

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: August 8, 2013

ANALYST: Tyler Culberson

- I. COMMITTEE: Lynn Jenkins for Congress
C00433730
Heather Grote, Treasurer (5/9/13 – present)
Kurt Bossert, Treasurer (2/25/10 – 5/8/13)
Robert M. Telthorst, Treasurer (4/19/09 – 2/24/10)
PO Box 1441
Topeka, KS 66601-1441
- II. RELEVANT STATUTES: 2 U.S.C. § 434(b)
11 CFR § 102.9
11 CFR § 102.15
11 CFR § 104.3
- III. BACKGROUND:

Other Violations of the Federal Election Campaign Act (Unauthorized Use of Committee Funds)

Lynn Jenkins for Congress (“the Committee”) filed a Miscellaneous Electronic Submission (“Form 99”) to disclose unauthorized disbursements totaling \$21,300.00 and refunds of unauthorized disbursements totaling \$21,308.92 (Attachment 2).

On September 21, 2011, Matthew Connolly, the Committee’s counsel, called the Reports Analysis Division (RAD) Analyst to report that the former Committee treasurer, Robert Telthorst, embezzled money from the Committee, making three (3) unauthorized disbursements totaling approximately \$20,000.00. Mr. Connolly requested guidance on how to report the unauthorized activity. The Analyst directed Mr. Connolly to the “FEC Policy Regarding Self-Reporting of Campaign Finance Violations (Sua Sponte Submissions)” section on the FEC website. In addition, the Analyst requested that the Committee file a Form 99 explaining the unauthorized activity. The Analyst encouraged Mr. Connolly to contact the Office of General Counsel (OGC) as soon as possible and provided Mr. Connolly with the contact phone number (Attachment 3).

On October 11, 2011, the RAD Analyst called Mr. Connolly to follow up on the previous conversation regarding how to properly report unauthorized disbursements the former treasurer may have made, as well as any related repayments made to the Committee. The Analyst informed Mr. Connolly that unauthorized disbursements should be reported on Line 21 (Other Disbursements) and repayment of unauthorized disbursements should be reported on Line 15 (Other Receipts) of the Detailed Summary Page on the appropriate quarterly report. Mr. Connolly indicated that the Committee was working with OGC to file a *sua sponte* submission (Attachment 3).

On January 31, 2013, the Committee filed a Form 99 which stated, in part:

"In the summer of 2011 we were notified by the FBI that our former treasurer, Rob Telthorst, was under investigation for possible misappropriation of funds from a number of his former clients. There were three disbursements from our campaign committee, totaling \$21,300 that they believed may not have been authorized by the campaign. After being contacted, we immediately notified the Federal Election Commission of the situation and authorized an outside independent vendor to perform an audit during the time period Telthorst controlled our accounts from early 2009 to early 2010. In the course of the audit, the accountant found the three unauthorized disbursements from our account totaling \$21,300. It was also discovered that those funds were subsequently reimbursed in full from an unauthorized outside account (Robert M. Telthorst Sole Prop DBA Lynn Jenkins for Congress) making our campaign funds whole (Image 13960692635).

On July 1, 2013, the RAD Analyst contacted Heather Grote, the Committee's current treasurer, to inform the Committee that they were being referred to another office within the FEC due to the unauthorized activity reported on the Committee's Form 99, received January 31, 2013. The Analyst explained that if the Committee wanted to provide further clarification regarding this issue, they could file additional Form 99s for the public record (Attachment 3). Later on the same day, Patrick Leopold, the Campaign Manager, called the RAD Analyst to follow up concerning the pending referral discussed with Ms. Grote (Attachment 3).

On July 3, 2013, the RAD Analyst contacted Mr. Leopold asking if the Committee had filed any other reports in addition to the Form 99 dated January 31, 2013, containing information related to unauthorized transactions made by the Committee's former treasurer, Robert Telthorst. Mr. Leopold said the Committee did not file any additional reports relating to the unauthorized activity. He indicated that the Committee had been instructed by OGC to provide information related to unauthorized transactions made with Committee funds on a Form 99 because the alleged embezzlement activity appeared to be limited to transfers between Committee accounts (Attachment 3).

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

0-10000000-011

O-Index (2013-2014)

| Form Tp | Rpt Tp | AI | Receipt Dt | Pgs | Begin Imgt# | Beg Cvg Dt | End Cvg Dt | Ltr Mail Dt | Begin Cash | Receipts | Disb | End Cash | Debits | Loans | Debits & Loans |
|---------|--------|----|------------|-----|-------------|------------|------------|-------------|------------|-----------|-----------|-------------|--------|-------|----------------|
| MS-T | | | 1/31/2013 | 1 | 13960692635 | | | | | | | | | | |
| F3N | Q1 | N | 4/15/2013 | 75 | 13940534850 | 1/1/2013 | 3/31/2013 | | \$795,065 | \$223,672 | \$64,816 | \$953,921 | | | \$0 |
| F3N | Q2 | N | 7/15/2013 | 122 | 13941150050 | 4/1/2013 | 6/30/2013 | | \$953,921 | \$376,318 | \$83,230 | \$1,247,009 | | | \$0 |
| F1A | | A | 5/9/2013 | 9 | 13940686638 | | | | | | \$148,047 | | | | |
| Totals | | | | | | | | | \$599,990 | \$599,990 | \$148,047 | | | | |

Cmte. ID: C00433730

Cmte. Name: LYNN JENKINS FOR CONGRESS

Treasurer Name: GROTE, HEATHER

Address: PO BOX 1441, TOPEKA, KS 66601-1441

Cmte. Designation: P (PRINCIPAL CAMPAIGN COMMITTEE OF A CANDIDATE)

Filing Frequency: QUARTERLY FILER

O-Index (2011-2012)

| Form Tp | Rpt Tp | AI | Receipt Dt | Pgs | Begin Imgt# | Beg Cvg Dt | End Cvg Dt | Ltr Mail Dt | Begin Cash | Receipts | Disb | End Cash | Debits | Loans | Debits & Loans |
|---------|--------|----|------------|-----|-------------|------------|------------|-------------|-------------|-----------|-----------|-------------|--------|-------|----------------|
| MS-T | | | 3/21/2011 | 1 | 11930539106 | | | | | | | | | | |
| MS-T | | | 10/11/2011 | 1 | 11971561034 | | | | | | | | | | |
| MS-T | | | 11/27/2012 | 3 | 12961284676 | | | | | | | | | | |
| RQ2 | 12P | N | 12/17/2012 | 4 | 12330018399 | 7/1/2012 | 9/30/2012 | 12/17/2012 | | | | | | | |
| RQ2 | Q3 | A | 12/19/2012 | 3 | 12330018654 | 7/19/2012 | 9/30/2012 | | | | | | | | |
| F3N | Q1 | N | 4/15/2011 | 79 | 11930671379 | 1/1/2011 | 3/31/2011 | | \$337,426 | \$188,305 | \$43,532 | \$482,199 | | | \$0 |
| F3N | Q2 | N | 7/15/2011 | 108 | 11931844286 | 4/1/2011 | 6/30/2011 | | \$482,199 | \$231,703 | \$78,887 | \$635,015 | | | \$0 |
| F3N | Q3 | N | 10/14/2011 | 99 | 11971590176 | 7/1/2011 | 9/30/2011 | | \$635,015 | \$229,696 | \$48,559 | \$816,151 | | | \$0 |
| F3N | YE | N | 1/31/2012 | 97 | 12950293701 | 10/1/2011 | 12/31/2011 | | \$816,151 | \$226,696 | \$65,357 | \$977,491 | | | \$0 |
| F3N | Q1 | N | 4/15/2012 | 96 | 12970941428 | 1/1/2012 | 3/31/2012 | | \$977,491 | \$198,439 | \$78,328 | \$1,097,602 | | | \$0 |
| F3N | Q2 | N | 7/15/2012 | 141 | 12952462904 | 4/1/2012 | 6/30/2012 | | \$1,097,602 | \$349,985 | \$54,028 | \$1,393,459 | | | \$0 |
| F3N | Q3 | N | 10/15/2012 | 141 | 12940740731 | 4/1/2012 | 6/30/2012 | | \$1,393,459 | \$54,028 | \$54,028 | \$1,393,459 | | | \$0 |
| F3N | 12P | N | 7/26/2012 | 29 | 12952597427 | 7/1/2012 | 7/18/2012 | | \$1,393,459 | \$59,829 | \$30,456 | \$1,422,832 | | | \$0 |
| F3N | Q3 | N | 10/15/2012 | 118 | 12972675825 | 7/19/2012 | 9/30/2012 | | \$1,422,832 | \$274,290 | \$297,639 | \$1,399,483 | | | \$0 |
| F3A | Q3 | A | 11/27/2012 | 118 | 12940763047 | 7/19/2012 | 9/30/2012 | | \$1,399,483 | \$60,707 | \$219,693 | \$1,240,496 | | | \$0 |
| F3N | 12G | N | 12/6/2012 | 40 | 12940473977 | 10/1/2012 | 10/17/2012 | | \$1,240,496 | \$112,781 | \$536,027 | \$817,250 | | | \$0 |
| F3N | 30G | N | 10/25/2012 | 63 | 12962935509 | 10/18/2012 | 11/26/2012 | | \$817,250 | \$16,467 | \$39,579 | \$795,065 | | | \$0 |
| F3N | YE | N | 1/31/2013 | 25 | 13960692610 | 11/27/2012 | 12/31/2012 | | | | | | | | |
| F2A | | A | 4/22/2011 | 1 | 11931241726 | | | | | | | | | | |
| F1A | | A | 7/11/2012 | 8 | 12952294006 | | | | | | | | | | |
| F6N | | | 7/28/2012 | 1 | 12952599652 | | | | | | | | | | |
| F6N | | | 7/31/2012 | 1 | 12952601411 | | | | | | | | | | |
| F6N | | | 8/5/2012 | 1 | 12952616694 | | | | | | | | | | |
| F6N | | | 7/28/2012 | 1 | 12952597456 | | | | | | | | | | |
| F6N | | | 7/21/2012 | 2 | 12952581844 | | | | | | | | | | |
| F6N | | | 8/2/2012 | 1 | 12971839356 | | | | | | | | | | |
| F6N | | | 7/24/2012 | 1 | 12952590485 | | | | | | | | | | |
| F6N | | | 10/30/2012 | 1 | 12940382286 | | | | | | | | | | |
| F6N | | | 10/23/2012 | 3 | 12960689001 | | | | | | | | | | |
| F6N | | | 11/3/2012 | 2 | 12961240079 | | | | | | | | | | |
| F6N | | | 10/25/2012 | 3 | 12940474952 | | | | | | | | | | |
| F6N | | | 11/3/2012 | 1 | 12961240349 | | | | | | | | | | |

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Filing Frequency: QUARTERLY FILER

Lynn Jenkins for Congress (C00433730)

Unauthorized Activity

Miscellaneous Electronic Submission (Form 99), received 1/31/13 (Image 13960692635)

A. Unauthorized Disbursements

| Name of Payee | Date | Amount |
|---|-------------|--------------------|
| Lynn Jenkins for Congress CD Account | 8/28/2009 | \$12,000.00 |
| Lynn Jenkins for Congress CD acct | 8/28/2009 | \$4,800.00 |
| Consolidated Lease & Fin 30-Day CD | 9/1/2009 | \$4,500.00 |
| Total Unauthorized Disbursements | | \$21,300.00 |

B. Refunds of Unauthorized Disbursements

| Name of Payer | Date | Amount |
|---|-------------|--------------------|
| Robert M. Telthorst Sole Prop DBA Lynn Jenkins for Congress | 4/8/2010 | \$21,308.92 |
| Total Refunds of Unauthorized Disbursements | | \$21,308.92 |