

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: July 30, 2013

ANALYST: Brian Jones

- I. COMMITTEE: Citizens United Political Victory Fund
C00295527
Kevin Allen, Treasurer
1006 Pennsylvania Ave., SE
Washington, DC 20003
- 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)

Citizens United Political Victory Fund ("the Committee") amended its 2010 30 Day Post-General, 2011 March Monthly, 2011 June Monthly, 2012 October Monthly, and 2012 12 Day Pre-General Reports to disclose additional receipts of \$5,561.50 and additional disbursements of \$127,511.07, which were not disclosed in the original reports (Attachment 2).

2010 30 Day Post-General Report

On December 2, 2010, the Committee filed the original 2010 30 Day Post-General Report covering the period from October 14, 2010 through November 22, 2010. The report disclosed \$346,460.98 in disbursements on Line 21(b) (Other Federal Operating Expenditures) of the Detailed Summary Page (Image 10992386320).

On January 31, 2011, the Committee filed an Amended 2010 30 Day Post-General Report. The report disclosed \$354,451.48 in disbursements on Line 21(b) of the Detailed Summary Page, a total increase of \$7,990.50 from the original report (Image 11990181661, Attachment 4).

On August 19, 2011, the Committee filed an Amended 2010 30 Day Post-General Report. The report disclosed no change in disbursements from the previous amendment (Image 11932271104, Attachment 4).

2011 March Monthly Report

On March 18, 2011, the Committee filed the original 2011 March Monthly Report covering the period from February 1, 2011 through February 28, 2011. The report disclosed \$0.00 in disbursements on Line 23 (Contributions to Federal Candidates/Committees and Other Political Committees) of the Detailed Summary Page (Image 11990313624).

On April 20, 2011, the Committee filed an Amended 2011 March Monthly Report. The report disclosed \$5,000.00 in disbursements on Line 23 of the Detailed Summary Page, an increase of \$5,000.00 from the original report (Image 11931217803, Attachment 4). In addition, the Committee attached memo text to the report that stated in part, "This report is being amended to disclose a contribution that was inadvertently left off the last report" (Image 11931217800).

On August 19, 2011, the Committee filed an Amended 2011 March Monthly Report. The report disclosed no change in disbursements from the previous amendment (Image 11932275698, Attachment 4).

2011 June Monthly Report

On June 20, 2011, the Committee filed the original 2011 June Monthly Report covering the period from May 1, 2011 through May 31, 2011. The report disclosed \$83,788.00 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals) of the Detailed Summary Page (Image 11931685238).

On July 20, 2011, the Committee filed an Amended 2011 June Monthly Report. The report disclosed \$89,349.50 in receipts on Line 11(a)(ii) of the Detailed Summary Page, an increase of \$5,561.50 from the original report (Image 11932034386, Attachment 3). In addition, the Committee attached memo text to the report that stated in part, "This report is being amended to 1) Disclose additional unitemized receipts omitted from original report" (Image 11932034384).

On August 19, 2011, the Committee filed an Amended 2011 June Monthly Report. The report disclosed no change in receipts from the previous amendment (Image 11932275890, Attachment 3).

2012 October Monthly Report

On October 20, 2012, the Committee filed the original 2012 October Monthly Report covering the period from September 1, 2012 through September 30, 2012. The report disclosed \$53,400.72 in disbursements on Line 21(b) (Other Federal Operating Expenditures) of the Detailed Summary Page (Image 12940330207).

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On December 6, 2012, the Committee filed an Amended 2012 October Monthly Report to disclose \$144,874.51 in disbursements on Line 21(b) of the Detailed Summary Page, an increase of \$91,473.79 from the original report (Image 12962841877, Attachment 4). In addition, the Committee attached memo text to the report that stated in part, "Please note that the PAC is filing this amended report in order to correct a clerical error. The report discloses an omitted disbursement" (Image 12962842006).

On April 17, 2013, a Request for Additional Information (RFAI) was sent to the Committee referencing the Amended 2012 October Monthly Report, received December 6, 2012. Among other items, the RFAI requested clarification regarding the substantial increase in disbursements disclosed on the Amended 2012 October Monthly Report, that were not disclosed in the original filing (Image 13330029129).

On May 22, 2013, the Committee filed a Miscellaneous Electronic Submission (Form 99) in response to the RFAI. The Committee stated in part:

"Pursuant to your request for clarification regarding the two items identified in the above-referenced correspondence, please be advised as follows: 1. The additional disbursement at issue was a payment to InfoCision Management Corporation in the amount of \$91,473.79 made on September 26, 2012. As indicated in the amended report, this disbursement was for a membership communication. This transaction, which did not clear the committee's bank account until October 2012, was not properly recorded by the committee's bookkeeper at the time that it occurred; hence, it was missed during the reconciliation of the committee's September 2012 bank statement. Once discovered, an amended report was filed disclose the transaction" (Image 13940766515).

2012 12 Day Pre-General Report

On October 25, 2012, the Committee filed the original 2012 12 Day Pre-General Report covering the period from October 1, 2012 through October 17, 2012. The report disclosed \$62.88 in disbursements on Line 21(b) (Other Federal Operating Expenditures) of the Detailed Summary Page (Image 12961025056).

On December 6, 2012, the Committee filed an Amended 2012 12 Day Pre-General Report to disclose \$23,109.66 in disbursements on Line 21(b) of the Detailed Summary Page, an increase of \$23,046.78 from the original report (Image 12962842832, Attachment 4). In addition, the Committee attached memo text to the report that stated in part, "Please note that the PAC is filing this amended report in order to correct a clerical error. The report discloses an omitted disbursements on Line 21b" (Image 12962842868).

On April 17, 2013, a RFAI was sent to the committee referencing the Amended 2012 12 Day Pre-General Report, received December 6, 2012. The RFAI requested clarification regarding the substantial increase in receipts and disbursements disclosed on the Amended 2010 30 Day Post-General, Amended 2011 March Monthly, Amended 2011 June Monthly, and Amended 2012 12 Day Pre-General Reports that were not disclosed in the original filings (Image 13330029133).

On May 22, 2013, the Committee filed a Form 99 in response to the RFAI. The Committee stated in part:

“In your letter you request further explanation regarding the increase in certain categories of receipts and certain categories of disbursements reported on the amended Pre-General Report as compared to the initial Pre-General Report. The committee’s records indicate that there was no change in the amount of receipts reported. The initial and amended reports, reported total receipts of \$90,162.00. The bulk of the increase in disbursements was a single payment to InfoCision Management Corporation on October 11, 2012 in the amount of \$18,982.81, which was for a membership communication. The remainder of the increase in disbursements was for bank service charges and merchant service fees. Without the benefit of the October 2012 bank statement, the payment to InfoCision Management Corporation was inadvertently overlooked until after the initial Pre-Election Report had been filed. As to the other changes in disbursements, the precise amounts disbursed for bank service charges and merchant services fees relating to credit card receipts are generally not available to the committee until it receives its monthly bank statements. The committee strives to file accurate and complete reports, and bank statements are a key cross reference in the process. Unfortunately, due to the dates covered by the Pre-Election Report, bank statements reflecting the covered transactions were not available until after the reporting deadline” (Image 13940766516).

On June 3, 2013, the Reports Analysis Division (RAD) Analyst called Michael Boos, Custodian of Records for the Committee. The Analyst explained to Mr. Boos that the increase in activity disclosed on the Committee’s Amended 2010 30 Day Post-General, Amended 2011 March Monthly, Amended 2011 June Monthly, Amended 2012 October Monthly, and Amended 2012 12 Day Pre-General Reports may be referred for further action by the Commission. The Analyst further stated that the Committee could file a Form 99 to provide an additional explanation of the increased activity (Attachment 5).

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