



STATE OF MICHIGAN  
RUTH JOHNSON, SECRETARY OF STATE  
DEPARTMENT OF STATE  
LANSING

April 2, 2014

Ronald Babin  
3511 Dobbin Drive  
Sterling Heights, Michigan 48310

Dear Mr. Babin:

The Department of State (Department) received a formal complaint filed by Ann Brown against you, alleging that you violated the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* The investigation and resolution of this complaint is governed by section 15 of the Act and the corresponding administrative rules, R 169.51 *et seq.* A copy of the complaint and supporting documentation is enclosed with this letter.

The MCFA requires filed campaign finance statements and reports to be complete and accurate. MCL 169.233, 235. A treasurer who knowingly files an incomplete or inaccurate statement or report may be subject to a civil fine of up to \$1,000.00. MCL 169.233(10), 235(6). A treasurer who knowingly omits or underreports a contribution or expenditure may be subject to a civil fine of up to \$1,000.00, or the amount of the undisclosed contribution or expenditure, whichever is greater. MCL 169.233(11).

Ms. Brown alleges that you omitted contributions and expenditures related to the July 29, 2013 Annual Lincoln Dinner fundraiser from the 2014 Annual campaign statement that you filed for the Macomb County Republican committee. Ms. Brown further alleges that the report contains inaccurate information for contributors Fazlullah Khan and Jared Maynard.

The purpose of this letter is to inform you of the Department's examination of these matters and your right to respond to the allegations before the Department proceeds further. It is important to understand that the Department is neither making this complaint nor accepting the allegations as true.

**If you wish to file a written response to this complaint, you are required to do so within 15 business days of the date of this letter.** Your response may include any written statement or additional documentary evidence you wish to submit. All materials must be sent to the Department of State, Bureau of Elections, Richard H. Austin Building, 1<sup>st</sup> Floor, 430 West Allegan Street, Lansing, Michigan 48918. If you fail to submit a response, the Department will render a decision based on the evidence furnished by the complainant.

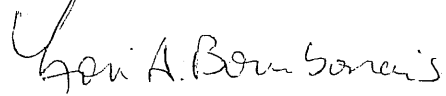
A copy of your reply will be provided to Ms. Brown, who will have an opportunity to submit a rebuttal statement to the Department. After reviewing all of the statements and materials provided by the parties, the Department will determine whether "there may be reason to believe that a violation of [the MCFA] has occurred [.]" MCL 169.215(10). Note that the Department's

Ronald Babin  
April 2, 2014  
Page 2

enforcement powers include the possibility of entering a conciliation agreement or conducting an administrative hearing.

If you have any questions concerning this matter, you may contact me at (517) 241-0395.

Sincerely,

A handwritten signature in black ink that reads "Lori A. Bourbonais". The signature is written in a cursive style with a large initial "L".

Lori A. Bourbonais  
Bureau of Elections  
Michigan Department of State

c: Ann Brown

Michigan Department of State  
Campaign Finance Complaint Form

Reset Form

This complaint form may be used to file a complaint alleging that someone violated the Michigan Campaign Finance Act (the MCFA, 1976 PA 388, as amended; MCL 169.201 *et seq.*).

Please print or type all information.

I allege that the MCFA was violated as follows:

<b>Section 1. Complainant</b>		
Your Name Ann B Brown	Daytime Telephone Number 586-322-4563	
Mailing Address 13651 Knight Court		
City Shelby Township	State MI	Zip 48315

<b>Section 2. Alleged Violator</b>		
Name Ronald Babin		
Mailing Address 3511 Dobbin Drive		
City Sterling Heights	State MI	Zip 48310

**Section 3. Alleged Violations** (Use additional sheet if more space is needed.)

Section(s) of the MCFA violated: Contributions and other Receipts, Fundraisers, Expenditures

Explain how those sections were violated:  
Mr Babin has failed to report accurately the recorded information in regards to  
Macomb County Republican Committee ID#1444.

Evidence that supports those allegations (attach copies of pertinent documents and other information):  
Mr Babin failed to report on his annual statement filed on January 31, 2014,  
36 Direct Contributions. These contributions were raised at the annual Lincoln Dinner  
fundraiser held on July 29, 2013. Mr Babin has failed to report the expenditures  
made for this event whether In-Kind Expenditures or Direct Expenditures. Upon  
further review, contributor information is also falsely reported. For instance,

Fazlullah Khan is president of Fazal Kahn & Assoc. 43279 Schoenherr Road Sterling Heights, Michigan 48313. Mr Babin has reported that Mr Kahn is retired.

Another example, Jared Maynard was reported as the Deputy Treasurer of Harrison Township when in fact Ryan Gowing is Deputy Treasurer as per the website Harrison-township.org.

These are examples of the inaccuracy in Mr Babin's annual report. Mr Babin had until the deadline of January 31, 2014 to obtain the necessary information to accurately file his campaign report.

**Section 4. Certification (Required)**

*I certify that to the best of my knowledge, information, and belief, formed after a reasonable inquiry under the circumstances, each factual contention of this complaint is supported by evidence.*

X

*Ann B. Brown*

Signature of Complainant

*March 25, 2014*

Date

**Section 5. Certification without Evidence (Supplemental to Section 4)**

Section 15(6) of the MCFA (MCL 169.215) requires that the signed certification found in section 4 of this form be included in every complaint. However, if, after a reasonable inquiry under the circumstances, you are unable to certify that certain factual contentions are supported by evidence, you may also make the following certification:

*I certify that to the best of my knowledge, information, or belief, there are grounds to conclude that the following specifically identified factual contentions are likely to be supported by evidence after a reasonable opportunity for further inquiry. Those specific contentions are:*

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X

Signature of Complainant

36 Direct Contributions. These contributions were raised at the annual

Date

Section 15(8) of the MCFA provides that a person who files a complaint with a false certification is responsible for a civil violation of the MCFA. The person may be required to pay a civil fine of up to \$1,000.00 and some or all of the expenses incurred by the Michigan Department of State and the alleged violator as a direct result of the filing of the complaint.

Mail or deliver the completed complaint form and evidence to the following address:

Michigan Department of State  
Bureau of Elections  
Richard H. Austin Building – 1st Floor  
430 West Allegan Street  
Lansing, Michigan 48918



STATE OF MICHIGAN  
RUTH JOHNSON, SECRETARY OF STATE  
DEPARTMENT OF STATE  
LANSING

April 22, 2014

Ann Brown  
13651 Knight Court  
Shelby Township, Michigan 48315

Dear Ms. Brown:

The Department of State received a response to the complaint you filed against Ronald Babin, which concerns an alleged violation of the Michigan Campaign Finance Act (MCFA), 1976 P.A. 388, MCL 169.201 *et seq.* A copy of the response is provided as an enclosure with this letter.

If you elect to file a rebuttal statement, you are required to send it within 10 business days of the date of this letter to the Bureau of Elections, Richard H. Austin Building, 1<sup>st</sup> Floor, 430 West Allegan Street, Lansing, Michigan 48918.

Sincerely,

A handwritten signature in cursive script that reads "Lori A. Bourbonais".

Lori A. Bourbonais  
Bureau of Elections  
Michigan Department of State

c: Ronald Babin

2014 APR 18 PM 2: 58

Dept. of State  
Bureau of Elections  
Richard H. Austin Building, 1<sup>st</sup> Floor  
430 West Allegan Street  
Lansing, MI 48918

Date: April 16, 2014  
Re: Complaint response

Dear Lori Bourbonais,

Due to the complaint I made relating to Mrs. Brown's failure to turn over documents she apparently has decided to file a complaint against me in retribution. I assume she is referring to the Direct Contributions and employer names I already included on the February 5, 2014 Amended Annual Report. These items came from a worksheet page for which I had mistaken my markings as entered into the MERTS software and I corrected myself upon determining later I had not yet; they had only been confirmed and found complete.

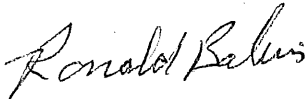
She continues in that I failed to report expenditures from that event (our Lincoln Dinner). She fails to specify particular items so I will assume she means general expenditures for the dinner. If that is the case, she seems to not understand, unlike a candidate committee, a political party does not report expenditures, direct or indirect, unless of monetary value spent by the committee to influence the nomination or election of a candidate or the qualification, passage or defeat of a ballot question... none of which apply to a fundraiser's dinner expenditures. She has made this error before.

In her great search for something I've done wrong, she correctly points to the employer listed for Fazal Khan (not retired). I entered the correct employer information after his contribution entry but apparently forgot to go back and adjust his contribution posting. I thank her for the correction! She'll be happy to note I also corrected the contribution from the 10<sup>th</sup> Congressional District to show HER as the updated Treasurer on the Amended Report.

Next, if you go to this page of the Harrison Twp. Website it still shows Jared Maynard as Deputy Treasurer: <http://www.harrison-township.org/departments/treasurer/staff.php>  
Apparently, the township has more than one page showing different facts. It's my understanding Mr. Maynard may have changed jobs within 30 days of the contribution after several years there.

Please contact me with any further questions!

Sincerely,



Ronald Babin  
3511 Dobbin Dr  
Sterling Heights, MI 48310



STATE OF MICHIGAN  
RUTH JOHNSON, SECRETARY OF STATE  
DEPARTMENT OF STATE  
LANSING

May 12, 2014

Ronald Babin  
3511 Dobbin Drive  
Sterling Heights, Michigan 48310

Dear Mr. Babin:

This letter concerns the complaint that was recently filed against you by Ann Brown, which relates to purported violations of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* The Department of State has received a rebuttal statement from the complainant, a copy of which is enclosed with this letter.

Section 15(10) of the MCFA, MCL 169.215(10), requires the Department to determine within 60 business days from the receipt of the rebuttal statement whether there is a reason to believe that a violation of the Act has occurred. Ms. Brown's complaint remains under investigation at this time. At the conclusion of the review, all parties will receive written notice of the outcome of the complaint.

Sincerely,

A handwritten signature in cursive script that reads "Lori A. Bourbonais".

Lori A. Bourbonais  
Bureau of Elections  
Michigan Department of State

c: Ann Brown



2014 MAY -5 PM 4: 00

May 2, 2014

Bureau of Elections  
430 W Allegan  
Lansing, Michigan 48918

ATTN: Lori A. Bourbanais

Dear Lori Bourbanais,

This is my rebuttal statement to Ronald Babin's Complaint Response dated April 16, 2014. Mr. Babin has been the Macomb County Treasurer #1444 for approximately nine years collectively and should be knowledgeable in the Campaign Finance Rules and Regulations.

In regards to the Contributions filed by Mr. Babin on his 2014 Annual, Mr. Babin received a Notice of Error or Omission dated February 4, 2014. This Notice references 21 Errors or Omissions on his original report. On Mr. Babin's February 5<sup>th</sup> Amended Annual, he corrected these Errors or Omissions and added an additional 36 Contributions. It is uncertain if Mr. Babin would have in fact added the additional contributions if he had not received the Notice of Error or Omission dated February 4<sup>th</sup>, 2014.

Some of the additional Contributions on the February 5<sup>th</sup> 2014 Amended Annual report were interest on a Bank Account. In his response, Mr. Babin failed to address this original Omission. The MCFA requires filed campaign finance statements and reports to be complete and accurate. The 2013 Annual report deadline was January 31, 2014. The vast majority of contributions and expenditures pertaining to this report were generated by the Macomb County Lincoln Dinner held on July 29, 2013.

In regards to the Lincoln Dinner Expenditures reported on the Annual report or the Amended Annual, there is only fundraiser ticket refunds reported. Without access to the records for Macomb County Republican Party, the expenditures related to the Macomb County Lincoln Dinner may have been donated or paid for which determines the classification of Expenditure. The expenditures are omitted and therefore undisclosed.

In Mr. Babin's own response he admits to the inaccuracy of the employer information for Fazal Khan. In his response about Jared Maynard, Mr. Maynard is a member of the Macomb County Executive Committee and Mr. Babin has first hand knowledge to the current employment information regarding this contributor.

In February 2013, Mr. Babin received from me the county Merts files from January 1, 2011 to December 31, 2012. Mr. Babin has acknowledged receipt of these Merts files in his rebuttal statement in the complaint he filed against me. I contend that if Mr Babin had used the 2011-2012 Merts files much of the contributor information would not have been omitted or inaccurate in Mr. Babin's Annual/Annual Amended reports.

Mr. Babin has a 2009 Error or Omission report which he never corrected. As treasurer of the Macomb County Republican Party I attempted to correct Mr. Babin's filing. I was never given the MCRP Merts files from Mr. Babin. This report to my knowledge remains uncorrected.

As stated in my original complaint, Mr. Babin's filing practices and the information provided must be in compliance with the Campaign Finance Rules and Regulations. In the Macomb County Republican Party #1444 January 2014 and February 2014 filings, Mr. Babin has given us examples to the carelessness and inaccuracy of his reports.

If you require any further clarity or additional information, please contact me at (586)322-4563.

Sincerely,

A handwritten signature in cursive script that reads "Ann B Brown". The signature is written in black ink and is positioned below the word "Sincerely,".

Ann B Brown  
Republican Party 10<sup>th</sup> Congressional District Treasurer #501506  
Republican State Rules Committee



STATE OF MICHIGAN  
RUTH JOHNSON, SECRETARY OF STATE  
DEPARTMENT OF STATE  
LANSING

July 31, 2014

Ronald Babin  
3511 Dobbin Drive  
Sterling Heights, Michigan 48310

Dear Mr. Babin:

The Department of State (Department) has completed its initial investigation of the campaign finance complaint filed against you by Ann Brown, alleging that you violated the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* This letter concerns the disposition of Ms. Brown's complaint, which was filed on March 28, 2014. You filed an answer to the complaint on April 18, 2014, and Ms. Brown filed a rebuttal statement on May 5, 2014.

Ms. Brown alleged that you omitted contributions and expenditures related to the July 29, 2013 Annual Lincoln Dinner fundraiser from the 2014 Annual Campaign Statement that you filed for the Macomb County Republican Committee (Committee). Mr. Brown further alleged that the report contained inaccurate information for two contributors.

The MCFA requires filed campaign finance statements and reports to be complete and accurate. MCL 169.233, 235. A treasurer who knowingly files an incomplete or inaccurate statement or report may be subject to a civil fine of up to \$1,000.00. MCL 169.233(10), 235(6). A treasurer who knowingly omits or underreports a contribution or expenditure may be subject to a civil fine of up to \$1,000.00, or the amount of the undisclosed contribution or expenditure, whichever is greater. MCL 169.233(11).

The MCFA also requires the Department to "endeavor to correct the violation or prevent a further violation by using informal methods [;]" if it finds that "there may be reason to believe that a violation ... has occurred [.]" MCL 169.215(10). The objective of an informal resolution is "to correct the violation or prevent a further violation [.]" *Id.*

**Inaccurate Contributor Information**

Ms. Brown alleged that you incorrectly listed Fazlullah Khan as retired and Jared Maynard as the Deputy Treasurer of Harrison Township on the 2014 Annual Statement for the Committee. In your answer, you admit that Ms. Brown "correctly points to the employer listed for Fazal Kahn (not retired). [You] entered the correct employer information after his contribution entry but apparently forgot to go back and adjust his contribution posting." Additionally, you provided a link to the Harrison Township website which shows Jared Maynard as Deputy Treasurer. The Department independently checked this link prior to the filing of your answer, and confirms that the website did list Mr. Maynard as the Deputy Treasurer of Harrison Township.

You have admitted that the 2014 Annual Statement lists the incorrect employer information for Mr. Kahn.

### Undisclosed Contributions

Ms. Brown further alleged that the 2014 Annual Statement omitted 36 contributions to the Committee. Ms. Brown provided no evidence to support this allegation. The Department notes that in your answer you confirm that you included additional contributions on your Amended 2014 Annual Statement for the Committee. You filed the original statement on January 31, 2014. The Department issued an Error or Omission notice on February 4, 2014, and you filed an Amended Statement on February 5, 2014.

While you filed an amended report well before Ms. Brown filed her complaint, the fact remains that there were unreported contributions prior to the filing of the amended statement.

### Undisclosed Expenditures

Ms. Brown finally alleges that you omitted expenditures made by the Committee for its 2013 Lincoln Dinner fundraiser. You assert in your answer that "unlike a candidate committee, a political party does not report expenditures, direct or indirect, unless of monetary value spent by the committee to influence the nomination or election of a candidate or the qualification passage or defeat of a ballot question . . . none of which apply to a fundraiser's dinner expenditures."

The Department notes that you have been in contact with the Department since the end of April regarding your interpretation of what fundraiser expenses meet the definition of expenditure under the Act. You were advised by the Department on April 25, 2014 via email to amend the 2014 Annual Statement to include expenditures for the Lincoln Dinner. You again contacted the Department for further clarification. The Department considers this letter to be the response to your request. The Department further notes that you have indicated your willingness to work with the Department and to amend your statement upon receipt of the further clarification.

The word "expenditure" is a term of art that is generally defined to include a payment or transfer of anything of ascertainable monetary value made for the purpose of influencing the nomination or election of a candidate. MCL 169.204(1), 169.206(1). As stated in the Department's October 31, 1984 Interpretive Statement to David A. Lambert (enclosed), "[a] political party committee must report contributions received or expenditures made when the contributions and expenditures involve fundraising for campaign purposes."

The Lincoln Dinner is a fundraiser for campaign purposes. The flyer for the dinner includes language indicating that the Act applies to the monies raised through the dinner, such as "[d]onations over \$100 require employer and occupation information [,]" "[c]ontributions from corporations and foreign nationals are prohibited [,]" and "[p]aid for with regulated funds by the Macomb County Republican Party [,]" These statements indicate that the Committee intended this money to be contributions to the Committee for campaign purposes. Additionally, money raised through the dinner was reported as contributions to the Committee. These contributions were then deposited in the Committee's account and used to influence or further the nomination or election of the Committee's preferred candidates.

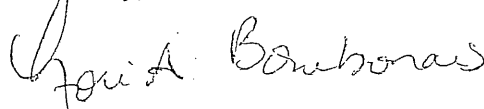
Consequently, all expenditures made in connection with the dinner were made for the purpose of raising this money and, in turn, influencing the nomination or election of a candidate. All money spent in connection with the Lincoln Dinner fundraiser fall squarely within the definition of expenditure contained in the Act.

Therefore, based on the foregoing, the Department finds that there may be reason to believe that a violation of the Act has occurred by your omission of contributions from the Committee's original 2014 Annual Statement and expenditures related to the Lincoln Dinner from the Committee's 2014 Annual Statement. Having made this determination, the Department is required by law to attempt to resolve this matter informally. MCL 169.215(10).

**Please file an amended report which reflects the correct employer information for Mr. Kahn and all expenditures made by the Committee for the 2013 Lincoln Dinner by August 15, 2014.** After the Department reviews your amended statement, it will determine if any further enforcement action is appropriate.

Please be advised that if the Department is unable to resolve this complaint informally, it is required by MCL 169.215(10)-(11) commence an administrative hearing to enforce the civil penalties provided in MCL 169.233(10), (11), and 235(6).

Sincerely,



Lori A. Bourbonais  
Bureau of Elections  
Michigan Department of State

## MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN • SECRETARY OF STATE

STATE TREASURY BUILDING

LANSING  
MICHIGAN 48918

October 31, 1984

Mr. David A. Lambert  
639 N. Hayford  
Lansing, Michigan 48912

Dear Mr. Lambert:

You have requested an interpretative statement under the Campaign Finance Act (the "Act"), 1976 PA 388, as amended, regarding hypothetical questions to clarify an interpretative statement issued to you on September 21, 1983.

The initial issue you raise is:

"May a political party committee hold a fundraiser at which it uses a program booklet to sell advertising to corporations, if the proceeds (if any) from said program advertising are segregated into an account for non-campaign purposes? Or, does the fundraising event have to be held for the sole purpose of raising money for non-campaign purposes."

As indicated in the September 21, 1983, letter, section 6 of the Act (MCL 169.206) states, in part, "'Expenditure' means a payment . . . of money . . . for . . . services . . . in assistance of . . . the nomination or election of a candidate, or the qualification, passage, or defeat of a ballot question." The letter went on to state:

"Funds received from corporations cannot be used in assistance of a candidate. Because the purchase of an advertisement assists the recipient, a corporation may not purchase an advertisement in a program book, ad book, or newsletter which supports or opposes candidates. While it is conceivable a political party committee could publish a newsletter which does not support or give assistance to a candidate ("candidate" includes all incumbents), this seems unlikely. If a political party committee wants to designate a specific

fundraiser or method of fundraising as being for non-campaign purposes, it may do so and accept corporate contributions. But it may not merely pull corporation contributions out of the receipts for a fundraiser (or for newsletter ads), and put the corporate funds into a separate account. If a newsletter which does not support a candidate or ballot question could somehow be published, a political party committee could designate all advertising income for a separate account for non-campaign purposes." (emphasis added)

Unlike other types of committees, political party committees are not required to file separate reports for fundraisers. Political party committees report contributions received at a fundraiser and expenditures made to hold the fundraiser the same as all other contributions and expenditures. A political party committee must report contributions received or expenditures made when the contributions and expenditures involve fundraising for campaign purposes. Receipts and disbursements resulting from non-campaign fundraising are not contributions and expenditures and should not be reported under the Act.

As indicated in the quote above, a political party committee may designate a "method of fundraising as being for non-campaign purposes". A fundraiser is a method of fundraising. The entire fundraiser may be designated for non-campaign purposes, in which case corporate contributions would be accepted and none of the fundraiser's receipts or expenses would be reported by the political party committee. Alternatively, all or part of the fundraiser's receipts could be used for campaign purposes, no corporate contributions could be received in connection with the fundraiser, and the political party committee would report only those receipts and expenditures which are or will be used for campaign purposes. However, a fundraiser may not be split between campaign and non-campaign purposes with corporate contributions received and channeled to non-campaign purposes. Just as an officeholder expense fund which receives corporate money is "tainted" and may not purchase tickets to candidate fundraisers, a political party committee's method of fundraising may not commingle corporate and non-corporate funds and be utilized in candidate elections.

In conclusion, a political party committee may not have a program booklet for which corporate funds are received in connection with a fundraiser which otherwise is used to raise campaign funds.

The second issue you have raised is whether corporate funds may be used by political party committees in certain identified instances. Specifically, you asked:

"I would also like to know if a political party committee may use corporate contributions for any of the following:

1. For the purchase of office supplies such as stationery, envelopes, etc.
2. For office expenses such as telephone, fire and/or liability insurance?

3. For the rental of or purchase of a party office/headquarters?
4. For covering the costs of party officers to attend party-related meetings or events (travel, lodging, and meals)?
5. For legal and/or accounting expenses associated with compliance with the campaign finance law?
6. For wages and employee-related expenses (such as unemployment and workers compensation insurance) for party employees?
7. For the payment of ad valorem property taxes on any property owned by the party?
8. For the expenses associated with the maintenance of membership records such as computer record-keeping costs?
9. For the purchase of such office items as computers, copying machines, office furniture, and filing cabinets?

It is appropriate to consider what procedures are available under the Federal Election Campaign Act in similar fact situations. The Federal Election Commission (the "FEC") has promulgated rules which allow allocation of expenditures among candidates and allocation of a candidate's travel expenses between campaign and non-campaign purposes (UCFR 106.1-106.4). The FEC has extrapolated from these rules which allow allocation of expenditures in specific instances to create, by advisory opinion, allocations of corporate and union treasury funds between federal and state expenditures. The FEC stated in AO 1978-10 that federal get-out-the-vote and voter registration drives may not be paid for with corporate or union funds, but those same efforts directed to non-federal elections could be supported by corporate or union funds unless prohibited by the state. When corporate and union involvement is not prohibited by state law, the FEC rules the costs of get-out-the-vote and registration drives should be allocated between federal and non-federal elections in a manner similar to rules 105.1 through 106.4.

In AO 1978-46 the FEC continued with this approach in ruling corporate and union contributions to a party convention, such as the purchase of advertising and exhibition space, are permissible only if they can be apportioned to state and local candidates. Allocation of corporate and union contributions to non-federal expenditures at a national party conference and workshop was approved more recently in AO 1982-5.

These decisions by the F.E.C. permitting allocation between federal and nonfederal campaigns were made in a context that differs from that presented here. Political party organizations traditionally carry on joint federal-state campaigns. The same party activists and voters participate in the simultaneous election of public officials at all levels. The F.E.C. Advisory Opinions and regulations covering allocation are a recognition of this fact.

Campaign and non-campaign activities of Michigan party organizations can be carried on independently. Unlike integrated campaign efforts it is feasible for a party to separate its non-campaign activities from the major function of the party, helping elect its nominees to public office.



Neither the Act nor the Department's rules expressly or impliedly permit allocation. In addition, corporate involvement in elections, which was prohibited in Michigan prior to adoption of the Act, is strictly controlled by sections 54 and 55 of the Act, MCL 169.254 and 169.255. Since the major objective of any political party is to nominate and elect its member to local, state, and federal office, and corporations are prohibited from using treasury funds to influence Michigan and federal candidate elections, there are very few instances where corporations may contribute to political party committees.

Corporate funds may be used for office supplies and expenses, if the supplies and expenses (telephone, heat, lights, etc.) are used or incurred exclusively for non-campaign purposes. Similarly, the rental or purchase of office space and the payment of attendant insurance premiums and property taxes may be made with corporate funds, provided the space is used only for non-campaign purposes. However, an office, a telephone or stationery which is used even occasionally for campaign purposes, such as soliciting support for a candidate or fundraising which will be used for campaigning may not be purchased or rented with funds commingled with corporate money.

Whether corporate funds may be used to pay party officers attending party related meetings depends upon the purpose of the meeting. For example, corporate funds may be used to pay party officer costs at an odd year party convention where the only business conducted is electing party officers and passing rules and resolutions, but corporate funds may not be used if people are nominated for state or local office at the convention. (See the August 21, 1979, declaratory ruling issued to Mr. Richard D. McLellan which is attached.)

Legal or accounting expenses associated with Campaign Finance Act compliance may not be paid with funds containing corporate contributions. The only exception to this would be when a political party created a ballot question committee which incurred legal or accounting expenses because section 54(3) permits a corporation to contribute up to \$40,000 to a ballot question committee.

Wages and expenses of party employees who work exclusively in non-campaign activities may be paid with corporate contributions; otherwise, corporate funds may not be used for employee wages, expenses, and benefits.

While membership records may be used for non-campaign purposes, they are also maintained and utilized for the purpose of influencing elections, thus they are expenditures which cannot be paid with corporate funds.


Office equipment, e.g., computers, copiers, furniture, and file cabinets, are treated the same as office supplies, office space, and related insurance and property taxes as discussed above.

In summary, political parties may receive and spend money from corporations for activity which is exclusively outside the Act. In addition, a political party ballot question committee (as distinguished from the "political party committee"

Mr. David A. Lambert  
Page 5

as defined in section 11(5) of the Act, MCL 169.211) may receive corporate contributions consistent with section 54 of the Act, MCL 169.254, without either the committee or the corporation violating the Act.  
This response is informational only and does not constitute a declaratory ruling.

Very truly yours,



Phillip T. Frangos  
Director  
Office of Hearings and Legislation

PTF/cw



STATE OF MICHIGAN  
RUTH JOHNSON, SECRETARY OF STATE  
DEPARTMENT OF STATE  
LANSING

February 12, 2015

Ronald Babin  
3511 Dobbin Drive  
Sterling Heights, Michigan 48310

Dear Mr. Babin:

The Department of State (Department) has completed its investigation of the complaint filed against you by Ann Brown, which alleged that you violated the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.*

The Department notified you by letter dated July 31, 2014 that the Department found the evidence in this matter supported a reason to believe that you filed an incomplete or inaccurate 2014 Annual campaign statement. The Department requested that you file a complete and correct Amended 2014 Annual statement. The Department also indicated that after the Department reviewed your amended statement, it would determine if any further enforcement action was appropriate.

You filed your Amended 2014 Annual statement on August 18, 2014. The Department has carefully reviewed this statement and has determined that no further enforcement action is necessary at this time, and now considers this matter closed.

Sincerely,

A handwritten signature in cursive script that reads 'Lori A. Bourbonais'.

Lori A. Bourbonais  
Bureau of Elections  
Michigan Department of State