

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: May 17, 2005

ANALYST: Leah Palmer

I. COMMITTEE: Nethercutt for Senate
C00389239
Catherine Ann Gernes, Treasurer
9720 Owen Brown Road
Columbia, MD 21045

II. RELEVANT STATUTE: 11 CFR §104.3(b)
2 U.S.C. §434(b)(4)
2 U.S.C. §434(b)(5)
2 U.S.C. §434(b)(6)

III. BACKGROUND:

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

On September 2, 2004, Nethercutt for Senate ("the Committee") filed an Amended 2004 July Quarterly Report disclosing additional disbursements totaling \$368,923.24, a 36% increase over the financial activity reported in their original 2004 July Quarterly Report. (Image 24020692275)

On July 15, 2004, the Committee filed the 2004 July Quarterly Report (Image 24020620646). The report disclosed total disbursements of \$1,021,914.18.

On September 2, 2004, the Committee filed an Amended 2004 July Quarterly Report (Image 24020692275). The amendment disclosed total disbursements of \$1,390,837.42. (Attachment 2)

On October 26, 2004, RAD sent a Request for Additional Information (RFAI) (Image 24038601764)¹ to the Committee referencing the Amended 2004 July Quarterly Report. The RFAI requested that the Committee clarify why the additional disbursement activity was not disclosed on the original filing.

¹ Please note, that RAD sent this RFAI to the Committee twice. The RFAI was initially sent on October 12, 2004. However, the letter was not indexed to the web and, as such, the RFAI was again mailed on October 26, 2004.

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activity was not disclosed on the original filing.

On November 2, 2004, a representative from the Committee called the RAD Analyst regarding the RFAI sent on the Amended 2004 July Quarterly Report (Attachment 3). The representative stated that the Committee had received two separate RFAI's regarding the Amended 2004 July Quarterly Report. She stated that they were exactly the same except that one was dated October 12, 2004 and one was dated October 26, 2004. The RAD Analyst advised the representative that the second request was sent in error and that the Committee could disregard that letter. The analyst apologized for the error and asked if the Committee would be able to respond by the due date highlighted on the October 12, 2004 letter. The representative confirmed that it would not be a problem.

On November 12, 2004, the Committee filed another Amended 2004 July Quarterly Report (Image 24021002326). The report confirmed that the disbursement activity disclosed on the Amended 2004 July Quarterly Reports was the correct and complete activity. The Committee's response included the following statement: "The Committee realized that, due to a data entry error, it neglected to include various payments to Mentzer Media. Once this omission was discovered, an amendment to the July Quarterly Report was filed..."

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

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NETHERCUTT, GEORGE R

ID #S4WA00458

NETHERCUTT FOR SENATE
CATHERINE ANN GERNES
FILING FREQUENCY: QUARTERLY

330 112TH AVENUE NE SUITE 101

BELLEVUE

SENATE
WA 98004

ID #C00389239

FORM TYPE	RPT TYPE	AI	PGI	REC DATE	PGS	BEG IMAGE	COVERAGE DATES	BEG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
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1			N	8/06/2003	7	23020340149						
1			A	4/14/2004	6	24020173289						
1			A	5/26/2004	12	24020370942						
1			A	8/10/2004	6	24020640525						

MS			J	11/25/2003	1	23038252658						
MS			4	8/30/2004	3	24020673355						
MS			4	9/01/2004	3	24020680841						
MS			4	9/03/2004	5	24020700001						
MS			4	9/03/2004	3	24020700821						
MS			4	9/06/2004	3	24020700868						
MS			4	9/08/2004	4	24020701168						
MS			4	9/09/2004	6	24020701499						
MS			4	9/10/2004	5	24020701874						
MS			4	9/13/2004	4	24020701941						
MS			4	10/15/2004	6	24020753523						
MS			4	10/16/2004	4	24020800006						
MS			4	10/19/2004	7	24020803025						
MS			4	10/20/2004	7	24020883578						
MS			4	10/21/2004	3	24020941917						
MS			4	10/22/2004	4	24020963666						
MS			4	10/23/2004	5	24020971650						
MS			4	10/26/2004	5	24020981654						
MS			4	10/27/2004	7	24020982709						
MS			4	10/28/2004	5	24020983271						
MS			4	10/29/2004	5	24020983563						
MS			4	10/30/2004	7	24020991094						
MS			4	11/02/2004	5	24020993464						

RQ	YE	2		3/09/2004	3	24038334577	10/01/2003	12/31/2003				
RQ	YE	2		4/27/2004	5	24038394071	10/01/2003	12/31/2003				
RQ	YE	2		5/18/2004	5	24038413458	10/01/2003	12/31/2003				
RQ	YE	7		2/23/2004	2	24038331287	10/01/2003	12/31/2003				

RQ		1		5/25/2004	3	24038421095		5/25/2004				
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RQ	Q1	2		5/25/2004	7	24038421085	1/01/2004	3/31/2004				
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RQ	Q2	2		8/31/2004	4	24038510529	4/01/2004 6/30/2004					
RQ	Q2	2		10/26/2004	3	24038601764	4/01/2004 6/30/2004					
RQ	12P	2		10/12/2004	3	24038540940	7/01/2004 8/25/2004					
RQ	Q3	2		12/02/2004	5	24038641836	8/26/2004 9/30/2004					
RQ	30G	2		1/06/2005	9	25038682148	10/14/2004 11/22/2004					
RQ	YE	2		3/29/2005	3	25038763901	11/23/2004 12/31/2004					
3	Q3	N		10/15/2003	115	23020462624	7/01/2003 9/30/2003	0	369908	126176	243731	0
3	Q3	A		4/08/2004	23	24020172462	7/01/2003 9/30/2003	0	369908	126176	243731	0
3	Q3	A		5/27/2004	8	24020371461	7/01/2003 9/30/2003	0	369908	126176	243731	-
3	YE	N		2/23/2004	975	24020140735	10/01/2003 12/31/2003	243731	1371817	202284	1413264	33244
3	YE	A		4/15/2004	1366	24020210001	10/01/2003 12/31/2003	243731	1371817	202284	1413264	33244
3	YE	A		5/27/2004	5	24020371456	10/01/2003 12/31/2003	-	-	-	-	-
3	YE	A		5/27/2004	26	24020371469	10/01/2003 12/31/2003	243731	1371817	202284	1413264	33244
3	YE	A		6/17/2004	10	24020382288	10/01/2003 12/31/2003	243731	1371817	202284	1413264	33244
3	Q1	N		4/15/2004	495	24020302455	1/01/2004 3/31/2004	1413264	848692	528625	1733332	48367
3	Q1	A		6/09/2004	4	24020380669	1/01/2004 3/31/2004	-	-	-	-	-
3	Q1	A		6/17/2004	4	24020382284	1/01/2004 3/31/2004	-	-	-	-	-
3	Q1	A		6/24/2004	410	24020392336	1/01/2004 3/31/2004	1413264	861972	529626	1745611	48367
3	Q2	N		7/15/2004	1251	24020620646	4/01/2004 6/30/2004	1745611	2192060	1021914	2915758	51558
3	Q2	A		9/02/2004	1249	24020692275	4/01/2004 6/30/2004	1745611	2176310	1390837	2531085	51558
3	Q2	A		9/30/2004	1086	24020740001	4/01/2004 6/30/2004	1745611	2176335	1390837	2531110	51558
3	Q2	A		11/12/2004	3	24021002326	4/01/2004 6/30/2004	-	-	-	-	-
3	12P	N		9/02/2004	535	24020691740	7/01/2004 8/25/2004	2531085	656551	630047	2557589	7885
3	12P	A		10/15/2004	448	24020770277	7/01/2004 8/25/2004	2531110	662676	630047	2563739	7885
3	12P	A		11/12/2004	17	24021002329	7/01/2004 8/25/2004	2531110	662676	630047	2563739	7885
3	Q3	N		10/15/2004	690	24020770725	8/26/2004 9/30/2004	2563739	1225016	2052150	1736605	7885

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3	Q3	A		1/05/2005	22	25020011781	8/26/2004 9/30/2004	2563739	1225352	2052150	1736941	7885
3	12G	N		10/21/2004	338	24020933153	10/01/2004 10/13/2004	1736605	545955	500923	1781637	108020
3	12G	A		1/05/2005	6	25020011803	10/01/2004 10/13/2004	1736941	545955	500923	1781973	108020
3	30G	N		12/02/2004	654	24021020001	10/14/2004 11/22/2004	1781637	789087	2219620	351104	0
3	30G	A		1/05/2005	8	25020011809	10/14/2004 11/22/2004	1781973	789087	2219028	352033	0
3	30G	A		2/07/2005	514	25020081211	10/14/2004 11/22/2004	1781973	789777	2218969	352780	0
3	YE	N		1/31/2005	30	25020052833	11/23/2004 12/31/2004	352033	7519	75284	284268	1950
3	YE	A		2/07/2005	6	25020081205	11/23/2004 12/31/2004	352780	7519	75284	285015	1950
3	YE	A		4/15/2005	7	25020130513	11/23/2004 12/31/2004	352033	7519	75284	284268	1950
TOTAL									8011311	7726296		

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**Nethercutt for Senate (C00389239)
 2004 July Quarterly/Amended 2004 July Quarterly Report
 Disbursement Variance Overview**

Line	Original 2004 July Quarterly Report (Image 24020620646)	Amended 2004 July Quarterly Report (Image 24020692275)	Disbursement Variance Amount
Line 7(a): Total Operating Expenditures	\$1,008,514.18	\$1,377,437.42	\$368,923.24
Line 7(c): Net Operating Expenditures	\$969,343.83	\$1,338,267.07	\$368,923.24
Line 17: Operating Expenditures	\$1,008,514.18	\$1,377,437.42	\$368,923.24
Line 22: Total Disbursements	\$1,021,914.18	\$1,390,837.42	\$368,923.24