

REPORTS ANALYSIS DIVISION REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: August 18, 2014

ANALYST: Kevin Fortkiewicz

I. COMMITTEE: Congressional Leadership Fund
(C00504530)
Caleb Crosby, Treasurer (12/4/12 - Present)
Charles Meachum, Treasurer (10/24/11 -
12/3/12)
1747 Pennsylvania Avenue NW
5th Floor
Washington, DC 20006

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

III. BACKGROUND:

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

Congressional Leadership Fund ("the Committee") amended its 2012 July Quarterly, 2012 October Quarterly and 2012 30 Day Post-General Reports to disclose additional receipts of \$59,264.18, which were not disclosed on the original reports (Attachment 2).

2012 July Quarterly Report

On July 15, 2012, the Committee filed its original 2012 July Quarterly Report covering the period from April 1, 2012 through June 30, 2012. The report disclosed \$1,268,648.81 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals) of the Detailed Summary Page (Image 12952468500, Attachment 3).

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On July 27, 2012, the Committee filed an Amended 2012 July Quarterly Report. The report disclosed \$1,272,648.81 in receipts on Line 11(a)(i) of the Detailed Summary Page (Image 12952598870).

On December 19, 2012, the Committee filed an Amended 2012 July Quarterly Report. The report disclosed \$1,282,648.81 in receipts on Line 11(a)(i) of the Detailed Summary Page, an increase of \$14,000.00 from the original report (Image 12963771736, Attachment 3).

2012 October Quarterly Report

On October 15, 2012, the Committee filed its original 2012 October Quarterly Report covering the period from July 1, 2012 through September 30, 2012. The report disclosed \$1,103,848.77 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals) of the Detailed Summary Page (Image 12954436926, Attachment 3).

On December 19, 2012, the Committee filed an Amended 2012 October Quarterly Report. The report disclosed \$1,138,848.77 in receipts on Line 11(a)(i) of the Detailed Summary Page, an increase of \$35,000.00 from the original report (Image 12963771758, Attachment 3).

2012 30 Day Post-General Report

On December 6, 2012, the Committee filed its 2012 30 Day Post-General Report covering the period from October 18, 2012 through November 26, 2012. The report disclosed \$314,550.48 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals) of the Detailed Summary Page (Image 12963000347, Attachment 3).

On December 19, 2012, the Committee filed an Amended 2012 30 Day Post-General Report. The report disclosed \$324,814.66 in receipts on Line 11(a)(i) of the Detailed Summary Page, an increase of \$10,264.18 from the original report (Image 12941465039, Attachment 3).

On April 3, 2013, a Request for Additional Information (RFAI) was sent to the Committee referencing the Amended 2012 30 Day Post-General Report, received December 19, 2012. Among other issues, the RFAI requested clarification regarding the substantial increase in receipts disclosed on the Amended 2012 July Quarterly Report, received December 19, 2012, Amended 2012 October Quarterly Report, received December 19, 2012 and Amended 2012 30 Day Post-General Report, received December 19, 2012 that were not disclosed on the original reports¹ (Image 13330028054).

¹ The RFAI also requested clarification regarding the substantial increases in disbursements disclosed on the Amended 2012 July Quarterly, Amended 2012 October Quarterly, and Amended 2012 30 Day Post-General Reports. However, since the additional disbursements disclosed on these amendments were balancing entries for in-kind contributions received on Schedule A of the reports, and not actual disbursements made by the Committee, the increases in disbursements have been excluded from this referral.

11-10-2012-11

On May 7, 2013, the Committee filed a Miscellaneous Electronic Submission ("Form 99") in response to the RFAI. The Committee stated, in part:

"Your letter seeks additional information regarding a total increase of \$59,264.18 in contributions disclosed on CLF's Amended July Quarterly Report (4/1/12 - 6/31/12), received 12/19/12; CLF's Amended October Quarterly Report (7/1/12 - 9/30/12), received 12/19/12; and CLF's Amended 30 Day Post-General Report (10/18/12 - 11/26/12), received 12/19/12. As indicated in those amended reports, CLF disclosed \$55,264.18 in additional in-kind contributions for fundraising services and - as required when a political committee receives an in-kind contribution - CLF disclosed a corresponding \$55,264.18 in fundraising expenditures. These in-kind contributions were not included in CLF's original reports due to an administrative oversight that has now been corrected.

In addition, a vendor who had been recently retained by CLF belatedly notified CLF of a \$4,000 contribution received in June. That contribution was disclosed on CLF's Amended July Quarterly Report (4/1/12 - 6/31/12), received 7/27/12. CLF has since restructured its relationship with the vendor.

Please note that CLF filed the amended reports as soon as possible after learning of these omissions" (Image 13962172782).

On May 16, 2013, the Reports Analysis Division (RAD) Analyst left a voicemail for Caleb Crosby, Committee treasurer, stating that the RFAI referencing the Amended 2012 30 Day Post-General Report, received December 19, 2012 could be referred to the Commission for further action. The Analyst requested Mr. Crosby call to discuss the issue (Attachment 4).

Subsequently, on May 16, 2013, Mr. Crosby returned the RAD Analyst's phone message and the Analyst explained that the increase in additional activity disclosed on the amended reports could be referred for additional action. The Analyst further explained that the Committee could provide additional information on the public record, explaining the increase in activity. Mr. Crosby stated that the increase in activity disclosed on the amended reports was a result of an in-kind service the Committee was receiving from a vendor. However, the Committee was unaware that the services were being provided at the time the original reports were filed. Mr. Crosby further stated that he would provide this information on the public record within the next week (Attachment 4).

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On May 21, 2013, the Committee filed a Form 99, which stated in part:

"I am writing to follow-up on your letter dated April 3, 2013, regarding the AMENDED 30 DAY POST-GENERAL REPORT (10/18/2012 - 11/26/2012), RECEIVED 12/19/2012 from the Congressional Leadership Fund (CLF) and the response I submitted on May 7, 2013. I explained in my response that CLF amended its reports to disclose \$55,264.18 in additional in-kind contributions for fundraising services. I noted that these in-kind contributions were not included in CLF's original reports due to an administrative oversight that has now been corrected and that CLF filed amended reports to include the in-kind contributions of fundraising services as soon as possible after learning of the omissions.

As disclosed on CLFs reports, CLF receives regular in-kind contributions for administrative support from the American Action Network (AAN) in the form of staff and office expenses. The fundraising services added to CLFs amended reports were invoiced to AAN by an independent fundraising consultant and paid by AAN administrative staff. Not until AAN fundraising staff began its year-end review of payments to all fundraising consultants did AAN realize that the fundraising consultant, who rendered services to both AAN and CLF, only invoiced AAN. Upon learning of this issue, CLF amended its FEC reports to reflect that AANs payment of the invoices was effectively an in-kind contribution to CLF.

In addition, AAN and CLF have imposed separate invoicing procedures on the independent fundraising consultant to ensure that AAN and CLF receive and pay appropriate and timely invoices for ongoing fundraising services rendered to each entity by the consultant.

I hope you find this additional information helpful in clarifying the public record. Please let me know if I can be of further assistance" (Image 13962653231).

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

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