

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: October 11, 2018

ANALYST: Corinne Lucas

I. COMMITTEE: Black Americans for a Better Future
(C00567784)
Chris Marston, Treasurer
45 N Hill Dr Ste 100
Warrenton, VA 20186

II. RELEVANT STATUTES: 52 U.S.C. § 30102(b) and (c)
52 U.S.C. § 30104(b)
11 CFR § 102.9
11 CFR § 102.15
11 CFR § 104.3

III. BACKGROUND:

Other Violations of the Federal Election Campaign Act (Unauthorized Use of Campaign Funds)

Black Americans for a Better Future (“the Committee”) filed its 2018 April Quarterly Report to disclose apparent unauthorized disbursements totaling \$57,666.67 and refunds of apparent unauthorized disbursements totaling \$32,666.67 (Attachment 2).

On April 12, 2018, the Committee filed its 2018 April Quarterly Report, covering the period from January 1, 2018 through March 31, 2018. The report disclosed three (3) receipts from “Mensah Real Estate Property LLC” totaling \$32,666.67 on Schedule A, supporting Line 17 (Other Federal Receipts) with a purpose of “Recovery of Fraudulent Wire Transfer” (Image 201804129107991058, Attachment 2). In addition, the report disclosed three (3) disbursements to “Mensah Real Estate Property LLC” totaling \$32,666.67 and one (1) disbursement to “Cannon, Stephen” totaling \$25,000.00 on Schedule B, supporting Line 21(b) (Other Federal Operating Expenditures) with a purpose of “Fraudulent Wire Transfer” (Images 201804129107991070-71 and 201804129107991063, Attachment 2). The report also included memo text stating:

“The Committee was the victim of a wire fraud scheme during the reporting period. Four wire transfers were made to two recipients during the period. These are disclosed on Line 21(b). Funds from three of the transfers to one of the recipients were recovered during the reporting period. The recovery is reported on Line 17. The Committee continues to work with law enforcement to recover the funds from the final fraudulent transfer. The Committee has also adopted additional internal controls to prevent similar fraudulent transactions in the future. All transactions have been completely reported and the Committee's bank balance reconciles to the closing cash on hand on this report” (Image 201804129107991050).

On July 12, 2018, a Request for Additional Information (RFAI) was sent to the Committee referencing the 2018 April Quarterly Report. Among other items, the RFAI requested clarification regarding the apparent unauthorized use of committee funds disclosed on the report (Image 201807120300013629).

On August 16, 2018, the Committee filed an Amended 2018 April Quarterly Report. The report did not disclose any changes to the apparent unauthorized transactions (Images 201808169119661276, 201808169119661281, and 201808169119661288-89). In addition, the report included memo text stating, in part:

“This amendment responds to a request for additional information dated July 12, 2018. The Committee included memo text with its original report providing a complete explanation for the first two items related to fraudulent wire transfers and believes that clarifying information is complete with regard to the fraud perpetrated on the Committee and its work with law enforcement to recover the fraudulent funds and adopt improved internal controls to combat future fraud” (Image 201808169119661268).

On August 23, 2018, the Reports Analysis Division (RAD) Analyst called Chris Marston, the Committee's Treasurer. The Analyst informed him that the outstanding matter of receipts and disbursements related to the unauthorized use of committee funds disclosed on the 2018 April Quarterly Report could be referred to another office at the Commission for potential further action. The Analyst advised that the Committee could file a Miscellaneous Electronic Submission (FEC Form 99) if there is any further information to place on the public record. Mr. Marston stated that he did not have any additional information, and that he had already responded to the RFAI. The Analyst advised him that RAD had received the response, but if he discovered any additional relevant information to update the public record as soon as possible (Attachment 3).

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

O-Index (2017-2018)															
Cmte. ID: C00567784 Cmte. Name: BLACK AMERICANS FOR A BETTER FUTURE															
Treasurer Name: MARSTON, CHRIS Address: 45 N HILL DR STE 100, WARRENTON, VA 20186															
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
RQ2	YE	A	7/12/2018	2	201807120300013627	7/1/2017	12/31/2017	7/12/2018	-	-	-	-	-	-	-
RQ2	Q1	N	7/12/2018	2	201807120300013629	1/1/2018	3/31/2018	7/12/2018	-	-	-	-	-	-	-
F3XN	MY	N	7/31/2017	41	201707319069876051	1/1/2017	6/30/2017		\$187,367	\$74,876	\$104,381	\$157,861	\$2,032	-	\$2,032
F3XN	YE	N	1/21/2018	42	201801219090501692	7/1/2017	12/31/2017		\$157,861	\$44,871	\$97,737	\$104,996	\$0	\$2,042	\$2,042
F3XA	YE	A	2/20/2018	43	201802209094622579	7/1/2017	12/31/2017		\$157,861	\$69,871	\$122,737	\$104,996	\$0	\$2,042	\$2,042
F3XA	YE	A	8/16/2018	43	201808169119661027	7/1/2017	12/31/2017		\$157,861	\$69,871	\$122,737	\$104,996	\$0	\$2,042	\$2,042
F3XN	Q1	N	4/12/2018	31	201804129107991045	1/1/2018	3/31/2018		\$104,996	\$153,123	\$149,182	\$108,936	-	\$25,000	\$25,000
F3XA	Q1	A	8/16/2018	31	201808169119661263	1/1/2018	3/31/2018		\$104,996	\$153,123	\$149,182	\$108,936	-	\$25,000	\$25,000
F3XN	Q2	N	7/10/2018	16	201807109115295063	4/1/2018	6/30/2018		\$108,936	\$52,550	\$48,641	\$112,845	-	\$0	\$0
Totals										\$350,421	\$424,943				

O-Index (2015-2016)															
Cmte. ID: C00567784 Cmte. Name: BLACK AMERICANS FOR A BETTER FUTURE															
Treasurer Name: MARSTON, CHRIS Address: 45 N HILL DR STE 100, WARRENTON, VA 20186															
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
F3XN	MY	N	7/24/2015	11	201507249000413319	1/1/2015	6/30/2015		\$0	\$17,000	\$15,119	\$1,880	-	-	\$0
F3XN	YE	N	1/26/2016	49	201601269004610562	7/1/2015	12/31/2015		\$1,880	\$404,377	\$157,305	\$248,953	-	-	\$0
F3XN	Q1	N	4/12/2016	25	201604129012304813	1/1/2016	3/31/2016		\$248,953	\$56,595	\$102,922	\$202,625	-	\$12,000	\$12,000
F3XN	Q2	N	7/15/2016	8	201607159020668180	4/1/2016	6/30/2016		\$202,625	\$250	\$2,580	\$200,295	-	\$12,000	\$12,000
F3XN	Q3	N	10/10/2016	7	201610109032227754	7/1/2016	9/30/2016		\$200,295	\$1,000	\$0	\$201,295	-	\$12,000	\$12,000
F3XN	12G	N	10/27/2016	6	201610279034661753	10/1/2016	10/19/2016		\$201,295	\$0	\$69	\$201,226	-	\$12,000	\$12,000
F3XN	30G	N	12/6/2016	11	201612069037656302	10/20/2016	11/28/2016		\$201,226	\$5,343	\$15,345	\$191,224	-	\$0	\$0
F3XN	YE	N	1/20/2017	9	201701209041434294	11/29/2016	12/31/2016		\$191,224	\$10,000	\$13,857	\$187,367	-	-	\$0
Totals										\$494,566	\$307,199				

O-Index (2013-2014)															
Cmte. ID: C00567784 Cmte. Name: BLACK AMERICANS FOR A BETTER FUTURE															
Treasurer Name: MARSTON, CHRIS Address: 45 N HILL DR STE 100, WARRENTON, VA 20186															
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
RQ1		N	9/15/2014	2	14330060875			9/15/2014	-	-	-	-	-	-	-
F3XN	Q3	N	10/8/2014	5	14978103355	7/1/2014	9/30/2014		\$0	\$0	\$0	\$0	-	-	\$0
F3XN	30G	N	12/1/2014	5	14952671316	10/1/2014	11/24/2014		\$0	\$0	\$0	\$0	-	-	\$0
F3XN	YE	N	1/26/2015	5	15950089327	11/25/2014	12/31/2014		\$0	\$0	\$0	\$0	-	-	\$0
F1		N	8/29/2014	7	14031290843				-	-	-	-	-	-	-
F1A		A	9/16/2014	5	14970780060				-	-	-	-	-	-	-
Totals										\$0	\$0				

Black Americans for a Better Future (C00567784)*A. Unauthorized Disbursements*

2018 April Quarterly Report, received 4/12/18 (Images 201804129107991070-71 and 201804129107991063)

Name of Payee	Date	Amount	Purpose
Mensah Real Estate Property LLC	2/9/18	\$8,000.00	Fraudulent Wire Transfer
Mensah Real Estate Property LLC	2/12/18	\$18,667.67	Fraudulent Wire Transfer
Mensah Real Estate Property LLC	2/15/18	\$6,000.00	Fraudulent Wire Transfer
Cannon, Stephen	2/22/18	\$25,000.00	Fraudulent Wire Transfer
Total Unauthorized Disbursements:		\$57,666.67	

B. Refunds Received for Unauthorized Disbursements

2018 April Quarterly Report, received 4/12/18 (Image 201804129107991058)

Name of Payee	Date	Amount	Purpose
Mensah Real Estate Property LLC	3/27/18	\$6,000.00	Recovery of Fraudulent Wire Transfer
Mensah Real Estate Property LLC	3/27/18	\$8,000.00	Recovery of Fraudulent Wire Transfer
Mensah Real Estate Property LLC	3/27/18	\$18,666.67	Recovery of Fraudulent Wire Transfer
Total Refunds of Unauthorized Disbursements:		\$32,666.67	