



Federal Election Commission  
Washington, DC 20463

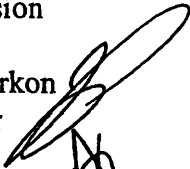
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT


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
**SENSITIVE**

**MEMORANDUM**

TO: The Commission

THROUGH: James A. Pehrkon   
Staff Director

FROM: Allan D. Silberman   
Director, ADR Office

BY: Lynn M. Fraser   
Assistant Director, ADR Office

SUBJECT: Case for ADR Activation

DATE: August 23, 2004

On August 9, 2004, the ADR Office received from OGC/CELA the following case to review and determine its appropriateness for ADR processing. Based on that review, we determined that the case, ADR 187/RR 04L-07, is appropriate for ADR and recommend that it be assigned to the ADR Office.

**ADR 187/RR 04L-07:** RAD referred the Victory 2004/California Republican Party and Douglas Boyd, Treasurer ("Respondents") for amending their 2003 February Monthly Report on October 20, 2003 to disclose additional receipts, reimbursements and debts totaling \$1,172,337.05 that were not disclosed in their original 2003 February Monthly Report. In addition, on January 30, 2004 Respondents filed an Amended 2003 December Monthly Report that disclosed \$182,987.84 in additional disbursements that were not disclosed on the original 2003 December Monthly Report.

Attached for the Commission's review is the *ADR Case Analysis Report* on ADR 187, along with copies of the EPS Rating and ADR Rating reports. The *ADR Case Analysis Report* includes an analysis of the case and a description of the issues that the ADR Office anticipates addressing if the case is assigned to ADR. In addition, the *ADR Case Analysis Report* has been reviewed by OGC, which concurs in the description of the case.

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If the Commission concurs in the recommendation to assign the matter to ADRO, the above case description will be provided to Respondents as part of ADRO's notification package sent to Respondents.

**ADR Director's Recommendation:** We recommend that ADR 187/RR 04L-07 be assigned to the ADR Office for processing.

2019.08.01.09

## ADR CASE ANALYSIS REPORT

**ADR Case:** 187

**Respondents:**

Victory 2004/California Republican Party  
Douglas Boyd, Treasurer

**RAD Referral:** 04L-07

**Respondent's' Rep.:** Douglas Boyd

**Date Forwarded to ADRO:** 08/09/2004

**Committee Type:** Unauthorized

**Date Reviewed by ADRO:** 08/17/2004

**Committee Name:**

Victory 2004/California Republican Party

**District & State:** California

**Election Cycle:** 2004

**Summary of Referral:** This is a referral of Victory 2004/California Republican Party and Douglas Boyd, Treasurer ("Respondents") for amending their 2003 February Monthly Report on October 20, 2003 to disclose additional debts which in the aggregate equal \$458,206.12 (100% increase), additional receipts which in the aggregate equal \$228,279.55 (90.4% increase), and additional disbursements which in the aggregate equal \$485,851.38 (100% increase). The increases in the amended report reflected receipts, disbursements and debts that were not disclosed in their original 2003 February Monthly Report. A Request for Additional Information ("RFAI") was sent to Respondents on November 26, 2003 requesting clarification of the additional receipts, disbursements and debts. In addition, on January 30, 2004 Respondents filed an Amended 2003 December Monthly Report that disclosed \$72,714.83 for the federal share of allocable operating expenditures, \$97,972.02 for the non-federal share of allocable operating expenditures, \$211,744.37 for other federal operating expenditures, and \$16,890.14 for the contributions to federal candidates and committees, for a total of \$182,987.84 (62.2% increase) in additional disbursements not disclosed on the original 2003 December Monthly Report. On March 17, 2004, RAD sent Respondents an RFAI requesting clarification regarding the additional disbursements.

**Alleged Violations:** 2 U.S.C. §§ 434(b)(2)(A), 434(b)(2)(D), 434(b)(4)(A), 434(b)(4)(H)(i), 11 C.F.R. §§ 104.3(a)(2)(i)(A), 104.3(a)(2)(i)(B), 104.3(a)(2)(ii), 104.3(b)(1)(i)(A), 104.3(b)(1)(i)(B), 104.3(b)(1)(v), 104.17(b)(2), 104.17(b)(3)(i)

**Respondent's' Reply to RAD:** In response to the November RFAI requesting information about the 2003 February Monthly Report Respondents stated "Our amendment reflects inadvertent transitional oversights that were later discovered,

therefore an amendment was filed accordingly to correct accuracy.” [sic] In response to the March RFAI requesting clarification of the increased disbursements on the 2003 December Monthly Report, Respondents stated “The original report did not have the total disbursements due to a software calculation error. The amendment that followed corrected that oversight and therefore those disbursements were added on the amended reported.” [sic]

**Analysis:** The statute and implementing regulations are clear that political committees must report all receipts and all disbursements for both the reporting period and the calendar year (or election cycle in the case of an authorized committee of a candidate). The statute and regulations extensively categorize the receipts and disbursements to eliminate confusion. The committee brochures (available at the Commission or on-line at the FEC website) also go over the receipts and disbursements required to be disclosed, as well as the allocation procedures between federal and non-federal disbursements. The responses of Respondents to the RFAIs requesting clarification regarding additional receipts, disbursements and debts totaling \$1,172,337 that were not disclosed on the 2003 February Monthly Report and \$182,987.84 in additional disbursements not disclosed on the 2003 December Monthly Report were simply inadequate.

**Issues:**

- Reporting all receipts for the reporting period and calendar year 2 U.S.C. §§ 434(b)(2)(A), 434(b)(2)(D), 11 C.F.R. §§ 104.3(a)(2)(i)(A), 104.3(a)(2)(i)(B), 104.3(a)(2)(ii)
- Reporting all disbursements for the reporting period and calendar year 2 U.S.C. §§ 434(b)(4)(A), 434(b)(4)(H)(i), 11 C.F.R. §§ 104.3(b)(1)(i)(A), 104.3(b)(1)(i)(B), 104.3(b)(1)(v)
- Reporting allocable expenses 11 C.F.R. §§ 104.17(b)(2), 104.17(b)(3)(i)

**Related FEC Experience/Guidance:** There are numerous AOs dealing with the requirement of party committees reporting receipts, disbursements, debts, transfers and/or allocation between federal and non-federal accounts. Many deal with facts concerning what category a specific receipt or disbursement comes under and whether it must be reported, whereas this matter deals with zero or very small amounts in the original reports, followed by significant increases in amended reports with no adequate rationale.

**ADR Director's Recommendation: Assign to ADRO**