

REPORTS ANALYSIS DIVISION REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: June 16, 2011

ANALYST: Nicole Miller

- I. COMMITTEE: Philadelphia Joint Board UNITE HERE TIPS
C00165324
Ms. Mildred Saldana, Treasurer
22 South 22nd St.
Philadelphia, PA 19103
- II. RELEVANT STATUTE: 2 U.S.C. § 441b
11 CFR § 103.3(b) and 114.5(b)
- III. BACKGROUND:

Excessive, Prohibited, and Other Impermissible Contributions or Transfers

The Philadelphia Joint Board UNITE HERE TIPS ("the Committee") disclosed an apparent prohibited receipt totaling \$33,261.00 on its 2009 Mid-Year Report. The Committee transferred the funds to its connected organization on June 24, 2010, as disclosed on the 2010 July Quarterly Report, which was outside the permissible timeframe for refunding or transferring-out prohibited receipts (Attachment 1).

On July 28, 2009, the Committee filed its original 2009 Mid-Year Report covering the period of January 1, 2009 through June 30, 2009. The report disclosed two (2) receipts from "UNITE HERE," totaling \$39,337.00 on Schedule A supporting Line 15 (Offsets to Operating Expenditures). The first receipt, totaling \$33,261.00, was received on March 5, 2009 and included the purpose "Reimbursements of campaign expens;" the second receipt, totaling \$6,076.00, was received on March 6, 2009 and included the purpose "Reimbursements of campaign expenses" (Image 29992517158).

On January 29, 2010, a Request for Additional Information ("RFAI") was sent to the Committee referencing the 2009 Mid-Year Report. The RFAI, among other issues, requested

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clarification regarding the \$39,337.00 in offsets received from "UNITE HERE" without having disclosed any prior disbursement(s) to the entity. The RFAI also explained that any reimbursements from a connected organization to its separate segregated fund for solicitations or administrative expenses must occur within thirty days after paying the expense (Images 10030232809 - 11).

On February 25, 2010, the Committee filed an Amended 2009 Mid-Year Report. The report disclosed no change in the Committee's financial activity; however, the Committee provided additional information for each receipt from "UNITE HERE." The transaction descriptions stated, "Reim of campaign 2008 expenses UNITEHERE paid us in 2009. Will not do it again," and "Reim of 2008 campaign expenses UNITEHERE was billed in 2008 paid us in 2009. Won't do again" (Image 10990338176).

On April 16, 2010, an RFAI was sent referencing the Amended 2009 Mid-Year Report, received February 25, 2010. The RFAI requested clarification on the source of the \$33,261.00¹ receipt from "UNITE HERE" that was not disclosed on the apparent donor noncommittee's report(s) of receipts and disbursements (images 10030300660-62).

On April 22, 2010, Ms. Saldana, the Committee's treasurer, called the RAD Analyst to ask about the RFAI referencing the Amended 2009 Mid-Year Report, received February 25, 2010. The Analyst stated that the receipt from "UNITE HERE," totaling \$33,261.00 was not disclosed as a disbursement on the donor's report. Ms. Saldana stated that the Committee no longer communicates with UNITE HERE. The Analyst advised Ms. Saldana to clarify the source of the receipt and suggested she contact UNITE HERE (Attachment 2).

On May 20, 2010, the Committee filed a Miscellaneous Text Submission (Form 99) showing a copy of a check in the amount of \$33,261.00. The check was from an unregistered source, "UNITE HERE TIP State and Local Fund" and made out to what appears could be the Committee's connected organization, "Philadelphia Joint Board²" for the purpose of, "reimbursement for the expenses we incurred for the OBAMA campaign" (Images 10030340094- 99).

On June 1, 2010, the Analyst called Ms. Saldana for further clarification regarding the check from "UNITE HERE TIP State and Local Fund." The Analyst explained that the check appeared to be from an unregistered entity and intended for the Committee's connected organization. The Analyst further explained that if this was the case, the Committee should not have deposited the check and the funds should be transferred out to the connected organization as soon as possible (Attachment 2).

¹ The Committee disclosed two (2) receipts from "UNITE HERE" totaling \$39,337.00. The UNITE HERE TIP Campaign Committee (FEC ID C00004861) filed a 2009 March Monthly Report, covering the period of February 1, 2009 through February 28, 2009, which showed a transfer of \$6,076.00 to the "Philadelphia Joint Board UNITE HERE TIPS Committee," thus the RFAI only requested clarification for one receipt, totaling \$33,261.00 (Image 29991767542).

² The Committee's most recent Statement of Organization (FEC Form 1), received May 16, 2007, discloses their connected organization as "Philadelphia Joint Board UNITE HERE."

On July 20, 2010, the Committee filed its 2010 July Quarterly Report covering the period of April 1, 2010 through June 30, 2010. On Schedule B, supporting Line 29 (Other Disbursements), the Committee disclosed a disbursement totaling \$39,337.00. The disbursement was made to "Philadelphia Joint Board, Workers United" for the purpose of "Deposit UNITEHERE reimbursement error" (Image 10990982222).

On October 8, 2010, an RFAI was sent referencing the 2010 July Quarterly Report. The RFAI requested further clarification regarding the nature of the disbursement to their connected organization. The RFAI also explained that labor unions are prohibited from expending funds for the purpose of influencing federal elections except that the connected organization can pay for the solicitation and administrative costs of their SSF (Images 10030433728-29).

On November 11, 2010, the Committee filed an Amended 2010 July Quarterly Report. There was no change in financial activity; however, the Committee provided a new purpose for the transfer-out of the apparent prohibited funds disclosed on Schedule B, supporting Line 29. The purpose stated, "UNITE HERE chks were deposited on 3/05/09-\$33261 & 3/06-\$6,076 as reimbmsnt for mbr to mbr campn" (Image 10991829507).

On November 30, 2010, the Analyst called Ms. Saldana to inform her that the Committee may be referred for further action regarding the apparent receipt of prohibited funds that were transferred outside of the permissible timeframe. The Analyst told her that any additional information placed on the public record would be taken into consideration (Attachment 2).

Between April 1, 2011 and April 14, 2011, the Analyst tried to contact the Committee four (4) times to inform them they could be referred for further action for receiving apparent prohibited funds, and to allow for another chance to provide additional information for public record (Attachment 2).

On April 18, 2011, the Analyst received a voicemail from Ms. Saldana and returned her call. The Analyst explained that the Committee may be referred for further action because the receipts received on the 2009 Mid-Year Report appeared to be prohibited and were not transferred out within the permissible time frame for corrective action. The Analyst explained that the Committee could file any additional information to be placed on the public record to clarify the situation. Ms. Saldana told the Analyst that this information will be passed along to the person who handles the Committee's paperwork and reports. The Analyst confirmed that Ms. Saldana was still the official treasurer for the Committee. Ms. Saldana said that any additional information would be provided by the end of the week (Attachment 2).

On May 5, 2011, the Analyst called Ms. Saldana as a follow up and left a voice mail message (Attachment 2).

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

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