



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

FEC
ALTERNATIVE DISPUTE
RESOLUTION OFFICE

RAD 04-02

2003 FEB -9 P 3:50

MEMORANDUM

TO: ALLAN D. SILBERMAN
DIRECTOR, ALTERNATIVE DISPUTE RESOLUTION

THROUGH: JAMES A. PEHRKON
STAFF DIRECTOR

ROBERT J. COSTA
DEPUTY STAFF DIRECTOR

FROM: JOHN D. GIBSON
ASSISTANT STAFF DIRECTOR
REPORTS ANALYSIS DIVISION

SUBJECT: ADR REFERRAL OF CONSERVATIVE LEADERSHIP
POLITICAL ACTION COMMITTEE

Conservative Leadership Political Action Committee ("the Committee") failed to disclose contributor information for 244 of 310, or 78.7% of the contributions from individuals itemized on reports covering the 2001-2002 election cycle. The Committee also failed to provide adequate purposes for \$51,816.60 in disbursements disclosed during the same period. In accordance with the 2001-2002 RAD Review and Referral Procedures for Unauthorized Committees (Standards 8 and 9) and the 2002 Guidelines for Referrals to Alternative Dispute Resolution (ADR), a review by your office is required. This committee was referred to the Audit Division for the 2001-2002 election cycle but was not approved for audit.

Copies of any reports or letters either filed by the Committee, or sent by the Reports Analysis Division and referenced in this referral, are available for your review on the FEC Imaging System or the web site.

If you have any questions regarding this referral, please contact Kristen Davis at 694-1152.

Attachments



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REPORTS ANALYSIS REFERRAL
TO
OFFICE OF ALTERNATIVE DISPUTE RESOLUTION

DATE:

ANALYST: Kristen Davis

I. COMMITTEE: Conservative Leadership Political Action
Committee (C00010363)
David Fenner, Treasurer
3127 North 17th Street
Arlington, VA 22201

II. RELEVANT STATUTE: 2 U.S.C. §434 (b)(3)(A) ✓
11 CFR §104.8 (a)
11 CFR §104.7 (b) ✓
11 CFR §100.12 ✓
2 U.S.C. §434 (b)(5)(A) ✓
11 CFR §104.3(b)(3)(i) ✓

III. BACKGROUND:

Failure to Provide the Occupation and Name of Employer for Receipts and Failure to Provide an Adequate Purpose for Disbursements

On July 27, 2001, Conservative Leadership Political Action Committee (the "Committee") filed its 2001 Mid-Year Report, which failed to disclose the occupation and name of employer for 208 of 238, or 87.4%, of the contributions from individuals that required itemization and also failed to disclose an adequate purpose for disbursements totaling \$51,816.60 on Schedule B for Line 21(b) (other federal operating expenditures). (Image #21990276085).

On December 19, 2001, the Committee was sent a Request for Additional Information (RAI) referencing the 2001 Mid-Year Report (Image # 21037363255). The RAI requested that the Committee provide the complete identification of each individual itemized on Schedule A supporting Line 11(a)(i) of the Detailed Summary Page or demonstrate that "Best Efforts" had been used

to obtain the missing information. Also, the RFAI sought clarification of the purpose for each disbursement itemized as "Operating Expenditure" on Schedule B supporting Line 21(b) of the Detailed Summary Page.

The Committee did not respond to the initial RFAI and a Second Notice requesting the information was sent on January 10, 2002 (Image # 22037390350).

On January 30, 2002, the Committee filed a 2001 Year-End Report which failed to disclose the occupation and name of employer for 36 of 72, or 50% of the contributions from individuals that required itemization (Image #22990223245).

On April 8, 2002, the Reports Analysis Division ("RAD") analyst called the Committee regarding the outstanding issues and was told that Mark Montini, Executive Director of the Committee, had stepped out briefly. A message was left, but Mr. Montini did not return the call (Attachment #2).

On April 9, 2002, the RAD analyst called the Committee and spoke to Christina Unruh, an employee of Mr. Montini. The analyst explained to Ms. Unruh that the Commission had not received a response to the 2001 Mid-Year Report RFAI regarding the failure to provide an adequate purpose for the disbursements disclosed as "Operating Expenditure" on Schedule B for Line 21(b). Ms. Unruh said that she had not seen anything recently from the FEC and expressed the possibility that the Committee had not received our letters due to an address change. The analyst told Ms. Unruh that the Committee should have provided the Commission with its new address and advised her to immediately file an amended Statement of Organization electronically disclosing the Committee's new address. The analyst informed Ms. Unruh that all letters from the Commission to the Committee, as well as any reports filed by the Committee, could be found on the public record at www.fec.gov. Ms. Unruh stated that she would pass the message on to Mr. Montini (Attachment #3).

On June 12, 2002, the Committee was sent an RFAI referencing the 2001 Year-End Report (Image # 22037603882). The RFAI requested that the Committee provide the complete identification of each individual itemized on Schedule A supporting Line 11(a)(i) of the Detailed Summary Page or demonstrate that "Best Efforts" had been used to obtain the missing contributor information.

The Committee did not respond to the initial RFAI and a Second Notice requesting the information was sent to the Committee on July 3, 2002 (Image # 22037623971).

On October 1, 2003, the RAD analyst left a message for Mr. Blackwell, the President of the Committee. Mr. Blackwell returned the analyst's phone call and the analyst explained that the Committee's treasurer, David Fenner, could not

be reached. The analyst then explained that the Committee had been sent numerous RFAs regarding the 2001 Mid-Year Report and the 2001 Year-End Report because it failed to provide an adequate purpose for a significant percentage of disbursements on Schedule B supporting Line 21(b) and failed to provide the occupation and name of employer for individuals on Schedule A supporting Line 11(a)(i). The analyst informed Mr. Blackwell that the Committee could be referred to the Office of Alternative Dispute Resolution if the matter was not resolved. Mr. Blackwell said that he would contact Mr. Fenner immediately with the information (Attachment #4).

On October 1, 2003, the RAD analyst received a phone call from David Fenner, the Committee's treasurer. The analyst explained to Mr. Fenner that since the Committee met the electronic filing threshold in 2001, the paper reports the Committee filed on July 21, 2003 were not considered for review by the Commission, which meant that the Committee still had outstanding issues on the 2001 Mid-Year and Year-End Reports¹. Mr. Fenner explained that the previous treasurer had been advised that the Committee was required to file the amendments and subsequent reports on paper but he would contact the Committee's accountant to verify this information. The analyst then explained to Mr. Fenner that she was not aware of any arrangement between the Commission and the Committee and that the amendments had to be filed electronically disclosing the missing information. The analyst then informed Mr. Fenner that the Committee had one week to correct the problems cited in the RFAs before the matter would be referred to the Office of Alternative Dispute Resolution (Attachment #5).

On October 3, 2003, the RAD analyst received a phone call from Tessie Wilson, the Committee's accountant. Ms. Wilson explained that the Committee had a contract with Aristotle, the Committee's software provider in 2001, but because that contract lapsed the Committee cannot electronically amend the reports in question. The analyst then informed Ms. Wilson about the Commission's free software, which she could use to generate the required amendments. Ms. Wilson said that she would pass this information on to the Committee's attorneys (Attachment #6).

¹ The paper amendments did not address the violations cited in the RFAs.

DATE:

ANALYST: Kristen Davis

REPORTS ANALYSIS REFERRAL TO THE OFFICE OF ADR

I. COMMITTEE: Conservative Leadership Political Action
Committee (C00010363)
David Fenner, Treasurer
3127 North 17th Street
Arlington, VA 22201

TYPE OF COMMITTEE: Nonconnected

II. REGISTRATION: Prior to 1975

III. NOTICES SENT TO AND RESPONSES RECEIVED FROM THE COMMITTEE:

See attached O-Index for the Committee.

IV. PROBLEMS WHICH MEET THE CRITERIA FOR REFERRAL TO ADR:

A. Standard 8 - Failure to Properly Itemize Contributions from Individuals:

Report Type	Violation (Description)	Response & Date
2001 MY	The Committee failed to provide the occupation and/or name of employer information for 208 of 238, or 87.4%, of the contributions from individuals that require itemization.	NR
2001 YE	The Committee failed to provide the occupation and/or name of employer information for 36 of 72, or 50%, of the contributions from individuals that require itemization.	NR

B. Standard 9 – Failure to Properly Itemize Disbursements:

Report Type	Violation (Description)	Response & Date
2001 MY	The Committee failed to provide an adequate purpose for disbursements to five (5) vendors totaling \$51,816.60.	NR

NR= No Response **IR =** Inadequate Response **LIR=** Late Inadequate Response

2001-06-13