

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: July 11, 2012

ANALYST: Bradley Matheson

- I. COMMITTEE: Committee to Re-Elect Linda Sanchez
C00384057
Jennifer May, Treasurer (10/14/11 – present)
Kinde Durkee, Treasurer (12/30/02 – 10/13/11)
50 E Street, S.E., Suite 1
Washington, DC 20003
- II. RELEVANT STATUTES: 2 U.S.C. § 432(b) and (c)
2 U.S.C. § 434(b)
11 CFR § 102.9
11 CFR § 102.15
11 CFR § 104.3
- III. BACKGROUND:

Other Violations of the Federal Election Campaign Act (Unauthorized Use of Campaign Funds)

Committee to Re-Elect Linda Sanchez (“the Committee”) filed its 2011 October Quarterly Report to disclose unauthorized disbursements of \$322,123.22 (Attachment 2).

On September 28, 2011, Lyn Utrecht, Committee counsel, met with the Office of General Counsel (OGC) and the Reports Analysis Division (RAD) to discuss the unauthorized use of Committee funds by former treasurer, Kinde Durkee. Among other issues, Ms. Utrecht mentioned the Committee would not be able to report an accurate cash-on-hand balance for the 2011 October Quarterly Report. RAD Management advised Ms. Utrecht that the Committee should file the 2011 October Quarterly Report with an additional explanation of the Committee’s situation and statement that an amendment would be filed to correct the cash-on-hand balance once the Committee received the necessary information. RAD Management explained that the Committee should amend the 2011 October Quarterly Report with a one-time cash adjustment and discussed the acceptable methods. RAD Management encouraged the Committee to make an adjustment as soon as it had more information and to file future amendments if further

adjustments were necessary. RAD Management stated that with each cash adjustment, the Committee should include a detailed explanation of any previously omitted activity (Attachment 3).

On October 15, 2011, the Committee filed the 2011 October Quarterly Report covering the period from July 1, 2011 through September 30, 2011. The report disclosed a \$322,123.22 cash-on-hand adjustment on Schedule B, supporting Line 21 (Other Disbursements) of the Detailed Summary Page, with a notation "adjustment for unauthorized withdrawals by former treasurer" (Image 11952642954). The report also included memo text, which stated:

"Towards the end of the reporting period, the Committee discovered that the former treasurer embezzled funds from the Committee. The ending cash on hand figure represents the current balance of the accounts at the end of this reporting period. While not anticipated, it is possible that the Committee will amend this figure should additional information come to its attention" (Image 11952642864).

On November 17, 2011, the RAD Analyst left a message for Jennifer May, treasurer, to encourage her to file a Miscellaneous Text Submission ("Form 99") to further explain the cash-on-hand adjustment made on the 2011 October Quarterly Report (Attachment 3).

On January 31, 2012 and April 15, 2012, the Committee filed Amended 2011 October Quarterly Reports. The reports disclosed no change in the cash-on-hand adjustment from the original report and did not include memo text (Images 12970317990 and 12951441979; Attachment 2).

On May 8, 2012, the RAD Analyst contacted Ms. May to inform her that the issue of unauthorized disbursements may be referred for further action. The Analyst explained the Committee had the opportunity to provide further information for the public record (Attachment 3).

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

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