

20L-25

REPORTS ANALYSIS DIVISION REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: November 23, 2020

ANALYST: Kevin McQueen

I. COMMITTEE: Democratic Progress
C00744813
Jeffrey Carson, Treasurer
1550 Larimer St
Suite 524
Denver, CO 80202

II. RELEVANT STATUTE: 52 U.S.C. § 30104(b)(8)
11 CFR § 104.3(d)

III. BACKGROUND:

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

Democratic Progress (“the Committee”) amended its 2020 12-Day Pre-Primary Report to disclose newly incurred debts totaling \$122,480.00, which were not disclosed on the original report (Attachment 2).

On May 20, 2020, the Committee filed the original 2020 12-Day Pre-Primary Report covering the period from April 23, 2020 through May 13, 2020. The report disclosed \$139,000.00 in debts on Line 10 (Debts and Obligations Owed by the Committee) of the Summary Page (Image 202005209239350536, Attachment 2).

On June 22, 2020, a Request for Additional Information (RFAI) was sent to the Committee referencing the 2020 12-Day Pre-Primary Report. The RFAI requested clarification on 24-Hour Reports totaling \$122,480 that were filed by the Committee in support of and opposition to candidates for federal office which had not been itemized on Schedule E, supporting Line 24 (Itemized Independent Expenditures) (Image 202006220300074868).

On July 13, 2020, Justin Phillips, the Committee's Counsel, called the Reports Analysis Division (RAD) Analyst about the RFAI the Committee received on its 2020 12-Day Pre-Primary Report regarding independent expenditures disclosed on 48-Hour Reports that were not disclosed on Schedule E. The Analyst walked Mr. Phillips through the issue and how it could be addressed by the Committee. Mr. Phillips said he had a better understanding and would attempt to make the corrections (Attachment 3).

On July 15, 2020, the Committee filed an Amended 2020 12-Day Pre-Primary Report which disclosed the missing independent expenditures referenced in the June 22 RFAI.¹ The report also disclosed \$261,480.00 on Line 10 of the Summary Page. Of that amount, \$122,480.00 was disclosed on Schedule D as newly incurred debts for the reporting period that were not disclosed in the original report (Image 202007159250118879, Attachment 2).

On August 16, 2020, an RFAI was sent to the Committee referencing the Amended 2020 12-Day Pre-Primary Report, received July 15, 2020. The RFAI requested clarification regarding the substantial increase in debts disclosed on the Amended 2020 12-Day Pre-Primary Report (Image 202008160300082852).

On September 16, 2020, Mr. Phillips called the Analyst regarding the RFAI received on the Committee's Amended 2020 12-Day Pre-Primary Report, received July 15, 2020. Among other items, Mr. Phillips asked how the Committee could adequately respond to the RFAI. The Analyst stated that in this instance, the Committee can only respond by providing clarification for the public record as to why the increase in debts occurred. The Analyst also told Mr. Phillips that it was possible this violation would be referred to another Commission office for further action, and therefore recommended the Committee provide any clarification they could for the public record (Attachment 3).

On September 21, 2020, the Committee filed an FEC Form 99 (Miscellaneous Electronic Submission), which stated:

“This Form 99 is in response to the Request for Additional Information received on August 16, 2020 regarding the Amended 12 Day Pre-Primary Report filed on July 15. The amended Pre-Primary report disclosed

¹ The independent expenditures were disclosed as memo entries on Schedule E (Itemized Independent Expenditures) and debts on Schedule D as they were not paid at the time of dissemination.

\$122,480 in additional debts tied to Independent Expenditures that were previously reported on a 24 hour report on May 19. However, the \$122,480 in debts were not reported on the original Pre-Primary report received on May 20. This occurred because the Independent Expenditures, tied to the \$122,480 in debts, had a dissemination date that fell outside of the Pre-Primary reporting period. Due to this, these debts were not originally reported on the Pre-Primary report. However, the debts and Independent Expenditures were correctly included in the Amended Pre-Primary report filed on July 15. The committee has corrected its practice in regard to reporting Independent Expenditures to prevent data entry errors like this from happening in the future” (Image 202009219276606662).

On September 22, 2020, Mr. Phillips called the RAD Analyst and asked if the disbursement dates on the 24- and 48-Hour Reports submitted should be left blank when submitted to the Commission if the Committee did not yet know the date of disbursement for the independent expenditures. The Analyst confirmed that the disbursement date line should be left blank if the Committee has not yet disbursed the funds for the independent expenditure. Furthermore, the Analyst noted that if the Committee has not yet disbursed the funds for the independent expenditure by the time the reporting period of the next regularly filed report ends, the next report filed should include memo entries on Schedule E, supporting Line 24 with corresponding debt entries on Schedule D, supporting Line 10 to demonstrate that a debt owed by the Committee has been created (Attachment 3).

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

O-Index (2019-2020)															
Cmte. ID: C00744813 Cmte. Name: DEMOCRATIC PROGRESS															
Treasurer Name: CARSON, JEFFREY Address: 1550 LARIMER ST SUITE 524, DENVER, CO 80202															
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	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
MS-T			9/21/2020	1	202009219276606662				-	-	-	-	-	-	-
RQ2	12P	N	6/22/2020	3	202006220300074868	4/23/2020	5/13/2020	6/22/2020	-	-	-	-	-	-	-
RQ2	12P	A	8/16/2020	2	202008160300082852	4/23/2020	5/13/2020	8/16/2020	-	-	-	-	-	-	-
RQ2	Q2	N	8/16/2020	2	202008160300082850	5/14/2020	6/30/2020	8/16/2020	-	-	-	-	-	-	-
F3XN	12P	N	5/20/2020	12	202005209239350535	4/23/2020	5/13/2020		\$0	\$492,500	\$38,480	\$454,020	\$139,000	-	\$139,000
F3XA	12P	A	7/15/2020	17	202007159250118878	4/23/2020	5/13/2020		\$0	\$492,500	\$38,480	\$454,020	\$261,480	-	\$261,480
F3XN	Q2	N	7/15/2020	18	202007159250115405	5/14/2020	6/30/2020		\$454,020	\$0	\$399,566	\$54,453	\$0	-	\$0
F3XA	Q2	A	9/21/2020	18	202009219276606626	5/14/2020	6/30/2020		\$454,020	\$0	\$399,566	\$54,453	\$0	-	\$0
F3XN	12P	N	7/27/2020	9	202007279260819520	7/1/2020	7/19/2020		\$54,453	\$26,000	\$250	\$80,203	\$25,000	-	\$25,000
F3XN	Q3	N	10/15/2020	9	202010159295579327	7/20/2020	9/30/2020		\$80,203	\$0	\$78,203	\$2,000	\$0	-	\$0
F3XN	12G	N	10/22/2020	6	202010229335493065	10/1/2020	10/14/2020		\$2,000	\$0	\$250	\$1,750	-	-	\$0
F24N	24		5/19/2020	3	202005199232811921				-	-	-	-	-	-	-
F24N	24		5/26/2020	1	202005269239499300				-	-	-	-	-	-	-
F24N	24		6/2/2020	1	202006029239595174				-	-	-	-	-	-	-
F24N	24		5/27/2020	1	202005279239501440				-	-	-	-	-	-	-
F24N	24		5/14/2020	2	202005149232682367				-	-	-	-	-	-	-
F24N	48		7/13/2020	1	202007139244496401				-	-	-	-	-	-	-
F1N		N	4/23/2020	5	202004239232248484				-	-	-	-	-	-	-
F24N	48		5/13/2020	2	202005139232674604				-	-	-	-	-	-	-
F24N	48		7/16/2020	1	202007169250344657				-	-	-	-	-	-	-
F24N	48		7/14/2020	1	202007149244522079				-	-	-	-	-	-	-
Totals										\$518,500	\$516,750				

O-Index (2017-2018)															
Cmte. ID: C00744813 Cmte. Name: DEMOCRATIC PROGRESS															
Treasurer Name: CARSON, JEFFREY Address: 1550 LARIMER ST SUITE 524, DENVER, CO 80202															
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	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
No records were found for this cycle.															

O-Index (2015-2016)															
Cmte. ID: C00744813 Cmte. Name: DEMOCRATIC PROGRESS															
Treasurer Name: CARSON, JEFFREY Address: 1550 LARIMER ST SUITE 524, DENVER, CO 80202															
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	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
No records were found for this cycle.															

Democratic Progress (C00744813)

2020 12-Day Pre-Primary Report/Amended 2020 12 Day Pre-Primary Report

Overview of Additional Debt

Report Line	Original 2020 12 Day Pre-Primary Report (Image 202005209239350535)	Amended 2020 12 Day Pre-Primary Report, received 7/15/2020 (Image 202007159250118878)	Debt Variance Amount	Increase in New Debts Incurred
Amount Incurred This Period (Schedule D)	\$139,000.00	\$299,960.00	\$160,960.00	\$122,480.00
Outstanding Balance Beginning This Period (Schedule D)	\$0.00	\$0.00	\$0.00	
Payments This Period (Schedule D)	\$0.00	\$38,480.00	\$38,480.00	
Outstanding Balance at Close of This Period (Schedule D)	\$139,000.00	\$261,480.00	\$122,480.00	
Line 10: Debts and Obligations Owed by the Committee	\$139,000.00	\$261,480.00	\$122,480.00	

Democratic Progress (C00744813)

Amended 2020 12-Day Pre-Primary Report (Images 202007159250118885-88)

Detailed Overview of New Debts Incurred

Vendor	Beginning Outstanding Balance	Amount Incurred	Payments	Increase in Debt Incurred
Polestar	\$0.00	\$30,000.00	\$0.00	\$30,000.00
Polestar	\$0.00	\$30,000.00	\$0.00	\$30,000.00
Polestar	\$0.00	\$32,480.00	\$0.00	\$32,480.00
Polestar	\$0.00	\$30,000.00	\$0.00	\$30,000.00
Total	\$0.00	\$122,480.00	\$0.00	\$122,480.00