

RAD REFERRAL #: A15-08

DATE: July 15, 2015

ANALYST: Paul Stoetzer

REPORTS ANALYSIS AUDIT REFERRAL

I. COMMITTEE: Democratic Party of Arkansas
C00024372
Tyler Clark, Treasurer (3/17/14 - Present)
Karen Garcia, Treasurer (3/30/07 - 3/16/14)
1300 West Capitol Avenue
Little Rock, AR 72201

TYPE OF COMMITTEE: Party

II. REGISTRATION DATE: March 8, 1976

III. MULTICANDIDATE STATUS: Qualified

IV. TOTAL POINTS ASSESSED:

V. SUMMARY OF AUDIT POINTS BY STANDARD:

Standard	#	Description
Standard	5	Excessive, Prohibited and Other Impermissible Contributions and Transfers
Standard	6	Mathematical Discrepancies
Standard	7	Failure to Provide Supporting Schedules
Standard	11	Failure to Properly Itemize Disbursements
Standard	12	Federal Election Activity/Levin Funds
Standard	13	Allocated Federal and Non-Federal Activity
Standard	16	Failure to Properly Itemize Loans
		TOTAL

VI. NOTICES SENT TO AND RESPONSES RECEIVED FROM THE COMMITTEE:

See attached O-Index for the Committee.

VII. PROBLEMS FOR WHICH AUDIT POINTS WERE ASSESSED:

A. Standard 5 – Excessive, Prohibited and Other Impermissible Contributions and Transfers:

Report Type	Violation (Description)
2013 M7	Schedule A supporting Line 11(a)(i) disclosed the receipt of an excessive contribution totaling \$5,000.00, or 5.5% of the Committee's total contributions from individuals. This contribution was received from one (1) individual.
2014 M6	Schedule A supporting Line 11(c) disclosed the receipt of excessive and impermissible contributions totaling \$10,000.00, or 13.3% of the total contributions from political committees. These contributions were received from one (1) qualified multicandidate committee and one (1) unregistered political organization.
2014 M8	Schedule A supporting Line 11(a)(i) disclosed the receipt of a prohibited contribution totaling \$631.56, or 0.7% of the total contributions from individuals. This contribution was received from one (1) corporation. Schedule A supporting Line 12 disclosed a transfer-in totaling \$50,000.00 from one (1) national party committee which was not disclosed on the contributor's disbursement schedule, resulting in an apparent prohibited receipt of \$50,000.00.
2014 12G	Schedule A supporting Line 12 disclosed transfers-in totaling \$77,641.00 from one (1) national party committee, which was not disclosed on the contributor's disbursement schedule, resulting in an apparent prohibited receipt of \$77,641.00. Schedule F disclosed apparent excessive coordinated expenditures totaling \$31,941.00, or 12.1% of the total coordinated expenditures. These coordinated expenditures were made on behalf of one (1) federal candidate.
2014 30G	Schedule F disclosed apparent excessive coordinated expenditures totaling \$70,740.00, or 100% of the total coordinated expenditures. These coordinated expenditures were made on behalf of one (1) federal candidate.

B. Standard 6 - Mathematical Discrepancies:

Report Type	Violation (Description)
2013 M12	The report contained mathematical discrepancies on several lines in Column B totaling \$10,000.00.
2014 30G	The Committee's report contained mathematical discrepancies totaling \$269,106.42, as detailed below: Schedule F disclosed aggregate general election expenditure discrepancies totaling \$268,100.00 for coordinated expenditures made. The beginning cash balance, \$574,145.96, was less than the ending cash balance on the previous report, \$574,593.49, a discrepancy of \$447.53. The report contained mathematical discrepancies on several lines in Column B totaling \$558.89.

C. Standard 7 - Failure to Provide Supporting Schedules:

Report Type	Violation (Description)
2013 M8	Schedule A supporting Line 11(a)(i) disclosed an unitemized lump sum receipt of \$1,500.00. However, the Committee failed to clarify whether this amount includes any receipts aggregating greater than \$200 from an individual in the calendar year.
2013 YE	Schedule A supporting Line 12 disclosed \$35,915.00 in memo entries, itemizing its share of the gross contributions received through a joint fundraiser. However, the Committee failed to disclose a transfer from the joint fundraiser.
2014 YE	Schedule A supporting Line(s) 12 disclosed \$270,214.71 in transfers received from joint fundraisers. However, the Committee failed to provide a memo Schedule A itemizing its share of the gross contributions received through the joint fundraisers.

D. Standard 11 – Failure to Properly Itemize Disbursements:

Report Type	Violation (Description)
2014 M9	Schedule A supporting Line 12 disclosed a transfer-in from a national party committee; however, Schedule B supporting Line 30(b) disclosed payments for exempt party activities totaling \$32,087.10. The transferred funds may have specifically funded the exempt activities.

E. Standard 12 – Federal Election Activity/Levin Funds:

Report Type	Violation (Description)
2014 30G	Schedule B supporting Line 30(b) disclosed a voided or returned check totaling \$10,000.00. However, the Committee failed to clarify if the check had been reissued or what steps were taken to avoid the acceptance of a prohibited in-kind contribution.

F. Standard 13 - Allocated Federal and Non-Federal Activity:

Report Type	Violation (Description)
2013 M4	The Committee disclosed disbursements totaling \$136,127.38 for a 3-month period; however, the report disclosed limited payments for administrative expenses.
2013 M7	The Committee disclosed disbursements totaling \$279,194.39 for a 3-month period; however, the report disclosed limited payments for administrative expenses. Schedule H4 failed to clarify whether \$5,369.68 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.
2013 M9	Schedule H4 disclosed an event year-to-date total for administrative expenses of \$285,501.14; however, FEC calculations disclose this total to be \$280,131.46, resulting in a discrepancy of \$5,369.68.
2013 M10	Schedule H4 disclosed an event year-to-date total for administrative expenses of

\$304,327.19; however, FEC calculations disclose this total to be \$309,696.87, resulting in a discrepancy of \$5,369.68.

- 2013 M11 Schedule H2 disclosed the ratio as being the same as previously reported for one (1) fundraising event; however, this event was not previously reported.
- 2014 YE Line 18(a) of the Detailed Summary Page disclosed \$358,315.22 in transfers from the non-federal account for allocable administrative activity for a 3-month period. However, Line 21(a)(ii) disclosed \$340,341.93 in the non-federal share of allocable administrative disbursements, resulting in an apparent excessive transfer of approximately \$17,973.29 from the non-federal account.

G. Standard 16 - Failure to Properly Itemize Loans:

Report Type	Violation (Description)
2014 M8	The Committee failed to clarify the current status of one (1) overdue loan owed by the Committee totaling \$39,347.16.
2014 M9	The Committee failed to clarify the current status of one (1) overdue loan owed by the Committee totaling \$39,347.16.

VIII. MATTERS REQUIRING REFERRAL TO OGC/ADRO:

A. OGC –

Excessive, Prohibited and Other Impermissible Contributions and Transfers (Standard 5)

The Committee can be referred to the Office of General Counsel (OGC) for the receipt of excessive contributions totaling \$10,000.00, the receipt of apparent prohibited contributions totaling \$77,641.00, and the disbursement of excessive coordinated expenditures totaling \$102,681.00 during calendar year 2014.

Failure to Provide Supporting Schedules (Standard 7)

The Committee can be referred to OGC for disclosing \$270,214.71 in transfers received from joint fundraisers during calendar year 2014, but failing to provide a memo Schedule A itemizing its share of the gross contributions received through the joint fundraisers.

B. ADRO –

None.

IX. OTHER COMMISSION ACTIONS DURING THE 2011-2012 AND 2013-2014 ELECTION CYCLES:

None.

X. OTHER RELEVANT INFORMATION:

None.

O-Index (2013-2014)

Cmte. ID: C00024372 Cmte. Name: DEMOCRATIC PARTY OF ARKANSAS
Treasurer Name: CLARK, TYLER Address: 1300 WEST CAPITOL AVENUE, LITTLE ROCK, AR 72001
Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: MONTHLY FILER

Cmte. Type: Y (QUALIFIED PARTY)

Form Tp	Rpt Tp	All	Receipt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Receipts	Disb	End Cash	Debits	Loans	Debits & Loans
MS-T			7/29/2013	1	13964452701										
MS-T			7/29/2013	1	13964452984										
MS-T			9/30/2013	1	13941672796										
MS-T			2/26/2014	1	14940536162										
MS-T			6/27/2014	1	14941631024										
RQ2	M4	N	8/6/2013	2	13330035553	3/1/2013	3/31/2013	8/6/2013							
RQ2	M7	N	8/6/2013	5	13330035555	6/1/2013	6/30/2013	8/6/2013							
RQ2	M8	N	8/23/2013	2	13330037775	7/1/2013	7/31/2013	8/23/2013							
RQ2	M9	N	11/18/2013	2	13330040633	8/1/2013	8/31/2013	11/18/2013							
RQ2	M10	N	12/17/2013	2	13330041501	9/1/2013	9/30/2013	12/17/2013							
RQ2	M11	N	1/30/2014	2	14330042632	10/1/2013	10/31/2013	1/30/2014							
RQ2	M12	N	4/20/2014	2	14330048795	11/1/2013	11/30/2013	4/20/2014							
RQ2	YE	N	4/24/2014	2	14330049070	12/1/2013	12/31/2013	4/24/2014							
RQ2	M6	N	7/30/2014	4	14330055554	5/1/2014	5/31/2014	7/30/2014							
RQ2	M8	N	10/19/2014	4	14330062633	7/1/2014	7/31/2014	10/19/2014							
RQ2	M9	N	1/19/2014	2	14330065979	8/1/2014	8/31/2014	1/19/2014							
RQ2	12G	N	1/15/2015	3	15330072162	10/1/2014	10/15/2014	1/15/2015							
RQ2	30G	N	3/10/2015	4	15330078287	10/16/2014	11/24/2014	3/10/2015							
RQ2	YE	N	3/3/2015	3	15330077815	1/1/2014	12/31/2014	3/3/2015							
F3XN	M2	N	2/20/2013	51	13961068481	1/1/2013	1/31/2013		\$58,656	\$18,321	\$45,936	\$31,041	\$30,079	\$30,079	\$30,079
F3XN	M3	N	3/20/2013	44	13961197240	2/1/2013	2/28/2013		\$31,049	\$58,915	\$43,805	\$46,159	\$29,587	\$29,587	\$29,587
F3XN	M4	N	4/20/2013	45	13940608354	3/1/2013	3/31/2013		\$46,159	\$18,284	\$46,386	\$18,056	\$29,073	\$29,073	\$29,073
F3XN	M5	N	5/20/2013	42	13962649826	4/1/2013	4/30/2013		\$18,056	\$81,011	\$49,950	\$49,118	\$28,564	\$28,564	\$28,564
F3XN	M6	N	6/20/2013	48	13963153190	5/1/2013	5/31/2013		\$49,118	\$54,654	\$68,887	\$35,085	\$28,035	\$28,035	\$28,035
F3XN	M7	N	7/20/2013	75	13964427668	6/1/2013	6/30/2013		\$35,085	\$183,272	\$151,356	\$67,002	\$27,001	\$27,001	\$27,001
F3XA	M7	A	9/30/2013	75	13941672861	6/1/2013	6/30/2013		\$35,085	\$183,272	\$151,356	\$67,002	\$27,001	\$27,001	\$27,001
F3XN	M8	N	8/20/2013	49	13941475349	7/1/2013	7/31/2013		\$67,002	\$126,810	\$45,934	\$147,878	\$27,001	\$27,001	\$27,001
F3XA	M8	A	9/30/2013	49	13941672936	7/1/2013	7/31/2013		\$67,002	\$126,810	\$45,934	\$147,878	\$27,001	\$27,001	\$27,001
F3XN	M9	N	9/20/2013	51	13941636415	8/1/2013	8/31/2013		\$147,878	\$13,044	\$58,322	\$102,600	\$25,674	\$25,674	\$25,674
F3XA	M9	A	2/26/2014	51	14960481680	8/1/2013	8/31/2013		\$147,878	\$13,044	\$58,322	\$102,600	\$25,674	\$25,674	\$25,674
F3XN	M10	N	10/20/2013	45	13942158860	9/1/2013	9/30/2013		\$102,600	\$72,478	\$36,316	\$138,761	\$25,674	\$25,674	\$25,674
F3XA	M10	A	2/26/2014	45	14960481731	9/1/2013	9/30/2013		\$102,600	\$72,478	\$36,316	\$138,761	\$25,674	\$25,674	\$25,674
F3XN	M11	N	11/20/2013	59	13942582908	10/1/2013	10/31/2013		\$138,761	\$123,212	\$120,524	\$141,449	\$24,622	\$24,622	\$24,622
F3XA	M11	A	4/11/2014	59	14960651685	10/1/2013	10/31/2013		\$138,761	\$123,212	\$120,524	\$141,449	\$24,622	\$24,622	\$24,622
F3XN	M12	N	12/20/2013	46	13944254284	11/1/2013	11/30/2013		\$141,449	\$90,132	\$124,778	\$106,803	\$24,622	\$24,622	\$24,622
F3XN	YE	N	1/31/2014	59	14940238118	12/1/2013	12/31/2013		\$106,803	\$97,548	\$111,203	\$93,148	\$24,092	\$24,092	\$24,092
F3XN	M2	N	2/20/2014	45	14960473227	1/1/2014	1/31/2014		\$93,148	\$62,382	\$84,770	\$70,760	\$23,559	\$23,559	\$23,559
F3XN	M3	N	3/20/2014	58	14960533034	2/1/2014	2/28/2014		\$70,760	\$112,107	\$144,617	\$38,250	\$22,463	\$22,463	\$22,463
F3XN	M4	N	4/19/2014	77	14960854259	3/1/2014	3/31/2014		\$38,250	\$254,982	\$174,545	\$118,587	\$22,463	\$22,463	\$22,463
F3XN	M5	N	5/20/2014	78	14961182805	4/1/2014	4/30/2014		\$118,587	\$153,106	\$227,422	\$44,271	\$21,382	\$21,382	\$21,382
F3XN	M6	N	6/20/2014	101	14941625715	5/1/2014	5/31/2014		\$44,271	\$387,635	\$239,223	\$192,683	\$20,841	\$20,841	\$20,841

F3XA	M6	A	9/3/2014	101	14950095965	5/1/2014	5/31/2014	\$44,271	\$387,635	\$239,223	\$192,683	-	\$20,841	\$20,841
F3XN	M7	N	7/20/2014	151	14961695568	6/1/2014	6/30/2014	\$192,683	\$859,794	\$980,832	\$71,645	-	\$20,841	\$20,841
F3XN	M8	N	8/20/2014	168	14950081019	7/1/2014	7/31/2014	\$71,645	\$919,743	\$893,978	\$97,410	-	\$19,752	\$19,752
F3XA	M8	A	12/19/2014	167	14953215988	7/1/2014	7/31/2014	\$71,645	\$919,743	\$894,107	\$97,281	-	\$19,752	\$19,752
F3XN	M9	N	9/20/2014	217	14970892151	8/1/2014	8/31/2014	\$97,281	\$803,434	\$688,409	\$212,306	-	\$19,752	\$19,752
F3XA	M9	A	12/19/2014	218	14983684814	8/1/2014	8/31/2014	\$97,281	\$803,434	\$688,409	\$212,306	-	\$19,752	\$19,752
F3XN	M10	N	10/20/2014	246	14951855777	9/1/2014	9/30/2014	\$212,306	\$1,142,715	\$1,074,636	\$280,385	-	\$19,206	\$19,206
F3XN	12G	N	10/23/2014	110	14952539557	10/1/2014	10/15/2014	\$280,385	\$1,877,384	\$1,583,176	\$574,593	-	\$18,646	\$18,646
F3XN	30G	N	12/4/2014	384	14953162955	10/16/2014	11/24/2014	\$574,145	\$1,840,940	\$2,282,706	\$132,379	-	\$18,087	\$18,087
F3XN	YE	N	1/31/2015	72	15970237171	11/25/2014	12/31/2014	\$132,379	\$115,544	\$105,309	\$142,614	-	\$17,525	\$17,525
F1A		A	3/17/2014	6	14860504779									
Totals									\$9,467,557	\$9,383,158				

**Response Codes, Due Dates, and Receipt Dates for
Democratic Party of Arkansas
(C00024372)**

Standard 5

Report	Response Code	Description	Due Date	Response Date
2013 M7	LIR	State, District or Local Party Receives > \$10,000 from Individual or Non-Qualified Committee (U5-18)	9/10/13	9/30/13
2014 M6	IR	State, District or Local Party Receives > \$5,000 from Qualified Committee (U5-61) Receipts From Non-Federal/Unregistered Organization (U5-3)	9/3/14	9/3/14
2014 M8	LAR	Receipt from Corporation AND/OR LLC (U5-5) Transfer Received Not Disclosed by Donor Committee (U5-55)	11/24/14	12/19/14
2014 12G	NR	Transfer Received Not Disclosed by Donor Committee (U5-55) Excessive Coordinated Expenditures (U5-41)	2/19/15	N/A
2014 30G	NR	Excessive Coordinated Expenditures (U5-41)	4/14/15	N/A

Standard 6

Report	Response Code	Description	Due Date	Response Date
2013 M12	NR	Column B Totals Incorrect (U6-7)	5/27/14	N/A
2014 30G	NR	Schedule F Incorrect Aggregate (U6-30) Cash Discrepancy (U6-11) Column B Totals Incorrect (U6-7)	4/14/15	N/A

Standard 7

Report	Response Code	Description	Due Date	Response Date
2013 M8	LAR	Inadequate Disclosure of Fundraising Receipts / Unitemized Entry on 11(a)(i) (U7-54)	9/27/13	9/30/13
2013 YE	LAR	No Transfer-In on Schedule A for JF Memos (U7-32)	5/29/14	6/27/14
2014 YE	NR	No Memo Schedules for Joint Fundraising (U7-30)	4/7/15	N/A

Standard 11

Report	Response Code	Description	Due Date	Response Date
2014 M9	LAR	Exempt Activity with Prior Transfer-In from National Party Committee (U11-5)	12/15/14	12/19/14

Standard 12

Report	Response Code	Description	Due Date	Response Date
2014 30G	NR	Voided or Returned Checks (30b) (U12-78)	4/14/15	N/A

Standard 13

Report	Response Code	Description	Due Date	Response Date
2013 M4	LAR	No/Limited Administrative Expenses for Party Committees (U13-70)	9/10/13	9/30/13
2013 M7	LAR	No/Limited Administrative Expenses for Party Committees (U13-70)	9/10/13	9/30/13
		Clarification of Possible Candidate Fundraising Activity (H4) (U13-112)		
2013 M9	LAR	Event Year-to-Date Totals Incorrect (H4) (U13-44)	12/23/13	2/26/14
2013 M10	LAR	Event Year-to-Date Totals Incorrect (H4) (U13-44)	1/21/14	2/26/14
2013 M11	LAR	Ratio Type "Same as Previously Reported" Not on Previous Report (H2) (U13-23)	3/6/14	4/11/14
2014 YE	NR	Line 18(a) and 21(a)(ii), Column A Discrepancy (U13-73)	4/7/15	N/A

Standard 16

Report	Response Code	Description	Due Date	Response Date
2014 M8	LAR	Overdue Loan Obtained From a Lending Institution (U16-12)	11/24/14	12/19/14
2014 M9	LAR	Overdue Loan Obtained From a Lending Institution (U16-12)	12/15/14	12/19/14

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**Democratic Party of Arkansas
(C00024372)**

1. List of Affiliated Committees:

None

2. List of Pseudonyms:

None

3. Coordinated Expenditure Report:

See attached

4. List of 24/48-Hour Reports Filed:

None

11-11-2011 10:10:10 AM

SUMMARY REPORT OF COORDINATED EXPENDITURES

LIST OF COORDINATED EXPENDITURES FOR:

C00024372 DEMOCRATIC PARTY OF ARKANSAS

ASSIGNED TO ANALYST: 320

RELATED COORDINATED EXPENDITURES WERE ALSO MADE BY THE FOLLOWING COMMITTEES:

C00042366 DEMOCRATIC SENATORIAL CAMPAIGN COMMITTEE

ASSIGNED TO ANALYST: 294

5/13/2015

COORDINATED EXPENDITURES

CMTE ID	TRANS CODE	TRANS DATE	TRANS AMOUNT	RPT TYPE	IMAGE NUMBER	MEMO TEXT
H4AR02133	HAYS, PATRICK HENRY					
C00024372	24C	10/10/2014	\$ 77,641.00	12G	14952539626	
C00024372	24C	10/14/2014	\$ 1,500.00	12G	14952539626	
TOTAL:			79,141.00			
S0AR00028	PRYOR, MARK LUNSFORD					
C00042366	24C	05/29/2014	\$ 1,384.62	M6	14020433907	
C00024372	24C	09/14/2014	\$ 3,100.00	M10	14951855907	
C00024372	24C	09/19/2014	\$ 40,000.00	M10	14951855907	
C00024372	24C	09/23/2014	\$ 40,000.00	M10	14951855907	
C00024372	24C	10/01/2014	\$ 45,000.00	12G	14952539625	
C00024372	24C	10/08/2014	\$ 55,000.00	12G	14952539625	
C00024372	24C	10/10/2014	\$ 85,000.00	12G	14952539625	
C00024372	24C	10/21/2014	\$ 70,740.00	30G	14953163160	
TOTAL:			340,224.62			