

Reports Analysis Division

(RAD)

Review Process





Organization of RAD

3 Branches

- **Party/Non-Party Branch – 21 analysts**
 - ▶ Review all Party and PAC reports
 - ▶ 4-5 Month training program and mentored for 6-12 months
- **Authorized Branch – 15 analysts**
 - ▶ Review all federal candidate committee reports
 - ▶ 2 Month training program and mentored for 6-12 months
- **Compliance Branch – 4 analysts**
 - ▶ Implement the non-filer and Administrative Fine programs

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A. Organization of RAD

1. Three Branches

- a) Party/Non-Party Branch – review all party committees and PAC reports – 21 analysts. New analysts undergo a 4-5 month training process and are then mentored by a more senior analyst for 6 to 12 months.
- b) Authorized Branch – review federal candidate committees' reports – 15 analysts. New analysts undergo a 2 month training process and are then mentored by a more senior analyst for 6 to 12 months.
- c) Compliance Branch – serve a quality control function for the review branches and implement the non-filer and Administrative fines programs – 4 analysts
- d) Recently began cross training analysts to review reports filed by all committee/entity types.



PAC/Party Analysts

- Each analyst is assigned 200-400 committees
- PACs with are assigned randomly
- Larger PACs assigned to more senior analysts
- National committees assigned to more senior analysts, State party committees assigned by state, Local parties assigned randomly

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2. **Committee Assignments – Party/Non-Party Branch**
 - a) Party/Non-Party Branch analysts are assigned anywhere from 200 to 400 committees (parties and PACs).
 - b) PACs are assigned randomly with the larger ones being assigned to more senior analysts.
 - c) National Committees are assigned to the more senior analysts, State Party committees are assigned by state, so that the assigned analyst reviews both the Democratic and Republican state parties, Local parties are assigned randomly.



Authorized Branch Analysts

- Each analyst is assigned 200-350 committees
- House and Senate campaigns assigned by state
- Presidential and Delegate committees are assigned to senior analysts
- All others are assigned at random

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- 3. Committee Assignments – Authorized Branch**
 - a) Authorized Branch analysts are assigned anywhere from 200 to 350 committees (House, Senate, Presidential, Delegate, Joint Fundraising, Independent Expenditures and Electioneering).
 - b) House and Senate Campaign committees are assigned by state
 - c) Presidential and Delegate committees are assigned to more senior analysts.
 - d) All others are assigned randomly.



Analyst Responsibilities

- Review assigned committees' reports by established deadlines
- Assist committees by phone and log calls
- Meet with committees by request
- Participate in FEC conferences
- Special projects

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4. **Analyst Responsibilities**
 - a) Review all reports filed by assigned committees by established deadlines.
 - b) Customer service role – assist committees on the phone on a daily basis and log phone calls. Meet with Committees by request. Participate in conference workshops and lunch tables.
 - c) Special projects



RAD Review and Referral Policy

- RAD reviews according to a policy with confidential thresholds that is approved by the Commission.
- The Commission reassesses the policy every election cycle with input from RAD and other offices (i.e., OGC).

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B. RAD Review of Reports

1. RAD Review and Referral Policy

- a) Policy is approved by the Commission.
- b) Policy is reassessed every election cycle and revisions/changes made based on input from RAD and other offices (such as OGC), and Commissioners. A redacted version of the RAD Review and Referral Policy can be found on the RAD web page.



RAD Review and Referral Policy

- Categories of review include:
 - ▶ Prohibited, Excessive and Impermissible Contributions
 - ▶ Mathematical Discrepancies
 - ▶ Failure to Provide Supporting Schedules
 - ▶ Failure to Properly Itemize Contributions from Individuals
 - ▶ Failure to Properly Itemize Disbursements
- RFAI threshold

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- c) Internal policy contains thirty categories of review the analyst checks, such as: Prohibited, Excessive and Impermissible Contributions; Mathematical Discrepancies; Failure to Provide Supporting Schedules; Failure to Properly Itemize Contributions from Individuals; and Failure to Properly Itemize Disbursements, to name a few.
- d) Policy has established thresholds for making determination on whether to send a Request for Additional Information (RFAI).
- e) Thresholds are confidential.



Review of Reports

- Thresholds are applied on a per report basis. Exception: increased and decreased activity on amended reports is also assessed on a two year election cycle basis.
 - If reoccurring reporting issues exist on multiple reports, a committee may receive multiple RFAIs identifying the same issue.
 - RAD does not consider previous responses to RFAIs.
 - Exception: Responses relating to best efforts procedures apply for the two year election cycle
- It's possible to see an issue questioned on one report, but not on another.

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- f) Review is conducted and thresholds are applied on a per report basis. (Exception: Increased and decreased activity on amended reports is also assessed on a two year election cycle basis.)
- 1) This means a committee may receive a RFAI which includes the same issue already addressed in response to a RFAI referencing a different report.
 - Exceptions include outlining Best Efforts procedures which would apply to the two-year cycle.
 - 2) There may be several issues that are aggregated together to meet a single threshold, so it's possible to see an issue questioned on one report that isn't included in an RFAI on for another report.



Request for Additional Info

- If internal thresholds are met, analyst sends RFAI with response due date in upper right corner
- No extensions
- Responses assessed by analysts, team leaders
- Analysts do not reply to committee responses

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Request for Additional Info

RQ-2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543
October 23, 2011

Lorena De Fazio, Treasurer
123 Schlemel Street North
Milwaukee, WI 53223

Identification Number: 000000000

Reference: July Monthly Report (07/11-09/11) and September Monthly Report (09/11-09/11)

Dear Ms. De Fazio:

This letter is generated by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. An adequate response must be received at the Commission by the response date noted above. An itemization of the information needed follows:

*Commission Regulations require that a committee disclose the identification of all individuals who contribute in excess of \$300 in a calendar year. (11 CFR §104.3(a)(4)(i)) Identification for an individual is defined as the full name, mailing address, occupation and name of employer. (11 CFR §100.12) Your report discloses contributions from individuals for which the identification is not complete.

You must provide the missing information, or if you are unable to do so, you must demonstrate that "best efforts" have been used to obtain the information. To establish "best efforts," you must provide the Commission with a detailed description of your procedures for requesting the information. Establishing "best efforts" is a three-fold process.

First, your original solicitation must include a clear and conspicuous request for the contributor information and must inform the contributor of the requirements of federal law for the reporting of such information. (11 CFR §104.70(b)(1))

Response Due Date:
November 23, 2011

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Request for Additional Info

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. Requests for extensions of time in which to respond will not be considered.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended.

If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1166.

Sincerely,

Bradley Matheson
Senior Campaign Finance Analyst
Reports Analysis Division

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Analyst Phone
Number

Analyst Name

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- C. **Request for Additional Information (RFAI)**
1. **If internal thresholds are met, an RFAI is sent**, with a Response Due Date in the upper right hand corner of the letter, extensions are not granted.



Responding to RFAs

- Analysts do not contact committees in every case when a response is not sufficient
- Committee should contact its analyst before and/or after filing a response
- Analysts do not make legal conclusions
- Analysts cannot categorize your activity
- In some cases, RAD consults OGC before sending an RFAI and when assessing a committee's response

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2. **Responses are assessed by the analysts and in some cases, team leaders.**
 - a) Analysts do not reply to responses.
 - b) Contact is not made with committees in every case when a response is not adequate due to insufficient resources.
Further explanation below.
 - c) Committees are encouraged to contact their assigned analyst prior to responding if unsure about how to respond or after a response is filed to ensure an adequate response is received.
 - d) Keep in mind that analysts can't make legal conclusions or give guidance on a legal conclusion being made by a committee. In addition, they cannot determine what category your activity falls under (i.e., independent expenditures or coordinated party expenditures).
 - e) In some cases, RAD consults with OGC before sending a RFAI and when making a response assessment.



Responding to RFAIs

- File amendment to add, change or delete actual entries on FEC report
- Use miscellaneous text submission (Form 99) for narrative responses that do not affect actual entries within a report (e.g., demonstrating best efforts)

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3. **Must amend report when changing information that affects actual entries on a report.** This would include additions, changes or deletions.
4. **Miscellaneous Text Submission (Form 99)** used for narrative responses that do not affect actual entries within a report. (For example: when outlining procedures for “Best Efforts” in obtaining contributor information.)



Audit Consideration Factors

- Level of financial activity
- Responses to RFAIs
 - ✓ Late or no response
 - ✓ Inadequate response
- Election Results (Authorized Committees only)
- Number of amendments filed is NOT a factor
- Number of RFAIs received is NOT a factor if responses were adequate and timely

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D. Referrals to the Audit Division

1. **Factors for making referrals to the Audit Division:**
 - a) Level of financial activity;
 - b) Responses to RFAIs:
 - (i) Late or no response.
 - (ii) Inadequate response.
 - c) Election Results (Authorized committees only)
2. **The number of amendments filed is not a factor.**
3. **The number of RFAIs is not a factor** if responded to adequately and on time.



OGC & ADRO Referrals

- Policy includes referral thresholds
- RAD calls committee before referring to OGC or ADRO to explain RFAI and request response
- Adequate and timely response may prevent referral

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E. Referrals to OGC (Office of General Counsel) and ADRO (Alternative Dispute Resolution Office)

1. Internal policy includes thresholds for determining whether a matter should be referred to OGC or ADRO.
2. Committee will receive a phone call from RAD prior to a referral to ADRO or OGC to explain RFAI and request a response.
3. An adequate response is required by the timeframe given to prevent the matter from being referred.



Contact Information

- Ensure that committee's most current mailing address, email address and phone number appear on Statement of Organization (FEC Form 1). Often RFAs are returned by the Post Office due to an incorrect mailing address.
- RAD Process change—RFAs are now being sent via email. Ensure valid e-mail address is provided on Form 1. (Opt-Out Option: File a Form 99 to request that RFAs be mailed via USPS.)

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4. Committees should ensure that they have provided the most current mailing address, email address and phone numbers on their Statement of Organization (FEC Form 1). Often RFAs are returned by the Post Office due to an incorrect mailing address. RAD began sending RFAs via e-mail in October 2011. Committees still have the option to continue to receive RFAs on paper through the mail; to opt out of receiving RFAs via e-mail, the committee should file a Miscellaneous Text Submission (Form 99) indicating this.

RAD Contact Numbers
202-694-1130 or 1-800-424-9530 (press 5)

We encourage you to call your Campaign Finance Analyst for assistance.

We are here to help!

