



Federal Election Commission
Washington, DC 20463

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SENSITIVE

MEMORANDUM

July 9, 2014

TO: The Commission

THROUGH: Alec Palmer *AP*
Staff Director

FROM: Patricia C. Orrock *PCO*
Chief Compliance Officer

Lynn M. Fraser *LMF*
Director, ADR Office

BY: Krista J. Roche *KJR*
Assistant Director, ADR Office

SUBJECT: ADR 729 Liberty for All Action Fund and Chris Marston,
Treasurer, Informational Memo on Assignment

The Office of General Counsel transferred RR 14L-06 for processing on June 30, 2014, and the ADR Office designated the referral ADR 729. We include a summary and discussion of the referral for your information. We anticipate initiating communication with Respondents in ADR 729 on July 14, 2014. Please contact Krista Roche if you have any questions or concerns before then.

Summary of Case: The Reports Analysis Division referred Liberty for All Action Fund and Chris Marston, Treasurer, (Respondents or the Committee) for failing to disclose all financial activity. The Committee amended its 2012 April Quarterly and 2012 July Quarterly Reports to disclose additional receipts of \$461,631.83 and additional disbursements of \$20,088.61, an aggregate increase in activity totaling \$481,720.44.

In addition, the Committee failed to timely file one 24-Hour Report totaling \$42,085.00 to support one independent expenditure disclosed on the 2012 September Monthly Report. The Committee filed the 24-Hour Report on September 19, 2012, disclosing an independent expenditure dated August 3, 2012,

designated to the 2012 Primary Election in the state of Michigan, held on August 7, 2012.

In a Miscellaneous Electronic Submission (Form 99) filed on August 5, 2013, the Committee explains the circumstances surrounding the errors in reporting receipts and disbursements. The Committee stated that it began operations as a volunteer organization before transitioning to professional staff and vendors. Upon discovering errors, the Committee contends it made an exhaustive review of financial records and amended reports to voluntarily disclose any errors. The Committee further contends that the disbursements in question were not independent expenditures and the receipts were all on the same day from a single donor, who is well-established in his support for the Committee on the public record. The Committee contends that it took several remedial measures to ensure reporting errors do not occur in the future including centralizing operations, performing regular reviews and reconciliations, and implementing internal controls. With regard to the independent expenditure, the Committee filed a Form 99 on January 10, 2013 stating that it regretted the error and corrected it on its own initiative once discovered.