

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF ALTERNATIVE DISPUTE RESOLUTION

DATE: August 31, 2006

ANALYST: Andrew Dodson

- I. COMMITTEE: Independent Action, Inc.
(C00139741)
Ralph Santora, Treasurer
1619 13th Street, NW
Washington, DC 20009
- II. RELEVANT STATUTE: 2 U.S.C. §434(b)(4)(A)
2 U.S.C. §434(b)(4)(E)
11 C.F.R. §104.3(b)(1)(i)(A) and (B)
11 C.F.R. §104.3(b)(1)(iii)
11 C.F.R. §106.6(a)
11 C.F.R. §106.6(b)(1)(i)

III. BACKGROUND:

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

Independent Action, Inc. ("the Committee") filed an Amended 2005 Year End Report on February 22, 2006 disclosing additional disbursements totaling \$95,197.78 (Attachment 2).

On January 31, 2006, the Committee filed its original 2005 Year End Report covering the period from July 1 through December 31, 2005. The report disclosed \$38.52 on Line 21(a)(i) (Federal Share of Shared Federal/Non-Federal Operating Expenditures), \$4.28 on Line 21(a)(ii) (Non-Federal Share of Shared Federal/Non-Federal Operating Expenditures) and \$0.00 on Line 26 (Loan Repayments Made) (Image 26990269531).

On February 22, 2006, the Committee filed an Amended 2005 Year End Report covering the period from July 1 through December 31, 2005. This report disclosed \$0.00 on Line 21(a)(i) (Federal Share of Shared Federal/Non-Federal Operating Expenditures), \$94,740.58 on Line 21(a)(ii) (Non-Federal Share of Shared Federal/Non-Federal Operating Expenditures) and \$500.00 on Line 26 (Loan Repayments Made) (Image 26980163446).

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On April 21, 2006, a Request for Additional Information ("RFAI") was sent to the Committee regarding the Amended 2005 Year End Report, received February 22, 2006. Among other discrepancies, the RFAI asked for clarification regarding the \$95,197.78 in additional disbursements that were not disclosed on the Committee's original 2005 Year End Report, received January 31, 2006 (Image 26039023150).

On May 22, 2006 at 11:13, the Committee filed a miscellaneous electronic submission (Form 99) which stated "Because of the problems we were having with our data management company..., we were forced to make estimates based on bank totals in order to file our report in a timely manner. The problems we have had with our data management have been worked out, and their (*sic*) will be no further estimates or delays in our reporting." (Image 26930147975)

On May 22, 2006 at 11:44, the Committee filed another Amended 2005 Year End Report covering the period from July 1 through December 31, 2005. This report disclosed \$47,348.41 on Line 21(a)(i) (Federal Share of Shared Federal/Non-Federal Operating Expenses), \$47,392.17 on Line 21(a)(ii) (Non-Federal Share of Shared Federal/Non-Federal Operating Expenditures) and \$500.00 on Line 26 (Loan Repayments Made) (Image 26960118298).

On June 2, 2006, the Reports Analysis Division ("RAD") analyst received a phone call from Mr. Ralph Santora, treasurer of the Committee. The Analyst informed Mr. Santora that the increase in activity on the Amended 2005 Year End Report was referable to the Office of Alternative Dispute Resolution ("ADR"). The Analyst advised Mr. Santora that the Commission had received the Form 99 explaining the reason for the increase; however, the response was not adequate and would not cancel the referral. The Analyst explained that the Committee could send an additional Form 99 to further clarify the situation (Attachment 3).

On June 12, 2006, the Committee filed another miscellaneous electronic submission (form 99) to further explain the discrepancy. The submission stated "On my original report, I provided an estimate of my receipts and disbursements. I was forced to make an estimate, because of the delay in receiving our data on receipts from our data management company. Like many organizations we keep all of our donor receipt as well as some disbursement information in a database that is of (*sic*) site. I was not able to receive my data in a timely manner, and make my deadline for my FEC report. So I used the information I did have and made my report with a close estimate. Once all of the individual data from each donor was received, I downloaded into my FEC software and amended my report." (Image 26940184753)

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

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