



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

December 3, 2012

The Honorable William Matakas
Mayor of Allen Park
16850 Southfield Road
Allen Park, Michigan 48101

Dear Mayor Matakas:

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

At the outset, we note that although the Department received Dr. Armstead's complaint on November 21, 2012 making the statutory 5 business-day deadline for sending you notice of the complaint November 30, 2012, we discovered today that the notice letter was inadvertently not picked up on Friday. Please note that this office strives to respond to complaints within the time period allotted by law, and we understand that the delay in processing this complaint is regrettable.

Section 57 of the MCFA prohibits a public body or individual acting on its behalf from using public funds or public property to make a contribution or expenditure. MCL 169.257(1). The definition of expenditure includes "a payment, donation, loan, or promise of payment of money or anything of ascertainable monetary value for goods, materials, services, or facilities in assistance of, or in opposition to, . . . the qualification, passage, or defeat of a ballot question." MCL 169.206(1). A knowing violation of section 57 is a misdemeanor offense. MCL 169.257(3).

In addition, 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(5).

Dr. Armstead alleges that a flyer supporting the Allen Park City Proposal 1 on the November 2012 ballot "appears to be generated from the city" and that "[n]o funding source was stated on the flyer." In support of his complaint, Dr. Armstead provided a copy of a flyer which states "VOTE YES ON ALLEN PARK CITY PROPOSAL 1 [,]" bears the City of Allen Park's seal, and lists your name as one of the supporters of the millage along with other Allen Park public officials.

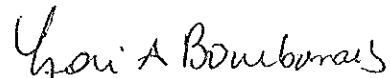
The purpose of this letter is to inform you of the Department's examination of these matters and your right to respond to the allegations before the Department proceeds further. It is important to understand that the Department is neither making this complaint nor accepting the allegations as true.

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

A copy of your reply will be provided to Dr. Armstead, 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(5) 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: Dr. Robert Armstead

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 <i>Dr. Robert Armstead</i>		Daytime Telephone Number <i>(313) 357-4392</i>
Mailing Address <i>4510 Willow Cove</i>		
City <i>Allen Park</i>	State <i>MI</i>	Zip <i>48101</i>

Section 2. Alleged Violator		
Name <i>Bill Matakas (Mayor)</i>		
Mailing Address <i>16890 Southfield Road</i>		
City <i>Allen Park</i>	State <i>MI</i>	Zip <i>48101</i>

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

Section(s) of the MCFA violated:

Explain how those sections were violated:

- 1) No funding source was stated on flyer.*
- 2) The flyer appears to be generated by the city since it has the city's seal on it.*

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

3) Since this flyer appears to be generated from the city, it is telling the voter to "Vote YES on Allen Park City Proposal 1"

2012 10/1/11

BUREAU OF ELECTIONS
MI 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

Dr. Robert Amet
Signature of Complainant

11/15/2012
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:

Eleven of the signatories on the flyer
have direct connections to city government
and may benefit directly or indirectly
by this flyer's content.

Note: I reserve the right to make
additions to this complaint in the future.

X Dr. Robert Amet
Signature of Complainant

11/15/2012
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



WHERE WE ARE

Our city is facing a very real financial crisis. That is a fact. Many concerned citizens have debated for months about past events and past actions that have led up to this critical point. But what needs to be decided now is what future actions will be taken to lead Allen Park forward. That decision needs to be made by the people who live and work in this city, not by an outsider.

WHAT IS HAPPENING?

The Good, the Bad, and the Ugly. Let's start out with "the Ugly", which happens to be the most visible cause of our financial woes - "the land deal gone bad." This has left a sad and bitter taste in the mouths of most residents, and rightfully so. Although there are currently federal and state investigations into the legality of the 104 acre land purchase, the consequences will not go away. That is a debt payment of about \$2.5 million a year that we, as a city, have a responsibility to pay.



"The Bad" is a bad economy which has caused property values in Allen Park to fall by nearly 33%. As a result we have lost nearly \$2 million a year, over \$7 million since 2009, in property tax revenue. Also, money to our city from the state and federal governments have fallen by about \$600,000 since 2009 as budgets are shored up in Lansing and in Washington. In the meantime, costs to provide services have gone up.

"The Good" is what we are as a city. This is where our hope lies.

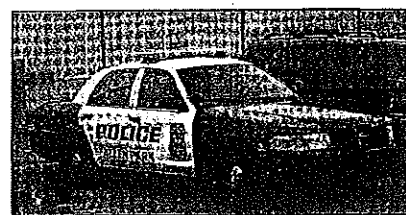
PROPOSAL 1

Would cost the average priced home about \$180 per year, or 50 cents per day.

WHAT WE ARE

We are a community. Many of our citizens grew up here and chose to stay. That is because Allen Park is a community that left them with memories of growing up in a safe and comfortable environment. It's something we all share together now. It's where our children and grandchildren develop close friendships on the playgrounds, in the ice arena, or on the football and baseball fields. They enjoy good experiences in our schools and throughout the neighborhoods. We, as a community, have witnessed times when friends and neighbors rallied behind families who may have faced terrible

tragedies but never by themselves. We all want our children to have that same opportunity. We are a community that is closely tied together. That is our strength.



An emergency manager could cut our police force in half or eliminate it all together.

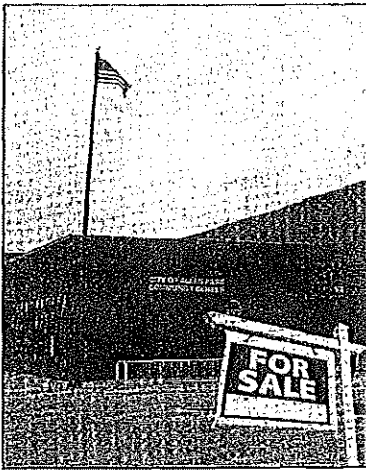
WHAT WE FACE

Back to that nasty fact. Our city is facing a very real financial crisis. We are currently awaiting Governor Rick Snyder's appointment of an Emergency Manager (EM) as a result of our inability to make payments on our debts. If the state follows through with that appointment we, the residents of Allen Park, will lose all say in the operation of our government and what will happen to our city's assets. As an outsider, the EM will make decisions to satisfy the needs of the State first and the City second. AND we will be required to pay the EM's salary and the salary of the EM's staff. Currently EM salaries alone in Michigan have averaged \$150,000.

Based on what current Emergency Managers have done in other cities, an EM could:

- **Sell municipal assets:** Our parks, the Community Center, and any other properties could be for sale at bargain basement prices. In this market, the EM would be willing to take pennies on the dollar for our properties with only one goal: leave town with money in his pocket for the State. One Michigan community saw an asset sold on ebay by an EM. We would be left in the aftermath of the State's garage sale with very little to rebuild our community around.
- **Lay off employees:** The EM could cut the Police Department from 38 officers to 18, or eliminate our Police Department all together leaving our streets to be patrolled by Wayne County Sheriffs. The Fire Department could be cut from 23 firefighters to 13. These types of actions would leave the safety of our citizens and public safety professionals dangerously vulnerable.

VOTE YES ON ALLEN PARK CITY PROPOSAL 1



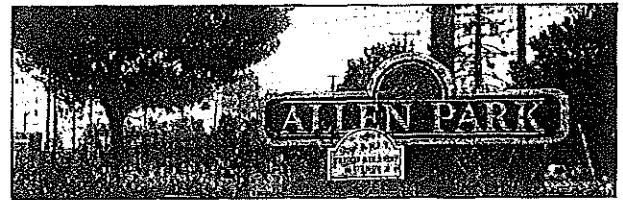
Our Community Center could be sold off by an Emergency Manager for pennies on the dollar.

- **Make additional assessment fees:** Additional fees could be placed on such services as garbage pick-up, street lighting and water service which would effectively cause the payment on our property tax bill to go up. Whether you call it a tax or a fee doesn't matter. We will pay additional costs on tax day.

The EM gets paid, the State gets their money, and we are left with NO SAY and NO CHOICE!!!

THE EFFECT

The stigma alone of an EM could have a chilling effect on property sales in Allen Park. However, combined with the prospects of a decimated Police and Fire Department, or none at all, and an undetermined future, it is almost certain that property values will spiral further downward taking more property tax revenues with them.



If an emergency manager is appointed, Allen Park will lose all say in the operation of our government and what will happen to our city's assets.



An EM could close our Police Department, leaving our streets to be patrolled by Wayne County Sheriffs.

OUR DECISION!

The proposed millage will cost the average priced home about \$180 a year. That's about 50 cents a day. We need to be willing to gamble that much on our own ability to fix our own problem. This millage increase is only for two years; it is not permanent. However, the effects of an EM will be. We will pay our debts one way or another. Let's make the SAFETY of our families in Allen Park PRIORITY ONE. Let's make it our decision, under our terms and for our families.

Please vote for and with our community on Tuesday, November 6th.

WE SUPPORT THE MILLAGE

Dr. R.G. Baker, D.O.

Dave Boomer

Bob Curry

Tracy Fressel

John Grant

Daniel J. Hatch, D.D.S.

Kip Horvath

Denise and Brent Hunt

Bob Keenan

Ken Lieber

Bob and Jane Loyd

Rose Loyd

Phillipa and Bill Matakas

Jim Perry

Sue and Doug Pretty

Cindy and Jim Riviera

Harry Sisko

Carson Smith

Larry Templin

CITY

CITY OF ALLEN PARK PROPOSAL 1 OPERATING MILLAGE

It is proposed that Section 8.1 of the City of Allen Park City Charter be amended to temporarily allow the City to levy an additional ad valorem tax up to \$4.00 per \$1,000 in taxable value (4.0 mills), effective December 1, 2012, for period of two years, which will raise approximately \$2,997,695.00 in the first year it is levied. Shall the proposed amendment be adopted?

YES



NO



VOTE YES ON ALLEN PARK CITY PROPOSAL 1



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

December 18, 2012

Dr. Robert Armstead
4510 Willow Cove
Allen Park, Michigan 48101

Dear Dr. Armstead:

The Department of State received a response to the complaint you filed against Mayor William Matakas, 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: William Matakas

William B. Matakas
Attorney at Law

9620 Allen Rd
Allen Park, Michigan 48101
Phone: (313) 590-0435
Fax: (313) 381-9649
Email: mattylaw@att.net

BUREAU OF ELECTIONS
MI DEPT OF STATE



2012 DEC 13 PM 3:32

December 9, 2012

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

RE: Response to complaint of R. Armstead & your letter dated December 3, 2012

Dear Ms. Bourbonais,

Please find enclosed the following:

1. Flyer that was sent to each home in Allen Park.
2. County's Independent Expenditure Report pamphlet.
3. Copies of 4 independent expenditure reports file with County as required by law.

A few citizens and myself felt the voters should understand the necessity of passing the millage in our November election. We developed the Flyer identified as item 1 above. I was going to use my Mayoral Committee identification and was advised by Ms. D. Mathis of the County Election Bureau that this would be improper. She checked with the State Bureau of Elections and recommended the Independent Expenditure Report which I used. Those are the 4 copies I enclosed as item 3.

I do not believe the flyer suggests that is what put out at city expense or approval. However, 3 councilmen's names are on the flyer as well as mine. At no time did the County or the State who was consulted by Ms. Mathis that I was to state that this being done under the rules of the independent expenditure report, or to list the contributors other than was done on the flyer.

You will see that the 3 persons who paid more than \$100 have their names on the flyer. There was no intent to deceive the voter and I do not believe they were. Should you have any further questions, please contact me.

Sincerely,

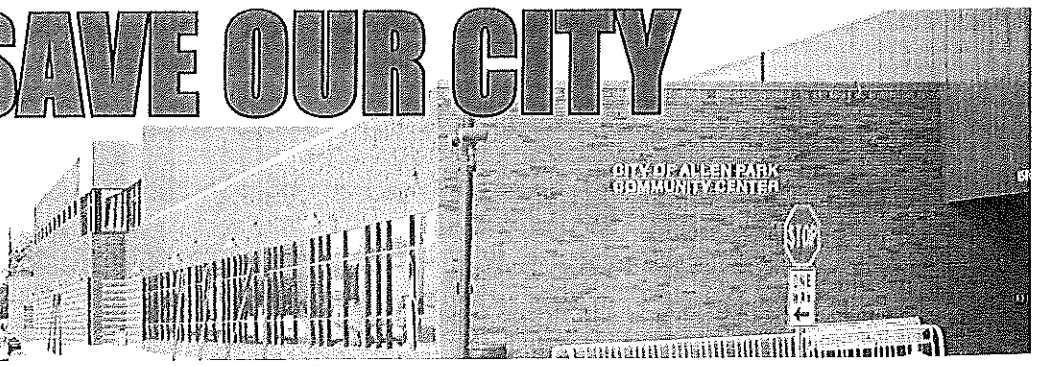
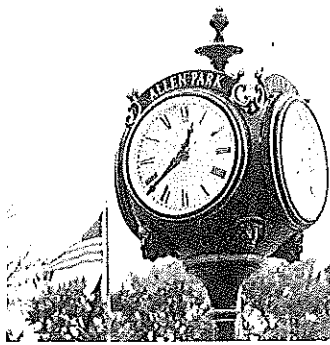


William B. Matakas

WBM

Cc: Deborah Mathis

SAVE OUR CITY



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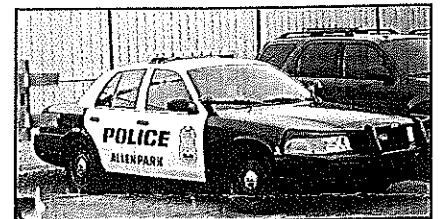
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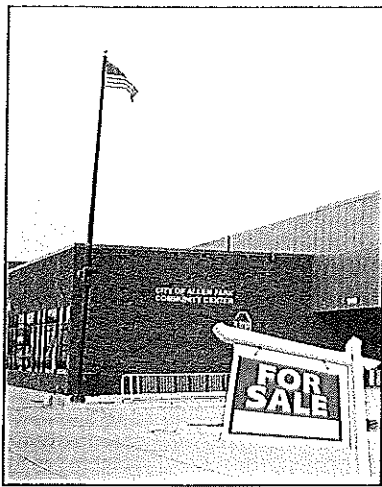


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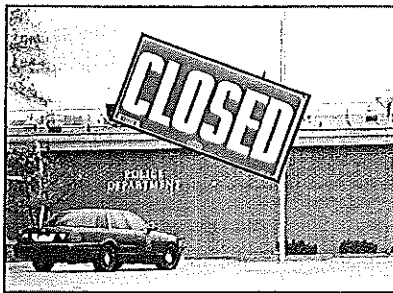
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VOTE YES ON ALLEN PARK CITY PROPOSAL 1



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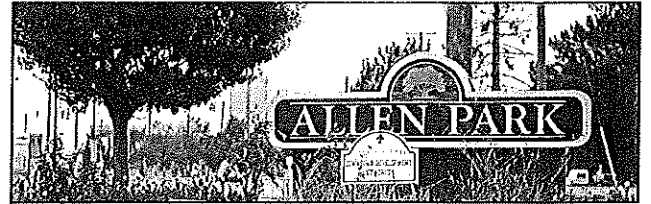
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YES



NO



VOTE YES ON ALLEN PARK CITY PROPOSAL 1

INSTRUCTIONS FOR COMPLETING THE INDEPENDENT EXPENDITURE REPORT

An individual, group or organization that spends more than \$100.00 in a calendar year on "independent expenditures" to support or oppose the nomination or election of a candidate or advocate the qualification, passage or defeat of a ballot question (includes millage issues) is required to file this form as required under Michigan's Campaign Finance Act, (MCFA) P.A. 388 of 1976. An organization includes but is not limited to a corporation, union or domestic dependent sovereign.

This form is not filed by a group or organization registered as a committee under the MCFA; committees registered under the MCFA disclose their expenditure on forms specially designed for their use. A group or an organization must register as a "committee" under the MCFA as soon as it spends or receives \$500.00 or more in a calendar year to influence voters for or against the nomination or election of a candidate or qualification, passage or defeat of a ballot question. Certain exceptions apply.

Definition of "Independent Expenditure": An individual, group or organization has made an "independent expenditure" if:

- the money was spent to support or oppose the nomination or election of a candidate or advocate the qualification passage or defeat of a ballot question (includes millage issues);
- the money was not spent at the direction of or under the control of a committee registered under the MCFA or another person; and
- the money was not given to a committee registered under the MCFA.

Filing Information: File this form within 10 calendar days after the \$100.01 threshold for reporting independent expenditures is reached.

- Submit two copies of the form (one original and one photocopy) to the clerk of the county where the individual who made the independent expenditure(s) resides or where the group or organization that made the independent expenditure(s) is located.
- Submit a separate Independent Expenditure Report each time the \$100.01 threshold for reporting independent expenditures is reached.
- Do not use this form to report independent expenditures related to more than one candidate or ballot question.

Instructions: Type or clearly print in ink. Each request for information is discussed below.

Item 1. Complete item 1a or 1b only.

- 1a. Enter the name of the candidate supported or opposed. List the office involved, the jurisdiction or district served by the office and the candidate's county of residence.
- 1b. Describe the ballot question supported or opposed, indicate whether it is a statewide, county or local proposal.

Item 2. Enter the full name and address of the individual, group or organization that made the independent expenditure(s). Also enter the individual's county of residence or the county in which the group or organization is located.

Item 3. Enter the name and address of the individual filing this report. Enter "N/A" if the individual is already identified in item 2.

Item 4. Enter the name, address, occupation, employer and principal place of business of any individual who gave more than \$100.00 toward the independent expenditure. Attach 8 1/2" x 11" sheets if extra space is needed.

Item 5. Enter the full name and address of the person, business, firm, etc. that received the funds that were spent. List each expenditure separately if more than one expenditure was made to support or oppose the candidate or ballot question.

Item 6. Enter the date the independent expenditure was made.

Item 7. Enter the amount of the independent expenditure.

Item 8. Describe the purpose of the expenditure. Be as specific as possible and state whether the ballot question or candidate involved was supported or opposed. Example: "Ad in Daily Times to support ballot question."

Item 9. Sign and date the form.

For further information contact the local county clerk or:

Liberal Mathes
Campaign Finance
Manager

Michigan Department of State
Bureau of Elections
Post Office Box 20126
Lansing, Michigan 48901-0726
Email: Disclosure@michigan.gov
Phone: (517) 373-2540

Wayne County Clerk
Office
2 Woodward Ave, Suite 502
Detroit, MI 48226

THIS WILL ACKNOWLEDGE RECEIPT OF THE FOLLOWING REPORT(S):

Independent Expenditure Report
(Statement/Report)

1 # of pages

Committee/Candidate Name

William B. Matakas

Committee I.D.#

11/6/12

Name of Person Filing Report

Date of Election

9620 Allen Rd.

Received By:

Address

Allen Park, MI 48101

D. Mathis

Deputy County Clerk

Wayne County

City/State/Zip Code

10/31/12

Phone

Date



MICHIGAN DEPARTMENT OF STATE
BUREAU OF ELECTIONS

INDEPENDENT EXPENDITURE
REPORT

INDIVIDUALS, GROUPS AND ORGANIZATIONS
(Includes Corporations, Unions and Domestic
Dependent Sovereigns)

1. Complete 1a or 1b. Do not use this form to report independent expenditures related to more than one candidate or ballot question.

1a. Enter the candidate's name, office involved, jurisdiction/district and county of residence.

1b. Describe the ballot question supported or opposed and indicate whether it is a statewide, county or a local proposal.

City of
Allen Park Proposal
#1. 4 mils millage
increase

<p>2. Individual, Group or Organization that made the Independent Expenditure</p> <p>Full Name: <u>William B. Matales</u></p> <p>Address: <u>9620 Allen Rd</u> <u>Allen Park, MI</u> <u>48101</u></p> <p>County of Residence or Location: <u>WAYNE</u></p>		<p>3. Individual Filing the Report</p> <p>Full Name: <u>William B. Matales</u></p> <p>Address: <u>9620 Allen Rd</u> <u>Allen Park, MI</u></p>		<p>4. Person(s) Contributing More than \$100.00 to the Independent Expenditure (See 1b)</p> <p>Full Name: <u>Dr. R. G. Baker, D.O.</u></p> <p>Address: <u>17440 Midway</u> <u>Allen Park, MI 48101</u></p> <p>Occupation: <u>Physician</u></p>	
<p>5. Full Name and Address of Person or Business that Received the Funds</p> <p><u>AccuForm</u> <u>7231 Southfield</u> <u>Detroit, MI</u> <u>4822</u></p>	<p>6. Date</p> <p><u>10/22/12</u></p>	<p>7. Amount</p> <p><u>\$689.00</u></p>	<p>8. Purpose of the Independent Expenditure</p> <p><u>Print slyer for</u> <u>distribution to</u> <u>Allen Park residents</u></p>		
<p>9. Signature of Person Filing the Report:</p> <p><u>Will B. Matales</u></p>			<p>Date: <u>10-28-12</u></p>		

Authority granted under P.A. 388 of 1976 3/10

FILED
CATHY M. GARRETT
WAYNE COUNTY CLERK
OCT 31 2012

BY



MICHIGAN DEPARTMENT OF STATE
BUREAU OF ELECTIONS

INDEPENDENT EXPENDITURE
REPORT

INDIVIDUALS, GROUPS AND ORGANIZATIONS
(Includes Corporations, Unions and Domestic
Dependent Sovereigns)

1 Complete 1a or 1b. Do not use this form to report independent expenditures related to more than one candidate or ballot question

1a. Enter the candidate's name, office involved, jurisdiction/district and county of residence

1b. Describe the ballot question supported or opposed and indicate whether it is a statewide, county or a local proposal

City of
Allen Park Proposal
#1. 4mils millage
increase

2. Individual, Group or Organization that made the Independent Expenditure

Full Name:

William B. Matahas

Address:

9620 Allen Rd
Allen Park, MI
48101

County of Residence or Location:

3. Individual Filing the Report

Full Name:

William B. Matahas

Address:

9620 Allen Rd
Allen Park, MI
48101

4. Person(s) Contributing More than \$100.00 to the Independent Expenditure

Full Name:

Will B. Matahas Mayoral Com.

Address:

9620 Allen Rd
Allen Park, MI 48101

Occupation:

5. Full Name and Address of Person or Business that Received the Funds

Accusorm
7231 Southfield
Detroit, MI
48228

6. Date

10/22/12

7. Amount

\$689.00

8. Purpose of the Independent Expenditure

Print Flyer for
distribution to
Allen Park residents

9. Signature of Person Filing the Report:

Will B. Matahas

Date:

10-28-12

Authority granted under P.A. 388 of 1976 3/16



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INDIVIDUALS, GROUPS AND ORGANIZATIONS
(Includes Corporations, Unions and Domestic
Dependent Sovereigns)

1. Complete 1a or 1b. Do not use this form to report independent expenditures related to more than one candidate or ballot question.

1a. Enter the candidate's name, office involved, jurisdiction/district and county of residence.

1b. Describe the ballot question supported or opposed and indicate whether it is a statewide, county or a local proposal. *City of Allen Park Proposal #1. 4 mils millage increase*

<p>2. Individual, Group or Organization that made the Independent Expenditure</p> <p>Full Name: <i>William B. Matukas</i> Address: <i>9620 Allen Rd Allen Park, MI 48101</i> County of Residence or Location: <i>Wayne</i></p>		<p>3. Individual Filing the Report</p> <p>Full Name: <i>William B. Matukas</i> Address: <i>9620 Allen Rd Allen Park, MI 48101</i></p>		<p>4. Person(s) Contributing More than \$100.00 to the Independent Expenditure</p> <p>Full Name: <i>William B. Matukas</i> Address: <i>9620 Allen Rd Allen Park, MI 48101</i> Occupation: <i>Mayor / Lawyer</i></p>	
<p>5. Full Name and Address of Person or Business that Received the Funds</p> <p><i>Fast Flyers P.O. Box 0784 Allen Park, MI 48101</i></p>		<p>6. Date</p> <p><i>11/13/12</i></p>	<p>7. Amount</p> <p><i>\$1,607.00</i></p>	<p>8. Purpose of the Independent Expenditure</p> <p><i>distribute flyers door-to-door in cities</i></p>	
<p>9. Signature of Person Filing the Report:</p> <p><i>William B. Matukas</i></p>				<p>Date: <i>December 8, 2012</i></p>	



MICHIGAN DEPARTMENT OF STATE
BUREAU OF ELECTIONS

INDEPENDENT EXPENDITURE
REPORT

INDIVIDUALS, GROUPS AND ORGANIZATIONS
(Includes Corporations, Unions and Domestic
Dependent Sovereigns)

1. Complete 1a or 1b. Do not use this form to report independent expenditures related to more than one candidate or ballot question.

1a Enter the candidate's name, office involved, jurisdiction/district and county of residence.

1b. Describe the ballot question supported or opposed and indicate whether it is a statewide, county or a local proposal.

<p>2. Individual, Group or Organization that made the Independent Expenditure</p> <p>Full Name: <u>William B. Matchas</u></p> <p>Address: <u>9620 Allen Rd</u> <u>Allen Park, MI 48101</u></p> <p>County of Residence or Location: <u>Wayne</u></p>		<p>3. Individual Filing the Report</p> <p><u>William B. Matchas</u></p> <p>Full Name: _____</p> <p>Address: <u>9620 Allen Rd</u> <u>Allen Park, MI 48101</u></p>		<p>4. Person(s) Contributing More than \$100.00 to the Independent Expenditure</p> <p>Full Name: <u>Rosina Loyd</u></p> <p>Address: <u>15248 Angelique</u> <u>Allen Park, MI 48101</u></p> <p>Occupation: <u>Housewife</u></p>	
<p>5. Full Name and Address of Person or Business that Received the Funds</p> <p><u>Fast Flyers</u> <u>P.O. Box 0784</u> <u>Allen Park, MI 48101</u></p>	<p>6. Date</p> <p><u>11/13/12</u></p>	<p>7. Amount</p> <p><u>\$1,007.00</u></p>	<p>8. Purpose of the Independent Expenditure</p> <p><u>Distribute flyers door to door in city</u></p>		
<p>9. Signature of Person Filing the Report:</p> <p><u>William B. Matchas</u></p>			<p>Date: <u>December 8, 2012</u></p>		



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

January 8, 2013

The Honorable William Matakas
Mayor of Allen Park
16850 Southfield Road
Allen Park, Michigan 48101

Dear Mayor Matakas:

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

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

Sincerely,

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

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Dr. Robert Armstead

Bourbonais, Lori (MDOS)

From: Dr. Bob Armstead [bob.executivecoach@hotmail.com]

Sent: Saturday, January 05, 2013 10:54 AM

To: Bourbonais, Lori (MDOS)

Attachments: Flyer Reply.doc

Dear Ms. Bourbonais:

Attached is a rebuttal to the response that Mayor Matakas sent to you recently concerning a complaint filed at your office. I have forwarded a hard copy of the attached to your office. Note: On the attached as well as the hard copy is the following section: The two-page flyer listed the following that support the millage and have direct/indirect access to the City's resources in one form or another. This section highlighted the persons listed on the flyer. I have just learned today that the following persons listed on the flyer are involved with the Allen Park Downtown Development Authority working under the following areas and there are additional persons not listed on the attachment or the hard copy that were listed on the flyer that have direct/indirect access to the City's resources in one form or another that could impact the voters view on the flyer as being an official City flyer.

Allen Park Downtown Development Authority

Committee Members

Design:

Denise Hunt

Cynthia Riviera

Marketing & Promotions:

Cynthia Riviera

Tracy Fressel

Board of Directors

Mayor William Matakas

Tracy Fressel - *Chairperson*

Denise Hunt

Cynthia Riviera

Further, Kenneth Lieber will be appointed to the Board of Review.

Sincerely,

Dr. Robert Armstead

4510 Willow Cove

Allen Park, Michigan

(313) 359-4392

December 3, 2012

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

Dear Ms. Lori A. Bourbonais:

Listed below are three areas that Mayor Matakas did not address in his response to a complaint filed on 11/15/2012, so the following is a rebuttal to his response.

- 1) No funding source listed on the flyer
- 2) City seal used on flyer
- 3) Vote Yes on Allen Park City Proposal 1

Mayor Matakas did not address the funding source that was required to be listed on the flyer according to MCL 169.247(1), R 169.36(2). The financing concerning this flyer needs to be addressed.

Mayor Matakas states "4 Independent Expenditure Reports required by law" were filled out. However, only one report was date stamped as received by the County Clerk's office out of the 4 Independent Expenditure Reports that he listed in his reply to your office. In Mayor Matakas's acknowledgement receipt report only 1 page is listed on this page not four and it is stamp dated from the Wayne County Clerk's office Oct 31 2012.

Mayor Matakas claims that the flyer was sent to each home in Allen Park. There are over 10,000 homes in Allen Park where one or more voters reside. Yet Mayor Matakas claims the cost to print the flyers to be \$689.00 which a Dr. Baker funded and \$689.00 funded by Will B. Matakas Mayoral Committee both totaling \$1378.00. I have been advised that 1,000 flyers of this same type (4-color, 2-sided on 8 1/2" x 11", 100# gloss text paper) costs nearly \$689.00 alone, so 10 times this amount would be around \$6,000.

Have all the financial contributors been listed, who hold some type of position within the City government? And, the supporters listed on the flyer did anyone of them use any City property or City equipment or any City employee or Allen Park student in the creation, production, printing and distribution of the flyer other than what is stated in Mayor Matakas's claims?

On one of the Independent Expenditure Reports dated December 8, 2012 the full name of Fast Flyers is actually Fast Flyers, Inc. and their actual business address is 6456 Waterloo, Detroit, Michigan 48207. There are two Reports dated December 8, 2102, claiming funds of \$1007.00 on each Report that were not paid until November 13, 2012, a full week after the election. Yet the flyers were distributed around October 26 to October 27, 2012.

Does the City do business with either Accuform or Fast Flyers, Inc.? Were special financial deals given for these flyers either to print them or distribute them due to any business connections to the City in light of the financials listed above?

Mayor Matakas states on the letter dated December 9, 2012 to you that "At no time did the County or the State who was consulted by Ms. Mathijs that I was to state that this being done under the rules of the independent expenditure report, or to list the contributors other than was done on the flyer." This last part "to list the contributors other than was done on the flyer" there were no contributors listed on the flyer, instead supporters were listed. Further, even if Mayor Matakas would like to suggest that the supporters were contributors then are there more contributors than has been presented to your office thus far? Also, the Will B. Matakas Mayoral Committee is missing as a supporter or contributor. If Mayor Matakas attempts to blend the meaning of

supporter and contributor interchangeably something is missing in Mayor Matakas's claim to you concerning the contributors.

City seal used on flyer

The City's Official Seal on the flyer was used for the impression that the flyer was generated from the City. It appeared to give the impression that this seal along with all the other official City photos on the flyer, plus the persons listed below on the flyer were all used to give the flyer an official appearance to lull the voters into believing that the flyer came from the City.

The City's Official Seal on the flyer offered no value to the message of "Vote Yes on Allen Park City Proposal 1," other than to appear as an official flyer from the City by the usage of the City's seal. Further, the photo of the Police vehicle from the City was taken in area that only the police can park. It appears from the photo that someone entered police access area to take the photo, which may be a violation, unless one of the listed supporters who have access to official City business took the photo?

The flyer states "Lay off employees" referencing only to the police and fire lay offs. The flyer indicated that police officers could be cut from 38 to 18 and Firefighters could be cut from 23 to 13. The average voter does not have this type of information to make these claims, only City officials with knowledge of key documents could arrive at these lay off numbers. Hence, the more one studies the flyer the more it appears it was generated by key City officials and others within the City government that have access to key information, thus producing a flyer that the average voter would accept as an official flyer from the City.

The two-page flyer listed the following that support the millage and have direct/indirect access to the City's resources in one form or another:

- Dave Boomer, who is the Interim City Administrator
- Denise Hunt, who is a member of the DDA
- Brent Hunt, who is on one of the City's commissions/boards and lawyer
- **Bob Keenan, who is a City Council member and Mayor Pro Tem**
- Bob Loyd, who is an Allen Park school employee (teacher)
- Phillipa Matakas, who is on one of the City's commissions/boards (mayor's wife)
- **Bill Matakas, who is the Mayor**
- Cindy Rivera, who is on one of the City's commissions/boards
- **Harry Sisko, who is a City Council member**
- Carson Smith, who is the Recreation Director for the City
- **Larry Templin, who is a City Council member**

Vote Yes on Allen Park City Proposal 1

Mayor Matakas states on the letter dated December 9, 2012 to you that the flyer was developed by himself and a few citizens. Mayor Matakas is a lawyer and has been involved with City government for at least 5+ years and ran a successful mayoral campaign in the City of Allen Park. There was no room on either the front or the back pages of the flyer for a funding source at the bottom of these pages; instead in bold letters the flyer was developed to state "Vote Yes on Allen Park City Proposal 1."

Further, the developers of this flyer list supporters who would have had to given their permission to use their names on the flyer. Based on this fact alone the supporters have a combined government/political knowledge and experience of over 60+ years. Thus the collective knowledge base would know to list the funding source on the flyer. Note: not only did Mayor Matakas ran for office in the City of Allen Park, so have the following who were listed on the flyer and who were all successful at their political campaigns and are all on the present City Council for the City of Allen Park: Mayor Pro Tem Bob Keenan, City Councilman Harry Sisko and City Councilman Larry Templin. Further, they all know that a funding source is required on election flyers. In

addition, Mayor Pro Tem Bob Keenan sits on the Legal Affairs committee for the City of Allen Park and has another City Councilman Dennis Hayes who is a lawyer and Chairman of this committee who could have offered legal opinion on the flyer's merits and legalities prior to its release to the voters.

This flyer was created to give the impression that it was officially from the City, so as to influence the voters to "Vote Yes on Allen Park City Proposal 1." Further, on one section of the flyer it states "Although there are currently federal and state investigations into the legality of the 104 acre land purchase, ..." this in part clearly lets the voters know that the flyer had to come from the City, since no state investigations have been discussed at City Council meetings. And, the average voter would not have been aware of any state investigations concerning the 104 land purchase. Again the flyer gives the impression of officially being from the City based on City Officials listed on the flyer with this deep knowledge of City internal affairs.

In addition, the Mayor and the other three City Council members may have violated the Michigan Open Meetings Act by meeting and agreeing on the creation, production, printing and distribution of the flyer. Although the Bureau of Elections may not consider any violation to the Michigan Open Meetings Act, it would prove that the collective actions of the Mayor and three other City Council members would make the creation, production, printing and distribution of the flyer an official City government action, thus the creation of an official City flyer.

Did Chris Forsyth the City Attorney review the flyer at any time or advise the Mayor and other City Council members on the merits of this flyer? Mr. Forsyth replied to an email I sent him on this matter after the November 2012 election concerning any violations to the flyer. Mr. Forsyth stated that there were no violations. Thus, the City Attorney officially gives a legal view on this flyer.

Below is a time line of events leading up to the flyer:

October 22, 2012 Two of the Independent Expenditure Reports that William B. Matakas filled out claims that Accuform received funds for the printing of the flyers of \$689.00 per Report (Report not filed until 10/31/2012)

October 23, 2012 a contract between the City and a private business to operate the Community Center was commenced. Yet photo on flyer shows Community Center "For Sale"

October 24 to 28, 2012 most of the absentee ballots sent out

October 26 to 27, 2012 most of the flyers distributed

October 28, 2010 William B. Matakas fills out Independent Expenditure Report for the printing of the flyers.

October 31, 2012 One Independent Expenditure Report page filed with the Wayne County Clerk's office. Note: contributing person Dr. R.G. Baker, D.O.

October 31, 2012 One Independent Expenditure Report filled out by William B. Matakas that claims that Accuform received funds for the printing flyers for \$689.00. No evidence that Report was filed with the Wayne County Clerk's office. Note: contributor Will B. Matakas Mayoral Committee.

November 13, 2012 Two of the Independent Expenditure Reports that William B. Matakas filled out claims that Fast Flyer received funds for "distribute of flyer door to door in City" for \$1007.00 per Report. (Reports dated 12/8/2012)

December 3, 2012 Department of State/Bureau of Elections sends Mayor Matakas a formal complaint concerning the alleged violation of the Michigan Campaign Finance Act.

December 8, 2012 One Independent Expenditure Report filled out by William B. Matakas that claims that Fast Flyer received \$1007.00 on November 13, 2012 for "distribute of flyer door to door in City." No evidence that Report was filed with the Wayne County Clerk's office. Note: contributor William B. Matakas

December 8, 2012 One Independent Expenditure Report filled out by William B. Matakas that claims that Fast Flyer received \$1007.00 on November 13, 2012 for "distribute of flyer door to door in City." This Independent Expenditure Report left blank in section (1b), contributor Rosina Loyd. No evidence that Report was filed with the Wayne County Clerk's office

December 9, 2012 William B. Matakas sends Department of State/Bureau of Elections response to complaint concerning the alleged violation of the Michigan Campaign Finance Act.

In closing, there are too many City Officials and others connected to the City of Allen Park who was involved in this whole process of this flyer from creation, production, printing and distribution that generated a flyer that the average voter would conclude was an official City of Allen Park flyer. There was no funding source listed on the flyer, the City seal was used on flyer to lull the voter into believing that the flyer was an official City flyer and the "Vote Yes on Allen Park City Proposal 1" on the flyer was supported by City Officials and others within City government who had direct/indirect knowledge to influence the voters with their inside knowledge of City matters to further lull the average voter into believing that the flyer was an official City flyer.

Lastly, Rene Linares, President of Fast Flyers, Inc. with many years of Handbill distribution distributes this flyer without a funding source on it would seem unlikely due to a permit requirement to hand out flyers/handbills in the City door-to-door.

Clearly, MCL 169.247(1), R 169.36(2) was violated due to no phase offered on this City flyer that should have included "Paid for by (name and address of the person who paid for the item).

Sincerely,

Dr. Robert Armstead
4510 Willow Cove
Allen Park, Michigan
(313) 359-4392



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

April 3, 2013

The Honorable William Matakas
Mayor of Allen Park
16850 Southfield Road
Allen Park, Michigan 48101

Dear Mayor Matakas:

The Department of State (Department) has concluded its review of the complaint filed against you by Dr. Robert Armstead, concerning alleged violations of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* This letter concerns the disposition of Dr. Armstead's complaint.

Dr. Armstead alleged that a flyer supporting the Allen Park City Proposal 1 on the November 2012 ballot "appear[ed] to be generated from the city" and that "[n]o funding source was stated on the flyer."

Section 57 of the MCFA prohibits a public body or individual acting on its behalf from using public funds or public property to make a contribution or expenditure. MCL 169.257(1). The definition of expenditure includes "a payment, donation, loan, or promise of payment of money or anything of ascertainable monetary value for goods, materials, services, or facilities in assistance of, or in opposition to, . . . the qualification, passage, or defeat of a ballot question." MCL 169.206(1). A knowing violation of section 57 is a misdemeanor offense. MCL 169.257(3).

In addition, 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(5).

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.*

Dr. Armstead filed the complaint on November 21, 2012. You filed an answer on December 13, 2012, and Dr. Armstead filed a rebuttal statement on January 5, 2013.

In support of his complaint, Dr. Armstead provided a copy of a flyer which states "VOTE YES ON ALLEN PARK CITY PROPOSAL 1 [.]" bears the City of Allen Park's seal, and lists your

name as one of the supporters of the millage along with other Allen Park public officials. While the flyer includes a list of supporters of the millage, it appears that there is no paid-for-by statement on the flyer.

In response, you stated that you and a few other citizens developed the flyer. You indicated that you, along with 2 others, contributed more than \$100.00 each to the production and dissemination of the flyer. You stated that you were advised by Deborah Mathis, the Wayne County Campaign Finance Manager, to each file an independent expenditure report. You included copies of the filed reports with your answer.

In his rebuttal, Dr. Armstead asserted that the city's official seal "was used for the impression that the flyer was generated from the City." Additionally, he asserts that the seal, the official city photos, and the city elected officials and employees listed on the flyer "were all used to give the flyer an official appearance to lull the voters into believing that the flyer came from the City."

However, the Department's determination of whether a section 57 violation has occurred hinges not on the use of the logo, pictures of city buildings, or the names of the supporters of the millage, but on who paid to print and mail the flyer. While the flyer itself does not appear to contain a paid-for-by statement (addressed below), the independent expenditure reports filed by you, Dr. R.G. Baker, and Rosina Loyd indicate that expenditures were made by you, Dr. Baker, and Ms. Loyd, and not the city of Allen Park. Section 57(1) contains some narrow exceptions, one of which applies here. Section 57(1)(f) states that section 57(1) does not apply to:

An elected or appointed official or an employee of a public body who, when not acting for a public body but is on his or her own personal time, is expressing his or her own personal views, is expending his or her own personal funds, or is providing his or her own personal volunteer services.

MCL 169.257(1)(f). No violation of section 57(1) occurred here because you and others used your own funds – not public resources – to pay for the printing and mailing of the flyer, and this activity falls within the exception contained in section 57(1)(f). For these reasons, this portion of Dr. Armstead's complaint is dismissed.

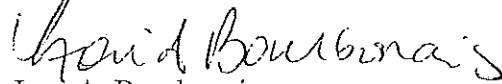
However, Department believes that the evidence tends to show that the flyer failed to contain a proper paid-for-by statement in violation of section 47(1) of the Act. Section 15(10) of the MCFA requires the Department to "endeavor to correct the violation or prevent a further violation by using informal methods such as a conference, conciliation, or persuasion [.]". The Department is aware that the funders' names do appear on the flyer, along with other millage supporters, which appears to be an attempt at disclosure, albeit imperfect.

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 paying for the material. Note that all printed materials that refer to an election 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(5), 215(10).

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

Sincerely,

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

Lori A. Bourbonais
Bureau of Elections
Michigan Secretary of State

c: Dr. Robert Armstead