

19L-21

REPORTS ANALYSIS DIVISION REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: August 1, 2019

ANALYST: Sarah Juris

- I. COMMITTEE: Working Michigan (SuperPac)
(C00627240)
Zinnia Kallabat, Treasurer (5/22/19 – Present)
Daryl Newman, Treasurer (10/10/16 – 5/21/19)
419 S. Washington
Suite 200
Lansing, MI 48933
- II. RELEVANT STATUTE: 52 U.S.C. § 30104(b)
11 CFR § 104.3(a) and (b)

III. BACKGROUND:

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

Working Michigan (SuperPac) (“the Committee”) amended its 2018 October Quarterly Report to disclose additional receipts totaling \$59,193.41 and additional disbursements totaling \$55,207.39, which were not disclosed on the original report (Attachment 2).

On October 14, 2018, the Committee filed the original 2018 October Quarterly Report covering the period from July 1, 2018 through September 30, 2018. The report disclosed \$1,225.45 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals) of the Detailed Summary Page (Image 201810149124778966, Attachment 2). The report also disclosed \$249.99 in disbursements on Line 21(b) (Other Federal Operating Expenditures) and \$975.46 in disbursements on Line 24 (Independent Expenditures) of the Detailed Summary Page (Image 201810149124778967, Attachment 2).

On December 5, 2018, the Committee filed an Amended 2018 October Quarterly Report. The report disclosed \$60,418.86 in receipts on Line 11(a)(i) of the Detailed Summary Page, an increase of \$59,193.41 from the original report (Image 201812059134329566, Attachment 2). The report also disclosed \$249.99 in disbursements on Line 21(b) and \$56,182.85 in disbursements on Line 24 of the Detailed Summary Page, a total increase of \$55,207.39 from the original report (Image 201812059134329567, Attachment 2).

On April 2, 2019, a Request for Additional Information (RFAI) was sent to the Committee referencing the Amended 2018 October Quarterly Report, received December 5, 2018. Among other items, the RFAI requested clarification regarding the substantial increase in receipts and disbursements disclosed on the Amended 2018 October Quarterly Report (Image 201904020300036406).

On May 7, 2019, the Committee filed an Amended 2018 October Quarterly Report. The report disclosed no changes in total receipts or disbursements from the previous amendment¹ (Image 201905079149646097-98). Memo text was attached to the report, stating, in part:

“The increase in total receipts was caused by delayed reporting of a contribution from a single contributor, Policy Over Party on September 13, 2018. This contribution was inadvertently omitted from the Quarterly Report. The Committee's original Quarterly Report reported disbursements of \$1,225.45. The Committee filed an amendment reporting itemized independent expenditures totaling \$55,207.39 on Sched. E. This revised amount was the total amount of advance payments to Citizens Campaign, Inc. (?CCI?) for canvass work yet to be performed. After further review, the Committee has discovered that the advance payments to CCI were erroneously reported as Independent Expenditures on Sched. E of the first amendment. The Committee has now filed a second amendment which accurately reports the pre-payment expenditures to CCI on Sched. B; the advance payments to CCI are deleted from Sched. E in the second amendment ... The Committee believes that the Second Amended Quarterly Report ... we are filing at this time will satisfy the FEC's reporting requirements. The Committee understands that these expenditures should have been reported correctly on the original Quarterly Statement. We regret the delay in reporting these disbursements. The filing of the Amended Quarterly Report on December 5, 2018 was caused by the fact that at the time the advance payments to CCI were made, specific canvassing projects had not yet been identified. The decisions as to specific disbursements made by campaign personnel in the field were not reported to the Committee until after the election, and the omissions to report these independent expenditures were entirely unintended and inadvertent. We realize that the

¹ There was no change in total disbursements on the amendment received May 7, 2019, however the initial increase of \$55,207.39 on the previous amendment was moved from Line 24 to Line 21(b). This is explained in the memo text attached to the May 7, 2019 amendment.

Committee must use its best efforts to obtain and timely and accurately report to the FEC the required information relating to federal elections. As the Committee's reports demonstrate, it has engaged in very little federal activity to date and is inexperienced in reporting to the Commission. The Committee's failure to meet its reporting obligations was the result of lack of communication between the vendor and field staff and the Committee. The Committee regrets this oversight and intends to make sure that this does not happen again. We are implementing procedures to ensure immediate and accurate reporting of expenditures to, and performance of services by, pre-paid vendors in future federal election campaigns. The Committee will contractually require field workers and vendors to report dissemination of election-related materials that include federal candidates to the Committee on a daily basis so that required reports to the FEC can be accurate and timely filed" (Image 201905079149646100).

On May 30, 2019, the Reports Analysis Division (RAD) Analyst called Zinnia Kallabat, the Committee's Treasurer. The Analyst left a voicemail and requested a return phone call to discuss an issue on their Amended October Quarterly Report (Attachment 3).

On May 31, 2019, the RAD Analyst attempted to reach the Treasurer again. The Analyst left a detailed voicemail, explaining that the increase in activity disclosed on the Committee's Amended 2018 October Quarterly Report, received December 5, 2018, may be referred to another office within the Commission for potential enforcement action. The Analyst explained that the Committee could provide further clarification for the public record if they wished to do so. The Analyst stated that the Treasurer could call back with any questions (Attachment 3).

On June 7, 2019, the RAD Analyst made another attempt to contact Ms. Kallabat, and received a message stating that the phone number disclosed on the Committee's Statement of Organization is no longer in service (Attachment 3).

To date, no further communications have been received from the Committee regarding this matter.

O-Index (2019-2020)															
Cmte. ID: C00627240 Cmte. Name: WORKING MICHIGAN (SUPERPAC)															
Treasurer Name: KALLABAT, ZINNIA Address: 419 S. WASHINGTON SUITE 200, LANSING, MI 48933															
Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
F3XN	MY	N	7/6/2019	5	201907069150450620	1/1/2019	6/30/2019		\$0	\$0	\$0	\$0	-	-	\$0
F1A		A	5/22/2019	4	201905229149829605				-	-	-	-	-	-	-
Totals									\$0	\$0	\$0				

O-Index (2017-2018)															
Cmte. ID: C00627240 Cmte. Name: WORKING MICHIGAN (SUPERPAC)															
Treasurer Name: KALLABAT, ZINNIA Address: 419 S. WASHINGTON SUITE 200, LANSING, MI 48933															
Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
RQ2	Q3	A	4/2/2019	3	201904020300036406	7/1/2018	9/30/2018	4/2/2019	-	-	-	-	-	-	-
RQ2	12G	A	7/17/2019	3	201907170300042753	10/1/2018	10/17/2018	7/17/2019	-	-	-	-	-	-	-
F3XN	MY	N	7/23/2017	5	201707239069797562	1/1/2017	6/30/2017		\$0	\$0	\$0	\$0	-	-	\$0
F3XN	YE	N	1/29/2018	5	201801299090886656	7/1/2017	12/31/2017		\$0	\$0	\$0	\$0	-	-	\$0
F3XN	Q1	N	4/15/2018	5	201804159108111498	1/1/2018	3/31/2018		\$0	\$0	\$0	\$0	-	-	\$0
F3XN	Q2	N	7/15/2018	5	201807159115579648	4/1/2018	6/30/2018		\$0	\$0	\$0	\$0	-	-	\$0
F3XN	Q3	N	10/14/2018	15	201810149124778964	7/1/2018	9/30/2018		\$0	\$1,225	\$1,225	\$0	-	-	\$0
F3XA	Q3	A	12/5/2018	18	201812059134329564	7/1/2018	9/30/2018		\$0	\$60,418	\$56,432	\$3,986	-	-	\$0
F3XA	Q3	A	5/7/2019	17	201905079149646095	7/1/2018	9/30/2018		\$0	\$60,418	\$56,432	\$3,986	-	-	\$0
F3XN	12G	N	10/22/2018	9	201810229130603729	10/1/2018	10/17/2018		\$0	\$169	\$169	\$0	-	-	\$0
F3XA	12G	A	12/5/2018	9	201812059134329596	10/1/2018	10/17/2018		\$3,986	\$169	\$169	\$3,986	-	-	\$0
F3XA	12G	A	5/7/2019	12	201905079149646112	10/1/2018	10/17/2018		\$3,986	\$169	\$169	\$3,986	-	-	\$0
F3XN	30G	N	12/5/2018	27	201812059134329641	10/18/2018	11/26/2018		\$3,986	\$4,181	\$8,167	\$0	-	-	\$0
F3XN	YE	N	1/27/2019	5	201901279144010140	11/27/2018	12/31/2018		\$0	\$0	\$0	\$0	-	-	\$0
F1A		A	12/19/2018	4	201812199143584751				-	-	-	-	-	-	-
Totals										\$64,769	\$64,769				

O-Index (2015-2016)															
Cmte. ID: C00627240 Cmte. Name: WORKING MICHIGAN (SUPERPAC)															
Treasurer Name: KALLABAT, ZINNIA Address: 419 S. WASHINGTON SUITE 200, LANSING, MI 48933															
Cmte. Type: O (INDEPENDENT EXPENDITURE-ONLY COMMITTEE) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
F3XN	30G	N	12/8/2016	7	201612089040542345	10/10/2016	11/28/2016		\$0	\$751	\$751	\$0	-	-	\$0
F3XN	YE	N	1/29/2017	5	201701299041537370	11/29/2016	12/31/2016		\$0	\$0	\$0	\$0	-	-	\$0
F1N		N	10/10/2016	5	201610109032228782				-	-	-	-	-	-	-
Totals										\$751	\$751				

Working Michigan (SuperPac) (C00627240)

2018 October Quarterly Report/Amended 2018 October Quarterly Report

Overview of Additional Receipts

Report Line	Original 2018 October Quarterly Report (Image 201810149124778966)	Amended 2018 October Quarterly Report, received 5/7/19² (Image 201905079149646097)	Variance Amount
Line 11(a)(i): Itemized Contributions from Individuals	\$1,225.45	\$60,418.86	\$59,193.41
		Total:	\$59,193.41

² This is the most recent amendment. RFAI was sent on previous amendment received, December 5, 2018.

Working Michigan (SuperPac) (C00627240)

2018 October Quarterly Report/Amended 2018 October Quarterly Report

Overview of Additional Disbursements

Report Line	Original 2018 October Quarterly Report (Image 201810149124778967)	Amended 2018 October Quarterly Report, received 5/7/19³ (Image 201905079149646098)	Variance Amount
Line 21(b): Other Federal Operating Expenditures	\$249.99	\$55,457.38	\$55,207.39
		Total:	\$55,207.39

³ This is the most recent amendment. RFAI was sent on previous amendment received, December 5, 2018.