



FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 13, 2021

VIA ELECTRONIC MAIL

Neil P. Reiff
Sandler Reiff Lamb Rosenstein & Birkenstock, P.C.
1090 Vermont Avenue NW
Suite 750
Washington, DC 20005
reiff@sandlerreiff.com

RE: MUR 7902
Michigan Democratic State Central
Committee and Traci Kornak in
her official capacity as treasurer

Dear Mr. Reiff:

On September 3, 2021, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 52 U.S.C. § 30116(f) and 11 C.F.R. § 110.1(c)(5) and 52 U.S.C. § 30104(b)(3)(A) and 11 C.F.R. § 102.17(c)(8)(i)(B) provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 52 U.S.C. § 30109(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1530.

Sincerely,

A handwritten signature in cursive script that reads "Jin Lee".

Jin Lee

Acting Assistant General Counsel

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 7902
Michigan Democratic State Central Committee)	
and Traci Kornak in her official capacity)	
as treasurer)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (“Commission”), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities.

The Commission found reason to believe that the Michigan Democratic State Central Committee and Traci Kornak in her official capacity as treasurer (“Respondent” or “Committee”) violated 52 U.S.C. §§ 30104(b)(3)(A) and 30116(f) of the Federal Election Campaign Act of 1971, as amended, (the “Act”) and 11 C.F.R. §§ 102.17(c)(8)(i)(B) and 110.1(c)(5).

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C. § 30109(a)(4)(A)(i).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts and law in this matter are as follows:

1. The Committee is a political committee within the meaning of 52 U.S.C. § 30101(4) and a state committee of the Democratic Party within the meaning of 52 U.S.C.

§ 30101(15). Since April 10, 2019, Traci Kornak has been the named Treasurer of the Committee.

Acceptance of Excessive Contributions

2. Under the Act, an individual shall not make a contribution to a State committee of a political party in any calendar year which, in the aggregate, exceeds \$10,000. 52 U.S.C.

§ 30116(a)(1)(D). Political committees are prohibited from knowingly accepting excessive contributions. 52 U.S.C. § 30116(f).

3. A committee may reattribute the excessive portion of a contribution to another individual whose name appears on the written instrument used to make the contribution.

11 C.F.R. § 110.1(k). However, the committee must, within 60 days of receipt of the contribution, notify the contributor of the reattribution and the option to request a refund.

11 C.F.R. § 110.1(k)(3)(ii)(B).

4. During the 2018 calendar year the Committee accepted \$42,479.38 in excessive contributions.

5. At the time this matter was initiated, the Committee had refunded \$30,010 in excessive contributions and reattributed \$2,500 in excessive contributions and was still in possession of \$9,969.38 in excessive contributions.

6. On June 9, 2021, Respondent refunded the remaining excessive contributions of \$9,969.38 and reported such refunds in its July 2021 monthly report.

Reporting of Joint Fundraising Receipts

7. The Act requires committee treasurers to file reports of receipts and disbursements in accordance with the provisions of 52 U.S.C. § 30104(b). *See* 52 U.S.C.

§ 30104(a)(1).

8. The treasurer of a political committee is responsible for itemizing any contribution from an individual if the contribution exceeds \$200 per calendar year either by itself or when aggregated with other contributions from the same contributor. 52 U.S.C. § 30104(b)(3)(A).

9. Each participating committee in a joint fundraising effort must file a memo Schedule A itemizing its share of gross fundraising receipts as contributions from the original contributors to the extent required by 11 C.F.R. § 104.3(a). 11 C.F.R. § 102.17(c)(8)(i)(B).

10. The Committee originally disclosed \$78,000 in transfers received from the Slotkin Victory Fund, a joint fundraising committee, during the 2018 calendar year. However, the Committee failed to itemize the contributions as required by 11 C.F.R. 102.17(c)(8)(i)(B). After receiving notification of this matter, the Committee amended its reports to itemize all of the contributions before the Commission's reason to believe findings.

V. Respondent violated 52 U.S.C. § 30116(f) and 11 C.F.R. § 110.1(c)(5) by accepting excessive contributions; and violated 52 U.S.C. § 30104(b)(3)(A) and 11 C.F.R. § 102.17(c)(8)(i)(B) by failing to itemize joint fundraising receipts.

VI. Respondent will take the following actions:

1. Respondent will pay a civil penalty to the Commission in the amount of Nineteen Thousand dollars (\$19,000), pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. Respondent will cease and desist from committing violations of 52 U.S.C. § 30104(b)(3)(A), 52 U.S.C. § 30116(f), 11 C.F.R. § 102.17(c)(8)(i)(B), and 11 C.F.R. § 110.1(c)(5).

3. Respondent will require that the Treasurer or other personnel responsible for complying with the Act and the Commission's regulations attend a Commission-sponsored

regional conference within 12 months of the effective date of this agreement. Respondent shall submit evidence of registration and attendance at such event to the Commission.

VII. The Commission, on request of anyone filing a complaint under 52 U.S.C. § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

MUR 7902 (Michigan Democratic State Central Committee)
Conciliation Agreement
Page 5 of 5

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lisa J. Stevenson
Acting General Counsel

BY: Charles Kitcher
Charles Kitcher
Associate General Counsel
for Enforcement

9/13/21
Date

FOR THE RESPONDENT:



Neil P. Reiff
Counsel

8/5/21
Date