



FEDERAL ELECTION COMMISSION
Washington, DC 20463

VIA ELECTRONIC MAIL

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

February 9, 2023

RE: MUR 8068
Michigan Democratic State Central
Committee

Dear Mr. Reiff,

On February 8, 2023, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of your client, Michigan Democratic State Central Committee and Traci Kornak in her official capacity as treasury, in settlement of violations of 52 U.S.C. § 30116(f), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the Commission has closed the file 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) 694-1574 or jdigiovanni@fec.gov.

Sincerely,

Justine A. di Giovanni
Justine A. di Giovanni
Attorney

Enclosure:
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Michigan Democratic State Central) MUR 8068
Committee and Traci Kornak in her)
official capacity as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election 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 "MDSCC") violated 52 U.S.C. § 30116(f) by knowingly accepting excessive contributions in violation of the Federal Election Campaign Act of 1971, as amended (the "Act").

NOW, THEREFORE, the Commission and 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 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 in this matter are as follows:

1. MDSCC is a state party committee of the Democratic Party and Traci Kornak is the Committee's treasurer.

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2. A state party committee is permitted to accept no more than \$10,000 in contributions from any person during a calendar year. 52 U.S.C. § 30116(a)(1)(D); 11 C.F.R. § 110.1(c)(5). A state party committee is permitted to accept no more than \$5,000 in contributions from any multicandidate political committee per calendar year. 52 U.S.C. § 30116(a)(2)(C); 11 C.F.R. § 110.2(d).

3. The Act provides that no political committee shall knowingly accept excessive contributions. 52 U.S.C. § 30116(f); 11 C.F.R. § 110.9.

4. A committee's treasurer is responsible for examining all contributions received to ascertain whether contributions received, when aggregated with other contributions from the same contributor, exceed the Act's contribution limits. 11 C.F.R. § 103.3(b). Contributions which on their face exceed the contribution limits, and contributions which do not appear to exceed the contribution limits but exceed contribution limits when aggregated with other contributions, may be returned to the contributor or deposited. *Id.* § 103.3(b)(3). If deposited, contributions must be: (1) redesignated in accordance with 11 C.F.R. §§ 110.1(b)(5) or 110.2(b)(5); (2) reattributed in accordance with 11 C.F.R. § 110.1(k)(3); or (3) refunded within 60 days of the date that the committee has actual notice of the need to refund, redesignate or reattribute the contributions. *Id.* § 103.3(b)(3).

5. MDSCC received \$154,401.33 in excessive contributions during calendar year 2020 that it failed to timely refund, including \$151,901.33 from 29 individuals and \$2,500 from one multicandidate committee. The excessive contributions were disclosed on the Committee's 2020 September Monthly, 2020 October Monthly, 2020 12-Day Pre-General, and 2020 30-Day Post-General. MDSCC refunded these excessive contributions, but it did so outside of the 60-

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day deadline established by Commission regulations. MDSCC has disclosed these refunds on amended reports filed with the Commission.

6. Respondent contends that the excessive contributions in this matter were inadvertent and primarily caused by the aggregation of contributions from joint fundraising activities. Respondent contends that it has taken steps to ensure that contributions received from joint fundraising are reviewed in a timely manner so that excessive contributions will be cured within the required time frame.

V. Respondent violated 52 U.S.C. § 30116(f) by knowingly accepting a total of \$154,401.33 in excessive contributions from individuals and a multicandidate committee.

VI. 1. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Twenty-Seven Thousand dollars (\$27,000), pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. Respondent will cease and desist from violating 52 U.S.C. § 30116(f).

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. In the event that an appropriate Commission-sponsored training is not conducted within 12 months of the effective date of this Agreement, Respondent's Treasurer or other personnel responsible for complying with the Act and Commission's regulations will attend a training no later than December 31, 2024.

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

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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 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.

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

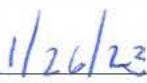
BY: Charles Kitcher
Charles Kitcher
Associate General Counsel for Enforcement

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2/9/23
Date

FOR THE RESPONDENT:


Neil P. Reiff
Counsel for Respondent


Date