

21L-09

REPORTS ANALYSIS DIVISION REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: March 18, 2021

ANALYST: Michael Adamsky

- I. COMMITTEE: South Dakota First
C00430371
Sharon Boysen, Treasurer
P.O. Box 155
Sioux Falls, SD 57101
- II. RELEVANT STATUTE: 52 U.S.C. § 30104(b)
11 CFR § 104.3(a)(1)

III. BACKGROUND:

Mathematical Discrepancies (Source of Receipt or Disbursement (Internal Audit))

South Dakota First (“the Committee”) failed to identify the source of a cash-on-hand discrepancy totaling \$34,400.00 disclosed on its 2020 Termination Report, received July 17, 2020 (Attachment 2).

On April 15, 2020, the Committee filed a Termination Report covering the period from January 1, 2020 through March 31, 2020. The report disclosed an ending cash-on-hand total of \$43,498.89 (Image 202004159216820927).

On May 14, 2020, a Request for Additional Information (RFAI) was sent to the Committee referencing the Termination Report, received April 15, 2020. The RFAI notified the Committee that it had not yet met the requirements for termination and requested clarification regarding the Committee’s plans for residual funds totaling \$43,498.89 disclosed in the report (Images 202005140300071119-20).

On July 17, 2020, Carmyn Egge, the Committee’s Assistant Treasurer, spoke with a Reports Analysis Division (RAD) Analyst regarding a notice of failure to file the Committee received despite having filed a Termination Report on April 15, 2020. The Analyst explained that the Committee’s request to terminate was not approved due to the large amount of residual funds disclosed in the report (Attachment 3).

On the same day, the Committee filed a Termination Report covering the period of April 1, 2020 through June 30, 2020 (Images 202007179250381548-54). The report disclosed an ending cash-on-hand total of \$34,400.00. The report also included memo text that stated, in part:

“This correspondence again serves as our intent to terminate South Dakota First ID: C00430371. The remaining cash on hand balance was donated to the South Dakota Democratic Party. The check has cleared and the bank account has been closed. As we spoke with...our analyst earlier, the Committee has done its best to reconcile our records. Our apologies for the delay in filing - as we had previously filed a termination intent in April, we did not know we needed to file in July. Please let the committee know if you have any questions or require additional information” (Image 202007179250381553).

On August 6, 2020, an RFAI was sent to the Committee referencing the Termination Report, received July 17, 2020. The RFAI requested clarification regarding the Committee’s plans for residual funds totaling \$34,400.00 disclosed in the report (Images 202008060300081871-72).

On September 3, 2020, Ms. Egge called the RAD Analyst regarding the RFAI sent August 6, 2020. The Analyst explained that the termination request was not approved due to excessive residual funds in the Committee’s account. Ms. Egge explained that the Committee’s account was empty and the remaining total was a discrepancy. She explained that the Committee had looked into their records back to 2009 and had been unable to locate the source of the discrepancy. The Analyst advised that she include all this information in an FEC Form 99 (Miscellaneous Electronic Submission) to be placed on the public record (Attachment 3).

On September 9, 2020, the Committee filed an FEC Form 99 in response to the RFAI referencing the Termination Report, received July 17, 2020. The Committee stated:

“This correspondence is in response to the Request for Additional Information dated August 30, 2020. Recently, South Dakota First filed a termination report showing an ending cash on hand of \$34,400. This amount is a discrepancy between the filings and actual bank balance. The Committee has researched and reviewed our books back to 2009 in an attempt to reconcile the discrepancy but was unable to resolve the issue and could not find the error.

The Committee closed the bank account at the time the original termination letter was submitted to the FEC with a bank balance of zero.

If you have additional questions, please contact South Dakota First” (Image 202009099267126894).

On October 22, 2020, an RFAI was sent to the Committee referencing the Termination Report, received July 17, 2020. Among other items, the RFAI requested clarification regarding the source of the cash-on-hand discrepancy totaling \$34,400.00 (Images 202010220300088550-51).

On November 3, 2020, Sharon Boysen, the Committee's Treasurer, called the RAD Analyst to ask for guidance in addressing the Committee's cash-on-hand discrepancy. Ms. Boysen again explained that the Committee had checked their records back to 2009 (when Ms. Boysen took over as Treasurer) but had been unable to locate the source of the discrepancy. The Analyst advised that Ms. Boysen attempt to find the Committee's closing cash-on-hand balance at the end of 2008 to identify a time period for when the discrepancy might have occurred (Attachment 3).

On November 4, 2020, Ms. Boysen called the RAD Analyst with the records she had been advised to find. She stated that, after reviewing those documents, it appeared that some disbursements were listed on the Committee's reports, but not on their bank statements. The Analyst advised that Ms. Boysen confirm whether the Committee has any additional accounts that she isn't aware of and that she should communicate with the bank regarding the issue (Attachment 3).

On November 5, 2020, Ms. Boysen called to inform the RAD Analyst that the Committee's banker, who had worked with the Committee prior to Ms. Boysen's arrival, informed her there were no additional accounts and no additional records to be reviewed. The Analyst informed Ms. Boysen that the Committee would need to remain active until the cash-on-hand discrepancy was resolved and advised that she could submit an FEC Form 99 detailing the steps she'd taken to try to resolve this issue. The Analyst also indicated that this issue may be referred for potential further action to another Commission office (Attachment 3).

On November 13, 2020, the Committee filed an additional FEC Form 99 in response to the RFAI sent October 22, 2020, which referenced the Termination Report filed July 17, 2020. The Committee stated:

"South Dakota First filed the initial Statement of Organization on 11/1/06. At that time and during the 2008 election cycle, the individuals who were depositing contributions, writing checks and filing FEC reports are no longer involved with the organization. In 2009, Carmyn Egge Berg became the Asst. Treasurer responsible for those tasks.

In 2009, South Dakota First set up a QuickBooks account to properly handle this account as it was growing in activity. From that time forward, every check has been tracked and recorded with the FEC. The only two checks that were not cashed since 2009 were reclaimed into our cash on hand. We

have done due diligence to track the activity of the PAC since starting in our roles with South Dakota First.

US Bank holds the only banking account for South Dakota First which was opened when the Statement of Organization and an IRS issued an Employment Identification Number EIN. The account was recently closed with a zero balance. We have no knowledge of any other bank account used for South Dakota First.

We contacted the bank verifying that no other account under South Dakota First was opened at any time. We requested copies of the bank statements from November 2006 to November of 2008. We were informed the bank is only required to keep records on checking accounts for 7 years and after 7 years, the records are destroyed. Therefore, the bank statements from 2006 and most of 2008 are not available.

The bank statements we have in our possession begins with 11.31.2008 through our final statement of April, 2020.

We have copies of checks since 2010. We also have Tax information for the past several years.

South Dakota First filed a Termination Form on 7/17/20 showing cash on hand of \$34,400. We have exhausted all attempts to reconcile the cash on hand on the FEC report with the \$0 balance of the bank statement” (Image 202011139336989028).

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

O-Index

3/18/2021 11:09 AM

| O-Index (2021-2022) | | | | | | | | | | | | | | | |
|---|--------|-----|----------|-----|------------|------------|------------|-------------|------------|--------|------|----------|-------|-------|---------------|
| Cmte. ID: C00430371 Cmte. Name: SOUTH DAKOTA FIRST | | | | | | | | | | | | | | | |
| Treasurer Name: BOYSEN, SHARON Address: PO BOX 155, SIOUX FALLS, SD 57101 | | | | | | | | | | | | | | | |
| Cmte. Type: Q (QUALIFIED NON-PARTY) Cmte. Designation: D (LEADERSHIP PAC) Filing Frequency: QUARTERLY FILER | | | | | | | | | | | | | | | |
| Form Tp | Rpt Tp | A/I | Recpt Dt | Pgs | Begin Img# | Beg Cvg Dt | End Cvg Dt | Ltr Mail Dt | Begin Cash | Recpts | Disb | End Cash | Debts | Loans | Debts & Loans |
| No records were found for this cycle. | | | | | | | | | | | | | | | |

| O-Index (2019-2020) | | | | | | | | | | | | | | | |
|---|--------|-----|------------|-----|--------------------|------------|------------|-------------|------------|------------|----------------|----------|-------|-------|---------------|
| Cmte. ID: C00430371 Cmte. Name: SOUTH DAKOTA FIRST | | | | | | | | | | | | | | | |
| Treasurer Name: BOYSEN, SHARON Address: PO BOX 155, SIOUX FALLS, SD 57101 | | | | | | | | | | | | | | | |
| Cmte. Type: Q (QUALIFIED NON-PARTY) Cmte. Designation: D (LEADERSHIP PAC) Filing Frequency: QUARTERLY FILER | | | | | | | | | | | | | | | |
| Form Tp | Rpt Tp | A/I | Recpt Dt | Pgs | Begin Img# | Beg Cvg Dt | End Cvg Dt | Ltr Mail Dt | Begin Cash | Recpts | Disb | End Cash | Debts | Loans | Debts & Loans |
| MS-T | | | 9/9/2020 | 1 | 202009099267126894 | | | | - | - | - | - | - | - | - |
| MS-T | | | 11/13/2020 | 1 | 202011139336989028 | | | | - | - | - | - | - | - | - |
| RQ2 | TER | T | 5/14/2020 | 2 | 202005140300071119 | 1/1/2020 | 3/31/2020 | 5/14/2020 | - | - | - | - | - | - | - |
| RQ2 | TER | T | 8/6/2020 | 2 | 202008060300081871 | 4/1/2020 | 6/30/2020 | 8/6/2020 | - | - | - | - | - | - | - |
| RQ2 | TER | T | 10/22/2020 | 2 | 202010220300088550 | 4/1/2020 | 6/30/2020 | 10/22/2020 | - | - | - | - | - | - | - |
| RQ7 | Q3 | | 10/30/2020 | 2 | 202010300300089174 | 7/1/2020 | 9/30/2020 | 10/30/2020 | - | - | - | - | - | - | - |
| F3XN | MY | N | 7/11/2019 | 5 | 201907119150556522 | 1/1/2019 | 6/30/2019 | | \$43,619 | \$0 | \$30 | \$43,589 | - | - | \$0 |
| F3XN | YE | N | 1/25/2020 | 5 | 202001259167367584 | 7/1/2019 | 12/31/2019 | | \$43,589 | \$0 | \$76 | \$43,513 | - | - | \$0 |
| F3XT | TER | T | 4/15/2020 | 6 | 202004159216820926 | 1/1/2020 | 3/31/2020 | | \$43,513 | \$0 | \$15 | \$43,498 | - | - | \$0 |
| F3XT | TER | T | 7/17/2020 | 7 | 202007179250381548 | 4/1/2020 | 6/30/2020 | | \$43,498 | \$0 | \$9,098 | \$34,400 | - | - | \$0 |
| F3XN | Q3 | N | 11/13/2020 | 5 | 202011139336988718 | 7/1/2020 | 9/30/2020 | | \$34,400 | \$0 | \$0 | \$34,400 | - | - | \$0 |
| F3XN | 12G | N | 11/13/2020 | 5 | 202011139336989023 | 10/1/2020 | 10/14/2020 | | \$34,400 | \$0 | \$0 | \$34,400 | - | - | \$0 |
| F3XN | 30G | N | 11/25/2020 | 5 | 202011259337131930 | 10/15/2020 | 11/23/2020 | | \$34,400 | \$0 | \$0 | \$34,400 | - | - | \$0 |
| F3XN | YE | N | 1/28/2021 | 5 | 202101289413723305 | 11/24/2020 | 12/31/2020 | | \$34,400 | \$0 | \$0 | \$34,400 | - | - | \$0 |
| Totals | | | | | | | | | | \$0 | \$9,219 | | | | |

| O-Index (2017-2018) | | | | | | | | | | | | | | | |
|---|--------|-----|------------|-----|--------------------|------------|------------|-------------|------------|------------|-----------------|-----------|-------|-------|---------------|
| Cmte. ID: C00430371 Cmte. Name: SOUTH DAKOTA FIRST | | | | | | | | | | | | | | | |
| Treasurer Name: BOYSEN, SHARON Address: PO BOX 155, SIOUX FALLS, SD 57101 | | | | | | | | | | | | | | | |
| Cmte. Type: Q (QUALIFIED NON-PARTY) Cmte. Designation: D (LEADERSHIP PAC) Filing Frequency: QUARTERLY FILER | | | | | | | | | | | | | | | |
| Form Tp | Rpt Tp | A/I | Recpt Dt | Pgs | Begin Img# | Beg Cvg Dt | End Cvg Dt | Ltr Mail Dt | Begin Cash | Recpts | Disb | End Cash | Debts | Loans | Debts & Loans |
| MS-T | | | 1/26/2017 | 6 | 201701260300134849 | | | | - | - | - | - | - | - | - |
| MS-N | | A | 3/3/2017 | 1 | 201703040300081836 | | | | - | - | - | - | - | - | - |
| RQ2 | YE | N | 3/25/2019 | 2 | 201903260300036110 | 11/27/2018 | 12/31/2018 | 3/25/2019 | - | - | - | - | - | - | - |
| F3XN | MY | N | 7/5/2017 | 7 | 201707059066526726 | 1/1/2017 | 6/30/2017 | | \$131,569 | \$0 | \$15,176 | \$116,393 | - | - | \$0 |
| F3XN | YE | N | 1/22/2018 | 6 | 201801229090514737 | 7/1/2017 | 12/31/2017 | | \$116,393 | \$0 | \$17,530 | \$98,863 | - | - | \$0 |
| F3XN | Q1 | N | 4/14/2018 | 6 | 201804149108086858 | 1/1/2018 | 3/31/2018 | | \$98,863 | \$0 | \$1,015 | \$97,848 | - | - | \$0 |
| F3XN | Q2 | N | 7/12/2018 | 6 | 201807129115386112 | 4/1/2018 | 6/30/2018 | | \$97,848 | \$0 | \$5,056 | \$92,792 | - | - | \$0 |
| F3XN | Q3 | N | 10/14/2018 | 18 | 201810149124777049 | 7/1/2018 | 9/30/2018 | | \$92,792 | \$0 | \$38,803 | \$53,988 | - | - | \$0 |
| F3XN | 30G | N | 12/5/2018 | 6 | 201812059134169876 | 10/1/2018 | 11/26/2018 | | \$53,988 | \$0 | \$10,260 | \$43,728 | - | - | \$0 |
| F3XN | YE | N | 1/17/2019 | 5 | 201901179143863345 | 11/27/2018 | 12/31/2018 | | \$43,728 | \$0 | \$109 | \$43,619 | - | - | \$0 |
| F3XA | YE | A | 4/12/2019 | 5 | 201904129146090203 | 11/27/2018 | 12/31/2018 | | \$43,728 | \$0 | \$109 | \$43,619 | - | - | \$0 |
| F1A | | A | 4/13/2017 | 4 | 201704139052143577 | | | | - | - | - | - | - | - | - |
| Totals | | | | | | | | | | \$0 | \$87,949 | | | | |

South Dakota First (C00430371)

2020 Termination Report, received July 17, 2020

Cash-On-Hand Discrepancy

| 2020 Termination Report (Image 202007179250381549) | | Cash-On-Hand Discrepancy Amount: | |
|---|--|---|--|
| Line 8 (Cash on Hand at Close of Reporting Period) | | \$34,400.00 | |
| Total: | | \$34,400.00 | |