

## REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: August 14, 2014

ANALYST: Kevin Fortkiewicz

## I. COMMITTEE:

Texas Patriots PAC  
C00488403  
William J. O'Sullivan Jr., Treasurer  
14 Petalcup Place  
The Woodlands, TX 77381

## II. RELEVANT STATUTE:

2 U.S.C. § 434(b)(2) and (4)  
11 CFR § 104.3(a) and (b)

## III. BACKGROUND:

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

Texas Patriots PAC ("the Committee") amended its 2011 Year-End and 2012 October Quarterly Reports to disclose additional receipts of \$18,870.57 and additional disbursements of \$104,480.32 which were not disclosed in the original reports, an aggregate increase in activity totaling \$123,350.89 (Attachment 2).

**2011 Year-End Report**

On February 1, 2012, the Committee filed the original 2011 Year-End Report covering the period from July 1, 2011 to December 31, 2011. The report disclosed \$223,065.33 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals), \$6,346.46 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals), \$0.00 in receipts on Line 11(c) (Contributions from Other Political Committees), and \$540.00 in receipts on Line 15 (Offsets To Operating Expenditures) of the Detailed Summary Page (Image 12970362848). The report also disclosed \$0.00 in disbursements on Line 21(b) (Other Federal Operating Expenditures) of the Detailed Summary Page (Image 12970362849).

On February 25, 2012, the Committee filed an Amended 2011 Year-End Report. The report disclosed receipts totaling \$224,522.31 on Line 11(a)(i), \$21,646.49 on Line 11(a)(ii), \$50.00 on Line 11(c), and \$2,380.00 on Line 15 of the Detailed Summary Page (Image 12950658772). The report also disclosed \$5,197.86 in disbursements on Line 21(b) of the Detailed Summary Page (Image 12950658773).

On March 7, 2012, William O'Sullivan, Jr., the Treasurer for the Committee, called the Reports Analysis Division (RAD) Analyst and stated that the Committee would be submitting an Amended 2011 Year-End Report because there were expenditures missing from the original report. The RAD Analyst offered assistance and was told by Mr. O'Sullivan that he did not need any help at that time (Attachment 5).

On March 12, 2012, the Committee filed an Amended 2011 Year-End Report. The report disclosed receipts totaling \$244,745.87 on Line 11(a)(i), \$21,646.49 on Line 11(a)(ii), \$50.00 on Line 11(c), and \$2,380.00 on Line 15 of the Detailed Summary Page, a total increase in receipts of \$18,870.57 from the original report (Image 12970533031, Attachment 3). The report also disclosed \$98,594.63 in disbursements on Line 21(b) of the Detailed Summary Page (Image 12970533032).

On April 25, 2012, a Request for Additional Information (RFAI) was sent to the Committee referencing the Amended 2011 Year-End Report, received March 12, 2012. Among other issues, the RFAI requested clarification regarding the increase in receipts and disbursements that were not disclosed in the original filing (Image 12330005483).

On May 24, 2012, Mr. O'Sullivan called the RAD Analyst to ask how the Committee should respond to the RFAI sent on the Amended 2011 Year-End Report, received March 12, 2012. The Analyst explained that the Committee could provide a Miscellaneous Electronic Submission (Form 99) explaining the increase in activity disclosed on the amended report. Mr. O'Sullivan stated that he would file a Form 99 along with amending the report to respond to other issues addressed on the RFAI (Attachment 5).

On May 28 2012, the Committee filed an Amended 2011 Year-End Report. The report disclosed no change in receipts and disbursements from the previous amendment filed on March 12, 2012 (Image 12951902299).

That same day, the Committee filed a Form 99 in response to the RFAI. The Form 99 stated, in part:

"There were a series of mishaps which occurred in filing this report. The first was the theft of my laptop with all of the data. A police report is available upon request. Second, I had a heart attack on November 27th which delayed my getting the information restored from the Mid-Year Report upon which I could build the Year End Report. Once restored, I re-entered all of the previous Year End Information save the FEC supplied Spreadsheet that we were utilizing to enter all of the information from a Presidential Debate Fundraiser. This was the first time

that we were utilizing this Spreadsheet. It was the last item that we entered before filing our report.

In February, a local reporter called to do a story on the PAC and their fundraising and expenditures. I referred him to the report on file. He came back to me and advised that there were no expenditures. Having personally entered them after the restoration of the Laptop, I was surprised. I advised the FEC by telephone that this had occurred and was told to amend the report as soon as possible. I did this in short order. In the course of restoring the disbursements, I found that the receipts that were reentered after the restoration of the Laptop were also missing. I entered these as well. I expect that when we uploaded the Spreadsheet from the Presidential Debate that it overwrote the previously entered data. Since it was not part of the Spreadsheet, this data was eliminated.

The \$18,870.57 represents our receipts from 7/1/2011 to 12/23/2011 which were not part of the Presidential Debate event. The \$98,594.63 represents all of our Disbursements from 7/1/2011 to 12/23/2011" (Image 12951901848).

On May 30, 2012, the Committee filed an Amended 2011 Year-End Report. The report disclosed no change in receipts from the previous amendment filed on May 28, 2012 (Image 12971255809). The report disclosed \$98,460.37 in disbursements on Line 21(b) of the Detailed Summary Page, a total increase in disbursements of \$98,460.37 from the original report (Image 12971255810, Attachment 4).

That same day, Mr. O'Sullivan left a message on the RAD Analyst's voicemail to find out if the Form 99 he submitted on May 28, 2012 had been received. The Analyst returned the call and informed Mr. O'Sullivan that it had been received (Attachment 5).

On June 1, 2012, the Committee filed an Amended 2011 Year-End Report. The report disclosed no change in receipts and disbursements from the previous amendment filed on May 30, 2012 (Image 12951935255, Attachments 3 and 4).

### **2012 October Quarterly Report**

On October 13, 2012, the Committee filed the original 2012 October Quarterly Report covering the period from July 1, 2012 to September 30, 2012. The report disclosed \$20,606.76 in disbursements on Line 21(b) (Other Federal Operating Expenditures) of the Detailed Summary Page (Image 12972529134).

On October 19, 2012, Mr. O'Sullivan called the RAD Analyst and explained that the original 2012 October Quarterly Report excluded disbursements that should have been disclosed on the report and wanted to know if he needed to provide a Form 99 along with the amended report. The Analyst stated that the Committee should amend the report and could provide a Form 99, but the Form 99 is not required (Attachment 5).

Later that same day, Mr. O'Sullivan called for assistance uploading the Amended 2012 October Quarterly Report due to an error message. The RAD Analyst tried to help with the error message and eventually transferred Mr. O'Sullivan to the Commission's Electronic Filing Office for further assistance (Attachment 5).

On October 22, 2012, the Committee filed an Amended 2012 October Quarterly Report. The report disclosed \$26,626.71 in disbursements on Line 21(b) of the Detailed Summary Page, an increase in disbursements of \$6,019.95 from the original report (Image 12940372064, Attachment 4). In addition, the Committee attached memo text to the report which stated, in full:

"When I filed my report, I missed the direct charges that appeared on my Bank Statement by Softeware, Directly paid salary to Luke Bowen as well as Directly Charged Bank Fees. I have added these here" (Image 12940372066).

On April 4, 2013, an RFAI was sent to the Committee referencing the Amended 2012 October Quarterly Report, received October 22, 2012. The RFAI requested clarification regarding the substantial increase in receipts and disbursements disclosed on the Amended 2011 Year-End Report, received June 1, 2012 and the Amended 2012 October Quarterly Report, received October 22, 2012 (Image 13330028077).

On April 29, 2013, Mr. O'Sullivan called the RAD Analyst regarding the RFAI referencing the Amended 2012 October Quarterly Report, received October 22, 2012. Mr. O'Sullivan stated that he provided memo text on the Amended 2012 October Quarterly Report and a Form 99 regarding the Amended 2011 Year-End Report to explain the increases in activity disclosed on the amended reports (Attachment 5).

On May 16, 2013, the RAD Analyst left Mr. O'Sullivan a voicemail stating that the increase in activity disclosed on the Committee's Amended 2011 Year-End and Amended 2012 October Quarterly Reports may be referred for further action to the Commission. The Analyst stated Mr. O'Sullivan can call him back if he wished to discuss the matter (Attachment 5).

On May 17, 2013, Mr. O'Sullivan called the RAD Analyst and stated that he thought the previous additional information filed by the Committee regarding the increase in activity resolved the issue. The Analyst explained that the increase in activity disclosed on the Committee's amended reports may be referred for further action to another office at the Commission due to the amount of activity disclosed and that the Committee should add any additional information to the public record (Attachment 5).

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

O-Index (2013-2014)  
 Cmte. ID: C00488403    Cmte. Name: TEXAS PATRIOTS PAC  
 Treasurer Name: WILLIAM J. O'SULLIVAN, JR.    Address: 14 PETALCUP PLACE, THE WOODLANDS, TX 77381  
 Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE)    Cmte. Designation: U (UNAUTHORIZED)    Filing Frequency: QUARTERLY FILER

| Form Tp | Rpt Tp | All | Receipt Dt | Pgs | Begin Img#  | Begin Cvg Dt | End Cvg Dt | Ltr Mail Dt | Begin Cash | Receipts  | Disb      | End Cash | Debits | Loans | Debits & Loans |
|---------|--------|-----|------------|-----|-------------|--------------|------------|-------------|------------|-----------|-----------|----------|--------|-------|----------------|
| MS-T    |        |     | 6/12/2014  | 2   | 14961282706 |              |            |             |            |           |           |          |        |       |                |
| RQ2     | Q1     | N   | 5/22/2014  | 2   | 14330052555 | 1/1/2014     | 3/31/2014  | 5/22/2014   |            |           |           |          |        |       |                |
| F3XN    | Q1     | N   | 4/14/2013  | 17  | 13940529054 | 4/1/2013     | 3/31/2013  |             | \$51,325   | \$3,052   | \$17,920  | \$36,456 |        |       | \$0            |
| F3XN    | Q2     | N   | 7/14/2013  | 22  | 13941119913 | 4/1/2013     | 6/30/2013  |             | \$36,456   | \$13,145  | \$18,839  | \$30,762 |        |       | \$0            |
| F3XN    | Q3     | N   | 10/15/2013 | 28  | 13941784232 | 7/1/2013     | 9/30/2013  |             | \$30,762   | \$22,346  | \$16,092  | \$37,015 |        |       | \$0            |
| F3XN    | YE     | N   | 1/15/2014  | 24  | 14940032586 | 10/1/2013    | 12/31/2013 |             | \$37,015   | \$19,706  | \$20,916  | \$35,805 |        |       | \$0            |
| F3XN    | Q1     | N   | 4/7/2014   | 24  | 14960610027 | 1/1/2014     | 3/31/2014  |             | \$35,805   | \$29,669  | \$22,478  | \$42,996 |        |       | \$0            |
| F3XA    | Q1     | A   | 6/12/2014  | 24  | 14961252682 | 1/1/2014     | 3/31/2014  |             | \$35,805   | \$29,669  | \$22,478  | \$42,996 |        |       | \$0            |
| F3XN    | Q2     | N   | 7/11/2014  | 26  | 14941768097 | 4/1/2014     | 6/30/2014  |             | \$42,996   | \$16,932  | \$20,617  | \$39,310 |        |       | \$0            |
| F1A     |        | A   | 6/24/2014  | 4   | 14941628287 |              |            |             |            |           |           |          |        |       |                |
| Totals  |        |     |            |     |             |              |            |             |            | \$104,850 | \$116,864 |          |        |       |                |

O-Index (2011-2012)  
 Cmte. ID: C00488403    Cmte. Name: TEXAS PATRIOTS PAC  
 Treasurer Name: WILLIAM J. O'SULLIVAN, JR.    Address: 14 PETALCUP PLACE, THE WOODLANDS, TX 77301  
 Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE)    Cmte. Designation: U (UNAUTHORIZED)    Filing Frequency: QUARTERLY FILER

| Form Tp | Rpt Tp | All | Receipt Dt | Pgs | Begin Img#  | Begin Cvg Dt | End Cvg Dt | Ltr Mail Dt | Begin Cash | Receipts  | Disb     | End Cash  | Debits | Loans | Debits & Loans |
|---------|--------|-----|------------|-----|-------------|--------------|------------|-------------|------------|-----------|----------|-----------|--------|-------|----------------|
| MS-T    |        |     | 3/29/2011  | 1   | 11990329445 |              |            |             |            |           |          |           |        |       |                |
| MS-T    |        |     | 12/21/2011 | 1   | 11972769517 |              |            |             |            |           |          |           |        |       |                |
| MS-T    |        |     | 2/1/2012   | 1   | 12970362988 |              |            |             |            |           |          |           |        |       |                |
| MS-T    |        |     | 2/25/2012  | 1   | 12950658896 |              |            |             |            |           |          |           |        |       |                |
| MS-T    |        |     | 5/28/2012  | 1   | 12951901848 |              |            |             |            |           |          |           |        |       |                |
| MS-T    |        |     | 5/28/2012  | 1   | 12951901893 |              |            |             |            |           |          |           |        |       |                |
| RQ2     | MY     | A   | 10/17/2011 | 3   | 11330014758 | 1/1/2011     | 6/30/2011  | 10/17/2011  |            |           |          |           |        |       |                |
| RQ2     | YE     | A   | 4/25/2012  | 3   | 12330005483 | 7/1/2011     | 12/31/2011 | 4/25/2012   |            |           |          |           |        |       |                |
| F3XA    | MY     | A   | 7/15/2011  | 57  | 11931925568 | 1/1/2011     | 6/30/2011  |             | \$20,738   | \$56,754  | \$71,261 | \$6,231   |        |       | \$0            |
| F3XN    | MY     | N   | 7/15/2011  | 57  | 11931839248 | 1/1/2011     | 6/30/2011  |             | \$20,738   | \$60,654  | \$71,261 | \$10,131  |        |       | \$0            |
| F3XA    | MY     | A   | 12/21/2011 | 50  | 11972769467 | 1/1/2011     | 6/30/2011  |             | \$20,738   | \$56,596  | \$67,051 | \$10,282  |        |       | \$0            |
| F3XN    | YE     | N   | 2/1/2012   | 122 | 12970362846 | 7/1/2011     | 12/31/2011 |             | \$10,282   | \$229,951 | \$0      | \$240,234 |        |       | \$0            |
| F3XA    | YE     | A   | 2/25/2012  | 126 | 12950658770 | 7/1/2011     | 12/31/2011 |             | \$10,282   | \$248,598 | \$5,197  | \$253,683 |        |       | \$0            |
| F3XA    | YE     | A   | 3/1/2012   | 172 | 12970533029 | 7/1/2011     | 12/31/2011 |             | \$10,282   | \$248,822 | \$98,594 | \$160,510 |        |       | \$0            |
| F3XA    | YE     | A   | 5/28/2012  | 172 | 12951902299 | 7/1/2011     | 12/31/2011 |             | \$10,282   | \$248,822 | \$98,594 | \$160,510 |        |       | \$0            |
| F3XA    | YE     | A   | 5/30/2012  | 172 | 12971255807 | 7/1/2011     | 12/31/2011 |             | \$10,282   | \$248,822 | \$98,460 | \$160,644 |        |       | \$0            |
| F3XA    | YE     | A   | 6/1/2012   | 172 | 12951935255 | 7/1/2011     | 12/31/2011 |             | \$10,282   | \$248,822 | \$98,460 | \$160,644 |        |       | \$0            |
| F3XN    | Q1     | N   | 4/15/2012  | 25  | 12970942326 | 1/1/2012     | 3/31/2012  |             | \$160,510  | \$9,209   | \$26,737 | \$142,981 |        |       | \$0            |
| F3XN    | Q2     | N   | 7/14/2012  | 27  | 12971429463 | 4/1/2012     | 6/30/2012  |             | \$143,116  | \$7,922   | \$34,042 | \$116,996 |        |       | \$0            |
| F3XA    | Q2     | A   | 7/16/2012  | 32  | 12971468754 | 4/1/2012     | 6/30/2012  |             | \$143,116  | \$7,922   | \$34,544 | \$116,494 |        |       | \$0            |
| F3XA    | Q2     | A   | 10/19/2012 | 34  | 12960065144 | 4/1/2012     | 6/30/2012  |             | \$143,116  | \$7,922   | \$35,348 | \$115,690 |        |       | \$0            |
| F3XN    | Q3     | N   | 10/13/2012 | 26  | 12972529131 | 7/1/2012     | 9/30/2012  |             | \$116,494  | \$3,143   | \$23,038 | \$96,600  |        |       | \$0            |

| Form Tp | Rpt Tp | All | Receipt Dt | Pgs | Begin Img#  | Beg Cvg Dt | End Cvg Dt | Ltr Mail Dt | Begin Cash | Receipts  | Disb     | End Cash | Debts | Loans | Debits & Loans |
|---------|--------|-----|------------|-----|-------------|------------|------------|-------------|------------|-----------|----------|----------|-------|-------|----------------|
| F3XA    | Q3     | A   | 10/22/2012 | 31  | 12940372061 | 7/1/2012   | 9/30/2012  |             | \$115,690  | \$3,143   | \$29,058 | \$89,776 | -     | -     | \$0            |
| F3XN    | 12G    | N   | 10/22/2012 | 18  | 12940373331 | 10/1/2012  | 10/17/2012 |             | \$89,776   | \$1,786   | \$17,238 | \$74,323 | -     | -     | \$0            |
| F3XN    | 30G    | N   | 12/4/2012  | 22  | 12961324064 | 10/18/2012 | 11/26/2012 |             | \$74,323   | \$12,449  | \$26,906 | \$59,867 | -     | -     | \$0            |
| F3XN    | YE     | N   | 1/7/2013   | 9   | 13960030374 | 11/27/2012 | 12/31/2012 |             | \$59,867   | \$0       | \$6,535  | \$53,332 | -     | -     | \$0            |
| F3XA    | YE     | A   | 1/8/2013   | 11  | 13960105197 | 11/27/2012 | 12/31/2012 |             | \$59,867   | \$0       | \$8,541  | \$51,325 | -     | -     | \$0            |
| F24N    | 24     |     | 7/24/2012  | 1   | 12971832664 |            |            |             | -          | -         | -        | -        | -     | -     | -              |
| Totals  |        |     |            |     |             |            |            |             | \$339,930  | \$309,343 |          |          |       |       |                |

O-Index (2008-2010)

Cmte. ID: C00488403 Cmte. Name: TEXAS PATRIOTS PAC

Treasurer Name: WILLIAM J. O'SULLIVAN, JR. Address: 14 PETALCUP PLACE, THE WOODLANDS, TX 77301

Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER

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|---------|--------|-----|------------|-----|-------------|------------|------------|-------------|------------|-----------|----------|----------|---------|-------|----------------|
| RQ2     | 30G    | N   | 2/23/2011  | 4   | 11330005593 | 10/14/2010 | 11/22/2010 | 2/23/2011   | -          | -         | -        | -        | -       | -     | -              |
| F3X     | Q3     | N   | 10/14/2010 | 30  | 10030444662 | 7/1/2010   | 9/30/2010  |             | \$0        | \$44,165  | \$0      | \$32,038 | \$8,237 | -     | \$8,237        |
| F3XN    | 12G    | N   | 10/28/2010 | 27  | 10991799625 | 10/1/2010  | 10/13/2010 |             | \$32,237   | \$66,256  | \$25,822 | \$72,670 | -       | -     | \$0            |
| F3XA    | 12G    | A   | 3/29/2011  | 27  | 11990329535 | 10/1/2010  | 10/13/2010 |             | \$32,237   | \$66,256  | \$25,822 | \$72,670 | -       | -     | \$0            |
| F3XN    | 30G    | N   | 12/30/2010 | 42  | 10932164904 | 10/14/2010 | 11/22/2010 |             | \$72,670   | \$24,813  | \$76,432 | \$21,051 | -       | -     | \$0            |
| F3XA    | 30G    | A   | 3/29/2011  | 39  | 11990329562 | 10/14/2010 | 11/22/2010 |             | \$72,670   | \$24,813  | \$69,915 | \$27,568 | -       | -     | \$0            |
| F3XN    | YE     | N   | 1/27/2011  | 9   | 11930216651 | 11/23/2010 | 12/31/2010 |             | \$21,051   | \$6,098   | \$5,631  | \$21,519 | -       | -     | \$0            |
| F3XA    | YE     | A   | 3/29/2011  | 9   | 11990329601 | 11/23/2010 | 12/31/2010 |             | \$27,568   | \$6,098   | \$5,631  | \$28,035 | -       | -     | \$0            |
| F3XA    | YE     | A   | 5/18/2011  | 9   | 11931467394 | 11/23/2010 | 12/31/2010 |             | \$27,568   | \$2,450   | \$9,279  | \$20,738 | -       | -     | \$0            |
| F1      |        |     | 9/1/2010   | 6   | 10030414938 |            |            |             | -          | -         | -        | -        | -       | -     | -              |
| F24     | 24     |     | 10/28/2010 | 1   | 10991800317 |            |            |             | -          | -         | -        | -        | -       | -     | -              |
| Totals  |        |     |            |     |             |            |            |             | \$137,684  | \$117,145 |          |          |         |       |                |

**Texas Patriots PAC (C00488403)**

Overview of Additional Receipts

| Report Name  | Total Additional Receipts | Line Number(s)               |
|--|---------------------------|------------------------------|
| 2011 Year-End Report/Amended 2011 Year-End Report, received 6/1/12 | \$18,870.57               | 11(a)(i), 11(a)ii, 11(c), 15 |
| <b>Total Additional Receipts</b>                                   | <b>\$18,870.57</b>        |                              |

Overview of Additional Disbursements

| Report Name  | Total Additional Disbursements | Line Number(s) |
|--|--------------------------------|----------------|
| 2011 Year-End Report/Amended 2011 Year-End Report, received 6/1/12                     | \$98,460.37                    | 21(b)          |
| 2012 October Quarterly Report/Amended 2012 October Quarterly Report, received 10/22/12 | \$6,019.95                     | 21(b)          |
| <b>Total Additional Disbursements</b>  | <b>\$104,480.32</b>            |                |

**Total Increase in Activity on Amended Reports: \$123,350.89**

**Texas Patriots PAC (C00488403)**

**Additional Receipts by Line Number**

2011 Year-End Report/Amended 2011 Year-End Report, received 6/1/2012

| <b>Report Line</b>  | <b>2011 Year-End Report (Image 12970362848)</b> | <b>Amended 2011 Year-End Report, received 6/1/2012 (Image 12951935257)</b> | <b>Variance Amount</b> |
|---|---|--|------------------------|
| Line 11(a)(i): Itemized Contributions from Individuals    | \$223,065.33                                    | \$224,745.87   | \$1,680.54             |
| Line 11(a)(ii): Unitemized Contributions from Individuals | \$6,346.46                                      | \$21,646.49  | \$15,300.03            |
| Line 11(c): Contributions from Other Political Committees | \$0.00  | \$50.00  | \$50.00                |
| Line 15: Offsets to Operating Expenditures                | \$540.00  | \$2,380.00   | \$1,840.00             |
|   |   | <b>Total Variance:</b>   | <b>\$18,870.57</b>     |

