

REPORTS ANALYSIS DIVISION REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: March 4, 2019

ANALYST: Brian Jones

- I. COMMITTEE: Legislative Majority PAC
(C00627075)
Eleanor Collinson, Treasurer (5/17/18 – Present)
Shelbi Warner (10/6/16 – 5/16/18)
1225 I St., NW, Suite 1250
Washington, DC 20005
- II. RELEVANT STATUTE: 52 U.S.C. § 30104(b)(2) and (4)
11 CFR §104.3(a) and (b)
- III. BACKGROUND:

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

Legislative Majority PAC (“the Committee”) amended its 2017 Mid-Year Report to disclose additional receipts totaling \$363,767.47 and additional disbursements totaling \$348,033.94, which were not disclosed on the original report (Attachments 2 and 3).

On July 31, 2017, the Committee filed the original 2017 Mid-Year Report covering the period from January 1, 2017 through June 30, 2017. The report disclosed \$500.00 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals), \$419.00 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 \$0.00 in receipts on Line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 201707319069906931, Attachment 2). The report also disclosed \$0.00 in disbursements on Line 21(b) (Other Federal Operating Expenditures), \$0.00 in disbursements on Line 23 (Contributions to Federal Candidates/Committees and Other Political Committees), and \$0.00 in disbursements on Line 29 (Other Disbursements) of the Detailed Summary Page (Image 201707319069906932, Attachment 3).

On September 11, 2017, the Committee filed an Amended 2017 Mid-Year Report. The report disclosed no changes in receipts or disbursements from the original report (Images 201709119074646599-600).

On January 31, 2018, the Committee filed an Amended 2017 Mid-Year Report. The report disclosed \$500.00 in receipts on Line 11(a)(i), \$419.00 in receipts on Line 11(a)(ii), \$0.00 in receipts on Line 11(c), and \$267,677.27 in receipts on Line 17 of the Detailed Summary Page (Image 201801319091275209). The report also disclosed \$237.83 in disbursements on Line 21(b), \$0.00 in disbursements on Line 23, and \$186,037.93 in disbursements on Line 29 of the Detailed Summary Page (Image 201801319091275210).

On March 15, 2018, a Request for Additional Information (RAI) was sent to the Committee referencing the Amended 2017 Mid-Year Report, received January 31, 2018. The RAI requested clarification regarding the substantial increase in receipts and disbursements disclosed on the Amended 2017 Mid-Year Report (Image 201803150300001025).

On April 19, 2018, the Committee filed an Amended 2017 Mid-Year Report. The report disclosed no changes in receipts from the original report, received July 31, 2017 (Image 201804199110360879). The report also disclosed \$237.83 in disbursements on Line 21(b), \$0.00 in disbursements on Line 23, and \$0.00 in disbursements on Line 29 (Image 201804199110360880). The Committee included a memo text in the report, which stated in full: "A filing system error was made regarding the amendment that was filed for Amendment 2 and has been corrected to reflect the previous Amendment" (Image 201804199110360882).

On May 18, 2018, the Committee filed an Amended 2017 Mid-Year Report. The report disclosed \$500.00 in receipts on Line 11(a)(i), \$1,019.00 in receipts on Line 11(a)(ii), \$363,167.47 in receipts on Line 11(c), and \$0.00 in receipts on Line 17, a total increase of \$363,767.47 from the original report (Image 201805189112101335, Attachment 2). The report also disclosed \$576.14 in disbursements on Line 21(b), \$25,000.00 in disbursements on Line 23, and \$322,457.80 in disbursements on Line 29, a total increase of \$348,033.94 from the original report (Image 201805189112101336, Attachment 3).

On August 30, 2018, a RAI was sent to the Committee referencing the Amended 2017 Mid-Year Report, received May 18, 2018. The RAI requested clarification regarding the substantial increase in receipts and disbursements disclosed on the Amended 2017 Mid-Year Report (Image 201808300300019224).

On September 19, 2018, the Committee filed a FEC Form 99 (Miscellaneous Electronic Submission) in response to the RAI referencing the Amended 2017 Mid-Year Report, received May 18, 2018. The Committee stated, in part:

"The letters requested additional information regarding the change in contributions and disbursements reflected on the amended reports relative to the original reports. Legislative Majority PAC hired a compliance firm to conduct a comprehensive review of past filings. This review uncovered

discrepancies dating back to 2016, including many contributions and disbursements were not reported on the 2017 Mid-Year report. It also found that some contributions and disbursement were reported in error on the 2017 Year-End report. Upon the completion of this review, Legislative Majority PAC amended reports beginning with the 2016 Post-General and ending with the 2018 April Quarterly. Legislative Majority PAC takes its reporting requirements very seriously and conducted this review and filed the necessary amendments to correct the public record” (Image 201809199121966546).

On November 5, 2018, the Reports Analysis Division (RAD) Analyst e-mailed Ms. Eleanor Collinson, the Committee’s Treasurer, in reference to the RFAI sent on the Committee’s Amended 2017 Mid-Year Report, received May 18, 2018. The RAD Analyst requested a return phone call to discuss this matter (Attachment 4).

Subsequently, the Analyst spoke with Mr. Jon Berkon, counsel to the Committee. The Analyst explained that the Committee may be referred to another office within the Commission for potential enforcement action. Further, the Committee may choose to file a FEC Form 99 to provide additional clarification regarding this matter. The Analyst acknowledged receipt of the Committee’s FEC Form 99, received September 19, 2018, and stated that any additional information placed on the public record was at the discretion of the Committee (Attachment 4).

On January 25, 2019, the Committee filed an Amended 2017 Mid-Year Report. The report disclosed no changes in receipts or disbursements from the previously amended report (Image 201901259143992015).

On the same day, the Committee filed a FEC Form 99. The Committee stated,

“As referenced in our September 19, 2018 Form 99, Legislative Majority PAC has undertaken a comprehensive review of its past filings and accounting systems. As part of that review, Legislative Majority PAC is working to reconcile its previously filed statements with financial records and bank statements. This review has uncovered that certain debts reported after the 2016 General Election were either based on estimates that were later corrected or were otherwise misreported. We have therefore submitted amended reports to address the following discrepancies between our filings and our reconciled financial records:

?Three debts reported on the 2016 Post-General report were based on estimated costs which were later revised. These reports have been amended to reflect the correct debt amount in compliance with 11 C.F.R. ? 104.11:

oLMP reported an estimated \$7,707.84 debt to Gumbinner & Davies Communications; the actual cost of the services was \$7,584.40. The 2016 Post-General, 2016 Year-End, and Mid-Year 2017 reports have been amended to reflect the true amount of this debt, which was paid on January 27, 2017. The subsequent reports have been amended to show that this debt was resolved.

oLMP reported an estimated \$6,437.28 debt to Gumbinner & Davies Communications; the actual cost of the services was \$5,052.15. The debt was paid in two installments - a \$2,695.52 payment on December 21, 2016 and a \$2,356.63 payment on February 28, 2017. The 2016 Post-General report has been amended to show the actual amount of this debt. The 2016 Year-End and Mid-Year 2017 reports have been amended to show the two payments, and the subsequent reports have been amended to show that the debt was resolved.

oLMP reported an estimated \$27,090 debt to the Strategy Group; the actual cost of the services was \$26,940.00. The 2016 Post-General, 2016 Year-End, and Mid-Year 2017 reports have been amended to reflect the true amount of this debt, which was paid on February 28, 2017. The subsequent reports have been amended to show that this debt was resolved.

?Two separate debts to the Sexton Group, one for \$4,046.25 and one for \$8,918.00, were reported on the 2016 Post-General report. After a comprehensive search of its books and records, Legislative Majority PAC has been unable to identify any services provided to it by Sexton Group that would account for these obligations. Therefore, we believe these debts were reported in error and have amended all past reports to remove these debts.

?A \$5,000 debt obligation to the vendor ?76 Words? was initially reported as a \$15,000 obligation. We have amended the 2016 Post-General, 2016 Year-End, and Mid-Year 2017 reports to reflect the true amount of this debt. The \$5,000 debt was paid on February 1, 2017, so the remaining reports have been amended to reflect the fact that this debt was resolved after the Mid-Year 2017 report.

Our goal is and has always been to provide the Commission with complete and accurate reports of Legislative Majority PAC?s election activities. Should any additional discrepancies arise in the course of our ongoing review, we will continue to promptly amend our reports” (Image 201901259143993040).

To date, no further communication has been received from the Committee regarding this matter.

O-Index (2019-2020)

Cmte. ID: C00627075 Cmte. Name: LEGISLATIVE MAJORITY PAC
 Treasurer Name: COLLINSON, ELEANOR Address: 1225 I ST NW STE 1250, WASHINGTON, DC 20005
 Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER

Form Tl	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			1/25/2019	2	201901259143993040										
MS-M			2/15/2019	1	201902159145519381										
MS-O			2/19/2019	2	201902190300032503				\$0			\$0			
Totals															

O-Index (2017-2018)

Cmte. ID: C00627075 Cmte. Name: LEGISLATIVE MAJORITY PAC
 Treasurer Name: COLLINSON, ELEANOR Address: 1225 I ST NW STE 1250, WASHINGTON, DC 20005
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MS-T			9/19/2018	1	201809199121966546										
RQ2	MY	A	3/15/2018	2	201803150300010225	1/1/2017	6/30/2017	3/15/2018							
RQ2	MY	A	8/30/2018	2	201808300300019224	1/1/2017	6/30/2017	8/30/2018							
RQ2	YE	N	3/15/2018	2	201803150300010227	7/1/2017	12/31/2017	3/15/2018							
RQ2	YE	A	8/30/2018	2	201808300300019226	7/1/2017	12/31/2017	8/30/2018							
F3XN	MY	N	7/31/2017	13	201707310699069229	1/1/2017	6/30/2017		(\$4,387	\$919			\$0		\$235,453
F3XA	MY	A	9/11/2017	13	201709119074646597	1/1/2017	6/30/2017		\$512	\$919			\$0		\$235,453
F3XA	MY	A	1/31/2018	25	201801310981275207	1/1/2017	6/30/2017		\$512	\$268,596	\$186,275	\$82,832	\$72,773		\$235,453
F3XA	MY	A	4/19/2018	18	20180419110368077	1/1/2017	6/30/2017		\$512	\$919	\$237	\$1,193	\$235,453		\$235,453
F3XA	MY	A	5/18/2018	37	201805189112101333	1/1/2017	6/30/2017		\$11,086	\$364,686	\$348,033	\$27,739	\$24,622		\$24,622
F3XA	MY	A	1/25/2019	36	201901259143992015	1/1/2017	6/30/2017		\$11,086	\$364,686	\$348,033	\$27,739	\$12,964		\$0
F3XN	YE	N	1/31/2018	61	201801310981278768	7/1/2017	12/31/2017		\$82,832	\$294,084	\$319,616	\$57,300	\$72,773		\$72,773
F3XA	YE	A	4/19/2018	65	201804191103610980	7/1/2017	12/31/2017		\$1,193	\$294,084	\$319,616	\$24,339	\$235,453		\$235,453
F3XA	YE	A	5/18/2018	65	201805189112101441	7/1/2017	12/31/2017		\$27,739	\$218,948	\$239,267	\$7,420	\$193,572		\$24,622
F3XA	YE	A	1/25/2019	64	201901259143992059	7/1/2017	12/31/2017		\$27,739	\$218,948	\$239,267	\$7,420	\$193,572		\$0
F3XN	Q1	N	4/15/2018	22	201804159108230908	1/1/2018	3/31/2018		\$57,300	\$60,249	\$50,140	\$67,409	\$72,773		\$72,773
F3XA	Q1	A	5/18/2018	29	201805189112135388	1/1/2018	3/31/2018		\$7,420	\$60,730	\$54,169	\$13,981	\$37,329		\$24,622
F3XA	Q1	A	1/25/2019	27	201901259143992353	1/1/2018	3/31/2018		\$7,420	\$60,730	\$54,169	\$13,981	\$37,329		\$0
F3XN	Q2	N	7/1/2018	37	201807129115383292	4/1/2018	6/30/2018		\$13,981	\$300,974	\$307,381	\$7,573	\$24,622		\$24,622
F3XA	Q2	A	1/25/2019	35	201901259143992413	4/1/2018	6/30/2018		\$13,981	\$300,974	\$307,381	\$7,573	\$24,622		\$0
F3XN	Q3	N	10/15/2018	51	201810159124911556	7/1/2018	9/30/2018		\$7,573	\$6,793	\$1,520	\$14,846	\$24,622		\$24,622
F3XA	Q3	A	1/25/2019	49	201901259143992559	7/1/2018	9/30/2018		\$7,573	\$6,793	\$1,520	\$14,846	\$24,622		\$0
F3XN	12G	N	10/25/2018	21	201810259133318168	10/1/2018	10/17/2018		\$14,846	\$4,384	\$205	\$19,025	\$24,622		\$24,622
F3XA	12G	A	1/25/2019	19	201901259143992968	10/1/2018	10/17/2018		\$14,846	\$4,384	\$205	\$19,025	\$24,622		\$0
F3XN	30G	N	1/26/2018	35	201812069134464800	10/18/2018	11/26/2018		\$19,025	\$4,327	\$15,218	\$8,134	\$24,622		\$24,622
F3XA	30G	A	1/26/2019	33	201901259143992894	10/18/2018	11/26/2018		\$19,025	\$4,327	\$15,218	\$8,134	\$24,622		\$0
F3XN	YE	N	1/31/2019	28	201901319144294405	11/27/2018	12/31/2018		\$8,134	\$129,096	\$135,121	\$2,108	\$0		\$0
F1A		A	5/17/2018	4	201805179112070276										
Totals										\$1,091,939	\$1,100,917				

O-Index (2015-2016)

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RQ2	MY	A	8/30/2018	2	201808300300019224	1/1/2017	6/30/2017	8/30/2018							
RQ2	YE	N	3/15/2018	2	201803150300010227	7/1/2017	12/31/2017	3/15/2018							
RQ2	YE	A	8/30/2018	2	201808300300019226	7/1/2017	12/31/2017	8/30/2018							
F3XN	MY	N	7/31/2017	13	201707310699069229	1/1/2017	6/30/2017		(\$4,387	\$919			\$0		\$235,453
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F3XA	MY	A	4/19/2018	18	20180419110368077	1/1/2017	6/30/2017		\$512	\$919	\$237	\$1,193	\$235,453		\$235,453
F3XA	MY	A	5/18/2018	37	201805189112101333	1/1/2017	6/30/2017		\$11,086	\$364,686	\$348,033	\$27,739	\$24,622		\$24,622
F3XA	MY	A	1/25/2019	36	201901259143992015	1/1/2017	6/30/2017		\$11,086	\$364,686	\$348,033	\$27,739	\$12,964		\$0
F3XN	YE	N	1/31/2018	61	201801310981278768	7/1/2017	12/31/2017		\$82,832	\$294,084	\$319,616	\$57,300	\$72,773		\$72,773
F3XA	YE	A	4/19/2018	65	201804191103610980	7/1/2017	12/31/2017		\$1,193	\$294,084	\$319,616	\$24,339	\$235,453		\$235,453
F3XA	YE	A	5/18/2018	65	201805189112101441	7/1/2017	12/31/2017		\$27,739	\$218,948	\$239,267	\$7,420	\$193,572		\$24,622
F3XA	YE	A	1/25/2019	64	201901259143992059	7/1/2017	12/31/2017		\$27,739	\$218,948	\$239,267	\$7,420	\$193,572		\$0
F3XN	Q1	N	4/15/2018	22	201804159108230908	1/1/2018	3/31/2018		\$57,300	\$60,249	\$50,140	\$67,409	\$72,773		\$72,773
F3XA	Q1	A	5/18/2018	29	201805189112135388	1/1/2018	3/31/2018		\$7,420	\$60,730	\$54,169	\$13,981	\$37,329		\$24,622
F3XA	Q1	A	1/25/2019	27	201901259143992353	1/1/2018	3/31/2018		\$7,420	\$60,730	\$54,169	\$13,981	\$37,329		\$0
F3XN	Q2	N	7/1/2018	37	201807129115383292	4/1/2018	6/30/2018		\$13,981	\$300,974	\$307,381	\$7,573	\$24,622		\$24,622
F3XA	Q2	A	1/25/2019	35	201901259143992413	4/1/2018	6/30/2018		\$13,981	\$300,974	\$307,381	\$7,573	\$24,622		\$0
F3XN	Q3	N	10/15/2018	51	201810159124911556	7/1/2018	9/30/2018		\$7,573	\$6,793	\$1,520	\$14,846	\$24,622		\$24,622
F3XA	Q3	A	1/25/2019	49	201901259143992559	7/1/2018	9/30/2018		\$7,573	\$6,793	\$1,520	\$14,846	\$24,622		\$0
F3XN	12G	N	10/25/2018	21	201810259133318168	10/1/2018	10/17/2018		\$14,846	\$4,384	\$205	\$19,025	\$24,622		\$24,622
F3XA	12G	A	1/25/2019	19	201901259143992968	10/1/2018	10/17/2018		\$14,846	\$4,384	\$205	\$19,025	\$24,622		\$0
F3XN	30G	N	1/26/2018	35	201812069134464800	10/18/2018	11/26/2018		\$19,025	\$4,327	\$15,218	\$8,134	\$24,622		\$24,622
F3XA	30G	A	1/26/2019	33	201901259143992894	10/18/2018	11/26/2018		\$19,025	\$4,327	\$15,218	\$8,134	\$24,622		\$0
F3XN	YE	N	1/31/2019	28	201901319144294405	11/27/2018	12/31/2018		\$8,134	\$129,096	\$135,121	\$2,108	\$0		\$0
F1A		A	5/17/2018	4	201805179112070276										
Totals										\$1,091,939	\$1,100,917				

Legislative Majority PAC (C00627075)
2017 Mid-Year Report/Amended 2017 Mid-Year Report

Overview of Additional Receipts

Report Line	2017 Mid-Year Report (Image 20170731906990 6931)	Amended 2017 Mid-Year Report, Received 1/25/2019 (Image 201901259143992015)	Variance Amount
Line 11(a)(ii): Unitemized Contributions from Individuals	\$419.00	\$1,019.00	\$600.00
Line 11(c): Contributions from Other Political Committees	\$0.00	\$363,167.47	\$363,167.47
		Total	\$363,767.47

Legislative Majority PAC (C00627075)
2017 Mid-Year Report/Amended 2017 Mid-Year Report

Overview of Additional Disbursements

Report Line	2017 Mid-Year Report (Image 20170731906990 6932)	Amended 2017 Mid-Year Report, Received 1/25/2019 (Image 201901259143992015)	Variance Amount
Line 21(b): Other Federal Operating Expenditures	\$0.00	\$576.14	\$576.14
Line 23: Contributions to Federal Candidates/Committees and Other Political Committees	\$0.00	\$25,000.00	\$25,000.00
Line 29: Other Disbursements	\$0.00	\$322,457.80	\$322,457.80
		Total	\$348,033.94