

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: May 11, 2007

ANALYST: Jennifer Thangavelu

I. COMMITTEE: Stop Union Political Abuse (SUPA)  
 (C00399246)  
 Linda Chavez, Treasurer  
 49 Serenity Lane  
 Dover, DE 19904

II. RELEVANT STATUTES: 2 U.S.C. §434(b)(6)(B)(iii)  
 2 U.S.C. §434(g)(2)  
 2 U.S.C. §434(b)(2)(A)  
 2 U.S.C. §434(b)(2)(F)  
 11 CFR §104.4(b)(2)  
 11 C.F.R. §104.3(a)(2)(i)(A)  
 11 C.F.R. §104.3(a)(2)(i)(B)  
 11 C.F.R. §104.3(a)(2)(v)

III. BACKGROUND:

**Failure to Provide Supporting Schedules (Failure to File 48-Hour Notices and Failure to Disclose All Financial Activity)**

**Amended 2004 30 Day Post-General Report**

Stop Union Political Abuse (SUPA) ("the Committee") filed an Amended 2004 30 Day Post-General Report which disclosed additional receipts totaling \$68,550.23 on November 6, 2006 (Attachment 2).

On December 2, 2004, the Committee filed its 2004 30 Day Post-General Report covering the period from October 14, 2004 through November 22, 2004 (Image 24981616778). This original report disclosed \$3,550.00 on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other Than Political Committees), \$10,368.85 on Line 11(a)(ii) (Unitemized

27190272812

Contributions from Individuals/Persons Other Than Political Committees), and \$0.00 on Line 12 (Transfers from Affiliated/Other Party Committees) of the Detailed Summary Page (Image 24981616780).

On November 6, 2006, the Committee filed an Amended 2004 30 Day Post-General Report covering the period from October 14, 2004 through November 22, 2004 (Image 26940580966). The amended report disclosed \$25,107.00 on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other Than Political Committees), \$57,084.11 on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons Other Than Political Committees) and \$277.97 on Line 12 (Transfers from Affiliated/Other Party Committees) of the Detailed Summary Page (Image 26940580968).

On December 29, 2006, a Request for Additional Information ("RFAI") was sent to the Committee.<sup>1</sup> The RFAI requested clarification regarding the additional receipts, totaling \$68,550.23, that were not disclosed on the Committee's original 2004 30 Day Post-General Report (Image 27039323017-18).

On February 12, 2007 at 10:00 am, the Reports Analysis Division (RAD) analyst called Joy Dingler, Assistant to the Treasurer, and left a voicemail message regarding the disclosure of additional receipts on the Amended 2004 30 Day Post-General Report, received November 6, 2006. The Analyst explained that the issue was referable to the Commission's Office of Alternative Dispute Resolution or Office of General Counsel for legal action. The Analyst requested that the Committee file a miscellaneous electronic submission to clarify, via the public record, why the receipts were not disclosed on the original report (Attachment 3).

On February 12, 2007 at 10:20 am, Ms. Dingler returned the RAD analyst's phone call regarding the Amended 2004 30 Day Post-General Report. She stated that the Committee had not received the RFAI referencing that report but acknowledged problems receiving the mail after the Committee's change of address. The Analyst explained that Ms. Dingler could access the letter on the Commission's website and advised her to notify the Commission of the address change by filing an amended Statement of Organization. Ms. Dingler stated that the Committee is using a new consultant to file reports and the Analyst suggested that she speak with the new consultant about amending the Statement of Organization. Ms. Dingler advised that the Committee would file a miscellaneous electronic submission to explain the additional receipts disclosed on the Amended 2004 30 Day Post-General Report (Attachment 3).

On February 16, 2007, the Committee responded to the RFAI referencing the Amended 2004 30 Day Post-General Report with a miscellaneous electronic submission which stated:

"There was an error made in our July 2004 report because of two data files that had not been received by the individual who prepares our reports. While responding to a previous RQ-2, our outsourcing/compliance consultant noted that

---

<sup>1</sup> The Committee had been previously sent three (3) RFAIs referencing the 2004 Amended 30 Day Post-General Reports received 2/2/05, 5/12/05, and 7/6/05, respectively. These RFAIs requested, among other issues, clarification of additional receipts and/or disbursements not disclosed on the Committee's original 2004 30 Day Post-General Report.

the mistake in the July 2004 report had affected the following reports as well. Because of these missing files we had to amend subsequent reports that were affected (as requested by your RQ-2 dated 10/6/2006). The amended reports due to this error included our 30-day Post General 2004, Year End 2004, Mid Year 2005, and Year End 2005. Please know that it was certainly not our intent to mislead the FEC or the Public in any way. We are currently taking action to figure out why and how the data files were somehow lost in transition to our outsourcing company, and therefore not included in the July 2004 report. We are resolute to make every effort to avoid this type of mistake in the future.” (Image 27950068524)

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

### **2006 October Quarterly Report**

Stop Union Political Abuse (SUPA) (“the Committee”) failed to timely file two (2) 48-Hour Notices to support five (5) independent expenditures totaling \$33,368.14 made between January 1<sup>st</sup> and the 20<sup>th</sup> day before the 2006 Primary election in the State of New York on September 12, 2006 (Attachment 4).

Prior Notices listing the official filing dates for quarterly filers were sent to the Committee on June 21, 2006 and September 21, 2006. The notices included a section titled *48- and 24-Hour Reports on Independent Expenditures*, which reads as follows: “Any PAC or Party Committee that makes independent expenditures in connection with an election may also have to file 48-hour or 24-hour reports. The 48-hour reporting requirement will be triggered each time the committee makes independent expenditures aggregating \$10,000 or more between January 1<sup>st</sup> and the 20<sup>th</sup> day before the election. The 24-hour reporting requirement will be triggered each time the committee makes independent expenditures aggregating \$1,000 or more after the 20th day, but more than 24 hours, before the day of the election. See 11 CFR 104.4” (Attachment 5).

On July 14, 2006, the Committee filed a 2006 July Quarterly Report covering the period of April 1, 2006 through June 30, 2006 (Image 26930229924). The report included a Schedule E (Itemized Independent Expenditures) disclosing one (1) independent expenditure, totaling \$1,623.00, made in opposition of one (1) federal candidate and designated for the 2006 Primary election in the State of New York (Image 26930229983).

On October 15, 2006, the Committee filed a 2006 October Quarterly Report covering the period of July 1, 2006 through September 30, 2006 (Image 26940441245). The report included a Schedule E (Itemized Independent Expenditures) disclosing four (4) independent expenditures, totaling \$31,745.14, made in opposition of one (1) federal candidate and designated for the 2006 Primary election in the State of New York (Image 26940441416-26940441418).

On October 17, 2006, the Committee filed three (3) 48-Hour Notices to support five (5) independent expenditures totaling \$33,368.14, made in opposition of one (1) federal candidate

27190272814

and designated for the Primary election in the State of New York (Images 26940455658-26940455659, 26950609387, and 26960542684).

Based upon the information and expenditures disclosed on the report and the notices, the Committee failed to timely file two (2) 48-Hour Notices for five (5) independent expenditures totaling \$33,368.14.

On December 20, 2006, a Request for Additional Information ("RFAI") was sent to the Committee referencing the 2006 October Quarterly Report. The RFAI noted that the Committee may have failed to timely file one or more of the required 48-Hour Notices for independent expenditures disclosed on the report.<sup>2</sup> In addition, the RFAI stated that, although the Commission may take further legal action, the Committee's prompt response concerning the matter would be taken into consideration. A chart was included with the RFAI identifying four of the five independent expenditures, totaling \$31,745.14, for which 48-Hour Notices were not timely filed (Image 26039313858).

On January 22, 2007, the Committee filed a miscellaneous electronic submission referencing the RFAI for the 2006 October Quarterly Report, which stated in part, "Though the 48-hour notices were not filed timely, they have been filed. It was never our intent to circumvent the law." (Image 27940066725)

On February 5, 2007, the Reports Analysis Division ("RAD") analyst called Joy Dingler, Assistant to the Treasurer, and left a voice mail message informing her that the Committee would be referred to the Commission's Office of Alternative Dispute Resolution for failure to timely file 48-Hour Notices for independent expenditures disclosed on its 2006 October Quarterly Report. The Analyst acknowledged receipt of the miscellaneous electronic submission filed in response to the letter for that report, and requested that any additional clarification for the public record be filed within a week (Attachment 3).

On February 12, 2007, Ms. Dingler returned the RAD analyst's phone call. The Analyst explained that the Committee had not timely filed 48-Hour Notices for independent expenditures disclosed on the 2006 October Quarterly Report, and that this issue was referable to the Commission's Office of Alternative Dispute Resolution. The Analyst noted that the Committee had already filed a miscellaneous electronic submission in response to the RFAI for that issue, and advised Ms. Dingler that the Committee could provide additional clarification on the public record (Attachment 3).

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

---

<sup>2</sup> The RFAI inadvertently omitted reference to the Committee's failure to timely file a 24-Hour Notice for one (1) independent expenditure, dated September 9, 2006, totaling \$2,900.00.