

RAD Referral 21L-21
 Freedom Club Federal PAC
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21L-21

REPORTS ANALYSIS DIVISION REFERRAL

TO

ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: April 28, 2021

ANALYST: Romy Adame-Wilson

I. COMMITTEE: Freedom Club Federal PAC
 C00307777
 Richard Morgan, Treasurer
 P.O. Box 416
 Champlin, MN 55316

II. RELEVANT STATUTE: 52 U.S.C. § 30104(g)(2)
 11 CFR § 104.4(b)(2)

III. BACKGROUND:

Failure to Provide Supporting Schedules (Failure to Timely File 48-Hour Reports)

Freedom Club Federal PAC (“the Committee”) failed to timely file two (2) 48-Hour Reports totaling \$28,340.00 to support two (2) independent expenditures disclosed on the 2020 October Quarterly Report, made up to and including the 20th day before the 2020 General Election (Attachment 2).

On October 8, 2020, the Committee filed the 2020 October Quarterly Report covering the period from July 1, 2020, through September 30, 2020. The report included a Schedule E (Itemized Independent Expenditures) disclosing three (3) independent expenditures, totaling \$29,870.00, made in support of two (2) Federal candidates (Images 202010089285058578-79).

On January 3, 2021, a Request for Additional Information (RFAI) was sent to the Committee referencing the 2020 October Quarterly Report. Among other issues, the RFAI noted that the Committee may have failed to timely file one (1) or more of the required 48-Hour Reports regarding independent expenditures. A chart was included with the RFAI identifying two (2) independent expenditures, totaling \$28,340.00, for which a 48-Hour Report had not been filed (Images 202101030300099864-68, Attachment 2).

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On January 25, 2021, the Committee filed one (1) 48-Hour Report via FAX to support two (2) independent expenditures, totaling \$28,340.00, disseminated on August 28, 2020 and September 10, 2020. As the Committee was required to submit its reports electronically and the report was filed via FAX (which is not an acceptable electronic format), the 48-Hour Report was not considered to be a valid filing (Images 202101260300365003-05).

On February 24, 2021, the Reports Analysis Division (RAD) Analyst attempted to contact Richard Morgan, the Committee's Treasurer, but was unable to locate a phone number for him on the FEC Form 1 (Statement of Organization). The Analyst subsequently called Nancy Hayes, a representative for the Committee, and left a voicemail outlining the issue and requesting a return phone call. The Analyst stated that the outstanding matter related to the failure to timely file one (1) or more of the required 48-Hour Reports for independent expenditures, disclosed on the 2020 October Quarterly Report, may be referred to another Commission office for potential further action (Attachment 3).

On February 25, 2021, Ms. Hayes called the RAD Analyst. The Analyst explained that the Committee may be referred to another Commission office for potential further action. The Analyst explained that the Committee could provide an FEC Form 99 (Miscellaneous Electronic Submission) with additional clarifying information (Attachment 3).

On March 1, 2021, the Committee filed an FEC Form 99 in response to the RFAI referencing the 2020 October Quarterly Report. The Committee stated,

“We inadvertently failed to report two ACH bank transactions on our 48 hour report notice. We did include these transactions on our end-of-year report. To prevent this mistake in the future, we will audit our transactions during the 48 hour period daily to make sure we don't miss any transactions” (Image 202103019429233718).

On March 29, 2021, the RAD Analyst called Ms. Hayes to inform her that the 48-Hour Report filed on January 25, 2021 was not considered a valid filing because it had been filed via FAX and had not been received in an acceptable electronic format. Ms. Hayes was not available so the Analyst left a voicemail that stated the Committee could electronically file the missing 48-Hour Report via the FEC's Online Webforms or using the Committee's electronic filing software, FECFile. The Analyst encouraged Ms. Hayes to call back should she have any questions or need assistance with electronically filing the 48-Hour Report (Attachment 3).

Also, on the same day, a Miscellaneous Notice for Paper Report (MS-P)¹ was sent to the Committee referencing the 48-Hour Report, received January 25, 2021. The MS-P noted that the Committee had failed to file the report in an acceptable electronic format and

¹ Per the 2019-2020 RAD Review and Referral Procedures, any committee required to file electronically that files an original report on paper will be sent an MS-P Letter.

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the Committee's reporting obligation will not be satisfied until the report is filed in an approved electronic format (Image 202103290300114016).

On April 12, 2021, the RAD Analyst called Ms. Hayes again to follow up from the voicemail message from March 29, 2021. Ms. Hayes stated that she planned on returning the Analyst's call because she did not have an electronic filing password for the FEC's Online Webforms. The Analyst explained that the Online Webforms password would be the same password that the Committee uses to electronically file their reports via FECFile. Ms. Hayes stated that she created the reports but that someone else filed them. She also stated that said she would work with the individual responsible for electronically filing their reports to secure the e-filing password and would file the 48-Hour Report the next day (Attachment 3).

On April 13, 2021, Ms. Hayes called the RAD Analyst because she encountered an error message when attempting to electronically file the 48-Hour Report via the FEC's Online Webforms. The Analyst transferred Ms. Hayes to the Electronic Filing Office (EFO) for technical assistance (Attachment 3).

Later that same day, the Committee electronically filed one (1) 48-Hour Report to support two (2) independent expenditures, totaling \$28,340.00, disseminated on August 28, 2020 and September 10, 2020 (Image 202104139443281968).

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

| O-Index (2021-2022) | | | | | | | | | | | | | | | |
|-------------------------------------|--------|-------------------------------------|-----------|-----------------------------------|--------------------|------------|------------|-------------|------------|------------|------------|----------|-------|-------|---------------|
| Cmte. Type: Q (QUALIFIED NON-PARTY) | | Cmte. Designation: U (UNAUTHORIZED) | | 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 | | | 1/25/2021 | 3 | 202101260300365003 | | | | - | - | - | - | - | - | - |
| MS-T | | | 3/1/2021 | 1 | 202103019429233718 | | | | - | - | - | - | - | - | - |
| MS-P | | | 3/29/2021 | 1 | 202103290300114016 | | | | - | - | - | - | - | - | - |
| F24N | 48 | | 4/13/2021 | 1 | 202104139443281968 | | | | - | - | - | - | - | - | - |
| Totals | | | | | | | | | | \$0 | \$0 | | | | |

| O-Index (2019-2020) | | | | | | | | | | | | | | | |
|-------------------------------------|--------|-------------------------------------|------------|-----------------------------------|--------------------|------------|------------|-------------|------------|------------------|-----------------|----------|-------|-------|---------------|
| Cmte. Type: Q (QUALIFIED NON-PARTY) | | Cmte. Designation: U (UNAUTHORIZED) | | 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 |
| RQ2 | Q3 | N | 1/3/2021 | 5 | 202101030300099864 | 7/1/2020 | 9/30/2020 | 1/3/2021 | - | - | - | - | - | - | - |
| RQ2 | 12G | N | 1/3/2021 | 3 | 202101030300099890 | 10/1/2020 | 10/14/2020 | 1/3/2021 | - | - | - | - | - | - | - |
| RQ2 | 30G | N | 2/4/2021 | 3 | 202102040300104674 | 10/15/2020 | 11/23/2020 | 2/4/2021 | - | - | - | - | - | - | - |
| F3XN | MY | N | 7/17/2019 | 7 | 201907179151395602 | 1/1/2019 | 6/30/2019 | | \$6,519 | \$5,000 | \$5,000 | \$6,519 | - | - | \$0 |
| F3XN | YE | N | 1/29/2020 | 14 | 202001299167442703 | 7/1/2019 | 12/31/2019 | | \$6,519 | \$37,500 | \$22,000 | \$22,019 | - | - | \$0 |
| F3XN | Q1 | N | 4/8/2020 | 6 | 202004089216613436 | 1/1/2020 | 3/31/2020 | | \$22,019 | \$11,000 | \$0 | \$33,019 | - | - | \$0 |
| F3XN | Q2 | N | 7/8/2020 | 6 | 202007089244369710 | 4/1/2020 | 6/30/2020 | | \$33,019 | \$0 | \$20,000 | \$13,019 | - | - | \$0 |
| F3XN | Q3 | N | 10/8/2020 | 14 | 202010089285058566 | 7/1/2020 | 9/30/2020 | | \$13,019 | \$39,540 | \$29,870 | \$22,689 | - | - | \$0 |
| F3XN | 12G | N | 10/21/2020 | 8 | 202010219326741836 | 10/1/2020 | 10/14/2020 | | \$22,689 | \$2,000 | \$6,750 | \$17,939 | - | - | \$0 |
| F3XN | 30G | N | 12/2/2020 | 13 | 202012029337410864 | 10/15/2020 | 11/23/2020 | | \$17,939 | \$5,850 | \$16,010 | \$7,779 | - | - | \$0 |
| F3XN | YE | N | 1/27/2021 | 6 | 202101279413428518 | 11/24/2020 | 12/31/2020 | | \$7,779 | \$500 | \$0 | \$8,279 | - | - | \$0 |
| F1A | | A | 3/15/2019 | 4 | 201903159145711164 | | | | - | - | - | - | - | - | - |
| Totals | | | | | | | | | | \$101,390 | \$99,630 | | | | |

| O-Index (2017-2018) | | | | | | | | | | | | | | | |
|-------------------------------------|--------|-------------------------------------|------------|-----------------------------------|--------------------|------------|------------|-------------|------------|----------|----------|-----------|-------|-------|---------------|
| Cmte. Type: Q (QUALIFIED NON-PARTY) | | Cmte. Designation: U (UNAUTHORIZED) | | 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 |
| RQ2 | Q1 | N | 8/2/2018 | 5 | 201808020300015439 | 1/1/2018 | 3/31/2018 | 8/2/2018 | - | - | - | - | - | - | - |
| RQ2 | 30G | N | 4/7/2019 | 5 | 201904070300036707 | 10/18/2018 | 11/26/2018 | 4/7/2019 | - | - | - | - | - | - | - |
| RQ2 | YE | N | 4/17/2019 | 2 | 201904170300037529 | 11/27/2018 | 12/31/2018 | 4/17/2019 | - | - | - | - | - | - | - |
| F3XN | MY | N | 7/28/2017 | 8 | 201707289069848108 | 1/1/2017 | 6/30/2017 | | \$3,314 | \$7,000 | \$8,003 | \$2,311 | - | - | \$0 |
| F3XN | YE | N | 1/26/2018 | 9 | 201801269090659715 | 7/1/2017 | 12/31/2017 | | \$2,311 | \$10,000 | \$1,503 | \$10,808 | - | - | \$0 |
| F3XN | Q1 | N | 4/16/2018 | 9 | 201804169108262852 | 1/1/2018 | 3/31/2018 | | \$10,808 | \$15,000 | \$20,006 | \$5,802 | - | - | \$0 |
| F3XN | Q2 | N | 7/13/2018 | 10 | 201807139115403943 | 4/1/2018 | 6/30/2018 | | \$17,296 | \$18,000 | \$13,006 | \$22,290 | - | - | \$0 |
| F3XN | Q3 | N | 10/15/2018 | 8 | 201810159124814941 | 7/1/2018 | 9/30/2018 | | \$19,302 | \$6,500 | \$11,000 | \$14,802 | - | - | \$0 |
| F3XN | 12G | N | 10/25/2018 | 9 | 201810259130888677 | 10/1/2018 | 10/17/2018 | | \$14,802 | \$3,000 | \$8,485 | \$9,317 | - | - | \$0 |
| F3XN | 30G | N | 12/6/2018 | 8 | 201812069134416067 | 10/18/2018 | 11/26/2018 | | \$9,317 | \$11,000 | \$7,775 | \$12,542 | - | - | \$0 |
| F3XA | 30G | A | 5/2/2019 | 9 | 201905029149610792 | 10/18/2018 | 11/26/2018 | | \$9,317 | \$11,000 | \$15 | \$20,302 | - | - | \$0 |
| F3XN | YE | N | 1/24/2019 | 7 | 201901249143952203 | 11/27/2018 | 12/31/2018 | | \$12,542 | \$0 | \$13,783 | (\$1,240) | - | - | \$0 |
| F3XA | YE | A | 5/8/2019 | 7 | 201905089149652593 | 11/27/2018 | 12/31/2018 | | \$20,302 | \$0 | \$13,783 | \$6,519 | - | - | \$0 |

| | | | | | | | | | | | | | | | |
|---------------|--|--|--|--|--|--|--|--|--|-----------------|-----------------|--|--|--|--|
| Totals | | | | | | | | | | \$70,500 | \$75,801 | | | | |
|---------------|--|--|--|--|--|--|--|--|--|-----------------|-----------------|--|--|--|--|

Freedom Club Federal PAC (C00307777)
 2020 October Quarterly Report, received October 8, 2020

48-Hour Reports Not Timely Filed

| Name of Payee | Date of Dissemination (Schedule E) | Expenditure Amount | Candidate Supported | Election | 48-Hour Report Filed |
|---------------|------------------------------------|--|---------------------|--------------|----------------------|
| Clear Channel | 8/28/2020 | \$16,380.00 <i>48-Hour Report Required</i> | Kendall Qualls | 2020 General | 4/13/2021 |
| Clear Channel | 9/10/2020 | \$11,960.00 <i>48-Hour Report Required</i> | Kendall Qualls | 2020 General | 4/13/2021 |