

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: June 25, 2013

ANALYST: Laura E. Sinram

I. COMMITTEE:

National Association of Realtors
Congressional Fund
C00488742
William J. Armstrong III, Treasurer
430 North Michigan Avenue
Chicago, IL 60611-4011

II. RELEVANT STATUTE:

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

III. BACKGROUND:

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

National Association of Realtors Congressional Fund ("the Committee") amended its 2012 September Monthly Report to disclose additional receipts of \$700,000.00 and disbursements of \$134,854.00 that were not disclosed on the original report. The Committee also amended its 2012 30 Day Post-General Report to disclose additional receipts of \$365,000.00 that were not disclosed on the original report (Attachment 2).

2012 September Monthly Report

On September 18, 2012, the Committee filed its 2012 September Monthly Report covering the period from August 1, 2012 through August 31, 2012. The report disclosed \$78.88 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other Than Political Committees) and \$78.88 in disbursements on Line 21(b) (Other Federal Operating Expenditures) of the Detailed Summary Page (Image 12972185181-2).

On October 17, 2012, the Committee filed an Amended 2012 September Monthly Report. The report disclosed \$700,078.88 in receipts on Line 11(a)(i) and \$134,932.88 in disbursements on Line 21(b) of the Detailed Summary Page, an increase of \$700,000.00

14190294324

in receipts and \$134,854.00 in disbursements from the original report (Image 12972715824-5; Attachment 2). The Committee attached memo text to the report, which stated:

"We are amending our September 2012 Monthly report to update Line 11a receipts with a receipt from National Association of Realtors on 8/31/2012 and also update Line 21b with advance payments for Independent expenditures not disseminated in this reporting period but in future reporting periods. For Line 21b of this report, the 8/17/12 disbursements to Peter D Hart, Public Opinion Strategies LLC, & The Tarrance Group represent advance costs for Independent Expenditures that were not publicly disseminated during the reporting period, but will be disseminated in future reporting periods (Image 12972715827)."

On January 2, 2013, a Request for Additional Information (RAFI) was sent to the Committee referencing the Amended 2012 September Monthly Report, received October 17, 2012. The RAFI requested clarification regarding the substantial increase in receipts and disbursements disclosed on the Amended 2012 September Monthly Report that were not disclosed in the original filing (Image 13330019133).

On January 16, 2013, the Committee filed an Amended 2012 September Monthly Report disclosing no change in receipts and disbursements from the previous amendment (Images 13940040436-7). The Committee attached memo text to the report, which reiterated the memo text that was attached to the prior amendment, and further stated, in part:

"This is in response to your letter dated 1/02/2013 requesting clarification of the information in our amended September 2012 monthly report on 10/17/2012 regarding certain activity not disclosed on our original September 2012 Monthly report. We amended the original September 2012 monthly report to update Line 11a to disclose a receipt from the National Association of Realtors (See [10/17/2012] Amendment explanation below). This contribution was made on the last day of August, 2012, and, simply put, was inadvertently left off the original September monthly report covering the period of 08/01/2012 to 8/31/2012. The September 2012 monthly report was also amended to update line 21b for to include disbursements also inadvertently omitted from the September 2012 monthly report (but also included in [10/17/2012] Amendment explanation below). Note that these disbursements represent advance polling costs paid to Peter D. Hart, Public Opinion Strategies, LLC and the Tarrance Group in connection with independent expenditures that were not publicly disseminated during the report period, but that were disseminated and reported as independent expenditures in subsequent reporting periods (Image 13940040439)."

14190294325

2012 30 Day Post-General Report

On December 5, 2012, the Committee filed its 2012 30 Day Post-General Report covering the period from October 18, 2012 through November 26, 2012. The report disclosed \$236.64 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other Than Political Committees) of the Detailed Summary Page (Image i2961356333).

On January 16, 2013, the Committee filed an Amended 2012 30 Day Post-General Report. The report disclosed \$365,236.64 in receipts on Line 11(a)(i) of the Detailed Summary Page, an increase in receipts of \$365,000.00 from the original report (Image 13940041843). The Committee attached memo text to the report, which stated in part:

"We are amending our [2012] 30-Day Post General Election report filed on 12/05/2012 to update Line 11a to disclose two receipts from the National Association of Realtors which will, in effect, increase our total receipts Line 6c [Total Receipts], as well as Line 8 [Cash on Hand at Close of Reporting Period], which reflects our final total cash on hand. These two contributions were made right after the [2012] 12-Day Pre-Election Report cut-off, and, simply put, inadvertently left off the 30-Day Post General Election report covering the period of 10/18/2012 to 11/26/2012. This amendment corrects that error (Image 13940041846)."

On February 21, 2013, a Request for Additional Information (RFAI) was sent to the Committee referencing the Amended 2012 30 Day Post-General Report, received January 16, 2013. The RFAI requested clarification regarding the increase in receipts disclosed on the Amended 2012 30 Day Post-General Report that were not disclosed in the original filing (Image 13330025458).

On March 13, 2013, the Reports Analysis Division (RAD) Analyst left a voicemail message for Scott Reiter, Assistant Treasurer for the Committee, informing him that the increase in receipts and disbursements on the Amended 2012 September Monthly Report and the increase in receipts on the Amended 2012 30 Day Post-General Report were referable for further action by the Commission. The Analyst noted the explanations provided in the memo text attached to both reports and told the Committee they could submit additional information for the public record if necessary (Attachment 3).

On March 14, 2013, Ralph Holman, Associate General Counsel for the Committee, called the Analyst in reference to the referable matter. The Analyst advised Mr. Holman that the increase in receipts and disbursements on the Amended 2012 September Monthly Report and the increase in receipts on the Amended 2012 30 Day Post-General Report were referable for further action by the Commission. The Analyst further stated that the Committee could provide further clarification about the issue by submitting a Miscellaneous Electronic Submission (Form 99) for the public record (Attachment 3).

14190294326

On March 19, 2013, the Committee filed a Form 99 which stated:

"This is in response to the FEC Letter dated 2/21/13 referencing our Amended 30 day Post-General Report (10/18/2012-11/26/2012) received 01/16/2013, and requesting additional information regarding our increase in receipts and clarify why this activity was not disclosed on our original report.

This amendment was necessary simply because in the preparation of the Committees Post-General Election report filed 1/16/2013 the two additional contributions to the Committee included in this amended report were unfortunately overlooked and omitted. That omission was wholly and entirely inadvertent, and when the error was discovered in the course of year end review of the Committees accounts this amendment disclosing those contributions was immediately prepared and filed. We apologize for this oversight (Image 13940486377)."

To date, no further communication has been received from the Committee regarding this matter.

14190294327