

23L-64

REPORTS ANALYSIS DIVISION REFERRAL
 TO
 ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: October 31, 2023

ANALYST: Melissa Cisewski

- I. COMMITTEE: Brighter Future PAC
 C00793380
 Shayne Thoman, Treasurer
 122 C Street NW Suite 360
 Washington, DC 20001
- II. RELEVANT STATUTE: 52 U.S.C. § 30104(b)(2) and (b)(4)
 11 C.F.R. § 104.3(a) and (b)

III. BACKGROUND:

Failure to Provide Supporting Schedules (Failure to Disclose all Financial Activity)

Brighter Future PAC (“the Committee”) failed to disclose all financial activity on its 2022 July Quarterly Report filed on July 15, 2022. On May 24, 2023, the Committee filed an Amended 2022 July Quarterly Report which disclosed additional receipts of \$412,515.53 and additional disbursements of \$585,498.29, which were not disclosed on the original report (Attachment 1).

On July 15, 2022, the Committee filed the original [2022 July Quarterly Report](#) covering the period from April 28, 2022 through June 30, 2022². The report disclosed no receipts on the [Detailed Summary Page](#) and no disbursements on the [Detailed Summary Page](#).

On May 24, 2023, the Committee filed an [Amended 2022 July Quarterly Report](#).³ The report disclosed \$95,226.68 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals), \$287,328.12 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals), \$23,538.36 in receipts on Line 11(c) (Contributions from Other Political Committees), and \$6,422.37 in receipts on Line 12 (Transfers From Affiliates/Other Party Committees) of the [Detailed Summary Page](#), a total increase in receipts of \$412,515.53

² The original 2022 July Quarterly Report was filed on FEC Form 3.

³ The Amended 2022 July Quarterly Report was filed on FEC Form 3X.

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from the original report. Additionally, the report disclosed \$540,962.17 in disbursements on Line 21(b) (Other Federal Operating Expenditures) and \$44,536.12 in disbursements on Line 28(a) (Refunds of Contributions to Individuals) of the [Detailed Summary Page](#), a total increase in disbursements of \$585,498.29 from the original report (Attachment 1). [Memo text](#) attached to the report stated:

“The Nida for NC committee transitioned to Brighter Future PAC mid-reporting period in June of 2022. Due to a software and data entry error, our original July Quarterly report was filed on the Form 3 rather than the Form 3x. As a result, our software did not pull our July Quarterly contributions and disbursements onto the report. This amendment fixes that discrepancy and gets our cash on hand for that period to its true value, which was carried over into subsequent reports.”

On June 15, 2023, a [Request for Additional Information \(RFAI\)](#) was sent to the Committee referencing the Amended 2022 July Quarterly Report, received May 24, 2023. The RFAI requested clarification regarding the substantial increase in receipts and disbursements disclosed on the Amended 2022 July Quarterly Report.

On August 8, 2023, the Committee filed an [FEC Form 99 \(Miscellaneous Electronic Submission\)](#) in response to the RFAI referencing the Amended 2022 July Quarterly Report, received May 24, 2023. The Committee stated:

“This letter serves as a response to your request for additional information regarding the amended July Quarterly report for Brighter Futures PAC (the Committee). As detailed in the memo text of the amended July Quarterly report, the Nida for NC committee transitioned into Brighter Future PAC mid reporting period in June of 2022. Due to an inadvertent error, the original July Quarterly report was filed on Form 3 instead of the intended Form 3x. This resulted in a software error that failed to pull the July Quarterly receipts and disbursements into the original July Quarterly report. Upon noticing this error, the Committee promptly contacted the FEC Reports Analysis Division to rectify this mistake. After receiving guidance from analyst Micheal Adamsky, the Committee amended the report to accurately reflect its disbursements and receipts for the reporting period, while also including a memo note detailing the reason for the changes in the report. In response to your letter, the Committee has done a thorough review of its reporting processes and has instituted systems to ensure this error does not happen again.”

Since April 4, 2023, the Reports Analysis Division (RAD) logged twelve (12) communications with a representative of the Committee which reflect efforts to help the Committee voluntarily comply with the Act regarding the matters referenced above. RAD was able to connect with the Committee on eight (8) of these occasions and notified Shayne Thoman, the Committee’s Treasurer, that the Committee would be referred to another Commission office for further review. RAD advised the Committee to file an FEC Form

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99 with any clarifying information for the public record (Attachment 2). To date, no further communications have been received from the Committee regarding these matters.

Filings and correspondence related to the Committee can be found here: [Brighter Future PAC](#).

Brighter Future PAC(C00793380)[2022 July Quarterly Report/Amended 2022 July Quarterly Report](#)⁴Overview of Additional Receipts

Report Line	<u>Original 2022 July Quarterly Report</u>	<u>Amended 2022 July Quarterly Report, Received 5/24/2023</u>	Variance Amount
Line 11(a)(i): Itemized Contributions from Individuals	\$0.00	\$95,226.68	\$95,226.68
Line 11(a)(ii): Unitemized Contributions from Individuals	\$0.00	\$287,328.12	\$287,328.12
Line 11(c): Contributions from Other Political Committees	\$0.00	\$23,538.36	\$23,538.36
Line 12: Transfers From Affiliates/Other Party Committees	\$0.00	\$6,422.37	\$6,422.37
		Total:	\$412,515.53

[2022 July Quarterly Report/Amended 2022 July Quarterly Report](#)Overview of Additional Disbursements

Report Line	<u>Original 2022 July Quarterly Report</u>	<u>Amended 2022 July Quarterly Report, Received 5/24/2023</u>	Variance Amount
Line 21(b): Other Operating Expenditures	\$0.00	\$540,962.17	\$540,962.17
Line 28(a): Refunds of Contributions to Individuals	\$0.00	\$44,536.12	\$44,536.12
		Total:	\$585,498.29

⁴ The [Original 2022 July Quarterly Report](#) was filed on a Form 3, which uses different line numbers for receipts and disbursements. These charts compare amounts by category and reference the lines for the Form 3X.