



Federal Election Commission
Washington, DC 20463

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2007 DEC -4 P 2:34

SENSITIVE

MEMORANDUM

December 4, 2007

TO: The Commission

THROUGH: Patrina M. Clark *PM*
Staff Director

FROM: John D. Gibson *JG*
Chief Compliance Officer

Deborah Ruth Kant *DRK*
Director, ADR Office

SUBJECT: ADR 433 Trupiano for Congress and Kenneth Kranz, Treasurer¹,
Recommendation to Assign²

ADR Case: ADR 433

Source No. RAD 07L-52

Respondents:
Trupiano for Congress
Kenneth Kranz

Respondents' Rep.:
Kenneth Kranz

Referral: RAD

Committee Name: Trupiano for Congress

Date Referral Filed: 11/26/07

Committee Type: Authorized

Date Forwarded to ADRO: 11/26/07

District #/or State: MI 11th Dist.

Election Cycle: 2006

Election - Won/Lost: Lost

¹ The Treasurer submitted a letter of resignation to the Commission, but the Committee has not officially designated a new treasurer of record to the Commission.

² The Office of General Counsel reviewed the ADR Memorandum, and concurs in the description of the case.

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Summary of the Case: Treasurers of political committees may not report negative cash on hand balances. 11 U.S.C. § 434(b)(8), 11 C.F.R. § 104.3(d). Negative cash balances may indicate that the Committee has debts which should be reported as such and properly reported on Schedule D. Negative cash balances may also constitute prohibited bank contributions if the balances result from an overdraft. In this case, Respondents (or “the Committee”) reported a negative cash balance of \$38,200.95 on its 2006 30 Day Post-General Report and a negative cash balance of \$34,317.31 on its 2006 Year End Report, the 2007 April Quarterly, and the 2007 July Quarterly.³

After several RFAs relating to the negative cash balances on the four reports, the Candidate responded by explaining that there were missing records due to the neglectful finance director⁴. The Candidate further stated that he was facing bankruptcy and currently had a job as a short-order cook. Subsequently, Mr. Kranz, who was still working with the Committee on reporting, explained that he was waiting for bank statements and without them, he could not correct the reports.

RECOMMENDATION:

1. **Assign ADR 433/RAD 07L-52 to the ADR Office.**

³ The Committee’s 2007 October Quarterly reflected the same negative cash balance. RAD has not yet reviewed this report.

⁴ RAD had several conversations with the Committee on the two administrative fine matters relating to the failure to file its 2007 April Quarterly Report and its 2006 Year End Report.

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