

REPORTS ANALYSIS REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: August 12, 2008

ANALYST: Laura Sinram

I. COMMITTEE: Engineers Political Education Committee (EPEC)/
International Union of Operating Engineers
C00029504
Mr. Christopher J. Hanley, Treasurer
1125 17th St., NW
Washington, DC 20036

II. RELEVANT STATUTE: 2 U.S.C. § 434(b)(2)(A)
2 U.S.C. § 434(b)(2)(F)
2 U.S.C. § 434(b)(2)(J)
11 C.F.R. § 104.3(a)(2)(i)(B)
11 C.F.R. § 104.3(a)(2)(v)
11 C.F.R. § 104.3(a)(2)(viii)

III. BACKGROUND:

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

The Engineers Political Education Committee (EPEC)/International Union of Operating Engineers ("the Committee") amended its 2007 October Monthly Report to disclose additional receipts totaling \$452,717.49 (Attachment 2).

On October 19, 2007, the Committee filed its original 2007 October Monthly Report covering the period from September 1, 2007 through September 30, 2007. This report disclosed \$43,708.68 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons Other than Political Committees), \$0.00 in receipts on Line 12 (Transfers from Affiliated Committees), and \$7,175.28 on Line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 27931490282).

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On November 20, 2007, the Committee filed an Amended 2007 October Monthly Report, which disclosed \$43,708.68 in receipts on Line 11(a)(ii), \$452,500.00 in receipts on Line 12 and \$7,392.77 in receipts on Line 17 of the Detailed Summary Page (Image 27931613479).

On April 18, 2008, a Request for Additional Information ("RFAI") was sent to the Committee referencing the Amended 2007 October Monthly Report, received November 20, 2007. The RFAI asked for clarification regarding the \$452,717.49 in additional receipts on Lines 12 and 17 that were not disclosed on the Committee's original 2007 October Monthly Report (Image 28039700672).

On May 19, 2008, the Committee filed a Miscellaneous Electronic Submission (FEC FORM 99) in response to the RFAI referencing the Amended 2007 October Monthly Report, received November 20, 2007, which stated, in part:

"Due to a data entry error, a batch of receipts that included \$452,500.00 in transfers from affiliated locals was omitted {sic} from our third party reporting software. In addition, receipts from various unidentified individuals in the amount of \$217.49 were omitted {sic} from the report. These errors were exacerbated by turnover in the management staff during the reporting month. We have taken steps to ensure these types of clerical errors will not occur going forward" (Image 28991021181).

On May 27, 2008, the Reports Analysis Division (RAD) Analyst called Liz Nadeau, an attorney for the Committee, regarding, among other issues, the Amended 2007 October Monthly Report, received November 20, 2007. The Analyst explained that the amendment disclosed a \$452,717.49 increase in receipts, and the Committee would be referred for enforcement action because it had not disclosed all of its receipts on the original 2007 October Monthly Report (Attachment 3).

On May 28, 2008, Ms. Nadeau called the RAD Analyst regarding, among other issues, the Amended 2007 October Monthly Report, received November 20, 2007, and stated that she would like to submit a more detailed explanation regarding the increase in receipts (Attachment 3). When Ms. Nadeau called the Analyst back on May 30, 2008, the Analyst confirmed that the increase in receipts was referable and while a more detailed explanation regarding the increase in receipts was not required, the Committee could provide further clarification (Attachment 3).

On June 3, 2008, the Committee filed a FEC FORM 99 referencing the RFAI sent on the Amended 2007 October Monthly Report, received November 20, 2007. The Committee stated, in part, that the omission was due to staff turnover, and outlined the steps it had taken to correct its procedures. The FEC FORM 99 also explained, in part, that the additional receipts on Line 12 were transfers from its affiliated committees, and the additional \$217.49 in receipts on Line 17 "represent[ed] the receipts from individuals that fall below the \$200 itemization threshold." The Committee stated that it had filed an amended October Monthly Report to correctly disclose the additional \$217.49 in unitemized receipts on Line 11(a)(ii) (Images 28931742632-3).

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On June 4, 2008, the Committee filed an Amended 2007 October Monthly Report, which disclosed \$43,926.17 in receipts on Line 11(a)(ii), \$452,500.00 in receipts on Line 12, and \$7,175.28¹ in receipts on Line 17 of the Detailed Summary Page (Image 28991217393).

Subsequently on June 4, 2008, Anthony Cain, the Committee's Controller and new Reporting Director, called the Analyst regarding, among other issues, the Amended 2007 October Monthly Report, received June 4, 2008. The Analyst explained that the memo text provided with the report, as well as the FEC FORM 99, received June 3, 2008, further clarified the increase in receipts (Attachment 3).

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

¹ This was the amount reported on the original October Monthly Report.

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ENGINEERS POLITICAL EDUCATION COMMITTEE (EPEC), INTERNATIONAL UNION OF OPERATING ENGINEERS PARTY QUALIFIED ID #C00029504
 Hanley, Christopher J. Mr. 1125 17th St. NW Washington DC 20036
 FILING FREQUENCY: MONTHLY

| FORM TYPE | RPT TYPE | AI | PGI | REC DATE | PGS | BEG IMAGE | COVERAGE DATES | BEG CASH | RECEIPTS | DISBURSE | END CASH | DEBTS BY |
|-----------|----------|----|-----|------------|-----|-------------|-----------------------|----------|----------|----------|----------|----------|
| 1 | | | A | 1/18/2007 | 4 | 27940059195 | | | | | | |
| 1 | | | A | 4/27/2007 | 13 | 27990034054 | | | | | | |
| 1 | | | A | 2/11/2008 | 75 | 28990448053 | | | | | | |
| 1 | | | A | 3/26/2008 | 77 | 28990712029 | | | | | | |
| 1 | | | A | 4/22/2008 | 77 | 28990891016 | | | | | | |
| 1 | | | A | 5/29/2008 | 79 | 28931723463 | | | | | | |
| 1 | | | A | 6/05/2008 | 83 | 28931747144 | | | | | | |
| 1 | | | A | 6/06/2008 | 85 | 28991249745 | | | | | | |
| MS | | | T | 2/01/2007 | 1 | 27930122821 | | | | | | |
| MS | | | T | 4/27/2007 | 1 | 27930687210 | | | | | | |
| MS | | | T | 4/27/2007 | 1 | 27990034053 | | | | | | |
| MS | | | T | 4/27/2007 | 1 | 27930687211 | | | | | | |
| MS | | | T | 4/30/2007 | 1 | 27930689265 | | | | | | |
| MS | | | T | 4/30/2007 | 1 | 27990034885 | | | | | | |
| MS | | | T | 5/04/2007 | 7 | 27039434804 | | | | | | |
| MS | | | T | 5/19/2008 | 1 | 28931584997 | | | | | | |
| MS | | | T | 5/19/2008 | 1 | 28991021181 | | | | | | |
| MS | | | T | 5/19/2008 | 1 | 28931585476 | | | | | | |
| MS | | | T | 6/03/2008 | 2 | 28931742632 | | | | | | |
| RQ | | | 1 | 3/28/2007 | 3 | 27039411185 | 3/28/2007 | | | | | |
| RQ | M4 | 2 | | 10/10/2007 | 3 | 27039534273 | 3/01/2007 3/31/2007 | | | | | |
| RQ | M5 | 2 | | 10/10/2007 | 2 | 27039534254 | 4/01/2007 4/30/2007 | | | | | |
| RQ | M7 | 2 | | 10/10/2007 | 2 | 27039534256 | 6/01/2007 6/30/2007 | | | | | |
| RQ | M8 | 2 | | 10/10/2007 | 3 | 27039534258 | 7/01/2007 7/31/2007 | | | | | |
| RQ | M9 | 2 | | 10/10/2007 | 3 | 27039534270 | 8/01/2007 8/31/2007 | | | | | |
| RQ | M10 | 2 | | 4/18/2008 | 3 | 28039700672 | 9/01/2007 9/30/2007 | | | | | |
| RQ | M11 | 2 | | 4/18/2008 | 3 | 28039700683 | 10/01/2007 10/31/2007 | | | | | |
| RQ | YE | 2 | | 4/18/2008 | 5 | 28039700675 | 12/01/2007 12/31/2007 | | | | | |

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ENGINEERS POLITICAL EDUCATION COMMITTEE (EPEC) INTERNATIONAL UNION OF OPERATING ENGINEERS PARTY QUALIFIED ID #C00029504
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 FILING FREQUENCY: MONTHLY

| FORM TYPE | RPT TYPE | AI | PGI | REC DATE | PGS | BEG IMAGE | COVERAGE DATES | BEG CASH | RECEIPTS | DISBURSE | END CASH | DEBTS BY |
|-----------|----------|----|-----|------------|-----|-------------|-----------------------|----------|----------|----------|----------|----------|
| RQ | | | 1 | 1/04/2008 | 3 | 28039581429 | 1/04/2008 | | | | | |
| RQ | | | 1 | 4/16/2008 | 3 | 28039693412 | 4/16/2008 | | | | | |
| RQ | M4 | | 2 | 5/23/2008 | 4 | 28039740007 | 3/01/2008 3/31/2008 | | | | | |
| 3 | M2 | N | P | 2/20/2007 | 13 | 27950078449 | 1/01/2007 1/31/2007 | 1770349 | 58328 | 275 | 1828403 | 0 |
| 3 | M3 | N | P | 3/19/2007 | 54 | 27930316303 | 2/01/2007 2/28/2007 | 1828403 | 331436 | 197 | 2159642 | 0 |
| 3 | M4 | N | P | 4/19/2007 | 104 | 27930659289 | 3/01/2007 3/31/2007 | 2159642 | 102458 | 544608 | 1717491 | 0 |
| 3 | M4 | A | P | 10/19/2007 | 105 | 27990842107 | 3/01/2007 3/31/2007 | 2159642 | 102458 | 544608 | 1717491 | 0 |
| 3 | M4 | A | P | 6/18/2008 | 10 | 28039752391 | 3/01/2007 3/31/2007 | - | - | - | - | - |
| 3 | M5 | N | P | 5/17/2007 | 114 | 27930722697 | 4/01/2007 4/30/2007 | 1717491 | 108731 | 952 | 1825270 | 0 |
| 3 | M5 | A | P | 10/19/2007 | 115 | 27990843571 | 4/01/2007 4/30/2007 | 1717491 | 108731 | 952 | 1825270 | 0 |
| 3 | M6 | N | P | 6/07/2007 | 328 | 27930763514 | 5/01/2007 5/31/2007 | 1825270 | 231256 | 15333 | 2041194 | 0 |
| 3 | M6 | A | P | 10/19/2007 | 329 | 27931478739 | 5/01/2007 5/31/2007 | 1825270 | 231256 | 15333 | 2041194 | 0 |
| 3 | M7 | N | P | 7/12/2007 | 396 | 27990207173 | 6/01/2007 6/30/2007 | 2041194 | 113775 | 206 | 2154763 | 0 |
| 3 | M7 | A | P | 10/19/2007 | 397 | 27931480001 | 6/01/2007 6/30/2007 | 2041194 | 113775 | 206 | 2154763 | 0 |
| 3 | M8 | N | P | 8/13/2007 | 399 | 27931064676 | 7/01/2007 7/31/2007 | 2154763 | 130636 | 1838- | 2287237 | 0 |
| 3 | M8 | A | P | 10/19/2007 | 400 | 27990847600 | 7/01/2007 7/31/2007 | 2154763 | 130636 | 1838- | 2287237 | 0 |
| 3 | M9 | N | P | 9/20/2007 | 526 | 27931210899 | 8/01/2007 8/31/2007 | 2287237 | 179352 | 739725 | 1726864 | 0 |
| 3 | M9 | A | P | 10/19/2007 | 527 | 27990848941 | 8/01/2007 8/31/2007 | 2287237 | 179352 | 739725 | 1726864 | 0 |
| 3 | M9 | A | P | 11/20/2007 | 528 | 27931612933 | 8/01/2007 8/31/2007 | 2287237 | 179352 | 739725 | 1726864 | 0 |
| 3 | M9 | A | P | 6/18/2008 | 1 | 28039754586 | 8/01/2007 8/31/2007 | - | - | - | - | - |
| 3 | M10 | N | P | 10/19/2007 | 401 | 27931490280 | 9/01/2007 9/30/2007 | 1726864 | 106388 | 235 | 1833017 | 0 |
| 3 | M10 | A | P | 11/20/2007 | 404 | 27931613477 | 9/01/2007 9/30/2007 | 1726864 | 559105 | 235 | 2285735 | 0 |
| 3 | M10 | A | P | 6/04/2008 | 404 | 28991217391 | 9/01/2007 9/30/2007 | 1726864 | 559105 | 235 | 2285735 | 0 |
| 3 | M11 | N | P | 11/21/2007 | 426 | 27931618560 | 10/01/2007 10/31/2007 | 2285735 | 443474 | 12843 | 2716366 | 0 |
| 3 | M11 | A | P | 6/03/2008 | 425 | 28991216058 | 10/01/2007 10/31/2007 | 2285735 | 443474 | 12843 | 2716366 | 0 |
| 3 | M11 | A | P | 6/03/2008 | 8 | 28039742249 | 10/01/2007 10/31/2007 | - | - | - | - | - |

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FEDERAL ELECTION COMMISSION
 OGC INDEX - (0) (2007-2008)

DATE 8/12/2008
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ENGINEERS POLITICAL EDUCATION COMMITTEE (EPEC) INTERNATIONAL UNION OF OPERATING ENGINEERS - PARTY QUALIFIED ID #C00029504
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|-----------|----------|----|-----|------------|-----|-------------|-----------------------|----------|----------|----------|----------|----------|
| 3 | M11 | A | P | 6/06/2008 | 426 | 28931769514 | 10/01/2007 10/31/2007 | 2285735 | 443474 | 12843 | 2716366 | 0 |
| 3 | M12 | N | P | 12/19/2007 | 431 | 27931674486 | 11/01/2007 11/30/2007 | 2716366 | 204428 | 253 | 2920541 | 0 |
| 3 | M12 | A | P | 2/20/2008 | 432 | 28930610892 | 11/01/2007 11/30/2007 | 2716366 | 199428 | 4746- | 2920541 | 0 |
| 3 | YE | N | P | 1/30/2008 | 530 | 28930176755 | 12/01/2007 12/31/2007 | 2920541 | 257605 | 504777 | 2673368 | 0 |
| 3 | YE | A | P | 2/20/2008 | 530 | 28930612157 | 12/01/2007 12/31/2007 | 2920541 | 257605 | 504777 | 2673368 | 0 |
| 3 | YE | A | P | 5/19/2008 | 11 | 28039731861 | 12/01/2007 12/31/2007 | - | - | - | - | - |
| 3 | YE | A | P | 6/02/2008 | 4 | 28039741790 | 12/01/2007 12/31/2007 | - | - | - | - | - |
| 3 | YE | A | P | 6/04/2008 | 531 | 28991217834 | 12/01/2007 12/31/2007 | 2920541 | 257605 | 504777 | 2673368 | 0 |
| 3 | YE | A | P | 6/18/2008 | 1 | 28039754583 | 12/01/2007 12/31/2007 | - | - | - | - | - |
| 3 | M2 | N | P | 2/20/2008 | 22 | 28990484932 | 1/01/2008 1/31/2008 | 2673368 | 122537 | 4765- | 2800672 | 0 |
| 3 | M3 | N | P | 3/20/2008 | 16 | 28990619939 | 2/01/2008 2/29/2008 | 2800672 | 182969 | 327 | 2983314 | 0 |
| 3 | M4 | N | P | 4/17/2008 | 31 | 28931178312 | 3/01/2008 3/31/2008 | 2983314 | 183218 | 36432 | 3130100 | 0 |
| 3 | M4 | A | P | 6/18/2008 | 32 | 28931899023 | 3/01/2008 3/31/2008 | 2983314 | 183218 | 36432 | 3130100 | 0 |
| 3 | M4 | A | P | 6/18/2008 | 5 | 28039752402 | 3/01/2008 3/31/2008 | - | - | - | - | - |
| 3 | M5 | N | P | 5/20/2008 | 26 | 28991034026 | 4/01/2008 4/30/2008 | 3130100 | 255674 | 247 | 3385527 | 0 |
| 3 | M6 | N | P | 6/20/2008 | 238 | 28991319359 | 5/01/2008 5/31/2008 | 3385527 | 111937 | 519187 | 2978277 | 0 |
| 3 | M7 | N | P | 7/18/2008 | 471 | 28991500842 | 6/01/2008 6/30/2008 | 2978277 | 186616 | 62469 | 3102423 | 0 |
| TOTAL | | | | | | | | | 3758535 | 2426464 | | |

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Engineers Political Education Committee (EPEC)/International Union of Operating Engineers (C00029504)

2007 October Monthly Report/Amended 2007 October Monthly Report

Overview of Additional Receipts

| Report Line | Original 2007 October Monthly Report (Image 27931490282) | Amended 2007 October Monthly Report, Received 6/4/08 (Image 28991217393) | Variance Amount |
|--|---|---|----------------------------|
| Line 11(a)(ii): Individual Contributions (Unitemized) | \$43,708.68 | \$43,926.17 | \$217.49 |
| Line 12: Transfers from Affiliates | \$0.00 | \$452,500.00 | \$452,500.00 |

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