disclose additional disbursements totaling \$65,115.00, a 49.19% increase in financial activity reported over the original 2004 October Quarterly Report. According to the 2003-2004 *RAD Review and Referral Procedures for Authorized Committees (Standard 7)*, this matter requires further examination by your office. Please note, due to the amount of additional debt disclosed, RAD would recommend that this referral be sent to the Office of Alternative Dispute Resolution for further processing.

The Committee is the Principal Campaign Committee for Mike Thompson, a candidate in the 2003-2004 Election Cycle in California's First (1st) Congressional District. The candidate won the November 2, 2004 General Election receiving 67% of the vote.

Copies of any reports or letters filed by the Committee or sent by the Reports Analysis Division and referenced in this referral are available for your review on the FEC Imaging System or web site.

If you have any questions regarding this referral, please contact Jill Sugarman at 694-1165.

Attachments

13044330024

25190262422

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: February 17, 2005

ANALYST: Jill Sugarman

- I COMMITTEE:** Mike Thompson for Congress
(C00326363)
Tom Hanzigan, Treasurer
5429 Madison Avenue
Sacramento, CA 95841
- II RELEVANT STATUTE:** 11 CFR §104.3(b)
2 U.S.C. §434(b)

III BACKGROUND:**Failure to Provide Supporting Schedules (Failure to Disclose All Financial Activity)**

On October 20, 2004, Mike Thompson for Congress ("the Committee") filed an amended 2004 October Quarterly Report disclosing additional disbursements totaling \$65,115.00, an increase over the financial activity reported in their original 2004 October Quarterly Report. (Image 24971864028) (Attachment 2)

On October 15, 2004, the Committee originally filed the 2004 October Quarterly Report covering the period from July 1, 2004 to September 30, 2004. The original report disclosed \$132,361.05 in disbursements on Line 17 (Operating Expenditures) of the Detailed Summary Page (Image 24981354858).

On October 20, 2004, the Committee filed an Amended 2004 October Quarterly Report which disclosed \$197,476.05 in disbursements on Line 17 (Operating Expenditures) of the Detailed Summary Page (Image 24971864031).

On December 9, 2004, a Request for Additional Information ("RFAI") was sent to the Committee referencing the 2004 Amended October Quarterly Report, dated October 20, 2004. The RFAI asked for clarification regarding the additional disbursements that were not disclosed in the original filing (Image 24038662636).

On January 26, 2005, the RAD Analyst called Rita Copeland, the Assistant Treasurer of the committee, to discuss the RFAI referencing the 2004 Amended October

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On January 26, 2005, the RAD Analyst called Rita Copeland, the Assistant Treasurer of the committee, to discuss the RFAI reflecting the 2004 Amended October Quarterly Report. The Analyst stated that the RFAI was sent to the Committee concerning the increased disbursement activity on the amended report. The Analyst advised Ms. Copeland that the matter may be subject to further investigation by the FEC and encouraged her to file an amendment to explain why the additional activity was not included in the original report. Ms. Copeland said that she never received the RFAI, but that she would respond with an amendment as soon as possible (Attachment 3).

On January 27, 2005, the Committee filed a second Amended 2004 October Quarterly Report which included a statement explaining that the original report failed to include a payment made on September 30, 2004 of \$65,116.00 to "Joe Slate Wicks & Co." for a media buy. This item and additional accrued expenses were inadvertently left off the original report (Transcript 25970032514).

To date, no further communications have been received from the Committee regarding these matters.

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FEDERAL ELECTION COMMISSION

DATE 2/17/2005
OCC INDEX - (0) (2003-2004)

PAGE 2

THOMPSON, MIKE

ID #00001100

MIKE THOMPSON FOR CONGRESS

Hannigan, Tom

5429 Madison Avenue

Sacramento

HOUSE

CA 95841

ID #000328303

FILING FREQUENCY: QUARTERLY

FORM TYPE	RPT TYPE	AI	PGI	REC DATE	PGS	BEG IMAGE	COVERAGE DATES	BEG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
3	01	A	P	8/27/2003	107	2380182001	8/21/2003 3/01/2004	238404	85007	119107	210014	10045
3	01	A	P	10/20/2003	107	23802201171	1/01/2003 3/31/2003	238404	85007	112147	210014	10045
3	02	N	G	7/11/2003	107	2380130000	4/01/2003 3/30/2003	210014	100000	130000	240000	11027
3	02	A	P	8/14/2003	107	23801711304	4/01/2003 8/30/2003	210014	170302	130721	240000	11027
3	02	A	P	10/21/2003	107	23802207382	4/01/2003 2/28/2004	210014	170000	150771	240000	11027
3	03	N	P	10/15/2003	107	23802127000	7/01/2003 8/30/2003	240014	100000	114007	240000	00045
3	YE	N	P	1/30/2004	348	24000370020	10/01/2003 12/31/2003	280010	102420	143401	324000	10203
3	12P	N	P	2/19/2004	44	24000630100	1/01/2004 2/11/2004	324000	34745	41400	310000	045
3	12P	A	P	4/15/2004	44	24001010000	1/20/2004 6/10/2004	304000	00000	00000	321000	040
3	01	N	P	4/15/2004	101	24001004000	2/12/2004 3/31/2004	321143	101143	00000	341000	0000
3	01	A	P	7/15/2004	101	24001010077	2/12/2004 3/31/2004	321143	101143	00000	341000	0400
3	02	N	G	7/15/2004	150	24001201000	4/01/2004 8/30/2004	341000	101140	143100	300000	0021
3	02	A	G	7/15/2004	200	24001070000	4/01/2004 8/30/2004	341000	101140	143100	300000	0021
3	02	A	G	10/15/2004	200	24001001000	8/01/2004 8/30/2004	041000	101140	100100	300000	12170
3	03	N	P	10/15/2004	200	24001000000	8/01/2004 8/30/2004	200000	100100	100000	300000	0443
3	03	A	G	10/20/2004	210	24001000000	7/01/2004 8/30/2004	200000	100100	100000	300000	0440
3	03	A	G	1/27/2005	210	24001000000	7/01/2004 8/30/2004	200000	100100	100000	300000	0440
3	120	N	P	10/21/2004	25	24002227000	10/01/2004 10/13/2004	202135	10000	30000	270000	0415
3	120	A	P	10/30/2004	25	24002227000	10/01/2004 10/13/2004	207100	10000	30000	280000	0432
3	300	N	P	12/01/2004	122	24007030000	10/10/2004 11/01/2004	000000	100000	100000	240000	1300
3	YE	N	P	1/31/2005	30	24000000000	11/23/2004 11/01/2004	240000	00000	00000	221000	14330
TOTAL									1200700	1272320		

Mike Thompson for Congress
 2004 October Quarterly Report/Amended 2004 October Quarterly Report
 Overview of Disbursement Variance

Line	Original 2004 October Quarterly Report (Image 24981354858)	Amended 2004 October Quarterly Report (Image 24971854031)	Disbursement Variance Amount
17	\$132,361.05	\$197,476.05	\$65,115.00

13044330029

25190262427

[REDACTED]

Date/Time: 01/26/2005 03:05 PM

ID: C00326363

Name: Mike Thompson for Congress

Phone: (916) 398-9188

E-Mail Address:

Candidate: Mike Thompson

Type: Phone Call

Contact: Rita Copeland

Title: Assistant Treasurer

Communications Category Type: RFAI

Summary: I called Ms. Copeland in regard to the RFAI sent on the Amended October Quarterly Report. The amended report disclosed a substantial increase in the amount of disbursements compared to the original Q3 Report. I let Ms. Copeland know that the matter may be subject to further investigation by the FEC and I encouraged her to file an amendment to clarify and/or explain why the additional activity was not included in the original report. Ms. Copeland said she never received the RFAI, but would respond with an amendment as soon as possible.

Additional Remarks:

Analyst: Jill Sugarsan

Branch: Authorized

AF#:

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: October 17, 2005

ANALYST: Christopher Whyrick

I COMMITTEE: Boyd for Congress
(C00310607)
Stephanie Boyd, Treasurer
P. O. Box 15703
Tallahassee, FL 32317

II RELEVANT STATUTE: 11 CFR §104.3(b)
2 U.S.C. §404(b)

III BACKGROUND:

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

On July 15, 2005, Boyd for Congress ("the Committee") filed an amended 2004 30-Day Post-General Report disclosing additional disbursements totaling \$117,403.00, a 22% increase over the financial activity reported in their original 2004 30-Day Post-General Report. (Image 25970659064) (Attachment 2)

On December 2, 2004, the Committee originally filed the 2004 30-Day Post-General Report covering the period from October 14, 2004 to November 22, 2004. The report disclosed \$530,854.00 in disbursements on line 17 (Operating Expenditures) of the Post Election Detailed Summary Page (Image 24981563516).

On May 25, 2005, Ms. Betsy Barfield, a representative of the Committee, called to inform RAD that the Committee conducted an internal audit of their finances and discovered a number of discrepancies, most notably a "transfer out" of approximately \$114,000.00. Ms. Barfield requested guidance on how to respond to these findings. The RAD analyst recommended to Ms. Barfield that the Committee file amendments to all affected reports and to attach an explanation as to why the activity was omitted on the original reports. The Analyst also informed Ms. Baker that it was likely that the matter would be referred to the Office of General Counsel (OGC). (Attachment 3)

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On July 15, 2005, the Committee filed an Amended 30-Day Post-General Report that disclosed \$648,257.00 in disbursements on Line 17 (Operating Expenditures) of the Post Election Financial Summary Page (Image 25970630068).

On July 26, 2005, a Request for Additional Information ("RAI") was sent to the Committee referencing the 2004 30-Day Post-General Report, received July 15, 2005. The RAI asked for clarification regarding the substantial increase in additional disbursements that were not disclosed in the original filing (Image 25038860106).

On August 20, 2005, the Committee filed a Miscellaneous Document, which highlighted that the Committee underwent a "detailed examination" of their financial records in order to reconcile their banking activity with FEC reporting requirements. The document explained that "in order to the officials of the Committee, a system of proper checks and balances were not in place to assure adequate reconciliation of the banking activity with the FEC reporting," and that "reforms...have taken place to ensure such errors do not occur in the future." The document also included a statement concerning the underreporting of disbursement activity which stated; "One large discrepancy occurred in October, 2004 when a wire transfer was made from a Committee bank account to Main Street Media in the amount of \$117,403.00 to pay for campaign advertising. This discrepancy occurred because the individual who input the expenditures for the FEC reporting was unaware that the transfer had been made." (Image 25038890086)

On August 23, 2005, the Committee filed another Miscellaneous Document referencing the Amended 30-Day Post-General Report (10/14/04 - 11/22/04) which again acknowledged an increase in disbursements over what was reported in the original report. This document reiterated that "The error included a wire transfer made from the Committee bank account in the amount of \$117,403.00 to pay for campaign advertising." (Image 23970972254)

On September 19, 2005, the RAD analyst called Valerie Watson, the Committee's finance manager, to discuss the RAI referencing the 2004 30-Day Post-General Report. The Analyst advised Ms. Watson that the matter may be subject to investigation by the OGC and encouraged her to file any additional statements to further explain why the activity was not included in the original report. Ms. Watson stated that she would speak with Congressman Boyd, but that she did not believe the Committee would file an additional statement. She indicated the statement already filed regarding the increased activity explained the error and there was nothing more to suggest that explanation (Attachment 3).

On September 21, 2005, Valerie Watson called back to inform the RAD Analyst that the Committee did not intend to include an additional response to the RAI for the 30-Day Post-General Report (Attachment 3).

To date, no further communication has been received from the Committee regarding these matters.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

04L-12
October 12, 2004

MEMORANDUM

TO: LAWRENCE H. NORTON
GENERAL COUNSEL

THROUGH: JAMES A. PEHRKON
STAFF DIRECTOR

ROBERT J. COSTA
DEPUTY STAFF DIRECTOR

FROM: JOHN D. GIBSON
ASSISTANT STAFF DIRECTOR
REPORTS ANALYSIS DIVISION

SUBJECT: REFERRAL OF FRIENDS OF MARK HENRY

The Reports Analysis Division is referring Friends of Mark Henry ("the Committee") for amending its 2004 April Quarterly Report to disclose additional disbursements totaling \$95,401.00, a 100% increase, and additional receipts totaling \$12,639.10, a 63% increase, over the financial activity reported in their original 2004 April Quarterly Report. According to the 2003-2004 RAD Review and Referral Procedures for Authorized Committees (Standard 7), this matter requires further annotation by your office.

The Committee is the Principle Campaign Committee for Mark Henry, a Democratic candidate in the 2003-2004 Election Cycle for Texas's 2nd Congressional District. The candidate lost the March 9, 2004 Primary, receiving 9.93% of the vote.

Copies of any reports or letters either filed by the Committee or sent by the Reports Analysis Division, and referenced in this referral are available for your review on the FEC Imaging System or the web site.

If you have any questions regarding this referral, please contact Michelle Liljeroot at 694-1168.

Attachments

13044330033

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REPORTS ANALYSIS REFERRAL

DATE: October 12, 2004

ANALYST: Michelle Liljeroot

- I. COMMITTEE:** Friends of Mark Henry
C00392944
Carol Claypool, Treasurer
4618 Park Street
Bellaire, TX 77401
- II. RELEVANT STATUTE:** 11 CFR §104.3, 11 CFR §104.3(a)(3)(C)(vii)(B)
11 CFR § 104.3(a)(3)(C)(vii)(C)
11 CFR § 104.3(a)(3)(C)(vii)(C)(ix)
11 CFR § 104.3(b)(2), 11 CFR 104.3(b)(2)(i)
2 U.S.C. §434(b), 2 U.S.C. §434(b)(4)
2 U.S.C. §434(b)(2)(C), 2 U.S.C. §434(b)(2)(i)
- III. BACKGROUND:**

Failure to Disclose All Financial Activity

Friends of Mark Henry ("the Committee") amended its 2004 April Quarterly Report disclosing additional disbursements totaling \$95,401.46 and additional receipts totaling \$12,639.10, an increase over the financial activity reported in their original 2004 April Quarterly Report.

On April 15, 2004, the Committee filed the 2004 April Quarterly Report, the report disclosed total receipts of \$20,000.00 and \$0.00 in disbursements (Microfilm #24991016009).

On July 15, 2004, the Committee filed an amended April Quarterly Report (Microfilm #24961818499). The amended report disclosed total receipts of \$32,639.10 and total disbursements of \$95,401.46. On August 3, 2004, RAD sent a Request for Additional Information (RAI) to the Committee referencing the Amended April Quarterly Report (Microfilm #24038490270). The RAI requested the Committee clarify why this additional activity was not disclosed on the original filing. The committee failed to respond by the September 2, 2004 response deadline.

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On September 17, 2004, the RAD Analyst called the Committee's Assistant Treasurer, Christopher J. Ward, in an effort to locate the Committee's Treasurer, Carol Claypool (Attachment 2). Mr. Ward was unavailable as the RAD Analyst left a message on his voicemail. Additionally, the Analyst called the Committee's former Assistant Treasurer, Susan Aronson. Ms. Aronson was also unavailable and a message was left on her voicemail (Attachment 3).

On September 17, 2004, the Assistant Treasurer, Christopher J. Ward, called the RAD Analyst back and informed her the Treasurer, Carol Claypool, had recently given birth and that he is covering her responsibilities during her absence. The Analyst advised Mr. Ward the Amended April Quarterly Report had proportionally significant increases of \$12,629.10 in receipts and \$95,401.00 in disbursements. Mr. Ward informed the RAD Analyst the Candidate failed to inform the Treasurer, Ms. Claypool, when contributions were received and when disbursements were dispensed in a timely manner. This problem was compounded because Ms. Claypool was not sure of the reporting period coverage dates. Mr. Ward also indicated it was on his recommendation that the treasurer amended the original April Quarterly Report to include the additional receipts and disbursements rather than including them in the July Quarterly Report. Mr. Ward said he would file a Miscellaneous Report for the record detailing why the Committee filed an Amended April Quarterly Report with increases in activity (Attachment 4).

On September 20, 2004, the Committee filed a Miscellaneous Report with the FEC (Microfilm #24971541815). In the Miscellaneous Report the Committee confirmed the receipt and disbursement activity reported in the Amended April Quarterly Report was the correct and complete activity for the period. The Committee's response also included the following explanation for the increase in activity: "In response to your letter regarding the Amended April Quarterly Report, please note that the Treasurer was given incorrect dates for transactions made in the period."

As of October 12, 2004, no further communications have been received from the Committee regarding these matters.

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

November 2, 2005

New Hampshire Democratic State Committee
2 1/2 Beacon Street
Concord, NH 03301

Re: ADR 900 (RR 05L-53)
New Hampshire Democratic Committee and Martha Fuller Clark, Treasurer

Dear Ms. Clark:

The Reports Analysis Division of the Federal Election Commission ("FEC" or "Commission") determined that matters arising from its recent review of the 2004 Pre-General Report filed by the New Hampshire Democratic Committee warranted further examination for possible violation of the Federal Election Campaign Act of 1971, as amended. The Commission, thereafter, ~~assigned the file and voted on October 21, 2005 to assign this matter to the FEC's~~ Alternative Dispute Resolution Office ("ADRO") for processing.

The FEC established the ADR Program to provide an informal means for resolving matters that come before the Commission and to facilitate negotiations directly with Respondents. The ADR Program provides Respondents with an opportunity to negotiate, and if necessary, mediate settlement of a matter that is mutually agreeable. The negotiations occur prior to any Commission consideration of whether there is reason to believe a violation has occurred. If negotiations and/or mediation are successful, the resulting settlement would conclude the matter.

The Commission, in referring the matter to the ADR office, determined that the case is eligible for processing in the ADR program. If Respondents decide to participate in the program, i.e., negotiation and/or mediation, you must: 1) indicate in writing a willingness to have your case submitted to the ADR process; 2) agree to participate in the bilateral negotiations and if necessary, mediation; and 3) waive the statute of limitations while the matter is being processed under the FEC's ADR program.

The issues referred to the ADRO and the focus of our subsequent negotiations are summarized as follows:

RAD referred the New Hampshire Democratic State Committee and Martha Fuller Clark, Treasurer ("Respondents" or the "Committee") for failing to disclose all disbursements in their 2004 12 Day Pre-General Report. RAD stated that the Committee filed a 12 Day

FEDERAL ELECTION COMMISSION, ALTERNATIVE DISPUTE RESOLUTION OFFICE
888 E STREET N.W., WASHINGTON, DC 20463
TELEPHONE 202.694.1668 FAX 202.219.0613
EMAIL: maser@fec.gov

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Pre-General Report on October 21, 2004 disclosing Other Federal Operating Expenditures of \$227,129.22, and disclosing no Federal Election Activity Paid Entirely With Federal Funds, for total federal disbursements of \$227,129. The report goes on to show that on December 10, 2004, the Committee filed an amended 2004 12 Day Pre-General that disclosed \$250,556.89 for Other Federal Operating Expenditures, \$27,285.33 for Federal Election Activity Paid Entirely With Federal Funds for a Total Federal Disbursements of \$277,842.22. This resulted in a difference in federal disbursements of \$50,723.22. Respondents contend that they filed the original report without the benefit of bank records, but when they received their statements from the bank and realized the errors, they filed the amended report.

If after reviewing this letter and the enclosed brochure, which describes the ADR program, Respondents would like this case selected for ADR processing, you need to affirmatively indicate that on the enclosed Commitment to Submit Matter to ADR Program form. Failure to respond affirmatively within fifteen (15) business days of receipt of this letter will be taken as a notice of disinterest in the program and your case will be dropped from further consideration for ADR. In that event, your case will be sent to the FEC's Office of General Counsel and the likelihood that the Committee will be audited during the next election cycle will increase.

This matter has been designated as ADR 300. Please refer to this number in future correspondence with the FEC. If you have questions about the ADR Program, please contact the ADRO at my direct dial as indicated below

Sincerely,

Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office
202-694-1665

Enclosures: Brochure
Commitment to Submit Matter to ADR
Designation of Representative/Counsel

FEDERAL ELECTION COMMISSION, ALTERNATIVE DISPUTE RESOLUTION OFFICE
999 E STREET N.W., WASHINGTON, DC 20463
TELEPHONE: 202.694.1665 FAX 202.219.0613
EMAIL: lfraser@fec.gov

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26190264475



FEDERAL ELECTION COMMISSION
Washington, DC 20463

March 21, 2006

Kerry Gautier, Treasurer
Minnesota Democratic Farmer Labor Party
255 East Plaza Boulevard
Saint Paul, MN 55107

Re: ADR 310 (RR 06L-05)
Minnesota Democratic Farmer Labor Party and Kerry Gautier, Treasurer

Dear Treasurer Gautier:

The Reports Analysis Division of the Federal Election Commission ("FEC" or "Commission") determined that matters arising from its recent review of the RAD reports filed by the Minnesota Democratic Farmer Labor Party and Kerry Gautier, Treasurer ("Respondents") warranted further examination for possible violation of the Federal Election Campaign Act of 1971, as amended. The Commission, thereafter, reviewed the file and voted on March 16, 2006 to assign this matter to the FEC's Alternative Dispute Resolution Office ("ADRO") for processing.

The FEC established the ADR Program to provide an informal means for resolving matters that come before the Commission, and to facilitate negotiations directly with Respondents. The ADR Program provides Respondents with an opportunity to negotiate, and if necessary, mediate settlement of a matter that is mutually agreeable. The negotiations occur prior to any Commission consideration of whether there is reason to believe a violation has occurred. If negotiations and/or mediation are successful, the resulting settlement would conclude the matter.

The Commission, in referring the matter to the ADRO, determined that the case is eligible for processing in the ADR program. If Respondents decide to participate in the program, i.e., negotiation and/or mediation, you must: 1) indicate in writing a willingness to have your case submitted to the ADR process; 2) agree to participate in the bilateral negotiations and if necessary, mediation; and 3) waive the statute of limitations while the matter is being processed under the FEC's ADR program.

The issues referred to the ADRO and the focus of our subsequent negotiations are summarized as follows:

SUMMARY: RAD referred the Minnesota Democratic Farmer Labor Party and Kerry Gautier, Treasurer, ("Respondents" or the "Committee") for failing to disclose all financial

FEDERAL ELECTION COMMISSION, ALTERNATIVE DISPUTE RESOLUTION OFFICE
999 E STREET N.W., WASHINGTON, DC 20463
TELEPHONE: 202.694.1665 FAX 202.219.0613
EMAIL: lfraser@fec.gov

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activity. Specifically, the Committee filed an amended 2005 March Monthly Report to disclose additional receipts totaling \$59,277.41 on May 16, 2005. Respondents filed the original 2005 March Monthly Report that disclosed no receipts on Line 18(a) (Transfers from Non-Federal Account for Allocated Activity) on March 18, 2005, for the period February 1, 2005, through February 28, 2005. On April 18, 2005, the Committee filed an amended 2005 March Monthly Report that disclosed no change in the amount of receipts obtained by the Committee. On May 16, 2005, a second amended 2005 March Monthly Report was filed that disclosed the additional receipts on Line 18(a) of \$59,277.41. Respondents filed a miscellaneous electronic text message on September 27, 2005, in response to a RFAI sent to the Committee on August 31, 2005. Respondents' electronic message stated the transfers disclosed on Line 18(a) of the amended report were discovered during the reconciliation of the Committee's bank account. Respondents' message also reflected that the reconciliation had not been completed at the time the original 2005 March Monthly Report was filed.

If after reviewing this letter and the enclosed brochure, which describes the ADR program, Respondents would like this case selected for ADR processing, you need to affirmatively indicate that on the enclosed Commitment to Submit Matter to ADR Program form. Failure to respond affirmatively within fifteen (15) business days of receipt of this letter will be taken as a notice of disinterest in the program and your case will be dropped from further consideration for ADR. In that event, your case will be sent to the FEC's Office of General Counsel and the likelihood that the Committee will be audited during the next election cycle will increase.

This matter has been designated as ADR 310. Please refer to this number in future correspondence with the FEC. If you have questions about the ADR Program, please contact the ADRO at my direct dial as indicated below

Sincerely,

Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office
202-694-1665

Enclosures: Brochure
Commitment to Submit Matter to ADR
Designation of Representative/Counsel

FEDERAL ELECTION COMMISSION, ALTERNATIVE DISPUTE RESOLUTION OFFICE
999 E STREET N.W., WASHINGTON, DC 20463
TELEPHONE: 202.694.1665 FAX: 202.219.0613
EMAIL: lfraser@fec.gov

13044330039

26199264644



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

04L-10

MEMORANDUM

August 24, 2004

TO: LAWRENCE H. NORTON
GENERAL COUNSEL

THROUGH: JAMES A. REEBKON
STAFF DIRECTOR

ROBERT J. COSTA
DEPUTY STAFF DIRECTOR

FROM: JOHN D. GIBSON
ASSISTANT STAFF DIRECTOR
REPORTS ANALYSIS DIVISION

SUBJECT: REFERRAL OF THE OAKLAND COUNTY DEMOCRATIC PARTY

The Oakland County Democratic Party ("the Committee") is being referred to the Office of General Council (OGC), for amending its 2003 Mid Year and Year End Reports, to disclose additional disbursements which in the aggregate equal \$165,581.67 and \$116,694.76, respectively. These numbers represent an increase of 46.3% over disbursements reported within the original 2003 Mid Year Report and an increase of 29.2% over disbursements reported within the original 2003 Year End Report. According to the 2003-2004 RAD *Review and Referral Procedures for Unauthorized Committees* (Standard 7), this matter requires further examination by your office.

Copies of any reports or letters either filed by the Committee or sent by the Reports Analysis Division and referenced in this referral, are available for your review on the FEC Imaging System or the web site.

If you have any questions regarding this matter, please contact Brandy Phillips at 694-1130.

Attachment

13044330040

25190260523

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: August 24, 2004

ANALYST: Brandy Phillips

- I. COMMITTEE: Oakland County Democratic Party (C00040857)
Richard Wallace, Treasurer
515 S Lafayette Avenue, Suite C
Royal Oak, MI 48067
- II. RELEVANT STATUTE: 2 U.S.C. §434(b)(4)(A) and (C)
11 C.F.R. §104.3(b)(1)(i)(A) and (B)
11 C.F.R. §104.3(b)(1)(ii)

III. BACKGROUND:

Failure to Disclose All Financial Activity

The Oakland County Democratic Party ("the Committee") filed an Amended 2003 Mid Year Report on May 30, 2004 and an Amended 2003 Year End Report on February 3, 2004, to disclose additional disbursements totaling \$165,581.67 and \$116,694.76, respectively.

2003 Mid Year Report

On July 31, 2003, the Committee filed the 2003 Mid Year Report covering the period from January 1, 2003 through June 30, 2003. This original report disclosed \$357,004 in disbursements on Line 21(b) (other federal operating expenses) and no disbursements on Line 22 (transfers to affiliated committees) of the Detailed Summary Page (image# 23991642582).

On October 31, 2003, the Committee filed an Amended 2003 Mid Year Report covering the period from January 1, 2003 through June 30, 2003. This

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amended report disclosed \$406,789.56 in disbursements on Line 21(b) (other federal operating expenses) and \$275.00 in disbursements in Line 22 (transfers to affiliated committees) of the Detailed Summary Page, which totaled \$50,060.56 in additional disbursements (image# 23992236364).

On November 12, 2003, a Request for Additional Information (RFAI) was sent to the Committee. The RFAI asked for clarification regarding the \$50,060.56 in additional disbursements that were not disclosed on the Committee's original 2003 Mid Year Report (image# 23038241149).

On December 12, 2003, the Committee filed a miscellaneous document in response to the RFAI which stated, "The additional disclosure was prompted by the FEC letter of 10-1-2003 regarding lack of administrative expenses on the original Mid Year report. At the time of filing the original report, I believed that all expenses had been properly disclosed" (image# 23992447543).

On May 30, 2003, the Committee filed an Amended 2003 Mid Year Report which disclosed \$493,983.67 in disbursements on Line 21(b) (other federal operating expenses) and \$28,600 in disbursements on Line 22 (transfers to affiliated committees) of the Detailed Summary Page, which totaled \$115,521.11 in additional disbursements over what was disclosed on the previous amendment (image# 24061503711).

On June 9, 2004, a Request for Additional Information (RFAI) was sent to the Committee. The RFAI asked for clarification regarding the \$115,521.11 in additional disbursements that were not disclosed on the Committee's Amended 2003 Mid Year Report, received October 21, 2004 (image# 24038424341).

On July 16, 2004, the Reports Analysis Division (RAD) Analyst called Mr. Richard Wallace, Treasurer of the Committee. The Analyst informed Mr. Wallace that a response had not been received from the Committee regarding the additional disbursements disclosed on the 2003 Mid Year Report. Mr. Wallace stated that he thought the issue was addressed in the miscellaneous document filed on May 26, 2004. The Analyst stated that the document referenced the 2004 April Quarterly Report and not the Amended 2003 Mid Year Report, received May 30, 2004 and advised Mr. Wallace to file a response referencing the Amended 2003 Mid Year Report (Attachment 2).

On July 16, 2004, the Committee filed a miscellaneous document which stated, "After a review of our 1993 financial records, it came to our attention that a number of transactions were erroneously omitted or incorrectly reported on two 2003 reports. Once these errors were detected, the transactions were corrected or

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included in the amended reports and those amended reports were then filed with the ELEC¹ (image# 24961877860).

To date, no further communication has been received from the Committee regarding the Amended 2003 Mid Year Report.

2003 Year End Report

On January 31, 2004, the Committee originally filed the 2003 Year End Report covering the period from July 1, 2003 through December 31, 2003. This original report disclosed \$373,265.48 in disbursements on Line 21(b) (other federal operating expenses) of the Detailed Summary Page (image# 24990432265).

On February 3, 2004, the Committee filed an Amended 2003 Year End Report which disclosed \$489,960.24 in disbursements on Line 21(b) (other federal operating expenses) of the Detailed Summary Page, which totaled \$116,694.76 in additional disbursements (image# 24990473167).

On February 11, 2004, an RFAI was sent to the Committee. The RFAI asked for clarification regarding the \$116,694.76 in additional disbursements that were not disclosed on the Committee's original 2003 Year End Report (image# 24038320244).

On February 19, 2004, the Committee responded to the RFAI by stating that "The additional disclosure was prompted by a review of the original report, during which it was detected that some transactions were omitted in error. The amended report with the omitted transactions was filed as soon as the error was discovered (2 business days later)" (image# 24990330591).

To date, no further communication has been received from the Committee regarding the Amended 2003 Year End Report.¹

¹ On May 28, 2004, the Committee filed an Amended 2003 Year End Report which disclosed \$146.00 in additional disbursements on Line 21(b) (other federal operating expenses) of the Detailed Summary Page.

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FEDERAL ELECTION COMMISSION

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OAKLAND COUNTY DEMOCRATIC PARTY
Wallace, Richard
FILING FREQUENCY: MONTHLY

815 S Lafayette Ave

Royal Oak

PARTY QUALIFIED
MI 48067

ID 8000040857

FORM TYPE	RPT TYPE	AI	PGI	REC DATE	PGS	REG IMAGE	COVERAGE DATES	REG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
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1			A	2/11/2003	4	23880367258						
1			A	2/25/2003	4	23880481058						
1			A	3/12/2003	5	24880788913						
NS			T	12/12/2003	1	23880448848						
NS			T	2/18/2004	1	24880530881						
NS			T	5/28/2004	1	24881216887						
NS			R	5/29/2004	1	24881883883						
NS			O	8/02/2004	2	248818432882						
NS			T	8/18/2004	1	24881874184						
NS			T	7/18/2004	1	24881875388						

NS	NY	2		10/01/2003	3	23881116888	1/01/2003	8/30/2003				
NS	NY	2		11/12/2003	3	23881841148	1/01/2003	8/30/2003				
NS	NY	2		6/08/2004	3	248818434841	1/01/2003	8/30/2003				
NS	YE	2		2/11/2004	3	248818328844	7/01/2003	12/31/2003				
NS	Q1	2		4/28/2004	5	248818844887	1/01/2004	3/31/2004				
NS	NS	2		6/08/2004	3	248818118889	4/01/2004	6/08/2004				

3	NY	N	P	7/31/2003	219	23881842878	1/01/2003	8/30/2003	20178	833878	357004	187154	0
3	NY	A	P	10/31/2003	242	23881836381	1/01/2003	8/30/2003	20178	833878	407064	147083	0
3	NY	A	P	6/30/2004	297	24881803708	1/01/2003	8/30/2003	20178	838418	822548	34008	0
3	YE	N	P	1/31/2004	287	248818432882	7/01/2003	12/31/2003	147083	482332	400215	238210	0
3	YE	A	P	2/03/2004	388	248818478184	7/01/2003	12/31/2003	147083	482332	818810	122884	0
3	YE	A	P	5/28/2004	388	24881848818	7/01/2003	12/31/2003	34008	488134	818810	10884	0
3	Q1	N	P	4/18/2004	130	24881828881	1/01/2004	3/31/2004	10084	282448	258227	14308	0
3	NS	N	P	8/20/2004	88	24881848818	4/01/2004	4/30/2004	10084	78808	78808	18888	0
3	NS	N	P	8/17/2004	87	24881801888	5/01/2004	5/31/2004	18828	84672	83121	17177	0
3	NY	N	P	7/20/2004	87	24871381838	8/01/2004	8/30/2004	17777	78808	78808	18888	0

FEDERAL ELECTION COMMISSION
DOC INDEX - (0) (2003-2004)DATE 8/24/2004
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8	NS	N	P	8/20/2004	87	24871383047	7/01/2004	7/31/2004	18137	85881	88425	10822	0
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TOTAL

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