



From: RAD  
To: Alva Smith - CELA

RAD REFERRAL: 04L-10

TITLE: OAKLAND DEMOCRATIC PARTY

DATE RECEIVED: August 25, 2004

DATE TRANSMITTED: August 25, 2004

NOTES:

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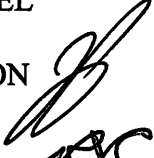
FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463


04L-10


**MEMORANDUM**

**August 24, 2004**

TO: LAWRENCE H. NORTON  
GENERAL COUNSEL

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 THE OAKLAND COUNTY DEMOCRATIC PARTY

The Oakland County Democratic Party ("the Committee") is being referred to the Office of General Council (OGC), for amending its 2003 Mid Year and Year End Reports, to disclose additional disbursements which in the aggregate equal \$165,581.67 and \$116,694.76, respectively. These numbers represent an increase of 46.3% over disbursements reported within the original 2003 Mid Year Report and an increase of 29.2% over disbursements reported within the original 2003 Year End Report. According to the 2003-2004 RAD *Review and Referral Procedures for Unauthorized Committees* (Standard 7), this matter requires further examination by your office.

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 matter, please contact Brandy Phillips at 694-1130.

Attachment

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## REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: August 24, 2004

ANALYST: Brandy Phillips

I. COMMITTEE: Oakland County Democratic Party (C00040857)  
Richard Wallace, Treasurer  
515 S Lafayette Avenue, Suite C  
Royal Oak, MI 48067

II. RELEVANT STATUTE: 2 U.S.C. §434(b)(4)(A) and (C)  
11 C.F.R. §104.3(b)(1)(i)(A) and (B)  
11 C.F.R. §104.3(b)(1)(ii)

III. BACKGROUND:

**Failure to Disclose All Financial Activity**

The Oakland County Democratic Party ("the Committee") filed an Amended 2003 Mid Year Report on May 30, 2004 and an Amended 2003 Year End Report on February 3, 2004, to disclose additional disbursements totaling \$165,581.67 and \$116,694.76, respectively.

**2003 Mid Year Report**

On July 31, 2003, the Committee filed the 2003 Mid Year Report covering the period from January 1, 2003 through June 30, 2003. This original report disclosed \$357,004 in disbursements on Line 21(b) (other federal operating expenses) and no disbursements on Line 22 (transfers to affiliated committees) of the Detailed Summary Page (image# 23991642582).

On October 31, 2003, the Committee filed an Amended 2003 Mid Year Report covering the period from January 1, 2003 through June 30, 2003. This

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amended report disclosed \$406,789.56 in disbursements on Line 21(b) (other federal operating expenses) and \$275.00 in disbursements in Line 22 (transfers to affiliated committees) of the Detailed Summary Page, which totaled \$50,060.56 in additional disbursements (image# 23992235364).

On November 12, 2003, a Request for Additional Information (RFAI) was sent to the Committee. The RFAI asked for clarification regarding the \$50,060.56 in additional disbursements that were not disclosed on the Committee's original 2003 Mid Year Report (image# 23038241149).

On December 12, 2003, the Committee filed a miscellaneous document in response to the RFAI which stated, "The additional disclosure was prompted by the FEC letter of 10-1-2003 regarding lack of administrative expenses on the original Mid- Year report. At the time of filing the original report, I believed that all expenses had been properly disclosed" (image# 23992447543).

On May 30, 2003, the Committee filed an Amended 2003 Mid Year Report which disclosed \$493,985.67 in disbursements on Line 21(b) (other federal operating expenses) and \$28,600 in disbursements on Line 22 (transfers to affiliated committees) of the Detailed Summary Page, which totaled \$115,521.11 in additional disbursements over what was disclosed on the previous amendment (image# 24961503711).

On June 9, 2004, a Request for Additional Information (RFAI) was sent to the Committee. The RFAI asked for clarification regarding the \$115,521.11 in additional disbursements that were not disclosed on the Committee's Amended 2003 Mid Year Report, received October 21, 2004 (image# 24038424341).

On July 16, 2004, the Reports Analysis Division (RAD) Analyst called Mr. Richard Wallace, Treasurer of the Committee. The Analyst informed Mr. Wallace that a response had not been received from the Committee regarding the additional disbursements disclosed on the 2003 Mid Year Report. Mr. Wallace stated that he thought the issue was addressed in the miscellaneous document filed on May 28, 2004. The Analyst stated that the document referenced the 2004 April Quarterly Report and not the Amended 2003 Mid Year Report, received May 30, 2004 and advised Mr. Wallace to file a response referencing the Amended 2003 Mid Year Report (Attachment 2).

On July 16, 2004, the Committee filed a miscellaneous document which stated, "After a review of our 2003 financial records, it came to our attention that a number of transactions were erroneously omitted or incorrectly reported on two 2003 reports. Once these errors were detected, the transactions were corrected or

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included in the amended reports and those amended reports were then filed with the FEC” (image# 24961877860).

To date, no further communication has been received from the Committee regarding the Amended 2003 Mid Year Report.

### **2003 Year End Report**

On January 31, 2004, the Committee originally filed the 2003 Year End Report covering the period from July 1, 2003 through December 31, 2003. This original report disclosed \$373,265.48 in disbursements on Line 21(b) (other federal operating expenses) of the Detailed Summary Page (image# 24990432265).

On February 3, 2004, the Committee filed an Amended 2003 Year End Report which disclosed \$489,960.24 in disbursements on Line 21(b) (other federal operating expenses) of the Detailed Summary Page, which totaled \$116,694.76 in additional disbursements (image# 24990473167).

On February 11, 2004, an RFAI was sent to the Committee. The RFAI asked for clarification regarding the \$116,694.76 in additional disbursements that were not disclosed on the Committee’s original 2003 Year End Report (image# 24038320244).

On February 19, 2004, the Committee responded to the RFAI by stating that “The additional disclosure was prompted by a review of the original report, during which it was detected that some transactions were omitted in error. The amended report with the omitted transactions was filed as soon as the error was discovered (2 business days later)” (image# 24990530591).

To date, no further communication has been received from the Committee regarding the Amended 2003 Year End Report.<sup>1</sup>

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<sup>1</sup> On May 28, 2004, the Committee filed an Amended 2003 Year End Report which disclosed \$146.00 in additional disbursements on Line 21(b) (other federal operating expenses) of the Detailed Summary Page.

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OAKLAND COUNTY DEMOCRATIC PARTY  
Wallace, Richard  
FILING FREQUENCY MONTHLY

515 S Lafayette Ave

Royal Oak

PARTY QUALIFIED  
MI 48067

ID #C00040857

FORM TYPE RPT TYPE AI PGI REC DATE PGS BEG IMAGE COVERAGE DATES BEG CASH RECEIPTS DISBURSE END CASH DEBTS BY

1			A		2/11/2003	4	23990367259							
1			A		2/26/2003	4	23990461055							
1			A		3/12/2004	4	24990754917							
MS			T		12/12/2003	1	23992447543							
MS			T		2/19/2004	1	24990530591							
MS			T		5/28/2004	1	24991216697							
MS			M		5/29/2004	1	24961503693							
MS			O		6/02/2004	2	24038422691							
MS			T		6/15/2004	1	24961574134							
MS			T		7/16/2004	1	24961877860							
RQ	MY	2			10/01/2003	3	23038211876	1/01/2003	6/30/2003					
RQ	MY	2			11/12/2003	3	23038241149	1/01/2003	6/30/2003					
RQ	MY	2			6/09/2004	3	24038424341	1/01/2003	6/30/2003					
RQ	YE	2			2/11/2004	3	24038320244	7/01/2003	12/31/2003					
RQ	Q1	2			4/28/2004	3	24038394497	1/01/2004	3/31/2004					
RQ	M5	2			6/09/2004	3	24038424344	4/01/2004	4/30/2004					
3	MY	N	P		7/31/2003	219	23991642579	1/01/2003	6/30/2003	20179	533979	357004	197154	0
3	MY	A	P		10/31/2003	242	23992235361	1/01/2003	6/30/2003	20179	533979	407064	147093	0
3	MY	A	P		5/30/2004	297	24961503708	1/01/2003	6/30/2003	20179	536415	522585	34008	0
3	YE	N	P		1/31/2004	287	24990432262	7/01/2003	12/31/2003	147093	492332	400215	239210	0
3	YE	A	P		2/03/2004	365	24990473164	7/01/2003	12/31/2003	147093	492680	516910	122864	0
3	YE	A	P		5/28/2004	366	24971245615	7/01/2003	12/31/2003	34008	493134	517058	10084	0
3	Q1	N	P		4/15/2004	130	24991028981	1/01/2004	3/31/2004	10084	262449	258227	14306	0
3	M5	N	P		5/20/2004	56	24961447408	4/01/2004	4/30/2004	14306	79205	77885	15626	0
3	M6	N	P		6/17/2004	67	24961601939	5/01/2004	5/31/2004	15626	84672	83121	17177	0
3	M7	N	P		7/20/2004	67	24971351536	6/01/2004	6/30/2004	17177	79826	78866	18137	0

OAKLAND COUNTY DEMOCRATIC PARTY  
Wallace, Richard  
FILING FREQUENCY MONTHLY

515 S Lafayette Ave

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PARTY QUALIFIED  
MI 48067

ID #C00040857

FORM TYPE RPT TYPE AI PGI REC DATE PGS BEG IMAGE COVERAGE DATES BEG CASH RECEIPTS DISBURSE END CASH DEBTS BY

3	M8	N	P		8/20/2004	67	24971383047	7/01/2004	7/31/2004	18137	85661	89476	14322	0
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TOTAL

1621362

1627218

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