

REPORTS ANALYSIS DIVISION REFERRAL

TO

ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: July 30, 2015

ANALYST: Arman D. Tarzi

I. COMMITTEE: Massachusetts Republican Party
C00042622
Brent J. Andersen, Treasurer
85 Merrimac St.
Suite 400
Boston, MA 02114

II. RELEVANT STATUTE: 52 U.S.C. § 30104(b)(2)
11 CFR § 104.3(a)

III. BACKGROUND:

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

Massachusetts Republican Party ("the Committee") amended its 2014 12 Day Pre-General Report to disclose additional receipts of \$150,000.00 that were not disclosed in the original report (Attachment 2).

On October 23, 2014, the Committee filed the original 2014 12 Day Pre-General Report, covering the period from October 1, 2014 through October 15, 2014. The report disclosed receipts of \$482,298.74 on Line 12 (Transfers from Affiliated/Other Party Committees) of the Detailed Summary Page (Image 14952537915).

On December 4, 2014, the Committee filed an Amended 2014 12 Day Pre-General Report. The report disclosed receipts of \$632,298.74 on Line 12 of the Detailed Summary Page, a total increase in receipts of \$150,000.00 from the original report (Image 14953164274; Attachment 2). The Committee attached a memo text to this report which stated, in full,

"This report is amended to clarify receipts (including the addition of a 10/8/14 transfer from the Republican National Committee) and disbursements. Cash on hand is adjusted accordingly" (Image 14953164277).

On April 2, 2015, a Request for Additional Information (RFAI) was sent to the Committee referencing the Amended 2014 12 Day Pre-General Report, received December 4, 2014. Among other items, the RFAI requested clarification regarding the substantial increase in receipts disclosed on the Amended 2014 12 Day Pre-General Report that were not disclosed in the original filing (Image 15330079748).

On April 20, 2015, the Committee filed an Amended 2014 12 Day Pre-General Report. The report disclosed no change in receipts from the previously amended report (Image 15970657798).

In addition, on April 20, 2015, the Committee filed a Miscellaneous Electronic Submission ("FEC Form 99") in response to the RFAI referencing the Amended 2014 12 Day Pre-General Report, received December 4, 2014. The FEC Form 99 stated, in part:

"First, the Commission requested clarification regarding an increase in receipts totaling \$150,000 from the amounts disclosed on the Committee's original report. During an internal review, the Committee discovered this omission and immediately disclosed the transfer in an Amended report. The omission was due to a staff miscommunication that occurred during the busy days during the short turnaround time (three days) between the October Monthly (due 10/20/14) and the Pre-General Report (due 10/23/14). Our Committee has reviewed and improved our process to prevent these discrepancies in the future" (Image 15951196531).

On May 28, 2015, the Reports Analysis Division (RAD) Analyst called to speak with the Committee's Treasurer, Brent J. Anderson, but was instead directed to Brian Wynne, Executive Director of the Massachusetts Republican Party. The Analyst left a voice mail message for Mr. Wynne to inform him that the increase in receipts disclosed on the Amended 2014 12 Day Pre-General Report, received December 4, 2014, may be referred to another office for additional action. The Analyst stated that the Committee could file an FEC Form 99 if the Committee wished to provide additional clarifying information regarding the increase in activity (Attachment 3).

On June 5, 2015, the RAD Analyst attempted to call Bradley Crate, the Committee's Custodian of Records, to notify the Committee that the increase in receipts disclosed on the Amended 2014 12 Day Pre-General Report may be referred to another office within the Commission for additional action. The Analyst was unsuccessful in reaching Mr. Crate (Attachment 3).

On June 8, 2015, Vincent DiVito, counsel for the Committee, called the RAD Analyst and left a voice mail message along with a follow-up e-mail, both requesting that the Analyst call Mr. DiVito. The Analyst called Mr. DiVito back and, among other things, explained that the increase in receipts disclosed on the Amended 2014 12 Day Pre-General Report, received December 4, 2014, may be referred to another office for additional Commission action. The Analyst stated that the Committee could file an FEC Form 99 if Committee wished to provide additional clarifying information regarding the increase in activity (Attachment 3).

On June 10, 2015, the Committee filed an FEC Form 99 in response to the RFAI referencing the Amended 2014 12 Day Pre-General Report. The FEC Form 99 stated, in part:

"The Commission requested clarification regarding an increase in receipts totaling \$150,000 from the amounts disclosed on the Committee's original report. As the Committee noted in its Form 99 response dated April 20, 2015, during an internal review, the Committee discovered this omission and immediately disclosed the transfer in an Amended report. While the total value of the omission is large, it constituted a single line-item transfer from the Republican National Committee.

The omission was due to a staff miscommunication that occurred during the busy days during the short turnaround time (three days) between the October Monthly (due 10/20/14) and the Pre-General Report (due 10/23/14). During the time that the single item was missed, the contribution data supporting each deposit in the Committee's bank account was warehoused in a separate database from the accounting and reporting software that listed the actual balance in that bank account. The committee recognized using two software systems created an unacceptable risk of erroneous reporting, and therefore the committee recently streamlined its reporting and accounting software into a single database overseen by a single vendor. This eliminates the possibility of an error like this occurring in the future, since the contribution and accounting data must balance before our system will allow us to finalize a report. This has and will continue to ensure more accurate reporting by the Committee" (Image 15971202927).

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

| Form TP | RPTP | Av | Recpt Dt | Pgs | Begin Img# | Beg Cvg Dt | End Cvg Dt | Crnt | Designation | U (UNAUTHORIZED) | Disb | Begin Cash | Recpts | Disb | End Cash | Debts | Loans | Debts & Loans |
|---------|------|-----|------------|-----|-------------|------------|------------|------|-------------|------------------|------|------------|--------|------|----------|-------|-------|---------------|
| MST | | | 5/24/2011 | 1 | 11931522937 | | | | | | | | | | | | | |
| MST | | | 6/2/2011 | 1 | 11931524978 | | | | | | | | | | | | | |
| MST | | | 6/8/2011 | 1 | 1193153124 | | | | | | | | | | | | | |
| MST | | | 9/15/2011 | 1 | 11931533307 | | | | | | | | | | | | | |
| MST | | | 6/2/2011 | 1 | 11931560709 | | | | | | | | | | | | | |
| MST | | | 6/8/2011 | 1 | 11931600961 | | | | | | | | | | | | | |
| MST | | | 9/15/2011 | 1 | 11931652422 | | | | | | | | | | | | | |
| MST | | | 10/5/2011 | 1 | 11931652588 | | | | | | | | | | | | | |
| MST | | | 11/29/2011 | 1 | 11953024702 | | | | | | | | | | | | | |
| MST | | | 12/1/2011 | 1 | 11953024703 | | | | | | | | | | | | | |
| MST | | | 12/1/2011 | 1 | 11972726613 | | | | | | | | | | | | | |
| MST | | | 12/1/2011 | 1 | 11972726614 | | | | | | | | | | | | | |
| MST | | | 12/1/2011 | 1 | 11953281836 | | | | | | | | | | | | | |
| MST | | | 1/15/2012 | 1 | 11953281836 | | | | | | | | | | | | | |
| MST | | | 1/15/2012 | 1 | 11970082537 | | | | | | | | | | | | | |
| MST | | | 2/1/2012 | 1 | 11970082538 | | | | | | | | | | | | | |
| MST | | | 3/9/2012 | 1 | 11970531601 | | | | | | | | | | | | | |
| MST | | | 3/10/2012 | 1 | 11970531601 | | | | | | | | | | | | | |
| MST | | | 5/16/2012 | 1 | 11951782976 | | | | | | | | | | | | | |
| MST | | | 5/30/2012 | 1 | 11951782976 | | | | | | | | | | | | | |
| MST | | | 9/12/2012 | 1 | 12952900416 | | | | | | | | | | | | | |
| MST | | | 9/12/2012 | 1 | 12952900426 | | | | | | | | | | | | | |
| RO1 | | A | 11/17/2011 | 2 | 1130015851 | | | | | | | | | | | | | |
| RO2 | | M2 | 8/9/2011 | 2 | 1130015851 | | | | | | | | | | | | | |
| RO2 | | M3 | 6/1/2011 | 2 | 1130009984 | | | | | | | | | | | | | |
| RO2 | | M3 | 8/9/2011 | 2 | 1130009984 | | | | | | | | | | | | | |
| RO2 | | M4 | 4/11/2012 | 3 | 1130004829 | | | | | | | | | | | | | |
| RO2 | | M4 | 8/4/2011 | 2 | 1130008986 | | | | | | | | | | | | | |
| RO2 | | M4 | 8/9/2011 | 2 | 1130008986 | | | | | | | | | | | | | |
| RO2 | | M5 | 8/9/2011 | 2 | 1130008986 | | | | | | | | | | | | | |
| RO2 | | M6 | 8/11/2011 | 2 | 1130002431 | | | | | | | | | | | | | |
| RO2 | | M7 | 8/4/2011 | 2 | 1130002431 | | | | | | | | | | | | | |
| RO2 | | M9 | 11/16/2012 | 2 | 11300016732 | | | | | | | | | | | | | |
| RO2 | | M10 | 12/1/2011 | 2 | 11300016662 | | | | | | | | | | | | | |
| RO2 | | M10 | 12/1/2012 | 2 | 11300016662 | | | | | | | | | | | | | |
| RO2 | | M11 | 12/7/2012 | 2 | 11300001161 | | | | | | | | | | | | | |
| RO2 | | M11 | 12/13/2011 | 2 | 11300016732 | | | | | | | | | | | | | |
| RO2 | | M11 | 12/23/2011 | 2 | 1130007097 | | | | | | | | | | | | | |
| RO2 | | M12 | 12/7/2012 | 2 | 113000151 | | | | | | | | | | | | | |
| RO2 | | M12 | 12/7/2012 | 2 | 113000151 | | | | | | | | | | | | | |

Massachusetts Republican Party (C00042622)

Additional Receipts by Line Number

2014 12 Day Pre-General Report/Amended 2014 12 Day Pre-General Report

| Report Line | 2014 12 Day Pre-General Report (Image 14952537915) | Amended 2014 12 Day Pre-General Report, received 4/20/15 (Image 15970657798) | Variance Amount |
|---|--|--|---------------------|
| Line 12: Transfers From Affiliated/Other Party Committees | \$482,298.74 | \$632,298.74 | \$150,000.00 |
| Total Variance: | | | \$150,000.00 |