



**Federal Election Commission
Washington, DC 20463**

March 16, 2007

Karl Sandstrom, Esq.
Perkins Coie
607 14th Street, NW
Washington, DC 20005

Re: ADR # 339
Friends of John Conyers and M. Mickey Williams, Treasurer

Dear Mr. Sandstrom:

Enclosed is the signed copy of the agreement resolving the referral initiated on June 14, 2006 with the Federal Election Commission ("FEC/Commission") against Friends of John Conyers and M. Mickey Williams, Treasurer ("Respondents"). The agreement for ADR 339 (AR 06-02) was approved by the Commission on March 2, 2007 - the effective date of the agreement.

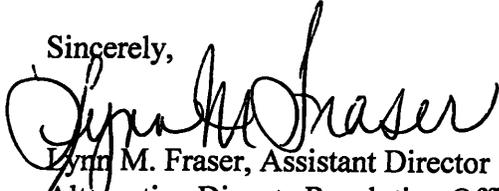
Note that paragraph 12 of the agreement specifies that Respondents shall comply with the terms of this settlement within thirty (30) days of the effective date of the agreement. Please forward to this office, a statement confirming Respondent's compliance with the terms listed in paragraph 9 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 9.

As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the referral, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your

assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,



Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office
202-694-1665

Enclosure: Agreement

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**Federal Election Commission
Washington, DC 20463**

Case Number ADR 339
Source AR 06-02
Case Name Friends of John Conyers

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, ("FECA") and resolve this matter, the Commission entered into negotiations with Karl Sandstrom, Esq., representing the Friends of John Conyers and Mickey Williams, in his official capacity as Treasurer ("the Committee" or "Respondents"). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures ("ADR") is guided by "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. Respondents voluntarily enter into this agreement with the Commission.
3. The Audit Division referred Respondents for failing to sufficiently disclose all receipts, failing to timely deposit receipts, failing to properly disburse funds, and failing to maintain an accurate record of disbursements. Specifically, the Audit staff determined that Respondents did not disclose adequate information for itemized contributions from individuals and political action committees. The audit also found that the Committee failed to deposit, in a timely manner, fifty-five (55) checks from individual contributors. In addition, the Audit staff determined that the Committee made sixty-nine (69) cash withdrawals from one of its bank accounts, and failed to maintain adequate records for cash withdrawals. The Committee was unable to provide documentation to demonstrate that the cash withdrawals complied with the law.
4. The FECA requires political committees develop accounts for all financial activity, to maintain records and copies of reports, and to adequately disclose receipts and disbursements to the Commission. 2 U.S.C. § 434(a)(1), 11 C.F.R. § 104.3. The

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regulations also specify that all funds received by the committee must be deposited in the appropriate account within ten (10) days of treasurer's receipt 11 C.F.R. § 103.3(a).

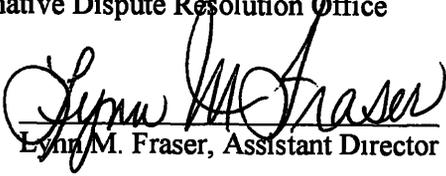
- 5 An authorized candidate committee must itemize any contribution from an individual if it exceeds \$200 per election cycle, either alone or when aggregated with other contributions by the same contributor. The itemization of contributions from individuals requires the Committee to disclose the full name and address of each contributor, as well as the contributor's occupation and name of employer, the date the Committee received the contribution, the amount of the contribution, and the election cycle-to-date total of all contributions from the same individual 2 U.S.C. § 434(b)(3), 11 C.F.R. §§ 100.12, 104.3(a)(4)
6. The FECA requires political committees to make all disbursements, except those from a petty cash fund in amounts not to exceed \$100, by check or similar draft drawn on a committee account 2 U.S.C. § 432(h), 11 C.F.R. § 102.10.
7. The Act also requires the Committee to record and maintain the details of each disbursement, and maintain the receipts, or invoices for each disbursement. 2 U.S.C. §§ 432(c)(5), 432(d), 11 C.F.R. § 102.9
8. Respondents acknowledge inadvertent errors and omissions, but contend that they worked with the Audit staff to implement all recommendations Respondents further contend that they hired a professional accounting firm, with election law expertise, to assist with compliance
- 9 Respondents, in an effort to avoid similar errors in the future, agree to (a) work with Commission staff to terminate the Committee, and (b) pay a civil penalty of \$3,000
- 10 Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746
11. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance
- 12 This agreement shall become effective on the date signed by all parties and approved by the Commission Respondents shall comply with the terms within thirty (30) days from the effective date of this agreement
- 13 This Negotiated Settlement constitutes the entire agreement between the parties on ADR 339 (AR 06-02), and effectively resolves the issues identified in paragraph 3 above No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable

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FOR THE COMMISSION:

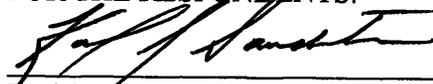
Deborah Kant, Director
Alternative Dispute Resolution Office

By


Lynn M. Fraser, Assistant Director

03/01/07
Date Signed

FOR THE RESPONDENTS:


Karl Sandstrom, Esq
Representing Friends of John Conyers and
M Mickey Williams, Treasurer

2/13/2007
Date Signed

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