

REPORTS ANALYSIS REFERRAL

TO

ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: December 5, 2008

ANALYST: Quy Vuong

I. COMMITTEE: Minnesota Democratic-Farmer-Labor Party
 C00025254
 William J. Davis, Treasurer (9/15/06-Present)
 Kerry Gautier, Treasurer (6/8/05-9/14/06)
 Sue Ponsford, Treasurer (6/30/04-6/7/05)
 255 Plato Blvd. East
 St. Paul, MN 55107

TYPE OF COMMITTEE Party

II. REGISTRATION: November 17, 1975

III. BACKGROUND:

The Committee was sent twenty-five (25) Requests for Additional Information (RFAs) and failed to adequately respond to thirteen (13) of these requests which included reporting errors involving excessive, prohibited and other impermissible contributions or transfers, mathematical discrepancies, failure to provide supporting schedules, failure to properly itemize contributions from individuals, failure to properly itemize contributions and transfers from political committees, Federal Election Activity/Levin Funds, and allocated federal and non-federal activity.

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VIOLATION DESCRIPTION	REPORT(S)	DETAILS OF VIOLATION
Excessive, Prohibited and Other Impermissible Contributions and Transfers	2006 Amended M8, received 12/6/06	Schedule A of the Committee's report disclosed receipts for "Offsets to Operating [sic] Expenditu Note: Payroll Services and Office Rent," "Offsets to Operating [sic] Expenditu Note: Payroll Services," "Offsets to Operating [sic] Expenditu Note: Payroll Services," and "Offsets to Operating [sic] Expenditu Note: Office Rent" from federal candidates without clarifying whether the usual and normal charge was assessed for the services provided. The apparent impermissible receipts total \$23,100.00.
Mathematical Discrepancies	2006 Amended YE, received 5/4/07	The Committee's report contained mathematical discrepancies totaling \$15,807.00.
Failure to Provide Supporting Schedules	2005 Amended M3, received 5/16/05	The Committee's report disclosed additional receipts totaling \$59,277.41 for the reporting period.
Failure to Provide Supporting Schedules	2006 M2	<p>Schedule D of the Committee's previous report disclosed a debt owed to a vendor with an outstanding ending balance of \$5,116.61. However, Schedule D of this report disclosed the outstanding beginning balance as \$3,116.61, resulting in a missing schedule of \$2,000.00.</p> <p>Schedule D of the Committee's previous report disclosed one (1) debt totaling \$1,332.97 with an outstanding ending balance; however, this debt was not disclosed as outstanding on this report.</p>
Failure to Provide Supporting Schedules	2006 M7	Schedule A supporting Line 12 of the Committee's reports for a 3-month period disclosed \$42,365.77 in transfers received from a joint fundraiser. However, the supporting itemized memo entries provided on Schedule A total \$23,880.15, creating a discrepancy of \$18,480.62.
Failure to Provide Supporting Schedules	2006 12G	Schedule D of the Committee's previous report disclosed two (2) debts totaling \$1,025.37 with outstanding ending balances; however, these debts were not disclosed as outstanding on this report.
Failure to Properly Itemize Contributions from Individuals	2005 Amended M4, received 5/16/05	The Committee failed to provide adequate identification for 36 of 96 contributions from individuals that require itemization.
Failure to Properly Itemize Contributions and Transfers from Political Committees	2006 M5	The Committee failed to provide clarification for receipts from eight (8) federal candidates totaling \$8,375.00.
Failure to Properly Itemize Contributions and Transfers from Political Committees	2006 30G	The Committee failed to provide clarification for receipts from one (1) federal candidate totaling \$107,000.00.

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Federal Election Activity/Levin Funds	2006 Amended M8, received 12/6/06	<p>On Schedule B, the Committee disclosed \$929.34 in disbursements made for "VETERANS CAUCUS FLYERS," but failed to clarify whether the activity met the definition of Federal Election Activity (FEA) and if the activity met the conditions of exempt party activity.</p> <p>Schedule B disclosed \$2,667.47 for apparent reimbursements to individuals; however, the Committee did not provide sufficient MEMO entries to itemize vendors, resulting in a \$2,395.71 discrepancy.</p> <p>On Schedule B, the Committee disclosed \$2,806.68 in disbursements made for "FEA: PHONE BANK PHONES," 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.</p> <p>On Schedule B, the Committee disclosed \$151,601.06 in disbursements made outside of FEA timeframes for "FEA: PHONE BANK PHONES" and "FEA: VOTER ID PHONING," but the Committee failed to clarify whether the disbursements promoted, supported, attacked or opposed Federal candidates or if the activity met the conditions of exempt party activity.</p>
Federal Election Activity/Levin Funds	2006 M10	The Committee's report contained mathematical discrepancies on Schedule L totaling \$15,000.00.
Federal Election Activity/Levin Funds	2006 12G	<p>On Schedule B, the Committee disclosed \$1,698.89 in disbursements made for "FEA: PHONE BANK PHONES," 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.</p> <p>The Committee's report contained mathematical discrepancies on Schedule L totaling \$10,000.00.</p>
Federal Election Activity/Levin Funds	2006 YE	The Committee's report contained mathematical discrepancies on Schedule L totaling \$184,558.00.
Allocated Federal and Non-Federal Activity	2005 Amended M4, received 5/16/05	On Schedule B, the Committee disclosed \$8,060.00 in disbursements made outside of FEA timeframes for "VOTER ID CALLING," but the Committee failed to clarify whether the disbursements promoted, supported, attacked or opposed Federal candidates or if the activity met the conditions of exempt party activity.
Allocated Federal and Non-Federal Activity	2006 M2	The Committee failed to provide a Schedule H1 to disclose the allocation ratio for \$34,079.91 in administrative expenditures on Schedule H4.

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Allocated Federal and Non-Federal Activity	2006 M6	Schedule H4 disclosed an event year-to-date total for Administrative expenses of \$259,088.37; however, according to the FEC calculations, this total should be \$264,753.00. Schedule H4 also disclosed an event year-to-date total for voter drive expenses of \$42,100.54. According to the FEC calculations, this amount should be \$36,435.91. The discrepancies total \$11,329.26.
Allocated Federal and Non-Federal Activity	2006 Amended M8, received 12/6/06	<p>The Committee failed to clarify transfers made to an apparent non-federal account disclosed on Schedule B totaling \$9,187.50.</p> <p>The Committee disclosed transfers from national party committees on Schedule A supporting Line 12 of the Detailed Summary Page. The Committee also disclosed payments for exempt activities on Schedule B supporting Line 21(b) totaling \$10,410.10. The transferred funds may or may not have been used to pay for the exempt activities.</p> <p>The Committee disclosed \$875.00 in disbursements made for "TICKETS" on Schedule B, but failed to clarify whether these disbursements were made on behalf of specifically identified federal candidates.</p> <p>Schedule B disclosed no MEMO entries for apparent credit card expenses; however, there were \$684.51 in payments reflected on Schedule H4, a \$684.51 discrepancy.</p>
Allocated Federal and Non-Federal Activity	2006 YE	<p>On Schedule H4, the Committee disclosed disbursements made for "Voter File Hosting," but failed to clarify whether the activity met the definition of FEA and if the activity met the conditions of exempt party activity. Further, the Committee failed to address an apparent impermissible transfer of \$42,000.00 from the non-federal account that occurred as a result of allocating these payments between the Federal and non-federal accounts.</p> <p>The Committee failed to clarify negative transfers disclosed on Schedule H3 totaling \$3,745.84.</p>