

REPORTS ANALYSIS DIVISION REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: October 22, 2021

ANALYST: Michael Adamsky

I. COMMITTEE: Kentucky State Democratic Central Executive Committee
C00011197
M. Melinda Karns, Treasurer
P.O. Box 694
Frankfort, KY 40602

TYPE OF COMMITTEE: Party

II. REGISTRATION DATE: July 12, 1975

III. MULTICANDIDATE STATUS: Qualified

IV. BACKGROUND:

The Committee was sent twenty-seven (27) Requests for Additional Information (RFAs) for reporting errors including prohibited and other impermissible contributions or transfers; mathematical and cash-on-hand discrepancies; failure to provide supporting schedules; failure to properly itemize disbursements; and allocated federal and non-federal activity.

Kentucky State Democratic Central Executive Committee (C00011197)**ADRO Referral Response Guide****Response Codes**

IR – Inadequate Response

LAR – Late Adequate Response

LIR – Late Inadequate Response

NR – No Response

Prohibited Contributions and Other Impermissible Contributions or Transfers

Report	RFAI Due Date	Response Date(s)	Response Code	Reason for code
2020 M7	10/13/20	N/A	NR	Schedule A supporting Line 11(c) disclosed a contribution totaling \$5,000.00 from one (1) political action committee, which was not disclosed on the contributor's disbursement schedule, resulting in an apparent prohibited receipt of \$5,000.00. The Committee failed to respond to the RFAI.
2020 YE	5/17/21	5/14/21	IR	Schedule A supporting Line 11(c) disclosed a contribution totaling \$5,000.00 from one (1) political action committee, which was not disclosed on the contributor's disbursement schedule, resulting in an apparent prohibited receipt of \$5,000.00. The Committee filed a 2020 Amended YE on 5/14/21 which inadequately addressed this issue.

Mathematical Discrepancies

Report	RFAI Due Date	Response Date(s)	Response Code	Reason for code
2019 Amended M2, received 9/19/19	12/10/19	12/10/19	IR	The beginning cash balance, \$123,571.00, was greater than the ending cash balance on the previous report, \$74,955.88, a discrepancy of \$48,615.12. The Committee filed a 2019 Amended M2 on 12/10/19 which inadequately addressed this issue.
2019 Amended M11, received 12/20/19	3/31/20	N/A	NR	Schedule A supporting Line 16 disclosed negative entries totaling \$5,033.75 for the apparent refund of contributions originally received by the committee. The Committee failed to respond to the RFAI.
2019 Amended M12, received 5/5/20	9/23/20	9/23/20	IR	The report contained mathematical discrepancies on several lines in Column B totaling \$10,333.00. The Committee filed a 2019 Amended M12 on 9/23/20 which inadequately addressed this issue.
2019 YE	5/5/20	10/1/20	LAR	The report contained mathematical discrepancies on several lines in Column B totaling \$8,515.00. The Committee filed a 2019 Amended YE on 10/1/20 which adequately addressed this issue.
2020 Amended M3,	10/13/20	N/A	NR	The report contained mathematical discrepancies on several lines in Column B totaling \$2,411.60.

received 5/20/20				The Committee failed to respond to the RFAI.
2020 Amended M8, received 10/20/20	3/15/21	3/15/21	IR	The report contained mathematical discrepancies on several lines in Column B totaling \$5,945.74. The Committee filed a 2020 Amended M8 on 3/15/21 which inadequately addressed the issue.
2020 30G	4/14/21	4/14/21	IR	The report contained mathematical discrepancies on several lines in Column B totaling \$12,283.88. The Committee filed a 2020 Amended 30G on 4/14/21 which inadequately addressed the issue.
2020 YE	5/17/21	5/14/21	IR	The report contained mathematical discrepancies on several lines in Column B totaling \$6,899.46. The Committee filed a 2020 Amended YE on 5/14/21 which inadequately addressed the issue.

Failure to Provide Supporting Schedules

Report	RFAI Due Date	Response Date(s)	Response Code	Reason for code
2019 Amended M8, received 12/10/19	5/20/20	5/14/20	IR	The Committee's report disclosed additional receipts totaling \$21,147.50 on Schedule A supporting Lines 16 and 17, resulting in an increase of more than 5% and \$10,000.00 over the original report. On 5/14/20, the Committee submitted an FEC Form 99 stating, in part, "The increase in receipts in the amount of \$21,147.50 is for the state's tax check off funds. The receipt is reported to both the Federal and Non Federal agencies and was entered as a Non Federal receipt in the compliance software," which did not adequately address the issue.
2019 M9	12/10/19	12/10/19	IR	Schedule A supporting Line 11(a)(i) disclosed an unitemized lump sum receipt of \$9,612.50. However, the Committee failed to clarify whether this amount includes any receipts aggregating greater than \$200 from an individual in the calendar year. The Committee filed a 2019 Amended M9 on 12/10/19 which inadequately addressed the issue.
2019 YE	5/5/20	6/7/21	LIR	Schedule A supporting Line 12 disclosed \$28,531.64 in transfers received from a joint fundraiser during the 2019 calendar year. However, the supporting itemized memo entries provided on Schedule A during 2019 total \$8,630.70, creating a discrepancy of \$19,900.94. The Committee filed a 2020 Amended M12 on 6/7/21 which inadequately addressed the issue.
2020 Amended M8, received 10/20/20	3/15/21	3/15/21	IR	The Committee's report disclosed additional disbursements totaling \$10,150.76 on Schedule B supporting Line 21(a)(i), 21(a)(ii), and 28(a), resulting in an increase of more than 5% and \$10,000.00 over the original report. The Committee filed a 2020 Amended M8 on 3/15/21 which inadequately addressed the issue.

Failure to Properly Itemize Disbursements

Report	RFAI Due Date	Response Date(s)	Response Code	Reason for code
2019 Amended M11, received 12/20/19	3/31/20	5/22/20	LAR	<p>Schedule B supporting Line 22 failed to provide clarifying information on disbursements the Committee made to itself with purposes of "Cash Flow Transfer" and "Ratio Miscalculation" totaling \$695,740.27.</p> <p>On 5/22/20, the Committee submitted an FEC Form 99 stating, "There were several disbursements to the Kentucky Democratic Party in the 2019 data. Those disbursements were from the committee's federal account to the non federal account. Going forward these transactions will be more accurately reported as such," which adequately addressed the issue.</p>

Allocated Federal and Non-Federal Activity

Report	RFAI Due Date	Response Date(s)	Response Code	Reason for code
2019 M2	9/19/19	9/19/19	IR	<p>Schedule H4 disclosed allocable payments for the Administrative activity where the non-federal share was calculated using a higher percentage than the Committee disclosed on Schedule H1, indicating a possible overpayment from the non-federal account of \$15,562.40.</p> <p>The Committee filed a 2019 Amended M2 on 9/19/19 which inadequately addressed this issue.</p>
2019 M3	9/19/19	9/19/19	IR	<p>Schedule H4 disclosed an event year-to-date total for Administrative expenses of \$30,972.26; however, FEC calculations disclose this total to be \$87,962.07, resulting in a discrepancy of \$56,989.81.</p> <p>The Committee filed a 2019 Amended M3 on 9/19/19 which inadequately addressed this issue. The amendment lowered the violation amount from \$56,989.81 to \$6,277.96.</p> <p>Schedule H4 supporting Line 21(a) disclosed \$1,453.32 in credit card payments; however, only \$1,227.11 in corresponding memo entries were disclosed.</p> <p>The Committee filed a 2019 Amended M3 on 9/19/19 which inadequately addressed this issue. The amendment lowered the violation amount from \$226.21 to \$206.46.</p> <p>Schedule H4 disclosed disbursements for the Administrative category which used a ratio inconsistent with the ratio disclosed on Schedule H1, resulting in a discrepancy of \$15,180.70.</p> <p>The Committee filed a 2019 Amended M3 on 9/19/19 which inadequately addressed this issue. The amendment lowered the violation amount to \$2,636.71.</p>
2019 M4	9/19/19	9/19/19	IR	<p>Schedule H4 disclosed an event year-to-date total for Administrative expenses of \$105,843.33; however, FEC calculations disclose this total to be \$120,640.20, resulting in a discrepancy of \$14,796.87.</p>

				<p>The Committee filed a 2019 Amended M4 on 9/19/19 which inadequately addressed this issue. The amendment raised the violation amount from \$14,796.87 to \$25,562.08.</p> <p>Schedule H4 disclosed disbursements for the Administrative category which used a ratio inconsistent with the ratio disclosed on Schedule H1, resulting in a discrepancy of \$13,711.08. This also indicates a possible overpayment from the non-federal account of \$6,855.54.</p> <p>The Committee filed a 2019 Amended M4 on 9/19/19 which inadequately addressed this issue. The amendment lowered the violation amount from \$13,711.08 to \$10,736.08, and \$6,855.54 to \$5,368.04.</p> <p>Schedule H4 disclosed voided or returned checks totaling \$442.71. However, the Committee failed to clarify if the check had been reissued or what steps were taken to avoid the acceptance of a prohibited in-kind contribution.</p> <p>The Committee filed a 2019 Amended M4 on 9/19/19 which inadequately addressed this issue.</p>
2019 M5	10/28/19	10/28/19	IR	<p>Schedule H4 disclosed an event year-to-date total for Administrative expenses of \$141,622.02; however, FEC calculations disclose this total to be \$155,376.45, resulting in a discrepancy of \$13,754.43.</p> <p>The Committee filed a 2019 Amended M5 on 10/28/19 which inadequately addressed this issue. The amendment raised the violation amount from \$13,754.43 to \$29,638.70.</p> <p>Schedule H4 disclosed disbursements for the Administrative category which used a ratio inconsistent with the ratio disclosed on Schedule H1, resulting in a discrepancy of \$15,027.03. This also indicates a possible overpayment from the non-federal account of \$7,513.51.</p> <p>The Committee filed a 2019 Amended M5 on 10/28/19 which inadequately addressed this issue. The amendment lowered the violation amount from \$15,027.03 to \$12,403.03, and \$7,513.51 to \$6,201.01.</p>
2019 M6	12/17/19	12/10/19	IR	<p>Schedule H4 disclosed an event year-to-date total for Administrative expenses of \$174,675.14; however, FEC calculations disclose this total to be \$166,654.61, resulting in a discrepancy of \$8,020.53.</p> <p>The Committee filed a 2019 Amended M6 on 12/10/19 which inadequately addressed this issue. The amendment raised the violation amount from \$8,020.53 to \$28,886.46.</p> <p>Schedule H4 supporting Line 21(a) disclosed \$1,850.15 in credit card payments; however, only \$1,600.15 in corresponding memo entries were disclosed.</p> <p>The Committee filed a 2019 Amended M6 on 12/10/19 which inadequately addressed this issue.</p> <p>Schedule H4 disclosed disbursements for the Administrative category which used a ratio inconsistent with the ratio disclosed on Schedule H1, resulting in a discrepancy of \$13,882.23. This also indicates a possible overpayment from the non-federal account of \$6,941.16.</p> <p>The Committee filed a 2019 Amended M6 on 12/10/19 which inadequately addressed this issue. The amendment lowered the violation amount from \$13,882.23 to \$12,132.32, and \$6,941.16 to \$6,066.16.</p>

2019 M8	12/10/19	12/10/19	IR	Schedule H4 disclosed an event year-to-date total for Administrative expenses of \$243,900.25; however, FEC calculations disclose this total to be \$256,601.52, resulting in a discrepancy of \$12,701.27.
				The Committee filed a 2019 Amended M8 on 12/10/19 which inadequately addressed this issue. The amendment raised the violation amount from \$12,701.27 to \$47,668.65.
				Schedule H4 disclosed disbursements for the Administrative category which used a ratio inconsistent with the ratio disclosed on Schedule H1, resulting in a discrepancy of \$14,512.30. This also indicates a possible overpayment from the non-federal account of \$7,256.15.
2019 M9	12/10/19	12/10/19	IR	The Committee filed a 2019 Amended M8 on 12/10/19 which inadequately addressed this issue. The amendment lowered the violation amount from \$14,152.30 to \$12,762.30, and \$7,256.15 to \$6,381.15.
				Schedule H4 disclosed an event year-to-date total for Administrative expenses of \$204,235.69; however, FEC calculations disclose this total to be \$286,206.57, resulting in a discrepancy of \$81,971.88.
				The Committee filed a 2019 Amended M9 on 12/10/19 which inadequately addressed this issue. The amendment lowered the violation amount from \$81,971.88 to \$21,219.80.
2019 Amended M11, received 12/20/19	3/31/20	N/A	NR	Schedule H4 disclosed allocable payments for the Administrative activity where the non-federal share was calculated using a higher percentage than the Committee disclosed on Schedule H1, indicating a possible overpayment from the non-federal account of \$8,912.31.
				The Committee filed a 2019 Amended M9 on 12/10/19 which inadequately addressed the issue.
				Schedule H4 disclosed an event year-to-date total for Administrative expenses of \$222,676.80; however, FEC calculations disclose this total to be \$227,676.80, resulting in a discrepancy of \$5,000.00.
2019 M12	5/5/20	9/23/20	IR	The Committee failed to respond to the RFAI.
				Schedule H4 disclosed disbursements for the Administrative category which used a ratio inconsistent with the ratio disclosed on Schedule H1, resulting in a discrepancy of \$2,100.00.
				The Committee failed to respond to the RFAI.
				Schedule H4 disclosed an event year-to-date total for Administrative expenses of \$232,134.71; however, FEC calculations disclose this total to be \$237,134.71, resulting in a discrepancy of \$5,000.00.
2019 M12	5/5/20	9/23/20	IR	The Committee filed a 2019 Amended M12 on 9/23/20 which inadequately addressed this issue.
				Schedule B supporting Line 22 failed to disclose an adequate purpose of disbursement to one (1) vendor totaling \$375.00.
				The Committee filed a 2019 Amended M12 on 9/23/20 which inadequately addressed this issue.
				Schedule H4 disclosed disbursements for the Administrative category which used a ratio inconsistent with the ratio disclosed on Schedule H1, resulting in a discrepancy of \$2,099.98.

				The Committee filed a 2019 Amended M12 on 9/23/20 which inadequately addressed this issue.
2019 YE	5/5/20	5/5/20	IR	<p>Schedule H4 disclosed an event year-to-date total for Administrative expenses of \$240,138.58; however, FEC calculations disclose this total to be \$246,388.59, resulting in a discrepancy of \$6,250.01.</p> <p>The Committee filed a 2019 Amended YE on 5/5/20 which inadequately addressed this issue.</p> <p>Schedule H4 disclosed disbursements for the Administrative category which used a ratio inconsistent with the ratio disclosed on Schedule H1, resulting in a discrepancy of \$2,624.99.</p> <p>The Committee filed a 2019 Amended YE on 5/5/20 which inadequately addressed this issue.</p>