

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: June 2, 2017

ANALYST: Robin Kelly

- I. COMMITTEE: McMullin for President Committee, Inc.
C00623884
Joel Searby, Treasurer (4/28/17 – present)
Jeffrey Carson, Treasurer (8/15/16 – 4/27/17)
3824 SW 170th Street
Archer, FL 32618
- II. RELEVANT STATUTES: 11 CFR §104.3(d)
52 U.S.C. §30104(b)(8)

III. BACKGROUND:

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

The McMullin for President Committee, Inc. ("the Committee") amended its 2016 September Monthly, 2016 October Monthly and 2016 12 Day Pre-General Reports to disclose additional debts totaling \$578,101.47 that were not disclosed in the original reports (Attachment 2).

2016 September Monthly Report

On September 20, 2016, the Committee filed the original 2016 September Monthly Report covering the period from August 1, 2016 through August 31, 2016. The report disclosed no debts on Line 12 (Debts and Obligations Owed by the Committee) of the Summary Page (Image 201609209031015120).

On November 7, 2016, the Committee filed an Amended 2016 September Monthly Report. The report disclosed \$169,759.20 in debts on Line 12 of the Summary Page (Image 201611079037134896). All of these debts were disclosed on Schedule D as newly incurred debts for the reporting period, and were not disclosed in the original

report (Images 201611079037135039-40; Attachment 2). The report also included memo text which stated, in part: "This amended report includes debts inadvertently omitted in the original filing. This amendment [*sic*] report has been promptly prepared upon discovery of the omitted information and is submitted in good faith to update the original filing" (Image 201611079037134903).

On March 22, 2017, a Request for Additional Information (RFAI) was sent to the Committee referencing the Amended 2016 September Monthly Report, received on November 7, 2016. The RFAI requested additional clarification regarding the significant increase in debts not disclosed in the original report (Image 201703220300082994).

2016 October Monthly Report

On October 20, 2016, the Committee filed the original 2016 October Monthly Report covering the period from September 1, 2016 through September 30, 2016. The report disclosed no debts on Line 12 (Debts and Obligations Owed by the Committee) of the Summary Page (Image 201610209034191821).

On November 7, 2016, the Committee filed an Amended 2016 October Monthly Report (Image 201611079037135048). The report disclosed \$509,148.77 in debts on Line 12 of the Summary Page. Of that amount, \$339,389.57 was disclosed on Schedule D as newly incurred debts for the reporting period, which were not disclosed in the original report (Images 201611079037135235-39; Attachment 2). The report also included memo text which stated, in part: "This amended report includes debts inadvertently omitted in the original filing. This amendment [*sic*] report has been promptly prepared upon discovery of the omitted information and is submitted in good faith to update the original filing" (Image 201611079037135055).

On March 22, 2017, an RFAI was sent to the Committee referencing the Amended 2016 October Monthly Report, received on November 7, 2016. The RFAI requested additional clarification regarding the significant increase in debts not disclosed in the original report (Image 201703220300082996).

2016 12 Day Pre-General Report

On October 27, 2016, the Committee filed the original 2016 12 Day Pre-General Report covering the period from October 1, 2016 through October 19, 2016. The report disclosed no debts on Line 12 (Debts and Obligations Owed by the Committee) of the Summary Page (Image 201610279036959607).

On November 7, 2016, the Committee filed an Amended 2016 12 Day Pre-General Report. The report disclosed \$537,538.97 in debts on Line 12 of the Summary Page (Image 201611079037135240). Of that amount, \$68,952.70 was disclosed on Schedule D as newly incurred debts for the reporting period, which were not disclosed in the original report (Images 201611079037135523-28; Attachment 2). The report also

included memo text which stated, in part: "This amended report includes debts inadvertently omitted in the original filing. This amendment [*sic*] report has been promptly prepared upon discovery of the omitted information and is submitted in good faith to update the original filing" (Image 201611079037135247).

On March 23, 2017, an RFAI was sent to the Committee referencing the Amended 2016 12 Day Pre-General Report, received on November 7, 2016. The RFAI requested additional clarification regarding the significant increase in debts not disclosed in the original report (Image 201703230300083092).

On April 6, 2017, the Committee's Treasurer, Jeffrey Carson, called the Reports Analysis Division (RAD) to ask how to respond to the recent RFAs, which referenced increases in debts. The RAD Analyst said that the Committee should explain why the debts were not shown in the original reports and respond by submitting a Miscellaneous Electronic Submission ("FEC Form 99"). Mr. Carson said that the campaign started up quickly, and there was some confusion in the first few weeks. The Analyst said that it was probable that the matter would be referred to another office for further review. Mr. Carson said he would respond by submitting an FEC Form 99 (Attachment 3).

On April 26, 2017, the Committee filed an FEC Form 99 in response to the RFAs, which stated, in part:

"The committee filed its statement of organization with the FEC on August 15, 2016 and was immediately confronted with the difficulties of acquiring vendors, recruiting volunteers, raising money, obtaining ballot access, and organizing for the election which was a mere 85 days away. Given these circumstances, there was a lack of organization in the initial committee structural and vendor acquisition phase.

Unfortunately, this led to outstanding vendor invoices being unreported as debts owed by the committee on the committee's periodic FEC reports. Once the committee was structurally sound, the committee's outstanding invoices were discovered. Upon realization that these outstanding invoices needed to be reported on the committee's FEC reports, the committee amended its past FEC reports to include the outstanding debts owed by the committee. These amended reports were filed in good faith and included the below debts that were originally unreported:

- Hines Digital for \$80,000
- Nationbuilder for \$4,000
- Polymath Innovations LLC for \$12,500
- Scratch Creative for \$37,469.20
- Scratch Creative for \$30,790
- Veracious USA for \$5,000
- Blaylock Associates LLC for \$3,000

- Data Elect for \$2,000
- Evolt Consulting Group LLC for \$7,562.50
- Hines Digital for \$15,000
- Hopping, Green & Sams for \$255,703.86
- Nationbuilder for \$30,015
- Polymath Innovations LLC for \$6,108.21
- Scratch Creative for \$20,000
- Data Elect for \$2,000
- Gathering Inc. for \$59,748.20
- Polymath Innovations LLC for \$5,000
- VCXN, Inc. for \$2,204.50

The committee has since taken measures to adopt and implement organizational best practices which should prevent errors like this from occurring in the future" (Image 201704269053480886).

On April 28, 2017, Mr. Carson called to see if the Commission had received the Form 99 that had been submitted on April 26, 2017. The RAD Analyst said that the response had been received. Mr. Carson said that the Committee would be filing an Amended Statement of Organization to designate a new Treasurer. Mr. Carson offered that he would be available for questions regarding the campaign's activity, if needed. The Analyst explained that the increases in activity warranted further review by another office, and Mr. Carson said he understood (Attachment 3).

To date, no further communications have been received from the Committee regarding these matters.

O-Index (2017)

Committee Name: MCMLIN FOR PRESIDENT COMMITTEE INC
 Treasurer Name: SEABY, JOEL Address: 3824 SW 47TH ST, ARCHER, FL 32618
 Committee Designation: P (PRINCIPAL CAMPAIGN COMMITTEE OF A CANDIDATE) Filing Frequency: QUARTERLY FILER

Form ID	Form Type	Receipt Dt	AI	AI	Receipt Dt	Pgs	Begin Inmg	End Cvg Dt	Ltr Mail Dt	Begin Cash	Receipts	Disb	End Cash	Debits	Loans	Debits & Loans
MS-M		2/21/2017			1	201702219050472554										
MS-O		3/13/2017			2	201703130300082554										
MS-T		4/26/2017			1	2017042609053480886										
F3PN	M2	2/21/2017	N		18	2017022190504968660		1/1/2017		\$1,936	\$11,915	\$1,494	\$12,358	\$669,330		\$669,330
F3PN	Q1	4/15/2017	N		19	2017041509052248870		3/31/2017		\$12,358	\$5,084	\$7,272	\$10,169	\$669,330		\$669,330
F1A		1/16/2017	A		4	2017011609041397271										
F1A		4/23/2017	A		4	2017042309053485469										
TOTALS																

O-Index (2015-2016)

Committee Name: MCMLIN FOR PRESIDENT COMMITTEE INC
 Treasurer Name: SEABY, JOEL Address: 3824 SW 47TH ST, ARCHER, FL 32618
 Committee Designation: P (PRINCIPAL CAMPAIGN COMMITTEE OF A CANDIDATE) Filing Frequency: QUARTERLY FILER

Form ID	Form Type	Receipt Dt	AI	AI	Receipt Dt	Pgs	Begin Inmg	End Cvg Dt	Ltr Mail Dt	Begin Cash	Receipts	Disb	End Cash	Debits	Loans	Debits & Loans
RQ2	M5	3/22/2017	A		2	201703220300082994		8/31/2016								
RQ2	M10	3/22/2017	A		2	201703220300082996		9/30/2016								
RQ2	12G	3/23/2017	A		2	201703230300083092		10/1/2016								
F3PN	M9	9/20/2016	N		143	2016092009031015120		8/31/2016		\$0	\$322,441	\$277,814	\$44,626	\$169,759		\$0
F3PN	M9	11/7/2016	N		145	2016110709037134896		8/31/2016		\$44,626	\$178,652	\$277,814	\$44,626	\$169,759		\$0
F3PN	M10	10/20/2016	N		187	2016102009034191821		9/30/2016		\$44,626	\$178,652	\$218,962	\$4,316	\$509,148		\$0
F3PA	M10	11/7/2016	A		182	2016110709037135048		9/30/2016		\$4,316	\$529,003	\$218,962	\$4,316	\$509,148		\$0
F3PN	12G	10/27/2016	A		281	2016102709036959607		10/19/2016		\$4,316	\$529,003	\$283,708	\$249,610	\$537,538		\$0
F3PA	12G	11/7/2016	A		289	2016110709037135240		10/19/2016		\$249,610	\$534,375	\$289,081	\$249,610	\$537,538		\$0
F3PN	30G	12/8/2016	N		658	2016120809037826070		11/28/2016		\$16,765	\$569,370	\$832,215	\$16,765	\$844,913		\$0
F3PN	YE	1/31/2017	N		28	2017013109042277683		11/29/2016		\$16,765	\$9,262	\$24,091	\$16,765	\$844,913		\$0
F2A		8/23/2016	A		1	2016082309023730688										
F6N		10/21/2016	A		2	2016102109034524545										
F2A		10/21/2016	A		1	2016102109034505050										
F6N		10/22/2016	A		1	2016102209034525410										
F1N		8/15/2016	N		4	2016081509022245110										
F2N		8/15/2016	N		1	2016081509022245109										
F6N		10/30/2016	A		1	2016103009037009166										
F6N		10/28/2016	A		1	2016102809037006178										
F6N		11/1/2016	A		2	2016110109037017647										
F6N		10/31/2016	A		1	2016103109037014099										
F6N		10/25/2016	A		1	2016102509034573024										
F6N		10/27/2016	A		1	20161027090345845665										
F6N		10/26/2016	A		1	2016102609034584230										
F6A		10/26/2016	A		1	2016102609034597521										
F6A		10/26/2016	A		1	2016102609034597610										
F6N		10/24/2016	A		1	2016102409034599932										
F6N		11/3/2016	A		1	2016110309037112346										
F6N		11/6/2016	A		2	2016110609037128320										
TOTALS																

McMullin for President Committee, Inc. (C00623884)

2016 September Monthly Report/Amended 2016 September Monthly Report, received 11/7/16

A. Overview of Additional Debt

Report Line	Original 2016 September Monthly Report (Image 201609209031015120)	Amended 2016 September Monthly Report, Received 11/7/16 (Image 201611079037134896)	Debt Variance Amount	Increase in New Debts Incurred
Amount Incurred This Period (Schedule D)	\$0.00	\$169,759.20	\$169,759.20	\$169,759.20
Outstanding Balance Beginning This Period (Schedule D)	\$0.00	\$0.00	\$0.00	
Payments This Period (Schedule D)	\$0.00	\$0.00	\$0.00	
Outstanding Balance at Close of This Period (Schedule D)	\$0.00	\$169,759.20	\$169,759.20	
Line 12: Debts and Obligations Owed by the Committee	\$0.00	\$169,759.20	\$169,759.20	

B. Overview of New Debts Incurred

Vendor	Outstanding Beginning Balance	Amount Incurred	Payments	Increase in Debt Incurred
Hines Digital	\$0.00	\$80,000.00	\$0.00	\$80,000.00
Nationbuilder	\$0.00	\$4,000.00	\$0.00	\$4,000.00
Polymath Innovations LLC	\$0.00	\$12,500.00	\$0.00	\$12,500.00
Scratch Creative	\$0.00	\$37,469.20	\$0.00	\$37,469.20
Scratch Creative	\$0.00	\$30,790.00	\$0.00	\$30,790.00
Veracious USA	\$0.00	\$5,000.00	\$0.00	\$5,000.00
Total:	\$0.00	\$169,759.20	\$0.00	\$169,759.20

McMullin for President Committee, Inc. (C00623884)

2016 October Monthly Report/Amended 2016 October Monthly Report, received 11/7/16

A. Overview of Additional Debt

Report Line	Original 2016 October Monthly Report (Image 201610209034191821)	Amended 2016 October Monthly Report, received 11/7/2016 (Image 201611079037135048)	Debt Variance Amount	Increase in New Debts Incurred
Amount Incurred This Period (Schedule D)	\$0.00	\$339,389.57	\$339,389.57	\$339,389.57
Outstanding Balance Beginning This Period (Schedule D)	\$0.00	\$169,759.20	\$169,759.20	
Payments This Period (Schedule D)	\$0.00	\$0.00	\$0.00	
Outstanding Balance at Close of This Period (Schedule D)	\$0.00	\$509,148.77	\$509,148.77	
Line 12: Debts and Obligations Owed by the Committee	\$0.00	\$509,148.77	\$509,148.77	

B. Overview of New Debts Incurred

Vendor	Outstanding Beginning Balance	Amount Incurred	Payments	Increase in Debt Incurred
Blaylock Associates LLC	\$0.00	\$3,000.00	\$0.00	\$3,000.00
Data Elect	\$0.00	\$2,000.00	\$0.00	\$2,000.00
Evolt Consulting Group LLC	\$0.00	\$7,562.50	\$0.00	\$7,562.50
Hines Digital	\$0.00	\$15,000.00	\$0.00	\$15,000.00
Hopping Green & Sams	\$0.00	\$255,703.86	\$0.00	\$255,703.86
Nationbuilder	\$0.00	\$30,015.00	\$0.00	\$30,015.00
Polymath Innovations LLC	\$0.00	\$6,108.21	\$0.00	\$6,108.21
Scratch Creative	\$0.00	\$20,000.00	\$0.00	\$20,000.00
Total:	\$0.00	\$339,389.57	\$0.00	\$339,389.57

McMullin for President Committee, Inc. (C00623884)

2016 12 Day Pre-General Report/Amended 2016 12 Day Pre-General Report, received 11/7/16

A. Overview of Additional Debt

Report Line	Original 2016 12 Day Pre- General Report (Image 201610279036959607)	Amended 2016 12 Day Pre-General Report, received 11/7/2016 (Image 201611079037135240)	Debt Variance Amount	Increase in New Debts Incurred
Amount Incurred This Period (Schedule D)	\$0.00	\$68,952.70	\$68,952.70	\$68,952.70
Outstanding Balance Beginning This Period (Schedule D)	\$0.00	\$509,148.77	\$509,148.77	
Payments This Period (Schedule D)	\$0.00	\$40,562.50	\$40,562.50	
Outstanding Balance at Close of This Period (Schedule D)	\$0.00	\$537,538.97	\$537,538.97	
Line 12: Debts and Obligations Owed by the Committee	\$0.00	\$537,538.97	\$537,538.97	

B. Overview of New Debts Incurred

Vendor	Outstanding Beginning Balance	Amount Incurred	Payments	Increase in Debt Incurred
Data Elect	\$0.00	\$2,000.00	\$0.00	\$2,000.00
Gathering Inc.	\$0.00	\$59,748.20	\$0.00	\$59,748.20
Polymath Innovations LLC	\$0.00	\$5,000.00	\$0.00	\$5,000.00
VCXN, Inc.	\$0.00	\$2,204.50	\$0.00	\$2,204.50
Total:	\$0.00	\$68,952.70	\$0.00	\$68,952.70