Federal Election Commission
Washington, DC 20463

SENSITIVE

MEMORANDUM

TO: The Commission

THROUGH: James A. Pehrkon
Staff Director

FROM: Allan D. Silberman
Director, ADR Office

BY: Lynn M. Fraser
Assistant Director, ADR Office

SUBJECT: Case for ADR Activation

DATE: December 8, 2003

On November 17, 2003, the ADR Office (ADRO) received from the Reports Analysis Division (RAD) referral 03-01, to review and determine its appropriateness for ADR processing. Based on that review, we determined that this case **ADR 146/RAD 03-01** is appropriate for ADR and recommend that it be assigned to the ADR Office for processing. The Office of General Counsel (OGC) concurs in the description of this matter.

ADR 146/RAD 03-01:

RAD referred the matter after Respondents failed to correct math discrepancies totaling approximately $2,366,274 during the 2001-2002 election cycle. RAD attributed some of the math errors to incorrect election cycle-to-date figures on the summary and detailed summary pages. In addition, on two occurrences there was a discrepancy between the ending cash-on-hand amount on one report and the beginning cash-on-hand amount on the following report. RAD concluded also that the Committee appears to have continually filed reports with the Column B figures being aggregated on a calendar year-to-date basis rather election-cycle-date basis.

Recommendation: We recommend that ADR 146/RAD 03-01 be assigned to the ADR Office for processing.

ADR CASE ANALYSIS REPORT

ADR Case 146

RAD Referral 03-01

Respondents:
Friends of John Conyers
M. Mickey Williams, Treasurer

Respondent's Rep.: M. Mickey Williams, Treasurer

Committee Type: Authorized

Date Forwarded to ADRO: 11/17/03

Committee Name: Friends of John Conyers

Date Reviewed by ADRO: 11/21/03

District #/or State: MI CD 14

Election Cycle: 2001-2002

Election - Won/Lost: Won

Summary of Referral: Respondents failed to correct math discrepancies totaling approximately $2,366,274 during the 2001-2002 election cycle. RAD attributed some of the math errors to incorrect election cycle-to-date figures on the summary and detailed summary pages. In addition, on two occurrences there was a discrepancy between the ending cash-on-hand amount on one report and the beginning cash-on-hand amount on the following report. Reports filed in 2001 did not include approximately $54,848 in election cycle activity from the 2000 30-Day Post General and the 2000 Year-End Reports. In addition, reports filed in 2002 did not include approximately $318,374 from the 2001 Mid-Year and Year-End Reports. RAD concluded also that the Committee appears to have continually filed reports with the Column B figures being aggregated on a calendar year-to-date basis rather election-cycle-date basis.

Alleged Violations: 2 U.S.C. § 434(b)(2), 11 C.F.R. §§ 104.3(a)(3), 104.3(b)(2), 104.3(c)

Respondents' Reply to RAD: Respondents did not respond to RAD's Requests for Additional Information for reports in this election cycle, nor did the treasurer respond to a voicemail message left by a RAD analyst in September 2003.

Analysis: The statute specifies what information is to be included in each report filed with the Commission, which is reiterated with specific detail in the regulations.

Issues:

- Contents of reports for the reporting period and election cycle 2 U.S.C. § 434(b)(2)
- Reporting of receipts; categories of receipts for authorized committees 11 C.F.R. § 104.3(a)(3)
- Reporting of disbursements; categories of disbursements for authorized committees 11 C.F.R. § 104.3(b)(2)
- Summary of contributions and operating expenditures 11 C.F.R. § 104.3(c)

Related FEC Experience/Guidance: In reviewing prior matters, respondents were usually required to file amended reports to correct discrepancies, and pay a civil penalty.

ADR Recommendation: Assign to ADR

FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

November 17, 2003

RAD 03-01

24-16-025-3001

MEMORANDUM

TO: ALLAN D. SILBERMAN
DIRECTOR, ALTERNATE DISPUTE RESOLUTION

THROUGH: JAMES A. PEHRKON
STAFF DIRECTOR

ROBERT J. COSTA
DEPUTY STAFF DIRECTOR

FROM: JOHN D. GIBSON
ASSISTANT STAFF DIRECTOR
REPORTS ANALYSIS DIVISION

SUBJECT: REFERRAL OF FRIENDS OF JOHN CONYERS

The Friends of John Conyers Committee ("the Committee") has failed to correct math discrepancies totaling approximately $2,366,274.23 during the 2001-2002 election cycle. In accordance with the 2001-2002 RAD Review and Referral Procedures for Authorized Committees (Standard 3) and the 2002 Guidelines for Referrals to Alternative Dispute Resolution (ADR), a review by your office is required.

The Committee supports Mr. John Conyers, a Democratic incumbent candidate for the United States House representing the Michigan 14th District, in the 2002 General Election held on November 4, 2002. Congressman Conyers won the General Election with 83% of the vote. The Committee accrued 22 audit points during the 2001-2002 election cycle.

Please note that the Committee has continued to file reports in the 2003-2004 election cycle with incorrect election cycle-to-date figures and to date no corrective action has been taken by the Committee.

Please apprise me of your determination by 12/03/03.

Copies of any reports or letters, either filed by the Committee or sent by the Reports Analysis Division, and referenced in this referral are available for your review on the FEC Imaging System or the web site.

If you have any questions regarding this referral, please contact Leah S. Palmer at 694-1154.

Attachments

REPORTS ANALYSIS REFERRAL

DATE: November 17, 2003

ANALYST: Leah Palmer

I. COMMITTEE: Friends of John Conyers
C00008201
M. Mickey Williams, Treasurer
12138 Central Avenue, Suite 194
Mitchellville, MD 20721

II. RELEVANT STATUTE: 2 U.S.C. §434(b)(2)
11 C.F.R. §104.3(a)(3)
11 C.F.R. §104.3(b)(2)
11 C.F.R. §104.3(c) (d)

III. BACKGROUND:

The Friends of John Conyers Committee ("the Committee") failed to correct math discrepancies totaling approximately $2,366,274.23 during the 2001-2002 election cycle. Specifically, the math errors were attributed to incorrect election cycle-to-date figures on the summary and detailed summary pages of all reports filed during the election cycle and for two occurrences where a discrepancy exists between the ending cash-on-hand amount on one report and the beginning cash-on-hand amount on the subsequent report.

All reports filed by the Committee in 2001 and 2002 contained discrepancies in the Column B, Election Cycle-to-Date totals provided. These discrepancies totaled approximately $2,349,039.16.[1] All reports filed by the Committee for 2001 did not include approximately $54,848.84 in election cycle activity from the 2000 30-Day Post General and the 2000 Year-End Reports. In addition, all reports filed by the Committee in 2002 did not include approximately $318,374 in election cycle financial activity from the 2001 Mid-Year and Year-End Reports or the $54,848.84 amount from 2000. The Committee appears to have continually filed reports with the Column B figures being aggregated on a calendar year-to-date basis rather than an election cycle-to-date basis. None of the Requests for Additional Information (RFAIs) and Second Notices sent by the Reports Analysis Division to the Committee during the election cycle received a response.

[1] These figures are approximate since the Committee's 2000 30-Day Post General Report contained $351 in un-itemized receipts and $20,290.32 in un-itemized disbursements. Therefore, the figures for the election cycle to date discrepancies may vary if any of the un-itemized transactions occurred after November 7, 2000.

In addition, mathematical errors totaling $17,235.07 exist regarding the cash-on-hand amount at the beginning of a reporting period not equaling the ending cash-on-hand amount at the end of a reporting period from the previously filed report. This occurred on two separate filings.

The Committee filed a 2002 12-Day Pre-Primary Report on July 24, 2002 (microfilm #22991490481). The Committee's cash-on-hand figure at the beginning of the reporting period, $120,113.87, was less than the cash-on-hand amount, $127,423.08, at the end of the previous reporting period (2002 July Quarterly report), a discrepancy of $7,309.21. An RFAI was sent to the Committee on October 22, 2002 (microfilm #22037811029) for the 12-Day Pre-Primary Report. The RFAI requested that the Committee file an amendment to correct the cash balance discrepancy. The Committee did not respond to this notice. A Second Notice was sent on November 14, 2002 (microfilm #22037843351). The Committee, again, did not respond to the notice.

The Committee filed a 2002 October Quarterly Report[2] on October 15, 2002 (microfilm #22992215256). The Committee's cash-on-hand figure for the beginning of the reporting period, $85,722.98, was less than the cash-on-hand amount $95,648.84, at the end of the previous reporting period (12-Day Pre-Primary Report), a discrepancy of $9,925.86. An RFAI was sent to the Committee on February 25, 2003 (microfilm #22037994127) regarding the 2002 October Quarterly Report. The RFAI requested that the Committee file an amendment to correct the cash balance discrepancy. The Committee did not respond to this notice. A Second Notice was sent on March 20, 2003 (microfilm #22038020570). The Committee, again, did not respond to the notice.

On September 16, 2003, the RAD Analyst called the committee's treasurer, Mr. M. Mickey Williams (Attachment #2). Mr. Williams was not available so the analyst left a message stating that the committee was facing a possible referral and asking him to return the call as soon as possible. The analyst's call has not been returned.

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

[2] The Committee filed the October Quarterly Report as an amended report, although a new report was never filed