



FEDERAL ELECTION COMMISSION
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SENSITIVE

MEMORANDUM

August 22, 2012

TO: The Commission

THROUGH: Alec Palmer *AP*
Staff Director

FROM: Patricia Otrock *DC for PO*
Chief Compliance Officer

Lynn M. Fraser *LSH*
Director, ADR Office

BY: Krista J. Roche *KJR*
Assistant Director, ADR Office

SUBJECT: ADR 621 Calumet PAC and Terrance Bronowski, Treasurer
Recommendation to Dismiss

The Reports Analysis Division (RAD) referred RAD 12L-53, and the ADR Office designated the matter as ADR 621. We include a summary and discussion of the matter for your information. A copy of the referral is in the voting ballot matters folder.

Summary and Analysis of Case: RAD referred Calumet PAC and Terrance Bronowski, Treasurer (Respondents or the Committee) for failing to disclose all financial activity. The Committee amended its 2007 Mid-Year, 2007 Year-End, 2008 12 Day Pre-Primary, 2008 October Quarterly, and 2008 12 Day Pre-General Reports to disclose additional receipts totaling \$62,400.00 and additional disbursements totaling \$3,000.00, an aggregate increase of \$65,400.00.

In a Form 99 filed on May 28, 2012, the Committee states that in March 2010 the Committee became aware that a former administrative aide made reporting errors when Committee staff became aware of a discrepancy between the Committee's bank account balances and the FEC reports. The Committee contends it contacted RAD to seek guidance and alert the analyst of the discrepancy. Upon the advice of RAD, the Committee reconciled the financial activity and, in January 2011, amended reports to correct all misstatements. On learning of the discrepancy, the committee contends it conducted a thorough internal investigation. The Committee then hired an external compliance vendor with more than twenty years of experience to perform an audit and

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external compliance vendor with more than twenty years of experience to perform an audit and assist the Committee in filing amended reports. In addition to filing all necessary amendments, the Committee further states that it instituted new financial procedures and internal controls including reconciling bank accounts and FEC reports on a monthly basis and retaining a compliance consultant who reviews the monthly reconciliations and reports on a quarterly basis.

The ADR Office recommends dismissal of this matter based upon the dates of activity in question and the remedial measures already undertaken by Respondents. A significant majority of the activity in question (\$46,000 of \$65,400) occurred on the Mid-Year 2007 Report. Further, the Committee has already undertaken measures designed to avoid future errors of this kind. Therefore, it is recommended that the Commission exercise its prosecutorial discretion and dismiss this matter.

RECOMMENDATION:

- 1. Dismiss ADR 621 (RAD 12L-53), and close the file.**
- 2. Approve the appropriate letters.**

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