



FEDERAL ELECTION COMMISSION
Washington, DC 20463

December 11, 2007

Kenneth Krantz
7236 North Lafayette
Dearborn Heights, MI 48127

Re: ADR 433 (RAD 07L-52)
Trupiano for Congress and Kenneth Krantz, Treasurer

Dear Mr. Krantz:

The Reports Analysis Division of the Federal Election Commission (FEC/Commission) determined that matters arising from its recent review of reports filed by the Trupiano for Congress warranted further examination for possible violation of the Federal Election Campaign Act of 1971, as amended. The Commission, thereafter, reviewed the file and voted on December 10, 2007 to assign this matter to the FEC's Alternative Dispute Resolution Office (ADR Office) for processing.

The FEC established the ADR Program to provide an informal means for resolving matters that come before the Commission and to facilitate negotiations directly with Trupiano for Congress and Kenneth Krantz, Treasurer (Respondents or Committee). The ADR Program provides Respondents with an opportunity to negotiate, and if appropriate, mediate settlement of a matter that is mutually agreeable. The negotiations occur prior to any Commission consideration of whether there is reason to believe a violation has occurred. If negotiations and/or mediation are successful, the resulting settlement would conclude the matter.

The Commission, in referring the matter to the ADR Office, determined that the case is eligible for processing in the ADR program. If Respondents decide to participate in the Program, i.e., negotiation and/or mediation, you must: 1) indicate in writing a willingness to have your case submitted to the ADR process; 2) agree to participate in the bilateral negotiations and if appropriate, mediation; and 3) waive the statute of limitations while the matter is being processed under the FEC's ADR program.

The issues referred to the ADR Office, and the focus of our subsequent negotiations are summarized as follows:

SUMMARY: 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

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999 E Street N.W., Washington, DC 20463
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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.¹

If after reviewing this letter and the enclosed brochure, which describes the ADR program, Respondents would like this case selected for ADR processing, you need to affirmatively indicate that on the enclosed Commitment to Submit Matter to ADR Program form. **Failure to respond affirmatively within fifteen (15) business days of receipt of this letter will be taken as a notice of disinterest in the program and your case will be dropped from further consideration for ADR.** In that event, your case will be sent to the FEC's Office of General Counsel for further processing, and the likelihood that the Committee will be audited may increase.

If you decide to participate in the ADR Program, please provide any additional responses Respondents would like to make, including proposed stipulations or terms to resolve the matter. **Please also provide some dates and times when you'd be available to discuss this matter in detail on a separate sheet of paper.** I will then review my calendar, so that a time can be scheduled.

This matter has been designated as ADR 433. Please refer to this number in future correspondence with the FEC. If you have any questions about the ADR Program, please contact me directly at the number given below.

Sincerely,



Deborah Ruth Kant, Director
Alternative Dispute Resolution Office
202-694-1661

Enclosures: Brochure
Commitment to Submit Matter to ADR
Designation of Representative/Counsel

¹ The Committee's 2007 October Quarterly reflected the same negative cash balance. RAD has not yet reviewed this report.

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