

## REPORTS ANALYSIS DIVISION REFERRAL

TO

## OFFICE OF GENERAL COUNSEL

DATE: January 10, 2017

ANALYST: Jessica Grainger

- I. COMMITTEE: Jack Graham for U.S. Senate  
C00608232  
Cheryl Klein, Treasurer  
1873 S Bellaire St., Suite 908  
Denver, CO 80222-4356
- II. RELEVANT STATUTES: 52 U.S.C. § 30104(b)(4)  
11 CFR § 104.3(b)
- III. BACKGROUND:

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

Jack Graham for U.S. Senate ("the Committee") amended its 2016 12 Day Pre-Primary Report to disclose additional disbursements totaling \$252,571.07 that were not disclosed in the original report (Attachment 2).

On June 13, 2016, the Committee filed the original 2016 12 Day Pre-Primary Report, covering the period from April 1, 2016 through June 8, 2016. The report disclosed \$683,817.35 in disbursements on Line 17 (Operating Expenditures) of the Detailed Summary Page (Image 201606170200199654).

On July 16, 2016, the Committee filed an Amended 2016 12 Day Pre-Primary Report. The report disclosed \$936,388.42 in disbursements on Line 17, an increase of \$252,571.07 from the original report (Image 201607210200295628, Attachment 2).

On October 5, 2016, a Request for Additional Information (RFAI) was sent to the Committee referencing the Amended 2016 12 Day Pre-Primary Report, received July 16, 2016. Among other items, the RFAI requested clarification regarding the substantial

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increase in disbursements disclosed on the Amended 2016 12 Day Pre-Primary Report (Image 2016100503000063000).

On October 15, 2016, the Committee filed an Amended 12 Day Pre-Primary Report. This amendment disclosed no changes in disbursements from the previous amendment (Image 201610240200571454).

On October 24, 2016, the Reports Analysis Division (RAD) Analyst spoke on the phone with Cheryl Klein, the Committee's Treasurer, regarding this matter. Ms. Klein stated that the Committee received the RFAI dated October 5, 2016. She further stated the Committee filed amendments to the 2016 12 Day Pre-Primary Report as well as a Miscellaneous Electronic Submission ("FEC Form 99") in response to the RFAI (Attachment 3).

On November 3, 2016, the Committee filed an FEC Form 99 in response to the RFAI referencing the Amended 2016 12 Day Pre-Primary Report, received July 16, 2016. The Committee stated, in part:

"In the course of reviewing reporting data, we found a couple of disbursement entries were not properly coded for Subtype 'Payment.' As a result, the amounts were not included in the disbursement total. One disbursement for \$250,000 was mislabeled, due to clerical error, when 'p' was selected to insert 'Payment' for Subtype. The software 'pick-list' pulled in 'Presidential Library' by mistake. The operator did not see the error. The mistake was finally located in a data pull which included all listings for 'Type' and 'Subtype' and was corrected in Amended #1 for the Pre-Primary report" (Image 201611080200659077).

On November 30, 2016, the RAD Analyst called Ms. Klein to inform her that the November 3, 2016 FEC Form 99 did not provide an adequate response to the RFAI dated October 5, 2016, and the matter would be referred to another Commission office for further review. The Analyst informed Ms. Klein that the Committee could file an additional FEC Form 99 for the public record to try to further explain the increase in disbursements on the Amended 2016 12 Day Pre-Primary Report, received July 16, 2016 (Attachment 3).

On January 4, 2017, Ms. Klein called the RAD Analyst and stated that the Committee filed several amendments in reply to an RFAI the Committee received regarding a different matter. Ms. Klein stated that the amendments may disclose increased activity from previous reports, as she discovered additional expenses that had previously been estimated. The Analyst informed Ms. Klein that the Committee could file an additional FEC Form 99 for the public record to further explain the increased activity (Attachment 3).

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

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Cmte. ID: C00608232 Cmte. Name: JACK GRAHAM FOR U S SENATE

Treasurer Name: CHERYL KLEIN Address: PO BOX 101177, DENVER, CO 80250-1177

Cmte. Designation: P (PRINCIPAL CAMPAIGN COMMITTEE OF A CANDIDATE) Filing Frequency: QUARTERLY FILER

Form Tp	Rpt Tp	AI	Receipt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltr Mail Dt	Begin Cash	Receipts	Disb	End Cash	Debits	Loans	Debits & Loans
MS-T			11/3/2016	9	201611080200659077	4/1/2016	6/8/2016								
MS-T			11/3/2016	7	201611080200659086	6/9/2016	6/30/2016								
RQ2	12P	A	10/5/2016	5	201610050300063000	4/1/2016	6/8/2016	10/5/2016							
RQ2	Q2	N	10/5/2016	2	201610050300063021	6/9/2016	6/30/2016	10/5/2016							
RQ2	TER	N	11/30/2016	2	201611300300069276	10/1/2016	12/31/2016	11/30/2016							
F3	Q1	N	4/15/2016	109	201604210200168158	1/1/2016	3/31/2016		\$0	\$1,340,880	\$398,734	\$942,146		\$1,000,000	\$1,000,000
F3	Q1	A	4/23/2016	110	201604250200173497	1/1/2016	3/31/2016		\$0	\$1,341,605	\$398,734	\$942,871		\$2,000,000	\$1,000,000
F3	Q1	A	7/20/2016	32	201607210200295272	1/1/2016	3/31/2016		\$0	\$1,341,605	\$404,069	\$937,536		\$2,000,000	\$0
F3	12P	N	6/13/2016	84	201606170200199651	4/1/2016	6/8/2016		\$942,871	\$623,746	\$683,817	\$882,800		\$1,500,000	\$1,500,000
F3	12P	A	7/16/2016	97	201607210200295624	4/1/2016	6/8/2016		\$937,536	\$623,786	\$936,388	\$624,934		\$3,000,000	\$1,500,000
F3	12P	A	10/15/2016	42	201610240200571450	4/1/2016	6/8/2016		\$937,536	\$623,786	\$936,388	\$624,934		\$4,500,000	\$1,500,000
F3	Q2	N	7/16/2016	45	201607210200295579	6/9/2016	6/30/2016		\$624,934	\$393,916	\$899,588	\$119,251		\$1,875,000	\$1,875,000
F3	Q2	A	10/15/2016	44	201610240200571406	6/9/2016	6/30/2016		\$624,934	\$394,016	\$900,820	\$118,129		\$3,750,000	\$1,875,000
F3	Q3	N	10/15/2016	30	201610240200571303	7/1/2016	9/30/2016		\$118,129	\$5,723	\$111,744	\$12,109		\$2,375,000	\$1,875,000
F3	TER	N	11/8/2016	14	201611140200659434	10/1/2016	12/31/2016		\$12,109	\$0	\$12,109	\$0		\$0	\$0
F1		N	1/29/2016	7	201602040200058011										
F2		N	1/29/2016	4	201602040200058018										
F6		N	6/22/2016	4	201606230200209881										
F6		N	6/18/2016	4	201606200200199847										
F6		N	6/27/2016	4	201606280200210186										
F2		A	7/2/2016	6	201607050200210535										
F1		A	11/3/2016	8	201611080200659089										
Totals										\$2,365,130	\$2,365,130				

**Jack Graham for U.S. Senate (C00608232)**

2016 12 Day Pre-Primary Report /Amended 2016 12 Day Pre-Primary Report

Overview of Additional Disbursements:

<b>Report Line</b>	<b>2016 12 Day Pre-Primary Report (Image 201606170200199651)</b>	<b>Amended 2016 12 Day Pre-Primary Report, received 7/16/2016 (Image 201610240200571454)</b>	<b>Disbursement Variance Amount</b>
<b>Line 17: Operating Expenditures</b>	<b>\$683,817.35</b>	<b>\$936,388.42</b>	<b>\$252,571.07</b>
<b>Total</b>	<b>\$683,817.35</b>	<b>\$936,388.42</b>	<b>\$252,571.07</b>