

REPORTS ANALYSIS DIVISION REFERRAL

TO

ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: December 3, 2015

ANALYST: Don Michael

I. COMMITTEE: Conservative Majority Fund
C00524454
Scott B. MacKenzie, Treasurer
2776 S. Arlington Mill Dr. #806
Arlington, VA 22206

TYPE OF COMMITTEE: Nonconnected

II. REGISTRATION DATE: July 9, 2012

III. MULTICANDIDATE STATUS: Non-Qualified

IV. BACKGROUND:

The Committee was sent five (5) Requests for Additional Information (RFAs) for reporting errors including mathematical discrepancies, failure to provide supporting schedules, and failure to properly itemize contributions from individuals.

DATE: December 3, 2015

ANALYST: Don Michael

REPORTS ANALYSIS DIVISION AUDIT REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

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IV. SUMMARY OF RFAI RESPONSES: The Committee did not respond, responded inadequately or responded late to five (5) of five (5) RFAs sent in the 2013-2014 election cycle.

O-Index (2015)

Cmte. ID: C00524454 Cmte. Name: CONSERVATIVE MAJORITY FUND

Treasurer Name: SCOTT B MACKENZIE Address: 2776 S ARLINGTON MILL DR #806 ATTN: SCOTT B MACKENZIE, ARLINGTON, VA 22206
Cmte. Type: N (NON-QUALIFIED NON-PARTY) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER

Form Tp	Rpt Tp	All	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debits	Loans	Debits & Loans
MS-T			1/31/2015	2	15950577436										
F3XN	MY	N	7/27/2015	62	201507279000421639	1/1/2015	6/30/2015		\$40,199	\$185,059	\$154,748	\$50,510	-	\$800	\$800
Totals									\$165,059		\$154,748				

O-Index (2013-2014)

Cmte. ID: C00524454 Cmte. Name: CONSERVATIVE MAJORITY FUND

Treasurer Name: SCOTT B MACKENZIE Address: 2776 S ARLINGTON MILL DR #806 ATTN: SCOTT B MACKENZIE, ARLINGTON, VA 22206
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MS-T			4/9/2014	1	14960620418										
R02	YE	N	4/6/2014	2	14330048171	7/1/2013	12/31/2013	4/6/2014	-	-	-	-	-	-	
R02	Q1	N	4/2/2014	1	14330050888	1/1/2014	6/30/2014	4/2/2014	-	-	-	-	-	-	
R02	Q2	N	8/21/2014	4	14330059774	4/1/2014	6/30/2014	8/21/2014	-	-	-	-	-	-	
R02	Q3	N	10/15/2014	1	14330060008	7/1/2014	9/30/2014	10/15/2014	-	-	-	-	-	-	
F3XN	MY	N	7/31/2013	248	13964483098	1/1/2013	6/30/2013		\$88,916	\$1,739,468	\$1,768,457	\$41,925	\$128,876		\$128,876
F3XN	MY	N	7/31/2013	248	13964483098	1/1/2013	6/30/2013		\$88,916	\$1,739,468	\$1,768,457	\$41,925	\$128,876		\$128,876
F3XN	YE	N	2/1/2014	724	14940324447	7/1/2013	12/31/2013		\$41,925	\$1,322,724	\$1,236,798	\$127,851	\$86,221		\$86,221
F3XN	YE	N	2/1/2014	724	14970315743	7/1/2013	12/31/2013		\$41,925	\$1,322,724	\$1,236,798	\$127,851	\$86,221		\$86,221
F3XN	O1	N	4/9/2014	88	14960620278	1/1/2014	3/31/2014		\$127,851	\$452,702	\$511,452	\$69,101	\$87,349		\$87,349
F3XN	Q2	N	5/20/2014	139	14970315743	1/1/2014	6/30/2014		\$69,501	\$452,702	\$512,499	\$38,498	\$87,349		\$87,349
F3XN	Q3	N	10/15/2014	191	149703389342	7/1/2014	9/30/2014		\$35,496	\$381,133	\$389,061	\$21,569	\$87,349		\$87,349
F3XN	Q4	N	10/21/2014	224	149703389342	10/1/2014	10/31/2014		\$21,569	\$77,056	\$75,369	\$33,056	\$41,449		\$41,449
F3XN	30G	N	12/2/2014	121	14952674856	10/16/2014	11/24/2014		\$83,086	\$166,233	\$215,650	\$33,678	\$14,985	\$0	\$14,985
F3XN	30G	N	12/2/2014	121	159605804908	11/25/2014	12/31/2014		\$33,678	\$4558,666	\$550,045	\$30,199	\$50,510		\$50,510
Totals													\$4,622,618		\$4,651,334

Conservative Majority Fund (C00524454)
ADRO Referral Response Guide

Mathematical Discrepancies

Report	RFAI Due Date	Response Date(s)	Code	Reason for code
2013 YE	5/12/14	3/26/15	LIR	<p>Schedule B supporting Line 21(b) disclosed memo entries totaling \$45,000.00 that did not appear to correspond with any itemized transaction(s).</p> <p>The Committee filed an Amended 2013 YE on 3/26/15, which failed to resolve the issue.</p> <p>The Committee filed a Form 99 on 3/27/15, which failed to clarify the discrepancy.</p>
2014 Q1	6/16/14	1/31/15	LIR	<p>Schedule B supporting Line 21(b) disclosed memo entries totaling \$18,750.00 that did not appear to correspond with any itemized transaction(s).</p> <p>The Committee filed a Form 99 on 1/31/15, which failed to clarify the discrepancy.</p>

Failure to Provide Supporting Schedules

Report	RFAI Due Date	Response Date(s)	Code	Reason for code
2014 Q2	9/25/14	N/A	NR	<p>The Committee failed to timely file a required 48-Hour Report for \$12,687.61 in independent expenditures disclosed on Schedule E.</p> <p>To date, the Committee has not taken corrective action or provided further clarification.</p>
2014 Q3	5/26/15	N/A	NR	<p>Schedule E disclosed memo entries for two (2) independent expenditures totaling \$15,000.00, which were publicly disseminated prior to payment, but failed to disclose a debt on Schedule D.</p> <p>The Committee also failed to file a required 48-Hour Report for \$15,000.00 in independent expenditures disclosed on Schedule E.</p> <p>To date, the Committee has not taken corrective action or provided further clarification.</p>

Failure to Properly Itemize Contributions from Individuals

Report	RFAI Due Date	Response Date(s)	Code	Reason for code
2013 MY	12/03/13	1/31/15	LAR	<p>Schedule A supporting Line 11(a)(i) failed to disclose adequate identification for 357 of 594, or 60.1%, of the contributions from individuals that require itemization.</p> <p>The Committee filed a FEC Form 99 on 1/31/15, which stated in part, "BEST EFFORTS"</p> <p>Given that a large number of the contributions received are as a result of solicitations for our "small donor programs" and despite the fact that each appeal includes a clear and conspicuous request for the contributor information as well as occupation and employer; many of the donors do not provide that information on the initial request. The committee has established procedures whereby the following steps are taken to satisfy the "best efforts" requirements: (i) within thirty (30) days of the receipt of the contribution, a letter is sent, clearly asking for the missing information, without soliciting a contribution; (ii) we inform the contributor of the requirements of federal law for the reporting of such information; and (iii) we provide a pre-addressed return envelope, a fax number and an email address. Upon receipt of the information the committee will amend its reports to provide the new information.</p> <p>The Committee has amended its report to disclose Employer and Occupation information received through our "best efforts" mailings."</p> <p>The Committee filed an Amended 2013 MY on 3/29/15, which failed to provide further clarifying information.</p>
2014 Q2	9/25/14	1/31/15	LAR	<p>Schedule A supporting Line 11(a)(i) failed to disclose adequate identification for 162 of 288, or 56.3%, of the contributions from individuals that require itemization.</p> <p>The Committee filed a FEC Form 99 on 1/31/15, which stated in part, "BEST EFFORTS"</p> <p>Given that a large number of the contributions received are as a result of solicitations for our "small donor programs" and despite the fact that each appeal includes a clear and conspicuous request for the contributor information as well as occupation and employer; many of the donors do not provide that information on the initial request. The committee has established procedures whereby the following steps are taken to satisfy the "best efforts" requirements: (i) within thirty (30) days of the receipt of the contribution, a letter is sent, clearly asking for the missing information, without soliciting a contribution; (ii) we inform the contributor of the requirements of federal law for the reporting of such information; and (iii) we provide a pre-addressed return envelope, a fax number and an email address. Upon receipt of the information the committee will amend its reports to provide the new information.</p> <p>The Committee has amended its report to disclose Employer and Occupation information received through our "best efforts" mailings."</p>