



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

July 15, 2005

MEMORANDUM

TO: LAWRENCE H. NORTON
GENERAL COUNSEL

THROUGH: JAMES A. PEHRKON
STAFF DIRECTOR

ROBERT J. COSTA
DEPUTY STAFF DIRECTOR

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

SUBJECT: REFERRAL OF THE NATIONAL ASSOCIATION OF FEDERAL CREDIT
UNIONS POLITICAL ACTION COMMITTEE (NAFCUPAC)

The National Association of Federal Credit Unions Political Action Committee (NAFCUPAC) ("the Committee") is being referred to the Office of General Counsel for amending its 2004 Year End Report to disclose additional receipts totaling \$56,632.53, a 1609% increase over the original filing. In accordance with the 2003-2004 *RAD Review and Referral Procedures for Unauthorized Committees (Standard 7)*, this matter requires further examination by your office. However, due to the amount of additional activity and the prompt correction of the filing, RAD would recommend that this matter be sent to the Office of Alternative Dispute Resolution (ADR) for further processing.

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 web site.

If you have any questions regarding this matter, please contact Jodi Winship at 694-1136.

Attachments

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REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: July 15, 2005

ANALYST: Jodi Winship

I. COMMITTEE: National Association of Federal Credit Unions Political Action Committee (NAFCUPAC) (C00040659)
Brad Thaler, Treasurer
3138 N 10th St
Arlington, VA 22201

II. RELEVANT STATUTE: 2 U.S.C. §434(b)(2)(A)
11 C.F.R. §104.3(a)(2)(i)(B)

III. BACKGROUND:

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

The National Association of Federal Credit Unions Political Action Committee (NAFCUPAC) (“the Committee”) filed an Amended 2004 Year End Report on February 7, 2005 to disclose additional receipts totaling \$56,632.53 (Image 25980424789) (Attachment 2).

On January 24, 2005, the Committee filed its original 2004 Year End Report, covering the period from November 23, 2004 through December 31, 2004. This original report disclosed \$255.00 in Unitemized Contributions from Individuals/Persons other than Political Committees on Line 11(a)(ii) of the Detailed Summary Page (Image 25980314668).

On February 7, 2005, the Committee filed an Amended 2004 Year End Report which disclosed \$56,887.53 in Unitemized Contributions from Individuals/Persons other than Political Committees on Line 11(a)(ii) of the Detailed Summary Page (Image 25980424791).

On February 25, 2005, a Request for Additional Information (“RFAI”) was sent to the Committee. The RFAI asked for clarification regarding the \$56,632.53 in additional

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receipts that were not disclosed on the Committee's original 2004 Year End Report (Image 25038742413).

On March 7, 2005, Ms. Erica Anderson, the Associate Director of Political Affairs for the Committee, called and spoke with a Reports Analysis Division (RAD) analyst. Ms. Anderson inquired how to best respond to the RFAI sent on February 25, 2005, regarding the increase in receipts. The Analyst explained that the Committee should submit a miscellaneous electronic submission to explain the reason why the activity was not disclosed in a timely manner. Ms. Anderson explained that the reporting error occurred due to a software glitch caused by a change in software vendors. The RAD analyst advised Ms. Anderson to provide any information that the Committee felt was relevant to the situation in a response to the Commission (Attachment 2).

On March 30, 2005 at 10:21, the Committee filed a miscellaneous report to the Commission. The filing was an e-text response to the RFAI sent on February 25, 2005, seeking clarification of the additional receipts disclosed on the Amended 2004 Year End Report. The Committee explained that the "receipts were keyed incorrectly into our reporting software. This error was caught by NAFCU's auditors as well and the problem was corrected with our amended report filed on February 7, 2005, 7 days after the year end filing was due" (Image 25990333733).

On March 30, 2005 at 10:54, Ms. Anderson called the RAD analyst to explain that the response to the RFAI was two days late because she had been out of the office for medical reasons. She explained again that the reason for the increase in receipts on the Amended 2004 Year End Report, received February 7, 2005, was because the Committee switched software vendors. She further detailed that when they entered the contributions in question using the new software they assumed the entries were recorded correctly as unitemized receipts. As soon as the Committee realized that the receipts were actually not included on the original report they submitted an amendment. The Analyst told Ms. Anderson that as long as the Committee had electronically submitted a response, explaining the reason for the increased receipts, there was nothing further for her to do. In closing, the Analyst advised her that further action could still be taken against the Committee regarding the matter (Attachment 3).

To date, no further communication has been received from the Committee regarding this matter.

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