



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

February 16, 2016

Paul Streng
307 West Brooks Street
Howell, Michigan 48843

Dear Mr. Streng:

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

The MCFA requires a committee to file a statement of organization within 10 days after a committee is formed. MCL 169.224(1). Late fees may be incurred if the statement of organization is filed late. *Id.* Failure to file a statement of organization for more than 30 days is a misdemeanor offense. *Id.* By statutory definition, a committee is formed when "a person¹ receives contributions or makes expenditures for the purpose of influencing or attempting to influence the action of voters for or against the nomination or election of a candidate. . . if contributions received total \$500.00 or more in a calendar year or expenditures made total \$500.00 or more in a calendar year." MCL 169.203(4). A statement of organization must be filed within 10 days of reaching one of these \$500.00 thresholds.

The Act further requires committees to file periodic campaign finance statements and reports. MCL 169.233. The failure to file a single campaign statement may trigger late filing fees. MCL 169.233(7). In certain circumstances, a failure to file may constitute a misdemeanor offense. MCL 169.233(8).

The MCFA and corresponding administrative rules additionally require a person who produces printed material that relates to an election to include the phrase "Paid for by [name and address of the person who paid for the item]." MCL 169.247(1), Mich. Admin. R 169.36(2). A knowing violation constitutes a misdemeanor offense punishable by a fine of up to \$1,000.00, imprisonment for up to 93 days, or both. MCL 169.247(6).

Finally, the Act requires a person, other than a committee, to file an independent expenditure report if that person makes an independent expenditure in an amount of \$100.01 or more in a calendar year advocating the election or defeat of a candidate. MCL 169.251. A person who violates this section may be subject to a civil fine not to exceed \$1,000.00. MCL 169.215(15).

¹ Under the MCFA, "person" includes a business, partnership, company, corporation, or group of persons acting jointly. MCL 169.211(2).

Mr. Heins alleges that you failed to include a complete and proper paid-for-by statement on certain campaign material, and that you either (1) met the definition of a "committee" and failed to file a Statement of Organization and required campaign finance statements, or (2) failed to file an independent expenditure reports with regard to certain campaign material.

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 the 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. Heins, 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 47(6) of the Act.

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

Sincerely,



Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Douglas Heins

**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 Douglas Heins | Daytime Telephone Number 517-672-6564 | |
| Mailing Address 212 Prospect | | |
| City Howell | State MI | Zip 48843 |

| Section 2. Alleged Violator | | |
|---|--------------------|---------------------|
| Name Paul Streng | | |
| Mailing Address 307 W Brooks St | | |
| City Howell | State MI | Zip 48843 |

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

Section(s) of the MCFA violated: **169.247 Section 47 Printed matter and 169.251 Section 51 no expenditure statement**

Explain how those sections were violated:

See attachment for additional information

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

Photograph of Mr. Streng handing out fliers

Copy of Flier found on residents doors (beige color stock)

Copy of mailed envelope without return address

Copy of flier in envelope (white paper stock)

2010 FEB -8 PM 2:11

RECEIVED/FILED
MICHIGAN DEPT OF STATE

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

Daglo Hewis
Signature of Complainant

2-1-2016
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:

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

Attached to Complaint Section 3 Alleged Violator

On the morning of October 24, 2015 I, Douglas Heins, was campaigning door to door for Howell City Council and did observe numerous beige colored flyers stuffed in residential doors. These flyers were advocating the voting for a slate of candidates for Howell City Council. It expressly said *"...we encourage you to be sure to vote November 3 for"* and it listed the candidates' names.

The flyers were being handed out anonymously. They did not have any identification as to who paid for the flyer, what committee was distributing the flyers, nor any address for the person(s) that printed the flyer.

A copy of the anonymous door to door flyer is attached to this complaint.

At 10/24/2015 at 2:23PM while on driving on Riddle Street in Howell a person was observed going door to door putting these anonymous flyers in doors. I was traveling with my wife so we turned the car around and drove back to identify the person handout out the anonymous flyers. This person was Paul Streng, former Mayor of Howell and current Chairman of the City Planning Commission.

I took a picture of Mr. Streng (attached to complaint) on Riddle Street that shows him holding the anonymous flyers in his hand. I stopped to advise Mr. Streng that the flyer he was handing out were illegal and in violation of election laws and rules.

A few days later (week of 10/26/2015) an anonymous letter containing the same anonymous flyer being distributed by Mr. Streng was sent via US mail to voters in Howell. I received one of these anonymous letter at my home address. A copy of the anonymous flyer (this time on white paper stock) and the mailing envelope (without any return address) is attached to this complaint.

This complainant is alleging that hundreds of flyers and letters were paid for distributed and mailed anonymously to voters in Howell in violation of Michigan election laws.

I am alleging that Mr. Streng as a long time elected city official knowingly and deliberately violated the election laws of Michigan to wit:

1. If as the sole author of the flyer did not register as a Political Action Committee as per MCL169.203(4) to advocate voting for the election of candidates without filing notification with the county clerk and required expenditure records or;
2. If he acted as an individual and contributed monies to the anonymous campaign and spent more than \$100 as per MCL 169.206(1) did not file an unregistered expenditure within 10 days as per MCL 169.251 (sec.51) with the Clerk of the Livingston County.
3. As a person witnessed handing out the flyers clearly failed to identify himself as the person and address of who created, advocated and paid for the flyer and may have participated in the mailing campaign in violation of MCL 169.247 (1), Sec 47.1 and R169.32 (2).
4. Acted in coordination with city council candidate Robert Ellis whereas candidate Ellis had posted a copy of the same anonymous flyer on his campaign web page (documentation attached) and Ellis openly advocated for volunteers on his web page to join him in passing out the anonymous flyers in violation of election laws MCL 169.247 (1), Sec 47.1

In summary it appears that the illegal anonymous flyer was a coordinated effort amongst many individuals and candidates, and possibly some former and current political officials (listed in the flyer)

that should know from having served in previous public offices and should know clearly and without question an understanding of Michigan elections laws.

These individuals should know the election rules about handing out anonymous advocacy flyers and the individuals that participated in its delivery are making a mockery of Michigan campaign laws and rules. The Secretary of State needs to make a diligent effort to investigate who was responsible for these violations.

If Mr. Streng alleges he did not create or pay for the anonymous flyers and/or participate in the postal mailing then as a long time former Mayor and current appointed city official he has a public duty and responsibility to assist the State in assuring the integrity and compliance with Michigan election laws by identifying those persons he obtained the flyer from, who he was in communication with to distribute the anonymous flyers and who to his knowledge paid for the flyers and paid for the anonymous mailing so those that violated the elections laws can be held accountable.

Howell City Council Candidates Endorsed by Community Leaders

As Residents, Business Owners, past City Council members and Community leaders we realize how critical effective leadership is on Howell's City council. For that reason we encourage you to be sure to vote November 3, for

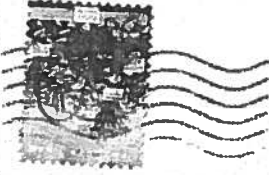
Steve Manor,

Bob Ellis

Michael Mulvahill.

Respectfully:

| | |
|------------------|---|
| Brian Jonckheere | Livingston County Drain Commissioner |
| David Morse | Retired Livingston County Prosecutor, 1989-2012 |
| Dawn Cooper | Howell City Council 2000-2013 |
| Don Cortez | President/CEO First Impression Print & Marketing |
| Geof Greeneisen | Principal Rescue LLC |
| Joe Parker | Heart of Howell |
| Kathy Goetsch | Attorney |
| Michael Yost | Howell City Council - 1983-89 / 1995-1998 Mayor 1989-1991 |
| Michael Hall | President/CEO Cobb-Hall Insurance |
| Paul Streng | Howell City Council- 1987-91 Mayor 1991-1997 |
| Rick Scofield | Chairman, May & Scofield Ltd |
| Scott Patton | Howell City Council 2006-2011 |
| Sue Dolato | Howell City Council 1996 - 2006 |
| Tom Austin | City Resident/Retired High School Counselor |



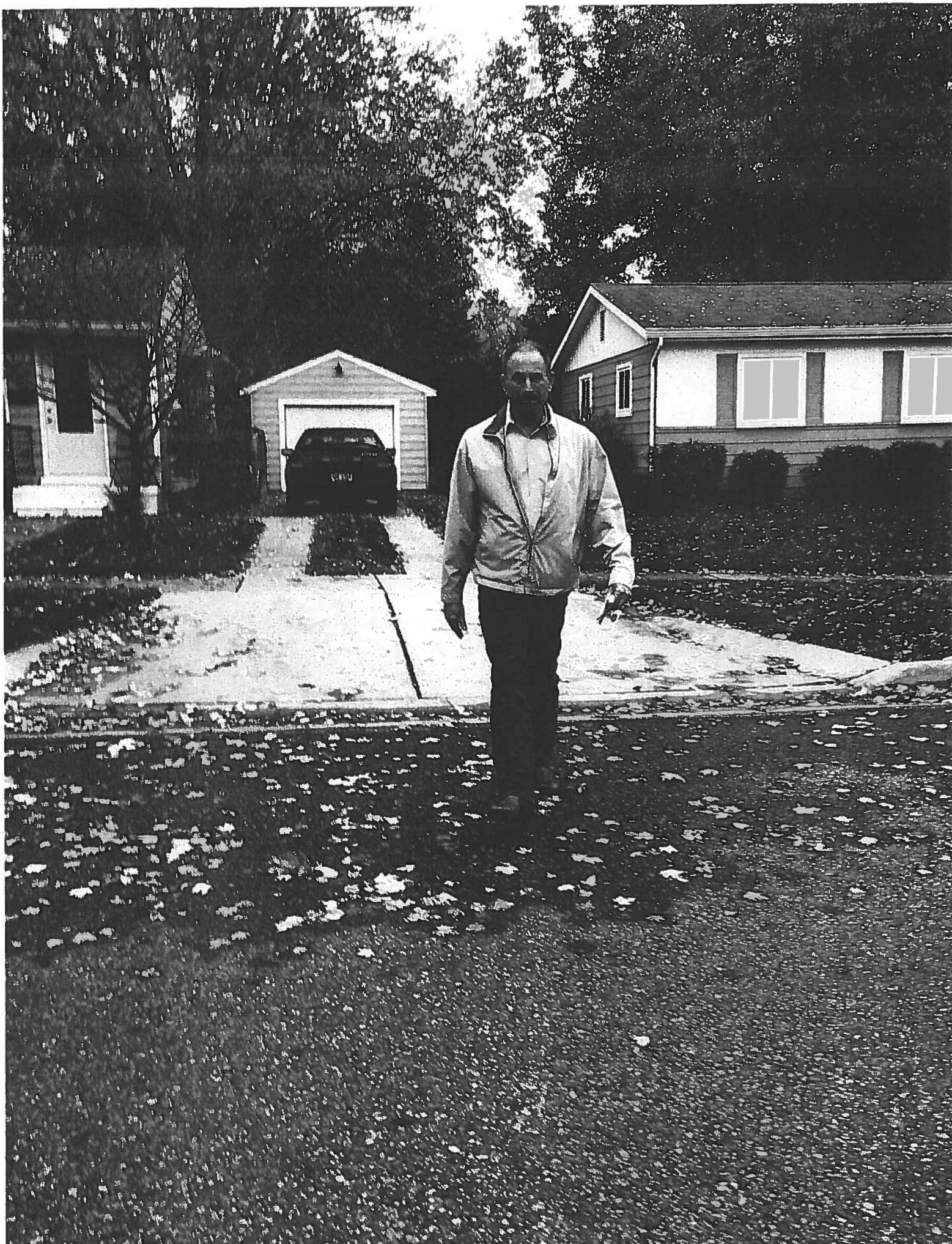
GRAND RAPIDS MI 494
26 OCT 2015 PM 5 L

212 Prospect

Howell, Mich. - 48843

48843143512





[https://www.facebook.com/bobellisforhowell/](#)
[Bob Ellis for Howell City Council](#)

[File](#) [Edit](#) [View](#) [Favorites](#) [Tools](#) [Help](#)

[RoboForm2Go](#) [Identities](#)

[Logins](#) [Bookmarks](#) [Facebook - Doug for City Council \(+1\)](#) [Ann Heins](#) [Doug Heins](#) [Save](#) [Generate](#) [Sync](#) [Home](#)

[search contract \(2\)](#) [search contract](#) [Socrates - Home](#) [Google](#) [Fall Protection](#)

[Like](#) [Comment](#) [Share](#)

[Create Page](#)

[Recent](#)

[2015](#)

[Yes! I am sorry I can't vote, because I live in Brighton. I will get the word out to my Howell friends. Best of Luck!](#)

[Like](#) [Comment](#) [Share](#)

[Joan Thomas](#)
[March 6 at 2:44pm](#)

[Bob is well prepared for the job, go Bob!](#)

[Like](#) [Comment](#) [Share](#)

[1](#)

[Patrice Heath](#)
[March 6 at 2:23am](#)

[New blood is always good, new approach to get things moving for your community. Bob your the one to do it. Best of luck.](#)

[Like](#) [Comment](#) [Share](#)

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[Ad Choices](#) [More](#)
[Facebook](#) © 2015

[Bob Ellis for Howell City Council](#)

[Any volunteers out there to help with canvassing? We plan to go door-to-door and drop off 800 endorsement letters to likely voters on October 24. This is in addition to the city-wide canvassing I'm doing personally. We're looking for 16 people to deliver 50 letters each. Can you help?](#)

[Like](#) [Comment](#)

[Vickie Geistkemper likes this.](#)

[Top Comments](#)

[Sue Richards](#) [Alt Bob - I can help you out!](#)
[1](#) [October 15 at 2:30pm](#)

[Bob Ellis for Howell City Council](#)
[October 14](#)

[I've been campaigning hard and just knocked on my 500th door and posted my 100th yard sign. Only 25 signs left and 360 doors to go before Election Day!](#)

[Like](#) [Comment](#)

[https://www.facebook.com/?f.phpfbpage_id=892551184134253&f=111](#)

Howell City Council Candidates Endorsed by Community Leaders

As Residents, Business Owners, past City Council members and Community leaders we realize how critical effective leadership is on Howell's City council. For that reason we encourage you to be sure to vote November 3, for

Steve Manor,

Bob Ellis

Michael Mulvahill.

Respectfully:

| | |
|------------------|--|
| Brian Jonckheere | Livingston County Drain Commissioner |
| David Morse | Retired Livingston County Prosecutor, 1989-2012 |
| Dawn Cooper | Howell City Council 2000-2013 |
| Don Cortez | President/CEO First Impression Print & Marketing |
| Geof Greeneisen | Principal Rescue LLC |
| Joe Parker | Heart of Howell |
| Kathy Goetsch | Attorney |
| Michael Yost | Howell City Council – 1983-89 /1995-1998 Mayor 1989-1991 |
| Michael Hall | President/CEO Cobb-Hall Insurance |
| Paul Streng | Howell City Council- 1987-91 Mayor 1991-1997 |
| Rick Scofield | Chairman, May & Scofield Ltd |
| Scott Patton | Howell City Council 2006-2011 |
| Sue Dolato | Howell City Council 1996 - 2006 |
| Tom Austin | City Resident/Retired High School Counselor |



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

February 29, 2016

Douglas Heins
212 Prospect
Howell, Michigan 48843

Dear Mr. Heins:

The Department of State received a response to the complaint you filed against Paul Streng, 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 that reads "Lori A. Bourbonais".

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Paul Streng

Ms. Lori A Bourbonais
Michigan Department of State
Bureau of Elections
403 W. Allegan
Lansing, MI 48918

RECEIVED/FILED
MICHIGAN DEPT OF STATE
2016 FEB 26 AM 9:26
ELECTIONS/GREAT SEAL

22 February, 2016

Ms. Bourbonais

This is my response to your letter of 16 February 2016.

No contributions were collected, received or expended by me.

MCL 169.247(1) does not apply in this instance. I am an individual, not a candidate, acting independently and not as an agent for a candidate or any committee. I was exercising my right of free expression in distributing handbills door-to-door in my community. These handbills were prepared by others at the direction of other persons.

Please find attached an invoice for the printing of the flier from First Impression Print & Marketing, printing was done at no charge.

To be fair I consulted the Staples copy and print web page.

(www.staples.com/sbd/content/copyandprint/copiesanddocuments.html)

1500 black and white copies are listed at \$0.060 price per page which equals \$90.00 plus 6% sales tax equals \$95.40.

I did not mail **any** fliers including the one shown in the photo (which is on white paper). I have no knowledge of who might have mailed any of these fliers. First Impression Print & Marketing did **not** use white paper.

I hope this answers your concerns, and I would be happy to answer any further questions you may have.

Sincerely



Paul B. Streng
307 W. Brooks St.
Howell, Michigan 48843

Attachment



P: (517) 546-9798
E: INFO@FIPPRINT.COM

62943

Date: 10/14/15

Bill To:

Customer P.O. #:

|||||
Cobb-Hall Insurance Agencies
223 W. Grand River
Howell MI 48843
Mike Hall
Phone: 517-586-6034
Fax: 517-546-8363

Making Your Job Easier...

| Quantity | Description | Amount |
|--------------|------------------------------|--------|
| 1,500 | City Council Support Letters | |
| SUBTOTAL: | | 0.00 |
| TAX: | | 0.00 |
| SHIPPING: | | |
| TOTAL: | | 0.00 |
| BALANCE DUE: | | 0.00 |

Email invoices to job contact and Mike Hall at: mhall@cobhall.com
Sales Rep: Don
Taken by: Sandie Cortez
Account Type: Charge Account

Ship Via: Deliver
Wanted: Tue 10/13
City Council Support Letters

Please fax or
email to start
production of
your job.

AUTHORIZED BY: _____

Your signature indicates that you ☐ proofread ☐ chose not to proofread
I approve this order as described, to be completed, I agree to the payment terms and assume full personal responsibility for payment of this account.
My signature indicates that I understand and accept this information.

Rec'd By: _____

Date: _____

#of cartons: _____





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

March 15, 2016

Paul Streng
307 West Brooks Street
Howell, Michigan 48843

Dear Mr. Streng:

This letter concerns the complaint that was recently filed against you by Douglas Heins, 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 45 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. Heins' 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 black ink that reads "Lori A. Bourbonais".

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Douglas Heins

Ms. Lori A. Bourbonais
Bureau of Elections
Michigan Department of State
Richard H. Austin Building – 1st floor
430 W. Allegan
Lansing MI 48918

March 8, 2016

RECEIVED/FILED
MICHIGAN DEPT OF STATE
2016 MAR 14 PM 3:53
ELECTIONS/GREAT SEAL

Ms. Bourbonais,

Mr. Streng's response my complaint appears to have several elements that require additional investigation to assure there is no obstruction of justice in complying with Michigan's election laws.

He admits to handing out anonymous flyer handbill advocating a "vote for" but does not accept responsibility for the creation of the flyer that was lacking the proper committee identification.

The flyers were printed on off-white paper stock. A receipt from 1st Impressions Printing was submitted with zero dollars for the printing. I'm not sure the campaign laws allows for free printing or donated services without some type of dollar value for tracking the donation.

Mr. Streng used a Staple web site to establish a copy cost value of below \$100 but this service was not used. I consulted a similar business, Office Depot, on the web and they established a copy cost of \$105 before taxes. (Screen shot of Office Depot cost attached)

A call to 1st Impressions Printing by a colleague of mine for a hypothetical order of 1500 flyers determined that they would print at a cost of \$100.22 after taxes. These examples establishes that Mr. Streng's hypothetical cost was derived to stay below the \$100 reporting threshold.

Mike Hall is the person on the Streng receipt that ordered and received the flyers. Do I need to submit a separate complaint for this individual?

A **Committee** as defined by Webster's is a **self-constituted organization for the promotion of a common object**. It now appears that a committee was indeed formed to pass out the anonymous flyer.

1st Impressions Printing which printed the "free" flyer is owned by Mr. Cortez. The three people mentioned in this letter, Streng, Hall and Cortez are longtime political activists in Howell and were opposed to my reelection. Thus it appears that a committee was formed but no paper work was filed.

Mr. Robert Ells, whom I previously filed a complaint that was dismissed, posted a copy of the illegal anonymous flyer on his web site and solicited help in the handing out flyer. Is he now a part of the committee since he was provided copies of the flyer, had knowledge who created the illegal flyer and assisted in its distribution?

It was argued by Mr. Streng that he was just a simple volunteer citizen handout flyers. If that is the case how did he come into possession of the 1st Impression Printing receipt from Mike Hall? Using his logic, anyone could hand out anonymous flyers as a volunteer without any accountability as the legality of the document.

Conspiracy as defined by Webster's is **a secret plan by a group to do something unlawful or harmful**.

The voting public was harmed by the dissemination of the anonymous flyers as document did not inform the public according to law, who was the author and who paid for the printing. It does not matter if the flyer was positive or negative, the public has a right to know the source of the flyer as they need to consider the source and could in people minds provide them knowledge and influence the voter's decision if they knew of those that organized in secret to create and distribute this material.

The people that created, distributed the flyers door to door AND a postal mailing to the public believed they could remain in secret as "Puppet Masters" to manipulate the public vote in direct violation of State campaign laws.

Further investigation by the Secretary of State and the Attorney General's office is required, for without a remedy for compliance with state laws, the ground work and a path has been laid for future massive anonymous flyer activity in the State without any fear of accountability, thus rendering State campaign laws irrelevant.

There was considerable expense to mail out the anonymous flyers. How will the State hold those accountable? You now have several names in association with the creation of the flyers. Furthermore, does the costly, illegal and anonymous mailing of the violate US Postal Service regulations? As a reminder these letter were also mailed out with any return address to hide from the public the true author and who financed the mailing.

I have provided enough information to continue the complaint investigation. The voting public needs to be assured there accountability election laws and no obstruction of justice. If you need additional names to connect the dots and assist with the investigation, please let me know.

In closing, this massive distribution of anonymous flyer without accountability is destructive to our political process, sense of fair play and respect for our laws.

Sincerely



Douglas Heins

RECEIVED/FILED
MICHIGAN DEPT OF STATE
2016 MAR 14 PM 3:33
ELECTIONS/GREAT SEAL

Office Depot

File Edit View History Bookmarks Tools Help

Simple, Fast Document Pri... x

https://www.officedepot.com/configurator/pod/#/product/copiesAndFlyers

UPS Locator Most Visited

Logins Bookmarks (+10) Save Generate Sync Home

Copies and Flyers

Choose a different product Questions? Contact a Print Specialist: 800.983.3376

Log in Create an Account

Start earning rewards today

My Cart

My Recently Viewed

As you view items, each will be listed here for quick review or purchase.

My Recommendations

Store Near You

My Orders

My Lists My Subscriptions My Files

Upload Your Files

Your Price: **\$105.00**

Job Name

Print Info

| Pages | Copies | Paper Size |
|-------|--------|------------|
| 1 | 1500 | Letter |

☐ Fit to Size

☒ Full Color ☐ Black & White

☒ Single Sided ☐ Double Sided



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

March 21, 2016

Brian Jonckheere
350 West Caledonia Street
Howell, Michigan 48843

David Morse
1752 Town Commons Drive
Howell, Michigan 48855

Dawn Cooper
415 West Sibley Street
Howell, Michigan 48843

Don Cortez
4188 Westhill Drive
Howell, Michigan 48843

Geof Greeneisen
1707 Town Commons Drive
Howell, Michigan 48855

Joe Parker
1600 West Allen Road
Howell, Michigan 48855

Kathy Goetsch
224 Inverness Street
Howell, Michigan 48843

Michael Yost
713 West Grand River Avenue
Howell, Michigan 48843

Michael Hall
Cobb-Hall Insurance Agencies
223 West Grand River
Howell, Michigan 48843

Paul Streng
307 West Brooks Street
Howell, Michigan 48843

Rick Scofield
2450 Golf Club Road
Howell, Michigan 48843

Scott Patton
415 W Washington Street
Howell, MI 48843-2139

Sue Dolato
803 Nelsons Ridge Drive
Howell, Michigan 48843

Tom Austin
424 Maple Street
Howell, Michigan 48843

Ladies and Gentlemen:

This letter concerns the Department of State's (Department) investigation of a campaign finance complaint filed by Douglas Heins against Paul Streng, which is enclosed for your review. Mr. Heins has alleged that the letter listing your names regarding the endorsement of 3 Howell City Council candidates (endorsement letter), which was distributed to Howell residents by mail and door-to-door, is evidence of a violation of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 et seq.

The MCFA requires a committee to file a statement of organization within 10 days after a committee is formed. MCL 169.224(1). Late fees may be incurred if the statement of

organization is filed late. Id. Failure to file a statement of organization for more than 30 days is a misdemeanor offense. Id. By statutory definition, a committee is formed when “a person¹ receives contributions or makes expenditures for the purpose of influencing or attempting to influence the action of voters for or against the nomination or election of a candidate. . . if contributions received total \$500.00 or more in a calendar year or expenditures made total \$500.00 or more in a calendar year.” MCL 169.203(4). A statement of organization must be filed within 10 days of reaching one of these \$500.00 thresholds.

The Act further requires committees to file periodic campaign finance statements and reports. MCL 169.233. The failure to file a single campaign statement may trigger late filing fees. MCL 169.233(7). In certain circumstances, a failure to file may constitute a misdemeanor offense. MCL 169.233(8).

The MCFA and corresponding administrative rules additionally require a person who produces printed material that relates to an election to include the phrase “Paid for by [name and address of the person who paid for the item].” MCL 169.247(1), Mich. Admin. R 169.36(2). A knowing violation constitutes a misdemeanor offense punishable by a fine of up to \$1,000.00, imprisonment for up to 93 days, or both. MCL 169.247(6).

It appears from the enclosed endorsement letter that it is possible that you have all acted jointly to produce and distribute the endorsement letter and failed to form a committee, failed to file required reports and statements, and failed to include a paid-for-by statement on the endorsement letter.

Additionally, it appears from of our investigation that First Impression Print & Marketing or Cobb-Hall Insurance Agencies, which are both Michigan corporations, provided the printing of the mailers at no cost,² which gives rise to a prohibited corporate contribution. MCL 169.254(1). A contribution includes a discount not available to the general public. MCL 169.204(2). A knowing violation of section 54 is a felony “punishable, if the person is an individual, by a fine of not more than \$5,000.00 or imprisonment for not more than 3 years, or both, or, if the person is not an individual, by a fine of not more than \$10,000.00.” 169.254(5).

Regarding those issues for which you have knowledge, please:

1. Clarify who was involved in the production and distribution of the endorsement letter.
2. Indicate who paid for the design, printing, mailing, and any other distribution of the endorsement letter.
3. Provide the amount spent on the design, printing, mailing, and any other distribution of the letter.
4. Clarify which person or entity donated or paid for the printing costs of the letter.

¹ “Person” includes a two or more people acting jointly. MCL 169.211(2).

² An invoice from First Impression Print & Marketing with Cobb-Hall Insurance Agencies listed as the payor showing no charge for the printing was provided to the Department with Mr. Streng’s answer to the complaint. A copy of the invoice is enclosed.

March 21, 2016

Page 3

Please provide this information to the Department at P.O. Box 20126, Lansing, Michigan 48901-0726 or by fax to 517-373-0941 no later than March 30, 2016.

After reviewing all of the statements and materials provided in response to this letter, 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 47(6) and 54(5) of the Act.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Lori A. Bourbonais".

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State



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

March 21, 2016

Paul Streng
307 West Brooks Street
Howell, Michigan 48843

Dear Mr. Streng:

This letter concerns the complaint that was recently filed against you by Douglas Heins, which relates to a purported violation of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.*

In your answer to Mr. Heins' complaint you asserted that the endorsement letter in question was "prepared by others at the direction of other persons [,]" and that you did not mail any of the letters and you "have no knowledge of who might have mailed any of" the letters. Along with your answer to the complaint you provided an invoice from First Impression Print & Marketing to Cobb-Hall Insurance Agencies for the printing cost of the endorsement letter.

1. Please explain how you obtained this invoice if you were not involved in the printing of the letters.
2. Please explain or clarify your statement that the printing was done for free, which appears to imply that either First Impression Print & Marketing or Cobb-Hall Insurance Agencies made an illegal corporate contribution¹ to the 3 candidates listed in the letter.

Please provide this information to the Department at P.O. Box 20126, Lansing, Michigan 48901-0726 or by fax to 517-373-0941 no later than March 30, 2016.

Sincerely,

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

¹ MCL 169.254(1) prohibits a corporation from making a contribution to a candidate. A knowing violation of this section is a felony. MCL 169.254(5). A contribution includes a discount not available to the general public. MCL 169.204(2).

28 March, 2016

Ms. Lori A. Bourbonais
Michigan Department of State
Bureau of Elections
403 W. Allegan
Lansing, MI 48911

Ms. Bourbonais

This is my response to your letter to me dated March 21, 2016.

1. I requested a copy from Mr. Hall, who emailed it to me.
2. The invoice speaks for itself relative to the amount

Relative to your second letter dated March 21, 2016, to multiple recipients, I believe with the answers I provided in your two requests, I have answered your questions. If that is not sufficient, please advise by email and I will respond.

Sincerely

Paul B. Streng

Paul B. Streng
307 W. Brooks St.
Howell, MI 48843
pbstreng@gmail.com

VIA Email: bourbonaisl@michigan.gov

RECEIVED
MICHIGAN DEPT OF STATE
2016 MAR 29 AM 9:19
ELECTIONS/GREAT SEAL

R. Michael Yost
713 West Grand River Avenue
Howell, Michigan 48843
313-300-5053
mike.yost44@yahoo.com

RECEIVED/FILED
MICHIGAN DEPT OF STATE
2016 MAR 28 AM 11:46
ELECTIONS/GREAT SEAL

March 25, 2016

Ms. Lori A. Bourbonais
Bureau of Elections
Michigan Department of State
P.O. Box 20126
Lansing, MI 48901-0726

Dear Ms. Bourbonais:

This is in response to your letter to me dated March 21, 2016 (a copy of which is attached), requesting that I respond to four questions posed by you. Following are my responses:

1. I have no direct knowledge, until receipt of your letter, of who may have been or not been involved in the production and distribution of the endorsement letter.
2. I have no direct knowledge, until receipt of your letter, of who may have paid or not paid for the design, mailing, and any other distribution of the endorsement letter.
3. I have no direct knowledge, until the receipt of your letter, of any amount spent or not spent on the design, printing mailing, and any other distribution of the letter.
4. I have no direct knowledge of which person or entity donated or paid for the printing costs of the letter.

My role in this endorsement resulted from a phone call I received (from whom I can't remember) asking for my endorsement of said candidates as having been a former Mayor and City Councilman for the City of Howell. My offer to do so was done strictly as an individual and not as a part of any specific group or organization.

I hope this addresses your concerns.

Sincerely,



R. Michael Yost

RECEIVED/FILED
MICHIGAN DEPT OF STATE

2016 MAR 28 AM 11:46

ELECTIONS/GREAT SEAL

W. Rickard Scofield
2450 Golf Club Road
Howell, Michigan 48843

March 25, 2016

Ms. Lori Bourbonais
Bureau of Elections
PO Box 20126
Lansing, Mi. 48901-0726

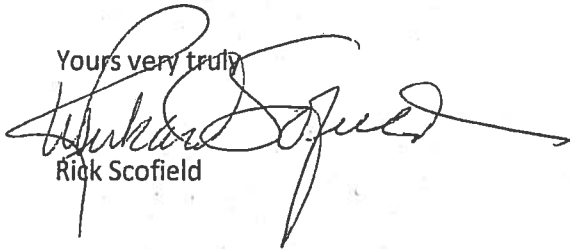
Dear Ms. Bourbonais,

Please reference your letter dated March 21, 2016 referencing a complaint filed against Paul Streng by Douglas Heins.

Your letter asks that I respond to four specific questions all relating to production/cost/distribution of an endorsement letter. I'm afraid I can shed no light on any of those questions. I received a phone call asking if my name could be used in an endorsement of three individuals. Since I was happy to endorse those candidates I agreed to the use of my name.

I had no other involvement in the matter than that.

Yours very truly

A handwritten signature in black ink, appearing to read "Rick Scofield", with a long horizontal flourish extending to the right.

Rick Scofield

Donald K Cortez
4188 Westhill
Howell, MI 48843

March 29, 2016

State of Michigan
Secretary of State
Lansing, MI 48918

F: (517) 373-0941

Attn: Lori Bourbonais

RE: Campaign Finance complaint

Dear Lori

Please find requested answers below to questions 1-4 on page 2 of your letter dated March 21, 2016. Please feel free to contact me with any questions you may have.

- 1) Not aware
- 2) Not aware of any costs
- 3) Not aware of any costs
- 4) I provided the 1500 letters at no costs (retail value \$45.00)

Thank you,



Don Cortez

March 29, 2016

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State
P.O. Box 20126
Lansing, Michigan 48901-0726

Dear Ms. Bourbonais,

Here are my answers to your questions:

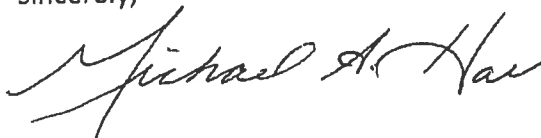
Clarify who was involved in the production and distribution of the endorsement letter. I wrote the letter. Candidates and volunteers distributed in person.

Indicate who paid for the design, printing and mailing and any other distribution of the endorsement letter. No one paid for design, printing and mailing.

Provide the amount spent on the design, printing, mailing and any other distribution of the letter. 0

Clarify which person or entity donated or paid for the printing cost of the letter. No one paid anything.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Hall". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael Hall

March 30, 2016

Ms. Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

Dear Ms. Bourbonais:

In response to your letter dated March 21, 2016 concerning a complaint filed by Douglas Heins, I reviewed the information included in the packet and have limited knowledge to offer. In direct response to the questions posed on page 2, here are my responses:

- **Clarify who was involved in the production and distribution of the endorsement letter.**
 - I have no direct knowledge of the production of the letter. I do not know who drafted it. I was asked permission to use my name to endorse the three candidates and I agreed.
 - I honestly don't recall who asked me permission. It was over e-mail and could have been dozens of people – including those listed in your letter. I looked through my email and could not find the correspondence.
- **Indicate who paid for the design, printing, mailing, and any other distribution of the endorsement letter.**
 - I have no knowledge of how the letter was drafted, who drafted it, or who designed it. I was not aware that it was mailed to anyone and I believed that the distribution would be door-to-door.
 - I was asked if I could assist in a door-to-door distribution but I declined. I recall that the date that was proposed (some Saturday in October) conflicted with a family event. If it wasn't for this conflict, I would have agreed to assist.
- **Provide the amount spent on the design, printing, mailing, and any other distribution of the letter.**
 - I do not know how much was spent. Based on the material provided by the Secretary of State in the packet sent to me, it appears that there were zero dollars invoiced by First Impression. Based on the copy of the endorsement letter that was provided, there does not appear to be much "design" work that was done – it appears to be something that could be accomplished in a few minutes by just about anyone with basic word processing skills.
 - Until receiving the packet from the Secretary of State, I was not aware that the letter was mailed. I thought all distribution was voluntary, door-to-door activity in which I did not participate.
- **Clarify which person or entity donated or paid for the printing costs of the letter.**
 - I do not know of any donation made for this distribution.
 - I was not asked by anyone to contribute to the letter. If someone did ask me to contribute monetarily, I'm sure I would have.

I wish I could be more helpful. Please call me directly (734.845.6112) if you have any additional questions.

Sincerely,



Scott M. Patton

T 248.807.8083

FROM THE DESK OF
GEOF GREENEISEN

F 517.545.1350

March 29, 2016

Ms. Lori A. Bourbonais
Bureau of Elections
Michigan Department of State
430 W. Allegan
Lansing, MI 48918

Dear Ms. Bourbonais,

This letter is in response to correspondence I received from your office regarding a campaign finance complaint filed by Douglas Heins against Paul Streng, dated March 21, 2016. Your letter outlined four specific questions regarding production, distribution and payment of a letter my name was associated with. I have no personal or direct knowledge of anyone that may have drafted the letter, printed the letter, distributed the letter, mailed the letter or paid for the letter. I had no involvement with any of these efforts.

If you have any further questions or concerns please feel free to contact me by mail, phone (248) 807-8083, or by email geof@rescuellc.com.

Sincerely yours,



Geof Greeneisen

2016 MAR 30 AM 10:44
ELECTIONS/GREAT SEAL

KATHLEEN M. GOETSCH
224 Inverness Road
Howell, MI 48843

2016 MAR 30 PM 5:00
ELECTIONS/GREAT SEAL

March 30, 2016

Lori Bourbonais
430 W. Allegan
Lansing, MI 48918

RE: Your letter dated March 21, 2016

Dear Ms. Bourbonais:

I am responding to your inquiry dated March 21, 2016 and received at my home on March 23, 2016. You asked 4 questions Regarding those matter for which you have knowledge" My answers are below:

1. Query: Clarify who was involved in the production and distribution of the endorsement letter.

Answer: I can only speak to those matter of which I have actual knowledge. Mike Hall contacted me and asked if I would allow my name to be used as an endorser of the 3 candidates on a letter that he had drafted. After reviewing a copy of the letter/flyer I allowed my name to be used. I did not distribute the letter personally or by mail.

2. Query: Indicate who paid for the design, printing, mailing and any other distribution of the endorsement letter.

Answer: I did not pay for any design, printing or mailing of the endorsement letter. I did not mail the endorsement letter to anyone.

3. Query: Provide the amount spent on the design, printing, mailing and any other distribution of the letter.

Answer: Please see my answer to Query 2.

4. Query: Clarify which person or entity donated or paid for the printing costs of the letter.

Answer: It is my understanding that Don Cortez, an endorser, told Mike Hall, the drafter of the letter, that he [Don] would print copies of the letter at no charge.

Cordially,

Kathleen M. Goetsch

Michigan Department of State
Attn: Lori Bourbonais
P.O. Box 20126
Lansing, MI. 48901-0726

April 1, 2016

Dear Ms Bourbonais:

I am responding to your letter of March 21, 2016 regarding an investigation originating from a campaign finance complaint. Specifically, you posed the following questions:

1. Clarify who was involved in the production and distribution of the endorsement letter.
2. Indicate who paid for the design, printing, mailing, and any other distribution of the endorsement letter.
3. Provide the amount spent on the design, printing, mailing, and any other distribution of the letter.
4. Clarify which person or entity donated or paid for the printing costs of the letter.

Unfortunately, I have no details regarding the amount spent on any campaign materials and honestly don't recall any conversations related to specific costs. I do recall on one occasion being asked generally what it would take to run a successful campaign, but this was only a broad estimate to provide a candidate some idea of what he should expect to raise.

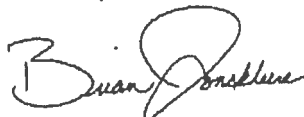
The people identified on your letter were a loose affiliation of concerned citizens, interested in finding candidates to file for city council seats. While members of the group spoke generally of helping the candidates with door-to-door visits and soliciting endorsements, the costs were left to candidates and their committees, assuming they had a committee. Whether some members of the group may have provided printing and/or other assistance to candidates, it was never indicated whether it was provided directly through a candidate committee, or independently.

I was asked about an endorsement of candidates back in 2015, and I indicated that the candidates were welcome to use my name. Beyond seeing an early draft of the document which you have provided, and an indication it was going to be printed, I was not privy to any distribution or payment discussions. In fact, until your packet arrived, I was unsure whether the materials had ever been distributed.

I wish that I could provide you with more information than I have. Beyond offering help if called upon by the candidates, the group was focused almost solely on finding candidates for office, and essentially stopped meeting shortly after candidates were identified.

Please feel free to contact me with any questions. I can be reached at 517.404.6421. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Jonckheere". The signature is stylized with a large, looping initial "B" and a cursive-style name.

Brian Jonckheere

April 5, 2016

Lori A. Bourbanais
Bureau of Elections
Michigan Department of State
1st Floor
420 West Allegan Street
Lansing, MI 48918

RECEIVED/FILED
MICHIGAN DEPT OF STATE
2016 APR -5 PM 2:45
ELECTIONS/GREAT SEAL

RE: Douglas Heins Complaint

Dear Ms. Bourbanais:

Please excuse the tardy response to your request for information regarding the complaint made by Douglas Heins alleging campaign financing law violations by Paul Streng. I was traveling out-of-state and experienced significant email problems. I returned to Michigan yesterday and am now submitting my response to your request for information.

I met with the group of individuals named in this complaint 2-3 times prior to the election. It was a group of individuals that met to discuss recruiting candidates for the upcoming Howell city elections. The individuals took no action as a group nor was any money collected or solicited by the group. Once individuals were identified who were willing to seek election the group offered advice, but took no action as a group to support a candidate and collected no money. Each candidate formed his own campaign committee and individuals who met with them were encouraged to support some, or all, of the candidates in whatever way the individual chose to help.

The extent of my support to the candidates was to lend my name as an endorsement. I contributed no money nor did I take any other action in support of any candidate. My expectation was that each candidate, or his committee, could use my name in whatever campaign materials they distributed.

To my knowledge no money was ever collected or expended by this group. No committee was formed because there was never any group action taken. It was an gathering of individuals who were free

To: Michigan Department of State
Department of Elections
Lori A. Bourbonais

RECEIVED/FILED
MICHIGAN DEPT OF STATE
2016 APR 19 PM 3:26
ELECTIONS/GREAT SEAL

From: Dawn Cooper

Re: Campaign Finance Complaint

Date: April 15, 2016

This is in regards to the Department of State's March 21, 2016 letter sent to me about a campaign finance complaint. My name was part of an endorsement letter of three Howell City Council candidates. Your letter asked for comment regarding certain complaint issues about which I might have knowledge.

I did not write the letter, I did not take part in having the letter printed, nor did I assist in the distribution of the letter. Those who signed the letter were simply Howell residents interested in the election and Howell's future. They were not a committee.

I do apologize for the lateness of my reply. My husband has been hospitalized for three weeks and I fell behind reading and answering my mail.

Sincerely,



Dawn Cooper

Date: April 20, 2016
To: Michigan Dept. of State
Bureau of Elections
Lori A. Bourbonais
Fax: 517.373.0941

Re: Response to Dept. of State's investigation of a campaign finance complaint filed by Douglas Heins against Paul Streng.-Michigan Campaign Finance Act (MCFA)

Regarding those issues for which you have knowledge, please:

1. To my knowledge Mr. Mike Hall produced the letter, HOWELL CITY COUNCIL CANDIDATES ENDORSED BY COMMUNITY LEADERS. It is my understanding that the candidates distributed the above letter.
2. I had no knowledge of who paid for the design, printing, mailing or any other distribution of the letter.
3. I had no knowledge of the amount spent on design, printing, mailing and any other distribution of the letter.
4. I had no knowledge which person or entity donated or paid for the printing cost of the letter.



Thomas J Austin
424 Maple St.
Howell, MI 48843



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

April 1, 2016

Michael Hall
Cobb-Hall Insurance Agencies
223 West Grand River
Howell, Michigan 48843

Dear Mr. Hall:

This letter concerns the complaint that was recently filed against Paul Streng by Douglas Heins, which relates to a purported violation of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* Based on the responses we have received from Mr. Streng and others, we are investigating whether you violated the Act by failing to register as a committee and failing to file required campaign statements, failing to file independent expenditure reports, or whether your business made illegal contributions or expenditures.

By letter dated March 21, 2016 the Department of State (Department) requested that you and others provide information regarding a letter which listed your name and your endorsement of 3 Howell City Council candidates. Specifically, the Department asked you to:

1. Clarify who was involved in the production and distribution of the endorsement letter.
2. Indicate who paid for the design, printing, mailing, and any other distribution of the endorsement letter.
3. Provide the amount spent on the design, printing, mailing, and any other distribution of the letter.
4. Clarify which person or entity donated or paid for the printing costs of the letter.

In your response dated March 30, 2016, you admitted that you wrote the letter. However, you further stated that candidates and volunteers distributed the flyer in person and no payments were made for the design, printing, or mailing of the flyer.

In Mr. Cortez's response dated March 29, 2016, he admitted that he provided 1,500 flyers. We have also been provided an invoice which indicates that you received the 1,500 flyers from Mr. Cortez.

Based on information provided to the Department, it is the Department's understanding that while some flyers may have been distributed in person, flyers were also mailed to Howell residents. Additionally, based on information provided to the Department, it appears that you and Mr. Cortez produced these flyers and distributed them to Howell residents.

Please provide a signed, sworn affidavit to the Department which addresses the following:

1. The number of flyers printed or copied by any person or entity other than First Impression Print & Marketing.
2. The cost of the paper, toner or ink, personnel costs (if done by an employee of your business), and any other related costs to print or copy the flyers by any other person or entity other than First Impression Print & Marketing.
3. The number of flyers mailed to Howell residents.
4. The cost of the envelopes used to mail the flyers to Howell residents and who paid for the envelopes.
5. The cost of postage to mail the flyers to Howell residents and who paid for the postage.
6. If you paid costs out of your own pocket, did you solicit contributions from others?

Please provide this signed, sworn affidavit to the Department at P.O. Box 20126, Lansing, Michigan 48901-0726 no later than April 13, 2016.

Sincerely,

A handwritten signature in black ink that reads "Lori A. Bourbonais". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State



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

April 1, 2016

Donald Cortez
4188 Westhill
Howell, Michigan 48843

Dear Mr. Cortez:

This letter concerns the complaint that was recently filed against Paul Streng by Douglas Heins, which relates to a purported violation of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* Based on the responses we have received from Mr. Streng and others, we are investigating whether you violated the Act by failing to register as a committee and failing to file required campaign statements, failing to file independent expenditure reports, or whether your business made illegal contributions or expenditures.

By letter dated March 21, 2016 the Department of State (Department) requested that you and others provide information regarding a letter which listed your name and your endorsement of 3 Howell City Council candidates. Specifically, the Department asked you to:

1. Clarify who was involved in the production and distribution of the endorsement letter.
2. Indicate who paid for the design, printing, mailing, and any other distribution of the endorsement letter.
3. Provide the amount spent on the design, printing, mailing, and any other distribution of the letter.
4. Clarify which person or entity donated or paid for the printing costs of the letter.

In your response dated March 29, 2016, you admitted that you "provided the 1500 letters at no costs (retail value \$45.00)." You further stated that you were not aware of any other costs for the letter.

Please provide a signed, sworn affidavit to the Department which explains the true source of the funds or materials used to pay for or copy and distribute the flyer and that addresses the following:

1. The number of flyers mailed to Howell residents.
2. The cost of the envelopes used to mail the flyers to Howell residents and who paid for the envelopes.
3. The cost of postage to mail the flyers to Howell residents and who paid for the postage.
4. If you paid costs out of your own pocket, did you solicit contributions from others?

Donald Cortez
April 1, 2016
Page 2

Please provide this signed, sworn affidavit to the Department at P.O. Box 20126, Lansing, Michigan 48901-0726 no later than April 13, 2016.

Sincerely,

A handwritten signature in black ink, reading "Lori A. Bourbonais". The signature is written in a cursive style with a large initial "L" and "B".

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

April 7, 2016

Bureau of Elections
Michigan Department of State
P.O. Box 20126,
Lansing, Michigan 48901-07
Attention: Lori A. Bourbonais

RECEIVED/FILED
MICHIGAN DEPT OF STATE

2016 APR 11 AM 10:06

ELECTIONS/GREAT SEAL

On this date I attest to the following questions as requested:

The number of Flyers printed or copied by any person or entity other than First Impression Printing

To my knowledge there were no other flyers printed or copied by any other person or entity.

The cost of paper, toner or ink, personal cost (if done by an employee of your business), and any other related cost to print or copy the flyers by any other person or entity other than First Impression Print and Marketing.

To my knowledge there were no additional costs by anyone for any of the above.

The number of flyers mailed to Howell residents.

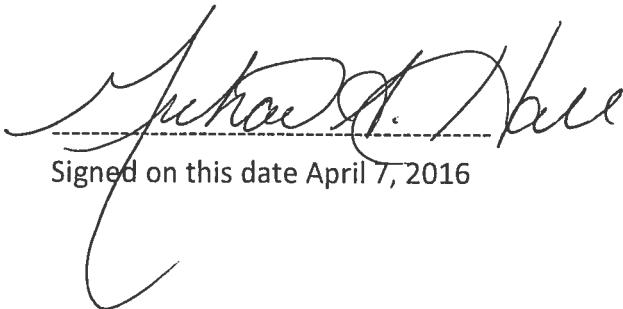
To my knowledge there were no flyers mailed to Howell residents.

The cost of envelopes used to mail the flyers to Howell residents and who paid for the postage.


To my knowledge there were no flyers mailed and no cost for envelopes or postage.

If you paid cost out of your own pocket, did you solicit contributions from others?

I paid no cost out of my pocket or out of my business. I did not solicit any financial contributions from anyone.



Signed on this date April 7, 2016



Witness and notarized

**TERRY A MORAN
NOTARY PUBLIC-STATE OF MICHIGAN
LIVINGSTON COUNTY
My Commission Expires June 5, 2018**

Donald K Cortez
4188 Westhill
Howell, MI 48843

RECEIVED/FILED
MICHIGAN DEPT OF STATE
2016 APR 18 AM 10:30
ELECTIONS/GREAT SEAL

April 10, 2016

State of Michigan
Secretary of State
Lansing, MI 48918
Attn: Lori Bourbonais

RE: Affidavit

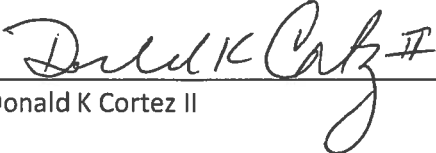
State of Michigan, County of Livingston

My current legal name is Donald K Cortez II and my current occupation is CEO. I am presently 52 years old and my current residence address is 4188 Westhill, Howell, MI 48843.

In response to your letter dated April 1, 2016

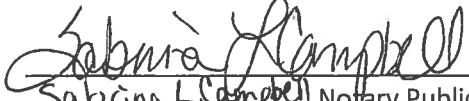
- 1) Not aware
- 2) Not aware
- 3) Not aware
- 4) No

I hereby state that the information above is true, to the best of my knowledge; I also confirm that the information here is both accurate and complete, and relevant information has not been omitted.


Donald K Cortez II

4-15-16
Date

Subscribed and Sworn to by Donald K Cortez II
Before me on the 15th day of April, 2016


Sabrina L. Campbell Notary Public

SABRINA L. CAMPBELL
Notary Public - State of Michigan
County of Livingston
My Commission Expires Aug. 12, 2020
Acting in the County of Livingston

Title and Rank

Aug. 12, 2020
Date of Commission Expiry

RECEIVED/FILED
MICHIGAN DEPT OF STATE
2016 APR 18 AM 10:30
ELECTIONS/GREAT SEAL

DATE _____

SOLD TO _____

PHONE Carl

DUE _____

☐ CASH ☐ CHECK, NO. _____ ☐ CREDIT CARD

- ☐ SELF SERVE
- ☒ HIGH-SPEED COPIES
- ☐ COLOR COPIES
- ☐ FAX SERVICE
- ☐ MISC.

| QTY. | DESCRIPTION | PRICE EA. | AMOUNT |
|------|-------------|-----------|--------|
| 1520 | B/W | 03 | 4560 |
| | COPIES | | |
| | | | |
| | | | |
| | LT | | |
| | 6 | | |
| | 20 | | |
| | | | |
| | | | |
| | | | |

SUB-TOTAL

SALES TAX

TOTAL

2.52
47.10


First Impression
PRINT & MARKETING
2020 E. Grand River Ave. ♦ Howell, MI 48843
Phone (517) 546-9798 ♦ Fax (517) 546-0546

SIGNATURE X _____

Thank You!



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

May 16, 2016

Douglas Heins
212 Prospect
Howell, Michigan 48843

Dear Mr. Heins:

The Department of State (Department) has concluded its investigation of the complaint you filed against Paul Streng, which concerned an alleged violation of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* This letter concerns the disposition of your complaint.

You filed your complaint on February 8, 2016. Mr. Streng filed an answer on February 26, 2016, and you filed a rebuttal statement with the Department on March 14, 2016. The Department requested additional information from Mr. Streng on March 21, 2016. Mr. Streng provided this information to the Department on March 28, 2016.

The MCFA requires a committee to file a statement of organization within 10 days after a committee is formed. MCL 169.224(1). Late fees may be incurred if the statement of organization is filed late. *Id.* Failure to file a statement of organization for more than 30 days is a misdemeanor offense. *Id.* By statutory definition, a committee is formed when "a person¹ receives contributions or makes expenditures for the purpose of influencing or attempting to influence the action of voters for or against the nomination or election of a candidate. . . if contributions received total \$500.00 or more in a calendar year or expenditures made total \$500.00 or more in a calendar year." MCL 169.203(4). A statement of organization must be filed within 10 days of reaching one of these \$500.00 thresholds.

The Act further requires committees to file periodic campaign finance statements and reports. MCL 169.233. The failure to file a single campaign statement may trigger late filing fees. MCL 169.233(7). In certain circumstances, a failure to file may constitute a misdemeanor offense. MCL 169.233(8).

The MCFA and corresponding administrative rules additionally require a person who produces printed material that relates to an election to include the phrase "Paid for by [name and address of the person who paid for the item]." MCL 169.247(1), Mich. Admin. R 169.36(2). A knowing

¹ Under the MCFA, "person" includes a business, partnership, company, corporation, or group of persons acting jointly. MCL 169.211(2).

violation constitutes a misdemeanor offense punishable by a fine of up to \$1,000.00, imprisonment for up to 93 days, or both. MCL 169.247(6).

Finally, the Act requires a person, other than a committee, to file an independent expenditure report if that person makes an independent expenditure in an amount of \$100.01 or more in a calendar year advocating the election or defeat of a candidate. MCL 169.251. A person who violates this section may be subject to a civil fine not to exceed \$1,000.00. MCL 169.215(15).

You alleged that Mr. Streng failed to include a complete and proper paid-for-by statement on an endorsement letter, and that either (1) Mr. Streng and others met the definition of a "committee" and failed to file a Statement of Organization and required campaign finance statements, or (2) Mr. Streng failed to file an independent expenditure report with regard to the endorsement letter.

As evidence in support of your complaint you provided a copy of a letter which endorsed 3 candidates for Howell City Council and was signed by 14 people (the endorsement letter), a copy of an envelope hand-addressed to your address, a picture of Mr. Streng, a screen shot of the Bob Ellis for Howell City Council Facebook page which shows a post of the endorsement letter, a screen shot of the Bob Ellis for City Council Facebook page which shows a post indicating Mr. Ellis and volunteers were distributing the endorsement letter, and an original of the endorsement letter.

You alleged that you witnessed Mr. Streng handing out the endorsement letter door-to-door. You further alleged that "hundreds of [endorsement letters] were paid for distributed and mailed" to voters in Howell. You also alleged that "it appear[ed] that the [endorsement letter] was a coordinated effort amongst many individuals and candidates [,]" and that if Mr. Streng did not create or pay for the endorsement letter he should identify who did.

In his response, Mr. Streng asserted that he did not collect or receive any contributions, nor did he make any expenditures. He further asserted that while he did distribute the endorsement letter door-to-door, the endorsement letter was "prepared by others at the direction of other persons." He also asserted that he did not mail the endorsement letter to anyone, including the letter that was mailed to your address. Finally, Mr. Streng provided an invoice from First Impression Print & Marketing to Cobb-Hall Insurance Agencies. This invoice indicated that 1,500 "City Council Support Letters" were made at no charge.

By letter dated March 21, 2016 the Department requested Mr. Streng to:

1. Explain how he obtained the invoice from First Impression Print & Marketing if he was not involved in the printing of the letters; and
2. Explain or clarify his statement that the printing was done for free, which appeared to imply that either First Impression Print & Marketing or Cobb-Hall Insurance Agencies made an illegal corporate contribution² to the 3 candidates listed in the letter.

² MCL 169.254(1) prohibits a corporation from making a contribution to a candidate. A knowing violation of this section is a felony. MCL 169.254(5). A contribution includes a discount not available to the general public. MCL 169.204(2).

In response, Mr. Streng indicated that he requested a copy of the invoice from Mr. Hall who provided it to him and that "[t]he invoice speaks for itself relative to the amount."

Also by letter dated March 21, 2016, the Department requested that each person listed as a signer on the endorsement letter respond to the following:

Regarding those issues for which you have knowledge, please:

1. Clarify who was involved in the production and distribution of the endorsement letter.
2. Indicate who paid for the design, printing, mailing, and any other distribution of the endorsement letter.
3. Provide the amount spent on the design, printing, mailing, and any other distribution of the letter.
4. Clarify which person or entity donated or paid for the printing costs of the letter.

The Department received 11 answers, which are enclosed for your review. In his response Mr. Michael Hall admitted that he wrote the letter, but he denied paying for the production of the letter. In his response, Mr. Don Cortez admitted that he "provided the 1500 letters at no costs (retail value \$45.00) [.]". The other answers either assert that the answerer had no knowledge of who wrote and produced the letter or that it was done by Mr. Hall and Mr. Cortez. Additionally, all of the responses asserted that the answerer had no knowledge of any costs for any mailing of the endorsement letters.

In response to an April 1, 2016 request by the Department, on April 11, 2016 Mr. Hall provided a sworn, signed affidavit which stated:

1. He was not aware of any other endorsement letters printed or copied by any other person or entity;
2. There were no additional costs for the endorsement letter other than the original printing by First Impression Print and Marketing;
3. He had no knowledge of any endorsement letters being mailed to any Howell residents;
4. There were no costs for envelopes or postage;
5. He paid no costs out of his pocket or business; and
6. He did not solicit any financial contributions from anyone.

In response to an April 1, 2016 request by the Department, on April 18, 2016 Mr. Cortez provided a sworn, signed affidavit which stated:

1. He was not aware of the number of endorsement letters mailed to Howell residents;
2. He was not aware of any costs of envelopes to mail any endorsement letters to Howell residents or who paid any costs;
3. He was not aware of any costs for postage to mail any endorsement letters to Howell residents or who paid any costs; and
4. He did not solicit any contributions from others.

Based on what has been provided, the Department has determined that the evidence supports a reason to believe that after discussions with several Howell residents, Mr. Hall produced the

endorsement letter. The evidenced also supports a reason to believe Mr. Cortez provided 1,500 copies of the letter to Mr. Hall as an in-kind contribution in the amount of \$45.00.

While you alleged in your complaint that “hundreds of [endorsement letters] were paid for distributed and mailed” to voters in Howell, the Department has evidence of only one letter being sent by mail – the one in the envelope addressed to you. Mr. Hall, Mr. Cortez, and all of the other signers have denied any knowledge of any endorsement letters being mailed to other Howell residents. Based on the evidence provided, the Department can only determine that one endorsement letter was sent by mail.

A committee is formed when a person receives contributions that total \$500.00 or more in one year or makes expenditures that total \$500.00 or more in one year. Here, even if all 14 people listed on the endorsement letter did act together, the evidence supports a conclusion that the cost of the printing of the letter, along with the cost of one envelope and one stamp, is well beneath the \$500.00 threshold that would trigger the registration and reporting requirements of the Act.

The requirement to file an independent expenditure report is triggered when a person other than a committee makes an expenditure of \$100.01 or more in a calendar year. The evidence provided here supports a conclusion that the costs involved with the endorsement letter are also well beneath this threshold.

Because the evidence does not support a reason to believe either threshold was reached, your allegations regarding the failure of Mr. Streng³ to form a committee and file statements or independent expenditure reports are dismissed.

The MCFA does require a person who produces printed material that supports or opposes a candidate to include a complete and accurate paid-for-by statement on the material. Your complaint alleged that Mr. Streng failed to include this identification statement on the endorsement letter.

However, the evidence you provided is insufficient to support a reason to believe that Mr. Streng produced the endorsement letter. Instead, the evidence you provided appears to support a reason to believe that Mr. Hall produced the endorsement letter and was the person responsible for including an identification statement on the endorsement letter. Therefore, this portion of your complaint against Mr. Streng is also dismissed.⁴

³ Even had the monetary amounts reached either threshold, it appears to the Department that Mr. Streng may not have been the person who would have been responsible for the registration or reporting requirements of the Act.

⁴ The warning letter issued to Mr. Hall is enclosed for your convenience.

Douglas Heins
May 16, 2016
Page 5

The Department now considers this matter closed.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori A. Bourbonais". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Paul Streng

R. Michael Yost
713 West Grand River Avenue
Howell, Michigan 48843
313-300-5053
mike.yost44@yahoo.com

RECEIVED/FILED
MICHIGAN DEPT OF STATE
2016 MAR 28 AM 11:46
ELECTIONS/GREAT SEAL

March 25, 2016

Ms. Lori A. Bourbonais
Bureau of Elections
Michigan Department of State
P.O. Box 20126
Lansing, MI 48901-0726

Dear Ms. Bourbonais:

This is in response to your letter to me dated March 21, 2016 (a copy of which is attached), requesting that I respond to four questions posed by you. Following are my responses:

1. I have no direct knowledge, until receipt of your letter, of who may have been or not been involved in the production and distribution of the endorsement letter.
2. I have no direct knowledge, until receipt of your letter, of who may have paid or not paid for the design, mailing, and any other distribution of the endorsement letter.
3. I have no direct knowledge, until the receipt of your letter, of any amount spent or not spent on the design, printing mailing, and any other distribution of the letter.
4. I have no direct knowledge of which person or entity donated or paid for the printing costs of the letter.

My role in this endorsement resulted from a phone call I received (from whom I can't remember) asking for my endorsement of said candidates as having been a former Mayor and City Councilman for the City of Howell. My offer to do so was done strictly as an individual and not as a part of any specific group or organization.

I hope this addresses your concerns.

Sincerely,



R. Michael Yost

RECEIVED/FILED
MICHIGAN DEPT OF STATE

2016 MAR 28 AM 11:46

ELECTIONS/GREAT SEAL

W. Rickard Scofield
2450 Golf Club Road
Howell, Michigan 48843

March 25, 2016

Ms. Lori Bourbonais
Bureau of Elections
PO Box 20126
Lansing, Mi. 48901-0726

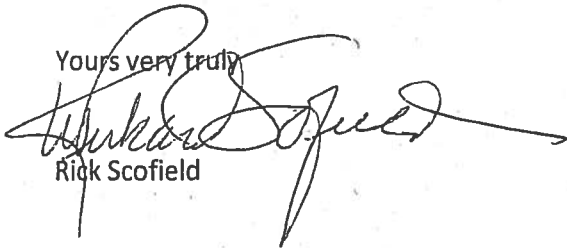
Dear Ms. Bourbonais,

Please reference your letter dated March 21, 2016 referencing a complaint filed against Paul Streng by Douglas Heins.

Your letter asks that I respond to four specific questions all relating to production/cost/distribution of an endorsement letter. I'm afraid I can shed no light on any of those questions. I received a phone call asking if my name could be used in an endorsement of three individuals. Since I was happy to endorse those candidates I agreed to the use of my name.

I had no other involvement in the matter than that.

Yours very truly

A handwritten signature in black ink, appearing to read "Rick Scofield", with a long horizontal flourish extending to the right.

Rick Scofield

Donald K Cortez
4188 Westhill
Howell, MI 48843

March 29, 2016

State of Michigan
Secretary of State
Lansing, MI 48918

F: (517) 373-0941

Attn: Lori Bourbonais

RE: Campaign Finance complaint

Dear Lori

Please find requested answers below to questions 1-4 on page 2 of your letter dated March 21, 2016. Please feel free to contact me with any questions you may have.

- 1) Not aware
- 2) Not aware of any costs
- 3) Not aware of any costs
- 4) I provided the 1500 letters at no costs (retail value \$45.00)

Thank you,



Don Cortez

March 29, 2016

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State
P.O. Box 20126
Lansing, Michigan 48901-0726

Dear Ms. Bourbonais,

Here are my answers to your questions:

Clarify who was involved in the production and distribution of the endorsement letter. I wrote the letter. Candidates and volunteers distributed in person.

Indicate who paid for the design, printing and mailing and any other distribution of the endorsement letter. No one paid for design, printing and mailing.

Provide the amount spent on the design, printing, mailing and any other distribution of the letter. 0

Clarify which person or entity donated or paid for the printing cost of the letter. No one paid anything.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Hall". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael Hall

March 30, 2016

Ms. Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

Dear Ms. Bourbonais:

In response to your letter dated March 21, 2016 concerning a complaint filed by Douglas Heins, I reviewed the information included in the packet and have limited knowledge to offer. In direct response to the questions posed on page 2, here are my responses:

- **Clarify who was involved in the production and distribution of the endorsement letter.**
 - I have no direct knowledge of the production of the letter. I do not know who drafted it. I was asked permission to use my name to endorse the three candidates and I agreed.
 - I honestly don't recall who asked me permission. It was over e-mail and could have been dozens of people – including those listed in your letter. I looked through my email and could not find the correspondence.
- **Indicate who paid for the design, printing, mailing, and any other distribution of the endorsement letter.**
 - I have no knowledge of how the letter was drafted, who drafted it, or who designed it. I was not aware that it was mailed to anyone and I believed that the distribution would be door-to-door.
 - I was asked if I could assist in a door-to-door distribution but I declined. I recall that the date that was proposed (some Saturday in October) conflicted with a family event. If it wasn't for this conflict, I would have agreed to assist.
- **Provide the amount spent on the design, printing, mailing, and any other distribution of the letter.**
 - I do not know how much was spent. Based on the material provided by the Secretary of State in the packet sent to me, it appears that there were zero dollars invoiced by First Impression. Based on the copy of the endorsement letter that was provided, there does not appear to be much "design" work that was done – it appears to be something that could be accomplished in a few minutes by just about anyone with basic word processing skills.
 - Until receiving the packet from the Secretary of State, I was not aware that the letter was mailed. I thought all distribution was voluntary, door-to-door activity in which I did not participate.
- **Clarify which person or entity donated or paid for the printing costs of the letter.**
 - I do not know of any donation made for this distribution.
 - I was not asked by anyone to contribute to the letter. If someone did ask me to contribute monetarily, I'm sure I would have.

I wish I could be more helpful. Please call me directly (734.845.6112) if you have any additional questions.

Sincerely,



Scott M. Patton

T 248.807.8083

FROM THE DESK OF
GEOF GREENEISEN

F 517.545.1350

March 29, 2016

Ms. Lori A. Bourbonais
Bureau of Elections
Michigan Department of State
430 W. Allegan
Lansing, MI 48918

Dear Ms. Bourbonais,

This letter is in response to correspondence I received from your office regarding a campaign finance complaint filed by Douglas Heins against Paul Streng, dated March 21, 2016. Your letter outlined four specific questions regarding production, distribution and payment of a letter my name was associated with. I have no personal or direct knowledge of anyone that may have drafted the letter, printed the letter, distributed the letter, mailed the letter or paid for the letter. I had no involvement with any of these efforts.

If you have any further questions or concerns please feel free to contact me by mail, phone (248) 807-8083, or by email geof@rescuellc.com.

Sincerely yours,



Geof Greeneisen

2016 MAR 30 AM 10:44
ELECTIONS/GREAT SEAL

KATHLEEN M. GOETSCH
224 Inverness Road
Howell, MI 48843

2016 MAR 30 PM 5:00
ELECTIONS/GREAT SEAL

March 30, 2016

Lori Bourbonais
430 W. Allegan
Lansing, MI 48918

RE: Your letter dated March 21, 2016

Dear Ms. Bourbonais:

I am responding to your inquiry dated March 21, 2016 and received at my home on March 23, 2016. You asked 4 questions Regarding those matter for which you have knowledge. My answers are below:

1. *Query: Clarify who was involved in the production and distribution of the endorsement letter.*

Answer: I can only speak to those matter of which I have actual knowledge. Mike Hall contacted me and asked if I would allow my name to be used as an endorser of the 3 candidates on a letter that he had drafted. After reviewing a copy of the letter/flyer I allowed my name to be used. I did not distribute the letter personally or by mail.

2. *Query: Indicate who paid for the design, printing, mailing and any other distribution of the endorsement letter.*

Answer: I did not pay for any design, printing or mailing of the endorsement letter. I did not mail the endorsement letter to anyone.

3. *Query: Provide the amount spent on the design, printing, mailing and any other distribution of the letter.*

Answer: Please see my answer to Query 2.

4. *Query: Clarify which person or entity donated or paid for the printing costs of the letter.*

Answer: It is my understanding that Don Cortez, an endorser, told Mike Hall, the drafter of the letter, that he [Don] would print copies of the letter at no charge.

Cordially,


Kathleen M. Goetsch

Michigan Department of State
Attn: Lori Bourbonais
P.O. Box 20126
Lansing, MI. 48901-0726

April 1, 2016

Dear Ms Bourbonais:

I am responding to your letter of March 21, 2016 regarding an investigation originating from a campaign finance complaint. Specifically, you posed the following questions:

1. Clarify who was involved in the production and distribution of the endorsement letter.
2. Indicate who paid for the design, printing, mailing, and any other distribution of the endorsement letter.
3. Provide the amount spent on the design, printing, mailing, and any other distribution of the letter.
4. Clarify which person or entity donated or paid for the printing costs of the letter.

Unfortunately, I have no details regarding the amount spent on any campaign materials and honestly don't recall any conversations related to specific costs. I do recall on one occasion being asked generally what it would take to run a successful campaign, but this was only a broad estimate to provide a candidate some idea of what he should expect to raise.

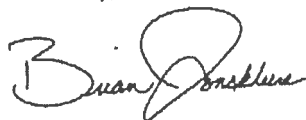
The people identified on your letter were a loose affiliation of concerned citizens, interested in finding candidates to file for city council seats. While members of the group spoke generally of helping the candidates with door-to-door visits and soliciting endorsements, the costs were left to candidates and their committees, assuming they had a committee. Whether some members of the group may have provided printing and/or other assistance to candidates, it was never indicated whether it was provided directly through a candidate committee, or independently.

I was asked about an endorsement of candidates back in 2015, and I indicated that the candidates were welcome to use my name. Beyond seeing an early draft of the document which you have provided, and an indication it was going to be printed, I was not privy to any distribution or payment discussions. In fact, until your packet arrived, I was unsure whether the materials had ever been distributed.

I wish that I could provide you with more information than I have. Beyond offering help if called upon by the candidates, the group was focused almost solely on finding candidates for office, and essentially stopped meeting shortly after candidates were identified.

Please feel free to contact me with any questions. I can be reached at 517.404.6421. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Jonckheere". The signature is stylized with a large, looped initial "B" and a cursive-style name.

Brian Jonckheere

April 5, 2016

Lori A. Bourbanais
Bureau of Elections
Michigan Department of State
1st Floor
420 West Allegan Street
Lansing, MI 48918

RECEIVED/FILED
MICHIGAN DEPT OF STATE
2016 APR -5 PM 2:45
ELECTIONS/GREAT SEAL

RE: Douglas Heins Complaint

Dear Ms. Bourbanais:

Please excuse the tardy response to your request for information regarding the complaint made by Douglas Heins alleging campaign financing law violations by Paul Streng. I was traveling out-of-state and experienced significant email problems. I returned to Michigan yesterday and am now submitting my response to your request for information.

I met with the group of individuals named in this complaint 2-3 times prior to the election. It was a group of individuals that met to discuss recruiting candidates for the upcoming Howell city elections. The individuals took no action as a group nor was any money collected or solicited by the group. Once individuals were identified who were willing to seek election the group offered advice, but took no action as a group to support a candidate and collected no money. Each candidate formed his own campaign committee and individuals who met with them were encouraged to support some, or all, of the candidates in whatever way the individual chose to help.

The extent of my support to the candidates was to lend my name as an endorsement. I contributed no money nor did I take any other action in support of any candidate. My expectation was that each candidate, or his committee, could use my name in whatever campaign materials they distributed.

To my knowledge no money was ever collected or expended by this group. No committee was formed because there was never any group action taken. It was an gathering of individuals who were free

To: Michigan Department of State
Department of Elections
Lori A. Bourbonais

RECEIVED/FILED
MICHIGAN DEPT OF STATE
2016 APR 19 PM 3:26
ELECTIONS/GREAT SEAL

From: Dawn Cooper

Re: Campaign Finance Complaint

Date: April 15, 2016

This is in regards to the Department of State's March 21, 2016 letter sent to me about a campaign finance complaint. My name was part of an endorsement letter of three Howell City Council candidates. Your letter asked for comment regarding certain complaint issues about which I might have knowledge.

I did not write the letter, I did not take part in having the letter printed, nor did I assist in the distribution of the letter. Those who signed the letter were simply Howell residents interested in the election and Howell's future. They were not a committee.

I do apologize for the lateness of my reply. My husband has been hospitalized for three weeks and I fell behind reading and answering my mail.

Sincerely,



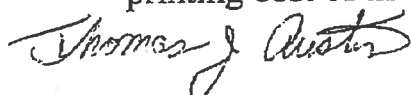
Dawn Cooper

Date: April 20, 2016
To: Michigan Dept. of State
Bureau of Elections
Lori A. Bourbonais
Fax: 517.373.0941

Re: Response to Dept. of State's investigation of a campaign finance complaint filed by Douglas Heins against Paul Streng.-Michigan Campaign Finance Act (MCFA)

Regarding those issues for which you have knowledge, please:

1. To my knowledge Mr. Mike Hall produced the letter, **HOWELL CITY COUNCIL CANDIDATES ENDORSED BY COMMUNITY LEADERS**. It is my understanding that the candidates distributed the above letter.
2. I had no knowledge of who paid for the design, printing, mailing or any other distribution of the letter.
3. I had no knowledge of the amount spent on design, printing, mailing and any other distribution of the letter.
4. I had no knowledge which person or entity donated or paid for the printing cost of the letter.



Thomas J Austin
424 Maple St.
Howell, MI 48843



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

May 16, 2016

Michael Hall
Cobb-Hall Insurance Agencies
223 West Grand River
Howell, Michigan 48843

Dear Mr. Hall:

The Department of State (Department) has concluded its investigation of the complaint that was filed against Paul Streng by Douglas Heins, which related to a purported violation of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* Based on information we received from you, Mr. Streng, and others in the course of our investigation, we provided notice to you that we were also investigating whether you violated the Act by failing to register as a committee and file required campaign statements, failing to file independent expenditure reports, or whether your business made illegal contributions or expenditures.

The MCFA requires a committee to file a statement of organization within 10 days after a committee is formed. MCL 169.224(1). Late fees may be incurred if the statement of organization is filed late. *Id.* Failure to file a statement of organization for more than 30 days is a misdemeanor offense. *Id.* By statutory definition, a committee is formed when "a person¹ receives contributions or makes expenditures for the purpose of influencing or attempting to influence the action of voters for or against the nomination or election of a candidate. . . if contributions received total \$500.00 or more in a calendar year or expenditures made total \$500.00 or more in a calendar year." MCL 169.203(4). A statement of organization must be filed within 10 days of reaching one of these \$500.00 thresholds.

The Act further requires committees to file periodic campaign finance statements and reports. MCL 169.233. The failure to file a single campaign statement may trigger late filing fees. MCL 169.233(7). In certain circumstances, a failure to file may constitute a misdemeanor offense. MCL 169.233(8).

The MCFA and corresponding administrative rules additionally require a person who produces printed material that relates to an election to include the phrase "Paid for by [name and address of the person who paid for the item]." MCL 169.247(1), Mich. Admin. R 169.36(2). A knowing violation constitutes a misdemeanor offense punishable by a fine of up to \$1,000.00, imprisonment for up to 93 days, or both. MCL 169.247(6).

¹ Under the MCFA, "person" includes a business, partnership, company, corporation, or group of persons acting jointly. MCL 169.211(2).

The Act also requires a person, other than a committee, to file an independent expenditure report if that person makes an independent expenditure in an amount of \$100.01 or more in a calendar year advocating the election or defeat of a candidate. MCL 169.251. A person who violates this section may be subject to a civil fine not to exceed \$1,000.00. MCL 169.215(15).

Finally, the Act 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).

For the reasons stated in the enclosed letter to Douglas Heins, the allegations regarding your alleged failure to comply with the registration and reporting requirements of the Act are dismissed because the evidence does not support a reason to believe either monetary reporting threshold was reached and the Department does not have a reason to believe that you were required to meet the registration and reporting requirements of the Act.

Additionally, you deny any that any expenditure was made by your company and the Department has no evidence to the contrary. Therefore, the Department finds that the evidence does not support a reason to believe that the Cobb-Hall Insurance Agency made an illegal contribution to any candidate.

However, the MCFA does require a person who produces printed material that supports or opposes a candidate to include a complete and accurate paid-for-by statement on the material. You have admitted that you produced the endorsement letter. It further appears to the Department that you acted in concert with others² regarding the endorsement letter and not as an individual.

While the Department believes that the evidence tends to show that the endorsement letter failed to contain the required paid-for-by statement, section 15(10) of the MCFA requires the Department to "endeavor to correct the violation or prevent a further violation by using informal methods such as a conference, conciliation, or persuasion [.]"

The Department is advising you that section 47(1) and R 169.36(2) require you to print a complete and accurate identification statement on all campaign materials, consisting of the phrase "paid for by" followed by the full name and address of the person who paid for the material. Note that all printed materials that refer to an election produced in the future must include this identification statement.

Additionally, please be advised that this notice has served to remind you of your obligation under the Act to identify your printed matter, and may be used in future proceedings as evidence that tends to establish a knowing violation of the Act. A knowing violation is a misdemeanor offense and may merit referral to the Attorney General for enforcement action. MCL 169.247(6), 215(10).

² The letter itself is signed by 13 others.

Michael Hall
May 16, 2016
Page 3

The Department now considers this matter closed and will take no further action against you at this time.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori A. Bourbonais". The signature is fluid and cursive, with the first name "Lori" and last name "Bourbonais" clearly distinguishable.

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State



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

June 13, 2016

Douglas Heins
212 Prospect
Howell, Michigan 48843

Dear Mr. Heins:

Based on information received during the course of the Department State's (Department) investigation of the campaign finance complaint you filed against Paul Streng, the Department initiated an investigation into whether Donald Cortez violated the Michigan Campaign Finance Act (1976 PA 388, MCL 169.201 *et seq.*) by failing to register as a committee and failing to file required campaign statements, failing to file independent expenditure reports, or whether Mr. Cortez's business made illegal contribution or expenditures. A copy of the final resolution of that investigation is provided as an enclosure with this letter.

Sincerely,

A handwritten signature in blue ink that reads "Lori A. Bourbonais".

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State



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

May 16, 2016

Donald Cortez II
4188 Westhill
Howell, Michigan 48843

Dear Mr. Cortez:

The Department of State (Department) has concluded its investigation of the complaint that was filed against Paul Streng by Douglas Heins, which related to a purported violation of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* Based on information we received from you, Mr. Streng, and others in the course of our investigation, we provided notice to you that we were also investigating whether you violated the Act by failing to register as a committee and file required campaign statements, failing to file independent expenditure reports, or whether your business made illegal contributions or expenditures.

The MCFA requires a committee to file a statement of organization within 10 days after a committee is formed. MCL 169.224(1). Late fees may be incurred if the statement of organization is filed late. *Id.* Failure to file a statement of organization for more than 30 days is a misdemeanor offense. *Id.* By statutory definition, a committee is formed when "a person¹ receives contributions or makes expenditures for the purpose of influencing or attempting to influence the action of voters for or against the nomination or election of a candidate. . . if contributions received total \$500.00 or more in a calendar year or expenditures made total \$500.00 or more in a calendar year." MCL 169.203(4). A statement of organization must be filed within 10 days of reaching one of these \$500.00 thresholds.

The Act further requires committees to file periodic campaign finance statements and reports. MCL 169.233. The failure to file a single campaign statement may trigger late filing fees. MCL 169.233(7). In certain circumstances, a failure to file may constitute a misdemeanor offense. MCL 169.233(8).

The Act also requires a person, other than a committee, to file an independent expenditure report if that person makes an independent expenditure in an amount of \$100.01 or more in a calendar year advocating the election or defeat of a candidate. MCL 169.251. A person who violates this section may be subject to a civil fine not to exceed \$1,000.00. MCL 169.215(15).

¹ Under the MCFA, "person" includes a business, partnership, company, corporation, or group of persons acting jointly. MCL 169.211(2).

Finally, the Act 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).

For the reasons stated in the enclosed letter to Douglas Heins, the allegations regarding your alleged failure to comply with the registration and reporting requirements of the Act are dismissed because the evidence does not support a reason to believe either monetary reporting threshold was reached and the Department does not have a reason to believe that you were required to meet the registration and reporting requirements of the Act.

However, it appears to the Department that First Impression Print & Marketing provided 1,500 copies of the endorsement letter at no charge in contravention of the Act.

Section 54 of the Act prohibits a corporation from making a contribution to or expenditure for a candidate.² A contribution includes a discount not available to the general public. MCL 169.204(2). With his answer to the complaint against him, Mr. Streng provided a receipt to the Department which indicated that First Impression Print & Marketing provided 1,500 copies of the endorsement letter at no charge.

Under *Citizens United v FEC* and *Chamber v Land*, corporations may now make contributions for the purpose of financing independent expenditures in candidate elections, and the Department must ascertain whether an expenditure made by a corporation was done independently or under the direction or control of another person or in cooperation or concert with a candidate.

One of the candidates listed in the endorsement letter, Bob Ellis, put out a call on his Facebook page on October 15, 2015 looking for volunteers to “go door-to-door and drop off 800 endorsement letters to likely voters on October 24.” On October 25, 2015, Mr. Ellis posted on his Facebook page that he was “happy to have been endorsed by a group of community leaders in a letter that was released yesterday.” This post includes a picture of the endorsement letter. Mr. Tom Austin, one of the signers of the endorsement letter, stated to the Department in his letter dated April 20, 2016 that it was his understanding that “candidates distributed the [endorsement] letter.” Mr. Michael Hall also indicated to the Department in his letter dated March 29, 2016 that “[c]andidates and volunteers distributed [the endorsement letter] in person.”

Based on the fact that that Mr. Ellis determined the timing of the distribution and the intended recipients, it appears to the Department that the endorsement letter was produced and distributed in cooperation or concert with at least one of the candidates endorsed by the letter. Therefore the endorsement letter constitutes an in-kind expenditure, and First Impression Print & Marketing was prohibited by the Act from providing the printing at no cost.

² Although there is no exception in section 54 for a corporation to finance an independent expenditure, 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 v FEC*, 558 US 310 (2010), forbids Michigan from denying a corporation from contributing to that committee. *Mich Chamber v Land*, 725 F Supp 2d 665 (2010).

Donald Cortez II

May 16, 2016

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You included with your April 10, 2016 letter to the Department an undated receipt for a cash payment to First Impression Print & Marketing for \$47.70, which included \$45.00 for 1,500 copies and \$2.70 in tax. This appears to be an attempt to cure the section 54 violation after the fact.

Based on the above, the Department determines that the evidence supports a reason to believe that a violation of section 54 of the Act occurred. Upon making this determination the Department is required by law to attempt to resolve the matter informally. MCL 169.215(10).

It appears that when the improper use of corporate funds to make a contribution was brought to your attention, you attempted to remedy the matter by paying cash for the copies. However, the Department notes that corporate resources were originally used to make the contribution.

The Department now offers to resolve this matter informally through execution of the enclosed conciliation agreement, which requires you to pay a civil fine to the State of Michigan in the amount of \$50.00.

If you wish to enter into the conciliation agreement, please return the original signed document to this office by June 6, 2016.

Please be advised that if the Department is unable to resolve the matter through informal methods, the Department must refer the matter to the Attorney General for enforcement of the criminal penalty provided in MCL 169.254(4). MCL 169.215(10)(a).

Sincerely,

A handwritten signature in black ink, appearing to read "Lori A. Bourbonais". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State



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

In the Matter of:

Donald Cortez II
First Impression Print & Marketing
4188 Westhill
Howell, Michigan 48843

MDOS 5148756-1 06/09/2016
MISE NY \$50.00

CONCILIATION AGREEMENT

Pursuant to MCL §169.215(10) of the Michigan Campaign Finance Act (the Act), MCL §169.201 *et seq.*, the Secretary of State and Donald Cortez II (Respondent) hereby enter 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 Respondent violated MCL §169.254(1) by using corporate resources to provide copies of a candidate endorsement letter at no charge.

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

By executing this conciliation agreement, Respondent certifies Respondent has paid a civil fine in the amount of \$50.00 to the State of Michigan.

The Secretary of State and 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 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 violations that resulted in the execution of this agreement.

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

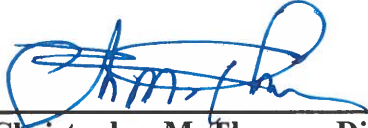
The Secretary of State and Respondent further agree that this agreement will not prevent the Secretary of State from taking action for violations of this agreement.

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

The Secretary of State and 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 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

RESPONDENT



Donald Cortez II

Date: 6-10-16

Date: 6-1-16