REPORTS ANALYSIS DIVISION REFERRAL

TO

ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: May 22, 2012

ANALYST: Nicole Miller

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I. COMMITTEE:

Alabama Republican Party
C00044776
Mallory Jackson, Treasurer
(2/28/11 – Present)
John Ross, Treasurer
(12/16/10 – 2/27/11)
P.O. Box 55628
Birmingham, AL 35255

II. RELEVANT STATUTE:

2 U.S.C. § 434(b)(2) and (4)
11 CFR § 104.3(a) and (b)

III. BACKGROUND:

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

The Alabama Republican Party amended its 2010 October Monthly, 2010 12 Day Pre-General, and 2010 30 Day Post-General Reports to disclose additional receipts of $44,292.28 and additional disbursements of $16,181.1, which were not disclosed in the original reports (Attachment 2).

2010 October Monthly Report

On October 20, 2010, the Committee filed the original 2010 October Monthly Report covering the period from September 1, 2010 through September 30, 2010. The report disclosed $0.00 in receipts on Line 11(b) (Contributions from Political Party Committees) of the Detailed Summary Page (Image 10931618069). The Committee also disclosed $11,694.17 in disbursements on Line 21(a)(i) (Shared Federal/Non-Federal Activity, Federal Share), $43,992.28 on Line 21(a)(ii) (Shared Federal/Non-Federal Activity, Non-Federal Share), $5,680.28 on Line 21(b) (Other Federal Operating

Expenditures), and $200,000.00 on Line 22 (Transfers to Affiliated/Other Party Committees) of the Detailed Summary Page (Image 10931618070).

On January 11, 2011 the Committee filed an Amended 2010 October Monthly Report. The report disclosed $300.00 in receipts on Line 11(b) of the Detailed Summary Page, a total increase in receipts of $300.00 from the original report (Image 11930061743, Attachment 3). The Committee also disclosed $12,072.60 in disbursements on Line 21(a)(i), $45,415.88 on Line 21(a)(ii), $6,122.23 on Line 21(b), and $209,600.00 on Line 22 of the Detailed Summary Page, a total increase in disbursements of $11,843.98 from the original report (Image 11930061744, Attachment 4).

On April, 28, 2011, the Committee filed an Amended 2010 October Monthly Report. The report disclosed no change in receipts or disbursements from the Amended 2010 October Monthly Report, received on January 11, 2011 (Image 11931278541-2).

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2010 12 Day Pre-General Report

On October 21, 2011, the Committee filed the original 12 Day Pre-General Report covering the period from October 1, 2010 through October 13, 2010. The report disclosed $2,284.77 in disbursements on Line 21(b) (Other Federal Operating Expenditures) of the Detailed Summary Page (Image 10931712214).

On January 11, 2011, the Committee filed an Amended 2010 12 Day Pre-General Report. The report disclosed $2,708.53 in disbursements on Line 21(b) of the Detailed Summary Page, a total increase of $423.76 from the original report (Image 11930061820, Attachment 4).

2010 30 Day Post-General Report

On December 2, 2010 the Committee filed an original 30 Day Post-General Report covering the period from October 14, 2010 through November 22, 2010. The report disclosed $13,320.90 in receipts on Line 18(a) (Transfers from Non-Federal Account) of the Detailed Summary Page (Image 10932007841). The Committee also disclosed $7,947.04 in disbursements on Line 21(a)(i) (Shared Federal/Non-Federal Activity, Federal Share), $29,895.94 on Line 21(a)(ii) (Shared Federal/Non-Federal Activity, Non-Federal Share), and $0.00 on Line 21(b) (Other Federal Operating Expenditures) of the Detailed Summary Page (Image 10932007842).

On January 11, 2011, the Committee filed an Amended 2010 30 Day Post-General Report. The report disclosed $57,313.18 in receipts on Line 18(a) of the Detailed Summary Page, a total increase in receipts of $43,992.28 from the original report (Image 11930061850, Attachment 3). The Committee also disclosed $8,585.05 in disbursements on Line 21(a)(i), $32,296.08 on Line 21(a)(ii) and $875.26 on Line 21(b) of the Detailed Summary Page, a total increase in disbursements of $3,913.40 (Image 11930061851, Attachment 4).

On January 31, 2011, the Committee filed an Amended 2010 30 Day Post-General Report. The report disclosed no change in receipts or disbursements from the Amended 2010 30 Day Post-General Report, received on January 11, 2011 (Images 11930256366 -7).

On March 30, 2011, a Request for Additional Information (RFAI) was sent to the Committee referencing the Amended 2010 30 Day Post-General Report, received January 31, 2011. Among other items, the RFAI requested clarification regarding the substantial increase in receipts that were not disclosed in the original filing[1] (Image 11030584649).

On May 4, 2011, the Committee filed a Miscellaneous Electronic Submission ("Form 99") in response to the RFAI referencing the Amended 2010 30 Day Post-General Report, received January 31, 2011. In part, the Committee stated:

> "This letter is in response to your request for additional information, dated March 30, 2011.
>
> 1. You indicate that total receipts changed by $33,992.38. On line 11ai, the contribution in the amount of $10,000 from Tim Wellborn that was returned for nonsufficient funds was originally disclosed as a memo entry instead of a negative receipt. The memo entry did not correctly deduct $10,000 from the total receipts. The amended report accurately reflected the $10,000 adjustment. On line 18, a transfer from the nonfederal account for allocation of expenses was incorrectly entered into the software and was not included on the original report. The amended report accurately reflected this transfer" (Image 11931294763).

On February 15, 2012, an RFAI was sent to the Committee referencing the Amended 2010 October Monthly Report, received April 28, 2011. The RFAI requested clarification regarding the increase in receipts and disbursements disclosed on the Amended 2010 October Monthly Report, received April 28, 2011, Amended 2010 12 Day Pre-General Report, received January 11, 2011, and Amended 2010 30 Day Post-General Report, received January 31, 2011, that were not disclosed on the original filings[2] (Image 12330002623).

On March 21, 2012 the Committee filed a Form 99 in response to the RFAI referencing the Amended 2010 October Monthly Report, received April 28, 2011. In part, the Committee stated:

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[1] The amount referenced in the RFAI, $33,992.28, factored in a decrease in receipts on Line 11(a)(i) totaling $10,000.00. The actual total increase in receipts on Line 18(a) is $43,992.28.

[2] The chart attached to the RFAI inadvertently referenced Line 12 for the increase in receipts on the Amended 2010 30 Day Post General Report. The Committee transferred activity from Line 11(b) to Line 12 which did not affect the increase in activity. Furthermore, a decrease in receipts totaling $10,000.00 was incorrectly factored into the increase in receipts for the same report. Therefore, the actual overall increase in activity in the reports referenced in the RFAI is $60,473.52.

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"1. October Monthly Report: You indicate that the receipts increased by $300 (less than 1% of receipts previously reported) and that disbursements increased by $11842.98 (an increase of 3% over previously reported disbursements). In addition, you indicate that these figures were not amended until 4/28/11, but the amendment filed on 1/10/11 corrected these figures. In preparing the Year-End report, the committee noted discrepancies from previous reconciliations and amended this report to add the missing activity.

2. Your letter indicates that the Pre-General report increased disbursements by $423.76 (less than 1% of previously reported activity). The Committee had not yet received the October bank statement and did not have bank fees to include on the original report. The addition of bank fees was the only change to the disbursements.

3. Your letter indicates that the Post General report increased receipts by $33,992.38 and increased disbursements by $3913.41 (less than 1% of previously reported disbursements). The additional disbursements were discovered during the reconciliation for the Year-End report and the Post-General report was amended on 1/31/11 to disclose these items. The Committee agrees that the increase in receipts was significant, however, this exact question was responded to on 5/4/11. On line 11ai, the contribution in the amount of $10,000 from Tim Wellborn was returned for nonsufficient funds. The original report included two $10,000 contributions from Mr. Wellborn, but did not include the negative entry for the returned check. The Committee originally reported $47,000 from other party committees on line 11b-this was moved to line 12-it was NOT additional activity. The only transaction that truly affected the overall disbursements total was a transfer from the non-federal account to the federal account for allocated activity. The Committee inadvertently omitted a transfer in the amount of $43992.28.

Your letter indicates that the total increased activity for the three reports in question was 50,472.52. If all financial activity is taken into account for these reports, the increased activity represents less than 4% of the original activity, with most of that related to the transfer from the state account referenced in item 3" (Image 12970787642).

On April 6, 2012, the Reports Analysis Division (RAD) Analyst called Mallory Jackson, the Committee's treasurer. The Analyst left a voicemail for Ms. Jackson regarding the Alabama Republican Party and requested that she return the call.

On April 6, 2012, the RAD Analyst returned a call received from Lisa Lisker. Ms. Lisker told the RAD Analyst that she was calling on behalf of Ms. Jackson. The RAD Analyst explained that the Committee could potentially be referred for further action because of the substantial increase in activity that was reported on the Amended

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2010 October Monthly Report, the Amended 2010 12 Day Pre-General Report, and the Amended 2010 30 Day Post-General Report. She told the Analyst that she submitted a response to the RFAI dated February 15, 2012. The Analyst said that the response and any additional clarification made for public record would be taken into consideration (Attachment 5).

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

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