

REPORTS ANALYSIS DIVISION REFERRAL

TO

ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: April 5, 2012

ANALYST: Caroline DeBerry

- I. COMMITTEE: Friends of Sean Bielat
C00476598
Norm Fay, Treasurer (6/1/11 – present)
Theresa R. Scheff, Treasurer (5/2/11 – 5/31/11)
Jason Stanley, Treasurer (6/7/10 – 5/1/11)
126 Augsburg Dr
Attleboro, MA 02703
- 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)

Friends of Sean Bielat (“the Committee”) amended its 2010 October Quarterly, 2010 12 Day Pre-General, and 2010 30 Day Post-General Reports to disclose additional receipts of \$4,905.00, additional disbursements of \$48,568.03, and additional debts of \$22,239.94, which were not disclosed in the original reports (Attachments 1 and 2).

2010 October Quarterly Report

On October 15, 2010, the Committee filed the original 2010 October Quarterly Report covering the period from August 26, 2010 through September 30, 2010. The report disclosed \$192,680.00 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals) of the Detailed Summary Page (Image 10931492148). The report also disclosed \$0.00 on Line 10 (Debts and Obligations Owed by the Committee) of the Summary Page (Image 10931492147).

On December 2, 2010, the Committee filed an Amended 2010 October Quarterly Report. The report disclosed \$192,685.00 in receipts on Line 11(a)(i) of the Detailed

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Summary Page (Image 10931911945). The report also disclosed \$17,150.00 in debts on Line 10 of the Summary Page, an increase of \$17,150.00 from the original report (Image 10931911944; Attachment 5).

On January 3, 2011, the Committee filed an Amended 2010 October Quarterly Report. The report disclosed \$195,085.00 in receipts on Line 11(a)(i) of the Detailed Summary Page, an increase of \$2,405.00 from the original report (Image 11930012480, Attachment 3). The report disclosed no change in debts from the previous amendment (Image 11930012479).

On October 6, 2011¹, a Request for Additional Information (RFAI) was sent to the Committee referencing the Amended 2010 30 Day Post-General Report, received May 25, 2011. Among other discrepancies, the RFAI requested clarification regarding the substantial increase in receipts and debts disclosed on the Amended 2010 October Quarterly Report that were not disclosed in the original filing (Image 11330016499).

On November 18, 2011, the Reports Analysis Division (RAD) Analyst called the bookkeeper, Darcy Johnston, and left a message informing the Committee that the issues cited in the RFAI had not been addressed and that failure to do so would result in the issue being referred for further Commission action. The Analyst advised the Committee to provide a response as soon as possible (Attachment 6).

On December 2, 2011, the RAD Analyst called Ms. Johnston to remind her of the referable issue. Ms. Johnston was unaware of the letter, and the Analyst directed her to the website to view the letter. Ms. Johnston said she believed she had already provided explanations for the changes in financial activity on the Committee's amendments, which she said were due to previous incorrect reporting of 48-hour notices and online credit card contribution receipts; she said many contributions had been duplicated. The Analyst explained that the Committee had the opportunity to provide additional information for the public record (Attachment 6).

On the same day, Ms. Johnston called to inform the RAD Analyst that she was transferring all files and authority to the committee's attorney, Nancy Watkins (Attachment 6).

On December 6, 2011, the RAD Analyst called the candidate, Sean Bielat, and left a voice message informing Mr. Bielat that the issues addressed in the RFAI could be referred for further Commission action. The Analyst asked Mr. Bielat to return her call and help establish communication with Ms. Watkins. Mr. Bielat later returned the RAD Analyst's call and stated Ms. Watkins would be calling to address the outstanding issues (Attachment 6).

¹ The original RFAI, mailed 10/6/11, omitted information not related to this referral. On 12/8/11, the RAD Analyst informed the Committee that a new RFAI with a new response due date would be sent the same day (Attachment 6). Subsequently, the 10/6/11 version of the RFAI was deleted from the public record and replaced by the RFAI sent on 12/8/11.

On the same day, Ms. Watkins called the RAD Analyst and explained she would need additional information from the Committee in order to file additional amendments in response to the RFAI (Attachment 6).

From December 22, 2011 through January 13, 2012, the RAD Analyst and Ms. Watkins made several attempts to contact each other. On January 13, 2012, Ms. Watkins informed the Analyst she had successfully filed a Form 99 in response to the additional activity disclosed on their amendments (Attachment 6).

On January 19, 2012, the Committee filed a Miscellaneous Electronic Submission ("Form 99").² The Committee stated in part:

"...The identified increase of \$2,405.00 in receipts on the amended 2010 October Quarterly Report is an addition of \$5.00 in anonymous receipts and the addition of a \$2,400.00 contribution from Jennifer Fournier...

...The identified increase of \$17,150.00 in debt on the October Quarterly Report is debt items related to the Primary election. The information for the two items was not available at the time of the original filing but was included on an amendment filed at the time of the next report deadline (Images 12950168710-11).

On January 21, 2011, the Committee filed an Amended 2010 October Quarterly Report. The report disclosed no change in debts or receipts from the previous amendment (Images 11990073338-39).

2010 12 Day Pre-General Report

On October 21, 2010, the Committee filed the original 2010 12 Day Pre-General Report covering the period from October 1, 2010 through October 13, 2010. The report disclosed \$0.00 in receipts on Line 11(c) (Contributions from Other Political Committees) of the Detailed Summary Page (Image 10931710586). In addition, the report disclosed \$555,455.69 in disbursements on Line 17 (Operating Expenditures) of the Detailed Summary Page (Image 10931710587).

On December 2, 2010, January 4, 2011, and January 21, 2011, the Committee filed Amended 2010 12 Day Pre-General Reports. The reports disclosed no change in receipts on Line 11(c) or disbursements from the original report (Images 10992329483-84, 11990031799-800 and 11930120697-98).

On May 20, 2011, the Committee filed an Amended 2010 12 Day Pre-General Report. The report disclosed \$2,500.00 in receipts on Line 11(c) of the Detailed Summary Page, an increase of \$2,500.00 from the original report (Image 11931500003; Attachment 3). The report also disclosed \$562,955.69 in disbursements on Line 17 of the

² On 1/13/12, the Committee filed a truncated Form 99. On 1/17/12, the RAD Analyst advised the Committee to re-file the Form 99.

Detailed Summary Page, an increase of \$7,500.00 from the original report (Image 1193150004, Attachment 4).

On October 6, 2011³, an RFAI was sent to the Committee referencing the Amended 2010 30 Day Post-General Report, received May 25, 2011. Among other discrepancies, the RFAI requested clarification regarding the substantial increase in activity⁴ disclosed on the Amended 2010 12 Day Pre-General Report that was not disclosed in the original filing (Image 11330016499).

On January 19, 2012, the Committee filed a Form 99.⁵ The Committee stated in part:

"...The identified increase of \$7,500.00 in additional disbursements on the 2010 12 Day Pre-General Report are the addition of one payment to Flatland Productions in the amount of \$11,000.00 omitted in error and the removal of two cancelled items, one for \$1,000 to Campaign Solutions and the other for \$2500 to SRCP Media. Please note that this report had an ending period and was due prior to the end of a banking period.

...The identified [change] in receipts on the 12 Day Pre-General report are the addition of two contributions totaling \$1,100.00 that were not previously disclosed in error, and the correction of the disclosure of four contributions that were double-reported in error" (Images 12950168710-11).

2010 30 Day Post-General Report

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 \$1,555,243.81 on Line 17 (Operating Expenditures) of the Detailed Summary Page (Image 10992386866). The report also disclosed \$62,377.98 in debts⁶ on Line 10 (Debts and Obligations Owed by the Committee) of the Summary Page (Image 10992386862).

On January 31, 2011, the Committee filed an Amended 2010 30 Day Post-General Report. The report disclosed \$1,564,598.12 in disbursements on Line 17 of the

³ See Footnote 1.

⁴ The RFAI cited an increase in disbursements and a *decrease* in receipts, since the value of Line 16 (Total Receipts) decreased on the amendment compared to the original report. However, there was a \$2,500.00 increase on Line 11(c) and an unrelated \$11,000.00 decrease on Line 11(a)(iii), which the Committee's 1/19/12 response explains.

⁵ See Footnote 2.

⁶ The Committee reported an outstanding debt to Jim Abushkar for \$903.00 on the original 2010 30 Day Post-General Report ("30G") and Amended 2010 30G, received 1/31/11. On the Amended 2010 30G, received 3/9/11, the Committee reported this debt to be incurred and paid in full during the reporting period. Since such activity is not required to be reported as a debt, the \$903.00 reported in error has been deducted from the applicable Line 10 figure.

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Detailed Summary Page (Image 11930261795). The report also disclosed \$64,297.98 in debts on Line 10 of the Summary Page (Image 11930261791).

On March 9, 2011, the Committee filed an Amended 2010 30 Day Post-General Report. The report disclosed \$1,596,311.84 in disbursements on Line 17 of the Detailed Summary Page, an increase of \$41,068.03 from the original report (Image 11930457946, Attachment 4). The report also disclosed \$67,467.92 in debts on Line 10 of the Summary Page, an increase of \$5,089.94 from the original report in newly incurred debts (Image 11930457943; Attachment 5).

On April 14, 2011 and May 25, 2011, the Committee filed Amended 2010 30 Day Post-General Reports. The reports disclosed no change in disbursements or debts from the previous amendment (Images 11930457942 and 11930656975).

On October 6, 2011⁷, an RFAI was sent to the Committee referencing the Amended 2010 30 Day Post-General Report, received May 25, 2011. Among other discrepancies, the RFAI requested clarification regarding the substantial increase in disbursements and debts disclosed on the Amended 2010 30 Day Post-General Report that were not disclosed in the original filings (Image 11330016499).

On January 19, 2012, the Committee filed a Form 99.⁸ The Committee stated in part:

“...The identified increase of \$41,068.03 in additional disbursements on the 2010 30 Day Post-General Report are the net of the addition of eight disbursements and the removal of two payments to Campaign Solutions in the amounts of \$50,000.00 and \$58,000.00. These amounts were the reconciling processing entries for what later became known to be duplicate transmission of contributor data. The difference between the gross contributions and the net transfer to the bank account is the cost of processing and other costs for the credit card contributions. The difference in total contributions in the database and deposits to the bank and were reported in error as a result...

...The identified increase of \$4,186.94 in debt on the amended 30 Day Post-General Report the additional of three items, correction of one amount, and removal of one item which had been paid during the period. Of the three additions, one was a contribution refund due that became known after the reporting period ended” (Image 12950168711).

On February 7, 2012, the Analyst returned a call from Ms. Watkins. Among other issues discussed, Ms. Watkins briefly confirmed with the RAD Analyst that a Form 99 had been filed in response to the RFAI (Attachment 5).

⁷ See Footnote 1.

⁸ See Footnote 2.

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