



Federal Election Commission
Washington, DC 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

2004 / 08/26 P 4:19

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 25, 2004

On August 9, 2004, the ADR Office ("ADRO") 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 188 (RR 04L-05), is appropriate for ADR and recommend that it be assigned to the ADRO.

ADR 188/RR 04L-05: The Congressional Majority Committee and Robin Lake Foster, Treasurer ("Respondents") filed an amended 2003 July Quarterly Report on February 18, 2004. The amended report disclosed additional disbursements totaling \$57,259.34 (301% increase). In response to a request for additional information sent by the Reports Analysis Division ("RAD"), Respondents filed a second amended 2003 July Quarterly Report on April 9, 2004 that transferred \$9,868.84 from the non-federal share of allocable operating expenditures to the federal operating expenditures on the detailed summary page. Respondents informed RAD that their Treasurer had been taken ill and another person filed the report incorrectly.

Attached for the Commission's review is the *ADR Case Analysis Report* on ADR 188, 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.

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 188/RR 04L-05 be assigned to the ADR Office for processing.

2019.02.06.02.55

ADR CASE ANALYSIS REPORT

ADR Case: 188

Respondents:

Congressional Majority Committee
Robin Lake Foster, Treasurer

RAD Referral: 04L-05

Respondent's' Rep.: Robin Lake Foster

Date Forwarded to ADRO: 08/09/2004

Committee Type: Unauthorized

Date Reviewed by ADRO: 08/19/2004

Committee Name:
Congressional Majority Committee

District & State: N/A

Election Cycle: 2004

Summary of Referral: The Congressional Majority Committee and Robin Lake Foster, Treasurer ("Respondents") filed an amended 2003 July Quarterly Report on February 18, 2004. The amended report disclosed additional disbursements totaling \$57,259.34 (301% increase).

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

Respondent's' Reply to RAD: In response to a request for additional information sent by the Reports Analysis Division ("RAD"), Respondents filed a second amended 2003 July Quarterly Report on April 9, 2004 which transferred \$9,868.84 from the non-federal share of allocable operating expenditures to the federal operating expenditures on the detailed summary page. A text entry at the end of the report read "Amendments disclosing additional disbursements not on [the] original report were identified during internal review of all 2003 reports. Due to sudden and severe illness, our treasurer was unable to enter the info [*sic*], and the person doing so inadvertently reported only expenses for one of the 3 months. Upon realization that the reports were not correct, amendments were filed with proper disclosure immediately."

Analysis: A review of the amended 2003 July Quarterly report filed by Respondents disclosed \$57,259.34 in additional disbursements. The FECA and its implementing

regulations clearly state that all disbursements for a reporting period are to be disclosed. Respondents failed to disclose all disbursements in the report covering the period in which the disbursement occurred, without any indication that this was due to circumstances beyond their control.

Issues:

- Failure to disclose all disbursements 2 U.S.C. §§ 434(b)(4)(A), 434(b)(4)(H)(i), 434(b)(4)(H)(v), 11 C.F.R. §§ 104.3(b)(1)(i)(A) and (B), 104.3(b)(1)(v), 104.3(b)(1)(ix)(A) and (B)
- Reporting allocation of disbursements 11 C.F.R. § 104.17 (b)(3)(i)

Related FEC Experience/Guidance: RAD referred the matter based on the fact that Respondents filed an amended 2003 July Quarterly Report in which they disclosed an aggregate increase of \$57,259.34 in disbursements; more than 300 percent more than the original report. RAD sent a request for clarification but the response from the committee stating they had an inexperienced individual filing the reports due to the sudden illness of the Treasurer, while undoubtedly true, did not negate the violation.

ADR Director's Recommendation: Assign to ADRO