

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: October 30, 2013

ANALYST: Laura Beaufort

I. COMMITTEE: Rand Paul for US Senate 2010
C00462069
Kevin Broghamer, Treasurer (3/08/11 - Present)
Eric D. Stein, Treasurer (8/18/10 - 3/07/11 and 1/5/10 - 1/11/10)
Chris Hightower, Treasurer (1/12/10 - 8/17/10 and 5/19/09 - 1/4/10)
P.O. Box 72928
Newport, KY 41072

II. RELEVANT STATUTES: 11 CFR § 104.3(a) and (b)
2 U.S.C. § 434(b)(2) and (4)

III. BACKGROUND:

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

Rand Paul for US Senate 2010 ("the Committee") amended its 2009 Year-End, 2010 April Quarterly, 2010 12 Day Pre-Primary, 2010 July Quarterly, 2010 October Quarterly, 2010 12 Day Pre-General, and 2011 April Quarterly Reports to disclose additional receipts of \$266,577.04 and additional disbursements of \$90,695.87, which were not disclosed in the original reports (Attachment 2).

2009 Year-End Report

On January 28, 2010, the Committee filed the original 2009 Year-End Report covering the period from October 1, 2009 through December 31, 2009. The report disclosed \$297,537.99 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals), \$346,730.14 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals), \$5,820.00 in receipts on Line 11(c) (Contributions from Other Political Committees), and no receipts on Line 14 (Offsets to Operating Expenditures) of the Detailed Summary Page (Image 10020062420).

On April 14, 2010, the Committee filed an Amended 2009 Year-End Report. The report disclosed \$297,887.99 in receipts on Line 11(a)(i), \$346,380.14 in receipts on Line 11(a)(ii), \$5,820.00 in receipts on Line 11(c), and no receipts on Line 14 of the Detailed Summary Page (Image 10020270812).

On June 22, 2010, the Committee filed an Amended 2009 Year-End Report. The report disclosed \$298,690.09 in receipts on Line 11(a)(i), \$345,910.14 in receipts on Line 11(a)(ii), \$5,820.00 in receipts on Line 11(c), and no receipts on Line 14 of the Detailed Summary Page (Image 10020414223).

On October 5, 2012, the Committee filed an Amended 2009 Year-End Report. The report disclosed \$319,579.86 in receipts on Line 11(a)(i), \$326,866.43 in receipts on Line 11(a)(ii), \$8,320.00 in receipts on Line 11(c), and \$1.99 in receipts on Line 14 of the Detailed Summary Page, a total increase in receipts of \$4,348.05 from the Amended 2009 Year-End Report, received June 22, 2010 (Image 12020700705, Attachment 3).

2010 April Quarterly Report

On April 14, 2010, the Committee filed the original 2010 April Quarterly Report covering the period from January 1, 2010 through March 31, 2010. The report disclosed \$318,167.39 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals), \$296,214.54 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals), no receipts on Line 14 (Offsets to Operating Expenditures), and \$1,243.11 in receipts on Line 15 (Other Receipts) of the Detailed Summary Page (Image 10020260004). The Committee also reported \$1,516,079.21 in disbursements on Line 17 (Operating Expenditures) and \$8,176.24 in disbursements on Line 20(a) (Refunds of Contributions to Individuals) of the Detailed Summary Page (Image 10020260005).

On April 22, 2010, the Committee filed an Amended 2010 April Quarterly Report. The report disclosed no changes to receipts or disbursements from the original report (Images 10020334690-1).

On June 22, 2010, the Committee filed an Amended 2010 April Quarterly Report. The report disclosed \$318,538.85 in receipts on Line 11(a)(i), \$296,214.54 in receipts on Line 11(a)(ii), no receipts on Line 14, and \$1,243.11 in receipts on Line 15 of the Detailed Summary Page (Image 10020414234). The Committee also disclosed \$1,516,450.67 in disbursements on Line 17 and \$8,176.24 in disbursements on Line 20(a) of the Detailed Summary Page (Image 10020414235).

On July 19, 2010, the Committee filed an Amended 2010 April Quarterly Report. The report disclosed \$311,038.85 in receipts on Line 11(a)(i), \$296,214.54 in receipts on Line 11(a)(ii), no receipts on Line 14, and \$1,243.11 in receipts on Line 15 of the Detailed Summary Page (Image 10020573832). The Committee also reported \$1,516,450.67 in disbursements on Line 17 and \$8,176.24 in disbursements on Line 20(a) of the Detailed Summary Page (Image 10020573833).

On October 5, 2012, the Committee filed an Amended 2010 April Quarterly Report. The report disclosed \$334,576.32 in receipts on Line 11(a)(i), \$298,300.22 in receipts on Line 11(a)(ii), \$844.94 in receipts on Line 14, and \$1,784.77 in receipts on Line 15 of the Detailed Summary Page, a total increase in receipts of \$27,009.75 from the Amended 2010 April Quarterly Report, received July 19, 2010 (Image 12020701257, Attachment 3). The Committee also disclosed \$1,523,868.57 in disbursements on Line 17 and \$11,107.00 in disbursements on Line 20(a) of the Detailed Summary Page, a total increase in disbursements of \$10,348.66 from the Amended 2010 April Quarterly Report, received July 19, 2010 (Image 12020701258, Attachment 4).

2010 12 Day Pre-Primary Report

On May 3, 2010, the Committee filed the original 2010 12 Day Pre-Primary Report covering the period from April 1, 2010 through April 28, 2010. The report disclosed no disbursements on Line 20(a) (Refunds of Contributions to Individuals) of the Detailed Summary Page (Image 10020350462).

On June 22, 2010, July 13, 2010, July 19, 2010, and September 13, 2010, the Committee filed Amended 2010 12 Day Pre-Primary Reports. The reports disclosed no change in disbursements from the original report (Images 10020414248, 10020471078, 10020573823, and 10020650182, respectively).

On October 5, 2012, the Committee filed an Amended 12 Day Pre-Primary Report. The report disclosed \$3,235.00 in disbursements on Line 20(a), a total increase in disbursements of \$3,235.00 from the Amended 2010 12 Day Pre-Primary Report, received September 13, 2010 (Image 12020701896, Attachment 4).

2010 July Quarterly Report

On July 13, 2010, the Committee filed the original 2010 July Quarterly Report covering the period from April 29, 2010 through June 30, 2010. The report disclosed \$160.49 in receipts on Line 14 (Offsets to Operating Expenditures) and \$16,000.00 in receipts on Line 15 (Other Receipts) of the Detailed Summary Page (Image 10020463243). The Committee also disclosed \$651,147.12 in disbursements on Line 17 (Operating Expenditures) and \$7,312.00 in disbursements on Line 20(a) (Refunds of Contributions to Individuals) of the Detailed Summary Page (Image 10020463244).

On July 14, 2010, the Committee filed an Amended 2010 July Quarterly Report. The report disclosed \$160.49 in receipts on Line 14 and \$16,000.00 in receipts on Line 15 of the Detailed Summary Page (Image 10020510979). The Committee also disclosed

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\$695,054.18 in disbursements on Line 17 and \$7,312.00 in disbursements on Line 20(a) of the Detailed Summary Page (Image 10020510980).

On July 19, 2010, July 20, 2010, and September 29, 2010 the Committee filed Amended 2010 July Quarterly Reports. The reports disclosed no change in receipts or disbursements from the previous amendment (Images 10020573841-2, 10020574091-2, and 10020663902-3, respectively).

On October 14, 2010, the Committee filed an Amended 2010 July Quarterly Report. The report disclosed \$160.49 in receipts on Line 14 and \$16,000.00 in receipts on Line 15 of the Detailed Summary Page (Image 10020820306). The Committee also disclosed \$693,638.69 in disbursements on Line 17 and \$7,312.00 in disbursements on Line 20(a) of the Detailed Summary Page (Image 10020820307).

On October 5, 2012, the Committee filed an Amended 2010 July Quarterly Report. The report disclosed \$17,217.65 in receipts on Line 14 and no receipts on Line 15, a total increase in receipts of \$1,057.16 from the Amended 2010 July Quarterly Report, received October 14, 2010 (Image 12020702201, Attachment 3). The Committee also disclosed \$702,505.49 in disbursements on Line 17 and \$11,434.90 in disbursements on Line 20(a) of the Detailed Summary Page, a total increase in disbursements of \$12,989.70 from the Amended 2010 July Quarterly Report, received October 14, 2010 (Image 12020702202, Attachment 4).

2010 October Quarterly Report

On October 14, 2010, the Committee filed the original 2010 October Quarterly Report covering the period from July 1, 2010 through September 30, 2010. The report disclosed \$215,687.51 in receipts on Line 11(c) (Contributions from Other Political Committees), \$81,350.00 in receipts on Line 12 (Transfers from Other Authorized Committees), and \$17.10 in receipts on Line 14 (Offsets to Operating Expenditures) of the Detailed Summary Page (Image 10020820314). The Committee also disclosed \$11,317.00 in disbursements on Line 20(a) (Refunds of Contributions to Individuals) of the Detailed Summary Page (Image 10020820315).

On October 5, 2012, the Committee filed an Amended 2010 October Quarterly Report. The Report disclosed \$267,892.51 in receipts on Line 11(c), \$82,628.07 in receipts on Line 12, and \$36.14 in receipts on Line 14, a total increase in receipts of \$53,502.11 from the original report (Image 12020702960, Attachment 3). The Committee also disclosed \$12,979.00 in disbursements on Line 20(a) of the Detailed Summary Page, a total increase in disbursements of \$1,662.00 from the original report (Image 12020702961, Attachment 4).

2010 12 Day Pre-General Report

On October 21, 2010, the Committee filed the original 2010 12 Day Pre-General Report covering the period from October 1, 2010 through October 13, 2010. The report disclosed \$308,689.02 in receipts on Line 11(a)(i) (Itemized Contributions from

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Individuals), \$113,754.21 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals), \$42,215.00 in receipts on Line 11(c) (Contributions from Other Political Committees), and no receipts on Line 14 (Offsets to Operating Expenditures) of the Detailed Summary Page (Image 10020923736). The Committee also disclosed \$1,283,141.77 in disbursements on Line 17 (Operating Expenditures) of the Detailed Summary Page (Image 10020923737).

On October 5, 2012, the Committee filed an Amended 2010 12 Day Pre-General Report. The Report disclosed \$444,887.32 in receipts on Line 11(a)(i), \$140,874.88 in receipts on Line 11(a)(ii), \$59,550.00 in receipts on Line 11(c), and \$6.00 in receipts on Line 14 of the Detailed Summary Page, a total increase in receipts of \$180,659.97 from the original report (Image 12020710792, Attachment 3). The Committee also disclosed \$1,291,207.28 in disbursements on Line 17 of the Detailed Summary Page, a total increase in disbursements of \$8,065.51 from the original report (Image 12020710793, Attachment 4).

2011 April Quarterly Report

On April 14, 2011, the Committee filed the original 2011 April Quarterly Report covering the period from January 1, 2011 through March 31, 2011. The report disclosed \$58,752.01 in disbursements on Line 17 (Operating Expenditures) and \$100.00 in disbursements on Line 20(a) (Refunds of Contributions to Individuals) of the Detailed Summary Page (Image 11020181279).

On October 5, 2012, the Committee filed an Amended 2011 April Quarterly Report. The report disclosed \$112,447.01 in disbursements on Line 17 and \$800.00 in disbursements on Line 20(a) of the Detailed Summary Page, a total increase in disbursements of \$54,395.00 from the original report (Image 12020711157, Attachment 4).

On February 21, 2013, a Request for Additional Information (RFAI) was sent to the Committee referencing the Amended 2012 July Quarterly Report, received October 5, 2012. Among other items, the RFAI requested clarification regarding the substantial increase in receipts and disbursements disclosed on the Amended 2009 Year-End, 2010 April Quarterly, 2010 12 Day Pre-Primary, 2010 July Quarterly, 2010 October Quarterly, 2010 12 Day Pre-General, and 2011 April Quarterly Reports that were not disclosed previously (Image 13330025454).

On March 1, 2013, the Committee filed a Miscellaneous Paper Submission (“Form 99”) in response to the RFAI. The Committee stated, in part:

“When I became treasurer, on March 8, 2011, we instituted a full review of all Committee financial activity, which included a comprehensive analysis and reconciliation of all financial activity since inception in comparison to activity disclosed on the FEC reports. Upon conclusion of this comprehensive review of almost 85,000 receipt and disbursement records, we determined that amendments were necessary with respect to the FEC

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reports previously filed by the Committee. We prepared and filed those amendments as soon as possible. With the filing of these amendments, Rand Paul for US Senate 2010 is now balanced and reconciled from inception in 2009 through the end of 2012" (Image 13020132581).

On May 16, 2013, the Reports Analysis Division (RAD) Analyst called the Committee's Treasurer, Kevin Broghamer, and left a voice mail message. The RAD Analyst said the matter involving increased activity on the amendments would be forwarded to another office for further Commission action. The Analyst also stated that if the Committee wanted to provide further clarification on the issue, they could submit additional information for the public record (Attachment 5).

On September 3, 2013, Mr. Broghamer called the RAD Analyst to check on the status of the Committee's referral regarding the increase in activity disclosed on multiple amended reports. The Analyst informed him that because the matter had been referred to another office, they were unable to provide an update. The Analyst further advised Mr. Broghamer to continue filing termination reports until the matter is resolved. The Analyst told him another office within the Commission will contact him soon.

To date, no further communications have been received from the Committee regarding this matter.