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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

MEMORANDUM

November 30, 2018

TO: The Commission

THROUGH: Alec Palmer *AP* *by MAH*
Staff Director

FROM: Patricia C. Orrock *PCO*
Chief Compliance Officer

Krista J. Roche *KJR*
Director, ADR Office

Rosa Marshall *RM*
Assistant Director, ADR Office

SUBJECT: ADR 879 Michigan Democratic State Central Committee
and Sandy O'Brien, Treasurer, Recommendation to Approve
Negotiated Settlement

RESOLUTION TERMS: Perform required corrective action in accordance with the
Corrective Action Plan (Exhibit A of the Negotiated
Settlement); complete training in accordance with the
Training Plan (Exhibit B of the Negotiated Settlement); and
pay a civil penalty of \$7,750.

Attached for your review is a signed ADR Negotiated Settlement pertaining to ADR 879 (AR 2-753). The ADR Office opened this matter on July 18, 2018.

SUMMARY: Audit fieldwork of the Committee's 2014 election cycle activity showed that Respondents misstated financial activity in the amount of \$116,615¹, did not maintain employee logs for payroll totaling \$1,601,987, failed to provide the necessary records for expenditures totaling \$20,803, and exceeded its coordinated spending limit by \$3,333.

¹ This figure does not include financial activity related to bingo, which was previously addressed in MUR 7126. Audit fieldwork showed that the Committee misstated financial activity totaling \$1,035,980, including bingo related activities.

The Committee states that it is in the process of correcting all misstatement errors identified by the Audit Division. The Committee asserts that it has instituted procedures to ensure that time records are maintained for all employees who are paid in part with non-federal funds. The Committee contends that all available invoices were provided and believe that they have since materially complied with this issue. Lastly, the Committee states that they did not use any of its coordinated expenditure authority during the election cycle.

RECOMMENDATIONS:

1. Approve the attached negotiated settlement of Michigan Democratic State Central Committee and Sandy O'Brien, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.