



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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MEMORANDUM

April 7, 2008

SENSITIVE

TO: The Commission

THROUGH: Patrina M. Clark
Staff Director

FROM: John D. Gibson
Chief Compliance Officer

Deborah Ruth Kant
Director, ADR Office

SUBJECT: ADR 433 Trupiano for Congress, and Kenneth Kranz, Treasurer,
Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Termination of the Committee and civil penalty
of \$900 (amount in dispute \$38,200.95)

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to
ADR 433 (RAD 07L-52). This case was received by the ADR Office on November 26,
2007, and was assigned to the ADR Office on December 10, 2007.

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
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. After several Requests for Further
Information 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
director. 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.

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RECOMMENDATIONS:

1. Approve the attached settlement agreement of Trupiano for Congress for Congress, and Kenneth Kranz, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.

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