



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

November 3, 2016

Peggy Vanderhagen
2810 Birwood Street
Gladwin, Michigan 48624

Dear Ms. Vanderhagen:

The Department of State (Department) received a formal complaint filed by Kathy Wilton against you, alleging that you violated section 47(1) of the Michigan Campaign Finance Act (MCFA), 1976 PA 388, MCL 169.247(1), by failing to include a complete and correct identification statement on certain campaign materials. A copy of the complaint is provided as an enclosure with this letter.

The MCFA and corresponding administrative rules 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).

In support of her complaint, Ms. Wilton provided a number of pictures showing various campaign materials. All of these materials had variations of the phrase "Elect Peggy Vanderhagen Gladwin County Clerk[.]" The proper paid-for-by statements on these materials appear to be missing or incomplete due to the omission of your committee's address.

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. Please include any evidence that reflects any corrective measures you have taken to bring your campaign material into compliance with the MCFA. 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 Ms. Wilton, 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

Peggy Vanderhagen
November 3, 2016
Page 2

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,

A handwritten signature in cursive script, appearing to read "Lori A. Bourbonais".

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Kathy Wilton

Campaign Finance Complaint Form
Michigan Department of State

RECEIVED/FILED
MICHIGAN DEPT OF STATE

2016 OCT 24 AM 10:03

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.*). All information on the form must be provided along with an original signature and evidence. **Please print or type all information.**

I allege that the MCFA was violated as follows:

Section 1. Complainant		
Your Name <u>Kelby Wilton</u>	Daytime Telephone Number <u>989-426-0354</u>	
Mailing Address <u>2605 W. River Dr.</u>		
City <u>Gladwin</u>	State <u>MI</u>	Zip <u>49824</u>

Section 2. Alleged Violator		
Name <u>Peggy Vanderhagen</u>		
Mailing Address <u>2810 Birwood Street</u>		
City <u>Gladwin</u>	State <u>MI</u>	Zip <u>48624</u>

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

Section(s) of the MCFA violated:

MCL 169.247 (1) rule that requires "Paid for by
name and address of the person who paid for them.

Explain how those sections were violated:

Address of the candidate is not included on any of
the literature and signs. (see photos attached)

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

See attached 6 documents

Signs, can coozies, postcard mailers, banners,
door magnets

Section 4. Certification (Required)

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

X


Signature of Complainant

10-19-16

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 with an **original signature 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



Elect

Peggy (Peck) Vanderhager



Gladwin County Clerk

Paid for by Peggy Vanderhager for Clerk

Elect

PEGGY

★ Vanderhagen ★

★ GLADWIN COUNTY CLERK ★

Paid for by Peggy Vanderhagen for Clerk

Elect

PEGGY

★ Vanderhagen ★

★ GLADWIN COUNTY CLERK ★

Paid for by Peggy Vanderhagen for Clerk



VOTE

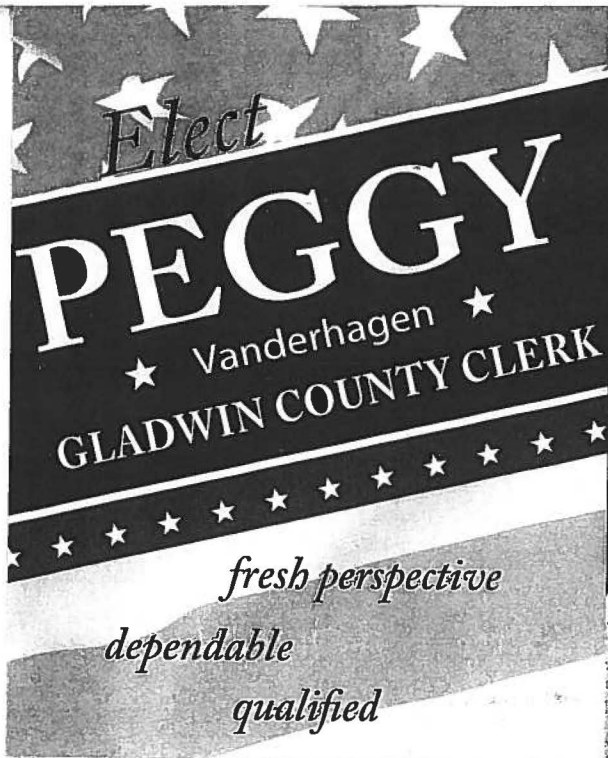
PEGGY

Gladwin County Clerk



A black and white photograph of an American flag, tilted at an angle. The stars are visible in the upper left corner, and the stripes run diagonally across the frame. The text is printed on the right side of the flag.

Paid for by Peggy Vanderhagen for Clerk



"Gladwin has been home to my family (Peck & Anderson) for over 100 years. It would be my honor to serve this community."

*Peggy
Vanderhagen*

- * New Voice, FRESH PERSPECTIVE
- * Decisive, Determined Dependable
- * Qualified and Ready for the Job

Please Vote Peggy Vanderhagen for
Gladwin County Clerk
Your support is essential to our mutual success.

Paid for by Peggy Vanderhagen for Clerk * electpeggy2016@gmail.com





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

December 29, 2016

Kathy Wilton
2665 West River Drive
Gladwin, Michigan 48624

Dear Ms. Wilton:

The Department of State received a response to the complaint you filed against Peggy Vanderhagen, 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: Peggy Vanderhagen

November 23, 2016

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

Re: Formal Complaint filed by Kathy Wilton

Dear Ms. Bourbonais:

This letter is written in response to your letter dated November 3, 2016 and the complaint filed against me by Ms. Kathy Wilton: Failing to include a complete and correct identification statement on certain campaign materials.

I now understand that I was following the federal section 11 CFR 110.(b)(1) not the MCFA. I clearly identified the name of the committee but not the address. At no time did I knowingly or intentionally violate any administrative rules or any provision of the MCFA. You will find enclosed a copy of the Special Notices on Political Ads I was working with. I did not receive notice of the violation until after the election and therefore cannot take corrective measures at this time. However in the future all disclaimers will include contact addresses.

I apologize for any inconvenience this has caused the Department.

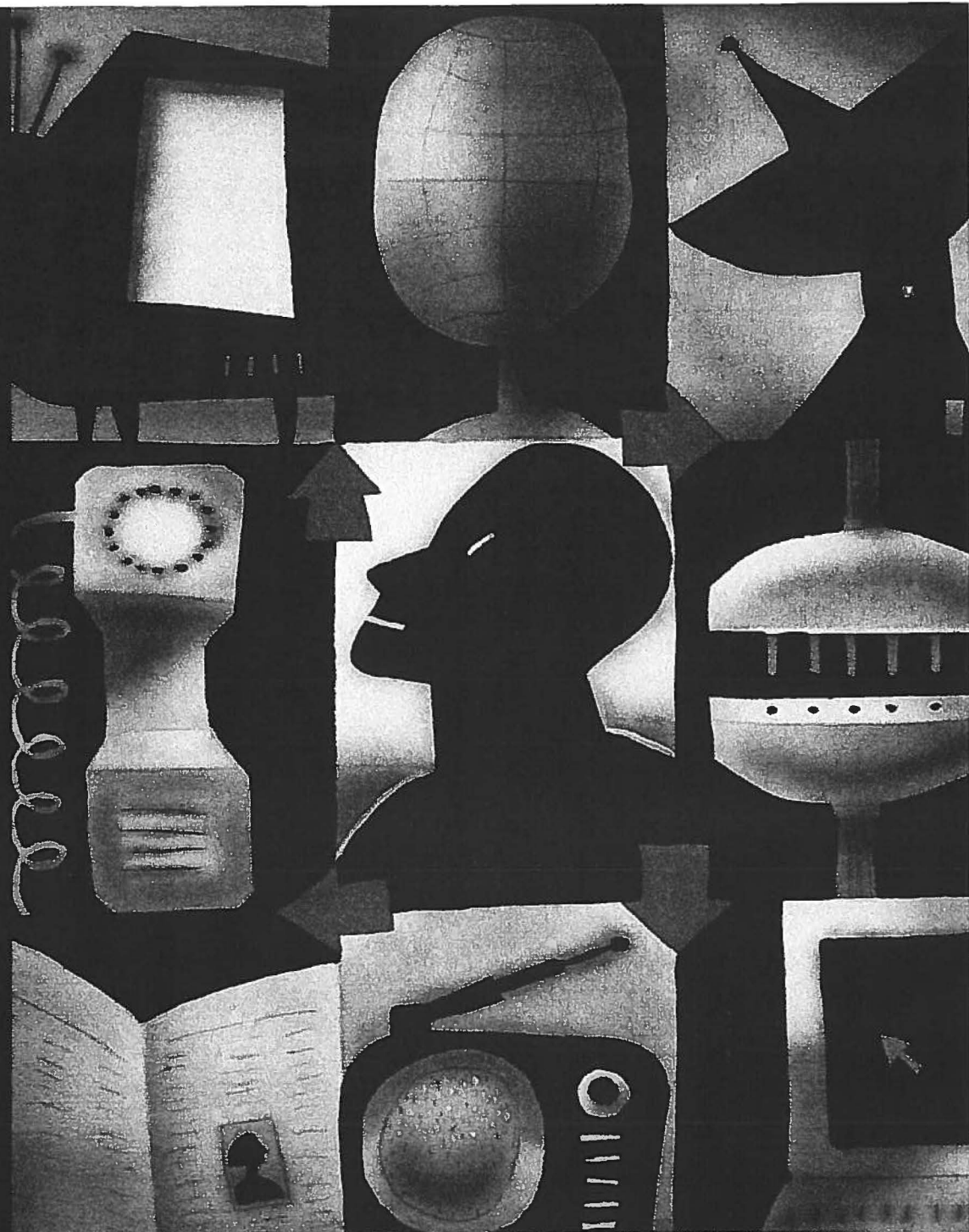
Respectfully


Peggy Vanderhagen

RECEIVED/FILED
MICHIGAN SECRETARY OF STATE
2016 NOV 30 PM 2:27
ELECTIONS/GREAT SEAL



Federal Election Commission



Special Notices on Political Ads and Solicitations

ads, except for communications placed for a fee on another person's website (11 CFR 110.11(a)).

Electioneering Communications

As defined in FEC regulations, an "electioneering communication" is a broadcast, cable or satellite communication that fulfills each of the following conditions:

- Refers to a clearly identified federal candidate;
- Is publicly distributed within 30 days before a primary election or within 60 days before a general election; and
- In the case of Congressional candidates only, is "targeted to the relevant electorate" (can be received by 50,000 or more persons in the district or state the candidate seeks to represent) (11 CFR 100.29).

Independent Expenditures

An independent expenditure is an expenditure for a communication that expressly advocates the election or defeat of a clearly identified candidate and is not made in cooperation, consultation or concert with, or at the request or suggestion of, any candidate, authorized committee or their agents, or a political party committee or its agents. 11 CFR 100.16.

Coordinated Party Expenditures

Coordinated party expenditures are expenditures made by national or state party committees on behalf of their nominees in connection with the general election. Such expenditures may be coordinated with the candidate, but are reported only by the party committee

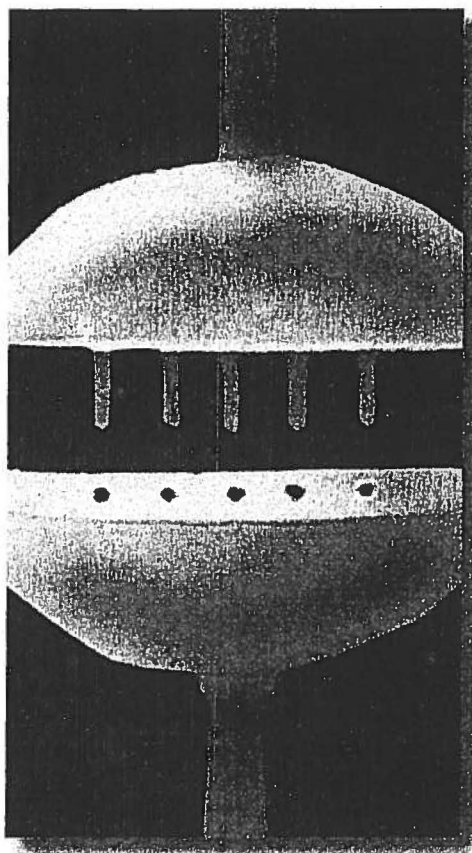
that makes the expenditure. These expenditures are subject to a special monetary limit. 11 CFR 110.11(d)(1).

Exempt Party Activities

State and local party committees may engage in certain candidate-support activities without making a contribution or expenditure provided specific rules are followed. These "exempt" party

activities refer to the three types of communications listed below:

- Registration and get-out-the-vote drives on behalf of the Presidential ticket;
- Campaign materials distributed by volunteers on behalf of federal candidates; and
- Certain slate cards, sample ballots and palm cards listing at least 3 candidates for public office (11 CFR 100.80, 100.87 and 100.89; 100.140, 100.147 and 100.149; and 11 CFR 110.11(e)).



What must the Disclaimer Say?

The actual wording of the disclaimer depends on the type of communication, as explained below. In each example, it is presumed that the ad qualifies as a "public communication" in connection with a federal election.

Messages Authorized and Financed by a Candidate

On a public communication that is authorized and paid for by a candidate or his/her campaign committee, the disclaimer notice must identify who paid for the message. 11 CFR 110.11(b)(1).

Example: "Paid for by the Sheridan for Congress Committee."

Messages Authorized but Not Financed by a Candidate

On a public communication that is authorized by a candidate or his/her campaign committee, but is paid for by another person, the disclaimer notice must identify who paid for the communication and indicate that the candidate authorized the message. 11 CFR 110.11(b)(2).

Example: "Paid for by the XYZ State Party Committee and authorized by the Sheridan for Congress Committee."³

Messages Not Authorized by a Candidate

On a public communication that is not authorized by a candidate or his/her campaign committee, the disclaimer notice must identify who paid for the message, state that it was not authorized by any candidate or candidate's committee and list the permanent street address, telephone number or World Wide Web address of the person who paid for the communication. 11 CFR 110.11(b)(3).

Example: "Paid for by the QRS Committee (www.QRScommittee.org) and not authorized by any candidate or candidate's committee."

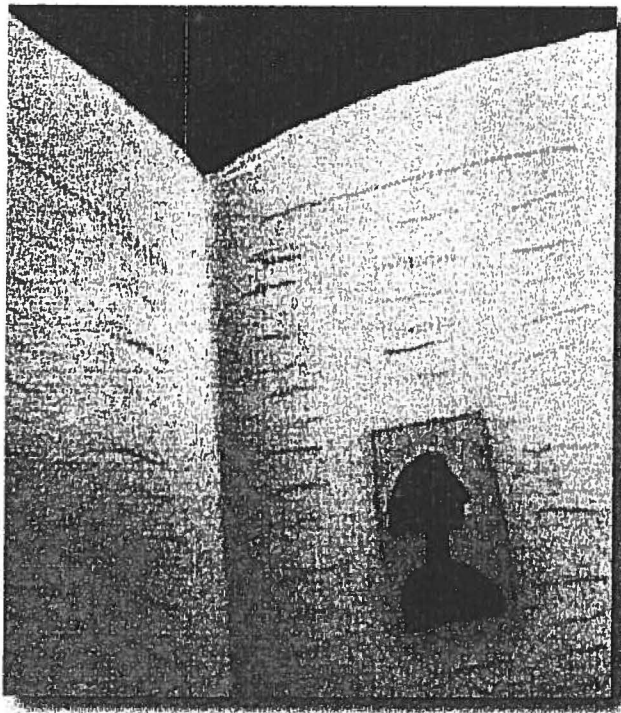
³ Please note that for communications listing several candidates, the disclaimer notice may state that the message was authorized by the candidates identified in the message or, if only certain candidates have authorized it, by those candidates identified with an asterisk (AO 2004-37).

Coordinated Party Expenditures

Pre-nomination Period

On a public communication that is made as a coordinated party expenditure before a nominee is chosen, the disclaimer notice must identify the committee that paid for the message, but need not state whether the communication was authorized. 11 CFR 110.11(d)(1).

Example: "Paid for by XYZ State Party Committee."



Post-nomination Period

Once a candidate has been nominated for the general election, the disclaimer notice must also state who authorized the communication.

Example: "Paid for by the XYZ State Party Committee and authorized by the Sheridan for Congress Committee."

Campaign Finance Complaint Form
Michigan Department of State

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I allege that the MCFA was violated as follows:

Section 1. Complainant		
Your Name <u>Kelly Wilton</u>	Daytime Telephone Number <u>489-426-0354</u>	
Mailing Address <u>2465 W. River Dr.</u>		
City <u>Gladwin</u>	State <u>MI</u>	Zip <u>49624</u>

Section 2. Alleged Violator		
Name <u>Peggy Vanderhagen</u>		
Mailing Address <u>2810 Birwood Street</u>		
City <u>Gladwin</u>	State <u>MI</u>	Zip <u>48624</u>

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

Section(s) of the MCFA violated:

MCL 169.247 (1) rule that requires "Paid for by
name and address of the person who paid for them.

Explain how those sections were violated:

Address of the candidate is not included on any of
the literature and signs. (see photos attached)

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

See attached 6 documents

Signs, can coozies, postcard mailers, banners,
door magnets

Section 4. Certification (Required)

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

X


Signature of Complainant

10-19-16

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.

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Lansing, Michigan 48918



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

April 20, 2017

Peggy Vanderhagen
2810 Birwood Street
Gladwin, Michigan 48624

Dear Ms. Vanderhagen:

The Department of State (Department) has completed its investigation of the complaint filed against you by Kathy Wilton, which alleged that you violated section 47(1) of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.247(1), by failing to include a complete and correct identification statement on certain campaign-related material. This letter concerns the disposition of Ms. Wilton's complaint.

The MCFA and corresponding administrative rules 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), 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).

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

Ms. Wilton filed her complaint on October 24, 2016, and you filed a written response on November 30, 2016. Ms. Wilton did not file a rebuttal statement with the Department.

Ms. Wilton alleged that you failed to include your address in your paid-for-by statements on your campaign materials. In support of her complaint, Ms. Wilton provided pictures of signs which stated, "Elect Peggy (Peck) Vanderhagen Gladwin County Clerk" and "Elect PEGGY Vanderhagen GLADWIN COUNTY CLERK [.]" along with pictures or copies of other campaign materials that stated "Elect PEGGY Vanderhagen GLADWIN COUNTY CLERK" and "VOTE PEGGY Gladwin County Clerk [.]". It appeared that your committee's address was omitted from the paid-for-by statements on these materials.

In your response you admitted that you following federal rules regarding identification statements rather than the MCFA and that you "clearly identified the name of the committee but not the address." You further stated that you will include your committee's address in all future identification statements.

Peggy Vanderhagen
April 20, 2017
Page 2

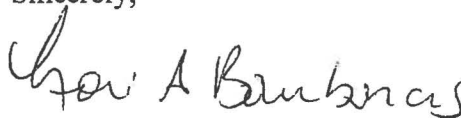
While the Department believes that the evidence tends to show that your campaign material failed to contain a complete paid-for-by statement and a technical violation occurred, section 15(10) of the MCFA requires the Department to "endeavor to correct the violation or prevent a further violation by using 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 your committee. Note that all printed materials that refer to an election or your candidacy produced in the future must include this identification statement.

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).

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

Sincerely,



Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Kathy Wilton