

REPORTS ANALYSIS DIVISION REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: February 1, 2012

ANALYST: Michelle Grant

- I. COMMITTEE: Moran for Kansas
C00458315
Timothy E. Gottschalk, Treasurer
P.O. Box 1151
Hays, KS 67601
- II. RELEVANT STATUTES: 2 U.S.C. § 434(b)(8)
11 CFR § 104.3(d)

III. BACKGROUND:

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

Moran for Kansas ("the Committee") amended its 2010 30 Day Post-General Report to disclose additional debts of \$180,661.64, which were not disclosed in the original report (Attachment 2).

On November 4, 2010, Timothy Gottschalk, the Committee's treasurer, called the Reports Analysis Division (RAD) Analyst and asked how to determine the balance of the Committee's net debts outstanding from the 2010 Primary Election. The Analyst verified that the Committee should base the calculation on the amount of receipts received for the Primary Election, expenses paid in connection with that election, and debts outstanding for the Primary Election (Attachment 3).

On December 2, 2010, the Committee filed the original 2010 30 Day Post-General Report covering the period from October 14, 2010 through November 22, 2010. The report disclosed no debts on Line 10 (Debts and Obligations Owed by the Committee) of the Summary Page (Image 10021043116, Attachment 2).

On May 5, 2011, in a phone conversation with RAD Management concerning net debts outstanding from the 2010 Primary Election, Mr. Gottschalk indicated that the

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Committee had reported 2010 Primary debt on the recently filed 2011 April Quarterly Report which had not been disclosed during any of the previous reporting periods. Among other issues, RAD Management explained that the debt should have been reported as an estimated debt on the Committee's prior reports, starting with the reporting period when it was incurred. Mr. Gottschalk said he would amend the Committee's prior reports accordingly. He mentioned the Committee had no other 2010 Primary debts outstanding (Attachment 3).

On May 9, 2011, the Committee filed an Amended 2010 30 Day Post-General Report which disclosed \$72,000.00 in debts on Line 10 of the Summary Page (Image 11020211173). On Schedule D (Debts and Obligations), the Committee disclosed the vendor as "unknown" and indicated these debts were "estimated Primary 2010 outstanding bills" (Image 11020211176).

In a June 7, 2011 phone conversation with Mr. Gottschalk, the RAD Analyst referenced the omission of vendor information for the debts disclosed on the 2010 Amended 30 Day Post-General Report, received May 9, 2011. The Analyst advised the Committee to disclose the complete debt information, including vendor name, address, nature of the debt, and balance for each vendor. The Analyst advised Mr. Gottschalk to amend the 2010 30-Day Post-General Report and all applicable prior reports to ensure continuous and accurate disclosure of the debts (Attachment 3).

On June 8, 2011, the Committee filed an Amended 2010 30 Day Post-General Report which disclosed \$180,661.64 in debts on Line 10 of the Summary Page (Image 11020220777). The report also disclosed vendor information (Image 11020220782).

On August 29, 2011, a Request for Additional Information ("RFAI") was sent to the Committee referencing the Amended 2010 30 Day Post-General Report, received June 8, 2011. The RFAI requested clarification regarding the substantial increase in debts that were not disclosed in the original filing (Image 11330012972).

On September 20, 2011, Mr. Gottschalk contacted the RAD Analyst to say the Committee received the RFAI. The Analyst urged the Committee to provide a detailed response explaining why the debts were not included in the original reports. Mr. Gottschalk indicated that the Committee did not know about the invoices until they were received this year. The Analyst also mentioned that the Committee may be referred for further Commission action (Attachment 3).

On September 20, 2011, the Committee filed another Amended 2010 30 Day Post-General Report which disclosed no change in the level of debt from the previous amendment (Image 11020362715; Attachment 2). In response to the RFAI sent on August 29, 2011, the Committee included a cover letter stating in part:

"... [W]e received both of the bills after the original due date of the 30 Day Post-General Report. We completed the first amended 30 Day Report as suggested by your office" (Image 11020362713).

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The Committee also included additional text with each debt entry that provided the date the Committee received the bill and the statement that the Committee "had no previous knowledge of its existence" (Image 11020362720).

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

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