

## REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: November 2, 2006

ANALYST: Karen Trainer

- I. COMMITTEE: Michigan Republican Party (C00041160)  
Carl Meyers, Treasurer  
520 Seymour St.  
Lansing, MI 48933
- II. RELEVANT STATUTE: 2 U.S.C. § 434(b)(8)  
11 C.F.R. §104.3(c)(1)(i)  
11 C.F.R. §104.11(b)
- III. BACKGROUND:

**Failure to Provide Supporting Schedules (Failure to Disclose All Financial Activity)**

The Michigan Republican Party (“the Committee”) filed an Amended 2006 May Monthly Report to disclose additional outstanding debt(s) totaling \$147,183.40<sup>1</sup> (Attachment 2).

On May 19, 2006, the Committee filed a 2006 May Monthly Report covering the reporting period of April 1, 2006 through April 30, 2006 (Image 26950121571). This report disclosed \$0.00 on Line 10 (Debts and Obligations owed by the Committee) of the Summary Page (Image 26950121572).

On June 6, 2006, Henrietta Tow, Assistant Treasurer of the Committee, called the Reports Analysis Division (“RAD”) analyst regarding voter identification activity that had taken place in April. She stated that the activity had taken place between April 10, 2006 and April 26, 2006, outside of the Federal Election Activity time frame for Michigan. Ms. Tow asked how the Committee should disclose a payment for the activity since the Committee had just received the bill and would be making the payment during the Federal Election Activity time frame. The Analyst advised Ms. Tow that the expense should have been reported as a debt to the vendor on Schedule D of the Committee’s 2006 May Monthly Report. The Analyst further stated that the Committee could have reported an estimate of the debt and amended the report when the bill was received. Ms. Tow stated that she was not aware that the Committee could file a report with an

<sup>1</sup> The actual debt amount incurred totaled \$295,058.40; however, a payment of \$147,875 was disclosed on both the original and amended reports, resulting in an outstanding ending balance of \$147,183.40.

estimate. She stated that the Committee would file an amendment to the 2006 May Monthly Report to disclose the debt. Later this same day, Ms. Tow again called the RAD Analyst to reconfirm that the Committee should file an amendment to the 2006 May Monthly Report. The Analyst advised Ms. Tow that a debt exceeding \$500 must be reported on the next report filed by the Committee (Attachment 3).

Subsequently, on June 6, 2006 at 13:34, the Committee filed an Amended 2006 May Monthly Report covering the reporting period of April 1, 2006 through April 30, 2006 (Image 26940181911). This report disclosed \$147,183.40 in outstanding debt(s) on Line 10 (Debts and Obligations owed by the Committee) of the Summary Page (Image 26940181912).

On June 21, 2006, the Committee filed another Amended 2006 May Monthly Report covering the reporting period of April 1, 2006 through April 30, 2006 (Image 26960170930). This report disclosed no change in the amount of outstanding debt(s) disclosed by the Committee on Line 10 (Debts and Obligations owed by the Committee) of the Summary Page (Image 26960170931).

On July 5, 2006, a Request for Additional Information ("RFAI") was sent to the Committee referencing the Amended 2006 May Monthly Report, received June 21, 2006. Among other noted discrepancies, the RFAI sought clarification regarding the \$147,183.40 in debts that were not previously disclosed on the Committee's original 2006 May Monthly Report (Image 26039104488).

On July 17, 2006, Ms. Tow called the RAD analyst regarding the RFAI sent for the Committee's Amended 2006 May Monthly Report, received June 21, 2006. Ms. Tow said that the Committee was going to submit a miscellaneous electronic submission stating that the Committee did not have procedures in place to notify her that the debt had been incurred and that they had since changed their procedures to ensure that all activity would be reported in a timely fashion in the future. The Analyst encouraged Ms. Tow to submit the miscellaneous electronic submission, but stated that it would not be considered an adequate response to the RFAI because it would not change the fact that the activity had not been reported timely. Ms. Tow said that she understood and would file the miscellaneous electronic submission that day (Attachment 3).

Subsequently on July 17, 2006 at 17:05, the Committee filed an Amended 2006 May Monthly Report covering the reporting period of April 1, 2006 through April 30, 2006 (Image 26960235756). This report disclosed no change in the amount of outstanding debt(s) disclosed by the Committee on Line 10 (Debts and Obligations owed by the Committee) of the Summary Page (Image 26960235757). The Assistant Treasurer also filed a miscellaneous electronic submission in response to the RFAI referencing the Amended 2006 May Monthly Report, received June 21, 2006, which stated in part, "the debt was not reported on the original report because our process didn't facilitate immediate notification of the total expenditure. I was off on maternity leave when the expenditure was incurred. When I became aware of the debt, on June 6, I amended the report on the same day. This was after talking to you as to what I should do." (Image 26960235900)

On August 18, 2006, the RAD analyst called Ms. Tow regarding the increase in debts on the Committee's Amended 2006 May Monthly Report. The Analyst left a message stating that the issue was referable to the Office of General Counsel ("OGC") and that the Committee should submit any additional information within the next week. The Analyst also asked that Ms. Tow return her call with any further questions (Attachment 3).

On August 22, 2006, Ms. Tow returned the RAD analyst's call. She left a voicemail message stating that the Committee did not have any further information to submit regarding the increased debts on the Amended 2006 May Monthly Report. When the Analyst returned Ms. Tow's call regarding the OGC matter and another unrelated issue, Ms. Tow asked when the Committee would be contacted by OGC. The Analyst stated that the time frame depended on a number of internal factors but that she would be contacted sometime in the future (Attachment 3).

To date, no further communication has been received from the Committee regarding this matter.

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