

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: June 17, 2014

ANALYST: Maureen Benitz

I. COMMITTEE:

CE Action Committee
 C00542779
 Rita Copeland, Treasurer
 (11/27/13-Present)
 Thomas Steyer, Treasurer
 (3/12/13-11/26/13)
 555 Capitol Mall
 Suite 1425
 Sacramento, CA 95814

II. RELEVANT STATUTE:

2 U.S.C. § 434(b)(8)
 2 U.S.C. § 434(g)(2)
 11 CFR § 104.3(d)
 11 CFR § 104.4(b)

III. BACKGROUND:

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

CE Action Committee ("the Committee") failed to timely file four (4) 48-Hour Reports supporting fourteen (14) independent expenditures totaling \$62,865.81 disclosed on the Amended 2013 12 Day Pre-Special Report, received September 27, 2013, made up to and including the 20th day before the 2013 Special-Primary Election held in the state of Massachusetts (Attachment 2).

On March 22, 2013, the Committee filed one (1) 48-Hour Report to support three (3) independent expenditures, totaling \$32,675.00, disseminated between March 18, 2013 through March 22, 2013 (Image 13940505729).

On March 27, 2013, the Committee filed one (1) 48-Hour Report to support four (4) independent expenditures, totaling \$583.00, disseminated on March 25, 2013 (Image 13940508772).

On March 29, 2013, the Committee filed one (1) 48-Hour Report to support two (2) independent expenditures, totaling \$92,800.00, disseminated between March 27, 2013 through March 29, 2013 (Image 13940509870).

On April 3, 2013, the Committee filed one (1) 48-Hour Report to support three (3) independent expenditures, totaling \$70,440.00, disseminated between April 1, 2013 through April 2, 2013 (Image 13940511704).

On April 8, 2013, the Committee amended the 48-Hour Report originally filed on April 3, 2013. The amended report disclosed no changes to the independent expenditures disclosed on the original report (Image 13940512975).

On April 18, 2013, the Committee filed the original 2013 12 Day Pre-Special Report covering the period from January 1, 2013 through April 10, 2013, which included a Schedule E (Itemized Independent Expenditures) disclosing fourteen (14) independent expenditures totaling \$215,248.00 made in opposition to one (1) federal candidate (Images 13940598682-688).

On April 18 and 22, 2013, the Committee amended the 48-Hour Report originally filed on March 27, 2013. The amended report disclosed modifications to several vendor names and addresses disclosed on Schedule E, but no other changes in independent expenditures from the original report (Images 13940562804 and 13940610261).

On April 23, 2013, the Committee filed an Amended 2013 12 Day Pre-Special Report. The amended report disclosed modifications to several vendor names and addresses disclosed on Schedule E, but no other changes in independent expenditures from the original report (Image 13940617489-95).

On May 8, 2013, the Committee amended the 48-Hour Reports originally filed on March 22, 2013, March 27, 2013, March 29, 2013, and April 3, 2013. The amended reports disclosed modifications to several vendor names, purposes, and addresses disclosed on Schedule E, but no other changes in independent expenditures from the original report (Images 13940695831, 13940695736, 13940695738, and, 13940695734).

On June 18, 2013, Emily Andrews and Lacy Keys, attorneys for the Committee, called the Reports Analysis Division (RAD) Analyst to ask about amending 48-Hour Reports. Ms. Andrews asked if the previously filed original 48-Hour Reports could be amended, or if they would have to file new reports. The Analyst explained that the reports could be amended and suggested filing a Miscellaneous Electronic Submission ("Form 99") to clarify the changes on the amended 48-Hour Reports (Attachment 4).

On June 19, 2013, the Committee filed an Amended 2013 12 Day Pre-Special Report. The amended report included a Schedule E disclosing twenty-three (23)

independent expenditures totaling \$266,845.81 made in opposition to one (1) federal candidate. The Committee failed to timely file 48-Hour Reports to disclose sixteen (16) independent expenditures totaling \$70,865.81 for the 2013 Massachusetts Special-Primary Election (Images 13940924086-97).

On June 24, 2013, the Committee filed another amendment to the 48 Hour-Reports originally filed on March 22, 2013, March 27, 2013, March 29, 2013, and April 3, 2013 to disclose additional independent expenditures. These amended reports disclosed twenty-two (22) independent expenditures, totaling \$257,245.81, disseminated between March 15, 2013 through April 2, 2013 (Images 13940949945, 13940949953, 13940949955, and 13940949957).

On August 23, 2013, a Request for Additional Information (RFAI) was sent to the Committee referencing the Amended 2013 12 Day Pre-Special Report, received June 19, 2013. Among other issues, the RFAI noted the Committee may have failed to timely file one (1) or more of the required 48-Hour Reports for the independent expenditures disclosed on the amended report. A chart was included with the RFAI indentifying the sixteen (16) independent expenditures, totaling \$70,865.81, for which 48-Hour Reports had not been timely filed (Image 13330037761-3).

On September 23, 2013, Ms. Andrews called the RAD Analyst about the August 23, 2013 RFAI referencing the Committee's 2013 12 Day Pre-Special Report, received June 19, 2013. Ms. Andrews explained that there was some confusion regarding the reported dissemination dates and the date the debts were incurred for independent expenditures made. She explained that an independent expenditure was reported during one filing period, but paid in a later period. The Analyst explained how to report this situation and told Ms. Andrews to call her with any further questions (Attachment 4).

On September 27, 2013, the Committee filed an Amended 2013 12 Day Pre-Special Report. The amended report disclosed modifications to several dates and purposes disclosed on Schedule E. Despite the date changes, the Committee still failed to timely file 48-Hour Reports to disclose fourteen (14) independent expenditures totaling \$62,865.81 (Images 13941670927-38, Attachment 2).

Also on September 27, 2013, the Committee submitted a Form 99 in response to the RFAI referencing the Amended 2013 12 Day Pre-Special Report, received June 19, 2013. The Form 99 stated, in part:

"The inquiry requests clarification on \$127,494.93 in debts disclosed on an amended pre special report filed with the FEC. Additionally, the inquiry requests clarification on one or more independent expenditures that were not timely disclosed on a 48-hour report.

At the time the original pre-special report was filed, CE Action had only recently been created. Expenditures in connection with the Massachusetts's special election were the committee's first involvement in a federal election. When the committee decided to become involved in the

Massachusetts special election it hired a number of political consultants in a short time frame. After the original pre-special report was filed, the committee received invoices from a number of consultants dating back to the period covered by this report. These invoices involved a number of additional expenses that had not been disclosed in connection with the independent expenditures reported on various 48-hour reports filed by CE Action.

The committee amended the pre-special report to include the previously undisclosed expenses prior to the Massachusetts special runoff election. The committee has now established a better system for tracking work done by consultants to facilitate timely reporting of accrued expenses and 48-hour reports. In addition, these expenses were not long-term debts. All debts have now been paid by the committee" (Image 13941670939).

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

CE Action Committee ("the Committee") amended its 2013 12 Day Pre-Special Report to disclose additional debts of \$124,842.93, which were not disclosed on the original report (Attachment 3).

On April 18, 2013, the Committee filed the original 2013 12 Day Pre-Special Report covering the period from January 1, 2013 through April 10, 2013. The report disclosed \$98,169.13 in debts on Line 10 (Debts and Obligations Owed by the Committee) of the Summary Page (Image 13940598668).

On April 23, 2013, the Committee filed an Amended 2013 12 Day Pre-Special Report. The amended report disclosed no change in debts from the original report (Image 13940617474).

On June 19, 2013, the Committee filed an Amended 2013 12 Day Pre-Special Report. The report disclosed \$225,664.06 in debts on Line 10 of the Summary Page, a total increase in new debts incurred during the reporting period of \$124,842.93¹ (Image 13940924068).

On August 23, 2013, a Request for Additional Information (RAFI) was sent to the Committee referencing the Amended 2013 12 Day Pre-Special Report, received June 19, 2013. Among other issues, the RAFI requested clarification regarding the substantial increase in debts disclosed on the Amended 2013 12 Day Pre-Special Report, received June 19, 2013 that were not disclosed in the original filing (Image 13330037761-3).²

¹ This figure does not include an increase of \$2,977 in debts owed to "Barnes Mosher Whitehurst Lauter & Partners, Inc." This increase appears to be related to a previously disclosed estimated debt owed to this vendor.

² The August 23, 2013 RAFI incorrectly listed the increase in debts disclosed on the Amended 2013 12 Day Pre-Special Report as \$127,494.93. This figure included the \$2,977 increase in debts owed to "Barnes Mosher Whitehurst Lauter & Partners, Inc." that was disclosed as an estimate on the original report.

On September 27, 2013, the Committee filed an Amended 2013 12 Day Pre-Special Report. The report disclosed no change in debts from the previous amendment (Image 13941670908).

Also on September 27, 2013, the Committee submitted a Miscellaneous Electronic Submission ("Form 99") in response to the RFAI referencing the Amended 2013 12 Day Pre-Special Report, received June 19, 2013, which stated in part:

"The inquiry requests clarification on \$127,494.93 in debts disclosed on an amended pre special report filed with the FEC. Additionally, the inquiry requests clarification on one or more independent expenditures that were not timely disclosed on a 48-hour report.

At the time the original pre-special report was filed, CE Action had only recently been created. Expenditures in connection with the Massachusetts's special election were the committee's first involvement in a federal election. When the committee decided to become involved in the Massachusetts special election it hired a number of political consultants in a short time frame. After the original pre-special report was filed, the committee received invoices from a number of consultants dating back to the period covered by this report. These invoices involved a number of additional expenses that had not been disclosed in connection with the independent expenditures reported on various 48-hour reports filed by CE Action.

The committee amended the pre-special report to include the previously undisclosed expenses prior to the Massachusetts special runoff election. The committee has now established a better system for tracking work done by consultants to facilitate timely reporting of accrued expenses and 48-hour reports. In addition, these expenses were not long-term debts. All debts have now been paid by the committee" (Image 13941670939).

On October 22, 2013, the RAD Analyst called Emily Andrews, an attorney for the Committee, to inform her that the Committee may be referred for further action to the Commission regarding the substantial increase in debts and the late 48-Hour Reports to support the independent expenditures disclosed on the Amended 2013 12 Day Pre-Special Report, received June 19, 2013. The Analyst advised filing a Form 99 if the Committee wished to provide any further information (Attachment 4).

On December 2, 2013, Derek Lawlor, an attorney for the Committee, called to ask about the status of the Committee's referral. The RAD Analyst explained that the referral was still being processed. The Analyst also told Mr. Lawlor to call with any additional questions he may have (Attachment 4).

On December 23, 2013, the RAD Analyst left messages for Rita Copeland, the Committee's Treasurer, and Mr. Lawlor, regarding the RFAI referencing the Amended 2013 12 Day Pre-Special Report, received June 19, 2013. The Analyst explained in both

messages that that the Committee may be referred for further action to the Commission regarding the substantial increase in debts and the late 48-Hour Reports to support the independent expenditures disclosed on the Amended 2013 12 Day Pre-Special Report, received June 19, 2013. The Analyst advised the Committee to file a Form 99 if it wished to provide any further information (Attachment 4).

On December 30, 2013, the RAD Analyst spoke with Mr. Lawlor. The Analyst explained that that the Committee may be referred for further action to the Commission regarding the substantial increase in debts and the late 48-Hour Reports to support the independent expenditures disclosed on the Amended 2013 12 Day Pre-Special Report, received June 19, 2013. The Analyst advised filing a Form 99 to provide further clarifying information. Mr. Lawlor asked about the referral process, and the Analyst stated that the Committee would be contacted by the appropriate division within the FEC with further instructions (Attachment 4).

Also on December 30, 2013, the RAD Analyst returned a voicemail left by Ms. Copeland. The Analyst left a voicemail explaining that that the Committee may be referred for further action to the Commission regarding the substantial increase in debts and the late 48-Hour Reports to support the independent expenditures disclosed on the Amended 2013 12 Day Pre-Special Report, received June 19, 2013. The Analyst advised the Committee to file a Form 99 if it wished to provide any further information (Attachment 4).

To date, no further communication has been received from the Committee regarding these matters.

Form	Ip	Rpt	Ip	AI	Recpt	Dt	Pgs	Begin	Img#	Beg	Cvg	Dt	End	Cvg	Dt	Ltr	Mail	Dt	Begin	Cash	Receipts	Disb	End	Cash	Loans	Debits	Loans	Debits	&	Loans						
MS-T						5/9/2013	2	13031070611																												
MS-T						9/27/2013	1	13941670939																												
MS-T						9/27/2013	1	13941670939																												
R02	24					4/26/2013	3	13330030053																												
R02	12S	A				6/4/2013	2	13330032986		1/1/2013	4/10/2013	4/10/2013																								
R02	12S	A				8/23/2013	3	13330037761		1/1/2013	4/10/2013	4/10/2013																								
R02	12S	A				10/2/2013	6	13330039351		4/1/2013	6/5/2013	6/5/2013																								
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F3XA	12S	A				7/23/2013	22	13940924067		1/1/2013	4/10/2013	4/10/2013																								
F3XA	12S	A				6/7/2013	31	13940924067		1/1/2013	4/10/2013	4/10/2013																								
F3XA	12S	N				6/13/2013	38	13962885810		4/11/2013	6/5/2013	6/5/2013																								
F3XA	12S	A				6/20/2013	62	13940924067		4/11/2013	6/5/2013	6/5/2013																								
F3XA	12S	A				7/25/2013	64	13941273434		4/11/2013	6/5/2013	6/5/2013																								
F3XA	12S	A				7/23/2013	51	13941273434		4/11/2013	6/5/2013	6/5/2013																								
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F3XA	30S	N				7/23/2013	22	13940924067		6/6/2013	7/15/2013	7/15/2013																								
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F3XA	30S	N				7/23/2013	22	13940924067		6/6/20																										

O-Index

Form Tp	Rpt Tp	AI	Receipt Dt	Pgs	Begin Img#	End Cvg Dt	Ltr Mail Dt	Begin Cash	Receipts	Disb	End Cash	Debits	Loans	Debits & Loans
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F24N	24		6/11/2013	1	13962847393									
F24A	24		6/24/2013	3	13940849862									
F24A	48		6/24/2013	2	13940849871									
F24A	48		6/24/2013	3	13940849845									
F24A	24		6/24/2013	3	13940849950									
F24A	48		6/24/2013	2	13940849955									
F1A	A		10/4/2013	4	13941733321									
Totals											\$1,972,892	\$1,966,463		

O-Index (2011-2012)

Treasurer Name: COPELAND, RITA Address: 555 CAPITOL MALL, SUITE 1425, SACRAMENTO, CA 95814
 Cmte. ID: C00542779 Cmte. Name: CE ACTION COMMITTEE
 Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER

Form Tp	Rpt Tp	AI	Receipt Dt	Pgs	Begin Img#	End Cvg Dt	Ltr Mail Dt	Begin Cash	Receipts	Disb	End Cash	Debits	Loans	Debits & Loans
No records were found for this cycle.														

O-Index (2009-2010)

Treasurer Name: COPELAND, RITA Address: 555 CAPITOL MALL, SUITE 1425, SACRAMENTO, CA 95814
 Cmte. ID: C00542779 Cmte. Name: CE ACTION COMMITTEE
 Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER

Form Tp	Rpt Tp	AI	Receipt Dt	Pgs	Begin Img#	End Cvg Dt	Ltr Mail Dt	Begin Cash	Receipts	Disb	End Cash	Debits	Loans	Debits & Loans
No records were found for this cycle.														

CE Action Committee (C00542779)

Amended 2013 12 Day Pre-Special Report, received 9/27/13

48-Hour Reports Not Timely Filed³

Name of Payee	Date(s) of Expenditure (Schedule E)	Expenditure Amount	Candidate Opposed	State and Date of Election	Amended 48-Hour Report Filed
Tigercomm	3/15/13	\$4,800	Stephen F. Lynch	Massachusetts-2013 Special-Primary (4/30/13)	6/24/13
Campaign Industries, LLC	3/22/13	\$194.46 48-Hour Report Required	Stephen F. Lynch	Massachusetts-2013 Special-Primary (4/30/13)	6/24/13
Campaign Industries, LLC	3/22/13	\$15,000 48-Hour Report Required	Stephen F. Lynch	Massachusetts-2013 Special-Primary (4/30/13)	6/24/13
Campaign Industries, LLC	3/22/13	\$45.15 48-Hour Report Required	Stephen F. Lynch	Massachusetts-2013 Special-Primary (4/30/13)	6/24/13
Campaign Industries, LLC	3/22/13	\$141.20 48-Hour Report Required	Stephen F. Lynch	Massachusetts-2013 Special-Primary (4/30/13)	6/24/13
Tigercomm	3/22/13	\$8,000 48-Hour Report Required	Stephen F. Lynch	Massachusetts-2013 Special-Primary (4/30/13)	6/24/13
Tigercomm	3/22/13	\$4,800 48-Hour Report Required	Stephen F. Lynch	Massachusetts-2013 Special-Primary (4/30/13)	6/24/13

³ Please note, the Committee timely filed portions of the 48-Hour Reports on 3/22/13, 3/27/13, 3/29/13, and 4/03/13.

Barnes Mosher Whitehurst Lauter & Partners,	3/25/13	\$3,125	Stephen F. Lynch	Massachusetts- 2013 Special- Primary (4/30/13)	6/24/13
Tigercomm	3/25/13	\$3,200	Stephen F. Lynch	Massachusetts- 2013 Special- Primary (4/30/13)	6/24/13
Tigercomm	3/27/13	\$8,000 48 - Hour Report Required	Stephen F. Lynch	Massachusetts- 2013 Special- Primary (4/30/13)	6/24/13
Tigercomm	3/27/13	\$8,000 48 - Hour Report Required	Stephen F. Lynch	Massachusetts- 2013 Special- Primary (4/30/13)	6/24/13
Tigercomm	4/1/13	\$3,200 48 - Hour Report Required	Stephen F. Lynch	Massachusetts- 2013 Special- Primary (4/30/13)	6/24/13
Erin Lehane	4/2/13	\$2,500 48-Hour Report Required	Stephen F. Lynch	Massachusetts- 2013 Special- Primary (4/30/13)	6/24/13
Erin Lehane	4/2/13	\$1,860 48 - Hour Report Required	Stephen F. Lynch	Massachusetts- 2013 Special- Primary (4/30/13)	6/24/13
	TOTAL	\$23,985			

CE Action Committee (C00542779)

Overview of New Debts Incurred

2013 12 Day Pre-Special Report/Amended 2013 12 Day Pre-Special Report, received
9/27/13 (Image 13941670907)

Vendor	Outstanding Balance	Amount Incurred	Payments	Increase in Debt Incurred
Benenson Strategy Group	\$0.00	\$40,707.29	\$0.00	\$40,707.29
Campaign Industries, LLC	\$0.00	\$15,380.81	\$0.00	\$15,380.81
Erin Lehane	\$0.00	\$7,352.00	\$0.00	\$7,352.00
Tigercomm	\$0.00	\$61,402.83	\$0.00	\$61,402.83
Total				\$124,842.93

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