

REPORTS ANALYSIS DIVISION REFERRAL  
TO  
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: June 10, 2011

ANALYST: Seth Kaye

- I. COMMITTEE: Vern Buchanan for Congress  
C00412759  
Joseph R. Gruters, Treasurer  
Post Office Box 48928  
Sarasota, FL 34230
- II. RELEVANT STATUTES: 11 CFR § 103.3(b)(3)  
11 CFR § 104.8(d)(4)  
11 CFR § 110.1(b)  
2 U.S.C. §441a

III. BACKGROUND:

**Excessive, Prohibited and Other Impermissible Contributions or Transfers: Failure to Refund or Redesignate Impermissible Primary Debt Contributions within 60 Days of Receipt**

Vern Buchanan for Congress ("the Committee") received 2010 Primary Election debt retirement contributions totaling \$27,900.00 from ten (10) individuals and one (1) multi-candidate political action committee during the 2010 October Quarterly, 12 Day Pre-General, and 30 Day Post-General reporting periods. The Committee did not have net debts outstanding from the 2010 Primary Election, and the contributions were not refunded or redesignated within the permissible timeframe (Attachment 2).

2010 October Quarterly Report

On October 15, 2010, the Committee filed the 2010 October Quarterly Report covering the period from August 5, 2010 to September 30, 2010. The report disclosed contributions totaling \$3,700.00 from two (2) individuals on Schedule A supporting Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other Than Political Committees) of the Detailed Summary Page that were designated for 2010 Primary Election debt (Images 10991365021-22).

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On February 10, 2011, a Request for Additional Information ("RFAI") was sent to the Committee stating that the Committee could only keep debt retirement contributions for the 2010 Primary Election if the Committee had net debts outstanding. The RFAI notified the committee that in absence of net debts outstanding, they must refund or redesignate all 2010 Primary Election debt retirement contributions (Image 11330004818).

On February 25, 2011, the Committee filed an Amended 2010 October Quarterly Report that disclosed no changes to the 2010 Primary Election debt contributions disclosed in the original filing (Images 11930418193-94).

#### 2010 12 Day Pre-General Report

On October 21, 2010, the Committee filed the 2010 12 Day Pre-General Report covering the period from October 1, 2010 to October 13, 2010. This report disclosed a \$2,400.00 contribution from one (1) individual on Schedule A supporting Line 11(a)(i) of the Detailed Summary Page that was designated for 2010 Primary Election debt (Image 10991754827).

On February 10, 2011, an RFAI was sent to the Committee stating that the Committee could only keep debt retirement contributions for the 2010 Primary Election if the Committee had net debts outstanding. The RFAI notified the committee that in absence of net debts outstanding, they must refund or redesignate all 2010 Primary Election debt retirement contributions (Image 11330004821).

On February 25, 2011, the Committee filed an Amended 2010 12 Day Pre-General Report that disclosed no changes to the 2010 Primary Election debt contributions disclosed in the original filing (Image 11990236623).

#### 2010 30 Day Post-General Report

On December 2, 2010, the Committee filed the 2010 30 Day Post-General Report covering the period from October 14, 2010 to November 22, 2010. This report disclosed contributions totaling \$21,800.00 from seven (7) individuals on Schedule A supporting Line 11(a)(i) and one (1) non-party multi-candidate political committee on Schedule A supporting Line 11(c) (Contributions From Other Political Committees) of the Detailed Summary Page that were designated for 2010 Primary Election debt (Image 10931939291).

On January 18, 2011, the Committee filed an Amended 2010 30 Day Post-General Report that disclosed no changes to the 2010 Primary debt contributions disclosed in the original filing (Image 11930089686).

On February 17, 2011, an RFAI was sent to the Committee stating that the Committee could only keep debt retirement contributions for the 2010 Primary Election if the Committee had net debts outstanding. The RFAI notified the committee that in

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absence of net debts outstanding, they must refund or redesignate all 2010 Primary Election debt retirement contributions (Image 11330005292).

On March 18, 2011, the Committee filed an Amended 2010 30 Day Post-General Report that disclosed no changes to the 2010 Primary Election debt retirement contributions disclosed in the original filing (Image 11930526209).

On April 12, 2011, the Reports Analysis Division ("RAD") Analyst called Joseph R. Gruters, treasurer, to inform him about a possible referral of the Committee for further Commission action because of their acceptance of 2010 Primary Election debt retirement contributions after the 2010 Primary Election. The Analyst explained to Mr. Gruters that the Committee did not appear to have net debts outstanding for the 2010 Primary Election, as referenced in RFAIs sent on the Committee's 2010 October Quarterly Report, 12 Day Pre-General Report and Amended 30 Day Post-General Report. The Analyst reviewed the informational resources available regarding net debts outstanding with Mr. Gruters, including the FEC Campaign Guide for Congressional Candidates and Committees and the Explanation and Justification of the regulations. The Analyst advised Mr. Gruters that the Committee should refund any impermissible 2010 Primary Election debt retirement contributions, and that any corrective action would be taken into consideration (Attachment 3).

On the same day, April 12, 2011, Adele Pruss, a committee representative, called the RAD Analyst to follow up on the earlier conversation with Mr. Gruters. Ms. Pruss first asked if there were any new letters sent regarding the 2010 Primary debt retirement contributions. The Analyst told her that there were no new RFAIs sent; however, the issue was raised in RFAIs sent for the 2010 October Quarterly Report, 12 Day Pre-General Report and Amended 30 Day Post-General Report, and the apparent violations had not been addressed. Ms. Pruss indicated she thought everything was in order with the contributions toward 2010 Primary debt at the time, and asked where to find information on calculating net debts outstanding. The Analyst referred her to the available resources and stated that any corrective action taken by the Committee would be considered (Attachment 3).

Ms. Pruss called the RAD Analyst a second time on April 12, 2011, to ask additional questions about calculating net debts, including whether debts from previous elections should be included in the net debts calculation. The Analyst explained that net debts outstanding are calculated in regard to a specific election and thus include only debts incurred with respect to that election. In this case, only 2010 Primary Election transactions should be included in the net debt calculation. Ms. Pruss said she was going to run a report to determine the cash-on-hand balance as of the 2010 Primary Election date (Attachment 3).

On April 15, 2011, the Committee filed a Miscellaneous Electronic Submission (Form 99), which stated, in full:

"Per a telephone conversation between Joe Gruters and Seth, the FEC Report Analyst, the campaign has reviewed the records to determine if

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there was in fact a 'Net Debt' for the 2010 Primary cycle. In this review, it was determined that there was NOT a 'Net Debt' of \$45,000 and that the campaign had mistakenly raised a total of \$30,300 to retire the 2010 Primary debt. Of the \$30,300 raised, the campaign had already refunded \$2,400 of that amount on 11/1/10. Checks to refund the remaining \$27,900 have been issued and sent on 4/15/11. Your assistance in notifying the campaign of this error is appreciated" (Image 11930678715).

On April 18, 2011, Ms. Pruss called the RAD Analyst to say the Committee determined they had no net debts outstanding for the 2010 Primary Election. Ms. Pruss said that a Form 99 was filed electronically on April 15, 2011, and that refund checks had been issued for each contribution that the Committee received for 2010 Primary Election debt retirement. The Analyst advised Ms. Pruss to send in copies of the refund checks (Attachment 3).

On the same day, April 18, 2011, the Committee filed a Miscellaneous Text Submission (Form 99), which stated, in part:

"Enclosed please find copies of 11 refund checks which were issued by the Vern Buchanan for Congress Committee. These checks represent refunds of the contributions received for retirement of a 2010 Primary Debt. Also enclosed is a copy of the Form 99 which was submitted on Friday, April 15, 2011 - see FEC-723693. These refund checks will be reported on the July 2011 Report"

Attached to the Form 99 was a copy of the April 15, 2011 Form 99 and copies of eleven (11) refund checks for the 2010 Primary Election debt retirement contributions accepted during the 2010 October Quarterly, 12 Day Pre-General, and 30 Day Post-General reporting periods (Image 11030601372).

To date, no further communications have been received from the Committee regarding this matter.

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