

REPORTS ANALYSIS DIVISION REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: March 2, 2012

ANALYST: Caroline DeBerry

I. COMMITTEE: Karen Harrington for Congress, Inc.
C00474478
Janet C. Haley, Treasurer (5/31/11 – present)
Joseph G. Schirra, Treasurer (5/14/10 - 3/11/11)¹
2000 NW 150th Ave, Suite 2120
Pembroke Pines, FL 33028

II. RELEVANT STATUTES: 11 CFR § 104.3(a), (b), and (d)
2 U.S.C. § 434(b)(2), (4), and (8)

III. BACKGROUND:

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

Karen Harrington for Congress, Inc. ("the Committee") amended its 2010 30 Day Post-General, 2011 April Quarterly, and 2011 July Quarterly Reports to disclose additional receipts of \$223.75, additional disbursements of \$5,421.92, and additional debts of \$55,878.41, which were not disclosed in the original reports (Attachments 1 and 2).

2010 30 Day Post-General Report

On November 29, 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 \$12,301.00 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals) of the Detailed Summary Page (Image 10931837403). The report also disclosed \$138,351.94 in disbursements on Line 17 (Operating Expenditures) of the Detailed Summary Page (Image 10931837405). In addition, the report disclosed \$4,000.00 in debts on Schedule D (Debts and Obligations) (Images 10931837434-36).

¹ Joseph G. Schirra resigned as of 3/11/11 (Image 11030583005). Between 5/10/11 and 5/31/11, Janet C. Haley was disclosed as Assistant Treasurer, but no new treasurer was disclosed. On 5/31/11, Ms. Haley was disclosed as Treasurer (Image 11931581234).

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On December 20, 2010, the Committee filed an Amended 2010 30 Day Post-General Report, which disclosed no change in receipts and disbursements from the original report. However, the report disclosed \$59,878.41 in debts on Schedule D, a total increase of \$55,878.41 from the original report (Images 10932121510-12, Attachment 5). The additional debts were newly incurred for this reporting period and were not disclosed on the original report.

On January 15, 2011, the Committee filed an Amended 2010 30 Day Post-General Report. The report disclosed \$12,324.75 in receipts on Line 11(a)(ii) of the Detailed Summary Page, an increase of \$23.75 from the original report (Image 11930075278, Attachment 3). The report also disclosed \$138,672.97 in disbursements on Line 17 of the Detailed Summary Page, an increase of \$321.03 from the original report (Image 11930075280, Attachment 4). The report disclosed no change in debts from the prior amendment.

On April 26, 2011, a Request for Additional Information (RAFI) was sent to the Committee. Among other items, the RAFI requested clarification regarding the substantial increase in debts disclosed on the Amended 2010 30 Day Post-General Report, received 1/15/11, that were not disclosed in the original filing (Image 11330008380).

On May 16, 2011, the Committee filed an Amended 2010 30 Day Post-General Report (Image 11931364198). The report disclosed no change in activity from the prior amendment. However, the report included the following memo text explanation for the increase in debts from the original report:

"The increase in debt from the original filing was due to a delay in obtaining invoices from American Express and the Bracewell and Giuliani law firm. When these invoices were obtained, the report was amended and filed with the FEC on December 20, 2010. The debts did not change when a second amendment was filed on 1/15/2011" (Image 11931364199).

On October 24, 2011, an RAFI was sent to the Committee referencing the Amended 2011 July Quarterly Report, received October 10, 2011. Among other items, the RAFI requested clarification regarding the increase in receipts and disbursements on the Amended 2010 30 Day Post-General Report, received 5/16/11, that were not disclosed in the original filing (Image 11330015162).

On November 10, 2011, the Reports Analysis Division (RAD) Analyst returned a call from the treasurer, Janet Haley, who called in response to the RAFI sent October 24, 2011. The Analyst stated that the Committee could file a Miscellaneous Electronic Submission ("Form 99") to explain the changes in activity (Attachment 6).

On November 30, 2011, the Committee filed a Form 99 in response to the RAFI. Concerning the additional receipts of \$23.75 disclosed on the Amended 2011 July Quarterly Report, the Form 99 stated, in part that "[t]hese amounts were added to file because they were not previously posted." In reference to the additional disbursements of

\$5,100.89 disclosed on the Amended 2010 30 Day Post-General Report, the Committee stated that "[t]hese amounts were coded incorrectly in our software system and were changed to the correct coding (Image 11953024758)."

On December 21, 2011, the RAD Analyst called to inform Ms. Haley that the substantial increases in receipts, disbursements, and debts on the Amended 2010 30 Day Post-General, Amended 2011 April Quarterly, and Amended 2011 July Quarterly Reports would be referred for further action. Among other issues, Ms. Haley discussed the coding errors in the Committee's electronic filing software. The Analyst advised Ms. Haley to include any additional information in a Form 99 for the public record (Attachment 6).

On the same date, the Committee filed a Form 99, which in part restated the explanation provided in the November 30, 2011 Form 99 concerning the increase in receipts and disbursements on the Amended 2010 30 Day Post-General Report (Image 11972769939).

On January 3, 2011, Ms. Haley spoke with the RAD Analyst regarding the increase in activity on the amended reports. The RAD Analyst again advised the Committee to disclose any details regarding the activity in a Form 99 (Attachment 6).

On January 10, 2012, the RAD Analyst called Ms. Haley to follow up concerning filing a Form 99. Ms. Haley reiterated that the increase in activity was due to a staff clerical error of incorrectly coding transactions in their electronic filing software. Their software vendor had since explained how to correctly enter the transactions. The Analyst again told Ms. Haley that any additional information could be provided in a Form 99 (Attachment 6).

On January 11, 2012, the Committee filed another Form 99. In reference to the additional receipts disclosed on the Amended 2010 30 Day Post-General Report, the Form 99 stated: "A credit card donation receipt was not entered at the time of filing FORM 3 [Report of Receipts and Disbursements for an Authorized Committee] and after the item was entered an amended FORM 3 was filed 5/16/11." Concerning the additional disbursements disclosed on the report, the Form 99 stated: "Two payments for vendors were not previously entered. This was discovered after the FORM 3 report was sent. After the missing payments were entered an amended report was filed on 5/16/11" (Image 12970076466).

2011 April Quarterly Report

On May 12, 2011, the Committee filed the original 2011 April Quarterly Report covering the period from January 1, 2011 through March 31, 2011. The report disclosed \$186.40 in disbursements on Line 17 of the Detailed Summary Page (Operating Expenditures) (Image 11931356380).

On October 8, 2011, the Committee filed an Amended 2011 April Quarterly Report. The report disclosed \$5,287.29 in disbursements on Line 17 of the Detailed

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Summary Page, an increase of \$5,100.89 from the original report (Image 11971556105; Attachment 4).

On October 24, 2011, an RFAI was sent to the Committee referencing the Amended July Quarterly Report, received October 10, 2011. Among other items, the RFAI requested clarification regarding the increase in disbursements disclosed on the Amended 2011 April Quarterly Report that were not disclosed in the original filing (Image 11330015162).

On November 10, 2011, the RAD Analyst returned a call from Ms. Haley who called in response to the RFAI sent October 24, 2011. The RAD Analyst stated that the Committee could file a Miscellaneous Electronic Submission Form 99 to explain the changes in activity (Attachment 6).

On November 30, 2011, the Committee filed a Form 99 in response to the RFAI. Concerning the additional disbursements of \$5,100.89 disclosed on the Amended 2011 April Quarterly Report, the Form 99 reported that "[t]hese amounts were coded incorrectly in our software system and were changed to the correct coding" (Image 11953024758).

On December 21, 2011, the RAD Analyst called to inform Ms. Haley that the substantial increases in receipts, disbursements, and debts on the Amended 2010 30 Day Post-General, Amended 2011 April Quarterly, and Amended 2011 July Quarterly Reports would be referred for further action. Among other issues, Ms. Haley discussed the coding errors in the Committee's electronic filing software. The Analyst advised Ms. Haley to include any additional information in a Form 99 for the public record (Attachment 6).

On the same date, the Committee filed a Form 99, which restated the explanation provided in the November 30, 2011 Form 99 concerning the increase in disbursements on the Amended 2011 April Quarterly Report, adding, in part:

"Below is listed the detail items for the disbursements on the April Quarterly. The total for the amended April quarter is \$5287.29 which includes the original two items \$186.40 reported on first report. If you need proof of these disbursements I can send a copy of our bank statement showing these were legitimate payments. Please let me know if you need more information.

1/4/2011 \$36.00 Suntrust FL Operating Expenditure Payment
1/24/2011 \$2,330.00 American Express FL Debt Repayment
1/31/2011 \$25.00 Suntrust FL Operating Expenditure Payment
2/14/2011 \$107.40 Host Monster UT Operating Expenditure Payment
2/25/2011 \$2,330.00 American Express FL Debt Repayment
2/28/2011 \$25.00 Suntrust FL Operating Expenditure Payment
2/28/2011 \$79.00 Pageline Operating Expenditure Payment
3/10/2011 \$329.89 Suntrust FL Operating Expenditure Payment
3/31/2011 \$25.00 Suntrust FL Operating Expenditure Payment

Grand Total: \$5,287.29

Grand Count: 9" (Image 11972769939).

On January 3, 2011, Ms. Haley spoke with the RAD Analyst regarding the increase in activity on the amended reports. The RAD Analyst again advised the Committee to disclose any details regarding the activity in a Form 99 (Attachment 6).

On January 10, 2012, the RAD Analyst called Ms. Haley to follow up concerning filing a Form 99. Ms. Haley reiterated that the increase in activity was due to a staff clerical error of incorrectly coding transactions in their electronic filing software. Their software vendor had since explained how to correctly enter the transactions. The Analyst again told Ms. Haley that any additional information could be provided in a Form 99 (Attachment 6).

On January 11, 2012, the Committee filed a Form 99 stating, in part:

"A clerical error was discovered after the FORM 3 April Quarterly was filed and the report did not show a decrease in our debt. Aristotle software support was called and we were given instructions to code the entries correctly. The coding corrections were made and an amended FORM 3 was filed on 10/8/11. The amount of the changes increased our disbursements by \$5,100.89 (Image 12970076466)."

2011 July Quarterly Report

On July 15, 2011, the Committee filed the original 2011 July Quarterly Report covering the period from April 1, 2011 through June 30, 2011. The report disclosed \$2,365.00 in receipts on Line 11(a)(ii) of the Detailed Summary Page (Unitemized Contributions from Individuals) (Image 11931926114).

On October 10, 2011, the Committee filed an Amended 2011 July Quarterly Report. The report disclosed \$2,565.00 in receipts on Line 11(a)(ii) of the Detailed Summary Page, an increase of \$200.00 from the original report (Image 11971560138; Attachment 3).

On October 24, 2011, an RFAI was sent to the Committee referencing the Amended July Quarterly Report, received October 10, 2011. Among other items, the RFAI requested clarification regarding the increase in receipts disclosed on the Amended 2011 July Quarterly Report that were not disclosed in the original filing (Image 11330015162).

On November 10, 2011, the RAD Analyst returned a call from Ms. Haley who called in response to the RFAI sent October 24, 2011. The RAD Analyst stated that the Committee could file a Form 99 to explain the changes in activity (Attachment 6).

On November 30, 2011, the Committee filed a Form 99 in response to the RFAI. In reference to the additional receipts of \$200.00, disclosed on the Amended 2011 July

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Quarterly Report, the Form 99 stated that "[t]hese amounts were added to file because they were not previously posted (Image 11953024758)."

On December 21, 2011, the RAD Analyst called to inform Ms. Haley that the substantial increases in receipts, disbursements, and debts on the Amended 2010 30 Day Post-General, Amended 2011 April Quarterly, and Amended 2011 July Quarterly Reports would be referred for further action. Among other issues, Ms. Haley discussed the coding errors in the Committee's electronic filing software. The Analyst advised Ms. Haley to include any additional information in a Form 99 for the public record (Attachment 6).

On the same date, the Committee filed a Form 99, which restated the explanation provided in the November 30, 2011 Form 99 concerning the increase in receipts on the Amended 2011 July Quarterly Report (Image 11972769939).

On January 3, 2011, Ms. Haley spoke with the RAD Analyst regarding the increase in activity on the amended reports. The RAD Analyst again advised the Committee to disclose any details regarding the activity in a Form 99 (Attachment 6).

On January 10, 2012, the RAD Analyst called Ms. Haley to follow up concerning filing a Form 99. Ms. Haley reiterated that the increase in activity was due to a staff clerical error of incorrectly coding transactions in their electronic filing software. Their software vendor had since explained how to correctly enter the transactions. The Analyst again told Ms. Haley that any additional information could be provided in a Form 99 (Attachment 6).

On January 11, 2012, the Committee filed a Form 99, which referenced, in part, the additional receipts disclosed on the Amended 2011 July Quarterly Report: "A donation was not reported when the FORM 3 was filed. After the donation was entered an amended report was filed on 10/10/11" (Image 12970076466).

To date, no further communications have been received from the Committee regarding these matters.

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