

22L-19

REPORTS ANALYSIS DIVISION REFERRAL
 TO
 ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: August 2, 2022

ANALYST: Kevin Fortkiewicz

- I. COMMITTEE:
- PA Stands Up Political Action
 C00743021
 Carrie Santoro, Treasurer (7/20/2022-
 Present)
 Lev Hirshhorn, Treasurer (3/1/2022-
 7/19/2022)
 Otis Ubriaco, Treasurer (3/26/2020 -
 2/28/2022)
 PO BOX 31995
 Philadelphia, PA 19104
- II. RELEVANT STATUTE:
- 52 U.S.C. § 30104(b)
 52 U.S.C § 30104(g)
 11 CFR § 104.3
 11 CFR § 104.4

III. BACKGROUND:

Failure to Provide Supporting Schedules (Failure to Disclose All Financial Activity) and Failure to Provide Supporting Schedules (Failure to Timely File 48-Hour and 24-Hour Reports)

PA Stands Up Political Action (“the Committee”) failed to disclose all financial activity in its 2020 12-Day Pre-General Report. On March 14, 2022, the Committee filed an Amended 2020 12-Day Pre-General Report which disclosed \$199,356.92 in additional receipts and \$72,173.44 in additional debts. The Committee also failed to timely file one (1) 48-Hour Report to support two (2) independent expenditures totaling \$72,173.44

disclosed in the Amended 2020 12-Day Pre-General Report, made up to and including the 20th day before the 2020 General Election (Attachment 1).⁴

Additionally, the Committee failed to disclose all financial activity in its 2020 30-Day Post-General Report. On March 14, 2022, the Committee filed an Amended 2020 30-Day Post-General Report which disclosed \$126,929.60 in additional receipts. The Committee also failed to timely file one (1) 24-Hour Report to support one (1) independent expenditure totaling \$89,410.59 disclosed in the Amended 2020 30-Day Post-General Report, made after the 20th day but more than 24 hours before the day of the 2020 General Election (Attachment 1)

Finally, the Committee failed to disclose all financial activity on its 2020 Year-End Report. On March 14, 2022, the Committee filed an Amended 2020 Year-End Report which disclosed \$161,687.39 in additional disbursements (Attachment 1).

2020 12-Day Pre-General Report

On October 18, 2020, the Committee filed a [2020 November Monthly Report](#) covering the period from October 1, 2020 through October 31, 2020. The report disclosed no receipts on the [Detailed Summary Page](#) (Attachment 1).

The report also included a [Schedule E](#) (Itemized Independent Expenditures) disclosing six (6) independent expenditures, totaling \$54,202.81, made in support of one (1) Federal candidate.

On October 27, 2020, a [Request for Additional Information \(RFAI\)](#) was sent to the Committee referencing the 2020 November Monthly Report. The RFAI noted that the Committee should be filing its reports on a quarterly schedule and appeared to have filed the wrong report.

On December 8, 2020, the Committee filed an [Amended 2020 12-Day Pre-General Report](#) covering the period from October 1, 2020 through October 14, 2020. The report disclosed \$20,000.00 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals) and \$130,000.00 in receipts on Line 11(c) (Contributions from Other Political Committees) of the [Detailed Summary Page](#), an increase of \$150,000.00 from the original report. The report also included a [Schedule E](#) disclosing two (2) independent expenditures, totaling \$65,525.80, made in support of one (1) Federal candidate.

On January 26, 2021, an [RFAI](#) was sent to the Committee referencing the Amended 2020 12-Day Pre-General Report, received December 8, 2020. The RFAI requested clarification regarding the substantial increase in receipts disclosed in the Amended 2020 12-Day Pre-General Report and noted that the Committee may have failed to file one (1) or more of the required 48-Hour Reports for independent expenditures disclosed in the

⁴ On October 18, 2020, the Committee initially filed a November Monthly Report covering the period from October 1, 2020 through October 31, 2020. The report was subsequently amended on December 8, 2020 and filed as a 12-Day Pre-General Report covering the period from October 1, 2020 through October 14, 2020, in accordance with the 2020 quarterly reporting schedule for political action committees.

report. A chart was included with the RFAI identifying two (2) independent expenditures, totaling \$65,525.80, for which a 48-Hour Report had not been filed.

On March 14, 2022, the Committee filed an additional [Amended 2020 12-Day Pre-General Report](#). The report disclosed \$2,714.28 in receipts on Line 11(a)(i), \$1,642.64 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals) and \$195,000.00 in receipts on Line 17 (Other Federal Receipts) of the [Detailed Summary Page](#), an increase of \$199,356.92 from the original report (Attachment 1).

The report also disclosed \$72,458.44 on Schedule D, Line 10 (Debts and Obligations Owed by the Committee) of the [Summary Page](#). Of this amount, \$72,173.44 represents newly incurred debt for the reporting period that was not disclosed in the original report (Attachment 1).

Additionally, the report included a [Schedule E](#) disclosing two (2) independent expenditures, totaling \$72,173.44, made in support of one (1) Federal candidate, and contained [memo text](#) which stated,

“The Committee has removed a Schedule E independent expenditure to vendor Scale to Win that was originally disclosed on its Amended 2020 Pre-General Report filed 12/8/20, as it has been determined that this expenditure did not occur. Further, the independent expenditure that was disclosed to Pennsylvania States Up has been corrected to disclose the actual vendor, Pennsylvania Stands Up, and the amount has been updated to reflect the actual amount spent.”

Also on March 14, 2022, the Committee filed a [48-Hour Report](#) to support two (2) independent expenditures, totaling \$72,173.44, disseminated on October 1, 2020 (Attachment 1).

On March 17, 2022, an [RFAI](#) was sent to the Committee referencing the Amended 2020 12-Day Pre-General Report, received March 14, 2022. The RFAI requested clarification regarding the substantial increase in receipts and debts disclosed in the Amended 2020 12-Day Pre-General Report and noted that the Committee may have failed to timely file one (1) or more of the required 48-Hour Reports for independent expenditures disclosed in the report. A chart was included with the RFAI identifying two (2) independent expenditures totaling \$72,173.44 for which a 48-Hour Report had not been timely filed.

On April 20, 2022, the Committee filed an [FEC Form 99](#) (Miscellaneous Electronic Submission) in response to the RFAI referencing the Amended 2020 12-Day Pre-General Report, received March 14, 2022. The Committee stated,

“PA Stands Up Political Action has been asked to provide clarifying information as to why the activity described in the FEC’s request for additional information was not disclosed on our original report.

In the course of conducting its own internal review of its campaign finance reports, PA Stands Up Political Action discovered that past reports failed to accurately disclose all receipts, expenditures and debts incurred by the political committee. The organization immediately retained the services of an experienced compliance firm to assist the political committee with filing amended reports containing fully accurate and reconciled financial data.

Once hired, the compliance firm engaged in extensive consultations with the analyst assigned to this committee and thereafter filed a missing 48 hour report, a missing 24 hour report and amended versions of prior reports that were found to contain inaccurate information.

PA Stands Up Political Action submits that its actions in securing the services of a new compliance firm and then swiftly filing corrected versions of past reports found to contain inaccurate information and filing a missing 48 hour and 24 hour report shows that best efforts have been used to obtain, maintain, and submit the information required by this Act for the political committee.

We therefore request that each of the reports and records referenced by the Commission in each of the requests for additional information shall be considered in compliance with this Act or chapter 95 or chapter 96 of Title 26.”

2020 30-Day Post-General Report

On December 8, 2020, the Committee filed the original [2020 30-Day Post-General Report](#) covering the period from October 23, 2020 through November 23, 2020.⁵ The report disclosed \$285.72 in receipts on Line 11(a)(i), \$371.26 in receipts on Line 11(a)(ii), no receipts on Line 11(c), and no receipts on Line 17 of the [Detailed Summary Page](#) (Attachment 1).

On March 14, 2022, the Committee filed an [Amended 2020 30-Day Post-General Report](#). The report disclosed \$10,714.29 in receipts on Line 11(a)(i), \$1,772.29 in receipts on Line 11(a)(ii), \$5,000.00 in receipts on Line 11(c), and \$110,100.00 in receipts on Line 17 of the [Detailed Summary Page](#), an increase of \$126,929.60 from the original report (Attachment 1).

The report also included a [Schedule E](#) disclosing one (1) independent expenditure, totaling \$89,410.59, made in support of one (1) Federal candidate.

⁵ The coverage dates used by the Committee for this original report were not correct, as the 2020 30-Day Post-General Report should have covered October 15, 2020 to November 23, 2020. The Committee originally filed a 2020 November Monthly Report covering October 1, 2020 to October 31, 2020, that disclosed no receipts. The Committee used the correct coverage dates when it filed the Amended 2020 30-Day Post-General Report, received March 14, 2022.

Also on March 14, 2022, the Committee filed a [24-Hour Report](#) to support one (1) independent expenditure, totaling \$89,410.59, disseminated on October 15, 2020 (Attachment 1).

On March 17, 2022, an [RFAI](#) was sent to the Committee referencing the Amended 2020 30-Day Post-General Report. The RFAI requested clarification regarding the substantial increase in receipts disclosed in the Amended 2020 30-Day Post-General Report and noted that the Committee may have failed to timely file one (1) or more of the required 24-Hour Reports for independent expenditures disclosed in the report. A chart was included with the RFAI identifying one (1) independent expenditure, totaling \$89,410.59, for which a 24-Hour Report had not been timely filed.

On April 20, 2022, the Committee filed an [FEC Form 99](#) stating,

“PA Stands Up Political Action has been asked to provide clarifying information as to why the activity described in the FEC’s request for additional information was not disclosed on our original report.

In the course of conducting its own internal review of its campaign finance reports, PA Stands Up Political Action discovered that past reports failed to accurately disclose all receipts, expenditures and debts incurred by the political committee. The organization immediately retained the services of an experienced compliance firm to assist the political committee with filing amended reports containing fully accurate and reconciled financial data.

Once hired, the compliance firm engaged in extensive consultations with the analyst assigned to this committee and thereafter filed a missing 48 hour report, a missing 24 hour report and amended versions of prior reports that were found to contain inaccurate information.

PA Stands Up Political Action submits that its actions in securing the services of a new compliance firm and then swiftly filing corrected versions of past reports found to contain inaccurate information and filing a missing 48 hour and 24 hour report shows that best efforts have been used to obtain, maintain, and submit the information required by this Act the political committee.

We therefore request that each of the reports and records referenced by the Commission in each of the requests for additional information shall be considered in compliance with this Act or chapter 95 or chapter 96 of Title 26.”

2020 Year-End Report

On January 31, 2021, the Committee filed its [2020 Year-End Report](#) covering the period from November 24, 2020 through December 31, 2020. The report disclosed no disbursements on the [Detailed Summary Page](#) (Attachment 1).

On March 14, 2022, the Committee filed an [Amended 2020 Year-End Report](#). The report disclosed \$77.52 in disbursements on Line 21(b) (Other Federal Operating Expenditures), \$161,584.03 in disbursements on Schedule E ⁶, and \$25.84 in disbursements on Line 29 (Other Disbursements) of the [Detailed Summary Page](#), an increase of \$161,687.39 from the original report (Attachment 1).

On March 17, 2022, an [RFAI](#) was sent to the Committee referencing the Amended 2020 Year-End Report. The RFAI requested clarification regarding the substantial increase in disbursements disclosed in the Amended 2020 Year-End Report.

On April 20, 2022, the Committee filed an [FEC Form 99](#) stating,

“PA Stands Up Political Action has been asked to provide clarifying information as to why the activity described in the FEC’s request for additional information was not disclosed on our original report.

In the course of conducting its own internal review of its campaign finance reports, PA Stands Up Political Action discovered that past reports failed to accurately disclose all receipts, expenditures and debts incurred by the political committee. The organization immediately retained the services of an experienced compliance firm to assist the political committee with filing amended reports containing fully accurate and reconciled financial data.

Once hired, the compliance firm engaged in extensive consultations with the analyst assigned to this committee and thereafter filed a missing 48 hour report, a missing 24 hour report and amended versions of prior reports that were found to contain inaccurate information.

PA Stands Up Political Action submits that its actions in securing the services of a new compliance firm and then swiftly filing corrected versions of past reports found to contain inaccurate information and filing a missing 48 hour and 24 hour report shows that best efforts have been used to obtain, maintain, and submit the information required by this Act for the political committee.

We therefore request that each of the reports and records referenced by the Commission in each of the requests for additional information shall be

⁶ The disbursement payments on Line 24 represent debt payments for independent expenditures that were disseminated during the 2020 12-Day Pre-General and 2020 30-Day Post-General reporting periods. The initial memo Schedule E entries were not disclosed on the original 2020 12-Day Pre-General or 2020 30-Day Post-General Reports, but were disclosed on the respective amendments filed on March 14, 2022.

considered in compliance with this Act or chapter 95 or chapter 96 of Title 26.”

Since December 7, 2020, the Reports Analysis Division (RAD) logged forty-seven (47) communications with a representative of the Committee which reflect efforts to help the Committee voluntarily comply with the Act. RAD was able to connect with the Committee on seventeen (17) of these occasions and notified Camillia Duria, the Committee’s Representative, Alex Rabb, the Committee’s Counsel, and Susan Yates, the Committee’s Compliance Representative, that the matters would be referred to another office at the Commission for further review. Conversations with Ms. Duria and Mr. Rabb in 2021 indicated that the Committee was working on filing amendments, but no amendments were filed at that time. RAD advised the Committee to file an FEC Form 99 with any clarifying information for the public record regarding the increase in activity on amended reports and failure to timely file 24-Hour and 48-Hour Reports. RAD explained to Ms. Yates in a phone call in 2022 the matter would be referred to another office at the Commission for further review (Attachment 2).

Filings and correspondence related to the Committee can be found here: [PA Stands Up Political Action](#). To date, no further communications have been received from the Committee regarding this matter.

PA Stands Up Political Action (C00743021)2020 November Monthly Report⁷/Amended 2020 12-Day Pre-General ReportOverview of Additional Receipts

Report Line	<u>Original 2020 November Monthly Report</u>	<u>Amended 2020 12-Day Pre-General Report, received 3/14/2022</u>	Variance Amount
Line 11(a)(i): Itemized Contributions from Individuals	\$0.00	\$2,714.28	\$2,714.28
Line 11(a)(ii): Unitemized Contributions from Individuals	\$0.00	\$1,642.64	\$1,642.64
Line 17: Other Federal Receipts	\$0.00	\$195,000.00	\$195,000.00
		Total:	\$199,356.92

⁷ On October 18, 2020 the Committee initially filed a November Monthly Report covering the period from October 1, 2020 through October 31, 2020. The report was subsequently amended on December 8, 2020 and filed as a 12-Day Pre-General Report covering the period from October 1, 2020 through October 14, 2020, in accordance with the 2020 quarterly reporting schedule for political action committees.

PA Stands Up Political Action (C00743021)2020 November Monthly Report ⁸/Amended 2020 12-Day Pre-General ReportOverview of Additional Debt

Report Line	<u>Original 2020 November Monthly Report</u>	<u>Amended 2020 12- Day Pre- General Report, received 3/14/22</u>	Debt Variance Amount	Actual Increase in New Debts Incurred
Amount Incurred This Period (Schedule D)	\$0.00	\$72,173.44	\$72,173.44	\$72,173.44
Outstanding Balance Beginning This Period (Schedule D)	\$0.00	\$285.00	\$285.00	
Payments This Period (Schedule D)	\$0.00	\$0.00	\$0.00	
Outstanding Balance at Close of This Period (Schedule D)	\$0.00	\$72,458.44	\$72,458.44	
Line 10: Debts and Obligations Owed by the Committee	\$0.00	\$72,458.44	\$72,458.44	

⁸ On October 18, 2020, the Committee initially filed a November Monthly Report covering the period from October 1, 2020 through October 31, 2020. The report was subsequently amended on December 8, 2020 and filed as a 12-Day Pre-General Report covering the period from October 1, 2020 through October 14, 2020, in accordance with the 2020 quarterly reporting schedule for political action committees.

PA Stands Up Political Action (C00743021)[Amended 2020 12-Day Pre-General Report, Received 3/14/2022](#)Detailed Overview of New Debts Incurred

Vendor	Outstanding Beginning Balance	Amount Incurred	Payments	Increase in Debt Incurred
Pennsylvania Stands Up!	\$0.00	\$ 72,173.44	\$0.00	\$ 72,173.44
Total:	\$0.00	\$ 72,173.44	\$0.00	\$ 72,173.44

PA Stands Up Political Action (C00743021)[Amended 2020 12-Day Pre-General Report, received 3/14/2022](#)48-Hour Reports Not Timely Filed

Name of Payee	Date of Dissemination (Schedule E)	Expenditure Amount	Candidate Supported	Election	48-Hour Report Received
Pennsylvania Stands Up!	10/1/2020	\$9,586.03 <i>48-Hour Report Required</i>	JOSEPH BIDEN Jr	2020 General	3/14/2022
Pennsylvania Stands Up!	10/1/2020	\$62,587.41 <i>48-Hour Report Required</i>	JOSEPH BIDEN Jr	2020 General	3/14/2022

PA Stands Up Political Action (C00743021)

2020 30-Day Post-General Report/Amended 2020 30-Day Post-General Report

Overview of Additional Receipts

Report Line	<u>Original 2020 30-Day Post- General Report</u>	<u>Amended 2020 30-Day Post-General Report, received 3/14/2022</u>	Variance Amount
Line 11(a)(i): Itemized Contributions from Individuals	\$285.72	\$10,714.29	\$10,428.57
Line 11(a)(ii): Unitemized Contributions from Individuals	\$371.26	\$1,772.29	\$1,401.03
Line 11(c): Contributions from Other Political Committees	\$0.00	\$ 5,000.00	\$ 5,000.00
Line 17: Other Federal Receipts	\$0.00	\$110,100.00	\$110,100.00
		Total:	\$126,929.60

PA Stands Up Political Action (C00743021)[Amended 2020 30-Day Post-General Report, received 3/14/2022](#)24-Hour Report Not Timely Filed

Name of Payee	Date of Dissemination (Schedule E)	Expenditure Amount	Candidate Supported	Election	24-Hour Report Received
Pennsylvania Stands Up!	10/15/2020	\$89,410.59 <i>24-Hour Report Required</i>	JOSEPH BIDEN Jr	2020 General	3/14/2022

PA Stands Up Political Action (C00743021)
 2020 Year-End Report/Amended 2020 Year-End Report

Overview of Additional Disbursements

Report Line	<u>Original 2020 Year-End Report</u>	<u>Amended 2020 Year-End Report, received 3/14/2022</u>	Variance Amount
Line 21(b): Other Federal Operating Expenses	\$0.00	\$77.52	\$77.52
Line 24: Independent Expenditures	\$0.00	\$161,584.03	\$161,584.03
Line 29: Other Disbursements	\$0.00	\$25.84	\$ 25.84
		Total:	\$161,687.39