



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

BY FIRST CLASS MAIL

DEC 21 2012

Christopher P. Carney, Treasurer
P.O. Box A
Clarks Summit, PA 18411

RE: MUR 6708
(formerly RR 12L-20)

Dear Mr. Carney:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission (the "Commission") became aware of information suggesting Carney for Congress and you in your official capacity as treasurer (the "Committee") may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). On May 2, 2012, the Committee was notified that it was being referred to the Commission's Office of the General Counsel for possible enforcement action under 2 U.S.C. § 437g. On December 18, 2012, the Commission found reason to believe that the Committee 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.

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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 matter to be made public.

Please note that the Committee has a legal obligation to preserve all documents, records, and materials relating to this matter until notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519.

We look forward to your response.

On behalf of the Commission,



Ellen L. Weintraub
Vice Chair

Enclosures
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Carney for Congress and **MUR 6708**
Christopher P. Carney in his official (formerly RR 12L-20)
capacity as treasurer

I. INTRODUCTION

This matter was generated based on information ascertained by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities. *See* 2 U.S.C. § 437g(a)(2). The Reports Analysis Division ("RAD") referred Carney for Congress and its treasurer in his official capacity (the "Committee") to the Office of the General Counsel ("OGC") for, among other things, failing to disclose disbursements of \$255,542.12. In October and December 2010, the Committee filed two incomplete disclosure reports with the Commission. The Committee has asserted that the reporting discrepancies mainly resulted from the former treasurer's serious illness, which prevented him from closely supervising report preparation.

The Commission found reason to believe that the Committee violated 2 U.S.C. § 434(b) because it failed to accurately disclose receipts and disbursements in reports to the Commission.

II. FACTUAL & LEGAL ANALYSIS

A. Factual Summary

The Committee is the principal campaign committee of Christopher P. Carney, who was a candidate for the U.S. House of Representatives from Pennsylvania's 10th Congressional District during the 2010 election cycle. The Committee timely filed its

1 2010 12-Day Pre-General and 2010 30-Day Post-General but later filed several
2 amendments that disclosed additional disbursement activity not included in the original
3 reports. Those amendments are shown in the chart below:

Report	Date(s) of Amendment	Increased Disbursements
2010 12-Day Pre-General	December 20, 2010	\$125,489.76
2010 30-Day Post-General	January 4, 2011 ¹	\$130,052.36
	TOTAL	\$255,542.12

4 When it filed each of the amended reports listed above, the Committee included a
5 memorandum page with the same explanation for the amendments: “[T]here appears to
6 be an error in our Cash-on-Hand calculation. Mostly [sic] likely this is caused by
7 invoices not recorded in our database” Amended 2010 12-Day Pre-General Report
8 at 2 (filed Dec. 20, 2010); Amended 30-Day Post-General Report at 2 (filed Jan. 4, 2011).

9 On April 25, 2012, RAD referred the Committee to OGC based on, among other
10 things, the Committee’s failure to disclose disbursements totaling \$255,542.12. *See*
11 Mem. from Patricia Carmona, Chief Compliance Officer, FEC, to Anthony Herman, Gen.
12 Counsel, FEC (Apr. 25, 2012) (the “Referral”).

13 On May 2, 2012, OGC notified the Committee about this matter, provided a copy
14 of the Referral, and invited the Committee to provide a written submission. *See Agency*
15 *Procedure for Notice to Respondents in Non-Complaint Generated Matters*, 74 Fed. Reg.
16 38617 (Aug. 4, 2009).

¹ On December 2, 2010, Golden informed RAD that he had been ill and in the hospital and that the 30-Day Post-General Report he was about to file may not be complete. *See Referral, Attach. 5.* The Committee filed an amended report 18 days later that disclosed additional disbursements totaling \$129,809.36. A further amendment on January 4, 2011 disclosed \$243 in additional disbursements beyond those disclosed in the December 20, 2010 amended report.

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On July 2, 2012, Golden submitted a response to the Referral on behalf of the Committee. See Letter from Larry Golden, former Treasurer, Carney for Congress, to Jeff S. Jordan, Supervising Att'y, FEC (July 2, 2012). Golden explained that in October 2010, he was diagnosed with a serious illness requiring surgery that prevented him from providing "close day-to-day supervision." As a result, he explained, the 2010 reports at issue omitted some disbursements relating to several invoices for television advertising. Golden also asserted that he resigned as the Committee's treasurer on January 10, 2012, and believed Carney would notify the Commission and appoint a new treasurer. Golden stated that when he received notice of the Referral, he discovered that Carney had not notified the Commission of Golden's resignation, so Golden sent his own letter of resignation followed by a response to the Referral.

B. Legal Analysis

The Federal Election Campaign Act of 1971, as amended (the "Act"), requires committee treasurers to file reports of receipts and disbursements according to the requirements of 2 U.S.C. § 434. See 2 U.S.C. §§ 434(a)(2); 11 C.F.R. §§ 104.1(a). These reports must contain, *inter alia*, the total amount of receipts and disbursements. See 2 U.S.C. § 434(b); 11 C.F.R. § 104.3. The Act also requires committees to disclose itemized breakdowns of receipts and disbursements, including the disclosure of the name and address of each person who has made any contributions or received any disbursements in an aggregate amount or value greater than \$200 within the calendar year, together with the date and amount of any such contribution or disbursement. See 2 U.S.C. § 434(b)(2)-(6); 11 C.F.R. § 104.3(a)(3)-(4), (b)(2), (b)(4).

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1 Here, the Committee did not comply with the Act's reporting requirements
2 because it failed to disclose \$255,542.12 in disbursements on the two original reports
3 listed above. Accordingly, there is reason to believe that Carney for Congress violated 2
4 U.S.C. § 434(b) by failing to accurately disclose disbursements in reports to the
5 Commission.

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