



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

JAN 29 2018

Utah State Democratic Committee
Peter Corroon, Treasurer
825 N 300 W, Suite C 400
Salt Lake City, UT 84103

Dear Mr. Corroon:

The Federal Election Commission ("Commission") has ascertained information in the normal course of carrying out its supervisory responsibilities indicating that Utah State Democratic Committee and you, in your official capacity as treasurer ("Committee"), may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). The Committee has been referred by the Commission to the Office of General Counsel for possible enforcement action under 52 U.S.C. § 30109.¹ Specifically, the Committee has been referred for the following issues that may be in violation of the Act and Commission regulations:

1. **2015 August Monthly Report:** The Committee's report contained mathematical discrepancies totaling \$6,932.00, as detailed below:
The beginning cash balance, \$135,568.77, was greater than the ending cash balance of the previous report, \$132,102.77, a discrepancy of \$3,466.00.
The report contained mathematical discrepancies on several lines in Column B totaling \$3,466.00.
2. **2015 October Monthly Report:** The report contained mathematical discrepancies on several lines in Column B totaling \$32,416.00.
3. **2015 November Monthly Report:** The report contained mathematical discrepancies on several lines in Column B totaling \$36,468.00.
4. **2015 Year End Report:** The report contained mathematical discrepancies on several lines in Column B totaling \$87,000.00.
5. **2016 April Monthly Report:** The report contained mathematical discrepancies on several lines in Column B totaling \$6,000.00.
6. **2016 June Monthly Report:** The Committee's report contained mathematical discrepancies totaling \$15,837.62, as detailed below:
The beginning cash balance, \$99,201.71, was greater than the ending cash balance on the previous report, \$91,282.90, a discrepancy of \$7,918.81.
The report contained mathematical discrepancies on several lines in Column B totaling \$7,918.81.
7. **2016 August Monthly Report:** The Committee's report contained mathematical discrepancies totaling \$5,365.12, as detailed below:
The beginning cash balance, \$69,725.02, was less than the ending cash balance on the

¹ Notification of this referral is being provided to you pursuant to the Commission's Agency Procedure for Notice to Respondents in Non-Complaint Generated Matters, as published in the Federal Register on August 4, 2009 (74 Fed. Reg. 38,617).

previous report, \$72,407.58, a discrepancy of \$2,682.56.

The report contained mathematical discrepancies on several lines in Column B totaling \$2,682.56.

8. 2016 Amended 12 Month Report: The Committee's report contained mathematical discrepancies totaling \$2,770,002.02, as detailed below:
The report contained mathematical discrepancies on several lines in Column B totaling \$2,516,244.69.
Line 8, Column A, \$314,653.19, of the Summary Page did not equal Line 8, Column B, \$568,410.52, of the Summary Page, a discrepancy of \$253,757.33.
9. 2016 August Monthly Report: Schedule A supporting Line 11(a)(i) disclosed an unitemized lump sum receipt of \$2,125.00. However, the Committee failed to clarify whether this amount includes any receipts aggregating greater than \$200 from an individual in the calendar year.
10. 2016 Amended 12 Month Report: The Committee's report disclosed additional receipts totaling \$221,920.00 on Schedule A supporting Line 12 and additional disbursements totaling \$150,030.00 on Schedule B supporting Lines 21(b) and 22, resulting in an increase of more than 5% and \$10,000.00 over the original report.
11. 2016 Year End Report: Schedule A supporting Line 12 disclosed \$3,023,312.59 in transfers received from two (2) joint fundraisers during the 2016 calendar year. However, the supporting itemized memo entries provided on Schedule A during 2016 total \$2,514,102.34, creating a discrepancy of \$509,210.25.
12. 2016 October Monthly Report: Schedule B supporting Line 30(b) disclosed \$177,039.28 in disbursements for "Consultant-Mail," "Printing of Materials," and "Postage" but failed to clarify whether these disbursements were FEA public communications that promoted, supported, attacked or opposed federal candidates or if they expressly advocated the election or defeat of clearly identified federal candidates, which would require additional disclosure.
13. 2016 Amended 12 Month Report: Schedule B supporting Line 30(b) disclosed \$146,429.02 in disbursements for "Consultant-Mail," "Printing of Party Materials," and "Printing" but failed to clarify whether these disbursements were FEA public communications that promoted, supported, attacked or opposed federal candidates or if they expressly advocated the election or defeat of clearly identified federal candidates, which would require additional disclosure.
Schedule B supporting Line 30(b) failed to disclose the address for four (4) disbursements totaling \$1,753.91.
14. 2016 February Monthly Report: The Committee failed to provide a Schedule H1 to disclose the allocation ratio for administrative expenditures on Schedule H4.
15. 2016 April Monthly Report: Line 18(a) of the Detailed Summary Page disclosed \$112,999.75 in transfers from the non-federal account for allocable administrative activity for a 3 month period.
However, Line 21(a)(ii) disclosed \$84,534.90 in the non-federal share of allocable administrative disbursements, resulting in an apparent excessive transfer of approximately \$28,464.85 from the non-federal account.
16. 2016 September Monthly Report: Schedule H4 disclosed disbursements for salary, wages and/or fringe benefits, resulting in an apparent impermissible transfer-in from the non-federal account of \$16,935.85.
Schedule H4 disclosed an event year-to-date total for administrative expenses of \$40,534.59; however, FEC calculations disclose this total to be \$346,510.59, resulting in a discrepancy of \$305,976.00.

100544440001

17. 2016 October Monthly Report: Schedule H4 disclosed disbursements for salary, wages and/or fringe benefits, resulting in an apparent impermissible transfer-in from the non-federal account of \$19,012.09.

Schedule H4 failed to clarify whether \$7,682.02 in disbursements were made on behalf of specifically identified federal candidates or were associated with fundraising activity conducted for the committee's federal and non-federal accounts.

18. 2016 Amended 12 Month Report: Schedule H4 disclosed disbursements for salary, wages and/or fringe benefits, resulting in an apparent impermissible transfer-in from the non-federal account of \$11,701.84.

19. 2016 Year End Report: Schedule H4 disclosed disbursements for salary, wages and/or fringe benefits, resulting in an apparent impermissible transfer-in from the non-federal account of \$27,516.21.

We have numbered this referral

The Act affords you the opportunity to demonstrate in writing that no action should be taken against Utah State Democratic Committee and you, in your official capacity as treasurer, in this matter. If you wish to file a response, you may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements should be submitted under oath by persons with relevant knowledge. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 52 U.S.C. §§ 30109(a)(4)(B) and 30109(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. Please be advised that, although the Commission cannot disclose information regarding an investigation to the public, it may share information on a confidential basis with other law enforcement agencies.²

Please note that you have a legal obligation to preserve all documents, records, and materials relating to the subject matter of the referral until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519.

Any correspondence sent to the Commission, such as a response, must be addressed to one of the following (note, if submitting via email this Office will provide an electronic receipt by email):

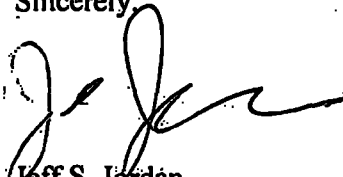
² The Commission has the statutory authority to refer knowing and willful violations of the Act to the Department of Justice for potential criminal prosecution, 52 U.S.C. § 30109(a)(5)(C), and to report information regarding violations of law not within its jurisdiction to appropriate law enforcement authorities. *Id.* § 30107(a)(9).

Mail
Federal Election Commission
Office of Complaints Examination
and Legal Administration
Attn: Christal Dennis, Paralegal
999 E Street, NW
Washington, DC 20463

OR **Email**
CELA@fec.gov

If you have any questions, please contact Christal Dennis at (202) 694-1650 or toll free at 1-800-424-9530. For your information, we have enclosed a brief description of the Commission's preliminary procedures for processing possible violations discovered by the Commission.

Sincerely,



Jeff S. Jordan
Assistant General Counsel
Complaints Examination &
Legal Administration

1-800-424-9530