

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: February 26, 2014

ANALYST: Jill Sugarman

- I. COMMITTEE: American Principles in Action
C90011552
Heidi K. Abegg, Counsel
1420 K Street, NW, Suite 300
Washington, DC 20005
- II. RELEVANT STATUTES: 2 U.S.C. §434(g)
11 CFR §109.10(c) and (e)

III. BACKGROUND:

Failure to Provide Supporting Schedules (Failure to File 48-Hour Reports)

American Principles in Action ("APIA") failed to file two (2) 48-Hour Reports totaling \$74,496.50 to support eight (8) independent expenditures disclosed on the 2012 October Quarterly Report, made up to and including the 20th day before the 2012 General Election (Attachment 2).

On October 11, 2012, APIA filed its 2012 October Quarterly Report covering the period from July 1, 2012 through September 30, 2012. Schedule 5-E (Itemized Independent Expenditures) of the report disclosed nine (9) independent expenditures totaling \$75,305.00, made in opposition to one (1) federal candidate. APIA failed to file two (2) 48-Hour Reports to support eight (8) independent expenditures totaling \$74,496.50 for the 2012 General Election (Attachment 2; Images 12954315720-2).

On September 3, 2013, a Request for Additional Information (RFAI) was sent to APIA referencing the 2012 October Quarterly Report. The RFAI noted that APIA may have failed to file 48-Hour Report(s) for the independent expenditures disclosed on Schedule 5-E of the 2012 October Quarterly Report. A chart was included with the RFAI

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identifying nine (9) independent expenditures, totaling \$75,305.00 for which 48-Hour Reports had not been filed (Images 13330038174-6).¹

On November 5, 2013, the Reports Analysis Division (RAD) Analyst contacted APIA to obtain an alternate e-mail address, as the RFAI sent to the Committee's e-mail address of record on the 2012 October Quarterly Report was returned as undeliverable (Attachment 3).

On December 16 and 19, 2013, the RAD Analyst made follow-up attempts to contact APIA concerning the issue of missing 48-Hour Reports cited in the RFAI (Attachment 3).

On January 6, 2014, the RAD Analyst spoke with a representative of APIA, Marian Boteju, about the failure to file 48-Hour Reports for independent expenditures disclosed on the 2012 October Quarterly Report, which was referable for further Commission action. Ms. Boteju stated she would research this matter and respond within the next few days (Attachment 3).

Later on January 6, 2014, APIA's counsel, Heidi Abegg, contacted the RAD Analyst to follow up on the issues the Analyst discussed with Ms. Boteju. Ms. Abegg stated she would research the matter and provide additional information to RAD by the end of the week (Attachment 3).

On January 13, 2014, Ms. Abegg filed a Miscellaneous Document Submission ("Form 99"), stating in part:

"The individual who was responsible for filing APIA's FEC reports left the organization shortly after filing the October Quarterly Report in 2012. The officer responsible for supervising this individual also left the organization around the same time. The recordkeeping was in disarray upon the departure of these two individuals, making it difficult for APIA to determine why the 48-hour reports were not filed.

It is difficult for APIA to reconcile why no 48-hour reports were filed for the disbursements listed on the [2012] October Quarterly Report, and a 48-hour report was filed for an ad that ran on October 15 [2012] (see 48-hour report filed on October 17, 2012).

APIA believes that the dates listed in the October Quarterly Report are payment dates. APIA ran ads during the weeks of 8/6/12, 8/13/12, 9/17/12, and 9/24/12.

¹ The Reports Analysis Division (RAD) later determined that a 48-Hour Report was not required for the independent expenditure totaling \$808.50, leaving eight (8) independent expenditures requiring 48-Hour Reports, totaling \$74,496.50.

APIA has retained my firm [Webster, Chamberlain & Bean, LLP] to handle any future FEC reporting issues to ensure that timely and accurate reports are filed. Had APIA been aware of the failure to file these 48-hour reports, it would have self-disclosed such failure; APIA previously disclosed its failure to file a 24-hour report for an independent expenditure that unknowingly ran the week of October 22, 2012. See ADR 633 (P-MUR 553).

APIA requests that no further action be taken because it has taken action to ensure that such failure does not occur in the future, it properly reported the ads on the [2012] October Quarterly Report, and it would have self-reported such failure had it been aware" (Images 14031152718-9).

To date, no additional information has been provided by APIA regarding this matter.

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