

REPORTS ANALYSIS REFERRAL

TO

ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: July 20, 2007

ANALYST: Sally Bacon

I. COMMITTEE: Matt Brown for U.S. Senate
C00409722
James Vincent, Treasurer
P.O. Box 6785
Providence, RI 02940

II. RELEVANT STATUTE: 2 U.S.C. §434(b)
11 CFR §104.3(a)

III. BACKGROUND:

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

Matt Brown for U.S. Senate (“the Committee”) filed an Amended 2006 April Quarterly Report to disclose increased debts totaling \$94,835.32 on April 11, 2007 and also filed an Amended 2006 July Quarterly Report to disclose increased debts totaling \$54,669.69 on April 11, 2007 (Attachment 2).

Amended 2006 April Quarterly Report

On April 14, 2006, the Committee filed the original 2006 April Quarterly Report covering the period of January 1, 2006 to March 31, 2006 (Image 26020272776). The original report disclosed \$173,951.54 on Line 10 (Debts and Obligations Owed by the Committee) of the Summary Page (Image 26020272777).

On April 26, 2006, the Committee filed an Amended 2006 April Quarterly Report covering the period of January 1, 2006 to March 31, 2006 (26020311169). The amended report disclosed \$263,734.57 on Line 10 (Debts and Obligations Owed by the Committee) of the Summary Page (Image 26020311170).

On July 5, 2006, a Request for Additional Information (“RFAI”) was sent to the Committee referencing the Amended 2006 April Quarterly Report, dated April 25, 2006 (this is the report that the Committee filed on April 26, 2006). The RFAI asked for clarification

regarding the substantial increase in debts that were not disclosed in the original filing on April 14, 2006 (Image 26039104654).

On July 27, 2006, Larry Gold, the Committee's attorney, called the RAD analyst to express his confusion about the type of response needed for the RFAI, stating that the Committee had left off the referenced activity and it could not be further amended. The Analyst advised him to submit a letter explaining why the activity was left off the original report (Attachment 3).

On August 3 and 10th, 2006, the Committee filed identical responses to the July 5, 2006 RFAI, which stated in part:

“...Nine of 22 entries on Schedule D in the amended reports were inadvertently or unavoidably omitted from the original report as filed for various reasons, as follows. Virtually all of the obligations reflect bills by vendors of political consulting and other services to the campaign. Numerous invoices were received late, and in several cases the committee had to review its records and those of the vendor in order to reconcile conflicting information and ascertain amounts that were due, and these efforts took place after the original report was filed. Additionally, during April, the campaign experienced significant political and financial setbacks, layoffs of staff and changes in management that interfered with its operations, including its ability to prepare and file the original report.

...While the committee regrets the circumstances that caused it to have to amend the original report, the errors were unintentional, the committee realized that further review was necessary and promptly and on its own initiative corrected the report, and there was no resulting prejudice to either the public or any other candidate...” (Image 26020592018)

On April 11, 2007, the Committee filed another Amended 2006 April Quarterly Report covering the period of January 1, 2006 to March 31, 2006 (Image 27020112910). The amended report disclosed \$268,786.86 on Line 10 (Debts and Obligations Owed by the Committee) of the Summary Page (Image 27020112911).

Amended 2006 July Quarterly Report

On July 15, 2006, the Committee filed the original 2006 July Quarterly Report covering the period of April 1, 2006 to June 30, 2006 (Image 26020530728). The original report disclosed \$318,439.55 on Line 10 (Debts and Obligations Owed by the Committee) of the Summary Page (Image 26020530729).

On August 3, 2006, the Committee filed an Amended 2006 July Quarterly Report covering the period of April 1, 2006 to June 30, 2006 (Image 26020592023). The amended report disclosed \$368,056.95 on Line 10 (Debts and Obligations Owed by the Committee) of the Summary Page (Image 26020592024).

On September 29, 2006, a Request for Additional Information (“RFAI”) was sent to the Committee referencing the Amended 2006 July Quarterly Report, dated July 25,

2006 (this is the report that the Committee filed on August 3, 2006). The RFAI asked for clarification regarding the substantial increase in debts that were not disclosed in the original filing on July 15, 2006 (Image 26039192474).

On April 11, 2007, the Committee filed another Amended 2006 July Quarterly Report covering the period of April 1, 2006 to June 30, 2006 (Image 27020112925). The amended report disclosed \$373,109.24 on Line 10 (Debts and Obligations Owed by the Committee) of the Summary Page (Image 27020112926).

On April 24, 2007, a Request for Additional Information ("RFAI") was sent to the Committee referencing the Amended 2006 July Quarterly Report, dated April 2, 2007 (this is the report that the Committee filed on April 11, 2007). The RFAI asked for clarification regarding the substantial increase in debts that were not disclosed in the original filing on July 15, 2006¹ (Image 27039431694).

On May 23, 2007, the Committee filed a response to the April 24, 2007 RFAI. The Committee reiterated verbatim its reasons for not reporting all debts in the original reports as was outlined within the August 3rd and 10th filing referenced above (Image 27020172064).

No further communication has been received from the Committee regarding these matters.

¹ The RFAI erroneously stated that the original filing was dated 4/14/06, when it was in fact dated 7/14/06