

September 19, 2019

**SENT VIA EMAIL**

Federal Election Commission  
Office of Complaints Examination and Legal Administration  
Attn: Christal Dennis, Paralegal  
1052 First Street, NE  
Washington, DC 20463

RE: Renacci for US Senate, RR 19L-20

Dear Ms. Dennis:

On behalf of Renacci for US Senate (“the Committee”), please accept this response in regard to RR 19L-20. The Reports Analysis Division (“RAD”) concluded the Committee violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3 by failing to timely report \$4,001,590.00 in receipts and \$4,012,908.93 in disbursements on its 2018 July Quarterly Report, and \$500,188.57 in disbursements on its 2018 12 Day Pre-General Report. The Committee respectfully requests the Federal Election Commission (“Commission”) refrain from taking any further action at this time.

**Background**

In the 2017-2018 election cycle, Mr. Renacci was serving in the United States House of Representatives. From March 2017 until January 2018, Mr. Renacci was a candidate for governor of Ohio. After dropping out of that race in January 2018, he became a candidate for United States Senate in Ohio. As a candidate in two separate elections, in direct succession and within a close period, the reporting requirements for each campaign became a complex matter of accounting and compliance. Renacci for US Senate was the authorized campaign committee of then-Congressman James Renacci, which employed RW Corwin & Company to provide FEC reporting consulting services. This matter arises from amendments to the Committee’s 2018 July Quarterly Report and 2018 12 Day Pre-General Report.

**Discussion***2018 July Quarterly Report Issues*

For his 2018 senate campaign, Mr. Renacci provided the Committee with a personal loan in the amount of \$4 million. The original July Quarterly report disclosed the candidate loan on Schedule C, designated to the 2018 primary election, including the loan amount and the cumulative payment made, with the date incurred, specified there was no due date and no interest, but forgot to check the box that this was the “Personal Funds of the Candidate.” The Committee received a Request for Additional Information that asked for the Committee to clarify whether or not the loan was personal funds of the candidate.

When the Committee’s reporting consultants realized the transactions related to the loan were improperly reported on the original report, the consultants discussed with the Committee’s analyst how to properly account for and disclose the loan and address the RFAI. The reporting consultant informed the analyst that the loan, originally designated to the primary election, was going to be rolled over and used for the general election. The Committee analyst instructed the consultant to amend the report to also show the repayment of the primary loan to the candidate, to clear the primary balance, and report the loan as received again but this time designated to the general election. The Committee amended its report as instructed by the analyst to correct this error and the report.

The reporting consultants were not aware the report must reflect these specific and sequenced transactions—the receipt and repayment of the loan designated to the primary election, and the receipt of a new loan designated to the general election—on Lines 13(a) and 19(a), within the same report, given the primary election ended and the general election began within the same period. From an accounting perspective, the necessity to report the loan transactions in this manner was not apparent because the amounts reported for the loan were unchanged. Amending the report to make the required changes did result in a change in the total amount of receipts and disbursements disclosed, but there was no net effect or resulting changes to the cash on hand balance of the Committee. Failing report this loan accurately was an unintentional error and the first time the Committee made this type of mistake.

### *2018 12 Day Pre-General Report Issues*

The Committee amended its original report to disclose an additional \$500,188.75 in total disbursements. This change was primarily due to one operating expenditure paid to one vendor for services and due to an oversight was erroneously left out of the original report.

The Committee incurred an expense in the amount of \$500,000 to a single vendor for services provided. The Committee made this payment to the vendor via a wire transfer directly from a segregated account used to house the candidate's loan, from which funds were otherwise not disbursed for campaign activity. The reporting consultants did not receive the regularly scheduled investment account statements reflecting this payment until after the report was due and filed and were unaware it occurred.

Upon receiving the investment account statements, the reporting consultants conducted reconciliations of the Committee's accounts. The reporting consultants discovered this single wire transaction occurred in the reporting period and the disbursement was not included on the Committee's report. After realizing this oversight, the reporting consultants promptly amended the Committee's report.

### **Conclusion**

For each issue discussed above, the Committee, through its reporting consultants, filed reports in good faith, with the intent of fully complying with federal campaign finance law. The errors identified in these reports were initially identified or brought up to the analyst by the Committee and promptly corrected. The Commission should refrain from taking administrative action against the Committee for being proactive and taking the necessary steps to correct their errors.

For these reasons, the Committee respectfully requests the Commission exercise its broad equitable and enforcement discretion to refrain from pursuing any further enforcement action.

Respectfully submitted,



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