

REPORTS ANALYSIS DIVISION REFERRAL  
TO  
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: March 4, 2019

ANALYST: Kaitlin Seufert

I. COMMITTEE:

Principles First, Inc.  
C00679449  
Randall Lee Pullen, Treasurer  
8687 E. Via De Ventura  
Suite 106  
Scottsdale, AZ 85258

II. RELEVANT STATUTE:

52 U.S.C. §30104(g)(1)  
11 CFR §104.4(c)

III. BACKGROUND:

**Failure to Provide Supporting Schedules (Failure to Timely File 24-Hour Reports)**

Principles First, Inc. ("the Committee"), failed to timely file one (1) 24-Hour Report totaling \$65,150.00 to support two (2) independent expenditures disclosed on the 2018 July Quarterly Report, made after the 20<sup>th</sup> day but more than 24 hours before the 2018 Primary Election held in the state of Montana (Attachment 2).

On July 6, 2018, Randy Pullen, the Committee treasurer, called the Reports Analysis Division (RAD) Analyst. Mr. Pullen explained he was unable to successfully file a 24-Hour Report in May, and was also having trouble filing the 2018 July Quarterly Report. The Analyst assisted Mr. Pullen in creating the July Quarterly Report in the software, and encouraged him to file the 24-Hour Report as soon as possible as it was already late. The Analyst provided Mr. Pullen with several resources for reporting independent expenditures (Attachment 3).

On July 6, 2018, the Committee filed its 2018 July Quarterly Report, covering the period from May 14, 2018 through June 30, 2018, which included a Schedule E (Itemized

Independent Expenditures) disclosing two (2) independent expenditures, totaling \$65,150.00, made in support of one (1) federal candidate (Image 201807069115244750).

Also on July 6, 2018, the Committee filed an Amended 2018 July Quarterly Report. The report contained no changes to Schedule E from the original report (Image 201807069115245088).

On July 7, 2018, the Committee filed an Amended 2018 July Quarterly Report. The report disclosed modifications to the date of dissemination and date of disbursement for one (1) Independent Expenditure, but no other changes to Schedule E from the original report (Image 201807079115247459).

Also on July 7, 2018, the Committee filed one (1) 24-Hour Report to support (2) independent expenditures totaling \$65,150.00 disseminated on May 18, 2018 (Image 201807079115247450).

On October 3, 2018, a Request for Additional Information (RAI) was sent to the Committee referencing the Amended 2018 July Quarterly Report, received July 7, 2018. The RAI noted that the Committee may have failed to timely file one (1) or more required 24-Hour Reports regarding independent expenditures. A chart was included with the RAI identifying the two (2) independent expenditures, totaling \$65,150.00, for which a 24-Hour Report had not been timely filed (Image 201810030300021116).

On October 16, 2018, while speaking with Mr. Pullen regarding a separate matter, the Analyst reminded Mr. Pullen of the RAI that was sent to the Committee referencing the Amended 2018 July Quarterly Report, received July 7, 2018. Mr. Pullen responded that he had given the letter to the Committee's attorney to respond (Attachment 3).

On November 9, 2018 the RAD Analyst left a voicemail message for Mr. Pullen. The Analyst explained that the issue on the Committee's Amended 2018 July Quarterly Report, received July 7, 2018, may be referred for potential further action to another office within the Commission. The Analyst further explained the Committee could provide additional information for the public record if they wished to do so. Later that day, Mr. Pullen returned the Analyst's call and said the Committee would file a response (Attachment 3).

On November 14, 2018, Mr. Pullen called the RAD Analyst to ask where he should mail the Committee's response to the RAI sent referencing the Amended 2018 July Quarterly Report. The Analyst explained that because the Committee files electronically, they are required to file their response electronically via FEC Form 99 (Miscellaneous Electronic Submission) (Attachment 3).

Also on November 14, 2018, Mr. Pullen spoke with the RAD Analyst and stated that the Committee had emailed a response to the referable issue within the Amended 2018 July Quarterly Report to a contact in the Office of General Counsel (OGC). Mr. Pullen said it was in response to the Matter Under Review (MUR) being handled by OGC as the result of an outside complaint. The Analyst explained that the Committee should file any

response to the RFAI electronically via an FEC Form 99 so that it would be on the public record (Attachment 3).

Later on November 14, 2018, the Committee filed an FEC Form 99, which stated in part:

"In reference to your letter dated October 3, 2018, I would like to apologize for not filing timely Form 24 reports for the 2018 Montana Senate primary election on behalf of Principles First, Inc. I did not willfully or intentionally not file the 24-hour reports. I did experience problems with entering transactions in the electronic filing software, which precluded me from filing the reports.

After filing the Form 1 in May, I tried to file on the same day a Form 24 report, but the software would not accept the expenditures. At first, I thought the problem was I needed to wait a day until the Form 1 was processed. After trying a couple of times the following day, I contacted the FEC technical department and left a message that I was having problems. I did not hear back from them.

I did speak to an FEC Analyst in June, when attempting to file a monthly report for May. Since I had missed filing the Form 24 reports, I was trying to file a monthly report for May. I talked through the same problem I was having with the monthly report and earlier with the Form 24 reports. The issue was the software was not accepting the expenditures. The Analyst could not determine what was the cause of the problems I was experiencing. However, she did explain to me that I did not need to file a monthly report and a quarterly report would be ok for a small PAC.

I did continue to try and find a way to enter the expenditures in the software. The problem seemed to be every time I tried to input the candidate's name that the expenditure supported, the transaction was rejected. I reviewed the electronic filing instructions several times and was unable to find a solution in the instructions provided by the FEC.

Eventually, I tried adding the candidate benefited by the independent expenditure under the Individuals/Organizations and Events tab. Once I entered the candidate committee for Mr. Fagg, I was able to complete the expenditures to support the candidate and filed a quarterly report. This instruction - that you first must add the candidate to the Individuals/Organizations and Events tab before you could file the independent expenditure report - is not necessarily intuitive from the software and should have been noted in the electronic filing instructions from the FEC" (Image 201811149133679207).

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

O-Index (2019-2020)															
Cmte. ID: C00679449      Cmte. Name: PRINCIPLES FIRST, INC.															
Treasurer Name: PULLEN, RANDALL LEE      Address: 8687 E. VIA DE VENTURA SUITE 106, SCOTTSDALE, AZ 85258															
Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE)      Cmte. Designation: U (UNAUTHORIZED)      Filing Frequency: QUARTERLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debits	Loans	Debits & Loans

No records were found for this cycle.

O-Index (2017-2018)															
Cmte. ID: C00679449    Cmte. Name: PRINCIPLES FIRST, INC.															
Treasurer Name: PULLEN, RANDALL LEE    Address: 8687 E. VIA DE VENTURA SUITE 106, SCOTTSDALE, AZ 85258															
Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE)    Cmte. Designation: U (UNAUTHORIZED)    Filing Frequency: QUARTERLY FILER															
Form Tp	Rpt Tp	A/I	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			11/14/2018	1	201811149133679207										
RQ2	Q2	A	10/3/2018	3	201810030300021116	5/14/2018	6/30/2018	10/3/2018							
RQ2	TER	T	10/28/2018	2	201810280300022876	7/1/2018	9/30/2018	10/28/2018							
F3XN	Q2	N	7/6/2018	9	201807069115244742	5/14/2018	6/30/2018		\$0	\$90,000	\$86,154	\$3,845			\$0
F3XA	Q2	A	7/6/2018	9	201807069115245080	5/14/2018	6/30/2018		\$0	\$90,000	\$86,154	\$3,845			\$0
F3XA	Q2	A	7/7/2018	9	201807079115247451	5/14/2018	6/30/2018		\$0	\$90,000	\$86,154	\$3,845			\$0
F3XT	TER	T	10/18/2018	6	201810189125612299	7/1/2018	9/30/2018		\$3,845	\$0	\$3,845	\$0			\$0
F3XN	30G	N	12/7/2018	5	201812079142253046	10/1/2018	11/26/2018		\$0	\$0	\$0	\$0			\$0
F3XN	YE	N	1/4/2019	5	201901049143729439	11/27/2018	12/31/2018		\$0	\$0	\$0	\$0			\$0
F1A		A	6/19/2018	5	201806199113758345										
F1A		A	6/19/2018	4	201806199113758587										
F1N		N	5/23/2018	5	201805239113318648										
F24N	24		7/7/2018	1	201807079115247450										
Totals										\$90,000	\$90,000				

O-Index (2015-2016)															
Cmte. ID: C00679449					Cmte. Name: PRINCIPLES FIRST, INC.										
Treasurer Name: PULLEN, RANDALL LEE					Address: 8687 E. VIA DE VENTURA SUITE 106, SCOTTSDALE, AZ 85258										
Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE)					Cmte. Designation: U (UNAUTHORIZED)					Filing Frequency: QUARTERLY FILER					
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debits	Loans	Debits & Loans

No records were found for this cycle.

**Principles First, Inc. (C00679449)**

Amended 2018 July Quarterly Report, received July 7, 2018

**24-Hour Reports Not Timely Filed**

Name of Payee	Date of Dissemination (Schedule E)	Expenditure Amount	Candidate Supported	State and Date of Election	24-Hour Report Filed
Intrepid Global Strategies, LLC	5/18/2018	\$5,150.00	Russell C Fagg	Montana - 2018 Primary (6/5/2018)	7/7/2018
Nebo Media, Inc.	5/18/2018	\$60,000.00 <i>24-Hour Report Required</i>	Russell C Fagg	Montana - 2018 Primary (6/5/2018)	7/7/2018