



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

November 8, 2013

Susan Woods, Director
East Lansing Film Festival
210 Abbot Road, Suite 48
East Lansing, Michigan 48823

Dear Ms. Woods:

The Department of State (Department) received a formal complaint filed by Carolyn Edmunds against you, alleging a violation of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* A copy of Ms. Edmunds' complaint is provided as an enclosure with this letter.

The MCFA prohibits a corporation from making a contribution to a committee other than a ballot question committee. MCL 169.254. A knowing violation of this section is a felony, punishable by a fine of not more than \$5,000 or imprisonment. MCL 169.254(4).

While the only exception to the prohibition on corporate contributions contained in the MCFA is for ballot question committees, a United States District Court for the Western District of Michigan held in an as-applied challenge to Michigan's prohibition on corporate contributions that if a political action committee does not coordinate the expenditure of its funds with a candidate, then the United States Supreme Court decision in *Citizens United*¹ forbids Michigan from denying a corporation from contributing to that committee. *Mich Chamber v Land*, 725 F Supp 2d 665 (2010). This ruling does not extend to corporate contributions to candidate committees, and the prohibition in section 54 still applies to candidate committees.

Ms. Edmunds alleges you used the East Lansing Film Festival website and email list to promote your candidacy, thereby effectuating a corporate contribution to your candidate 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

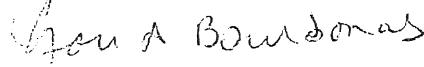
¹ *Citizens United v FEC*, 558 US 310 (2010).

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. Edmunds, 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, conducting an administrative hearing, or referring this matter to the Attorney General for enforcement of the criminal penalty provided in section 54(4) of the Act.

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

Sincerely,

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

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Carolyn Edmunds

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	Daytime Telephone Number	
CAROLYN EDMUNDS	517-332-0622	
Mailing Address		
231 DURAND ST.		
City	State	Zip
EAST LANSING	MI	48823

Section 2. Alleged Violator		
Name		
SUSAN WOODS, DIRECTOR, EAST LANSING FILM FESTIVAL		
Mailing Address		
210 Abbot Rd. SUITE 48		
City	State	Zip
EAST LANSING,	MI	48823

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

Section(s) of the MCFA violated:

CORPORATE DONATION by East Lansing FILM FESTIVAL

ID# 751761

Explain how those sections were violated:

Susan Woods used the web site and web mail list of East Lansing Film Festival to promote her candidacy for East Lansing City Council

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

#1. Copy of E-Mail sent Asking for votes

#2. Copy of on-line article from Lansing City Pulse in which she admits wrong doing.

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

Signature of Complainant

Date

10/28/13

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:

X

Signature of Complainant

Date

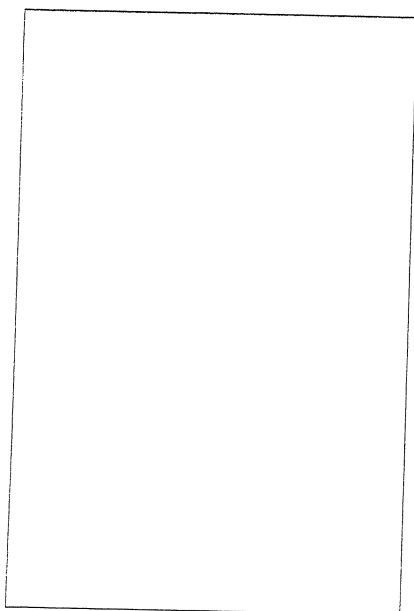
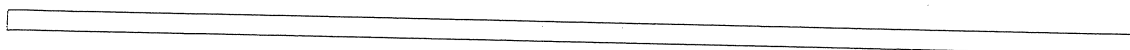
Section 15(8) of the MCFA provides that a person who files a complaint with a false certification is responsible for a civil violation of the MCFA. The person may be required to pay a civil fine of up to \$1,000.00 and some or all of the expenses incurred by the Michigan Department of State and the alleged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

Carol Edmunds

From: "EAST LANSING FILM FESTIVAL" <susanwoods@elff.com>
To: <edmunds@msu.edu>
Sent: Thursday, September 26, 2013 1:16 PM
Subject: I am announcing my candidacy for the East Lansing City Council. Please vote on November 5.

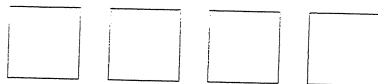
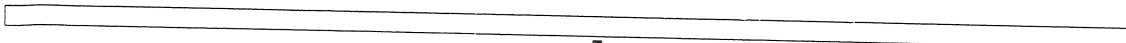


Dear Film Society,

I have lived in East Lansing for 23 years, arriving here from San Francisco via Vienna, Austria. My husband, Johannes, a professor and chair at MSU and I raised our two children Max and Tatia here sending them to the wonderful public schools in East Lansing. As you know, I founded the East Lansing Film Festival in 1997 and it has been going strong ever since. I have been active in neighborhood and arts organizations and in 2011 was honored with the EL Crystal Award for my community service. I believe that becoming a member of the City Council is the next step in my dedication to our community.

I love East Lansing and believe strongly that by working together we can make our city more dynamic!

*Please vote for me on Tuesday,
November 5 (the day before the film
festival begins).*





A newspaper for the rest of us

Friday, October 25, 2013

'Boy, what a blunder'

East Lansing City Council candidate admits wrongdoing, apologizes for using nonprofit resource:
by Andy Balaskovitz



Susan W. Woods. Courtesy photo.

Friday, Oct. 25 — An East Lansing City Council candidate who founded the E apologized for using film festival resources to promote her campaign.

Susan W. Woods, who founded the film festival 16 years ago, sent an email c candidacy, which concluded: "Please vote for me on Tuesday, November 5 (t

The film festival is a 501(c)(3) nonprofit corporation. Such entities are "absolu intervening in, any political campaign on behalf of (or in opposition to) any car Revenue Service website. The organization also runs the risk of losing its tax

"It was a complete and total mistake," Woods said in an interview today. "I ap terrible oversight."

After it went out, Woods said four people complained to her about the email. '

However, it doesn't clear her of violating the law, said Lansing attorney Eric D Collins and Smith.

Doster said such penalties from the IRS are complaint driven: "The IRS isn't g

Rich Robinson, director of the Michigan Campaign Finance Network, said: "If can I reel this in?"

Robinson was unsure what would happen after she's admitted to the error, "B

Woods is one of four candidates running for two open seats on the Council.

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Tweet

For A better view of article





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

December 12, 2013

Carolyn Edmunds
231 Durand Street
East Lansing, Michigan 48823

Dear Ms. Edmunds:

The Department of State received a response to the complaint you filed against Susan Woods, 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, 1st Floor, 430 West Allegan Street, Lansing, Michigan 48918.

Sincerely,

A handwritten signature in cursive script, reading "Lori A. Bourbonais".

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Susan Woods

2013 NOV 25 PM 3:49

Susan W. Woods

510 Kedzie Street
East Lansing, MI 48823

November 22, 2013

Department of State --Bureau of Elections
Attn: Lori Bourbonais
Richard H. Austin Building, 1st Floor,
430 West Allegan Street
Lansing, MI 48918

Dear Ms. Bourbonais:

The situation described in the complaint filed against me resulted from a one-time, unintentional error caused by a technological mishap.

To address this matter, I have contributed \$280.00 to the East Lansing Film Festival from the "Friends of Susan W. Woods" bank account. This represents a fair-market, one-time use value for each recipient who accidentally received the e-mail correspondence.

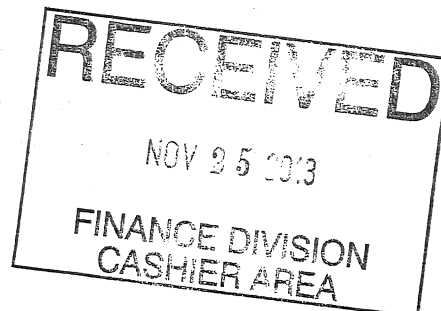
The contribution will be reported on my post-election report.

A copy of the check is attached to this letter.

Sincerely,



Susan W. Woods
East Lansing City Councilwoman



FRIENDS OF SUSAN W WOODS
510 KEDZIE ST
EAST LANSING, MI 48823-3634

0906

11-22-13


74-7966/2724

PAY TO THE
ORDER OF

ELFF

\$ 780.00

Two hundred eighty

 Security features
Dollars
Dollars on back



MICHIGAN STATE UNIVERSITY
FEDERAL CREDIT UNION
3777 WEST ROAD, EAST LANSING, MI 48823

FOR

Susan W. Woods



0906



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

February 27, 2014

Susan Woods, Director
East Lansing Film Festival
210 Abbot Road, Suite 48
East Lansing, Michigan 48823

Dear Ms. Woods:

The Department of State (Department) has completed its investigation of the complaint filed against you by Carolyn Edmunds, which alleged that you violated section 54 of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.254, by effectuating a corporate contribution to your candidate committee. This letter concerns the disposition of Ms. Edmunds' complaint, which was filed on October 31, 2013. You filed an answer on November 25, 2013. Ms. Edmunds did not file a rebuttal statement with the Department.

The MCFA prohibits a corporation from making a contribution to a committee other than a ballot question committee. MCL 169.254. A knowing violation of this section is a felony, punishable by a fine of not more than \$5,000.00 or imprisonment. MCL 169.254(4).

The Act also provides that if Department determines there may be "reason to believe that a violation of this act has occurred[.]" the Department is required by law to "endeavor to correct the violation or prevent a further violation by using informal methods." MCL 169.215(10).

Ms. Edmunds alleged that you used the East Lansing Film Festival website and e-mail list to promote your candidacy, thereby effectuating a corporate contribution to your candidate committee. Ms. Edmunds provided a copy of an e-mail message sent from you using the East Lansing Film Festival e-mail list on September 26, 2013. In the e-mail you encouraged the recipient to vote for you. She also provided a copy of a news article pertaining to the situation, in which you admit to the wrongdoing.

In response to the complaint, you acknowledged that you sent the e-mail message but explained that it was a "one-time, unintentional error caused by a technological mishap." You indicated you had made a contribution to the East Lansing Film Festival from the "Friends of Susan W. Woods" bank account and included a copy of the check.

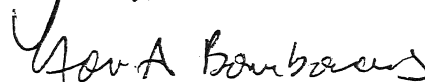
The evidence in this matter supports the Department's determination that there may be reason to believe that you effectuated a corporate contribution to your candidate committee using the East Lansing Film Festival's resources. Upon making this determination, the Department is required by law to attempt to resolve the matter informally. MCL 169.215(10).

A copy of the Department's proposed conciliation agreement, which would informally resolve Ms. Edmund's complaint, is enclosed. "Unless violated, a conciliation agreement is a complete bar to any further action with respect to matters covered in the conciliation agreement." *Id.* Please note that the conciliation agreement acknowledges that you have paid \$280.00 to the East Lansing Film Festival as restitution for the violation.

If you are inclined to execute the conciliation agreement, please return the original signed document to this office on or before March 14, 2014.

Please be advised that if the Department is unable to resolve Ms. Edmunds' complaint informally, it is required by MCL 169.215(10) to refer the matter to the Attorney General with a request that his office prosecute you for the crime of making a corporate contribution to a candidate committee, a felony violation of MCL 169.254.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori A. Bourbonais", is written over the typed name.

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

Enclosure



BUREAU OF ELECTIONS
IN DEPT OF STATE

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

2014 MAR 18 PM 2:59

In the Matter of:

**Susan Woods, Director
East Lansing Film Festival
210 Abbot Road, Suite 48
East Lansing, Michigan 48823**

CONCILIATION AGREEMENT

Pursuant MCL §169.215(10) of the Michigan Campaign Finance Act (the Act), MCL §169.201 *et seq.*, Susan Woods (Respondent) hereby enters into a conciliation agreement with respect to certain acts, omissions, methods, or practices prohibited by the Act.

The Secretary of State alleges that there may be reason to believe that the Respondent violated MCL §169.254 by using the East Lansing Film Festival website and e-mail list to promote your candidacy, thereby effectuating a corporate contribution to your candidate committee.

Therefore, the Respondent hereby voluntarily enters into this conciliation agreement and assures the Secretary of State that she will comply with the Act and the Rules promulgated to implement the Act.

By executing this conciliation agreement, the Respondent certifies that \$280.00 has been paid as restitution to the East Lansing Film Festival by the Friends of Susan W. Woods candidate committee.

The Secretary of State and the Respondent further agree that this agreement is in effect and enforceable for four years from the date it is signed by the Secretary of State or her duly authorized representative.

The Secretary of State and the Respondent further agree that this agreement, unless violated, shall constitute a complete bar to any further action by the Secretary of State with respect to the alleged violation that resulted in the execution of this agreement.

The Secretary of State and the Respondent further agree that the complaint and investigation that resulted in this agreement are disposed of and will not be the basis for further proceedings, except pursuant to this agreement.


The Secretary of State and the Respondent further agree that this agreement will not prevent the Secretary of State from taking action for violations of this agreement.

The Secretary of State and the Respondent further agree that the Respondent's performance under this agreement shall be given due consideration in any subsequent proceedings.

The Secretary of State and the Respondent further agree that this agreement, when signed, shall become a part of the permanent public records of the Department of State.

The Secretary of State and the Respondent finally agree that the signatories below are authorized to enter into and bind the parties to this agreement, and have done so by signing this agreement on the date below.

**RUTH JOHNSON
SECRETARY OF STATE**



**Christopher M. Thomas, Director
Bureau of Elections**

Date: 3-25-14

RESPONDENT



**Susan Woods, Director
East Lansing Film Festival**

Date: 3-14-14