



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

March 13, 2014

Ann Brown
13651 Knight Ct.
Shelby Township, Michigan 48315

Dear Ms. Brown:

The Department of State (Department) received a formal complaint filed by Ronald Babin 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 Act requires a committee treasurer to keep detailed records in order to substantiate any information filed in a statement or report as required by the Act; these records "shall be preserved for 5 years and shall be made available for inspection as authorized by the secretary of state." MCL 169.222. A person who knowingly violates section 22 may be subject to a civil fine of not more than \$1,000.00. *Id.*

Mr. Babin alleges that you have refused to turn over committee records that you were required to keep as the former treasurer of the Macomb County Republican Committee.

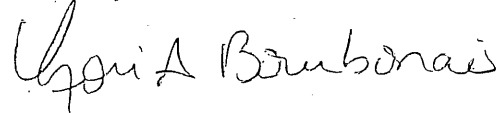
The purpose of this letter is to inform you of the Department's examination of these matters and your right to respond to the allegations before the Department proceeds further. It is important to understand that the Department is neither making this complaint nor accepting the allegations as true.

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, 1st 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 Mr. Babin, 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 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: Ronald Babin

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:

Section 1. Complainant		
Your Name Ronald Babin	Daytime Telephone Number 586-939-7147	
Mailing Address 3511 Dobbin Dr		
City Sterling Heights	State MI	Zip 48310

Section 2. Alleged Violator		
Name Ann Brown		
Mailing Address 13651 Knight Ct.		
City Shelby Twp.	State MI	Zip 48315

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

Section(s) of the MCFA violated: **169.222**

Explain how those sections were violated:

Mrs. Brown has refused to turn over permanent paper and/or electronic supporting documents for the 2011-2012 term as Treasurer of the Macomb County Republican Committee, #01444. These include: documentation to support any expenditures, deposits, bank statements and any other supporting documentation for Committee transactions. She turned over documents from previous to her tenure, but not covering her tenure.

Evidence that supports those allegations (attach copies of pertinent documents and other information):

Mrs. Brown indicated at a group meeting during January of 2013 she had the records and would turn them over after 30 to 90 days so she could do any appropriate filings. Although it was indicated to her she would have no such filings to do, she insisted she would maintain those records until a future date.

Mrs. Brown seems to believe her obligation to maintain records has been met by filing the public disclosures under the Campaign Finance Act for a political party when in fact those records are not all inclusive of the day to day financial records of the Committee and which property belongs to the Committee.

2011 MAR 17 11:10 AM
 BUREAU OF ELECTIONS
 MI DEPT OF STATE



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

April 1, 2014

Ronald Babin
3511 Dobbin Drive
Sterling Heights, Michigan 48310

Dear Mr. Babin:

The Department of State received a response to the complaint you filed against Ann Brown, which concerns an alleged violation of the Michigan Campaign Finance Act (MCFA), 1976 PA 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, 1st Floor, 430 West Allegan Street, Lansing, Michigan 48918.

Sincerely,

A handwritten signature in black ink that reads 'Lori A. Bourbonais'.

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Ann Brown

Bureau of Elections
430 W Allegan
Lansing, Michigan 48918

March 25, 2014

ATTN: Lori A. Bourbonais

2014 MAR 25 PM 3:07

BUREAU OF ELECTIONS
MI DEPT OF STATE

Dear Lori Bourbonais,

I am in receipt of your letter dated March 13, 2014. In regards to the formal complaint filed by Ronald Babin against me please find attached the 17 Item List from the transition meeting held on January 5, 2013, with Mr Babin in attendance. These are the items that I relinquished at that time. This list is of the items that Mr Babin received, signed for, or refused to sign for during our transition meeting.

At this transition meeting I turned over all the property of the Macomb County Republican Party in my possession. I am not in possession of any other property and therefore have nothing more to hand over.

Please note item #14 was the only item requiring further action. I filed an annual which was due January 31, 2013. Upon my completion of this report, I purchased a jump drive and delivered the county Merts file with closing reports thru December 31, 2012. This jump drive was delivered to MCRP at their February 2013 meeting.

Please also note item #17 was the delivery of Old Permanent Files. I have not heard from Mr Babin since this meeting held on January 5, 2013, until your letter dated March 13, 2014.

If you have any further questions concerning this matter, you may contact me at (586)322-4563.

Sincerely,



Ann B Brown
Republican Party 10th Congressional District Treasurer #501506
Republican State Rules Committee

Transition Meeting held on January 5, 2013
Items Received by Rob Montilla and Ron Babin

- 1) IRS form 8822-B
- 2) Form SS-4
- 3) Statement of Organization
- 4) Membership Dues Collected not received by 2011-2012 Treasurer for the month of December 2012
- 5) Membership dues from Richard Batchelder ck#1027 \$25.
- 6) Proceeds from Pay Pal account \$24.99
- 7) Petty Cash box and contents of \$89.10
- 8) money order from Campaign Account \$542.47
- 9) NSF check Alice Cornmell
- 10) IRS form 1096 for y/e 2010
- 11) For 1099 Misc for
 - Diana Bates
 - Derek DeWalle
 - Jean Uhl
- 12) W-9 Derek DeWalle
 - Diana Bates
 - Jean Uhl
- 13) Obama Stickers
- 14) Post Election General dated 12/6/2012, last annual filing due January 31, 2013
- 15) Keys to building at 13285 Hall Avenue and Utica Post Office Box #180407
- 16) Newsletter membership report for monthly mailings
- 17) Old Permanent Files

2014 MAR 20 PM 3:07

RECORD OF ELECTIONS
STATE OF NEW YORK



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

April 16, 2014

Ann Brown
13651 Knight Ct.
Shelby Township, Michigan 48315

Dear Ms. Brown:

This letter concerns the complaint that was recently filed against you by Ronald Babin, which relates to a purported violation 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. Mr. Babin'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: Ronald Babin

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

From: Ronald Babin
3511 Dobbin Dr
Sterling Heights, MI 48310

Date: April 9, 2014
Re: Rebuttal statement

Dear Lori Bourbonais,

Mrs. Brown's March 25th response references a list of 17 items having all been turned over to me (and the Committee) at a transition meeting January 5, 2013. While the list is accurate, it does not address the core issue of my complaint. Mrs. Brown indicated that item #14 on her list was the only item outstanding which is inaccurate and discussed below. In item #17 on her list, she references "Old Permanent Files". What Mrs. Brown provided were the permanent files of the Macomb County Republican Party (MCRP) back several years (perhaps from 2005?) through 2010. She has not provided, and continues to evade providing, the permanent records for 2011-2012 which was during the time she was the Treasurer for the MCRP. The fact that she has NOT turned over the permanent files for 2011-2012 is the basis for this complaint.

Whether she has these records now or not, she was certainly required to turn them over under the law (MCL 169.201), in addition to our committee's By-laws. Mrs. Brown's responsibility was not only to turn over documents pertinent to Bureau of Elections filings but also ALL documents which substantiate these and all other transactions conducted on behalf of the MCRP including but not limited to:

- The MCRP account statements for the Huntington Bank and Credit Union One Bank accounts
- A full checking account history showing deposits, credits, debits, and checks written
- A full savings account history
- Any and all deposit receipts or deposit book carbons
- Copies of checks written and receipts for such
- Copies of checks received

In her reference to the January 5th, 2013 transition meeting she does not include the discussion in front of four other witnesses, the disposition of these missing records in the two boxes she turned over containing the prior years 'permanent paper' records. Upon direct questioning, she indicated she would maintain those records for some time in case she had any filings to do etc. (reference to Item #14). For how long? She wasn't sure... It was indicated to her she would have no filings to do as she, on behalf of the County Party, had filed the required Post General Report on December 6, 2012 and therefore the Annual was not required. Still, she insisted on maintaining those records.

Related to that, before January 31, 2013 she improperly and illegally certified through the MERTS website, she was the current Treasurer in order to receive a NEW upload password, and proceeded to file the Annual report which was not required of the Committee. I was told by the Bureau her filing would be ignored, and that time frame was subsequently covered by our next report.

Next, the discussion went on to "How about an electronic recording of transactions?" She indicated, after repeatedly being presented with this same question, she had used QuickBooks to compile the transactions and she could give me a copy of that (but not that day). At that

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BUREAU OF ELECTIONS
MI DEPT OF STATE

point the Committee had no documentation backing up the bookkeeping records for 2011 or 2012. Her BOE response references the "Jump Drive", also known as a flash memory key, and delivering it just a couple weeks later at our early February meeting. By her own claim in a (attached) November 21, 2013 Certified Mail letter, it contained the "county MERTS file with closing reports thru December 31, 2012" and no mention of the asked for QuickBooks file. She continued to fail to provide, in paper or electronic form, the permanent records for the 2011-2012 periods.


Then she audaciously says "I have not heard from Mr. Babin since this meeting held on January 5, 2013" until the Bureau's inquiry March 13, 2014. While this is a partially true statement, it misleadingly suggests that no contact was made with Mrs. Brown relative to this issue.

Just 24 days later on January 29, 2013 our Committee Chairman, Mr. Rob Montilla sent her an email (attached) restating the request for the missing documents/records. That flash drive was delivered several months later, perhaps May or June, I don't recall exactly nor is it important. Attempts were made to 'read' that flash drive in up to 5 different computers without success, simply showing as 'unreadable'. Mr. Montilla communicated this fact by email (attached) on August 21st indicating we still had no paper or electronic records for 2011-2012. So she did not hear from me, true; but she did hear from the Committee on my behalf which she did not say! After further inabilities to connect via phone, Chairman Montilla, on behalf of the Committee and myself, sent a U.S. Mail registered letter on November 13, 2013 (attached) clearly indicating the status. Mrs. Brown responded with the previously mentioned November 21st letter confirming she had received that November 13th notice while still failing to acknowledge the continued requests for the permanent financial records. She has never directly denied she hadn't previously given those specific records.

To further show she has not turned over documents covering 2011-2012 and attempted to deny access to them, as the current Treasurer I immediately after that meeting contacted the two financial institutions we 'had' accounts with. Mrs. Brown, after many, many years in existence, closed all accounts on December 4, 2012 issuing us, per the list of items she gave, a cashier's check for the balance. For our 'Campaign' account I reopened new accounts at the same institution, Huntington Bank NA, and gave written authorization from the Committee for them to provide me with copies of all bank statements covering 2011-2012. Why would I do that if she had just given them to us? In attempting to satisfy that request the bank in error sent those copies to the old address on record (Ann Brown's). On January 24th the branch manager, Jay Russ (586-795-9473), told me in his office, an Ann Brown had called several times and was passed on to him as manager because she was 'upset' on the phone. After receiving those copies she was upset that the bank was giving access to the closed accounts! He explained the documents belonged to the Committee and not to an individual so he could not help her, asking me 'does she have something to hide?' He then re-requested the documents and shortly thereafter hand delivered them to me.

Now the Committee must painstakingly, and at some cost, recreate the substantiating documents for 2011-2012 in order to support both our Bureau filings and our basic bookkeeping records. If Mrs. Brown no longer has these documents as she claims, she intentionally discarded them and that is a violation of the law.

Sincerely,



Ronald Babin



MCRP Records

Rob Montilla <robmontilla@gmail.com>

Tue, Jan 29, 2013 at 10:23 PM

To: Ann Brown <dare_brown@hotmail.com>, Ann Brown <dare_brown@att.net>

Ann,

When will you be turning over the balance of the MCRP records? Any financial records, including details of transactions, are property of the county party and need to be handed over. Per our discussion when the records were transferred, you were going to provide the balance of the records. We need to have this process completed.

Rob



MCRP Records

Rob Montilla <robmontilla@gmail.com>

Wed, Aug 21, 2013 at 7:15 PM

To: Ann Brown <dare_brown@hotmail.com>, Ann Brown <dare_brown@att.net>

Bcc: Ron Babin <rbabin@prodigy.net>

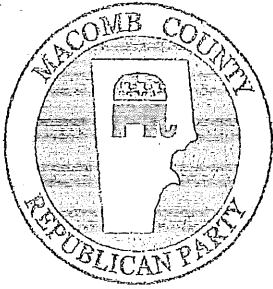
Ann,

I'm sorry it took so long to get this email to you but the flash drive you gave us with the county party financial records did not work. We still do not have the records from 2011-2012.

Can we make additional arrangements to get the full financial records of the county party for 2011-2012, either in paper or electronic form?

Your assistance with this would be greatly appreciated.

Rob



MACOMB COUNTY REPUBLICAN PARTY

P.O. BOX 380962 CLINTON TOWNSHIP, MICHIGAN 48038

E-mail: info@macombgop.com

November 13, 2013

Mrs. Ann Brown
13651 Knight
Shelby Township, MI 48315

Dear Mrs. Brown:

The Macomb County Republican Party (MCRP or "the Party"), and specifically the Treasurer, is responsible under the By-Laws for the possession and management of both current and past financial records relating to the operation of the Party. These records are owned by the Party.

During the administration change in January 2013, you turned over the permanent paper financial records only through December 2010, withholding those from 2011 and 2012. Despite being notified of your obligation to turn over all of the records at the time, you indicated you would not do so until you completed any filings you felt needed to be done. That time has long since passed.

Months later, although you still refused to turn over the paper records but you did supply a flash drive we were told had an electronic copy of the financial transactions made in Quickbooks. Despite multiple attempts, that flash drive was determined to be inaccessible or unreadable.

The Macomb County Republican Executive Committee has a legal obligation to enforce its By-Laws and protect its property. The MCRP therefore asks that you immediately relinquish possession of all financial records for 2011 and 2012, as well as any other records you may have. To be clear, we require all records of financial transactions conducted by the party in this timeframe, not just those transactions submitted for campaign finance reporting purposes.

Please make arrangements to provide these financial records to the MCRP offices located at the Michigan Republican Victory Center at 13285 Hall Rd. in Utica, MI on or before Saturday, November 23, 2013. Arrangements for drop off or pickup can be made by contacting me at rob@macombgop.com or calling at 586-291-7349.

Sincerely,

Robert Montilla
Chairman, Macomb County Republican Executive Committee

Macomb County Republican Party
P. O. Box 380962
Clinton Twp., Michigan 48038

November 21, 2013

ATT: Rob Montilla

Dear Rob Montilla,

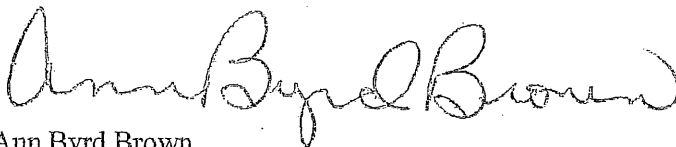
I am in receipt of your letter dated November 13, 2013 and wish to discuss your recollection of our transition meeting of January 5, 2013. We had a transition meeting where I relinquished 17 items of the MCRP. I am not in possession of any property of the Macomb County Republican Party.

Please draw your attention to Transition Meeting Item #14, the Post Election General Report, which was not due until January 31, 2013. This is the only item that we discussed that would be forth coming after our transition meeting because I hadn't filed it yet. In your letter dated November 13, 2013 you acknowledge receiving the jump drive which happens to contain the completion of this report as agreed upon in our meeting. This jump drive contains all the Bureau of Election reports filed during my position as MCRP Treasurer in compliance with Bureau of Elections regulations. This jump drive contains information that your Treasurer needs to file his Post Election General for 2013.

As you recall, we also discussed the MCRP 2009 Error or Omission's report which was never corrected. This 2009 report was never corrected because I never received the Merts files from the previous Treasurer. By using the Merts system you will be able to access the jump drive in your possession and you will see that the reports are for the years of 2011-2012 for that reason.

On December 4th I will be in Lansing and I will place on file with the Bureau of Elections your letter of acknowledgement of receipt of jump drive and my letter of response.

Sincerely,



Ann Byrd Brown
10th Congressional District Treasurer
State Rule Committee

CC: Barbara VanSyckel
Bureau of Elections



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

June 26, 2014

Ann Brown
13651 Knight Ct.
Shelby Township, Michigan 48315

Dear Ms. Brown:

The Department of State (Department) has completed its initial investigation of the campaign finance complaint filed against you by Ronald Babin, 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 Mr. Babin's complaint, which was filed on March 7, 2014. You filed an answer to the complaint on March 28, 2014, and Mr. Babin filed a rebuttal statement on April 15, 2014.

Mr. Babin alleged that you have refused to turn over committee records that you were required to keep as the former treasurer of the Macomb County Republican Committee (Committee). Specifically, Mr. Babin alleged that you have not turned over permanent paper and electronic records for the 2011-2012 term that you served as treasurer of the Committee, including documentation to support any transactions made by the committee.

The MCFA requires a committee treasurer to keep detailed records in order to substantiate any information filed in a statement or report as required by the Act; these records "shall be preserved for 5 years and shall be made available for inspection as authorized by the secretary of state." MCL 169.222. A person who knowingly violates section 22 may be subject to a civil fine of not more than \$1,000.00. *Id.*

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.*

In your answer to Mr. Babin's complaint, you provided a list of 17 items that you turned over to Rob Montilla and Mr. Babin on January 5, 2013 at a Committee transition meeting. While item #17 states that you turned over "Old Permanent Files [.]" none of the items on the list appear to specifically cover bank statements or records of transactions made by the committee during your tenure as treasurer of the Committee, including documents to substantiate information filed with the Department regarding contributions received or expenditures made by the Committee. You asserted that you have no other Committee property in your possession.

Mr. Babin indicated in his rebuttal statement that while the list you provided is accurate, the "Old Permanent Files" referenced in #17 included files from approximately 2005 through 2010. He

asserted that you have not provided permanent records for 2011-2012. Mr. Babin included an email from Mr. Montilla to you in which he inquires as to when you will be turning over the balance of the records, an email from Mr. Montilla to you asking if arrangements could be made to get the full financial records for the committee for 2011-2012, and a November 13, 2013 letter addressed to you which indicates that you turned over permanent paper financial records only through December 2010 and that you were still withholding the records from 2011 and 2012. Finally, Mr. Babin provided a copy of your response to Mr. Montilla's letter, in which you assert that you are not in possession of any property of the Committee.

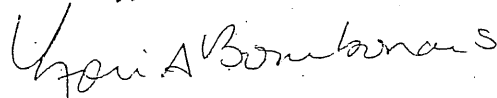
The Department believes the evidence supports a conclusion that either you have not turned over to the Committee records that were required by the Act to be kept by you as treasurer of the Committee, or that you have failed to preserve such records.

Section 22 of the Act requires all records of a committee to be preserved for 5 years and be made available for inspection. MCL 169.222. The Department requests that you provide to it all records in your possession that will substantiate the information in the statements or reports that you filed with the Department on behalf of the Committee. This should include all records that substantiate the information filed on statements covering the years 2011 and 2012. **Please provide this information to the Department by July 10, 2014.** If you do not allow the Department to inspect the records it will have no alternative but to find that you failed to preserve records in violation of the Act.

Once the Department receives this information from you, it will determine what 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 penalty provided in MCL 169.222.

Sincerely,



Lori A. Bourbonais
Bureau of Elections
Michigan Department of State