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REPORTS ANALYSIS REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: March 12, 2007

ANALYST: Corbin Jones

I. COMMITTEE: Idaho Democratic Party
(C00010439)
Stephanie Astorquia, Treasurer
P.O. Box 445
Boise, ID 83701

II. RELEVANT STATUTE: 11 C.F.R. §104.17(b)(2)

III. BACKGROUND:

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

The Idaho Democratic Party (“the Committee”) filed an Amended 2006 June Monthly Report to disclose additional receipts totaling \$52,200.00 on October 19, 2006 (Attachment 2).

On June 20, 2006, the Committee filed its original 2006 June Monthly Report covering the period of April 1, 2006 through May 31, 2006 (Image 26950192698). The original report disclosed \$15,000.00 in receipts on Line 18(a) (Transfers From Non-Federal Account for Allocated Activity) of the Detailed Summary Page (Image 26950192700).

On October 16, 2006, the Treasurer of the Committee, Stephanie Astorquia, called the Reports Analysis Division (“RAD”) analyst. Ms. Astorquia explained that the Committee was completing an internal audit and found some discrepancies in its original 2006 June Monthly Report. Ms. Astorquia further explained that numbers had been transposed on Schedule H3 and that two \$26,100.00 transactions had been entered as \$21,600.00, causing a \$9,000.00 discrepancy. The Analyst stated that the relevant reports should be amended to correct the discrepancies, as well as any subsequent reports to

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correct year-to-date totals. The Analyst also explained that there could be possible penalties for an increase in transfers on an amended report, which would partly depend on the amount and nature of the problem. The Analyst advised Ms. Astorquia to submit an explanation of the problem for the public record and that the Committee would be contacted by the Commission if any further action were to be taken (Attachment 3).

On October 19, 2006, the Committee filed an Amended 2006 June Monthly Report covering the period from April 1, 2006 through May 31, 2006 (Image 26940490548). The report disclosed \$67,200.00 in receipts on Line 18(a) (Transfers From Non-Federal Account for Allocated Activity) of the Detailed Summary Page (Image 26940490550). The Schedule H3 (Transfers from Non-Federal Accounts for Allocated Federal/Non-Federal Activity) included two new transactions of \$26,100.00 each. Attached to the two entries, the Committee included the following memo text:

"Prior to filing, we discovered transposition in FECfile as \$21,600 for each of these transfers - which caused a \$9,000 error in cash on hand. We seemed to correct by removing the transfers from FECfile and forgetting to re-enter into FECfile. Transfers are accurate in our underlying record-keeping system, therefore these inadvertently omitted transfers were not discovered in FECfile until we completed audit procedures in September. We apologize for this input error and corrected as soon as known." (Image 26940490626).

On November 1, 2006, a Request for Additional Information ("RFAI") was sent to the Committee referencing the Amended 2006 June Monthly Report, received October 19, 2006. The RFAI asked for any additional clarification regarding the \$52,200.00 in additional receipts on Line 18(a) that were not disclosed on the Committee's original 2006 June Monthly Report (Image 26039263225).

On November 16, 2006, the Committee filed an Amended 2006 June Monthly Report covering the period from April 1, 2006, through May 31, 2006 (Image 26950762999). The amended report disclosed no change in the amount of receipts received by the Committee. The report, however, included memo text associated with two \$26,100.00 entries on Line 18(a) (Transfers From Non-Federal Account for Allocated Activity) which stated:

"This transfer was made on 4/3 from our non-federal account for allocated expenditures paid during the period of 60-days after and 10-days prior. Allocated expenditures during this 70-day period were approximately \$73,100. These transfers complied with the 70-day eligibility requirement. We made the following input error when we reported this transfer: Our regulatory reporting process requires we re-key each transaction into the FECfile software in order to complete our reporting to the FEC. As a part of our final review prior to the filing with the FEC, we discovered these transfers were transposed in FECfile which cumulatively caused a \$9,000 error in cash on hand. We corrected FECfile by removing the transfers from FECfile and inadvertently failed to re-enter these transfers into

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FECfile. Transfers are accurate in our underlying record-keeping system, therefore these inadvertently omitted transfers were not discovered in FECfile until we completed our audit procedures in September. We apologize for this input error and corrected as soon as known." (Image 26950763077)

On December 7, 2006 and December 11, 2006, the RAD analyst called the Committee regarding a possible referral to the Alternative Dispute Resolution Office (ADRO). The Analyst left a voicemail message each time asking Ms. Astorquia to return the call (Attachment 3).

At 13:00 on December 12, 2006, the Committee's Assistant Treasurer, Jill Ellsworth, called the RAD analyst. The Analyst explained that the increase in receipts on the Amended 2006 June Monthly Report, received October 19, 2006, was referable to ADRO. The Analyst informed Ms. Ellsworth that any further clarifying information the Committee could provide should be submitted as quickly as possible. Ms. Ellsworth advised the Analyst that she would have the Treasurer call to discuss the matter (Attachment 3).

On December 12, 2006, Ms. Astorquia left the RAD analyst a voice message late in the evening asking for a call back.

On December 13, 2006, the RAD analyst returned Ms. Astorquia's call. The Analyst explained that the increase in non-federal transfers disclosed on the Amended 2006 June Monthly Report, received October 19, 2006, would be referred to ADRO. The Analyst informed Ms. Astorquia that if she had any further information to disclose regarding the increase in receipts, she should submit the information as quickly as possible. Ms. Astorquia apologized for the problems and advised the Analyst the Committee was trying to stay compliant with federal regulations (Attachment 3).

At 13:50 on December 28, 2006, Ms. Astorquia called the RAD analyst. The Treasurer explained that she was completing a miscellaneous electronic submission (Form 99) in a final attempt to fully explain why the Committee disclosed an increase in receipts on its Amended 2006 June Monthly Report (Attachment 3).

At 14:06 on December 28, 2006, the Committee submitted a miscellaneous electronic submission which stated in part:

... "It is our policy to immediately disclose all relevant information and take corrective action. We immediately drafted a correction to this report, contacted our analyst for additional guidance and immediately filed an amended report. Our emphasis in training and additional professional expertise, ensure we maintain as well as improve the disclosure of our information. Further, our newly implemented audit procedures will ensure that any similar error in the future will be discovered prior to the filing of our reports."

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

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