

## REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: February 22, 2007

ANALYST: Michael H. Hartsock

- 27190272874
- I. COMMITTEE: It's My Party  
(C00409169)  
Ronald R. Gravino, Treasurer (4/21/2005 – Present)  
Kate Whitman, Treasurer (1/12/2005 – 4/20/2005)  
P.O. Box 225  
Colonia, NJ 07067
- II. RELEVANT STATUTE: 2 U.S.C. §434(b)(2)(A)  
2 U.S.C. §434(b)(2)(J)  
11 CFR. §104.3(a)(2)(i)(A) and (B)  
11 CFR §104.3(a)(2)(viii)
- III. BACKGROUND:

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

It's My Party ("the Committee") filed an Amended 2006 July Quarterly Report to disclose additional receipts totaling \$150,511.54 on October 10, 2006 (Attachment 2).

On July 15, 2006, the Committee filed the 2006 July Quarterly Report covering the period from April 1, 2006 through June 30, 2006 (Image 26950258856). This original report disclosed \$66,075.00 on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other Than Political Committees), \$10,889.00 on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons Other Than Political Committees), and \$0.00 in receipts on Line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 26950258858).

On September 11, 2006, the Committee filed an Amended 2006 July Quarterly Report covering the period from April 1, 2006 through June 30, 2006 (Image 26960357105). The amended report disclosed \$93,125.00 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other Than Political Committees), \$15,615.00 in receipts on Line 11(a)(ii) (Unitemized Contributions from

Individuals/Persons Other Than Political Committees) and \$0.00 in receipts on Line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 26960357107).

On September 13, 2006, a Request for Additional Information ("RFAI") was sent to the Committee referencing the Amended 2006 July Quarterly Report, received on September 11, 2006. The RFAI asked for clarification regarding the \$31,776.00 in additional receipts on Lines 11(a)(i) and 11(a)(ii) that were not previously disclosed on the Committee's original 2006 July Quarterly Report (Image 26039182363).

On October 10, 2006, the Committee filed another Amended 2006 July Quarterly Report covering the period from April 1, 2006 through June 30, 2006 (Image 26930423454). This amended report disclosed \$186,413.54 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other Than Political Committees), \$40,062.00 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons Other Than Political Committees), and \$1,000.00 in receipts on Line 17 (Other Federal Receipts) (Image 26930423456).

On October 16, 2006, the Treasurer of the Committee filed a Miscellaneous Electronic Submission (Form 99) referencing the RFAI for the Amended 2006 July Quarterly Report, received on September 11, 2006. The submission stated,

"During the original filing period this committee was using FECFile and began a process converting to Vocus software. In addition data was lost by the PAC's original focal point of deposits when her laptop crashed. This actually happened to an employee of mine in Aug 2006, further causing a loss of data. In order to get better control of our information flow and process we also switched banks during this time period. Also, confusion with our 527 committee has been resolved. We have amended all reports from inception to date correcting any problems with lost data (another amendment of the 7/15/06 report occurred after this letter went out). We have hired a trained compliance data entrust (*sic*) to ensure faster, more accurate data at all times and centralized the disbursement and depositing. We have hired a part-time accountant to handle tying out all bank accts, etc on a monthly basis. I apologize for the sequence of errors requiring so many amendments but can completely assure that going forward amendments of this type will not occur. Please let me know if I can forward additional back-up from our new systems to confirm all cash balances are 100% accurate. Thank you for your consideration and assistance during this process." (Image 26940453596)

On October 27, 2006, an RFAI was sent to the Committee referencing the Amended 2006 July Quarterly Report, received on October 10, 2006. The RFAI asked for clarification regarding the \$150,511.54 in additional receipts on Lines 11(a)(i), 11(a)(ii), and 17 that were not previously disclosed on the Committee's original 2006 July Quarterly Report (Image 26039254348).

On December 6, 2006, the RAD analyst called Ronald Gravino, the Committee Treasurer. The Analyst advised Mr. Gravino that the matter concerning the Committee's increase in receipts on its Amended 2006 July Quarterly Report, received on October 10, 2006 was referable to the Office of General Counsel (OGC). Mr. Gravino understood the situation and stated that the Committee experienced several factors which directly led to the Committee's inability to fully disclose the financial activity that occurred from April 1, 2006 through June 30, 2006 on the original 2006 July Quarterly Report. The Analyst asked Mr. Gravino to provide any further clarification regarding the matter no later than December 15, 2006 (Attachment 3).

On December 15, 2006, the Committee Treasurer filed a Miscellaneous Electronic Submission (Form 99) which stated in part,

"In response to your recent inquiry I would like to summarize the following key points concerning the procedures implemented this year for this PAC. In May 06 I assumed all control over receipts and disbursements and determined that information provided to me and my compliance assistant was incomplete and did not tie out to bank reconciliations (unfortunately recs were not done and we had assumed they were, thus we assumed all cash tied to all detail contributions and disbursements). We filed reports from this excel sheet-generated data thinking it was 100% accurate. I began to tighten all procedures which included but no (*sic*) limited to:

1. Installed Quickbooks accounting software in order to track all financial activity and tie out daily to our bank.
2. Hired an accountant to enter all data from inception to date in to accounting software.
3. Had compliance assistant (experienced individual who has worked on federal compliance and Reporting since April 1999) re-enter all data detail from all check copies we could gather (not excel sheets) in to new reporting software (Vocus).
4. Began process of amending ALL reports (you can see we began in order from the chart below).
5. Determined outside vendor inadvertently was posting transactions automatically in to our Vocus system and we cleaned up that mess.
6. Eliminated activity from Wachovia bank accts that were not under my direct control and set up New accts at Commerce Bank which has online capabilities for daily recs of cash, all now under my control." (Image 26930739300)

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