

RAD Referral 19L-13

Engineers Political Education Committee (EPEC)/International Union of Operating Engineers

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19L-13**REPORTS ANALYSIS DIVISION REFERRAL**

TO

ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: June 24, 2019

ANALYST: Corinne Lucas

I. COMMITTEE: Engineers Political Education Committee (EPEC)/International Union of Operating Engineers (C00029504)
Brian E. Hickey, Treasurer
1125 17th St, NW
Washington, DC 20036

II. RELEVANT STATUTE: 52 U.S.C. § 30104(b)(2)
52 U.S.C. § 30104(b)(4)
11 CFR § 104.3(a)
11 CFR § 104.3(b)

III. BACKGROUND:**Failure to Provide Supporting Schedules (Failure to Disclose All Financial Activity)**

The Engineers Political Education Committee (EPEC)/International Union of Operating Engineers (“the Committee”) amended its 2018 12 Day Pre-General Report to disclose additional receipts totaling \$53,153.76, and additional disbursements totaling \$250,000.00, which were not disclosed on the original report (Attachment 2).

On October 25, 2018, the Committee filed the original 2018 12 Day Pre-General Report covering the period from October 1, 2018 through October 17, 2018. The report disclosed \$73,853.33 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals) and \$16,161.37 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals) of the Detailed Summary Page (Image 201810259130860385, Attachment 2). The report also disclosed \$165,900.00 in

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Engineers Political Education Committee (EPEC)/International Union of Operating Engineers

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disbursements on Line 23 (Contributions to Federal Candidates/ Committees and Other Political Committees) of the Detailed Summary Page (Image 201810259130860386, Attachment 2).

On December 3, 2018, the Committee filed an Amended 2018 12 Day Pre-General Report. The report disclosed \$75,371.33 in receipts on Line 11(a)(i), and \$67,797.13 in receipts on Line 11(a)(ii) of the Detailed Summary Page, a total increase of \$53,153.76 (Image 201812039133903703, Attachment 2). The report also disclosed \$415,900.00 in disbursements on Line 23 of the Detailed Summary Page, an increase of \$250,000.00 from the original report (Image 201812039133903704, Attachment 2).

On March 19, 2019, a Request for Additional Information (RFAI) was sent to the Committee referencing the Amended 2018 12 Day Pre-General Report, received December 3, 2018. The RFAI requested clarification regarding the substantial increase in receipts and disbursements disclosed on the Amended 2018 12 Day Pre-General Report (Image 201903190300035740).

On April 16, 2019, the Committee filed a FEC Form 99 (Miscellaneous Text Submission) in response to the RFAI sent March 19, 2019 referencing the Amended 2018 12 Day Pre-General Report. The Committee stated, in part:

“First, the original report failed to include on Line 11(a)(ii) \$53,153.76 of receipts of contributions from connected organization International Union of Operating Engineers (“IUOE”) members. These contributions were made via payroll deduction by members who work under a national collective bargaining agreement in the pipeline industry. Employer remittances of their contributions were received and deposited during the October 1-17 pre-general reporting period, but due to an inadvertent internal IUOE accounting error those receipts were not timely posted in the Cision Government Relations PAC software system that is used to record receipts and prepare Form 3X. It was only when IUOE was preparing the EPEC post-general election report that this posting error was discovered, and IUOE immediately amended the report to reflect the actual, higher figure. We regret the error and point out that all but \$1,518.00 of the late reported receipts were unitemized, and the total omission but resulted in understating EPEC’s 2018 contribution income to date by just 3.9%.

Second, EPEC amended the report in order to add a \$250,000 donation on October 4 to Policy Over Party, which is registered with the Commission as an independent-expenditure committee. IUOE intended to make that contribution instead from a commonly administered, similarly named nonfederal separate segregated fund called Engineers Political Education Committee Education Fund (“EPEC EF”), but due to an inadvertent internal administrative error the check for that contribution instead was issued from EPEC. Then, as-yet unaware of this mistake, EPEC EF on October 25 reported this contribution to the Internal Revenue Service on its pre-general-election IRS Form 8872. It was only when IUOE was preparing the respective EPEC and EPEC EF post-general election reports to the Commission and the IRS that the error was discovered (just as EPEC was discovering the

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Engineers Political Education Committee (EPEC)/International Union of Operating Engineers

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receipts reporting omission above). IUOE immediately (on December 3) amended Form 3X to reflect the actual Line 11 (a)(ii) figure. We regret this error as well and point out that the reports filed with the Commission by Policy Over Party disclose no spending by that committee since the EPEC-based contribution was made other than \$21.00 for bank fees.

IUOE has taken internal measures since early December to improve its internal controls in order to prevent a recurrence of these kinds of errors, which have been rare. Specifically, prior to filing FEC reports we will verify all receipts to the bank record of deposits to make sure all deposits are accounted for and confirm that any issued checks are coming from the correct account prior to submitting reports.

We respectfully request that no internal referral or other further action be taken on this matter in light of these facts, including the inadvertence and rarity of the administrative errors, the absence of impact on the public's material pre-election information about EPEC's financial transactions, and IUOE's proactive corrective measures since the amended report was filed. Thank you for your consideration" (Image 201904160300274157-58).

On April 29, 2019, the Reports Analysis Division (RAD) Analyst spoke with Seth Morris, a representative of the Committee. The RAD Analyst explained that the Committee could be referred for further action to the Commission regarding the RFAI sent on the Committee's Amended 2018 12 Day Pre-General Report. The RAD Analyst stated that the Committee could file a FEC Form 99 with any additional information about the increase in activity. The RAD Analyst also confirmed receipt of the Committee's response to the RFAI, received April 16, 2019 (Attachment 3).

On May 2, 2019, the RAD Analyst spoke with Brian Hickey, the Committee Treasurer. Among other issues, the RAD Analyst explained that the Committee could be referred for further action regarding the issue of increased activity on the Committee's Amended 2018 12 Day Pre-General Report (Attachment 3).

On May 3, 2019, the RAD Analyst spoke with Mr. Morris. Among other issues, the RAD Analyst clarified that the increase in receipts and disbursements disclosed on the Committee's Amended 2018 12 Day Pre-General Report may be referred for further action to the Commission. The RAD Analyst also informed Mr. Morris that the Committee could file a FEC Form 99 to provide further clarification on these matters if they wished. (Attachment 3).

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

O-Index (2019)
Cmte. ID: C00029504 Cmte. Name: ENGINEERS POLITICAL EDUCATION COMMITTEE (EPEC)/INTERNATIONAL UNION OF OPERATING ENGINEERS
Treasurer Name: HICKEY, BRIAN E. MR. Address: 1125 17TH ST, NW, WASHINGTON, DC 20036

Cmte. Type: Q (QUALIFIED NON-PARTY) Cmte. Designation: B (LOBBYIST/REGISTRANT PAC) Filing Frequency: MONTHLY FILER

Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
MS-T			4/16/2019	7	201904160300274157	10/1/2018	10/17/2018		-	-	-	-	-	-	-
MS-T			4/16/2019	9	201904160300274165	10/18/2018	11/26/2018		-	-	-	-	-	-	-
F3XN	M2	N	2/14/2019	18	201902149145513084	1/1/2019	1/31/2019		\$3,291,540	\$317,169	\$10,551	\$3,598,157	-	-	\$0
F3XN	M3	N	3/19/2019	76	201903199145743183	2/1/2019	2/28/2019		\$3,598,157	\$136,236	\$537,256	\$3,197,137	-	-	\$0
F3XN	M4	N	4/16/2019	291	201904169146406284	3/1/2019	3/31/2019		\$3,197,137	\$159,277	\$17,815	\$3,338,599	-	-	\$0
F3XN	M5	N	5/15/2019	248	201905159149701233	4/1/2019	4/30/2019		\$3,338,599	\$108,636	\$255	\$3,446,980	-	-	\$0
Totals										\$721,319	\$565,879				

O-Index (2017-2018)
Cmte. ID: C00029504 Cmte. Name: ENGINEERS POLITICAL EDUCATION COMMITTEE (EPEC)/INTERNATIONAL UNION OF OPERATING ENGINEERS
Treasurer Name: HICKEY, BRIAN E. MR. Address: 1125 17TH ST, NW, WASHINGTON, DC 20036

Cmte. Type: Q (QUALIFIED NON-PARTY) Cmte. Designation: B (LOBBYIST/REGISTRANT PAC) Filing Frequency: MONTHLY FILER

Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
MS-T			10/3/2018	6	201810030300230626	6/1/2018	6/30/2018		-	-	-	-	-	-	-
MS-T			10/3/2018	1	201810039124276503				-	-	-	-	-	-	-
RQ2	M7	N	8/30/2018	4	201808300300019183	6/1/2018	6/30/2018	8/30/2018	-	-	-	-	-	-	-
RQ2	12G	A	3/19/2019	2	201903190300035740	10/1/2018	10/17/2018	3/19/2019	-	-	-	-	-	-	-
RQ2	30G	A	3/19/2019	3	201903190300035742	10/18/2018	11/26/2018	3/19/2019	-	-	-	-	-	-	-
F3XN	M2	N	2/17/2017	15	201702179049710691	1/1/2017	1/31/2017		\$1,958,197	\$182,565	\$254	\$2,140,508	-	-	\$0
F3XN	M3	N	3/20/2017	19	201703209050886977	2/1/2017	2/28/2017		\$2,140,508	\$128,962	\$10,255	\$2,259,215	-	-	\$0
F3XN	M4	N	4/19/2017	191	201704199052316732	3/1/2017	3/31/2017		\$2,259,215	\$165,038	\$298,899	\$2,125,355	-	-	\$0
F3XN	M5	N	5/19/2017	297	201705199054027089	4/1/2017	4/30/2017		\$2,125,355	\$161,369	\$7,981	\$2,278,743	-	-	\$0
F3XN	M6	N	6/19/2017	398	201706199061015349	5/1/2017	5/31/2017		\$2,278,743	\$232,849	\$7,723	\$2,503,869	-	-	\$0
F3XN	M7	N	7/17/2017	372	201707179066754909	6/1/2017	6/30/2017		\$2,503,869	\$140,284	\$176,810	\$2,467,343	-	-	\$0
F3XN	M8	N	8/11/2017	357	201708119070321472	7/1/2017	7/31/2017		\$2,467,343	\$209,519	\$72,038	\$2,604,824	-	-	\$0
F3XN	M9	N	9/19/2017	356	201709199074750334	8/1/2017	8/31/2017		\$2,604,824	\$231,224	\$60,261	\$2,775,786	-	-	\$0
F3XN	M10	N	10/20/2017	204	201710209075823162	9/1/2017	9/30/2017		\$2,775,786	\$106,550	\$182,572	\$2,699,764	-	-	\$0
F3XN	M11	N	11/17/2017	586	201711179086702905	10/1/2017	10/31/2017		\$2,699,764	\$813,177	\$67,718	\$3,445,223	-	-	\$0
F3XN	M12	N	12/19/2017	190	201712199089244921	11/1/2017	11/30/2017		\$3,445,223	\$174,570	\$15,302	\$3,604,492	-	-	\$0
F3XN	YE	N	1/19/2018	556	201801199090456570	12/1/2017	12/31/2017		\$3,604,492	\$1,146,038	\$484,032	\$4,266,498	-	-	\$0
F3XN	M2	N	2/16/2018	13	201802169094584816	1/1/2018	1/31/2018		\$4,266,498	\$363,141	\$15,286	\$4,614,352	-	-	\$0
F3XN	M3	N	3/16/2018	87	201803169096563112	2/1/2018	2/28/2018		\$4,614,352	\$159,260	\$457,252	\$4,316,360	-	-	\$0
F3XN	M4	N	4/20/2018	138	201804209110363707	3/1/2018	3/31/2018		\$4,316,360	\$101,387	(\$35,774)	\$4,453,522	-	-	\$0
F3XN	M5	N	5/17/2018	374	201805179112077762	4/1/2018	4/30/2018		\$4,453,522	\$338,703	\$222,824	\$4,569,401	-	-	\$0
F3XN	M6	N	6/18/2018	590	201806189113735921	5/1/2018	5/31/2018		\$4,569,401	\$201,134	\$75,254	\$4,695,281	-	-	\$0
F3XA	M6	A	7/16/2018	590	201807169115716955	5/1/2018	5/31/2018		\$4,569,401	\$201,134	\$72,754	\$4,697,781	-	-	\$0
F3XA	M7	N	7/17/2018	373	201807179115728839	6/1/2018	6/30/2018		\$4,697,781	\$169,084	\$274,532	\$4,592,333	-	-	\$0
F3XA	M8	N	8/15/2018	371	201808159119626714	7/1/2018	7/31/2018		\$4,592,333	\$211,527	\$1,384,071	\$3,419,789	-	-	\$0
F3XA	M9	N	9/18/2018	340	201809189121730271	8/1/2018	8/31/2018		\$3,419,789	\$137,879	\$238	\$3,557,430	-	-	\$0
F3XA	M10	N	10/16/2018	266	201810169125549991	9/1/2018	9/30/2018		\$3,557,430	\$559,635	\$919,435	\$3,197,630	-	-	\$0
F3XA	12G	N	10/25/2018	374	201810259130860383	10/1/2018	10/17/2018		\$3,198,630	\$185,562	\$406,150	\$2,978,043	-	-	\$0
F3XA	12G	A	12/3/2018	379	201812039133903701	10/1/2018	10/17/2018		\$3,198,630	\$238,716	\$656,150	\$2,781,197	-	-	\$0
F3XA	30G	N	12/6/2018	669	201812069134526076	10/18/2018	11/26/2018		\$2,781,197	\$206,933	\$188,779	\$2,799,351	-	-	\$0
F3XA	30G	A	12/14/2018	669	201812149143519743	10/18/2018	11/26/2018		\$2,781,197	\$204,790	\$188,779	\$2,797,208	-	-	\$0

F3XN	YE	N	1/24/2019	188	201901249143951434	11/27/2018	12/31/2018	\$2,797,208	\$578,077	\$83,746	\$3,291,540	-	-	\$0
Totals									\$6,955,489	\$5,623,146				

O-Index (2015-2016)															
Cmte. ID: C00029504				Cmte. Name: ENGINEERS POLITICAL EDUCATION COMMITTEE (EPEC)/INTERNATIONAL UNION OF OPERATING ENGINEERS Treasurer Name: HICKEY, BRIAN E. MR. Address: 1125 17TH ST, NW, WASHINGTON, DC 20036											
Cmte. Type: Q (QUALIFIED NON-PARTY)				Cmte. Designation: B (LOBBYIST/REGISTRANT PAC)					Filing Frequency: MONTHLY FILER						
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
F3XN	M2	N	2/19/2015	22	15950625609	1/1/2015	1/31/2015		\$5,350,812	\$355,849	(\$9,980	\$5,716,642	-	-	\$0
F3XN	M3	N	3/18/2015	53	15950875883	2/1/2015	2/28/2015		\$5,716,642	\$122,078	\$100,340	\$5,738,380	-	-	\$0
F3XN	M4	N	4/17/2015	163	15970367079	3/1/2015	3/31/2015		\$5,738,380	\$197,184	\$456,883	\$5,478,682	-	-	\$0
F3XA	M4	A	12/16/2015	163	201512169004234638	3/1/2015	3/31/2015		\$5,738,380	\$197,184	\$456,883	\$5,478,682	-	-	\$0
F3XN	M5	N	5/13/2015	376	15970692647	4/1/2015	4/30/2015		\$5,478,682	\$183,659	\$2,666	\$5,659,675	-	-	\$0
F3XA	M5	A	12/16/2015	381	201512169004234801	4/1/2015	4/30/2015		\$5,478,682	\$183,659	\$2,666	\$5,659,675	-	-	\$0
F3XN	M6	N	6/17/2015	360	15951479946	5/1/2015	5/31/2015		\$5,659,675	\$144,160	\$20,227	\$5,783,607	-	-	\$0
F3XA	M6	A	12/16/2015	362	201512169004235192	5/1/2015	5/31/2015		\$5,659,675	\$144,160	\$20,227	\$5,783,607	-	-	\$0
F3XN	M7	N	7/20/2015	364	201507209000278642	6/1/2015	6/30/2015		\$5,783,607	\$170,742	\$180,221	\$5,774,129	-	-	\$0
F3XA	M7	A	12/16/2015	366	201512169004235554	6/1/2015	6/30/2015		\$5,783,607	\$170,742	\$180,221	\$5,774,129	-	-	\$0
F3XN	M8	N	8/18/2015	420	201508189000844691	7/1/2015	7/31/2015		\$5,774,129	\$151,771	\$32,723	\$5,893,177	-	-	\$0
F3XA	M8	A	12/16/2015	422	201512169004235920	7/1/2015	7/31/2015		\$5,774,129	\$151,771	\$32,723	\$5,893,177	-	-	\$0
F3XN	M9	N	9/16/2015	317	201509169002674551	8/1/2015	8/31/2015		\$5,893,177	\$275,153	\$587,898	\$5,580,432	-	-	\$0
F3XA	M9	A	12/16/2015	319	201512169004236349	8/1/2015	8/31/2015		\$5,893,177	\$275,153	\$587,898	\$5,580,432	-	-	\$0
F3XN	M10	N	10/16/2015	269	201510169003094051	9/1/2015	9/30/2015		\$5,580,432	\$264,621	\$411,052	\$5,434,000	-	-	\$0
F3XA	M10	A	12/16/2015	273	201512169004239197	9/1/2015	9/30/2015		\$5,580,432	\$264,621	\$411,052	\$5,434,000	-	-	\$0
F3XN	M11	N	11/19/2015	584	201511199003388007	10/1/2015	10/31/2015		\$5,434,000	\$618,357	\$349,219	\$5,703,139	-	-	\$0
F3XA	M11	A	12/16/2015	587	201512169004239642	10/1/2015	10/31/2015		\$5,434,000	\$618,357	\$349,219	\$5,703,139	-	-	\$0
F3XN	M12	N	12/18/2015	313	201512189004294459	11/1/2015	11/30/2015		\$5,703,139	\$88,682	\$100,352	\$5,691,469	-	-	\$0
F3XN	YE	N	1/21/2016	336	201601219004558875	12/1/2015	12/31/2015		\$5,691,469	\$152,680	\$1,258,536	\$4,585,613	-	-	\$0
F3XN	M2	N	2/19/2016	12	201602199008492473	1/1/2016	1/31/2016		\$4,585,613	\$422,357	\$352,255	\$4,655,715	-	-	\$0
F3XA	M2	A	3/10/2016	12	201603109009733885	1/1/2016	1/31/2016		\$4,585,613	\$421,730	\$352,255	\$4,655,088	-	-	\$0
F3XA	M2	A	3/10/2016	13	201603109009734041	1/1/2016	1/31/2016		\$4,585,613	\$422,357	\$352,255	\$4,655,715	-	-	\$0
F3XN	M3	N	3/17/2016	41	201603179009776355	2/1/2016	2/29/2016		\$4,655,715	\$359,694	\$623,229	\$4,392,181	-	-	\$0
F3XN	M4	N	4/20/2016	188	201604209012602394	3/1/2016	3/31/2016		\$4,392,181	\$273,536	\$165,581	\$4,500,136	-	-	\$0
F3XN	M5	N	5/19/2016	324	201605199015537080	4/1/2016	4/30/2016		\$4,500,136	\$196,293	\$512,358	\$4,184,071	-	-	\$0
F3XA	M5	A	5/20/2016	325	201605209015566187	4/1/2016	4/30/2016		\$4,500,136	\$196,293	\$512,358	\$4,184,071	-	-	\$0
F3XN	M6	N	6/15/2016	404	201606159017910188	5/1/2016	5/31/2016		\$4,184,071	\$149,063	\$1,184,633	\$3,148,500	-	-	\$0
F3XN	M7	N	7/18/2016	488	201607189020683258	6/1/2016	6/30/2016		\$3,148,500	\$121,541	\$675,050	\$2,594,991	-	-	\$0
F3XN	M8	N	8/17/2016	357	201608179022461828	7/1/2016	7/31/2016		\$2,594,991	\$184,786	\$194,247	\$2,585,530	-	-	\$0
F3XN	M9	N	9/19/2016	367	201609199030924987	8/1/2016	8/31/2016		\$2,585,530	\$245,421	\$28,505	\$2,802,446	-	-	\$0
F3XN	M10	N	10/19/2016	457	201610199033042754	9/1/2016	9/30/2016		\$2,802,446	\$662,002	\$609,342	\$2,855,106	-	-	\$0
F3XN	12G	N	10/27/2016	382	201610279034660513	10/1/2016	10/19/2016		\$2,855,106	\$163,738	\$690,300	\$2,328,544	-	-	\$0
F3XA	12G	A	11/17/2016	382	201611179037206147	10/1/2016	10/19/2016		\$2,855,106	\$163,738	\$690,300	\$2,328,544	-	-	\$0
F3XN	30G	N	12/8/2016	332	201612089037737897	10/20/2016	11/28/2016		\$2,328,544	\$233,535	\$815,741	\$1,746,338	-	-	\$0
F3XN	YE	N	1/31/2017	472	201701319042232663	11/29/2016	12/31/2016		\$1,746,338	\$216,587	(\$270	\$1,963,197	-	-	\$0
F3XA	YE	A	2/2/2017	472	201702029042408290	11/29/2016	12/31/2016		\$1,746,338	\$216,587	\$4,729	\$1,958,197	-	-	\$0
Totals									\$5,953,502	\$9,346,118					

Engineers Political Education Committee (EPEC)/International Union of Operating Engineers (C00029504)

2018 12 Day Pre-General Report/Amended 2018 12 Day Pre-General Report

Overview of Additional Receipts

Report Line	Original 2018 12 Day Pre-General Report (Image 201810259130860385)	Amended 2018 12 Day Pre-General Report, Received 12/3/2018 (Image 201812039133903703)	Variance Amount
Line 11(a)(i): Itemized Contributions from Individuals	\$73,853.33	\$75,371.33	\$1,518.00
Line 11(a)(ii): Unitemized Contributions from Individuals	\$16,161.37	\$67,797.13	\$51,635.76
		Total	\$53,153.76

Engineers Political Education Committee (EPEC)/International Union of Operating Engineers (C00029504)

2018 12 Day Pre-General Report/Amended 2018 12 Day Pre-General Report

Overview of Additional Disbursements

Report Line	Original 2018 12 Day Pre-General Report (Image 201810259130860386)	Amended 2018 12 Day Pre-General Report, Received 12/3/2018 (Image 201812039133903704)	Variance Amount
Line 23: Contributions to Federal Candidates/ Committees and Other Political Committees	\$165,900.00	\$415,900.00	\$250,000.00
Total			\$250,000.00