

REPORTS ANALYSIS DIVISION REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: October 17, 2012

ANALYST: David Butler

- I. COMMITTEE: Ann M. Bursis, Treasurer
C00167130
Pennsylvania Democratic Party
300 North Second Street
Eighth Floor
Harrisburg, PA 17101
- II. RELEVANT STATUTES: 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)

Pennsylvania Democratic Party ("the Committee") amended its 2010 30 Day Post-General, 2010 Year-End, 2011 February Monthly, 2011 April Monthly, and 2011 November Monthly Reports to disclose additional receipts of \$32,467.46 and additional disbursements of \$29,901.91 which were not disclosed in the original reports (Attachment 2).

2010 30 Day Post-General Report

On December 3, 2010, the Committee filed the original 30 Day Post-General Report covering the period from October 14, 2010 through November 22, 2010. The report disclosed \$2,078.42 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons other than Political Committees) and \$979,448.26 in receipts on Line 12 (Transfers from Affiliated/Other Party Committees) of the Detailed Summary Page (Image 10992447832).

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On June 23, 2011, the Committee filed an amended 30 Day Post-General Report. The report disclosed \$4,038.42 in receipts on Line 11(a)(ii) and \$1,032,778.26¹ in receipts on Line 12 of the Detailed Summary Page, an increase in receipts of \$23,290.00 from the original report (Image 11931728183, Attachment 3). In addition, the Committee attached memo text to the report that stated in part, "Please note that the Committee is amending the following reports due to a comprehensive internal audit. (Post General, Year-End, M2, M3, M4, and M5) During the audit, a few minor errors were discovered which required these amendments" (Image 11931728181).

On October 5, 2011, the Committee filed an amended 30 Day Post-General Report. The report disclosed no change in receipts from the amended 30 Day Post-General Report, received on June 23, 2011 (Image 11952509183).

2010 Year-End Report

On January 31, 2011, the Committee filed the original Year End Report covering the period from November 23, 2010 through December 31, 2010. The report disclosed \$4,132.46 in receipts on Line 15 (Offsets to Operating Expenditures) of the Detailed Summary Page (Image 11990177653). The report also disclosed \$19,718.75 in disbursements on Line 21(a)(i) (Shared Federal/Non-Federal Activity, Federal Share), \$74,057.27 in disbursements on Line 21(a)(ii) (Shared Federal/Non-Federal Activity, Non-Federal Share), \$43,642.72 in disbursements on Line 21(b) (Other Federal Operating Expenditures) and \$32,537.04 in disbursements on Line 30(b) (Federal Election Activity paid for entirely with Federal funds) of the Detailed Summary Page (Image 11990177654).

On June 23, 2011, the Committee filed an amended Year End Report. The report disclosed \$4,462.49 in receipts on Line 15 of the Detailed Summary Page, an increase of \$330.03 from the original report (Image 11931729085, Attachment 3). The amendment also disclosed \$19,759.83 in disbursements on Line 21(a)(i), \$74,130.29 in disbursements on Line 21(a)(ii), \$55,428.60 in disbursements on Line 21(b) and \$32,973.20 in disbursements on Line 30(b), an increase in disbursements of \$12,336.14 from the original report (Image 11931729086, Attachment 4). In addition, the Committee included memo text on the report which stated, in part, "In addition please note that the committee is amending the following reports due to a comprehensive internal audit: (Post General, Year-End, M2, M3, M4, and M5) During the audit, a few minor errors were discovered which required these amendments" (Image 11931729083).

On November 3, 2011, the Committee filed an amended Year-End Report. The report disclosed no change in receipts or disbursements from the amended Year-End Report, received on June 23, 2011 (Image 11952785528).

¹ The Report disclosed \$1,032,778.26 on Line 12 of the Detailed Summary Page, which included previously disclosed entries moved from Line 11(c) totaling \$32,000.00. This amount is not included in the total increase of activity.

2011 February Monthly Report

On February 18, 2011, the Committee filed the original February Monthly Report covering the period from January 1, 2011 through January 31, 2011. The report disclosed \$10,147.86 in disbursements on Line 21(a)(i) (Shared Federal/Non-Federal Activity, Federal Share) of the Detailed Summary Page (Image 11990228433).

On June 23, 2011, the Committee filed an amended February Monthly Report. The amendment disclosed \$12,060.40 in disbursements on Line 21(a)(i) of the Detailed Summary Page, an increase of \$1,912.54 from the original report (Image 11931729250).

On August 18, 2011, the Committee filed an amended February Monthly Report. The amendment disclosed \$18,846.20 in disbursements on Line 21(a)(i) of the Detailed Summary Page, an increase of \$8,698.34 from the original report (Image 11932251376, Attachment 4).

On November 3, 2011, the Committee filed an amended February Monthly Report. The report disclosed no change in disbursements from the amended February Monthly Report, received on August 18, 2011 (Image 11971814300).

2011 April Monthly Report

On April 20, 2011, the Committee filed the original April Monthly Report covering the period from March 1, 2011 through March 31, 2011. The report disclosed \$1,971.69 in disbursements on Line 30(b) (Federal Election Activity paid entirely with Federal funds) of the Detailed Summary Page (Image 11931218232).

On June 23, 2011, the Committee filed an amended April Monthly Report. The amendment disclosed \$1,991.69 in disbursements on Line 30(b) of the Detailed Summary Page, an increase of \$20.00 from the original report. (Image 11931729715, Attachment 4).

On November 3, 2011, the Committee filed an amended April Monthly Report. The amendment disclosed no changes in disbursements from the amended April Monthly Report, received on June 23, 2011 (Image 11971814337).

2011 November Monthly Report

On November 20, 2011, the Committee filed the original November Monthly Report covering the period from October 1, 2011 through October 31, 2011. The report disclosed \$500.00 in receipts on Line 11(c) (Contributions from Other Political Committees) of the Detailed Summary Page (Image 11972227469). The report also disclosed \$17,383.41 in disbursements on Line 21(b) (Other Federal Operating Expenditures) of the Detailed Summary Page (Image 11972227470).

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On December 20, 2011, the Committee filed two (2) amended November Monthly Reports. Both amendments disclosed \$9,347.43 in receipts on Line 11(c), an increase of \$8,847.43 from the original report (Images 11972755838 and 11972769089, Attachment 3). These amendments also disclosed \$26,230.84 in disbursements on Line 21(b), an increase in disbursements of \$8,847.43 from the original report (Images 11972755839 and 11972769090, Attachment 4).

On March 22, 2012, the Committee filed an amended November Monthly Report. The report disclosed no change in receipts or disbursements from the amended November Monthly Reports, received on December 20, 2011 (Images 12951314195 - 6).

On May 29, 2012, a Request for Additional Information (RAFI) was sent to the Committee referencing the amended November Monthly Report, received December 20, 2011. The RAFI requested clarification regarding the substantial increases in receipts and disbursements disclosed on the amended 2010 30 Day Post-General Report, 2010 Year-End Report, 2011 February Monthly Report, and 2011 November Monthly Report, which were not disclosed in the original filings² (Image 12330007017).

On July 2, 2012, the Committee filed a Miscellaneous Electronic Submission ("Form 99") in response to the RAFI which stated, in part:

"Please note that the committee did an intensive audit of books which is where the majority of these issues were discovered and in affect triggered the amendments to the original reports.

Additional Receipts on the 2010 30 Day Post-General/Amended 2010 30 Day Post-General in the sum of \$21,330 was related to transfers from other affiliated committees from the DSP Joint Victory Fund. Due to confusion in instructions provided to the committee by an outside consultant who handled the joint fundraising committee, the comptroller at the time was unaware that the activity of an account of the committee that was managed by the fundraising representative was supposed to be reported directly by the committee and not by the joint fundraising representative - this was corrected as soon as it was discovered.

Additional Receipts and Disbursements on the 2011 November Monthly/Amended 2011 November Monthly of \$8,847.43 was for in-kind contributions and related disbursements received after the initial filing and reported on the amended report within 30 days of receipt" (Image 12952248027).

² The chart attached to the RAFI inadvertently referenced Line 11(c) for the increase in receipts on the amended 2010 30 Day Post-General Report, received 10/5/11. The Committee transferred activity from Line 11(c) to Line 12 which did not affect the increase in activity. In addition, the RAFI inadvertently referenced Line 17 for the increase in receipts on the amended 2011 November Monthly Report, received 12/20/11. Furthermore, a decrease in disbursements on Line 21(a)(ii) totaling \$3,385.73 was incorrectly factored into the increase in disbursements for Line 21(a)(i) on the amended 2011 February Monthly Report, received 11/3/11. Therefore, the actual overall increase in activity in the reports referenced in the RAFI is \$62,369.37.

On July 9, 2012, the Reports Analysis Division (RAD) Analyst called Ann M. Bursis, the Committee's treasurer. The analyst was unable to reach Ms. Bursis or leave a voicemail after two attempts.

Subsequently, on July 9, 2012, the analyst left a voice mail message for Committee Comptroller, Vivien Guinan. The message stated that the Committee could potentially be referred for further action because of the substantial increase in activity that was reported on the amended 2010 30 Day Post-General Report, 2010 Year-End Report, 2011 February Monthly Report, and 2011 November Monthly Report. The analyst noted the Form 99 response the Committee filed on July 2, 2012, advised the Committee to disclose any additional information on the public record, and stated that Ms. Guinan should call the analyst to discuss the matter (Attachment 5).

On July 18, 2012, committee consultant, Daryl Patrick, left a voice mail message for the analyst and requested that his call be returned (Attachment 5).

On July 19, 2012, the analyst left a voice mail message for Mr. Patrick, stating that the Committee has the option to disclose any additional mitigating factors related to the increased activity and that this response should be received by July 25, 2012. The analyst requested that Mr. Patrick call him back if he has any questions (Attachment 5).

Also on July 19, 2012, the analyst spoke with the Committee's finance director, Aubrey Montgomery, and stated that the Committee could potentially be referred for further action due to the increased activity on the amended reports. The analyst advised Ms. Montgomery that the Committee should disclose any additional information to clarify the increases in activity on the public record (Attachment 5).

Later that day, Ms. Montgomery called the analyst back and stated that the Committee did not wish to disclose any additional information beyond what has been previously provided (Attachment 5).

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

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