



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20541

THIS IS THE END OF TUE # 1053

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

February 25, 1981

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas A. Roach, Esquire  
Donovan, Hammond, Carson,  
Ziegelman, Roach and Sotiroff  
400 Renaissance Center, Suite 1100  
Detroit, MI 48243

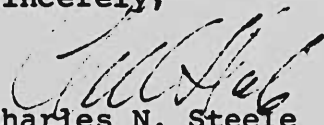
RE: MUR 1053

Dear Mr. Roach:

This is to advise you that after an investigation was conducted, the Commission concluded on February 23, 1981, that there is no probable cause to believe that your client violated the Act. Accordingly the file in this matter, numbered MUR 1053, has been closed. This matter will become part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record please do so within 10 days.

If you have any questions, contact Robert Bogin at (202) 523-4000.

Sincerely,

  
Charles N. Steele  
General Counsel

81040234110

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas A. Roach, Esquire  
Donovan, Hammond, Carson,  
Ziegelman, Roach and Sotiroff  
400 Renaissance Center, Suite 1100  
Detroit, MI 48243

RE: MUR 1053

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If you have any questions, contact Robert Bogin at (202) 523-4000.

Sincerely,

Charles N. Steele  
General Counsel

Prepared by Robert I. Bogin:ano 2/4/81

RB 2/5

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February 18, 1981

MEMORANDUM TO: Marjorie W. Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 1053

Please have the attached General Counsel's Report distributed to the Commission on a 48 hour tally basis.

Thank you.

Attachment

pakayson

cc: Bogin

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RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

COMM

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MUR 1053

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In the Matter of )  
 )  
Austin for Senate )  
Committee )

GENERAL COUNSEL'S REPORT

I. Background

This matter under review was generated by an audit of the Austin for Senate Committee. The Austin for Senate Committee ("Committee") registered with the Commission as the principal campaign committee for Richard H. Austin Secretary of State of Michigan. The audit covered the period October 1, 1975, through June 30, 1977

On January 8, 1980, the Commission found reason to believe that the Committee violated various provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"). Specifically, the Commission found reason to believe that the Committee violated 2 U.S.C. §§ 433(b)(9), 434(b)(1), (2), (8), (9), and (11) by failing to adequately disclose in the statement of organization and reports filed with the Commission information concerning a transfer of funds from the Austin Campaign Fund to the Committee on or about September 16, 1976. In addition, the Commission found reason to believe that the Committee violated 2 U.S.C. § 441f by accepting contributions ostensibly made by certain individuals which the Committee in fact knew were made by other individuals, and 2 U.S.C. § 441a(f) by knowingly accepting contributions which exceeded the allowable \$1,000 limit imposed

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by 2 U.S.C. § 441a(a)(1)(A). Furthermore, the Commission found reason to believe that the Committee violated 2 U.S.C. § 434(b)(7) by reporting money derived from the state treasury as contributions from various fee branch managers, their spouses, and employees, instead of as a receipt from the State of Michigan. The Committee has an obligation to report the source of its funding.

On July 23, 1980 the Commission found reason to believe that the Committee violated 2 U.S.C. § 441a(f) by receiving excessive contributions, 2 U.S.C. § 441b(a) by receiving corporate contributions and 2 U.S.C. § 432(h)(1) [formerly 2 U.S.C. § 437b(a)(1)] by making expenditures from other than a designated campaign depository.

On October 2, 1980, the Commission entered into a conciliation agreement with the Committee in settlement of all the aforementioned reason to believe findings except those involving 2 U.S.C. § 441f, § 441a(f) and § 434(b)(7). Thus the only outstanding matters to be addressed in this brief is whether the Committee knowingly accepted contributions made in the name of another, 2 U.S.C. § 441f, resulting in Committee acceptance of excessive contributions, § 441a(f) and whether the Committee failed to properly report the source of its campaign funding in violation of 2 U.S.C. § 434(b)(7).

## II. Legal Analysis

See General Counsel's Brief dated January 15, 1981. Counsel for respondent has indicated that the Committee will not avail itself of the opportunity to brief the relevant

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issues of this matter, but will rely on the General Counsel's Brief as the basis for a finding of no probable cause to believe.

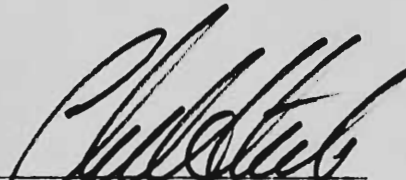
III. Recommendation

1. Find no probable cause to believe that the Austin for Senate Committee violated 2 U.S.C. §§ 441f, 441a(f) and 437(b)(7).

2. Notify respondent.

3. Close the file

3171023115  
13 Feb 1981  
Date

  
Charles N. Steele  
General Counsel

Attachment

Letter to Respondent



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas A. Roach, Esquire  
Donovan, Hammond, Carson,  
Ziegelman, Roach and Sotiroff  
400 Renaissance Center, Suite 1100  
Detroit, MI 48243

RE: MUR 1053

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If you have any questions, contact Robert Bogin at  
(202) 523-4000.

Sincerely,

Charles N. Steele  
General Counsel

31317234117



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 15, 1981

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Thomas A. Roach  
Donovan, Hammond, Carson  
Ziegelman, Roach & Sotiroff  
400 Renaissance Center  
Suite 1100  
Detroit, Michigan 48243

Re: MUR 1053

Dear Mr. Roach:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on January 8, 1980, found reason to believe that the Austin for Senate Committee may have violated sections 434(b)(7), 441a(f) and 441f of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies) stating your position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of General Counsel. The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of no probable cause to believe a violation has occurred.







January 15, 1981

MEMORANDUM TO: Marjorie W. Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 1053

Please have the attached Memo and Brief distributed to the Commission on an informational basis. Thank you.

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by 2 U.S.C. § 441a(a)(1)(A). Furthermore, the Commission found reason to believe that the Committee violated 2 U.S.C. § 434(b)(7) by reporting money derived from the state treasury as contributions from various fee branch managers, their spouses, and employees, instead of as a receipt from the State of Michigan. The Committee has an obligation to report the source of its funding.

On July 23, 1980 the Commission found reason to believe that the Committee violated 2 U.S.C. § 441a(f) by receiving excessive contributions, 2 U.S.C. § 441b(a) by receiving corporate contributions and 2 U.S.C. § 432(h)(1) [formerly 2 U.S.C. § 437b(a)(1)] by making expenditures from other than a designated campaign depository.

On October 2, 1980, the Commission entered into a conciliation agreement with the Committee in settlement of all the aforementioned reason to believe findings except those involving 2 U.S.C. § 441f, § 441a(f) and § 434(b)(7). Thus, the only outstanding matters to be addressed in this brief is whether the Committee knowingly accepted contributions made in the name of another, 2 U.S.C. § 441f, resulting in Committee acceptance of excessive contributions, § 441a(f) and whether the Committee failed to properly report the source of its campaign funding in violation of 2 U.S.C. § 434(b)(7).

## II. Legal Analysis

### A. § 441f and § 441a(f) violation

In addition to other monies the Committee received contributions totaling \$44,550.00 that were deposited into an

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account entitled "Austin For Senate-M Account" (M Account). The deposits represented contributions from various fee branch managers and their respective employees. Committee records documented the contributions by contributor name, occupation, amount, check number, and business address.

In one instance, the Committee reported a \$500 contribution from a branch manager and a \$1,000 contribution from an employee of the same fee branch office. Committee records indicate that the contributions were received from the branch manager and on consecutive check numbers. (Marshall - Leist contributions).

In another instance, the Committee reported a branch employee contributing \$1,000; however, the deposit ticket listed the contributor's last name as Stec. Other Committee records indicate that Stanley J. Stec is a fee branch manager at the same office that the contributor is employed.

Additionally, the Committee reported an \$800 contribution from Stanley J. Stec on May 17, 1976. The two (2) contributions totaled \$1,800, which exceed the \$1,000 contribution limitation by \$800. (Arnold - Stec contributions).

In another instance, the Committee reported a \$700 contribution from a fee branch manager and \$500 from an assistant fee branch manager of the same office. However, Committee records indicate both contributions were received from the fee branch manager, which in the aggregate would be in excess of the contribution limitation. (Pitt contributions).

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2 U.S.C. § 441f prohibits a political committee from "knowingly accept[ing] a contribution made by one person in the name of another person." The above-cited instances appeared to be violations of 2 U.S.C. § 441f.

2 U.S.C. § 441a(f) prohibits a candidate or his authorized committee from knowingly accepting contributions which in the aggregate exceed the limitation imposed on contributions by 2 U.S.C. § 441a(a)(1)(A). The above-cited instances appeared to be violations of 2 U.S.C. § 441a(f) in that the Committee apparently accepted contributions from fee branch managers in excess of the § 441a(a)(1)(A) limitations.

On February 29, 1980, counsel for the Committee responded to the Commission's reason to believe findings. Specifically, in response to the § 441f violation, counsel attached affidavits which explain the circumstances surrounding the above-noted contributions.

1. Arnold - Stec contributions

Affidavits from Stanley J. Stec and Christine P. Arnold are attached as Exhibits A and B. Based on these affidavits, Stanley Stec was appointed fee branch manager of the Michigan Secretary of State. Pursuant to an agreement with Christine P. Arnold, Mrs. Arnold operated the fee branch and received all profits of the branch office. In consideration for this agreement, Mr. Stec received \$50 per month and was entitled to make reasonable political contributions from the branch

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profits. In addition, as the fee branch manager, Mr. Stec was responsible for signing all checks. On May 14, 1976, Mr. Stec made a contribution in the amount of \$800 to the Austin for Senate Committee with his share of the profits of the branch (Affidavit of Stanley J. Stec ¶ 6). On May 28, 1976, Mrs. Arnold made a contribution in the amount of \$1,000 to the Austin for Senate Committee with her personal funds (Affidavit of Christine P. Arnold ¶ 6,8). Both contributions were issued on checks drawn on the operating account of the branch and both were signed by Stanley Stec. The check representing Mrs. Arnold's contribution included the notation "donation from Christine P. Arnold."

Based on all the above facts as averred by Arnold and Stec, it is apparent that the funds for the contributions made to the Austin for Senate Committee were the personal funds of each contributor pursuant to an agreement. Since the funds contributed to the Committee were personal funds of the contributor there is no evidence that Mr. Stec made a contribution in the name of Mrs. Arnold and that the Committee knowingly accepted same. Therefore, there is no probable cause to believe that the Committee violated 2 U.S.C. § 441f. In addition, there is no probable cause to believe that the Committee accepted a contribution in violation of 2 U.S.C. § 441a(f) since these contributions were apparently made by two different individuals.

2. Reilly contributions

Affidavits of Thomas and Charles Reilly are attached as Exhibits C and D. In this instance it is averred that this fee

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branch office operated as a partnership and that the respective campaign contributions of each brother came from their own share of the profits of the branch. (Affidavits of Thomas Reilly and Charles Reilly ¶ 3 and 4). Thus, for the same reasons as outlined above in paragraph 1, there is no probable cause to believe that the Committee violated 2 U.S.C. §§ 441f and 441a(f).

### 3. Marshall-Leist contributions

The affidavit of Walter C. Elliot is attached as Exhibit E. According to this affidavit, Mr. Elliot attempted to locate Lucille Marshall, a former fee branch manager of the Secretary of State office in Pontiac, Michigan, but to no avail. Mr. Elliot is Chief Assistant Secretary of State and has served in that position under Secretary of State Richard H. Austin at all times relevant to this matter. Mr. Elliot avers that it was his understanding in 1976 that the fee branch office in Pontiac was a joint venture consisting of Lucille Marshall and Randy Leist, although the formal appointment was in the name of Lucille Marshall. Mr. Elliot further states upon information and belief that the \$1,000 check signed by Lucille Marshall was a contribution of Pandy Leist from his share of the branch office profits, and that, as was the custom of many fee branch offices, all checks were signed by the officially designated fee branch manager. Additionally, Mr. Elliot avers upon information and belief that no contribution was actually made by Leist and Marshall for the reason that checks were dishonored by the drawee bank, and that this occurred within five days after the checks were received. (Affidavit of Walter C. Elliot ¶ 25).

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The evidence presented by respondent to refute the Commission's allegation with respect to the Marshall-Leist contributions is deficient in that Mr. Elliot's statements are based on information and belief. As such, these statements cannot be admitted into evidence for the purpose of proving the truth of those statements. Fed. P. Evid. 801(c), 802. Nonetheless, the Commission may accept Mr. Elliot's assertions as reflecting the state of mind of the Committee in accepting the contributions. 2 U.S.C. § 441f states that no person shall knowingly accept a contribution made by one person in the name of another. (emphasis added). If the Committee believed that the contributions were legally sufficient due to its understanding that there was a joint venture between the contributors, it would be difficult for the Commission to prove that the Committee knowingly accepted contributions made in the name of another. However, the Commission need not make a determination based on the assertions made in the Elliot affidavit. The Commission has another basis for finding no probable cause to believe the respondent violated 2 U.S.C. § 441f.

The audit staff found that the checks effecting the contributions made by Marshall and Leist were dishonored due to non-sufficient funds. Respondent contends that since the checks were never honored by the drawee bank, no contributions were made. This contention finds no support in the case of United States v. Chestnut, 533 F. 2d 40, 47 (2d Cir. 1976). Cf

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Hankins v. United States, No. 79-1675 (3d Cir. 1979). In that case, the court held that a contribution was accepted when it was deposited. Nonetheless, the Commission should find no probable cause to believe a violation occurred because the contributions were for all intents and purposes refunded in accordance with 11 C.F.R. § 103.3(b)(1) and (2). Under the Regulations, contributions which appear to be illegal shall be, within 10 days, either returned to the contributor or deposited into the campaign depository and reported. When a contribution which was deposited cannot be determined to be legal, refunds shall be made within a reasonable time thereafter. Since the checks effecting the contributions were never honored, the Committee need not make a refund and the Committee had no further obligation concerning these contributions. For this reason there is no probable cause to believe that the Committee violated 2 U.S.C. § 441f or § 441a(f).

E. § 434(b)(7) violation

The Audit staff was unable to determine with certainty the source of the contributions to the Fund or to the M account. However, the possibility exists that the source for the monies was various Secretary of State Fee Branch depositories. This possibility is based on a review of the occupation of the contributors, the amount of the contributions, and of one instance where the auditors viewed a contribution attributed to a fee branch manager as having been written on a check entitled

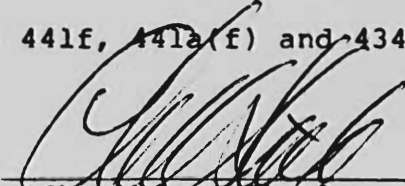
Secretary of State - Taylor Branch. If the source of any of the money contributed to the Fund or to the M account by the fee branch managers was drawn on state treasury depositories, then the Committee might have violated former 2 U.S.C. § 434(b) (7) by not reporting the proper source of these receipts.

In response to the Commission's reason to believe finding, counsel for the respondent attached the affidavit of Mary Mangurm, office manager at the Taylor Branch. (Exhibit F) Mrs. Mangurm states that no one at the fee branch office could write checks or withdraw funds from the account of the Treasurer of the State of Michigan, and that all checks for license plates, transfers, etc., and all cash received was deposited in an account of the Treasurer of the State of Michigan. Thus, any check used to make a contribution is drawn from a personal account and not a state account. Inasmuch as the evidence demonstrates that a fee branch manager has no access to a state account other than to make deposits (Exhibits F and G), the Commission does not have probable cause to believe that the Committee failed to disclose the source of its receipts.

III. General Counsel's Recommendations

Find no probable cause to believe that the Austin for Senate Committee violated 2 U.S.C. §§ 441f, 441a(f) and 434(b)(7).

14 Jan 1981  
Date

  
Charles N. Steele  
General Counsel

Attachments: Exhibits A - G  
Letter to Thomas A. Roach

AFFIDAVIT OF STANLEY J. STEC

STATE OF MICHIGAN )  
                          ) SS  
COUNTY OF WAYNE )

STANLEY J. STEC, being first duly sworn, deposes and says that:

1. In 1975 he was appointed a fee branch manager of the Michigan Secretary of State pursuant to the suggestion of his friend and associate Christine B. Arnold.

2. He took no active part in the management or operation of the fee branch, other than signing checks.

3. Christine B. Arnold took full responsibility for the management and operation of the branch.

4. Under the agreement with Christine B. Arnold, he was paid the sum of \$50 per month and was entitled to make reasonable political contributions from the branch profits.

5. All other profits of the branch office were paid to Christine B. Arnold as compensation for her services in managing and operating the branch.

6. On May 14, 1976 he made a contribution in the amount of \$800 to the Austin for Senate Committee by a check, a copy of which is attached hereto as Exhibit A. This check represents a portion of his share of the profits of the branch.

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Exhibit - A

pg 1 of 3

7. The contribution of Christine B. Arnold represented by the check dated May 28, 1976, a copy of which is attached hereto as Exhibit B, was signed by him, but was drawn upon funds which were the property of Christine B. Arnold and in which he had no interest.

8. As a matter of routine, he signed all checks drawn on the branch account which were prepared by Christine B. Arnold.

Stanley J. Stec  
Stanley J. Stec

Subscribed and sworn to before me

this 26 day of February, 1980

Madge C. Stockdale  
Notary Public, Wayne County, Michigan  
My Commission Expires: 5-3-81

MADGE C. STOCKDAL  
Notary Public, Wayne Co., Mich  
My Comm. Expires May 3, 1981

pg 2 of 3

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STANLEY J. STEC  
517 W. NINE MILE ROAD  
FERNDALE, MICHIGAN 48220

✓ 1797

5-14 1976  $\frac{9-9}{720}$

PAY TO THE ORDER OF

*Contribution for ...*

\$ 800.00

*Eight hundred and 00/100*

DOLLARS

NINE MILE-WOODWARD OFFICE - 46

THE DETROIT BANK & TRUST COMPANY  
DETROIT, MICHIGAN

*Stanley J. Stec*

EXHIBIT A

⑆0720⑉0009⑆ 0461⑉01837⑉6⑉ ⑈0000080000⑈

STANLEY J. STEC  
517 W. NINE MILE ROAD  
FERNDALE, MICHIGAN 48220

✓ 1798

5-25 1976  $\frac{9-9}{720}$

PAY TO THE ORDER OF

*Contribution for ...*

\$ 100.00

*One hundred and 00/100*

DOLLARS

NINE MILE-WOODWARD OFFICE - 46

THE DETROIT BANK & TRUST COMPANY  
DETROIT, MICHIGAN

*Stanley J. Stec*

*Donation from ...*

EXHIBIT B

⑆0720⑉0009⑆ 0461⑉01837⑉6⑉ ⑈0000100000⑈

*179 3 of 3*



AFFIDAVIT OF CHRISTINE B.  
ARNOLD

STATE OF MICHIGAN )  
                          ) SS  
COUNTY OF WAYNE )

CHRISTINE B. ARNOLD, being first duly sworn, deposes  
and says that:

1. Prior to 1971 <sup>MY</sup> ~~her~~ husband, <sup>HOWARD</sup> ~~Harold~~ Arnold, was a  
fee branch manager of the Michigan Secretary of State office on  
Nine Mile Road in Ferndale, Michigan.

2. When <sup>MY</sup> ~~her~~ husband became a civil service employee,  
a close friend and associate, Stanley J. Stec, was appointed branch  
manager of the branch.

3. Stanley J. <sup>I</sup> ~~Stec~~ and <sup>I</sup> ~~she~~ had an agreement that ~~she~~  
would operate the branch. Under the agreement he took no part in  
the operations of the branch other than signing checks, and <sup>I</sup> ~~she~~  
took full responsibility for operation and management of the office.

4. Under said agreement Stanley J. Stec was paid \$50  
per month from the profits of the branch office and in addition was  
permitted to make reasonable political contributions from such funds,  
and <sup>I</sup> ~~she~~ was entitled to be paid all of the remaining net profit of  
the branch as <sup>MY</sup> ~~her~~ compensation for managing and operating the same.

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Exhibit M 12/6/3

5. On May 14, 1976, Stanley J. Stec made a contribution in the amount of \$800 to the Austin for Senate Committee by a check drawn on the operating account of the branch, a copy of which is attached hereto as Exhibit A.

6. On May 28, 1976 <sup>I</sup>~~she~~ made a contribution in the amount of \$1,000 to the Austin for Senate Committee in the form of a check signed by Stanley J. Stec, but endorsed "donation from Christine B. Arnold", a copy of which is attached hereto as Exhibit B.

7. The \$800 check was from the funds of Stanley J. Stec under the agreement.

8. The \$1,000 check was from <sup>my</sup>~~her~~ funds under the terms of the agreement.

Christine B. Arnold  
Christine B. Arnold

Subscribed and sworn to before me  
this 20 day of February 1980

Madge C. Stockdale  
Notary Public, Wayne County, Michigan  
My Commission Expires: 5-3-81

MADGE C. STOCKDALE  
Notary Public, Wayne Co., Mich  
My Comm. Expires May 3, 1981

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STANLEY J. STEC  
517 W. NINE MILE ROAD  
FERDALE, MICHIGAN 48220

1757

5-14-1976 8:00  
7:20

PAY TO THE ORDER OF

*Chrysler Financial Services Corporation*

\$ 500.00

*Five Hundred and 00/100*

DOLLARS

NINE MILE-WOODWARD OFFICE - 46  
THE DETROIT BANK & TRUST COMPANY  
DETROIT, MICHIGAN

*Stanley J. Stec*

EXHIBIT A

⑆0720⑆0009⑆0461⑆01837⑆6⑆⑆0000080000⑆

STANLEY J. STEC  
517 W. NINE MILE ROAD  
FERDALE, MICHIGAN 48220

1798

5-25-1976 8:00  
7:20

PAY TO THE ORDER OF

*Chrysler Financial Services Corporation*

\$ 1000.00

*One Thousand and 00/100*

DOLLARS

NINE MILE-WOODWARD OFFICE - 46  
THE DETROIT BANK & TRUST COMPANY  
DETROIT, MICHIGAN

*Stanley J. Stec*

*Signature from Stanley J. Stec*

EXHIBIT B

⑆0720⑆0009⑆0461⑆01837⑆6⑆⑆0000100000⑆

*119 3 of 3*



AFFIDAVIT OF CHARLES REILLY

STATE OF MICHIGAN )  
                          ) ss  
COUNTY OF KENT     )

CHARLES REILLY, being first duly sworn, deposes and says that:

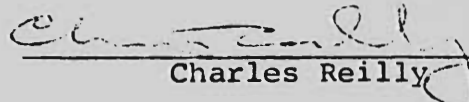
1. In 1976 he and his brother Thomas Reilly were equal partners in the operation of a fee branch manager's office of the Michigan Secretary of State.

2. He was the nominal appointee, but he and his brother shared the profits equally.


3. In June, 1976 he made a \$700 contribution to the Austin for Senate Committee, which contribution was charged to his share of the profits of the branch office.

4. In June, 1976, his brother Thomas Reilly made a \$500 contribution to the Austin for Senate Committee, which contribution was charged to his brother's share of the profits of the branch office.

5. Both he and his brother had authority to sign checks on the account, and if in this instance he signed both checks, it was only a matter of administrative convenience.

  
\_\_\_\_\_  
Charles Reilly

Subscribed and sworn to before  
me this 26<sup>th</sup> day of Feb; 1980

  
\_\_\_\_\_  
Notary Public, Kent County, Michigan  
My Commission Expires:

KAREN L. ZIMMER  
Notary Public, Kent County, MI  
My Commission Expires Dec. 20, 1981

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6. He is familiar with the source of the funds of the Austin Campaign Committee, which consisted of contributions from fee branch managers of the most profitable branch offices.

7. In 1972 and 1973 over \$100,000 was contributed to the Austin Campaign Committee, and it was determined that this amount was sufficient and no other contributions were sought or received after 1973.

8. In 1973 Austin was approached and asked to run for Mayor of the City of Detroit. Austin had finished second in the 1969 mayoralty primary. Austin determined not to run for mayor.

9. In 1974 Austin ran for re-election as Secretary of State. His Republican opponent did not mount a serious threat, and the total cost of the campaign, approximately \$36,000, was raised without the necessity of using the Austin Campaign Committee funds.

10. Austin never indicated any interest in running for the United States Senate until 1975, when Jane Hart, the wife of Senator Philip H. Hart, called and suggested that he run for Senator Hart's seat.

11. Robert Millender was a prominent Detroit attorney who provided leadership to all of Austin's campaigns.

12. Millender was the co-chairman of the Austin for Senate Committee and performed the roll of legal advisor and principal

decision-maker of that committee.

13. Michael Stabler was co-chairman of the Austin for Senate Committee. His participation was concerned with general policy matters, and he did not participate in the technical or financing side of the campaign.

14. From the conversations with Millender, he is informed and believes that Millender felt in the first instance that it was proper to issue checks from the Austin Campaign Committee to the Austin for Senate Committee representing what he considered to be the equitable interest of various former fee branch managers who had made contributions for the benefit of Austin. He is informed and believes that some kind of written authorization was obtained from individuals, but he has not been able to find such authorization after a diligent search. He is further informed and believes that following a discussion between Millender and the Federal Election Commission that Millender determined that these were not a proper mode of contribution, and that accordingly a refund was made from the Austin for Senate Committee to the Austin Campaign Committee in the total amount of \$6,300.

15. MG & Casey was the advertising-media advisor-public relations firm who handled all of Austin's campaigns.

16. In early 1975 some VIP coffee mugs using the Austin Secretary of State "Safety Man" theme were ordered in connection with various Secretary of State activities. These mugs were

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ordered before the Senate race and had nothing to do with the Senate race.

17. There was a dispute with the vendor, and payment for the mugs was ultimately made on November 17, 1975 in the amount of \$572.82.

18. He has no recollection of the purpose or nature of the 100,000 leaflets purchased from Century Litho, Inc., and paid for by check dated November 17, 1975.

19. Pursuant to the request of counsel, on February 11, 1980 he attempted to locate Lucille Marshall, a former fee branch manager of the Secretary of State office in Pontiac, Michigan.

20. He wrote to Mrs. Marshall at her last known address, and a copy of his letter of February 11, 1980 is attached hereto as Exhibit A.

21. No response has been had from Mrs. Marshall.

22. He does not know the telephone number or present whereabouts of Mrs. Marshall.

23. It was his understanding in 1976 that the fee branch office in Pontiac was a joint venture consisting of Lucille Marshall and Randy Leist, although the formal appointment was in the name of Lucille Marshall.

24. He is informed and believes that the \$1,000 check signed by Lucille Marshall was a contribution of Randy Leist from

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his share of branch office profits, and that, as was the custom of many fee branch offices, all checks were signed by the officially designated fee branch manager.

25. He is informed and believes that no contribution was actually made by Randy Leist or Lucille Marshall for the reason that the checks were dishonored by the drawee bank, and that this occurred within five days after the checks were received.

Walter C. Elliott  
Walter C. Elliott

Subscribed and sworn to before  
me this 28 day of February, 1980

Patricia Ann Vance  
Notary Public, Wayne County, Michigan  
My Commission Expires:

PATRICIA ANN VANCE  
Notary Public, Wayne County, Michigan  
My Commission Expires June 14, 1982

pg 5 of 6

9101034143



February 11, 1960

Mrs. Lucille Marshall  
55 Matthews Street  
Pontiac, Michigan 48058

Dear Mrs. Marshall:

Please contact me at my Detroit office between the hours of 9:00 and 4:30 p.m., telephone 345-2611, regarding a matter in 1970 that I believe you can be of some assistance.

Sincerely,

WALTER C. ELLIOTT  
Chief Assistant Secretary of State

WCE:emh

ELLIOTT DETROIT  
EXHIBIT A

pg 6 of 6



7. All operating expenses of the branch office such as salaries, utilities and other expenses of business were paid from Mr. Indorf's branch manager account.

Mary Mangrum  
Mary Mangrum

Subscribed and sworn to before me

this 26 day of February, 1980

Mrs. C. Stockdale  
Notary Public, Wayne County, Michigan  
My Commission Expires: 5-7 81

M. STOCKDALE  
Notary Public, Wayne Co., Mich.  
My Comm. Expires: 5-7-81

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19 of 2

SECTION IV  
Accounting and Reporting Procedures

EMPLOYEES ARE REQUESTED TO FOLLOW THE INSTRUCTIONS IN THIS SECTION CONCERNING ACCOUNTING PROCEDURES AND THE PREPARATION OF THE DAILY REPORT IN STEP ORDER AS PRESENTED. IF THESE PROCEDURES ARE FOLLOWED, ERRORS SHOULD BE REDUCED TO A MINIMUM AND THE WORK WILL COME INTO THE CENTRAL ACCOUNTING OFFICE UNIFORMLY PREPARED.

FIELD OFFICE CHANGE FUND

Each field office shall maintain a change fund. The amount allowed is recorded in Lansing and shall not be increased or decreased without authorization from the Internal Audit Division. Whenever this authorization is received, explain the increase or decrease in the Remarks section of your daily report.

Funds received for transactions shall not be intermingled with any money other than the authorized change fund. The field office change fund cannot be used to cash checks, including payroll checks. Change may be given for a traveler's check as indicated in these procedures.

After the close of business every day, all funds except the change fund shall be deposited into the State of Michigan account.

FIELD OFFICE BANK ACCOUNTS

The bank account set up for Department of State field office deposits is in the name of the State Treasurer. All state funds are deposited in accounts that are in the name of the State Treasurer. Managers should know the following general information about banks.

1. Prior approval must be received from the Department of Treasury before any bank account can be opened or changed.
2. The Internal Audit Division is your contact for bank problems. Call (517) 373-2666.
3. The manager should never accept any correspondence concerning the bank account such as returned checks, statements, etc. If any banking document is received notify the Internal Audit Division immediately and forward whatever is received to the Department of Treasury.

When a bank account is opened for a field office:

1. Approval is requested from the State Department of Treasury to use the account.
2. Treasury orders the initial supply of deposit slips. They review them to make sure they are correct.
3. The initial supply is delivered to the field office manager.

Exhibit C pg 1 of 1

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4. Each supply of deposit slips has a reorder blank attached to one of the books. When it is time to reorder, the manager gives this slip to his bank. Make sure that the return address on the reorder slips is the same as your field office. You may reorder as often as you think is necessary. Allow three weeks for delivery.
5. The Department has been using color-coded deposit slips. The Department of Treasury, who pays for field office deposit slips, will no longer pay the added expense for these deposit slips. Field offices using color-coded deposit slips will continue using them until your supply is exhausted. Reorder all white deposit slips in the future.
6. If you do not receive a sufficient supply of deposit slips:
  1. Reorder immediately,
  2. Change the reorder amount.

### Night Depository Signatures

A night depository is opened at the same time as the bank account. According to banking law, because the account is in the name of the State Treasurer, only he can designate authorized signatures for deposit bag withdrawal. For this reason, if you have a problem concerning designated signatures contact the Internal Audit Division immediately. The manager is responsible for the following information regarding night depository use:

1. Make sure that only the proper signatures are on the depositor's signature card for withdrawal of the night deposit bag.
2. The signatures should only be those of the employees you are authorizing to handle State funds.
3. When an employee leaves your office or is no longer designated to handle funds, you must see that his name is deleted as an authorized person to withdraw the night deposit bag.
4. It is the manager's responsibility to control this part of his account services.

### FIELD OFFICE CASH/INVENTORY SECURITY

Managers shall take every precaution to maintain security of all funds, documents, equipment, and license plates. Validation stamps, plates, tabs, decals, etc. must be secured from the public.

Deposits must be made as often as necessary to keep cash at a minimum.

Escorts to the bank during rush periods by local law enforcement agencies should be used whenever possible.

All funds on hand at the end of the day's business, except the change fund, must be deposited in the night deposit.

ANY LOSS OF STATE FUNDS RESULTING FROM THE FAILURE TO FOLLOW THESE PROCEDURES WILL BE THE RESPONSIBILITY OF THE MANAGER AND MAY BE THE BASIS FOR DISCIPLINARY ACTION



FOREIGN CASH - CHECKS

Canadian and other foreign currency or checks are not acceptable in Department of State field offices. Only United States currency, traveler's checks, money orders, business or personal checks payable in United States dollars are acceptable.

Cashing of checks by field office managers is forbidden. THE STATE LAW PROVIDES THAT STATE FUNDS SHALL NOT BE USED FOR ANY PURPOSE OTHER THAN THAT SPECIFIED, AND DOES NOT PROVIDE FOR THE CASHING OF CHECKS.

The only exceptions are a traveler's check and a dealer's check.

Dealer's Check

If the dealer's checks do not agree with the amount of fees due, a refund may be made if a signed receipt is obtained from the person who represents the dealer. In addition, a notation must be made on the back of the check that a refund of a certain amount was made. This establishes a responsibility for all cash going into or coming out of the office funds. If a manager does not have this signed receipt, he may be held responsible for any differences that arise.

Traveler's Checks

1. The traveler's check must be made payable in United States dollars.
2. The individual will:
  - a) Make the traveler's check payable to the State of Michigan.
  - b) Sign and date the traveler check.
3. The field office employee will: a) Verify the signature. When in doubt require identification. b) Immediately stamp the traveler's check using the bank endorsement stamp.
4. Change may be given for the amount to be returned. (Example: The license plate fee is \$44.50. \$5.50 change may be given for a \$50.00 traveler's check.)
5. List the registration number issued on the back of the traveler's check.
6. List the traveler's check on the check listing sheet (form 96).

Endorsement on ALL CHECKS

Every check accepted shall be endorsed immediately. Endorsement stamps shall read as follows:

FOR DEPOSIT ONLY  
TREASURER STATE OF MICHIGAN  
SECRETARY OF STATE  
(Office Name & Number)

158 3 of 7

Contact the Field Office Supplies Section when a new stamp is needed.

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CHECK ACCEPTANCE PROCEDURES

Civil Service field offices are authorized to accept checks for payment of title and registration fees.

1. Personal checks may be accepted from anyone with a valid Michigan driver license. The state issued personal identification card cannot be used as check cashing identification for a title and registration transaction.
2. A check may cover more than one transaction. All license plate or registration numbers issued must be listed on the back of the check. If more than one plate is issued and the plates issued are in sequence, only the beginning and ending numbers must be shown.
3. No payroll or third party checks may be accepted.
4. No postdated checks may be accepted, nor may a check be more than 30 days old.
5. Checks shall be made payable to the State of Michigan.
6. Checks drawn on a foreign bank, must be made payable in U.S. dollars.
7. The checkwriter's current address or business address must be shown on all checks.
8. If the checkwriter's Michigan driver license number is not listed on the registration, it must be shown on the back of the check. This also applies to a business check used for payment of a personal transaction.
9. If the transaction involves a watercraft, snowmobile, ORV or moped, record the type of registration and the registration number and the checkwriter's Michigan driver license number on the back of the check.
10. A field office manager may refuse to accept a personal check if he has knowledge that the individual's checks have been returned by the bank and will not clear.
11. Immediately endorse all checks accepted with the State of Michigan endorsement stamp. List the check on the Daily Check Listing (form 96).

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ACCEPTANCE OF A SINGLE CHECK FOR ALL FIELD FEES DUE

Upon customer request, a field office manager may accept a single check for the total amount of fees due in both title and registration and driver license sections of the field office.

If the applicant completes the title and registration transaction first, the license plates, tab, or documents should be retained by the manager or acting manager until the driver license transaction is completed. If the driver license transaction is completed first, the TIP or TOP will be retained until the title and registration transaction is completed.

The check will be placed in the title and registration cash drawer. The manager will transfer cash for the driver license transaction from the title and registration cash drawer to the driver license cash drawer.

A note will be made on the back of the check: "\$ \_\_\_\_\_ for driver license (application number)." In addition, if the driver license fee is for a family member other than the checkwriter, show the applicant's driver license number. Also list the license plate or registration number on the back of the check.

CASHIER ACCOUNTABILITY

All Civil Service field offices must maintain, unless otherwise authorized the following cashier accountability procedures. All offices may have more than one cash drawer or cash box. In smaller offices, it may be necessary for each cashier to maintain a cash drawer or cash box in both the title and registration and driver examining sections.

1. Each cashier for the business day, will start with an established change fund.
2. The NCR tape must be marked to show the beginning and ending points of the cashier.
3. When the cashier is relieved, the funds and work must be separated and reconciled as soon as possible. Funds and work must be kept under the constant supervision of the cashier until they are turned over to the manager.
4. When the funds and work are reconciled, they will be turned over to the manager or his designated assistant who will complete the Cashier Accountability Work Sheet.
5. Cashiers must be able to accurately determine the total business processed during their shift as cashier.
6. An explanation of the overage or shortage must be made in the remarks section of the daily report. Example: \$2.00 shortage - collected improper fee on line 88.

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FIELD OFFICE BANK DEPOSITS

All fees collected MUST BE DEPOSITED DAILY to the account of the State of Michigan.

The uniform deposit slip furnished by the banks must be used for all deposits to the State of Michigan account.

1. Enter the date of the deposit in the space provided.
2. Enter the amount of currency, the amount of silver and the total amount of checks deposited.
3. Enter the grand total in the space provided.
4. If the field office is using color-coded deposit slips (white - yellow - pink - yellow):
  - a) The top three copies (white - yellow - pink) are sent to the bank with the deposit.
  - b) The white deposit slip is retained by the bank.
  - c) The certified pink and the uncertified yellow deposit slips are mailed with the fee report to Lansing.
  - d) The second yellow deposit slip, which must be certified, is attached to the field office copy of your daily report.
5. If the field office is using all white deposit slips, complete an original slip and three carbon copies.
  - a) Send the original and two of the carbons to the bank with the deposit. The last deposit slip is not sent to the bank.
  - b) The bank will retain the original deposit slip and certify the two carbon copies.
  - c) Send one of the certified carbon copies and the deposit slip that wasn't certified with your fee report.
  - d) The other certified deposit slip is attached to the field office copy of your daily report.
6. Check to see that the amount certified is the same as the total shown on the deposit slip. The Internal Audit Division reports that this is the biggest error made with deposits.

Field Offices Depositing Funds at National Bank of Detroit (NBD)

The National Bank of Detroit uses a certifying system for deposits called CHRIS. This system is based upon a counter ticket which certifies the total amount of deposit with punched control information. The importance of this to us is that the bank has indicated that they will issue as many of these transaction receipts as needed, but will not stamp or certify any other document.

Field offices making their deposits at National Bank of Detroit will:

1. Make out their regular four-part deposit ticket.
2. Obtain at least two copies of the CHRIS transaction receipt.
3. Keep one deposit slip in the field office with one transaction receipt.
4. Send in two copies of the deposit slip with one transaction receipt and the

*pg 6 of 7*

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PAYMENTS TO COVER RETURNED CHECKS

Payments to cover returned checks will be accepted by field offices. Payment must be made by certified check, money order, or cash.

Payment may also be made directly to the Michigan Department of State, Finance Division, Accounting Section, Lansing, MI 48918.

When an applicant presents a letter of notification from Lansing on a returned check, issue a numbered receipt for the amount collected and retain the letter.

If the applicant does not have the letter, call the Finance Division, Accounting Section, Lansing, phone number (517) 373-2574 to verify the exact amount due.

Funds collected for returned checks shall be listed on a separate deposit slip showing the individual's name and deposited in the bank immediately.

The deposit slips and any letters must be forwarded with the next mailing in a separate envelope addressed to the Finance Division, Accounting Section, Returned Checks Unit, Lansing, MI 48918. DO NOT INCLUDE THEM WITH YOUR DAILY REPORT.

MISSING OR DUPLICATED PLATES, TABS, PERMITS OR DECALS

Every box of license plates and every packet of year tabs, permits or decals must be checked when opened to see if any of the items are missing or duplicated. Whenever an item is duplicated, immediately remove BOTH items from your stock and void them.

For missing and duplicated items, a notation must be made in the Remarks section of the daily report on the day the discovery is made. Field offices are not required to notify the Finance Division.

Examples: "Set of plates XYZ330 duplicated. Plates destroyed 10-24-79."  
"1981 year tab 1163110 missing"

Duplicated items, other than plates, must be mailed with your daily report. Plates are logged and destroyed in the field office.

If the sequence number for the missing or duplicated item comes up at a later date, make a note in the Remarks section of your daily report on the date the item would have been used. In the notation, include the date the item was previously reported as missing.

Example: "Plate XYZ330 voided, see report on 10-24-79"

AN ITEM CANNOT BE REPORTED AS MISSING LATER THAN THE DATE IT WOULD HAVE BEEN USED.

If a item is located after it was reported as missing, void the item and send it with the report (plates are logged and destroyed).

In the Remarks section of your daily report note the item number, the date it was reported as missing and that it was found and voided.

Example: "1981 year tab 1163110 reported missing 10-24-79, located, voided and attached

10 7 1





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 15, 1981

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas A. Roach  
Donovan, Hammond, Carson  
Ziegelman, Roach & Sotiroff  
400 Renaissance Center  
Suite 1100  
Detroit, Michigan 48243

Re: MUR 1053

Dear Mr. Roach:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on January 8, 1980, found reason to believe that the Austin for Senate Committee may have violated sections 434(b)(7), 441a(f) and 441f of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred.

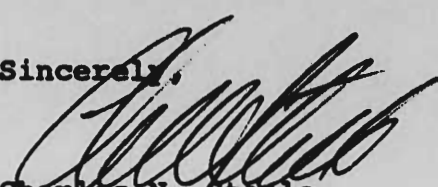
Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies) stating your position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of General Counsel. The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of no probable cause to believe a violation has occurred.

31040231154

Letter to Thomas A. Roach  
Page Two  
MUR 1053

Should you have any questions, please contact Robert  
I. Bogin at (202) 523-4000.

Sincerely,



Charles N. Steele  
General Counsel

Enclosure  
Brief

81040274155



7112 1053 0004 3279

80 NOV 10 9:13

DONOVAN HAMMOND CARSON ZIEGELMAN ROACH & SOTIROFF

400 RENAISSANCE CENTER, SUITE 1100

DETROIT, MICHIGAN 48243

313/259-7900

OAKLAND COUNTY OFFICE  
150 AMERICAN CENTER  
SOUTHFIELD, MICHIGAN 48034  
313/353-1400

FRANK W. DONOVAN  
CHARLES T. HAMMOND  
HARRY A. CARSON  
ERWIN C. ZIEGELMAN  
THOMAS A. ROACH  
PHILIP SOTIROFF  
DANIEL N. KING  
JEROME JAY ALLEN  
FREDERIC W. HELLER  
LAWRENCE R. ABRAMCZYK  
WILLIAM P. THORPE  
H. EDWARD LEWIS  
GEORGE D. MERCER  
ROGER J. DITTOLE  
THOMAS E. RESS  
DENNIS M. RAUSS

November 6, 1980

Mr. Thomas Nurthen  
Audit Division  
Federal Election Commission  
Washington, D. C. 20463

Re: Austin for Senate

Dear Mr. Nurthen:

In accordance with our telephone conversations and in compliance with the Conciliation Agreement I am enclosing the following documents:

1. Revised first and second pages of 1976 Comprehensive Amendments, reflecting changes suggested by you based on audit adjustments.
2. Amended report for 1977, superseding prior reports.
3. Report for 1978.
4. Report for 1979.
5. Memorandum to be attached to Comprehensive Admendments for 1975 previously filed to accomplish disclosure required by the Conciliation Agreement.

I believe that all of the enclosures are in accordance with our discussions and complete the obligations of the Committee under the Conciliation Agreement, except with respect to the year 1980 transactions.

30 NOV 10 11:12

RECEIVED  
GENERAL INVESTIGATIVE  
DIVISION  
NOV 10 1980

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DONOVAN HAMMOND GABSON ZIEGELMAN ROACH & SOTIROFF

Mr. Thomas Nurthen  
November 6, 1980  
Page 2

I am sending a copy of this letter and the enclosures to Mr. Bogin. It is requested that both you and Mr. Bogin review the documents and ascertain that they are satisfactory to you. If they are, please file the same accordingly. If they are not satisfactory, please advise me and do not file. Please call me if you have any questions. I thank you for your continued cooperation in this matter, and am pleased that we are nearing its conclusion.

Very truly yours,

Thomas A. Roach

TAR:pv  
Encls.

cc: Mr. Robert Bogin (w/encls.)  
Mr. Walter Elliott (w/encls.)  
Mr. Lawrence Davidson (w/encls.)

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## Detailed Summary Schedule of Receipts and Expenditures

(Page 2)

Name of Candidate or Committee	Report Covering the period	
<b>AUSTIN FOR SENATE</b>	From: 1/1/76	To: 12/31/76
Part I - Receipts	Column A This Period	Column B Calendar year-to-date
<b>Comprehensive Amendments-Adjustments</b>		
<b>15 Contributions and other income:</b>		
(a) Itemized (use Schedule A) .....	\$ 1,921.06	
(b) Unitemized .....	\$ (4,515.85)	
(c) Sales and Collections Included Above:		
List by event on memo Schedule D (\$ _____)		
(d) Subtotal of contributions and other income .....	\$ (2,594.79)	\$ 155,847.10
<b>16 Loans and Loan Repayments Received:</b>		
(a) Itemized (use Schedule A) .....	\$ .....	
(b) Unitemized .....	\$ .....	
(c) Subtotal of loans and loan repayments received .....	\$ .....	\$ .....
<b>17 Refunds, Rebates, etc.:</b>		
(a) Itemized (use Schedule A) .....	\$ .....	
(b) Unitemized .....	\$ .....	
(c) Subtotal of refunds, rebates, etc. ....	\$ .....	\$ .....
<b>18 Transfers In:</b>		
(a) From Affiliated Committee (Itemize all on Schedule A) .....	\$ .....	
(b) From other Committees (Itemize all on Schedule A) .....	\$ .....	
(c) Subtotal of transfers in .....	\$ .....	\$ .....
<b>19 Total Receipts .....</b>	<b>\$ (2,594.79)</b>	<b>\$ 230,123.26</b>
<b>Part II - Expenditures</b>		
<b>20 Operating Expenditures:</b>		
(a) Itemized (use Schedule B) .....	\$ 2,645.24	
(b) Unitemized .....	\$ .....	
(c) Subtotal of operating expenditures .....	\$ 2,645.24	\$ 219,509.48
<b>21 Loans, Loan Repayments, and Contribution Refunds:</b>		
(a) Itemized (use Schedule B) .....	\$ .....	
(b) Unitemized .....	\$ .....	
(c) Subtotal of loans and loan repayments made and contribution refunds .....	\$ .....	\$ .....
<b>22 Fundraising Expenditures: (Apply to 20% Exemption—Presidential Campaigns Receiving Federal Funds)</b>		
(a) Itemized (use Schedule B) .....	\$ .....	
(b) Unitemized .....	\$ .....	
(c) Subtotal of fundraising expenditures .....	\$ .....	\$ .....
<b>23 Transfers Out:</b>		
(a) To Affiliated Committee (Itemize all on Schedule B) .....	\$ .....	
(b) To Other Committees (Itemize all on Schedule B) .....	\$ .....	
(c) Subtotal of transfers out .....	\$ .....	\$ .....
<b>24 Total Expenditures .....</b>	<b>\$ 2,645.24</b>	<b>\$ 226,198.00</b>
<b>Part III - Debts and Obligations</b>		
25 Debts and obligations owed to the Committee (Itemize all on Schedule C) .....	\$ .....	
26 Debts and obligations owed by the Committee (Itemize all on Schedule C) .....	\$ .....	
<b>Part IV - Receipts and Expenditures, Net of Transfers to and from Affiliated Committees</b>		
27 Total Receipts (from line 19) .....	\$ (2,594.79)	
28 Less Transfers In (from line 18(a)) .....	\$ .....	
29 Net Receipts .....	\$ (2,594.79)	
30 Total Expenditures (from line 24) .....	\$ 2,645.24	







**DETAILED SUMMARY PAGE  
of Receipts and Disbursements  
(Page 2, FEC FORM 3)**

Name of Committee (in Full)

**AUSTIN FOR SENATE**

Report Covering the Period:

From: **1/1/77**

To: **12/31/77**

**COLUMN A  
Total This Period**

**COLUMN B  
Calendar Year-to-Date**

**I. RECEIPTS**

**11. CONTRIBUTIONS (other than loans) FROM:**

(a) Individuals/Persons Other Than Political Committees

\$ 24.96

\$ 24.96

(Memo Entry Unitemized \$ 24.96 )

(b) Political Party Committees

(c) Other Political Committees

3,000.00

3,000.00

(d) The Candidate

4,000.00

4,000.00

(e) TOTAL CONTRIBUTIONS (other than loans)(add 11a, 11b, 11c and 11d)

7,024.96

7,024.96

**12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES**

-

-

**13. LOANS:**

(a) Made or Guaranteed by the Candidate

(b) All Other Loans

(c) TOTAL LOANS (add 13a and 13b)

-

-

997.24

997.24

**14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)**

**15. OTHER RECEIPTS (Dividends, Interest, etc.)**

**16. TOTAL RECEIPTS (Add 11e, 12, 13c, 14 and 15)**

8,022.20

8,022.20

**II. DISBURSEMENTS**

**17. OPERATING EXPENDITURES**

9,966.95

9,966.95

**18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES**

**19. LOAN REPAYMENTS:**

(a) Of Loans Made or Guaranteed by the Candidate

(b) Of All Other Loans

(c) TOTAL LOAN REPAYMENTS (add 19a and 19b)

-

-

**20. REFUNDS OF CONTRIBUTIONS TO:**

(a) Individuals/Persons Other Than Political Committees

(b) Political Party Committees

(c) Other Political Committees

(d) TOTAL CONTRIBUTION REFUNDS (add 20a, 20b and 20c)

-

-

**21. OTHER DISBURSEMENTS**

-

-

**22. TOTAL DISBURSEMENTS (Add 17, 18, 19c, 20d and 21)**

9,966.95

9,966.95

**III. CASH SUMMARY**

23. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD

\$ 4,127.26

24. TOTAL RECEIPTS THIS PERIOD (From Line 16)

\$ 8,022.20

25. SUBTOTAL (Add Line 23 and Line 24)

\$ 12,149.46

26. TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)

\$ 9,966.95

27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)

\$ 2,082.51

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SCHEDULE A

ITEMIZED RECEIPTS

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (In Full)  
**AUSTIN FOR SENATE**

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Richard H. Austin Treasury Building Lansing, Michigan 48918	State of Michigan	1/ /77	\$4,000
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation (Candidate) Secretary of State		Aggregate Year-to-Date-\$
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation		Aggregate Year-to-Date-\$
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation		Aggregate Year-to-Date-\$
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation		Aggregate Year-to-Date-\$
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation		Aggregate Year-to-Date-\$
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation		Aggregate Year-to-Date-\$
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation		Aggregate Year-to-Date-\$
SUBTOTAL of Receipts This Page (optional) . . . . .			
TOTAL This Period (last page this line number only) . . . . .			\$4,000

310034153



**REPORT OF RECEIPTS AND DISBURSEMENTS**  
For an Authorized Committee

(Summary Page)

1. Name of Committee (in Full) <b>AUSTIN FOR SENATE</b>	2. FEC Identification Number C 000 296 <b>NOV 10 9:13</b>
Address (Number and Street) <b>21411 Civic Center Drive, #112</b>	3. Is this Report an Amendment? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
City, State and ZIP Code <input type="checkbox"/> Check if address is different than previously reported. <b>Southfield, Michigan 48076</b>	

4. **TYPE OF REPORT**

<input type="checkbox"/> April 15 Quarterly Report	<input type="checkbox"/> Twelfth day report preceding _____ (Type of Election)
<input type="checkbox"/> July 15 Quarterly Report	election on _____ in the State of _____
<input type="checkbox"/> October 15 Quarterly Report	<input type="checkbox"/> Thirtieth day report following the General Election
<input checked="" type="checkbox"/> January 31 Year End Report	on _____ in the State of _____
<input type="checkbox"/> July 31 Mid Year Report (Non-election Year Only)	<input type="checkbox"/> Termination Report

This report contains activity for —  Primary Election     General Election     Special Election     Runoff Election

9101034155

SUMMARY		Column A This Period	Column B Calendar Year-to-Date
5. Covering Period	<u>1/1/78</u> Through <u>12/31/78</u>		
6. Net Contributions (other than loans):			
(a) Total Contributions (other than loans) (from Line 11e) . . . . .		\$ 753.46	\$ 753.46
(b) Total Contribution Refunds (from Line 20d) . . . . .		\$ -	\$ -
(c) Net Contributions (other than loans) (Subtract Line 6b from 6a) . . . . .		\$ 753.46	\$ 753.46
7. Net Operating Expenditures:			
(a) Total Operating Expenditures (from Line 17) . . . . .		\$ 753.46	\$ 753.46
(b) Total Offsets to Operating Expenditures (from Line 14) . . . . .		\$ -	\$ -
(c) Net Operating Expenditures (Subtract Line 7b from 7a) . . . . .		\$ 753.46	\$ 753.46
8. Cash on Hand at Close of Reporting Period (from Line 27) . . . . .		\$ 2,082.51	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C or Schedule D) . . . . .		\$ -	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D) . . . . .		\$ -	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact:

Federal Election Commission  
Toll Free 800-424-9530  
Local 202-523-4068

Lawrence Davidson  
Type or Print Name of Treasurer

Lawrence Davidson  
SIGNATURE OF TREASURER

11/6/80  
Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

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**DETAILED SUMMARY PAGE  
of Receipts and Disbursements  
(Page 2, FEC FORM 3)**

Name of Committee (in Full)	Report Covering the Period:	
	From: 1/1/78	To: 12/31/78
<b>AUSTIN FOR SENATE</b>	<b>COLUMN A Total This Period</b>	<b>COLUMN B Calendar Year-to-Date</b>
<b>I. RECEIPTS</b>		
<b>11. CONTRIBUTIONS (other than loans) FROM:</b>		
(a) Individuals/Persons Other Than Political Committees .....		
(Memo Entry Unitemized \$ _____ )		
(b) Political Party Committees .....		
(c) Other Political Committees .....	\$ 753.46	\$ 753.46
(d) The Candidate .....		
(e) TOTAL CONTRIBUTIONS (other than loans)(add 11a, 11b, 11c and 11d) . . .	753.46	753.46
<b>12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES.</b> .....		
<b>13. LOANS:</b>		
(a) Made or Guaranteed by the Candidate .....		
(b) All Other Loans .....		
(c) TOTAL LOANS (add 13a and 13b) .....		
<b>14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)</b> .....		
<b>15. OTHER RECEIPTS (Dividends, Interest, etc.)</b> .....		
<b>16. TOTAL RECEIPTS (Add 11e, 12, 13c, 14 and 15).</b> .....		
<b>II. DISBURSEMENTS</b>		
<b>17. OPERATING EXPENDITURES</b> .....	753.46	753.46
<b>18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES.</b> .....		
<b>19. LOAN REPAYMENTS:</b>		
(a) Of Loans Made or Guaranteed by the Candidate .....		
(b) Of All Other Loans .....		
(c) TOTAL LOAN REPAYMENTS (add 19a and 19b) .....		
<b>20. REFUNDS OF CONTRIBUTIONS TO:</b>		
(a) Individuals/Persons Other Than Political Committees .....		
(b) Political Party Committees .....		
(c) Other Political Committees .....		
(d) TOTAL CONTRIBUTION REFUNDS (add 20a, 20b and 20c) .....		
<b>21. OTHER DISBURSEMENTS.</b> .....		
<b>22. TOTAL DISBURSEMENTS (Add 17, 18, 19c, 20d and 21).</b> .....	753.46	753.46

**III. CASH SUMMARY**

<b>23. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD</b> .....	\$ 2,082.51
<b>24. TOTAL RECEIPTS THIS PERIOD (From Line 16)</b> .....	\$ 753.46
<b>25. SUBTOTAL (Add Line 23 and Line 24)</b> .....	\$ 2,835.97
<b>26. TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)</b> .....	\$ 753.46
<b>27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)</b> .....	\$ 2,082.51

917031156

**SCHEDULE A**

**ITEMIZED RECEIPTS**

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)			
<b>AUSTIN FOR SENATE</b>			
<b>A. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount of Each Receipt this Period</b>
Friends of Austin H. Franklin Brown, Treasurer P.O. Box 25407 - Seven Oaks Station, Detroit, MI 48235	In kind - payment MG & Casey	3/19/78	\$ 753.46
<b>Receipt For:</b> <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	<b>Occupation</b>	<b>Aggregate Year-to-Date—\$ 753.46</b>	
<b>B. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount of Each Receipt This Period</b>
<b>Receipt For:</b> <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	<b>Occupation</b>	<b>Aggregate Year-to-Date—\$</b>	
<b>C. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount of Each Receipt This Period</b>
<b>Receipt For:</b> <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	<b>Occupation</b>	<b>Aggregate Year-to-Date—\$</b>	
<b>D. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount of Each Receipt This Period</b>
<b>Receipt For:</b> <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	<b>Occupation</b>	<b>Aggregate Year-to-Date—\$</b>	
<b>E. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount of Each Receipt This Period</b>
<b>Receipt For:</b> <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	<b>Occupation</b>	<b>Aggregate Year-to-Date—\$</b>	
<b>F. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount of Each Receipt This Period</b>
<b>Receipt For:</b> <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	<b>Occupation</b>	<b>Aggregate Year-to-Date—\$</b>	
<b>G. Full Name, Mailing Address and ZIP Code</b>	<b>Name of Employer</b>	<b>Date (month, day, year)</b>	<b>Amount of Each Receipt This Period</b>
<b>Receipt For:</b> <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	<b>Occupation</b>	<b>Aggregate Year-to-Date—\$</b>	
<b>SUBTOTAL of Receipts This Page (optional)</b> .....			
<b>TOTAL This Period (last page this line number only)</b> .....			<b>\$ 753.46</b>

910034157



**SCHEDULE B**

**ITEMIZED DISBURSEMENTS**

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)

**AUSTIN FOR SENATE**

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
MG & Casey, Inc. 20141 James Couzens Detroit, Michigan 48235	In kind contribution consulting Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	3/19/78	\$ 753.46
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (optional) .....			
TOTAL This Period (last page this line number only) .....			\$ 753.46

8101034159

**REPORT OF RECEIPTS AND DISBURSEMENTS**  
For an Authorized Committee

(Summary Page)

<b>1. Name of Committee (in Full)</b> <b>AUSTIN FOR SENATE</b> <small>Address (Number and Street)</small> <b>21411 Civic Center Drive, #112</b> <small>City, State and ZIP Code</small> <b>Southfield, Michigan 48076</b>	<b>2. FEC Identification Number</b> <b>C 000 296 28</b> <b>3. Is this Report an Amendment?</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <small><input type="checkbox"/> Check if address is different than previously reported.</small>
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**4. TYPE OF REPORT**

<input type="checkbox"/> April 15 Quarterly Report	<input type="checkbox"/> Twelfth day report preceding _____ <small>(Type of election)</small>
<input type="checkbox"/> July 15 Quarterly Report	election on _____ in the State of _____
<input type="checkbox"/> October 15 Quarterly Report	<input type="checkbox"/> Thirtieth day report following the General Election
<input checked="" type="checkbox"/> January 31 Year End Report	on _____ in the State of _____
<input type="checkbox"/> July 31 Mid Year Report (Non-election Year Only)	<input type="checkbox"/> Termination Report

This report contains activity for —  Primary Election     General Election     Special Election     Runoff Election

810034159

SUMMARY	Column A This Period	Column B Calendar Year-to-Date
<b>5. Covering Period</b> <u>1/1/79</u> Through <u>12/31/79</u>		
<b>6. Net Contributions (other than loans):</b>		
(a) Total Contributions (other than loans) (from Line 11e) . . . . .	\$ -	\$ -
(b) Total Contribution Refunds (from Line 20d) . . . . .	\$ 5,653.46	\$ 5,653.46
(c) Net Contributions (other than loans) (Subtract Line 6b from 6a) . . . . .	\$ [5,653.46]	\$ [5,653.46]
<b>7. Net Operating Expenditures:</b>		
(a) Total Operating Expenditures (from Line 17) . . . . .	\$ -	\$ -
(b) Total Offsets to Operating Expenditures (from Line 14) . . . . .	\$ -	\$ -
(c) Net Operating Expenditures (Subtract Line 7b from 7a) . . . . .	\$ -	\$ -
<b>8. Cash on Hand at Close of Reporting Period (from Line 27) . . . . .</b>	<b>\$ 182.51</b>	
<b>9. Debts and Obligations Owed TO the Committee</b> (Itemize all on Schedule C or Schedule D) . . . . .	\$	
<b>10. Debts and Obligations Owed BY the Committee</b> (Itemize all on Schedule C or Schedule D) . . . . .	<b>\$ 3,753.46</b>	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact:

Federal Election Commission  
Toll Free 800-424-9530  
Local 202-523-4068

Lawrence Davidson  
Type or Print Name of Treasurer

Lawrence Davidson  
SIGNATURE OF TREASURER

1/6/80  
Date

**NOTE:** Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

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**DETAILED SUMMARY PAGE  
of Receipts and Disbursements  
(Page 2, FEC FORM 3)**

Name of Committee (in Full)

**AUSTIN FOR SENATE**

Report Covering the Period:

From: 1/1/79

To: 12/31/79

**COLUMN A  
Total This Period**

**COLUMN B  
Calendar Year-to-Date**

**I. RECEIPTS**

**11. CONTRIBUTIONS (other than loans) FROM:**

(a) Individuals/Persons Other Than Political Committees .....  
(Memo Entry Unitemized \$ \_\_\_\_\_ )

(b) Political Party Committees .....

(c) Other Political Committees .....

(d) The Candidate .....

(e) TOTAL CONTRIBUTIONS (other than loans) (add 11a, 11b, 11c and 11d) .....

**12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES. ....**

**13. LOANS:**

(a) Made or Guaranteed by the Candidate .....

\$3,753.46 .....

(b) All Other Loans .....

(c) TOTAL LOANS (add 13a and 13b) .....

**14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.) .....**

**15. OTHER RECEIPTS (Dividends, Interest, etc.) .....**

**16. TOTAL RECEIPTS (Add 11e, 12, 13c, 14 and 15) .....**

**II. DISBURSEMENTS**

**17. OPERATING EXPENDITURES .....**

**18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES .....**

**19. LOAN REPAYMENTS:**

(a) Of Loans Made or Guaranteed by the Candidate .....

(b) Of All Other Loans .....

(c) TOTAL LOAN REPAYMENTS (add 19a and 19b) .....

**20. REFUNDS OF CONTRIBUTIONS TO:**

(a) Individuals/Persons Other Than Political Committees .....

1,900.00 .....

(b) Political Party Committees .....

(c) Other Political Committees .....

3,753.46 .....

(d) TOTAL CONTRIBUTION REFUNDS (add 20a, 20b and 20c) .....

5,653.46 .....

**21. OTHER DISBURSEMENTS. ....**

**22. TOTAL DISBURSEMENTS (Add 17, 18, 19c, 20d and 21) .....**

5,653.46

**III. CASH SUMMARY**

23. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD .....

\$ 2,082.51

24. TOTAL RECEIPTS THIS PERIOD (From Line 16) .....

\$ 3,753.46

25. SUBTOTAL (Add Line 23 and Line 24) .....

\$ 5,835.95

26. TOTAL DISBURSEMENTS THIS PERIOD (From Line 22) .....

\$ 5,653.46

27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25) .....

\$ 182.51

91040:34170

**SCHEDULE A**

**ITEMIZED RECEIPTS**

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.			
Name of Committee (in Full) <b>AUSTIN FOR SENATE</b>			
A. Full Name, Mailing Address and ZIP Code Richard H. Austin Treasury Building Lansing, Michigan 48918	Name of Employer Treasury Building Lansing, MI 48918	Date (month, day, year) 11/19/79	Amount of Each Receipt this Period \$2,736.46
	Occupation (Candidate) Secretary of State	Aggregate Year-to-Date-\$	
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
B. Full Name, Mailing Address and ZIP Code Richard H. Austin Treasury Building Lansing, Michigan 48918	Name of Employer Treasury Building Lansing, MI 48918	Date (month, day, year) 12/10/79	Amount of Each Receipt This Period \$1,017.00
	Occupation (Candidate) Secretary of State	Aggregate Year-to-Date-\$ 3,753.46	
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date-\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date-\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date-\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date-\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date-\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
SUBTOTAL of Receipts This Page (optional) . . . . .			
TOTAL This Period (last page this line number only) . . . . .			\$3,753.46

91300171



SCHEDULE B

ITEMIZED DISBURSEMENTS

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)

AUSTIN FOR SENATE

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Ed Indorf 6840 Jackson Taylor, Michigan	Refund of excess contribution Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	10/10/79	\$ 800.00
George J. Fraser 109 E. Elm Monroe, Michigan	Refund of excess contribution Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	10/10/79	\$ 500.00
Carousel Cooperative Nursery 14800 Fenkell Detroit, Michigan	Refund of corporate contribution Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	12/5/79	\$ 90.00
Helpmates 15788 Ilene Detroit, Michigan 48238	Refund of corporate contribution Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	12/5/79	\$ 50.00
Richard F. Freeman M.D., P.C. 2900 S. Fort Street Detroit, Michigan 48226	Refund of corporate contribution Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	12/5/79	\$ 200.00
Sabbath Electric 19375 James Couzens Detroit, Michigan	Refund of corporate contribution Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	12/5/79	\$ 50.00
Sherman Dental Laboratories 30100 Telegraph Birmingham, Michigan	Refund of corporate contribution Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	12/5/79	\$ 50.00
Steel Container Dist., Inc. 8951 Schaefer Highway Detroit, Michigan 48227	Refund of corporate contribution Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	12/5/79	\$ 35.00
Waiters, Waitresses & Bellman Club Inc. 12301 Linwood Detroit, Michigan 48206	Refund of corporate contribution Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	12/5/79	\$ 25.00

SUBTOTAL of Disbursements This Page (optional) .....

TOTAL This Period (last page this line number only) .....

91001172

SCHEDULE B

ITEMIZED DISBURSEMENTS

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)

**AUSTIN FOR SENATE**

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Warren Johnson DDS, P.C. 8500 14th Street Detroit, Michigan 48208	Refund of corporate contribution Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	12/5/79	\$ 100.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page (optional) .....

TOTAL This Period (last page this line number only) .....

\$1,900.00

910034173



SCHEDULE B

ITEMIZED DISBURSEMENTS

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Name of Committee (in Full)  
**AUSTIN FOR SENATE**

A. Full Name, Mailing Address and ZIP Code Friends of Austin H. Franklin Brown, Treasurer P.O. Box 35407 - Seven Oaks Station, Detroit, MI 48208	Purpose of Disbursement Refund on account of 1977 in kind contribution Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year) 11/19/79	Amount of Each Disbursement This Period \$2,736.46
--	---	--	--

B. Full Name, Mailing Address and ZIP Code Friends of Austin H. Franklin Brown, Treasurer P.O. Box 35407 - Seven Oaks Station - Detroit, MI 48208	Purpose of Disbursement Refund of 1977 & 1978 in kind contribution Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year) 12/10/79	Amount of Each Disbursement This Period \$1,017.00
---	--	--	--

C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
--	---	----------------------------	--

D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
--	---	----------------------------	--

E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
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F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
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G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
--	---	----------------------------	--

H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
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I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
--	---	----------------------------	--

SUBTOTAL of Disbursements This Page (optional)	
TOTAL This Period (last page this line number only)	\$3,753.46

3100231174

**LOANS**

Name of Committee (in Full) <b>AUSTIN FOR SENATE</b>			
A. Full Name, Mailing Address and ZIP Code of Loan Source <b>Richard H. Austin Treasury Building Lansing, Michigan 48918</b>	Original Amount of Loan <b>\$3,753.46</b>	Cumulative Payment To Date <b>-</b>	Balance Outstanding at Close of This Period <b>\$3,753.46</b>
Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred <u>11/19/79</u> Date Due <u>12/10/79</u> Interest Rate _____ % (apr) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
B. Full Name, Mailing Address and ZIP Code of Loan Source			
		Original Amount of Loan	Cumulative Payment To Date
			Balance Outstanding at Close of This Period
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred _____   Date Due _____   Interest Rate _____ % (apr) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
SUBTOTALS This Period This Page (optional) .....			
TOTALS This Period (last page in this line only) .....			<b>\$3,753.46</b>
Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			

9100031175

MEMORANDUM REPORT TO BE ATTACHED TO  
FEC FORM 3 COMPREHENSIVE ADMENDMENT  
FOR 1975 DATED APRIL 21, 1980

AUSTIN FOR SENATE  
21411 Civic Center Drive, #112  
Southfield, Michigan 48076

C 000 296 28

Primary on 8/31/76

At the time of organization of Austin for Senate, there was in existence a state committee known as the Austin Campaign Committee. The Austin Campaign Committee had raised funds in 1972 and 1973 for subsequent state elections for Secretary of State or other state offices. In 1976 the Federal Election Commission (the Commission), by A.O.R. 1976-49, permitted the transfer of excess campaign funds from the Austin Campaign Committee to Austin for Senate. The Advisory Opinion has been interpreted to require disclosure of the sources of the friends of Austin Campaign Committee, assumed to be the contributions most recently received by the Austin Campaign Committee.

Attached hereto as Exhibit A is a list of the dates, names, addresses, occupations and amounts of the last \$70,794 contributed to the Austin Campaign Committee.

Pursuant to the request of the Commission the following transaction involving the Austin Campaign Committee is also disclosed for the reason that it could be interpreted as an "In Kind" contribution.

MG & Casey, Inc. is a Michigan corporation engaged in the business of advertising and public relations. In addition to serving Richard H. Austin in his various state and City of Detroit campaigns, MG & Casey, Inc. served as public relations advisor between campaigns for various organizations in support of Richard H. Austin as Secretary of State.

In November, 1975 MG & Casey, Inc. borrowed the sum of \$24,000 from the Austin Campaign Committee for working capital. While the loan proceeds were not specifically used for any activities relative to Austin for Senate or that campaign, MG & Casey, Inc. did perform services for Austin for Senate during the period that the loan was outstanding, which services were billed and paid for in the ordinary course. This loan was repaid in full on April 26, 1976.

31710131175

I certify that I have examined this report, and to the best of my knowledge and belief it is true, correct and complete.

Lawrence Davidson, Treasurer

October , 1980

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91001179

<u>DATE</u>	<u>NAME</u>	<u>OCCUPATION</u>	<u>AMOUNT</u>
April 5, 1973	Steve Johnson 16649 Livernois Detroit, MI. 48221	Office Manager	\$1,482.00
April 5, 1973	Stanley J. Stec 517 W. 9 Mile Rd. Ferndale, MI. 48220	Office Manager	2,268.00
April 5, 1973	Mary B. Stallings 6859 Gratiot Ave. Detroit, MI. 48207	Office Manager	4,169.00
April 5, 1973	Mary Ann Garlak 26661 Coolidge Hwy. Oak Park, MI. 48237	Office Manager	2,200.00
April 5, 1973	Charles J. Deamud 24610 Five Mile Rd. Detroit, MI. 48239	Office Manager	2,800.00
April 5, 1973	Valere Huvaere 15308 Mack Ave. Detroit, MI. 48224	Office Manager	493.00
April 6, 1973	Hubert Lee Holley 7516 Woodward Detroit, MI. 48202	Office Manager	3,429.00
April 7, 1973	Adeline Drews 444 S. Main St. Ann Arbor, Mi. 48801	Office Manager	4,290.00
April 9, 1973	Arthur J. Conlan 19339 Van Dyke Detroit, MI. 48234	Office Manager	2,000.00
April 11, 1973	Randall J. Conway 23000 Eureka Road Taylor, MI. 48180	Office Manager	300.00
April 19, 1973	Valere Huvaere 15308 Mack Ave. Detroit, MI. 48224	Office Manager	1,500.00
April 19, 1973	Charles Reilly 1141 Fulton St. E. Grand Rapids, MI. 49503	Office Manager	1,200.00
April 20, 1973	Harry Koss 3701 Metro Place Mall Wayne, MI. 48184	Office Manager	4,800.00



Austin Campaign Committee  
1973 Contributions

<u>DATE</u>	<u>NAME</u>	<u>OCCUPATION</u>	<u>AMOUNT</u>	
April 20, 1973	Mary Ann Garlak 26661 Coolidge Hwy. Oak Park, MI. 48237	Office Manager	\$2,100.00	
April 20, 1973	Stanley J. Stec 517 W. 9 Mile Rd. Ferndale, MI. 48220	Office Manager	2,000.00	
April 20, 1973	Steve Johnson 16649 Livernois Detroit, MI. 48221	Office Manager	1,000.00	
May 3, 1973	Valere Huvaere 15308 Mack Ave. Detroit, Mi. 48224	Office Manager	1,500.00	
May 4, 1973	Charles Reilly 1141 Fulton St. E. Grand Rapids, MI. 49503	Office Manager	1,200.00	
May 5, 1973	Arthur J. Conlan 19339 Van Dyke Detroit, MI. 48234	Office Manager	2,800.00	
May 7, 1973	Henry R. Skrocki 115 N. Oakley Saginaw, MI. 48602	Office Manager	3,800.00	
June 1, 1973	Charles Reilly 1141 Fulton St. E. Grand Rapids, MI. 49503	Office Manager	1,200.00	
June 15, 1973	Charles Reilly 1141 Fulton St. E. Grand Rapids, MI. 49503	Office Manager	1,200.00	
			\$51,561.00	\$51,561.00
			TOTAL	\$70,794.00

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80 NOV 10 4 0: 13

First Class

**DONOVAN HAMMOND CARSON ZIEGELMAN ROACH & SOTIROFF**  
400 RENAISSANCE CENTER, SUITE 1100  
DETROIT, MICHIGAN 48243

**TO:**

Mr. Robert Bogin  
FEDERAL ELECTIONS COMMISSION  
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 7, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas A. Roach  
McClintock, Donovan,  
Carson & Roach  
Guardian Building  
Detroit, Michigan 48226

RE: MUR 1053

Dear Mr. Roach:

On October 2, 1980, the Commission accepted the conciliation agreement signed by you and a civil penalty in settlement of this matter. Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

As you are aware, the Commission found reason to believe that the Austin for Senate Committee also violated 2 U.S.C. § 441f and § 441a(f). After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred.

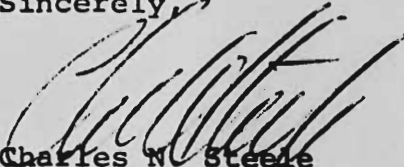
A brief will be submitted for your review in the next couple of weeks stating the position of the General Counsel on the legal and factual issues of this matter in pursuant to 11 C.F.R. § 111.16. You may file your views and reply to the brief of the General Counsel. The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote on probable cause to believe a violation has occurred.

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Letter to: Thomas A. Roach  
Page 2

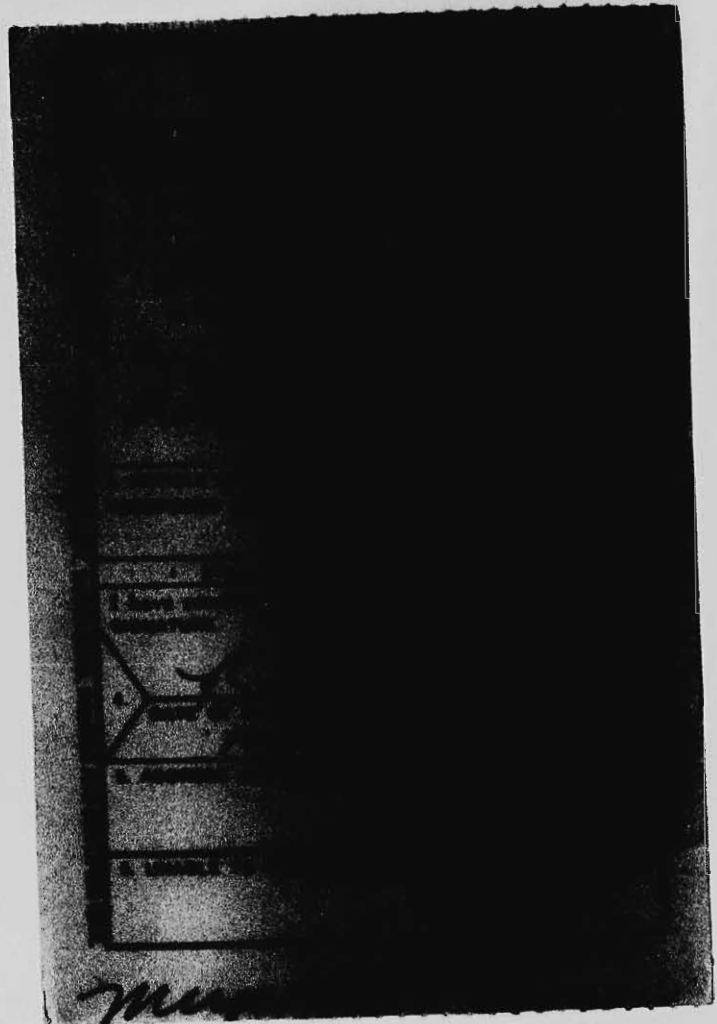
Should you have any questions, please contact Robert  
Bogin at (202) 523-4000.

Sincerely,



Charles N. Steele  
General Counsel

Attachment  
Conciliation Agreement



81010234193



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas A. Roach  
McClintock, Donovan,  
Carson & Roach  
Guardian Building  
Detroit, Michigan 48226

RE: MUR 1053

Dear Mr. Roach:

On \_\_\_\_\_, 1980, the Commission accepted the conciliation agreement signed by you and a civil penalty in settlement of this matter. Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

As you are aware, the Commission found reason to believe that the Austin for Senate Committee also violated 2 U.S.C. § 441f and § 441a(f). After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred.

A brief will be submitted for your review in the next couple of weeks stating the position of the General Counsel on the legal and factual issues of this matter in pursuant to 11 C.F.R. § 111.16. You may file your views and reply to the brief of the General Counsel. The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote on probable cause to believe a violation has occurred.

81040231134

Letter to: Thomas A. Roach  
Page 2

Should you have any questions, please contact Robert Bogin at (202) 523-4000.

Sincerely,

Charles N. Steele  
General Counsel

Attachment  
Conciliation Agreement

RB  
10/2/80

81040231195





II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this Agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

A. The Committee is the principal campaign committee for Richard H. Austin.

B. The Audit Division conducted an audit of the Committee covering the period from October 1, 1975 through June 30, 1977. For the period covered by the audit, the Committee reported \$-0- in beginning cash.

C. In 1972 an Austin Campaign Committee was organized to raise funds for subsequent state elections. The Austin Campaign Committee received contributions totalling \$102,365. The residue of these funds totalling \$68,699.61 was transferred on September 16, 1976 to the Austin for Senate Committee. On March 31, 1976, the cash balance in the Austin Campaign Committee's account was \$38,399.61, and the Austin Campaign Committee had accounts receivable of \$30,300.

81010231197



- 81040231199
- G. The final four payments of a committee debt totalling \$3,753.46, were paid by an unregistered political organization called Friends of Austin during the period May 26, 1977, through March 30, 1978.
  - H. The Committee received contributions totalling \$572.50 from the general treasury funds of eight corporations.
  - I. The Committee has refunded \$4,125.96 to the contributors referred to in F, G and H, above.
  - J. The Committee could not produce cancelled checks for 9 expenditures reported by the Committee totalling \$3,415.07.
  - K. Robert L. Millender, Sr., co-chairman of the Committee, who served the Committee as principal campaign manager and as counsel, and who maintained custody of the files and records of the Committee, died suddenly in September, 1978, prior to the beginning of the audit.
  - L. Since the inception of the audit, the surviving members of the Committee have cooperated fully with the Commission, have obtained duplicate documentation of records not located among Millender's records, and re-

rieved and reconstructed records and  
events to the best of their ability.

WHEREFORE, Respondent agrees that:

- 81040234100
- V. By failing to amend its reports to reflect the actual cash on hand the Committee violated 2 U.S.C. §434(b)(1).
  - VI. By failing to report the full name and mailing address of each contributor together with the amount and date of such contribution comprising the money transferred from the Austin Campaign Committee, respondent violated 2 U.S.C. §434(b)(2).
  - VII. By failing to report the total sum of all receipts by or for such committee during the reporting period, together with total receipts less transfers between political committees which support the same candidate, respondent violated 2 U.S.C. §434(b)(8).
  - VIII. By failing to report the identity of the recipient of an expenditure over \$100 and the purpose of such expenditure, respondent violated 2 U.S.C. § 434(b)(9).
  - IX. By failing to report the total sum of expenditures made by such committee or candidate during the

calendar year, together with total expenditures less transfers between political committees which support the same candidate, respondent violated 2 U.S.C. § 434(b)(11).

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1
- X. By knowingly accepting contributions in excess of the \$1,000 contribution limit of 2 U.S.C. § 441a(a)(1)(A), the Committee violated 2 U.S.C. § 441a(f).
- XI. By knowingly accepting or receiving contributions made by a corporation, the Committee violated 2 U.S.C. §441b(a).
- XII. By making expenditures from a checking account other than one designated by the Committee, respondent violated 2 U.S.C. § 432(h)(1) [formerly 2 U.S.C. §437b(a)(1)].
- XIII. Respondent will amend its reports to comport with the aforementioned provisions of the Federal Election Campaign Act of 1971, as amended.
- XIV. Respondent will pay a civil penalty of \$2,000 to the United States Treasury pursuant to 2 U.S.C. § 437g(a)(5)(A).



XV. Respondent agrees that it shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS:

XVI. The Commission, upon request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matters at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

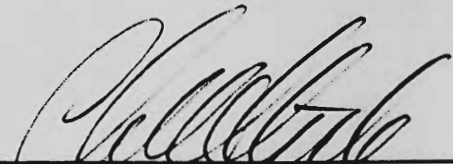
XVII. It is further agreed that the Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

XVIII. It is mutually agreed that this Agreement will become effective on the date that all parties hereto have executed the same and the Commission has approved the entire Agreement.

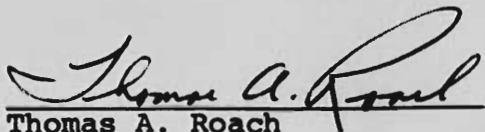
81710234192

XIX. It is agreed that respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

7 October 1980  
Date

BY:   
Charles N. Steele  
General Counsel  
Federal Election Commission

August 14, 1980  
Date

BY:   
Thomas A. Roach  
Counsel for  
Austin for Senate Committee

8171034193

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 1053  
Austin for Senate Committee )

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on October 2, 1980, the Commission decided by a vote of 6-0 to take the following actions regarding MUR 1053:

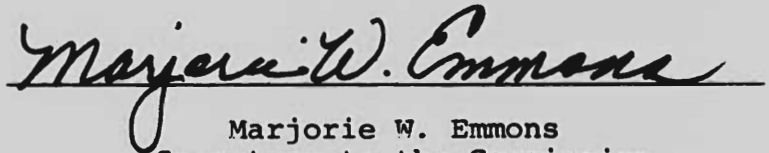
1. Approve the conciliation agreement as attached to the General Counsel's September 29, 1980 memorandum and authorize the General Counsel to enter into the agreement.
2. Notify respondent.

Voting for this determination were Commissioners Aikens, Friedersdorf, Harris, McGarry, Reiche, and Tiernan.

Attest:

10/2/80

Date

  
\_\_\_\_\_  
Marjorie W. Emmons  
Secretary to the Commission

Received in Office of the Commission Secretary: 9-29-80, 4:56  
Circulated on 48 hour vote basis: 9-30-80, 11:00

81040234194

September 29, 1980

MEMORANDUM TO: Marjorie W. Emons  
FROM: Jane Colgrove  
SUBJECT: MUR 1053

Please have the attached Memo to the Commission on  
MUR 1053 distributed to the Commission on a 48 hour tally  
basis.

Thank you.

81710234195



RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

80 SEP 29 P 4: 56

September 29, 1980

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele *CS*  
General Counsel

SUBJECT: Conciliation Agreement - MUR 1053

On July 23, 1980, the Commission approved a proposed conciliation agreement in settlement of this matter. Attached is a counter-agreement signed by counsel for respondent. This agreement does not differ significantly or materially from the one the Commission proposed in July. The only changes were made in Paragraph IV. C, D, K and L. These delineated changes clarify and explain factual circumstances and are not in dispute. The agreement still had admissions of violations and a proffered civil penalty of \$2,000 which is one-half the amount the Commission initially proposed. The reasons outlined in counsel's letter appear to be sufficient justification to approve a reduced civil penalty. A check payable to the United States Treasury in the amount of \$2,000 has been received.

Recommendation

1. Approve the attached conciliation agreement and authorize the General Counsel to enter into the agreement.
2. Notify respondent.

Attachments

Letter to Thomas A. Roach  
Conciliation Agreement

810034195





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas A. Roach  
McClintock, Donovan,  
Carson & Roach  
Guardian Building  
Detroit, Michigan 48226

RE: MUR 1053

Dear Mr. Roach:

On \_\_\_\_\_, 1980, the Commission accepted the conciliation agreement signed by you and a civil penalty in settlement of this matter. Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

As you are aware, the Commission found reason to believe that the Austin for Senate Committee also violated 2 U.S.C. § 441f and § 441a(f). After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred.

A brief will be submitted for your review in the next couple of weeks stating the position of the General Counsel on the legal and factual issues of this matter in pursuant to 11 C.F.R. § 111.16. You may file your views and reply to the brief of the General Counsel. The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote on probable cause to believe a violation has occurred.

81049234197

Letter to: Thomas A. Roach  
Page 2

Should you have any questions, please contact Robert  
Bogin at (202) 523-4000.

Sincerely,

Charles N. Steele  
General Counsel

Attachment  
Conciliation Agreement

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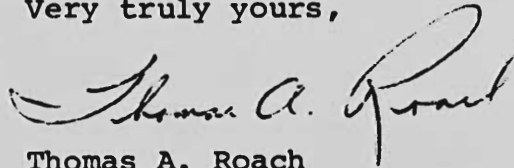


August 14, 1980

Would you please advise me when the Commission has approved the Agreement and it has been executed by Mr. Steele and send me an executed copy. Would you also please send to me additional forms which can be used by the committee for making comprehensive amendments for the years 1975, 1976 and 1977, and for filing reports for the years 1978, 1979 and 1980.

If you have any questions or suggestions with respect to the Conciliation Agreement or the contents of this letter please advise. Your continued cooperation and assistance is greatly appreciated.

Very truly yours,



Thomas A. Roach

TAR:pv  
Encls..

81010231200



II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this Agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

- A. The Committee is the principal campaign committee for Richard H. Austin.
- B. The Audit Division conducted an audit of the Committee covering the period from October 1, 1975 through June 30, 1977. For the period covered by the audit, the Committee reported \$-0- in beginning cash.
- C. In 1972 an Austin Campaign Committee was organized to raise funds for subsequent state elections. The Austin Campaign Committee received contributions totalling \$102,365. The residue of these funds totalling \$68,699.61 was transferred on September 16, 1976 to the Austin for Senate Committee. On March 31, 1976, the cash balance in the Austin Campaign Committee's account was \$38,399.61, and the Austin Campaign Committee had accounts receivable of \$30,300.

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D. In response to an advisory opinion request from the Committee, the Commission permitted the transfer of excess campaign funds from the Austin Campaign Committee (a state election account) to the Austin for Senate Committee (a Federal campaign committee).

A.O.R.1976-49. A transfer of pre-1975 contributions was permitted ~~if~~ full information as to the source of the transferred funds could be properly disclosed. In addition, the Advisory Opinion stated that political committees and candidates which have cash on hand at the time of registration should disclose on their first report the source(s) of these funds. The cash balances were assumed to be composed of those contributions most recently received by the Committee.

*deleted is the phrase: "if the transferred sum did not include prohibited funds, and"*

E. Reports filed by the Committee failed to comport with the requirements stated by the Commission in response to the Committee's advisory opinion request, as described in D, above.

F. In matters unrelated to the above-described transfer of funds, the Committee accepted individual contributions in the amounts of \$1,500 and \$1,800.

- 31040234204
- G. The final four payments of a committee debt totalling \$3,753.46, were paid by an unregistered political organization called Friends of Austin during the period May 26, 1977, through March 30, 1978.
  - H. The Committee received contributions totalling \$572.50 from the general treasury funds of eight corporations.
  - I. The Committee has refunded \$4,125.96 to the contributors referred to in F, G and H, above.
  - J. The Committee could not produce cancelled checks for 9 expenditures reported by the Committee totalling \$3,415.07.
  - K. Robert L. Millender, Sr., co-chairman of the Committee, who served the Committee as principal campaign manager and as counsel, and who maintained custody of the files and records of the Committee, died suddenly in September, 1978, prior to the beginning of the audit.
  - L. Since the inception of the audit, the surviving members of the Committee have cooperated fully with the Commission, have obtained duplicate documentation of records not located among Millender's records, and re-

trieved and reconstructed records and  
events to the best of their ability.

WHEREFORE, Respondent agrees that:

- V. By failing to amend its reports to reflect the actual cash on hand the Committee violated 2 U.S.C. §434(b)(1).
- VI. By failing to report the full name and mailing address of each contributor together with the amount and date of such contribution comprising the money transferred from the Austin Campaign Committee, respondent violated 2 U.S.C. §434(b)(2).
- VII. By failing to report the total sum of all receipts by or for such committee during the reporting period, together with total receipts less transfers between political committees which support the same candidate, respondent violated 2 U.S.C. §434(b)(8).
- VIII. By failing to report the identity of the recipient of an expenditure over \$100 and the purpose of such expenditure, respondent violated 2 U.S.C. § 434(b)(9).
- IX. By failing to report the total sum of expenditures made by such committee or candidate during the

81040331205

calendar year, together with total expenditures less transfers between political committees which support the same candidate, respondent violated 2 U.S.C. § 434(b)(11).

X. By knowingly accepting contributions in excess of the \$1,000 contribution limit of 2 U.S.C. § 441a(a)(1)(A), the Committee violated 2 U.S.C. § 441a(f).

XI. By knowingly accepting or receiving contributions made by a corporation, the Committee violated 2 U.S.C. §441b(a).

XII. By making expenditures from a checking account other than one designated by the Committee, respondent violated 2 U.S.C. § 432(h)(1) [formerly 2 U.S.C. §437b(a)(1)].

XIII. Respondent will amend its reports to comport with the aforementioned provisions of the Federal Election Campaign Act of 1971, as amended.

XIV. Respondent will pay a civil penalty of \$2,000 to the United States Treasury pursuant to 2 U.S.C. § 437g(a)(5)(A).

81040231205

XV. Respondent agrees that it shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

GENERAL CONDITIONS:

XVI. The Commission, upon request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matters at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

XVII. It is further agreed that the Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

XVIII. It is mutually agreed that this Agreement will become effective on the date that all parties hereto have executed the same and the Commission has approved the entire Agreement.

8100100331207

XIX. It is agreed that respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

81010231209  
Date \_\_\_\_\_

August 14, 1960  
Date

BY: \_\_\_\_\_

Charles N. Steele  
General Counsel  
Federal Election Commission

BY: \_\_\_\_\_

Thomas A. Roach  
Thomas A. Roach  
Counsel for  
Austin for Senate Committee



1053

RECEIVED  
GCC# 2901  
80 OCT 8 PM: 53

**DONOVAN HAMMOND CARSON ZIEGELMAN ROACH & SOTIROFF**

400 RENAISSANCE CENTER, SUITE 1100  
DETROIT, MICHIGAN 48243  
313/259-7900

OAKLAND COUNTY OFFICE  
1450 AMERICAN CENTER  
SOUTHFIELD, MICHIGAN 48034  
313/353-1400

FRANK W. DONOVAN  
CHARLES T. HAMMOND  
HARRY A. CARSON  
ERWIN C. ZIEGELMAN  
THOMAS A. ROACH  
PHILIP SOTIROFF  
DANIEL N. KING  
JEROME JAY ALLEN  
FREDERIC W. HELLER  
LAWRENCE R. ABRANCZYK  
WILLIAM P. THORPE  
H. EDWARD LEWIS  
GEORGE D. MERCER  
ROGER J. O'TOOLE  
THOMAS E. REISS  
DENNIS M. RAUSS

October 6, 1980

30 OCT 8 PM: 59

GENERAL COUNSEL

Mr. Robert Bogin  
Office of General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Re: Austin for Senate

Dear Mr. Bogin:

On September 1, 1980, McClintock Donovan Carson & Roach merged with Hammond Ziegelman Sotiroff & Allen to form the firm under the name and style indicated by this letterhead. Would you please place this letter in subject file and change your records with respect to our address and telephone number.

Very truly yours,

*Thomas A. Roach*  
Thomas A. Roach

TAR:pv

81040234279



1053

600# 2463

909870

RECEIVED

30 AUG 27 P 1

McCLINTOCK DONOVAN CARSON & ROACH

GUARDIAN BUILDING

80 AUG 27 P 12: 33

DETROIT 48226

August 22, 1980

AREA CODE 313  
863-3400

Mr. Robert Bogin  
Office of General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Re: Austin for Senate

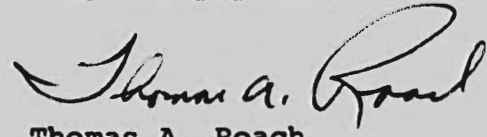
Dear Mr. Bogin:

Enclosed please find the Austin for Senate  
Committee check in the amount of \$2,000 tendered to you  
in accordance with the Conciliation Agreement.

Confirming our conversation of last week, I am  
working on the memorandum filing in connection with the  
Austin Campaign Committee, Comprehensive Amendments for  
1977 and Reports for 1978-1980.

Please advise me promptly when the Conciliation  
Agreement has been agreed to.

Very truly yours,



Thomas A. Roach

TAR:pv  
Encl.

81040234211

80 AUG 27 P 1: 45

710231212

NUMBER  
12

9-80  
720

August 21, 1980

\$2,000.00

TWO THOUSAND ----- DOLLARS

PAY TO THE ORDER OF United States Treasurer

PLEASE PRINT YOUR ACCT. NUMBER HERE

0071 2282-3

BRANCH Woodward near Grand River  
MICHIGAN NATIONAL BANK  
OF DETROIT  
DETROIT, MICHIGAN 48226



Austin for Senate  
*Lawson* *Mark C. Elliott*

⑆0720⑈0080⑆



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80 AUG 18 P12:27

McCLINTOCK DONOVAN CARSON & ROACH  
GUARDIAN BUILDING  
DETROIT 48226

GCC  
2359

August 14, 1980

AREA CODE 313  
883-3400

Mr. Robert Bogin  
Office of General Counsel  
Federal Election Commission  
Washington, D. C. 20463

Re: Austin for Senate

Dear Mr. Bogin:

I am enclosing two executed copies of a revised form of Conciliation Agreement. I believe you will find the editing in accordance with our conversation. Paragraphs I, K & L are new.

With respect to the amount of the civil penalty I submit the following for your consideration.

The campaign in question occurred four years ago. At this time it is extremely difficult, if not impossible, to raise any substantial contributions for the committee. Accordingly, the expense of the civil penalty and legal and accounting expenses will have to be borne by the candidate personally. There is about \$430 in the campaign account. The candidate personally bore the expense of the refunds previously made, and had already contributed \$4,000 at an earlier point in time to correct the deficiencies.

While I have not yet determined the proper bill to be rendered for my services, the time expended to date at usual billing rates is approaching \$5,000. Secretary Austin has further had to incur accounting expenses in connection with the audit. Additional effort will be required to complete the filings required by the Conciliation Agreement.

I hope you will recommend and persuade the Commission that the amount of the penalty is reasonable under the circumstances.

80 AUG 18 P 1:26

3100234214



MCCLINTOCK DONOVAN CARSON & ROACH  
Mr. Robert Bogin  
Federal Election Commission

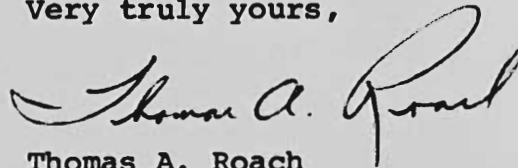
-2-

August 14, 1980

Would you please advise me when the Commission has approved the Agreement and it has been executed by Mr. Steele and send me an executed copy. Would you also please send to me additional forms which can be used by the committee for making comprehensive amendments for the years 1975, 1976 and 1977, and for filing reports for the years 1978, 1979 and 1980.

If you have any questions or suggestions with respect to the Conciliation Agreement or the contents of this letter please advise. Your continued cooperation and assistance is greatly appreciated.

Very truly yours,



Thomas A. Roach

TAR:pv  
Encls..

3100231213

**McCLINTOCK DONOVAN CARSON & ROACH**

GUARDIAN BUILDING

DETROIT 48226

---

**TO:**

Mr. Robert Bogin  
OFFICE OF GENERAL COUNSEL  
FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 29, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas A. Roach  
McClintock, Donovan, Carson & Roach  
Guardian Building  
Detroit, Michigan 48226

RE: MUR 1053 (79)

Dear Mr. Roach:

On July 23, 1980, the Commission found reason to believe that The Austin for Senate Committee violated 2 U.S.C. § 441b (a), § 441a(f) and § 432(h) (1) [formerly 2 U.S.C. § 437b(a) (1)]. A report on the Commission's finding is attached for your information. You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter.

In response to your letters of February 29, 1980, and May 19, 1980, expressing a desire to settle this matter informally, please find enclosed a conciliation agreement this Office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreement, please have it signed and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make the check for the civil penalty payable to the United States Treasurer.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Robert Bogin, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

A handwritten signature in cursive script that reads "Max L. Friedersdorf".  
Max L. Friedersdorf  
Chairman

Enclosures

81710231217

8 1 2 1 2 1 2 1 8

MUM 103 - Boy

Form 3811, Jan. 1978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

★ SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)

Show to whom and date delivered.....

Show to whom, date and address of delivery.....

RESTRICTED DELIVERY Show to whom and date delivered.....

RESTRICTED DELIVERY Show to whom, date, and address of delivery \$.....

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

Thomas A. Roach

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	945654	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE  Address  Authorized Agent

4. DATE OF DELIVERY

8-1-80

5. ADDRESS (Complete only if required)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

RECEIVED

★ GPO : 1978-285-648



2:20 PM 4 AUG 80

FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO RELIEVE FINDING

DATE \_\_\_\_\_

MUR. NO. 1053  
STAFF MEMBER & TEL. NO.  
Robert Bogin  
(202) 523-4529

RESPONDENT Austin for Senate Committee  
Senate Committee

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

BACKGROUND

Upon review of an audit performed in the normal course of carrying out its supervisory responsibilities, the Commission found reason to believe that the Austin for Senate Committee (Committee) violated 2 U.S.C. § 441a(f) by receiving excessive contributions, 2 U.S.C. § 441b(a) by receiving corporate contributions and 2 U.S.C. § 432(h)(1) [formerly 2 U.S.C. § 437b(a)(1)] by making expenditures from other than a designated campaign depository.

FACTUAL BASIS AND LEGAL ANALYSIS

During the recent audit of the Committee, the audit staff found that the Committee accepted individual contributions in the amount of \$1,500 and \$1,800. 2 U.S.C. § 441a(f) prohibits a principal campaign committee from accepting individual contributions in excess of the \$1,000 limitation of 2 U.S.C. § 441a(a)(1)(A).

In addition, the Committee received contributions totalling \$572.50 from the general treasury funds of eight corporations. 2 U.S.C. § 441b(a) prohibits a committee from receiving contributions made by a corporation

Further, the Committee incurred expenditures in excess of \$7,000 which were not paid from a designated campaign depository. 2 U.S.C. § 432(h)(1) [formerly 2 U.S.C. § 437b(a)(1)] prohibits the making of expenditures from a checking account other than one designated by the Committee in reports filed with the Commission.

810031219



Based on the foregoing, the Federal Election Commission has found:

(1) Reason to believe the Committee violated 2 U.S.C. § 441a(f)

(2) Reason to believe the Committee violated 2 U.S.C. § 441b(a)

(3) Reason to believe the Committee violated 2 U.S.C. § 432(h)(1) [formerly 2 U.S.C. § 432b(a)(1)].

81010234220



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Austin for Senate Committee ) MUR 1053 (79)

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted after the Commission found reason to believe that Austin for Senate Committee ("Committee") violated 2 U.S.C. §§ 434(b)(1), (2), (8), (9), and (11) by not properly disclosing the transfer of funds collected in 1972 and 1973 for the future political campaigns of Secretary of State Austin, §§ 441a(d) and 441b(a) by accepting prohibited contributions and § 432(h)(1) [formerly 2 U.S.C. § 437b(a)(1)] by making expenditures from other than a campaign depository.

NOW, THEREFORE, the Commission and the Committee, having duly participated in informal methods of conciliation, do hereby agree as follows:

- I. The Commission has jurisdiction over the Committee and the subject matter of this proceeding, and this Agreement has the effect of a conciliation agreement under 2 U.S.C. § 437g(a)(4)(A).

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- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondent enters voluntarily into this Agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:
  - A. The Committee is the principal campaign committee for Richard H. Austin.
  - B. The Audit Division conducted an audit of the Committee covering the period from October 1, 1975 through June 30, 1977. For the period covered by the audit, the Committee reported \$-0- in beginning cash.
  - C. In 1972 an Austin Campaign Committee was organized to raise funds for subsequent state elections. The Austin Campaign Committee received contributions totalling \$102,365. The residue of these funds totalling \$68,699.61 were transferred on September 16, 1976 to the Austin for Senate Committee. On March 31, 1976, the balance in the Austin Campaign Committee's account was \$38,399.61.
  - D. In response to an advisory opinion request from the Committee, the Commission permitted the transfer of excess campaign funds from the Austin Campaign Committee (a state election

81040234222

account) to the Austin for Senate Committee (a Federal campaign committee). A.O.R. 1976-49. A transfer of pre-1975 contributions was permitted if the transferred sum did not include prohibited funds, and if full information as to the source of the transferred funds could be properly disclosed. In addition, the Advisory Opinion stated that political committees and candidates which have cash on hand at the time of registration should disclose on their first report the source(s) of these funds. The cash balances were assumed to be composed of those contributions most recently received by the Committee.

- E. Reports filed by the Committee failed to comport with the requirements stated by the Commission in response to the Committee's advisory opinion request, as described in D, above.
- F. In matters unrelated to the above-described transfer of funds, the Committee accepted individual contributions in the amounts of \$1,500 and \$1,800.
- G. The final four payments of a Committee debt totalling \$3,753.46, were paid by an unregis-

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tered political organization called Friends of Austin during the period May 26, 1977, through March 30, 1978.

- H. The Committee received contributions totalling \$572.50 from the general treasury funds of eight corporations.
- I. The Committee has refunded \$4,125.96 to the contributors referred to in F, G and H above.
- J. The Committee could not produce cancelled checks for 9 expenditures reported by the Committee totalling \$3,415.07.

WHEREFORE, Respondent agrees that:

- V. By failing to amend its reports to reflect the actual cash on hand the Committee violated 2 U.S.C. § 434(b)(1).
- VI. By failing to report the full name and mailing address of each contributor together with the amount and date of such contribution comprising the money transferred from the Austin Campaign Committee, respondent violated 2 U.S.C. § 434(b)(2).
- VII. By failing to report the total sum of all receipts by or for such committee during the reporting period, together with total receipts less transfers between political committees which support the same candidate, respondent violated 2 U.S.C. § 434(b)(8).

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- VIII. By failing to report the identity of the recipient of an expenditure over \$100 and the purpose of such expenditure, respondent violated 2 U.S.C. § 434(b)(9).
- IX. By failing to report the total sum of expenditures made by such committee or candidate during the calendar year, together with total expenditures less transfers between political committees which support the same candidate, respondent violated 2 U.S.C. § 434(b)(11).
- X. By knowingly accepting contributions in excess of the \$1,000 contribution limit of 2 U.S.C. § 441a(a)(1)(A), the Committee violated 2 U.S.C. § 441a(f).
- XI. By knowingly accepting or receiving contributions made by a corporation, the Committee violated 2 U.S.C. § 441b(a).
- XII. By making expenditures from a checking account other than one designated by the Committee, respondent violated 2 U.S.C. § 432(h)(1) [formerly 2 U.S.C. § 437b(a)(1)].
- XIII. Respondent will amend its reports to comport with the aforementioned provisions of the Federal Election Campaign Act of 1971, as amended.
- XIV. Respondent will pay a civil penalty of \$4,000 to the United States Treasury pursuant to 2 U.S.C. § 437g(a)(5)(A).

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XV. Respondent agrees that it shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

GENERAL CONDITIONS:

XVI. The Commission, upon request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1), concerning the matters at issue herein, or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

XVII. It is further agreed that the Conciliation Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and that this Agreement, unless violated, shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

XVIII. It is mutually agreed that this Agreement will become effective on the date that all parties hereto have executed the same and the Commission has approved the entire Agreement.

910034225



XIX. It is agreed that respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

\_\_\_\_\_  
Date

BY: \_\_\_\_\_  
Charles N. Steele  
General Counsel  
Federal Election Commission

\_\_\_\_\_  
Date

BY: \_\_\_\_\_  
Thomas A. Roach  
Counsel for  
Austin for Senate Committee

81040231227

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
Austin for Senate Committee ) MUR 1053

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on July 23, 1980, the Commission decided by a vote of 6-0 to take the following actions regarding MUR 1053:

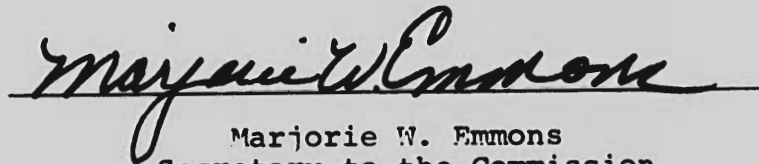
1. Find REASON TO BELIEVE that respondent violated 2 U.S.C. § 441a(f), § 441b(a) and § 432(h)(1).
2. Approve the proposed conciliation agreement as attached to the General Counsel's July 21, 1980 memorandum.
3. Authorize the General to send the letter to respondents as attached to the above-named memorandum.

Voting for this determination were Commissioners Aikens, Friedersdorf, Harris, McGarry, Reiche, and Tiernan.

Attest:

4/24/80

Date



Marjorie W. Emmons  
Secretary to the Commission

Received in Office of the Commission Secretary: 7-21-80, 12:34  
Circulated on 48 hour vote basis: 7-21-80, 4:00

July 21, 1980

MEMORANDUM TO: Marjorie W. Emmons  
FROM: Jane Colgrove  
SUBJECT: MUR 1053

Please have the attached Memo to the Commission  
on MUR 1053 distributed to the Commission on a 48  
hour tally basis.

Thank you.

31747234229



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

80 JUL 21 P12: 34

July 21, 1980

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele  
General Counsel *CS*

SUBJECT: MUR 1053 - Proposed Informal Conciliation Agreement

On January 8, 1980, the Commission found reason to believe that the Austin for President Committee violated various provisions of the Act including 2 U.S.C. §§ 434(b)(1), (2), (8), (9), and (11) by failing to properly disclose the transfer of funds from the Austin Campaign Committee to the Austin for Senate Committee.

In a memorandum dated March 3, 1980, (attached), the Audit Division referred to this Office various findings of its audit of the Committee. In letters dated April 21 and 24, 1980, (attached), counsel for the Committee made extensive amendments and brought forth further documentation which substantially reduced the Audit Division's findings. However, certain matters remain outstanding. The auditors found that the Committee accepted contributions which were in excess of the 2 U.S.C. § 441a(a)(1)(A) limitations. In addition, the Committee accepted corporate contributions. The Committee, in accordance with the audit recommendation, refunded all of the excessive or prohibited contributions. Nonetheless, acceptance of excessive or corporate contributions constitutes violations of § 441a(f) and § 441b(a).

Additionally, the audit staff made various findings that expenditures reportedly made by the Committee could not be documented with cancelled checks. Neither the Committee nor the auditors were able to identify the source of such payments. However, assuming these expenditures were made, it is apparent that they were not made from a designated campaign depository. This being so, the Committee violated 2 U.S.C. § 432(h)(1) [formerly 2 U.S.C. § 437b(a)(1)].

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Based on the foregoing, the Office of General Counsel recommends that the Commission find reason to believe that the Committee violated 2 U.S.C. §§ 441a(f), 441b(a) and 432(h)(1) [formerly 2 U.S.C. § 437b(a)(1)], and consolidate these findings with the January 8, 1980 findings. It is further recommended with the concurrence of counsel for respondent (see attached letters dated February 29, 1980, and May 19, 1980) that the Commission enter into informal conciliation negotiations.

Thus, pursuant to 11 C.F.R. § 111.18(d), attached is a proposed conciliation agreement that this Office recommends the Commission authorize be sent to respondents. The proposed conciliation agreement contains admissions of violations and a civil penalty in the amount of \$4,000.

As to the other findings made by the Commission on January 8, 1980, a brief is being prepared in accordance with 11 C.F.R. § 111.16(a).

Recommendations

1. Find reason to believe that respondent violated 2 U.S.C. § 441a(f), § 441b(a) and § 432(h)(1).
2. Approve the proposed conciliation agreement.
3. Authorize the General Counsel to send the attached letter to respondents.

Attachments:

Audit Memorandum - March 3, 1980  
Responses of the Committee - April 21 and 24, 1980  
Letters of counsel - February 29 and May 19, 1980  
Proposed Conciliation Agreement  
Letter to Respondent's counsel

81740234231



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 3, 1980

*Conrad* A 720  
*Bob*  
re: MAR 1053

MEMORANDUM

TO: CHARLES STEELE  
GENERAL COUNSEL

THROUGH: ORLANDO B. POTTER  
STAFF DIRECTOR

FROM: BOB COSTA *RJC*

SUBJECT: AUDIT OF AUSTIN FOR SENATE ("the Committee")

On August 17, 1978, the Commission adopted the recommendation of the Office of General Counsel to refer the Committee to the Audit Division for consideration. During the audit of the Committee several matters were noted which were referred to your office on August 24, 1979. In addition, on October 3, 1979, the Audit Division forwarded to the Committee a letter of audit findings and recommendations (see Attachment 1), requesting the Committee to comply with the stated recommendations within 30 days of receipt.

However, upon receipt of a written request, a 30 day extension was granted to the Committee. On December 5, 1979, a member of the Audit staff met with the Committee officials at which time the Committee requested and received an additional extension of one (1) week. The Committee's response period expired on December 14, 1979.

The following matters are being referred to your office for consideration.

A. Non-Compliance With Audit Recommendations

On December 21st and 28th the Committee submitted documentation and/or amendments pursuant to our recommendations. Except for the matters noted below the Committee has complied with the recommendations.

1. In reference to Finding B (Reporting of Debts and Obligations), the Committee's responses concerning four (4) of the five (5) debts, totaling \$4,134.97 were not acceptable (see Attachment II, P. 2 and 3 item B).

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2. In reference to Findings C (Reporting of Contributions) and E (Reporting of Expenditures), the Committee did not disclose the required items on FEC schedules but merely typed certain information on letter size paper (see Attachment II, P. 3-7 item C). It is our opinion that disclosure in this manner is not acceptable since pertinent information such as period and year to date totals for contributions and expenditures, addresses of payees and the purpose of expenditures have been omitted. 1/

81010234233  
Additionally, pursuant to Finding C-5, we recommended the Committee delete the itemized contributions (\$1,500) received from the two (2) contributors whose contribution checks were returned NSF (non-sufficient funds). However, in filing its amendments the Committee deleted the wrong contributors (see Attachment II, P. 5 item 5).

The Committee's response to Finding C-6 is not adequate as the Committee has not disclosed nor provided any additional information concerning the receipts totaling \$997.24 (see Attachment II P.5 item 6).

Furthermore, the Committee has not provided any documentation concerning the account from which nine (9) expenditures totaling \$2,327.26 were made, as recommended in Finding E (see Attachment II, P. 7 item c).

3. In Finding D, we recommended, in part, that the Committee obtain copies of 22 cancelled checks, totaling \$85,535.22. The Committee's response to the recommendation was that letters dated 11-19-79 were sent to each vendor or supplier (see Attachment II, P. 5 item D), however, the Committee did not submit evidence of such mailing. In addition, letters to the vendors or suppliers will not obtain copies of cancelled checks, unless the Committee was attempting to obtain receipted bills which would preclude the need for a cancelled check.

---

1/ The Committee was given a comprehensive amendment package at the exit conference. In addition, the Committee officials met with a staff member on December 5, 1979, at which time a detailed explanation on the comprehensive amendment package as well as additional FEC forms were provided.

4. Concerning Finding F, the Committee failed to disclose one (1) of the depositories used by a fundraising group (Lawn Party) on behalf of the candidate.

B. Refunds of Excessive Contributions

Pursuant to our recommendations in Finding A, the candidate refunded the entire amount (\$3,753.46) noted in A-1. The Committee refunded the excessive contributions noted in A-2 (see Attachment III). Cancelled checks were provided for all refunds.

Also, attached for your review and comment is a copy of the final audit report (see Attachment IV) to be issued to the Committee and subsequent public release.

If you have any questions concerning the matters in this memorandum or attached report, contact Tom Nurthen on extension 3-4155.

Attachments as stated

81010234234



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

October 3, 1979

Mr. Larry Davidson, Treasurer  
Austin For Senate  
c/o Grant and Silverman  
Certified Public Accountants  
21411 Civic Center Drive  
Southfield, Michigan 48076

Dear Mr. Davidson:

The attached is to formally advise you of the findings and recommendations of the Audit staff resulting from the audit of the Austin For Senate ("the Committee"). These matters were discussed with you at the conclusion of the fieldwork in Detroit, Michigan on April 13, 1979.

You are requested to comply with the stated recommendations within 30 days of receipt of this letter. After expiration of the 30 day period and receipt of your response, the Audit staff will present a final audit report to the Commission for approval and subsequent public release. If the recommendations contained in this letter are followed, such efforts will be noted in the audit report which will be presented to the Commission; however, adherence to these recommendations will not necessarily preclude the institution of enforcement proceedings with regard to apparent violations of the Federal Election Campaign Act of 1971, as amended.

Apparent contributions made by persons in the name of another person and transfers from the Austin Campaign Fund have been referred to the Office of General Counsel.

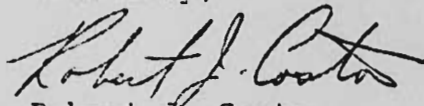
Should you not respond adequately to these recommendations within the time specified above, in accordance with Commission policy, the matter will be referred to the Commission's Office of General Counsel with a recommendation that an order or subpoena be prepared requiring compliance with the staff recommendations.



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If you have any questions regarding these matters, please do not hesitate to contact Mr. Ray Lisi or Mr. Thomas Nürthen at (202) 523-4155 or toll free at (800) 424-9530.

Sincerely,



Robert J. Costa  
Assistant Staff Director  
for the Audit Division

Attachment as stated

CERTIFIED MAIL:  
RETURN RECEIPT REQUESTED

9 1 0 4 0 2 3 6

RECEIVED

APR 23 AM 11:57

McCLINTOCK DONOVAN CARSON & ROACH

GUARDIAN BUILDING

DETROIT 48226

April 21, 1980

AREA CODE 313  
983-3400

007575

Mr. Robert Bogin  
Office of General Counsel  
Federal Election Commission  
Washington, D. C. 20463

Re: Austin for Senate

Dear Mr. Bogin:

This is in response to your request for amendments and documentation required to resolve the audit deficiencies in Austin for Senate other than those included in MUR 1053.

Some of your requests deal with documentation, and others require amendments to prior reports and new reports.

Finding B of the letter dated October 3, 1979 requested documentation concerning five debts. Enclosed is a letter dated April 10, 1980 from Michigan Bell to Mr. Walter Elliott. This letter and its exhibits document payment of the two debts to Michigan Bell, \$2,344.72 and \$269.16. See Exhibit C to the letter with respect to the latter.

As previously communicated to the Commission in Mr. Davidson's letter of December 18, 1979, the payment to Broadcast News Service in the amount of \$621.09 was acknowledged by letter previously delivered to you.

Advance Communication has been contacted again by telephone by Mr. Davidson, and respond that the documentation is somewhere in their archives but they have been unable to locate and provide such documentation.

Finding D in the letter of October 3, 1979 refers to 22 reported expenditures, totaling \$85,535.32, not supported with cancelled checks. As you have been previously advised, the cancelled checks

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Mr. Robert Bogin

-2-

April 21, 1980

could not be located in Mr. Millender's records after his death. The affidavit of Walter C. Elliott proves that letters requesting invoices or verification were mailed to the payees, and copies of responses received have been delivered to your staff. Note that some of the payees are duplicated in the list of 22, and further that two of the 22 items referred to cash payments. Further, one item, Doctors for Austin, was reported in error, duplicating a prior report, and was therefore not included.

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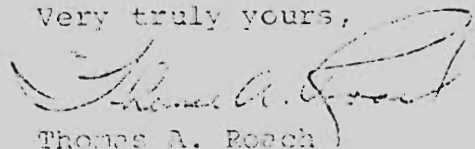
Finding E in the letter of October 3, 1979 requests documentation concerning the account from which the nine expenditures (\$2,327.26) were made. A review of the nine items indicates that all except Sislun-Splane Printing are included in the list of 22 items discussed in the preceding paragraph. The affidavit of Walter C. Elliott proves that letters were mailed to all of the payees, and copies of those responses received have been delivered to your staff. If any of these payments were made from other than Austin for Senate, we have been unable to identify the source of such payment. It appears that some of them were made from petty cash, particularly those identified as cash, and probably the Church's Chicken, an election eve snack for campaign workers.

An amendment to the Statement of Organization in response to Finding F of the letter of October 3, 1979 is enclosed.

Comprehensive amendments for the years 1975 and 1976 with respect to items discussed in Findings C and E are in typing and will be forwarded under separate cover. Some of the reporting required in Findings C and E pertains to periods in 1977 and thereafter for which no reports have yet been filed. Mr. Davidson is now working on reports for 1977, 1978 and 1979. These will be forwarded as soon as completed.

I am sorry that we could not furnish you all of the information under one cover, but the size of the task was greater than the time allowed by the Treasurer for completion prior to today's date.

Very truly yours,



Thomas A. Roach

TAR:pv  
Encls.



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RECEIVED  
*Bogin*  
80 APR 28 AM 9:01

McCLINTOCK DONOVAN CARSON & ROACH  
GUARDIAN BUILDING  
DETROIT 48226

April 24, 1980

AREA CODE 313  
863-3400

Mr. Robert Bogin  
Office of General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Re: Austin for Senate

80 APR 28 AM 9:57  
RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL

Dear Mr. Bogin:

Enclosed are Comprehensive Amendments for the years 1975 and 1976 for subject committee. In accordance with our telephone conference, these amendments should meet the disclosure recommendations of Findings C and E in the letter of October 3, 1979, with respect to such years.

Recommendation 3 of Finding C relates in part to the year 1977, in that four of the "remaining 5" in kind contributions were apparently made in 1977.

Recommendation 6 under Finding C similarly pertains to events in 1977.

The recommendation under Finding E refers to 39 unreported expenditures. Thirty-five of these are reported in the 1976 Comprehensive Amendments and three are reported in the 1975 Comprehensive Amendments. The remaining one will be reported in the 1977 report.

You will recall that the committee filed what it considered to be a termination report for the period January 1, 1977 to January 31, 1977. Amendment is necessary. It is my suggestion that a new report covering entire calendar year 1977 be prepared, which will supercede and cancel the stub year report previously filed. In addition, reports must now be prepared for 1978 and 1979, as the affairs of the committee are still not finally terminated. Would you or Mr. Nerthun call me concerning my suggestion for handling 1977.

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Mr. Robert Bogin

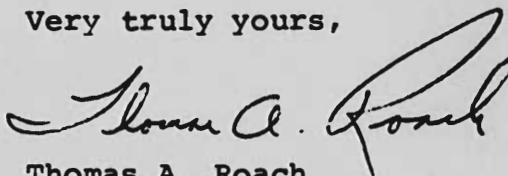
-2-

April 24, 1980

It is my hope that we can complete the resolution of the MUR shortly, so that any necessary additional disclosures can be made in further comprehensive amendments with respect to 1975 and 1976, and can be disclosed correctly in the first instance with respect to the years 1977 and thereafter.

If you or Mr. Nerthun feel that any additional information should be disclosed to satisfy the recommendations in the letter of October 3, 1979, please advise so that we can comply.

Very truly yours,



Thomas A. Roach

TAR:pv  
Encls.

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**McCLINTOCK DONOVAN CARSON & ROACH**

GUARDIAN BUILDING

DETROIT 48226

February 29, 1980

80 MAR 3 ALL: 57

RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL

000000

Federal Election Commission  
1325 K Street, N. W.  
Washington, D. C. 20463

Attention: Mr. Robert Bogin, Attorney  
Office of General Counsel

*Bogin*

Re: MUR 1053

Gentlemen:

The undersigned is the attorney for the Austin for Senate Committee, and this is in response to your letter dated January 10, 1980.

The violations referred to in your letter were stated in general statutory terms. I met with Messrs. Ponder, Bogin and Nurthen of your staff at your offices, at which time they provided me with the specifications of the general charge. Their curtesy and assistance is greatly appreciated.

The issues which concern you in subject MUR fall into three general subject areas:

1. Funds transferred and allegedly transferred from the Austin Campaign Committee.
2. Contributions allegedly made on behalf of another and in excess of limits.
3. An alleged contribution from the State of Michigan.

Each of these issues will be discussed separately below.

1. The Austin Campaign Committee was organized in 1972 as a state campaign committee. See the Affidavits of Walter C. Elliott and Charles Deamud, Exhibit A and Exhibit B. The leadership of the Austin Campaign Committee consisted of Robert Millender, Charles Deamud and H. Franklin Brown, but only Millender played an active decision-making role with respect to the disposition of those funds.

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Feb. 29, 1980

As previously discussed with your staff, the untimely death of Robert Millender, former counsel to the committees, made your audit, the committee response, and my own investigation more difficult. Neither H. Franklin Brown of the Austin Campaign Committee nor Michael Stabler of the Austin for Senate Committee had any personal knowledge of the matters under investigation.

The Austin for Senate Committee has previously disclosed to you, and there is attached hereto as Exhibit C, a list of the contributors to the Austin campaign fund with respect to the last \$70,794. It appears that the Austin for Senate Committee has not filed the required amended report disclosing these contributions. This report will be filed, hopefully with a final report closing the committee account.

9 1 7 1 0 2 1 2 1 0  
An audit of the Austin Campaign Committee performed by Arthur Anderson & Company reflected that 13 checks totaling \$6,300 were made payable to the Austin for Senate Committee in November and December, 1975. The receipt of these contributions was never reported by the Austin for Senate Committee. The facts concerning the non-reporting are set forth in the Affidavit of Lawrence Davidson, Exhibit D. While no one is certain as to Millender's theory in making the contributions in the first instance, it is assumed that he considered these funds to be equitably owned by the several contributors to the Austin campaign funds. Although no one has been able to recover the checks which were formerly in the possession of Millender, Elliott and Deamud recall that authorizations were obtained from the named individuals, and that the named individuals actually endorsed the contribution checks.

9 1 7 1 0 2 1 2 1 0  
In any event, Millender had second thoughts and instructed the Treasurer, Davidson, to hold these contributions in suspense while he inquired of the Federal Election Commission. Millender determined that the contributions were not proper, and the contributions were refunded to the Austin Campaign Committee.

While the Arthur Anderson & Company report referred to an Austin Campaign Fund, the only name known to me is the Austin Campaign Committee. The first bank statement reflects Committee. See Exhibit E.

You questioned an advance of \$24,000 from the Austin Campaign Committee to MG & Casey, Inc., a payment to MG & Casey, Inc. for VIP coffee mugs, and a payment to Century Litho, Inc. for 100,000 leaflets. As explained in the Affidavit of Morris Gleicher, Exhibit F, none of these items were used for the Senate campaign.

Feb. 29, 1980

While there was consideration of using a portion of the \$24,000 working capital loan to reserve billboards, that never occurred. The loan was repaid in full to the Austin Campaign Committee. Since the funds were neither paid to or for the benefit of the Austin for Senate Committee, no report was made by the Austin for Senate Committee.

A VIP coffee mug and some matches using the safety theme are forwarded under separate cover. These were part of the general public relations effort, and were not related in time or in language to federal office.

2. In discussions with members of your staff, three specific instances were questioned where it appeared that contributions may have been made by one person on behalf of another, or contributions may have been made in excess of the \$1,000 limit. We have investigated these three cases.

A. You have questioned a contribution from Stanley J. Stec in the amount of \$800 and a contribution from Christine B. Arnold in the amount of \$1,000. Affidavits from Arnold and Stec are attached hereto as Exhibits G and H. You will note that while both checks were signed by Stec, the check representing the Arnold contribution so noted on its face. More importantly, the funds from which that check was paid were the property of Arnold, and therefore this is not an instance where Stec made a contribution on behalf of Arnold. *agreement*

B. You questioned contributions by Thomas Reilly of \$500 and Charles Reilly of \$700. The Affidavits of Thomas and Charles Reilly are attached hereto as Exhibits I and J. In this instance it is clear that this fee branch office operated as a partnership, and that the respective campaign contributions of each brother came from their own share of the profits of the branch.

C. You questioned the contributions of Lucille Marshall and Randy Leist. We have been unable to contact either Ms. Marshall or Mr. Leist. The Affidavit of Walter C. Elliott, Exhibit A, sets forth his understanding of the operations of the fee branch office in Pontiac. Further, however, it should be noted that no funds were actually contributed either by Mr. Leist or Ms. Marshall. When the checks were deposited they were returned having been dishonored for insufficient funds. Accordingly, while it is believed that in the

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Feb. 29, 1980

first instance the funds represented the individual funds of the separate contributors, in fact no funds were contributed and, assuming prompt deposit, the "questionable" contribution was "returned" within the five days permitted by the regulations.

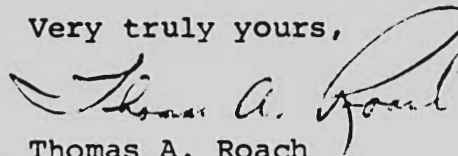
3. You questioned whether a contribution had been made by the State of Michigan. This question was based upon the check of one Charles Indorf, former fee branch manager of the Taylor branch. The Affidavit of Mary E. Mangrum is attached hereto as Exhibit K. Also enclosed as Exhibits L and M are The Branch Operations section and Section 4 of the Title and Registration Procedure Manual of the Michigan Department of State. You will note the strict control over state bank accounts by the State Treasurer and Internal Audit Division. Enclosed as Exhibit N is the contract between the Secretary of State and Mr. Indorf concerning the fee branch office, which established Mr. Indorf as an independent contractor. The funds contributed by Mr. Indorf represented his own personal funds. There was no contribution by the State of Michigan to the Austin for Senate Committee.

In summary, it appears that there is little substance to the alleged violations, except that the Austin for Senate Committee did make technical errors with respect to reports and amended reports. The contributions on behalf of 13 individuals were refunded before the audit. The reporting violations can be corrected by filing appropriate reports.

Depending upon your guidance, the requisite information could be included in a final report, or amended reports could be filed with respect to each period in question.

It appears to the Austin for Senate Committee that it should enter into conciliation with the Federal Election Commission with respect to the matter. Would you please advise the undersigned if you have any questions concerning the material submitted herewith, and as to the course of our future discussions with regard to conciliation.

Very truly yours,



Thomas A. Roach

TAR:pv  
Encls.

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RECEIVED  
Bogin  
80 MAY 21 AM 11:40

**McCLINTOCK DONOVAN CARSON & ROACH**  
GUARDIAN BUILDING  
DETROIT 48226

May 19, 1980

AREA CODE 313  
863-3400

Mr. Robert Bogin  
Office of General Counsel  
Federal Election Commission  
Washington, D.C. 20463

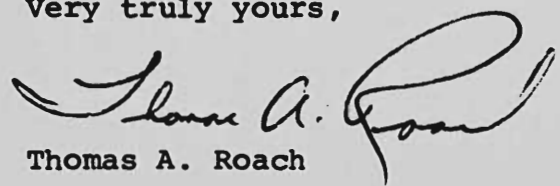
Re: Austin for Senate

Dear Mr. Bogin:

Confirming our telephone conversation of this date we do not object to your including certain matters arising from the audit to those presently under discussion in the MUR so that a single conciliation agreement may be negotiated.

I would hope that you would include in the draft of the conciliation agreement any further required amendments referred to in my previous correspondence to you.

Very truly yours,

  
Thomas A. Roach

TAR:pv

31049234245



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas A. Roach  
McClintock, Donovan, Carson & Roach  
Guardian Building  
Detroit, Michigan 48226

RE: MUR 1053 (79)

Dear Mr. Roach:

On \_\_\_\_\_, 1980, the Commission found reason to believe that The Austin for Senate Committee violated 2 U.S.C. § 441b (a), § 441a(f) and § 432(h)(1) [formerly 2 U.S.C. § 437b(a)(1)]. A report on the Commission's finding is attached for your information. You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter.

In response to your letters of February 29, 1980, and May 19, 1980, expressing a desire to settle this matter informally, please find enclosed a conciliation agreement this Office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreement, please have it signed and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make the check for the civil penalty payable to the United States Treasurer.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Robert Bogin, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Charles N. Steele  
General Counsel

Enclosures

81010234246



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

*MWE*

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/MARGARET CHANEY *me*

DATE: JULY 9, 1980

SUBJECT: MUR 1053 - Interim Investigative Report #3,  
dated 7-3-80; Received in OCS 7-8-80,  
10:01

The above-named document was circulated to the Commission on a 24 hour no-objection basis at 4:00, July 8, 1980.

There were no objections to the Interim Investigative Report at the time of the deadline.

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July 8, 1980

MEMORANDUM TO: Marjorie W. Emons  
FROM: Jane Colgrove  
SUBJECT: MUR 1053

Please have the attached Interim Investigative Report on MUR 1053 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

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RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

80 JUL 8 AM: 01


In the Matter of )  
)  
) MUR 1053  
)  
Austin for Senate Committee )

INTERIM INVESTIGATIVE REPORT #3

On January 8, 1980, The Commission found reason to believe that the Austin for Senate Committee (Committee) may have violated various provisions of the Act. This Office has received a written communication from respondent's counsel stating a wish to enter into informal conciliation. In addition, various items referred to this Office from the Audit Division are under review. These items are now part of this matter under review. In an attempt to resolve all these issues at one time, counsel for respondent would not be opposed to including these referral items to a single conciliation agreement. This Office is in the process of drafting a proposed conciliation agreement for the Commission's approval, which if approved would resolve all the issues in this matter.

91040234249

3 July 1980  
date

  
\_\_\_\_\_  
Charles N. Steele  
General Counsel



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE *mwe*  
FROM: MARJORIE W. EMMONS/MARGARET CHANEY *m*  
DATE: APRIL 2, 1980  
SUBJECT: MUR 1053 - Interim Investigative Report #2  
dated 3-31-80; Received in  
OCS 3-31-80, 4:12

The above-named document was circulated to the Commission on a 24 hour no-objection basis at 11:00, April 1, 1980.

There were no objections to the Interim Investigative Report at the time of the deadline.

81010231250



March 31, 1980

MEMORANDUM TO: Marjorie W. Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 1053

Please have the attached Interim Invest Report distributed to the Commission. Thank you.

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OFFICE OF THE  
COMMISSION SECRETARY

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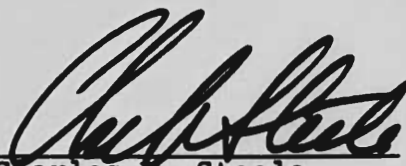
In the Matter of )  
                          )  
Austin for Senate )

MUR 1053

INTERIM INVESTIGATIVE REPORT # 2

On January 8, 1980, the Commission found reason to believe that The Austin for Senate Committee (Committee) may have violated various provisions of the Act. This Office has received an extensive written response to the reason to believe finding. In its response, the Committee writes that it wishes to enter into informal conciliation. After further analysis of the Committee's response, this Office will draft a proposed conciliation agreement for the Commission's approval.

31 March 1980  
Date

  
Charles N. Steele  
General Counsel

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As previously discussed with your staff, the untimely death of Robert Millender, former counsel to the committees, made your audit, the committee response, and my own investigation more difficult. Neither H. Franklin Brown of the Austin Campaign Committee nor Michael Stabler of the Austin for Senate Committee had any personal knowledge of the matters under investigation.

The Austin for Senate Committee has previously disclosed to you, and there is attached hereto as Exhibit C, a list of the contributors to the Austin campaign fund with respect to the last \$70,794. It appears that the Austin for Senate Committee has not filed the required amended report disclosing these contributions. This report will be filed, hopefully with a final report closing the committee account.

An audit of the Austin Campaign Committee performed by Arthur Anderson & Company reflected that 13 checks totaling \$6,300 were made payable to the Austin for Senate Committee in November and December, 1975. The receipt of these contributions was never reported by the Austin for Senate Committee. The facts concerning the non-reporting are set forth in the Affidavit of Lawrence Davidson, Exhibit D. While no one is certain as to Millender's theory in making the contributions in the first instance, it is assumed that he considered these funds to be equitably owned by the several contributors to the Austin campaign funds. Although no one has been able to recover the checks which were formerly in the possession of Millender, Elliott and Deamud recall that authorizations were obtained from the named individuals, and that the named individuals actually endorsed the contribution checks.

In any event, Millender had second thoughts and instructed the Treasurer, Davidson, to hold these contributions in suspense while he inquired of the Federal Election Commission. Millender determined that the contributions were not proper, and the contributions were refunded to the Austin Campaign Committee.

While the Arthur Anderson & Company report referred to an Austin Campaign Fund, the only name known to me is the Austin Campaign Committee. The first bank statement reflects Committee. See Exhibit E.

You questioned an advance of \$24,000 from the Austin Campaign Committee to MG & Casey, Inc., a payment to MG & Casey, Inc. for VIP coffee mugs, and a payment to Century Litho, Inc. for 100,000 leaflets. As explained in the Affidavit of Morris Gleicher, Exhibit F, none of these items were used for the Senate campaign.

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Feb. 29, 1980

While there was consideration of using a portion of the \$24,000 working capital loan to reserve billboards, that never occurred. The loan was repaid in full to the Austin Campaign Committee. Since the funds were neither paid to or for the benefit of the Austin for Senate Committee, no report was made by the Austin for Senate Committee.

A VIP coffee mug and some matches using the safety theme are forwarded under separate cover. These were part of the general public relations effort, and were not related in time or in language to federal office.

2. In discussions with members of your staff, three specific instances were questioned where it appeared that contributions may have been made by one person on behalf of another, or contributions may have been made in excess of the \$1,000 limit. We have investigated these three cases.

A. You have questioned a contribution from Stanley J. Stec in the amount of \$800 and a contribution from Christine B. Arnold in the amount of \$1,000. Affidavits from Arnold and Stec are attached hereto as Exhibits G and H. You will note that while both checks were signed by Stec, the check representing the Arnold contribution so noted on its face. More importantly, the funds from which that check was paid were the property of Arnold, and therefore this is not an instance where Stec made a contribution on behalf of Arnold.

B. You questioned contributions by Thomas Reilly of \$500 and Charles Reilly of \$700. The Affidavits of Thomas and Charles Reilly are attached hereto as Exhibits I and J. In this instance it is clear that this fee branch office operated as a partnership, and that the respective campaign contributions of each brother came from their own share of the profits of the branch.

C. You questioned the contributions of Lucille Marshall and Randy Leist. We have been unable to contact either Ms. Marshall or Mr. Leist. The Affidavit of Walter C. Elliott, Exhibit A, sets forth his understanding of the operations of the fee branch office in Pontiac. Further, however, it should be noted that no funds were actually contributed either by Mr. Leist or Ms. Marshall. When the checks were deposited they were returned having been dishonored for insufficient funds. Accordingly, while it is believed that in the

Feb. 29, 1980

first instance the funds represented the individual funds of the separate contributors, in fact no funds were contributed and, assuming prompt deposit, the "questionable" contribution was "returned" within the five days permitted by the regulations.

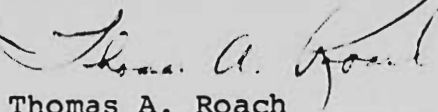
3. You questioned whether a contribution had been made by the State of Michigan. This question was based upon the check of one Charles Indorf, former fee branch manager of the Taylor branch. The Affidavit of Mary E. Mangrum is attached hereto as Exhibit K. Also enclosed as Exhibits L and M are The Branch Operations section and Section 4 of the Title and Registration Procedure Manual of the Michigan Department of State. You will note the strict control over state bank accounts by the State Treasurer and Internal Audit Division. Enclosed as Exhibit N is the contract between the Secretary of State and Mr. Indorf concerning the fee branch office, which established Mr. Indorf as an independent contractor. The funds contributed by Mr. Indorf represented his own personal funds. There was no contribution by the State of Michigan to the Austin for Senate Committee.

In summary, it appears that there is little substance to the alleged violations, except that the Austin for Senate Committee did make technical errors with respect to reports and amended reports. The contributions on behalf of 13 individuals were refunded before the audit. The reporting violations can be corrected by filing appropriate reports.

Depending upon your guidance, the requisite information could be included in a final report, or amended reports could be filed with respect to each period in question.

It appears to the Austin for Senate Committee that it should enter into conciliation with the Federal Election Commission with respect to the matter. Would you please advise the undersigned if you have any questions concerning the material submitted herewith, and as to the course of our future discussions with regard to conciliation.

Very truly yours,



Thomas A. Roach

TAR:pv  
Encls.

91710134256



AFFIDAVIT OF WALTER C. ELLIOTT

STATE OF MICHIGAN )  
                          ) ss  
COUNTY OF WAYNE   )

WALTER C. ELLIOTT, being first duly sworn, deposes and says that:

1. He is Chief Assistant Secretary of State, and served in that position under Secretary of State James M. Hare until January 1, 1971 and under Secretary of State Richard H. Austin since January 1, 1971.

2. He participated actively in the 1970 campaign of Austin for the office of Secretary of State, and in all subsequent Austin campaigns.

3. The 1970 election for Secretary of State was hotly contested, and the Austin campaign raised and expended approximately \$100,000, while his Republican opponent raised and expended approximately \$150,000.

4. In 1972 an Austin Campaign Committee was organized to raise funds for subsequent state elections.

5. The leadership of the Austin Campaign Committee consisted of Robert Millender, Charles Deamud and H. Franklin Brown, with the latter two playing nominal rolls.

EXHIBIT A

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decision-maker of that committee.

13. Michael Stabler was co-chairman of the Austin for Senate Committee. His participation was concerned with general policy matters, and he did not participate in the technical or financing side of the campaign.

14. From the conversations with Millender, he is informed and believes that Millender felt in the first instance that it was proper to issue checks from the Austin Campaign Committee to the Austin for Senate Committee representing what he considered to be the equitable interest of various former fee branch managers who had made contributions for the benefit of Austin. He is informed and believes that some kind of written authorization was obtained from individuals, but he has not been able to find such authorization after a diligent search. He is further informed and believes that following a discussion between Millender and the Federal Election Commission that Millender determined that these were not a proper mode of contribution, and that accordingly a refund was made from the Austin for Senate Committee to the Austin Campaign Committee in the total amount of \$6,300.

15. MG & Casey was the advertising-media advisor-public relations firm who handled all of Austin's campaigns.

16. In early 1975 some VIP coffee mugs using the Austin Secretary of State "Safety Man" theme were ordered in connection with various Secretary of State activities. These mugs were

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ordered before the Senate race and had nothing to do with the Senate race.

17. There was a dispute with the vendor, and payment for the mugs was ultimately made on November 17, 1975 in the amount of \$572.82.

18. He has no recollection of the purpose or nature of the 100,000 leaflets purchased from Century Litho, Inc., and paid for by check dated November 17, 1975.

19. Pursuant to the request of counsel, on February 11, 1980 he attempted to locate Lucille Marshall, a former fee branch manager of the Secretary of State office in Pontiac, Michigan.

20. He wrote to Mrs. Marshall at her last known address, and a copy of his letter of February 11, 1980 is attached hereto as Exhibit A.

21. No response has been had from Mrs. Marshall.

22. He does not know the telephone number or present whereabouts of Mrs. Marshall.

23. It was his understanding in 1976 that the fee branch office in Pontiac was a joint venture consisting of Lucille Marshall and Randy Leist, although the formal appointment was in the name of Lucille Marshall.

24. He is informed and believes that the \$1,000 check signed by Lucille Marshall was a contribution of Randy Leist from

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his share of branch office profits, and that, as was the custom of many fee branch offices, all checks were signed by the officially designated fee branch manager.

25. He is informed and believes that no contribution was actually made by Randy Leist or Lucille Marshall for the reason that the checks were dishonored by the drawee bank, and that this occurred within five days after the checks were received.

Walter C. Elliott  
Walter C. Elliott

Subscribed and sworn to before  
me this 28 day of February, 1980

Patricia Ann Vance  
Notary Public, Wayne County, Michigan  
My Commission Expires:

PATRICIA ANN VANCE  
Notary Public, Wayne County, Michigan  
My Commission Expires June 14, 1982

31040231251



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/MARGARET CHANEY *mc*

DATE: FEBRUARY 27, 1980

SUBJECT: MUR 1053 - Interim Investigative  
Report dated 2-25-80; Received  
2-25-80, 4:09

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 11:00, February 26, 1980.

There were no objections to the Interim Investigative Report at the time of the deadline.

81010234252



February 25, 1989

MEMORANDUM TO: Marjorie W. Emmons  
FROM: Jane Colgrove  
SUBJECT: MUR 1053

Please have the attached Interim Investigative Report on MUR 1053 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

91740371263

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

In the Matter of )  
 )  
Austin for Senate Committee )

80 FEB 25 P 4: 09  
MUR 1053

INTERIM INVESTIGATIVE REPORT #1

On January 8, 1980, the Commission found reason to believe that the Austin for Senate Committee (Committee) may have violated various provisions of the Act. On February 4, 1980, counsel for the Committee met with staff members of this Office to discuss this matter. Counsel represented that he will submit an extensive written response to the reason to believe finding by March 1, 1980. We will await this response before pursuing further action.

25 February 1980  
Date

  
\_\_\_\_\_  
Charles W. Steele  
General Counsel

81010234254

February 11, 1960

Mrs. Lucille Marshall  
56 Matthews Street  
Pontiac, Michigan 48058

Dear Mrs. Marshall:

Please contact me at my Detroit office between the hours of 9:00 and 4:30 p.m., telephone 345-8635, regarding a matter in 1976 that I believe you can be of some assistance.

Sincerely,

WALTER C. ELLIOTT  
Chief Assistant Secretary of State

WCE:emh

ELLIOTT AFFIDAVIT  
EXHIBIT A

91040231265

AFFIDAVIT OF CHARLES  
DEAMUD

STATE OF MICHIGAN )  
                          ) ss  
COUNTY OF WAYNE )

CHARLES DEAMUD, being first duly sworn, deposes and says that:

1. He was a member of the Austin Campaign Committee from 1972 through 1976, when such Committee ceased to function.
2. The other members of such Committee were Robert Millender and H. Franklin Brown.
3. He was a contributor to the Austin Campaign Committee in 1972 and 1973.
4. It was his understanding at the time the Committee was organized and at the time he made his contributions that the funds raised by the Committee would be used in subsequent campaigns of Secretary of State Richard Austin for re-election to the post of Secretary of State.
5. Adequate funds having been raised from other sources in connection with the 1974 campaign for Secretary of State, no requests were made to expend funds from the Austin Campaign Committee in connection with the 1974 election.
6. During the life of the Austin Campaign Committee he was requested to and did sign some checks on the account of the Austin Campaign Committee, but he does not remember any specific checks signed by him or the purpose thereof.

EXHIBIT B

8104034355

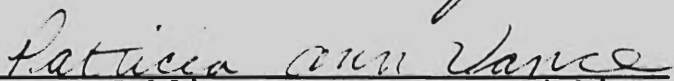
7. Written authorizations were obtained from certain contributors to Austin committees for funds to be paid to the Austin for Senate Committee. He believes that the authorization forms were prepared by Robert Millender, and he believed at the time that this was a proper method of contributing funds to the Austin for Senate Committee.

8. He is informed and believes that when the Austin for Senate Committee learned that this was not a proper way for those individuals to make contributions to the Austin for Senate Committee that the funds previously paid were refunded.

9. After an opinion was obtained from the Federal Election Committee that it was proper so to do, the remaining balance of the Austin Campaign Committee was paid to the Austin for Senate Committee in 1976.

  
Charles Deamud

Subscribed and sworn to before me  
this 29 day of February, 1980

  
Notary Public, Wayne County, Michigan  
My Commission Expires:

PATRICIA ANN VANCE  
Notary Public, Wayne County, Michigan  
My Commission Expires June 14, 1982

31040231267

AUSTIN CAMPAIGN COMMITTEE  
LAST CONTRIBUTIONS

1972 CONTRIBUTIONS

May 4, 1972	Charles Reilly	\$1,200.00	
May 5, 1972	Mary Ann Garlak	2,400.00	
May 5, 1972	Steve Johnson	972.00	
May 5, 1972	Arthur J. Conlan	2,081.00	
May 5, 1972	Valere Huvaere	2,000.00	
May 6, 1972	Joseph Lambert	3,380.00	
May 12, 1972	Arthur J. Conlan	2,000.00	
May 15, 1972	Henry R. Skrocki	1,200.00	
May 18, 1972	Charles Reilly	1,200.00	
May 19, 1972	Valere Huvaere	2,800.00	
		<u>\$19,233.00</u>	\$19,233.00

1973 CONTRIBUTIONS

March 5, 1973	John Barber	630.00	
April 5, 1973	Sylvia S. Lambert	3,200.00	
April 5, 1973	Steve Johnson	1,482.00	
April 5, 1973	Stanley J. Stec	2,268.00	
April 5, 1973	Mary B. Stallings	4,169.00	
April 5, 1973	Mary Ann Garlak	2,200.00	
April 5, 1973	Charles J. Deamud	2,800.00	
April 5, 1973	Valere Huvaere	493.00	
April 6, 1973	Huber Lee Holley	3,429.00	
April 7, 1973	Adeline Drews	4,290.00	
April 9, 1973	Arthur J. Conlan	2,000.00	
April 11, 1973	Randall J. Conway	300.00	
April 19, 1973	Valere Huvaere	1,500.00	
April 19, 1973	Charles Reilly	1,200.00	
April 20, 1973	Harry Koss	4,800.00	
April 20, 1973	Mary Ann Garlak	2,100.00	
April 20, 1973	Stanley J. Stec	2,000.00	
April 20, 1973	Steve Johnson	1,000.00	
May 3, 1973	Valere Huvaere	1,500.00	
May 4, 1973	Charles Reilly	1,200.00	
May 5, 1973	Arthur J. Conlan	2,800.00	
May 7, 1973	Henry R. Skrocki	3,800.00	
June 1, 1973	Charles Reilly	1,200.00	
June 15, 1973	Charles Reilly	1,200.00	
		<u>\$51,561.00</u>	\$51,561.00
			\$70,794.00

EXHIBIT C

91710253





6. Millender later advised him that Millender had conferred with Washington, and that the \$6,300 of contributions were not properly made.

7. Sometime before June 1, 1976, and possibly months before that date, these contributions were refunded by a check payable to the Austin Campaign Committee, which check was presented to the Austin for Senate Committee bank on June 1, 1976.

8. He did not at any time prior to the F.E.C. audit know that the 13 contributions had been made in the form of checks drawn on the account of the Austin Campaign Committee.

9. Since the receipt of the funds had not been reported, the return of the funds were not reported.

*Lawrence Davidson*

Lawrence Davidson

Subscribed and sworn to before

me this 29 day of February, 1980

*Patricia Ann Vance*  
Notary Public, Wayne County, Michigan  
My Commission Expires:

PATRICIA ANN VANCE  
Notary Public, Wayne County, Michigan  
My Commission Expires June 14, 1982

81040274270



AFFIDAVIT OF MORRIS GLEICHER

STATE OF MICHIGAN )  
                          ) ss  
COUNTY OF WAYNE )

MORRIS GLEICHER, being first duly sworn, deposes and says that:

1. He is the president of MG & Casey, Inc., a Michigan corporation engaged in the business of advertising and public relations.

2. MG & Casey, Inc. served as the advertising, public relations and media firm for Richard H. Austin in his campaigns for Mayor of Detroit in 1969, Secretary of State in 1970, Secretary of State in 1974, United States Senate in 1976 and Secretary of State in 1978.

3. In addition, MG & Casey, Inc. served as public relations advisor between campaigns for Friends of Austin or similar organizations in support of Richard H. Austin as Secretary of State.

4. In November, 1975 MG & Casey, Inc. borrowed the sum of \$24,000 from the Austin Campaign Committee for working capital. It was contemplated that MG & Casey, Inc. would have working capital expenses in connection with the start-up of its services in the Senate campaign, and the matter of reserving billboards for that campaign was considered.

81040214272  
EXHIBIT F

5. As the events occurred, however, no expenditures were necessary from this sum, no billboards were reserved, and the loan was repaid in full by check from MG & Casey, Inc. to the Austin Campaign Committee on April 26, 1976.

6. Early in the year 1975 some VIP coffee mugs were ordered in connection with the Secretary of State public relations work. The cost for these mugs was billed to MG & Casey, Inc., and in turn billed by them. Because of a dispute with the vendor, this invoice was not paid to MG & Casey, Inc. until November 17, 1975, when payment was made by the Austin Campaign Committee.

7. These mugs had nothing to do with the Senate Campaign, and were ordered prior to the time that Austin even considered entering the Senate race.

8. To the best of his recollection and belief, the same is true with respect to the 100,000 leaflets purchased from Century Litho, Inc. and paid for by the Austin Campaign Committee on November 17, 1975. While he does not recall the specific subject matter of the leaflet, he is certain that no campaign materials were laid out or prepared for the Senate campaign as early as November, 1975.

*Morris Gleicher*  
\_\_\_\_\_  
Morris Gleicher

Subscribed and sworn to before me

this 28 day of February, 1980

*Patricia Ann Vance*  
\_\_\_\_\_  
Notary Public, Wayne County, Michigan  
My Commission Expires:

PATRICIA ANN VANCE  
Notary Public, Wayne County, Michigan  
My Commission Expires June 14, 1982

81747331273





7. The contribution of Christine B. Arnold represented by the check dated May 28, 1976, a copy of which is attached hereto as Exhibit B, was signed by him, but was drawn upon funds which were the property of Christine B. Arnold and in which he had no interest.

8. As a matter of routine, he signed all checks drawn on the branch account which were prepared by Christine B. Arnold.

Stanley J. Stec  
Stanley J. Stec

Subscribed and sworn to before me  
this 26 day of February, 1980

Madge C. Stockdale  
Notary Public, Wayne County, Michigan  
My Commission Expires: 5-3-81

MADGE C. STOCKDALE  
Notary Public, Wayne Co., Mich  
My Comm. Expires May 3, 1981

8104031275

STANLEY J. STEC  
517 W. NINE MILE ROAD  
FERRDALE, MICHIGAN 48220

1797

5-14 1976  $\frac{9-9}{720}$

PAY TO THE ORDER OF Constitution for Senate Comm. \$ 800.<sup>00</sup>  
Eight hundred and <sup>00</sup>/<sub>100</sub> DOLLARS

NINE MILE-WOODWARD OFFICE - 46  
THE DETROIT BANK & TRUST COMPANY  
DETROIT, MICHIGAN

*Stanley J. Stec*

EXHIBIT A

⑆0720⑉0009⑆ 0461⑉01837⑉6⑆ ⑆0000080000⑆

0100234275

STANLEY J. STEC  
517 W. NINE MILE ROAD  
FERRDALE, MICHIGAN 48220

1798

5-25 1976  $\frac{9-9}{720}$

PAY TO THE ORDER OF Constitution for Senate Comm. \$ 1000.<sup>00</sup>  
One thousand and <sup>00</sup>/<sub>100</sub> DOLLARS

NINE MILE-WOODWARD OFFICE - 46  
THE DETROIT BANK & TRUST COMPANY  
DETROIT, MICHIGAN

*Stanley J. Stec*

Donation from Constitution B. Comm.

EXHIBIT B

⑆0720⑉0009⑆ 0461⑉01837⑉6⑆ ⑆0000100000⑆

AFFIDAVIT OF CHRISTINE B.  
ARNOLD

---

STATE OF MICHIGAN )  
                          ) ss  
COUNTY OF WAYNE )

CHRISTINE B. ARNOLD, being first duly sworn, deposes  
and says that:

1. Prior to 1971 <sup>MY</sup> ~~her~~ husband, <sup>HOWARD</sup> ~~Harold~~ Arnold, was a  
fee branch manager of the Michigan Secretary of State office on  
Nine Mile Road in Ferndale, Michigan.

2. When <sup>MY</sup> ~~her~~ husband became a civil service employee,  
a close friend and associate, Stanley J. Stec, was appointed branch  
manager of the branch.

3. Stanley J. <sup>I</sup> ~~Stec~~ and <sup>I</sup> ~~she~~ had an agreement that <sup>I</sup> ~~she~~  
would operate the branch. Under the agreement he took no part in  
the operations of the branch other than signing checks, and <sup>I</sup> ~~she~~  
took full responsibility for operation and management of the office.

4. Under said agreement Stanley J. Stec was paid \$50  
per month from the profits of the branch office and in addition was  
permitted to make reasonable political contributions from such funds,  
and <sup>I</sup> ~~she~~ was entitled to be paid all of the remaining net profit of  
the branch as <sup>MY</sup> ~~her~~ compensation for managing and operating the same.

8101031077

EXHIBIT H

5. On May 14, 1976, Stanley J. Stec made a contribution in the amount of \$800 to the Austin for Senate Committee by a check drawn on the operating account of the branch, a copy of which is attached hereto as Exhibit A.

6. On May 28, 1976 <sup>I</sup> ~~she~~ made a contribution in the amount of \$1,000 to the Austin for Senate Committee in the form of a check signed by Stanley J. Stec, but endorsed "donation from Christine B. Arnold", a copy of which is attached hereto as Exhibit B.

7. The \$800 check was from the funds of Stanley J. Stec under the agreement.

8. The \$1,000 check was from <sup>MY</sup> ~~her~~ funds under the terms of the agreement.

Christine B. Arnold  
Christine B. Arnold

Subscribed and sworn to before me  
this 26 day of February 1980

Madge C. Stockdale  
Notary Public, Wayne County, Michigan  
My Commission Expires: 5-3-81

MADGE C. STOCKDALE  
Notary Public, Wayne Co., Mich.  
My Comm. Expires May 3, 1981

3170231273

STANLEY J. STEC  
517 W. NINE MILE ROAD  
FERNDALE, MICHIGAN 48220

1797

5-14 1976 <sup>P.P.</sup> 720

PAY TO THE ORDER OF

*Constitution for American Comm*

\$ 800.<sup>00</sup>

*Eight Hundred and 00/100*

DOLLARS

NINE MILE-WOODWARD OFFICE - 46  
THE DETROIT BANK & TRUST COMPANY  
DETROIT, MICHIGAN

*Stanley J. Stec*

EXHIBIT A

⑆0720⑉0009⑆ 0461⑉01837⑉6⑆ ⑆0000080000⑆

STANLEY J. STEC  
517 W. NINE MILE ROAD  
FERNDALE, MICHIGAN 48220

1798

5-25 1976 <sup>P.P.</sup> 720

PAY TO THE ORDER OF

*Constitution for American Comm*

\$ 1000.<sup>00</sup>

*One Thousand and 00/100*

DOLLARS

NINE MILE-WOODWARD OFFICE - 46  
THE DETROIT BANK & TRUST COMPANY  
DETROIT, MICHIGAN

*Stanley J. Stec*

*Donation from Constitution for American Comm*

EXHIBIT B

⑆0720⑉0009⑆ 0461⑉01837⑉6⑆ ⑆0000100000⑆





AFFIDAVIT OF CHARLES REILLY

STATE OF MICHIGAN )  
                          ) ss  
COUNTY OF KENT     )

CHARLES REILLY, being first duly sworn, deposes and says that:

1. In 1976 he and his brother Thomas Reilly were equal partners in the operation of a fee branch manager's office of the Michigan Secretary of State.

2. He was the nominal appointee, but he and his brother shared the profits equally.


3. In June, 1976 he made a \$700 contribution to the Austin for Senate Committee, which contribution was charged to his share of the profits of the branch office.

4. In June, 1976, his brother Thomas Reilly made a \$500 contribution to the Austin for Senate Committee, which contribution was charged to his brother's share of the profits of the branch office.

5. Both he and his brother had authority to sign checks on the account, and if in this instance he signed both checks, it was only a matter of administrative convenience.

  
Charles Reilly

Subscribed and sworn to before  
me this 26<sup>th</sup> day of Feb, 1980

  
Notary Public, Kent County, Michigan  
My Commission Expires:

KAREN L. ZIMMER  
Notary Public, Kent County, Mi.  
My Commission Expires Dec. 20, 1981

EXHIBIT J

1  
2  
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4  
5  
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10

AFFIDAVIT OF MARY MANGURM

STATE OF MICHIGAN )  
                          ) ss  
COUNTY OF WAYNE )

MARY MANGURM, being first duly sworn, deposes and says that:

1. From April 16, 1971 until April 16, 1976 she was employed by Charles E. Indorf, a Secretary of State fee branch manager, at 20349 Ecorse Road, Taylor, Michigan.

2. In 1976 she was office manager.

3. The fee branch was operated as a proprietorship of Mr. Indorf, on the same premise as a printing business owned by him.

4. Mr. Indorf is retired and she believes he presently resides in Arizona.

5. In her capacity as office manager she made bank deposits from time to time. All checks for license plates, transfers, etc., and all cash received was deposited in an account of the Treasurer of the State of Michigan. No one at the fee branch office could write checks or withdraw funds from the State account.

6. Revenues consisting of fees paid by the State and miscellaneous fees for notarization and typing were deposited in Mr. Indorf's branch manager account, and were his personal funds.

Exhibit K

91010334292

7. All operating expenses of the branch office such as salaries, utilities and other expenses of business were paid from Mr. Indorf's branch manager account.

Mary Mangum  
Mary Mangum

Subscribed and sworn to before me  
this 26 day of February, 1980

Madge C. Stockdale  
Notary Public, Wayne County, Michigan  
My Commission Expires: 5-3-81

MADGE C. STOCKDALE  
Notary Public, Wayne Co., M  
My Comm. Expires: May 3, 1981

81040234283

## BRANCH OFFICE OPERATIONS

### GENERAL:

**Manuals:** Use the branch managers manual constantly as your guide. Never guess or assume that a procedure is correct.

**Suggestions:** Suggestions and new ideas are always welcome. Many improvements have originated through employees' suggestions. If you have any suggestions or ideas to offer, forward them in writing.

**Caution:** Never adopt a new method or procedure in the operation of your branch unless it is first approved in writing.

**Appointments:** Each branch manager will have framed and displayed in his branch, his official appointment as branch manager as well as all notary public commissions for self and employees.

### OFFICE ARRANGEMENT:

**Counter:** A counter or work area shall be provided and be of such construction and design as to separate the public from persons who handle branch work. It shall have windows or openings with upright partitions to make the separation, and for added adequate security, be provided with a cash drawer for security of monies.

**Customer Lobby Area:** A suitable space equipped with a table, desk, or wall counter shall be provided so that the public can make out applications. Dark blue or black pens are to be made available.

**License Plate Storage:** All license plates must be stored in a place secure from the public. The boxes of plates should be arranged numerically for easier handling.

**NOTE:** No plates may be destroyed until released by an auditor or until permission is given in writing by Branch Operations to dispose of them. Otherwise Branch can be held responsible for nominal fees.

**Identification of Office:** An official sign and the official department decal shall be displayed on or from the window or door of the branch office, or on any other outside portion of the building where it can be readily seen by the public.

### APPEARANCE OF BRANCH:

Managers will maintain the office in a clean, neat and orderly manner.

Only posters or cards furnished or authorized by the department will be displayed in the branch.

### OPERATING CASH:

~~The branch manager shall be responsible for the change fund of his branch.  
Money taken in collecting branch transactions shall not be inserted into the change fund except the change fund.~~

### COUNTER WORK:

To make uniform the procedure for handling transactions at the counter, follow these steps in the order listed:

1. Understand the transaction before you start.
2. Determine if proper papers are being submitted.
3. Check the following:
  - (a) Signatures
  - (b) Notary requirements
  - (c) Vehicle description
  - (d) Lien information
  - (e) Fees
  - (f) Tax status
  - (g) All documents must be legible.
4. When papers are in order, you may proceed to process the transaction as prescribed in this manual. NEVER ARE YOU TO ACCEPT INCOMPLETE TRANSACTIONS AT ANY TIME.
5. License plates must be issued in strict numerical sequence.
6. County of Residence must be stated correctly on license plate application.
7. Staple all papers as instructed.
8. Do not hold transactions in the branch longer than one day.

### REFUNDS:

A Branch cannot under any circumstances make a refund. All requests for refund must be referred to Lansing.

Dealers should refer to their dealers manual for procedures for refund on deals they find necessary to cancel.

OFFICE OPERATIONS

TABLE OF CONTENTS

BLACK LIGHT LAMPS .....	2
COUNTER WORK .....	2
EQUIPMENT .....	5
GENERAL .....	1
GENERAL SECURITY .....	1
HOLDUPS OR BREAKING & ENTERINGS .....	1
INFORMATION AND SERVICE CENTER .....	4
LICENSE PLATES AND GROSS VEHICLE WEIGHT STICKERS .....	4
LICENSE PLATE STORAGE .....	1
OFFICE APPEARANCE .....	1
PUBLIC SERVICES .....	5
REFUNDS .....	2
SERVICE CHARGE FOR RECORD INFORMATION .....	4
SUPPLY ORDER LIST .....	6 - 7
WATERCRAFT, SNOWMOBILE, ORV & MOPED SUPPLIES .....	5

81040231295

C

## OFFICE PROCEDURES

### INTRODUCTION

Use this manual constantly as a guide. Never guess or assume a procedure is correct. Field offices may not adopt new methods or procedures without written approval of the Regional Manager and the Bureau of Field Services.

New ideas are always welcome and encouraged. If you have any suggestions or ideas to offer, please submit them in writing to the Michigan Department of State, New Programs Division, 7064 Crowner Drive, Lansing, MI 48918.

LICENSE PLATE STORAGE: All assigned license plates must be stored in a place secure from the public, and arranged numerically by classification. Plates may be destroyed when released by an auditor or when the procedures outlined on page 30, Section IV are followed. Surrendered or confiscated plates may be destroyed immediately. A list of the plate numbers is to be made and must be available for the auditor upon request.

OFFICE APPEARANCE: Manager will maintain the office and equipment in a clean and orderly manner. Only posters or cards furnished or authorized by the Department may be displayed in the field office.

OFFICE DECLARATION COUNTERS USED BY THE PUBLIC: Dark blue or black pens are to be made available on declaration counters for use by applicants.

GENERAL SECURITY: Managers shall take every precaution to maintain security of all funds, documents, equipment, and license plates.

1. Deposits must be made as often as necessary to keep cash at a minimum.
2. All funds on hand at the end of the day's business, except the change fund, must be deposited in the night deposit.
3. Escorts to the bank during rush periods by local law enforcement agencies should be used.
4. Reports and deposits MUST be forwarded to Lansing daily. If a report will not be mailed during the next business day or on the next pony run, the Regional Manager must be notified.

HOLDUPS OR BREAKING AND ENTERINGS: Report any holdups or breaking and entering immediately to:

1. The Police.
2. The Regional Manager.





COMMERCIAL LOOK-UP UNIT

Title, registration, ORV, watercraft, snowmobile, and moped record information is available to the public, businesses, and other governmental agencies through the Michigan Department of State, Operations Division, Information Services Section, Commercial Look-up Unit, Lansing, MI 48918.

An individual's record may be discussed with the individual only in the field office when it pertains to the transaction. Under no circumstances will a field office employee allow computer print-outs or information from a print-out to be taken from the office. (FAC information may be released according to established procedures.)

Law enforcement agencies requesting information should be referred to the Driver and Vehicle Information Unit (517) 322-1460. The Commercial Look-up Unit will not accept request for record information by telephone.

The individual, the agency, or the business must be specific in their information request. (Names, numbers, dates, etc.)

The fee (for public and businesses) is \$5.00 for a copy of each transaction. An additional \$1.00 is charged for certifying the document. If more than one transaction is involved in the information request, a \$5.00 fee will be charged for each transaction involved (title history, etc.). Persons should be advised of these charges.

Do not tell people to enclose money with their commercial look-up requests. Enclosing money delays the processing of the request and may create problems when the wrong amount is enclosed. A bill will be mailed with the record. The following information is available:

- Driver Records - the last six years,
- Title Records - the last six years,
- License Plate Registration - the current registration year plus the last 3 years,
- Moped Records - since 1977,
- ORV Records - since 1976,
- Watercraft Records - the last seven years (titles since 1977),
- Snowmobile Records - the last seven years.

Requests made by mail, telegram, or in person (at the Department of State Office Building, 7064 Crouner Dr., Lansing) will be mailed the following business day. Record information will not be released over the counter in Lansing.

INFORMATION AND SERVICE CENTER - 322-1455

In 1973, the Information & Service Center was created to assist field offices in obtaining information and resolving problems pertaining to Department procedures. The center is operated by Field Office Evaluation & Special Services Division and is staffed from 8:00 a.m. to 5:30 p.m. There are several phone lines available for incoming calls. If the lines are busy, they should be available within a short period of time. The phone number for the Information & Service Center is (517) 322-1455.

LICENSE PLATES AND GROSS VEHICLE WEIGHT STICKERS

**TRANSFERS:** License plates and gross vehicle weight stickers shall not be transferred between field offices without first obtaining approval from your Regional Manager.

Use only the prescribed form (B-34) when transferring plates. Check the form for accuracy, and see that the distribution is properly made. A separate form (B-46) is used to transfer stickers.

**ORDERS:** When ordering license plates, permits, and gross vehicle weight stickers, complete form B-14 or B-46 and forward directly to the Field Office Supplies Section.

SELLING EXPIRED TABS/PLATES

Surplus expired license plates or tabs may be sold to collectors or other persons. Plates or tabs cannot be sold until the field office has been audited.

The fees are:

Each plate (all classifications)	\$1.00 (with tab)
Set of Passenger or Commercial Plates	\$2.00 (with tab)
1978 Tab only	\$1.00

A separate deposit is made after selling expired plates. Do not enter the fees collected on the NCR machine or the daily report. Write "EXPIRED PLATE SALES" on the deposit slip. Send the deposit slips (one certified and one not certified) to the Michigan Department of State, Cashier Unit, Lansing, MI 48918.

Refer license plate collectors to one of the following Secretary of State offices for expired bicentennial license plate sales.

Flint Central #627  
110 W. Second St.  
Flint, MI 48502

Lansing Downtown #105  
316 N. Capitol  
Lansing, MI 48933

Grand Rapids Northeast #725  
3510 Plainfield, N.E.  
Grand Rapids, MI 49505

Livonia 6 Mile #775  
27427 6 Mile Rd.  
Livonia, MI 48152

WATERCRAFT, SNOWMOBILE, ORV AND MOPED SUPPLIES

Prenumbered Watercraft, Snowmobile, ORV, and Moped Registration Stickers and Validation Decals are ordered on form B-14 and forwarded in a separate envelope to the Field Office Supplies Section, New Programs Division.

PERMIT ORDERS

48-Hour Transporting Permits, 10-Day Reciprocity Permits, 10-Day Dealer Registration Permits are ordered on form B-14 through the Field Office Supplies Section, New Programs Division.

PUBLIC SERVICES

**NOTARY PUBLIC SERVICE:** Notary Public service shall be furnished by each field office. No notary fee shall be charged. The field office manager's notary commission will be displayed. Notary Public Commissions for field office employees will be kept on file in the office.

EQUIPMENT

**BRANCH REGISTRATION STAMPS:** Report lost or stolen register stamps to your Regional Manager immediately.

Registration stamps must be kept clean and care should be taken to see they make a good clear impression. Use STAMP PAD INK only. DO NOT use Bates Numbering machine ink. Stamps should be inked after the close of business and locked in open position.

**NUMBERING MACHINES:** Proper use of numbering machines is of the utmost importance.

- 1) Use Bates numbering machine ink only.
- 2) Keep well inked, but not over inked.
- 3) Change ink pads regularly.
- 4) Keep all screws tightened.
- 5) Do not stamp machines harder than necessary to make a good impression.
- 6) When machines are in need of cleaning or repair, send them to Field Office Supplies Section, New Programs Division in Lansing. Submit a memo showing make and serial number and reason for returning the machine. Keep a copy of the memo for your record.

**POSTAGE:** Postage stamps are furnished by the Department and are for state business use only.

Use form B-9 to order postage and send it to the Michigan Department of State, Finance Division, Budget Section, Lansing, MI 48918.

Weigh all mail to obtain correct amount of postage.





SECTION IV  
ACCOUNTING & REPORTING PROCEDURES  
(A-F)

3  
1  
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7  
1  
0  
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2

ADDED LICENSE PLATE FEES .....	7
ADDITIONAL FEE COLLECTIONS ON LICENSE PLATES .....	6
BANK ACCOUNTS .....	1
BANK DEPOSITS .....	4B
CASH OVERAGES OR SHORTAGES .....	7
CASH SECURITY .....	2
CASHIER ACCOUNTABILITY .....	4A
CASHING CHECKS PROHIBITED .....	3
CHANGE FUND .....	1
CHECKS ACCEPTANCE .....	4
DAILY REPORTS .....	7
DAILY REPORT PREPARATION AFTER NCR BREAKDOWN .....	29
DAILY REPORT PREPARATION WHEN NCR IS USED .....	14
Heading .....	14
Column One/1980-81 Tab Year .....	14
Column One/Plate Year - Tab Year .....	19
Column One/Plate Year Only .....	23
Column Two .....	24
NCR Tape .....	28
Recapitulation .....	27
Remarks Section .....	25
Sorting Documents .....	26
DEALERS CHECKS .....	3
DEPOSITS AND DEPOSIT SLIPS .....	4B
DUPLICATED LICENSE PLATES, TABS, PERMITS OR DECALS .....	5
ENDORSEMENT STAMP ON CHECKS .....	3
FOREIGN CASH/CHECKS .....	3



ACCOUNTING & REPORTING PROCEDURES  
(L-S)

8  
1  
0  
1  
0  
3  
7  
1  
2  
9  
3

INVENTORY OF EXPIRED PLATES AND TABS .....	30
LICENSE PLATES ISSUED IN ERROR .....	6
LICENSE PLATES ISSUED IN ERROR CORRECTIONS .....	6
MEMOS FROM BRANCH RECONCILIATION .....	31
MISSING LICENSE PLATES, TABS, PERMITS OR DECALS .....	5
OFFICE SECURITY .....	2
NIGHT DEPOSITORY .....	2
NCR OPERATING PROCEDURES .....	8
NCR REPORT BALANCING .....	10
BAR Identification Key .....	8
Beginning the Day .....	9
Changing the List Tape .....	9
Machine Breakdown .....	9
Machine Totaled in Error .....	9
Validating Procedures .....	Appendix A
Voiding Procedures .....	10
NCR SERVICE CENTERS .....	36
NCR TAPE .....	28
PERSONAL CHECKS .....	4
REMARKS SECTION ON THE DAILY REPORT .....	25
REPLACEMENT PLATE FEES .....	7
RETURNS (TR-163 and MEMOS) .....	31 - 35
RETURNED CHECKS .....	5
SECURITY OF EQUIPMENT .....	2
SORTING DOCUMENTS USED IN THE DAILY REPORT .....	26
STAPLING PROCEDURES .....	11 - 12A
STORING DRIVER LICENSE DOCUMENTS .....	8

ACCOUNTING & REPORTING PROCEDURES  
(T-V)

TITLE RETURNS (TR-163) .....	31 - 35
TRAVELER'S CHECKS .....	3
VOID OR CANCELLED PERMITS AND STICKERS .....	6

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SECTION IV  
Accounting and Reporting Procedures

EMPLOYEES ARE REQUESTED TO FOLLOW THE INSTRUCTIONS IN THIS SECTION CONCERNING ACCOUNTING PROCEDURES AND THE PREPARATION OF THE DAILY REPORT IN STEP ORDER AS PRESENTED. IF THESE PROCEDURES ARE FOLLOWED, ERRORS SHOULD BE REDUCED TO A MINIMUM AND THE WORK WILL COME INTO THE CENTRAL ACCOUNTING OFFICE UNIFORMLY PREPARED.

FIELD OFFICE CHANGE FUND

Each field office shall maintain a change fund. The amount allowed is recorded in Lansing and shall not be increased or decreased without authorization from the Internal Audit Division. Whenever this authorization is received, explain the increase or decrease in the Remarks section of your daily report.

Funds received for transactions shall not be intermingled with any money other than the authorized change fund. The field office change fund cannot be used to cash checks, including payroll checks. Change may be given for a traveler's check as indicated in these procedures.

After the close of business every day, all funds except the change fund shall be deposited into the State of Michigan account.

FIELD OFFICE BANK ACCOUNTS

The bank account set up for Department of State field office deposits is in the name of the State Treasurer. All state funds are deposited in accounts that are in the name of the State Treasurer. Managers should know the following general information about banks.

1. Prior approval must be received from the Department of Treasury before any bank account can be opened or changed.
2. The Internal Audit Division is your contact for bank problems. Call (517) 373-2666.
3. The manager should never accept any correspondence concerning the bank account such as returned checks, statements, etc. If any banking document is received notify the Internal Audit Division immediately and forward whatever is received to the Department of Treasury.

When a bank account is opened for a field office:

1. Approval is requested from the State Department of Treasury to use the account.
2. Treasury orders the initial supply of deposit slips. They review them to make sure they are correct.
3. The initial supply is delivered to the field office manager.

4. Each supply of deposit slips has a reorder blank attached to one of the books. When it is time to reorder, the manager gives this slip to his bank. Make sure that the return address on the reorder slips is the same as your field office. You may reorder as often as you think is necessary. Allow three weeks for delivery.
5. The Department has been using color-coded deposit slips. The Department of Treasury, who pays for field office deposit slips, will no longer pay the added expense for these deposit slips. Field offices using color-coded deposit slips will continue using them until your supply is exhausted. Reorder all white deposit slips in the future.
6. If you do not receive a sufficient supply of deposit slips:
  1. Reorder immediately,
  2. Change the reorder amount.

#### Night Depository Signatures

A night depository is opened at the same time as the bank account. According to banking law, because the account is in the name of the State Treasurer, only he can designate authorized signatures for deposit bag withdrawal. For this reason, if you have a problem concerning designated signatures contact the Internal Audit Division immediately. The manager is responsible for the following information regarding night depository use:

1. Make sure that only the proper signatures are on the depositor's signature card for withdrawal of the night deposit bag.
2. The signatures should only be those of the employees you are authorizing to handle State funds.
3. When an employee leaves your office or is no longer designated to handle funds, you must see that his name is deleted as an authorized person to withdraw the night deposit bag.
4. It is the manager's responsibility to control this part of his account services.

#### FIELD OFFICE CASH/INVENTORY SECURITY

Managers shall take every precaution to maintain security of all funds, documents, equipment, and license plates. Validation stamps, plates, tabs, decals, etc. must be secured from the public.

Deposits must be made as often as necessary to keep cash at a minimum.

Escorts to the bank during rush periods by local law enforcement agencies should be used whenever possible.

All funds on hand at the end of the day's business, except the change fund, must be deposited in the night deposit.

ANY LOSS OF STATE FUNDS RESULTING FROM THE FAILURE TO FOLLOW THESE PROCEDURES WILL BE THE RESPONSIBILITY OF THE MANAGER AND MAY BE THE BASIS FOR DISCIPLINARY ACTION.

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FOREIGN CASH - CHECKS

Canadian and other foreign currency or checks are not acceptable in Department of State field offices. Only United States currency, traveler's checks, money orders, business or personal checks payable in United States dollars are acceptable.

Cashing of checks by field office managers is forbidden. THE STATE LAW PROVIDES THAT STATE FUNDS SHALL NOT BE USED FOR ANY PURPOSE OTHER THAN THAT SPECIFIED, AND DOES NOT PROVIDE FOR THE CASHING OF CHECKS.

The only exceptions are a traveler's check and a dealer's check.

Dealer's Check

If the dealer's checks do not agree with the amount of fees due, a refund may be made if a signed receipt is obtained from the person who represents the dealer. In addition, a notation must be made on the back of the check that a refund of a certain amount was made. This establishes a responsibility for all cash going into or coming out of the office funds. If a manager does not have this signed receipt, he may be held responsible for any differences that arise.

Traveler's Checks

1. The traveler's check must be made payable in United States dollars.
2. The individual will:
  - a) Make the traveler's check payable to the State of Michigan.
  - b) Sign and date the traveler check.
3. The field office employee will: a) Verify the signature. When in doubt require identification. b) Immediately stamp the traveler's check using the bank endorsement stamp.
4. Change may be given for the amount to be returned. (Example: The license plate fee is \$44.50. \$5.50 change may be given for a \$50.00 traveler's check.)
5. List the registration number issued on the back of the traveler's check.
6. List the traveler's check on the check listing sheet (form 96).

Endorsement on ALL CHECKS

Every check accepted shall be endorsed immediately. Endorsement stamps shall read as follows:

FOR DEPOSIT ONLY  
TREASURER STATE OF MICHIGAN  
SECRETARY OF STATE  
(Office Name & Number)

Contact the Field Office Supplies Section when a new stamp is needed.

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CHECK ACCEPTANCE PROCEDURES

Civil Service field offices are authorized to accept checks for payment of title and registration fees.

1. Personal checks may be accepted from anyone with a valid Michigan driver license. The state issued personal identification card cannot be used as check cashing identification for a title and registration transaction.
2. A check may cover more than one transaction. All license plate or registration numbers issued must be listed on the back of the check. If more than one plate is issued and the plates issued are in sequence, only the beginning and ending numbers must be shown.
3. No payroll or third party checks may be accepted.
4. No postdated checks may be accepted, nor may a check be more than 30 days old.
5. Checks shall be made payable to the State of Michigan.
6. Checks drawn on a foreign bank, must be made payable in U.S. dollars.
7. The checkwriter's current address or business address must be shown on all checks.
8. If the checkwriter's Michigan driver license number is not listed on the registration, it must be shown on the back of the check. This also applies to a business check used for payment of a personal transaction.
9. If the transaction involves a watercraft, snowmobile, ORV or moped, record the type of registration and the registration number and the checkwriter's Michigan driver license number on the back of the check.
10. A field office manager may refuse to accept a personal check if he has knowledge that the individual's checks have been returned by the bank and will not clear.
11. Immediately endorse all checks accepted with the State of Michigan endorsement stamp. List the check on the Daily Check Listing (form 96).

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ACCEPTANCE OF A SINGLE CHECK FOR ALL FIELD FEES DUE

Upon customer request, a field office manager may accept a single check for the total amount of fees due in both title and registration and driver license sections of the field office.

If the applicant completes the title and registration transaction first, the license plates, tab, or documents should be retained by the manager or acting manager until the driver license transaction is completed. If the driver license transaction is completed first, the TIP or TOP will be retained until the title and registration transaction is completed.

The check will be placed in the title and registration cash drawer. The manager will transfer cash for the driver license transaction from the title and registration cash drawer to the driver license cash drawer.

A note will be made on the back of the check: "\$ \_\_\_\_\_ for driver license (application number)." In addition, if the driver license fee is for a family member other than the checkwriter, show the applicant's driver license number. Also list the license plate or registration number on the back of the check.

CASHIER ACCOUNTABILITY

All Civil Service field offices must maintain, unless otherwise authorized the following cashier accountability procedures. All offices may have more than one cash drawer or cash box. In smaller offices, it may be necessary for each cashier to maintain a cash drawer or cash box in both the title and registration and driver examining sections.

1. Each cashier for the business day, will start with an established change fund.
2. The NCR tape must be marked to show the beginning and ending points of the cashier.
3. When the cashier is relieved, the funds and work must be separated and reconciled as soon as possible. Funds and work must be kept under the constant supervision of the cashier until they are turned over to the manager.
4. When the funds and work are reconciled, they will be turned over to the manager or his designated assistant who will complete the Cashier Accountability Work Sheet.
5. Cashiers must be able to accurately determine the total business processed during their shift as cashier.
6. An explanation of the overage or shortage must be made in the remarks section of the daily report. Example: \$2.00 shortage - collected improper fee on line 88.

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## FIELD OFFICE BANK DEPOSITS

All fees collected MUST BE DEPOSITED DAILY to the account of the State of Michigan.

The uniform deposit slip furnished by the banks must be used for all deposits to the State of Michigan account.

1. Enter the date of the deposit in the space provided.
2. Enter the amount of currency, the amount of silver and the total amount of checks deposited.
3. Enter the grand total in the space provided.
4. If the field office is using color-coded deposit slips (white - yellow - pink - yellow):
  - a) The top three copies (white - yellow - pink) are sent to the bank with the deposit.
  - b) The white deposit slip is retained by the bank.
  - c) The certified pink and the uncertified yellow deposit slips are mailed with the fee report to Lansing.
  - d) The second yellow deposit slip, which must be certified, is attached to the field office copy of your daily report.
5. If the field office is using all white deposit slips, complete an original slip and three carbon copies.
  - a) Send the original and two of the carbons to the bank with the deposit. The last deposit slip is not sent to the bank.
  - b) The bank will retain the original deposit slip and certify the two carbon copies.
  - c) Send one of the certified carbon copies and the deposit slip that wasn't certified with your fee report.
  - d) The other certified deposit slip is attached to the field office copy of your daily report.
6. Check to see that the amount certified is the same as the total shown on the deposit slip. The Internal Audit Division reports that this is the biggest error made with deposits.

### Field Offices Depositing Funds at National Bank of Detroit (NBD)

The National Bank of Detroit uses a certifying system for deposits called CHRIS. This system is based upon a counter ticket which certifies the total amount of deposit with punched control information. The importance of this to us is that the bank has indicated that they will issue as many of these transaction receipts as needed, but will not stamp or certify any other document,

Field offices making their deposits at National Bank of Detroit will:

1. Make out their regular four-part deposit ticket.
2. Obtain at least two copies of the CHRIS transaction receipt.
3. Keep one deposit slip in the field office with one transaction receipt.
4. Send in two copies of the deposit slip with one transaction receipt and the daily report.

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PAYMENTS TO COVER RETURNED CHECKS

Payments to cover returned checks will be accepted by field offices. Payment must be made by certified check, money order, or cash.

Payment may also be made directly to the Michigan Department of State, Finance Division, Accounting Section, Lansing, MI 48918.

When an applicant presents a letter of notification from Lansing on a returned check, issue a numbered receipt for the amount collected and retain the letter.

If the applicant does not have the letter, call the Finance Division, Accounting Section, Lansing, phone number (517) 373-2574 to verify the exact amount due.

Funds collected for returned checks shall be listed on a separate deposit slip showing the individual's name and deposited in the bank immediately.

The deposit slips and any letters must be forwarded with the next mailing in a separate envelope addressed to the Finance Division, Accounting Section, Returned Checks Unit, Lansing, MI 48918. DO NOT INCLUDE THEM WITH YOUR DAILY REPORT.

MISSING OR DUPLICATED PLATES, TABS, PERMITS OR DECALS

Every box of license plates and every packet of year tabs, permits or decals must be checked when opened to see if any of the items are missing or duplicated. Whenever an item is duplicated, immediately remove BOTH items from your stock and void them.

For missing and duplicated items, a notation must be made in the Remarks section of the daily report on the day the discovery is made. Field offices are not required to notify the Finance Division.

Examples: "Set of plates XYZ330 duplicated. Plates destroyed 10-24-79."  
"1981 year tab 1163110 missing"

Duplicated items, other than plates, must be mailed with your daily report. Plates are logged and destroyed in the field office.

If the sequence number for the missing or duplicated item comes up at a later date, make a note in the Remarks section of your daily report on the date the item would have been used. In the notation, include the date the item was previously reported as missing.

Example: "Plate XYZ330 voided, see report on 10-24-79"

AN ITEM CANNOT BE REPORTED AS MISSING LATER THAN THE DATE IT WOULD HAVE BEEN USED.

If a item is located after it was reported as missing, void the item and send it with the report (plates are logged and destroyed).

In the Remarks section of your daily report note the item number, the date it was reported as missing and that it was found and voided.

Example: "1981 year tab 1163110 reported missing 10-24-79, located, voided and attached."

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LICENSE PLATES ISSUED IN ERROR - WRONG CLASS

If you issue a license plate in error and cannot make a correction the same day, submit the incorrect registration with your daily report. The fee collected is deposited with the other money collected that day. Make a notation on the registration and in the Remarks Section of the daily report that a correction will follow.

HOW TO CORRECT LICENSE PLATES ISSUED IN ERROR - WRONG CLASS

The plates issued in error and the registration must be surrendered to the field office. The plates are logged and destroyed. The plates CANNOT be renewed.

Prepare a new registration. Collect added fees, if any. If no additional fee is due, write "No Fee" in the fee box. On the registration write "correction" and the reason for the correction. Also note the plate number surrendered and the previous fee paid. Attach the incorrect registration to the back of the new registration. Issue the appropriate plate and tabs.

In the Remarks Section of the daily report, list the new plate number and a brief description of the correction made.

VOIDED OR CANCELLED PERMITS/DECALS/TABS

Whenever a permit, registration decal or year tab is voided or cancelled, it must be submitted with your daily report. In the Remarks Section of your daily report, explain the voided item.

NO FEE PLATES, PERMITS, DECALS, AND TABS

Whenever any inventoried item is issued at no fee, an explanation must be made on the registration and in the Remarks Section of the daily report.

OUT-OF-SEQUENCE YEAR TABS

Year tabs should be used in sequence. Occasionally at the end of the business day, an office will have some year tabs out of sequence. Rather than saving the tabs for the next business day, they should be voided and sent with your daily report. In the Remarks Section of the daily report write "(tab #) voided - out of sequence." If you have a series of more than 10 year tabs out of sequence, you may use them the next business day. Be sure to explain the out-of-sequence tabs on the daily report when they should have been used and on the daily report when they are used.

COLLECTING ADDITIONAL FEES ON LICENSE PLATES

When an applicant was undercharged for a license plate, the Operations Division will send the applicant a letter requesting the additional fee. A copy of the letter will be sent to the field office that handled the original transaction. No field office action is required at this time.

If the additional fee is not submitted within 30 days, the Operations Division will send a second letter to the applicant and a copy to the field office requesting that the applicant be contacted. If the field office does not receive a second letter you may assume the additional fee was collected. When a second letter is received field office personnel will:

1. Make at least one contact, or a reasonable number of attempts to contact the applicant.



COLLECTING ADDITIONAL FEES ON LICENSE PLATES (Cont.)

2. If the applicant cannot be contacted and/or the fee is not collected within a second 30 days, forward the letter to the Michigan Department of State, Operations Division, Branch Reconciliation Unit, Lansing, MI 48918. Note the reason for the return of the second letter and any other comments on the case.
3. If the additional fee is collected, follow the reporting procedures stated under "Added License Plate Fees."

The Operations Division will not mail a letter to the applicant requesting an additional fee, if it involves a "complicated" transaction. In this case, a memo will be sent to the field office manager requesting that the applicant be contacted. The procedures listed above should be followed.

ADDED LICENSE PLATE FEES

When an added license plate fee is collected in response to a letter from Lansing, add the amount collected to the daily deposit. In the Remarks Section of the daily report state the plate number, amount of added fee, applicant's name and the date of the letter from Lansing. Attach the letter, if available, to Part 1 of the corrected registration.

REPLACEMENT PLATE FEES

When a replacement license plate is issued, the application is counted and the fee is included with your other fees for that classification. Attach the original registration to Part 1 of the replacement application.

Replacement plates are \$2.00 except trailers and motorcycles, which are \$1.00. Replacement plate fees are not reduced to half fee.

CASH BALANCE, OVERAGES, AND SHORTAGES

Indicate in the Remarks Section of your daily report whether the work and money balanced, or the amount of overage or shortage. Explain the reason for any shortages. Managers shall maintain an office record of which employee is responsible for a shortage on the daily report.

When the overage or shortage exceeds \$25.00, notify your Regional Manager by the next working day.

DAILY REPORTS

A separate report must be made for each day's work. DAILY REPORTS MUST NOT BE MAILED LATER THAN THE DAY AFTER THE WORK IS PROCESSED. If there is any reason for the report not being mailed the next working day, the Regional Manager must be notified. Include with the daily report two copies of the deposit slips of which one must be certified, the check listing form, Part 1 of the registrations, title transactions, permits, watercraft, snowmobile, ORV, Moped, and junking certificates issued for abandoned junk vehicles.

At the top of the Recapitulation Section of the daily report, the total number of title transactions must be recorded. The title count is to include all title applications (transfers, duplicates, lien placements, etc., except watercraft titles which are recorded on their designated line).

Use branch register stamp in the upper left corner of the envelope. Forward immediately by First Class Mail or Pony to the Finance Division, Michigan Department of State, Lansing 48918.

The field office copy of the daily report, a copy of the daily check listing sheet and a certified copy of the daily deposit must be retained at least one year after a field office audit.

### Storing Branch Documents In Field Offices

Field offices will maintain records for the length of time stated below.

1. Daily report book - One year after all reports in the book are audited by a field auditor and released.
2. Surrendered license plates - When plates are surrendered to a field office, the number is to be recorded on the listing sheet. After recording, destroy the plate(s) by cutting into two pieces.
3. Confiscated plates at Civil Service Office only - The above procedure will be used, except a BFS-19 surrendered license report will be processed with the police report attached.
4. NCR tapes - kept for six months, then may be destroyed.
5. Receipt books (form A-54) - kept until audited, or for one year whichever period is longer.

### NCR MACHINE OPERATING PROCEDURES

#### General Information

The key must be used to clear, sub-total and total the machine, but must be removed at all other times.

#### Bar Identification

- B - Machine Gross Total
- \* - Total Bar
- S - Sub-total
- + - Add Bar
- C - Correction
- - Subtract - inoperable
- # - Miscellaneous - do not use

Branch register stamp must be used on the following:

- . Use Tax form
- . Weight slips
- . All documents forwarded to Operations Division that are not machine validated.
- . In cases of machine breakdown - all documents

All vehicle title transactions must be left in validated sequence.

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START EACH DAY AS FOLLOWS:

1. Check the validation date to verify that it is correct.
2. Check the list tape supply, change if necessary.
3. Clear the machine.
  - a. Insert the key and turn it.
  - b. Depress the "B" bar, which will stay down, and also depress the total bar which will clear the machine. If an amount other than zero is printed, repeat.
  - c. Turn the key and remove it. The "B" bar should be locked in the up position.

MISCELLANEOUS NCR MACHINE PROCEDURES

NOTE: Always complete a transaction before performing a subtotal operation.

1. Subtotal the NCR machine by inserting the key and turning it, depress the "B" bar and subtotal.
2. Remove the used roll, insert the new roll.
3. REPEAT Step #1, remove the key, and continue to validate.

Machine is totaled in error during the day

1. Do not re-enter any amounts already validated.
2. Space the listing tape, and make a notation that the machine was totaled in error.
3. Continue processing transactions.
4. At the end of the day, add the two machines' totals manually to obtain the grand total.

Machine breakdown

1. Contact your local NCR serviceman. (See page 32, Section IV)
2. Note the time of breakdown and the time it is repaired in the remarks section of the report.
3. Process transactions by using the branch stamp until the machine is repaired.
4. After the machine is repaired, machine validate transactions received during the breakdown.
5. If the machine is not repaired by the end of the day, run a separate adding machine tape for each plate classification. A separate adding machine tape for each sales and use tax and include with your Daily Report. Follow the general instructions on page 29.
6. Branch stamp all unvalidated documents.
7. Call your Regional Manager if service is not received within a reasonable time.

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## BALANCING ON THE NCR MACHINE

### Balancing during the day

1. Subtotal the NCR machine by inserting the key and turning it, depress "B" bar and subtotal bar. Turn the key and remove it.
2. Pull the cash and replace the change fund in the cash drawer.
3. Subtract the voids and balance the machine subtotal to the cash.
4. Do not remove the list tape at this time, but continue validating.

IT IS ADVISED THAT YOU BALANCE THE CASH AT LEAST ONCE DURING THE DAY IN ADDITION TO THE FINAL BALANCE AT THE END OF THE DAY.

### Balancing at the end of the day

1. Insert the key, turn it and depress the total bar to clear the dial total, then depress "B" bar and total bar to get the gross total.
2. Remove the list tape.
3. Subtract all voids on the tape from the total and balance the cash.
4. List voids (file number and amount) at the bottom of the list tape and total.
5. Write your branch number and report date on the end of the tape, fan fold the NCR tape in approximate ten inch lengths and include the original with your report.
6. Change validation date.

## VOIDING PROCEDURES

### When an error in amount is detected:

1. Depress the total bar.
2. Circle the transaction on the NCR tape.
3. Draw a line through all validations on the documents.
4. Re-run the transaction correctly.
5. List next to the voided transaction number the transaction number where the document was re-entered.

### Errors not detected until later in the day but BEFORE the machine is totaled:

1. Circle the transaction on tape. . .
2. Draw a line through all validations on the documents.
3. Re-run the transaction correctly.
4. Cross reference each incorrect item that was voided by writing the new validation number on the list tape opposite each entry.

If you do not enter a code or the wrong code is entered, you may correct it on the NCR tape. It is not necessary to void the transaction.

### Machine not totaled between transactions:

1. DO NOT VOID. Draw a line under the first transaction and write the total in the margin of the list tape. Correct the total of the second transaction.
2. Correct the validation total on the documents.

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## STAPLING PROCEDURES

Generally, use as few staples as possible when attaching documents.

### TITLED VEHICLES

Using the TR-11, TR-11B, TR-11X or RD-108, staple the outstanding title length-wise on the back-left of the title application. The staple is attached in the lower-left corner of the application. The outstanding title should be face up so that when the title application is turned over, you will be able to read the title assignment.

When a vehicle is being transferred, and there was no outstanding title for transfer, staple the accepted proof of ownership in such a manner that when the title application is turned over it will show the proper transfer of ownership. Example: Accepting a Manufacturer's Certificate of Origin, or a foreign registration.

Place documents submitted with the transaction (except registration transfers) face-down between the accepted proof of ownership document and the title application.

### MOBILE HOMES

Separate the S-110 or S-111 forms. Staple the outstanding title length-wise on the back-left of the title application. The outstanding title should be face up so that when the title application is turned over, you will be able to read the title assignment. Other documents submitted should be placed between the S-110 and the title.

### VEHICLE REGISTRATION TRANSFERS AND PLATE EXCHANGES

#### Using the TR-19

1. When there is no change in classification, place Part 1 of the NEW PLATE APPLICATION with the original registration and staple to the TR-19 in the space provided.
2. When there is a change in classification,
  - a) Place the "old" original registration on the TR-19 form, and
  - b) Attach Part 1 of the EXTRA registration to the original registration on the TR-19, and
  - c) Place Part 1 of the NEW PLATE APPLICATION with the new plate registrations.

#### Using the RD-108

1. When there is no change in classification, place the white carbon registration (Part 3, RD-108) with the original registration and staple to the RD-108 above the signatures.
2. When there is a change in classification,
  - a) Place the "old" original registration on the RD-108 above the signatures, and
  - b) Attach Part 1 of the EXTRA registration to the original registration on the RD-108, and
  - c) Place the white carbon registration (Part 3 of the RD-108) with the new plate registrations.

STAPLING PROCEDURES (Cont.)

Using the Revised TR-11 Form

1. When transferring plates and there is no change in classification:
  - a) Print the original plate number on both sides of the TR-11. Be sure this number is also on the brown copy.
  - b) Place Part 1 of the NEW PLATE APPLICATION (brown copy) on top of the original registration and staple to the lower-left corner of the TR-11.
2. When transferring plates and there is a change in plate classification:
  - a) Affix the left half of the license plate number sticker on the top copy of the TR-11. Affix the right half of the license plate number sticker to Part 2 of the brown copy (customer's copy). Print the NEW PLATE NUMBER on Part 1 of the carbon brown copy (plate pack copy).
  - b) Place the "old" original registration on the TR-11 in the lower-left corner.
  - c) Attach Part 1 of the EXTRA registration (Part 1 of a TR-2) on top of the "old" original registration on the TR-11.
  - d) Place Part 1 of the NEW PLATE APPLICATION (brown copy) in the plate pack.
3. Using the TR-11 or TR-11B for a quick title. When the applicant completes a TR-11 or TR-11B for a quick title:
  - a) Also complete a TR-11X. The signature is not required.
  - b) Validate the TR-11X on the NCR machine.
  - c) Distribution of the TR-11X:
    1. RED - Staple the TR-11 or TR-11B face-down to the back of the red TR-11X. Submit this to Lansing in the quick title envelope.
    2. BROWN - Destroy this copy of the TR-11X. The applicant will receive the brown copy of the TR-11.
    3. GREEN - Submit this to Lansing with the daily report. Attach transfer registrations to this copy.

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When using the form TR-11B and:

1. there is no change in classification, place part 1 of the NEW PLATE APPLICATION with the original registration and staple to the TR-11B in the space provided.
2. there is a change in classification,
  - a) Place the "old" original registration on the TR-11B in the space provided, and
  - b) Attach part 1 of the EXTRA registration to the original registration on the TR-11B, and
  - c) Place part 1 of the NEW PLATE APPLICATION with the plate registrations.

NOTE: If a terminal print-out is substituted for the original registration, fold the print-out in such a manner that it will not be larger than the original registration.

WATERCRAFT TITLE APPLICATIONS

When there is an outstanding watercraft title, staple the title length-wise on the back of the title application (WR-11). The outstanding title should be face-up so that when the title application is turned over you will be able to read the title reassignment. Place documents submitted with the transaction (except the registration application) between the outstanding title and the title application. The registration application (WR-5) is to be stapled to the upper-left corner of the front of the title application.

When a watercraft is being transferred, where no outstanding title was needed to transfer, place the accepted proof of ownership on the back of the title application. Place only the registration application (WR-5) in the upper-left corner of the front of the title application. Place other documents submitted with the transaction between the proof of ownership and title application.

WATERCRAFT REGISTRATION ONLY

When an application is made for a watercraft registration only, staple the registration application (WR-5) to the upper-left corner of the front of the UT-7B tax form. All other documents submitted with the transaction, including the terminal print-outs, are to be placed between the registration application (WR-5) and the UT-7B tax form.

30 DAY IN-TRANSIT PERMITS

When an application is made for a 30 Day In-Transit Permit, using form MV-42, staple the MV-42 with the power of attorney, if needed, to the back of the TR-11B or RD-108 face-down.

SNOWMOBILE, ORV, MOPED

Staple part 1 of the registration face-up to the upper-left corner of the front of the UT-7B tax form. Other documents submitted with the transaction should be placed between the registration and the tax form.

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APPLICATIONS NEEDED TO TRANSFER AND CHANGE  
PLATE CLASSIFICATION AT THE SAME TIME

PART 1 OF TRANSFER - ATTACH TO ORIGINAL REGISTRATION

EXPIRES ON		MONTHS	DUP	SURRENDERED PLATE NUMBER		CREDIT ALLOWED	
08-08-81		17		BKFl11		27.00	
YEAR	MAKE	CLASSIFICATION	CLASS	COUNTY	FEE DUE FOR DIFFERENCE BETWEEN SURRENDERED PLATE & NEW PLATE BEING ISSUED		
72	Ford	Pickup	3	23	10.00		
VEHICLE NUMBER		VEHICLE WEIGHT	LICENSE FEE		1.00		
4G53P100001		3300	10.00		3.00		
OWNER'S DRIVER LICENSE NUMBER		COUNTY OF RES.	TRANS. TAX		\$1.00 TRANSFER FEE & \$2.00 TITLE FEE TAX		
J 000 000 000 000		Eaton	60.00		60.00		
OWNER'S NAME			TOTAL		73.00		
Jake Lawrence Jones			73.00				
STREET ADDRESS							
3870 Waverly Road							
CITY		STATE	ZIP CODE				
Lansing		MICH.	48917				

SURRENDERED PLATE NUMBER  
CREDIT ALLOWED  
FEE DUE FOR DIFFERENCE BETWEEN SURRENDERED PLATE & NEW PLATE BEING ISSUED  
\$1.00 TRANSFER FEE & \$2.00 TITLE FEE TAX

COMPLETE THE INSURANCE AND SIGNATURE REQUIREMENTS ON THE REVERSE SIDE.

NEW PLATE APPLICATION

(You may use TR-11 or RD-108 as a substitute.)

PLACE IN PLATE PACK

CUSTOMER'S COPY

7282HR				7282HR				MICHIGAN REGISTRATION RICHARD H. AUSTIN Secretary of State	
EXPIRES ON		MONTHS	DUP	SURRENDERED PLATE NUMBER		EXPIRES ON			
08-08-81		17		BKFl11 <sup>credit</sup>		27.00		08-08-81	
YEAR	MAKE	CLASSIFICATION	CLASS	COUNTY	YEAR	MAKE	CLASSIFICATION	CLASS	COUNTY
72	Ford	Pickup	3	23	72	Ford	Pickup	3	23
VEHICLE NUMBER		VEHICLE WEIGHT	LICENSE FEE		VEHICLE NUMBER		VEHICLE WEIGHT	LICENSE FEE	
4G53P100001		3300	10.00		4G53P100001		3300	10.00	
OWNER'S DRIVER LICENSE NUMBER		COUNTY OF RES.	TRANS. TAX		OWNER'S DRIVER LICENSE NUMBER		COUNTY OF RES.	TRANS. TAX	
J 000 000 000 000		Eaton	60.00		J 000 000 000 000		Eaton	60.00	
OWNER'S NAME			TOTAL		OWNER'S NAME			TOTAL	
Jake Lawrence Jones			73.00		Jake Lawrence Jones			73.00	
STREET ADDRESS									
3870 Waverly Road									
CITY		STATE	ZIP CODE		CITY		STATE	ZIP CODE	
Lansing		MICH.	48917		Lansing		MICH.	48917	

COMPLETE THE INSURANCE AND SIGNATURE REQUIREMENTS ON THE REVERSE SIDE.

IF YOU MOVE YOU MUST CHANGE YOUR ADDRESS AT A SECRETARY OF STATE FIELD OFFICE.



PREPARATION OF THE DAILY REPORT WHEN NCR IS USED

HEADING

1. Hand validate the field office name and number in the space provided at the top of the Daily Report (form A-21).
2. Enter the report number and the report date in the space provided.
3. With the first report in January of each year, start with report number 1.

EXAMPLE 1

BRANCH NAME & NUMBER STAMP	
NEW PROGRAMS DIVISION	SEP 21 1979
Report No. _____	Report Date _____

COLUMN ONE OF THE DAILY REPORT

The purpose of column one (full year plates issued) is to balance the number of plates and year tabs issued for each series being used at that time. (Example: In December, 1979 you will carry numbers for three registration years, one for 1979, 1980, and 1981.)

1980 and 1981 Tab Year Procedures - Staggered Registration Implementation

ONLY CIRCLE FIGURES WHEN INSTRUCTED TO DO SO!

1. Post the beginning and ending YEAR tab numbers for 1980 and 1981 on the top lines for each series used. (Be sure to include all series changes and breaks in series.) To establish the number of tabs issued, subtract the beginning number from the ending number and add one. Place this figure in column one. Circle this figure. Add together the YEAR tabs for 1980 and 1981 and place in the Recap. Only column. Circle this figure. Refer to Example 2.

EXAMPLE 2

Class of Vehicle	FULL YEAR PLATES ISSUED			No. of Plates	RECAP. ONLY When NCR is not used Amount
	Beginning	Ending			
80	1200300	1200400	(101)	Total Tabs (109)	
TABS.					
81	4987776	4987782	(7)		

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1980 and 1981 Tab Year Procedures - Staggered Registration Implementation(cont.)

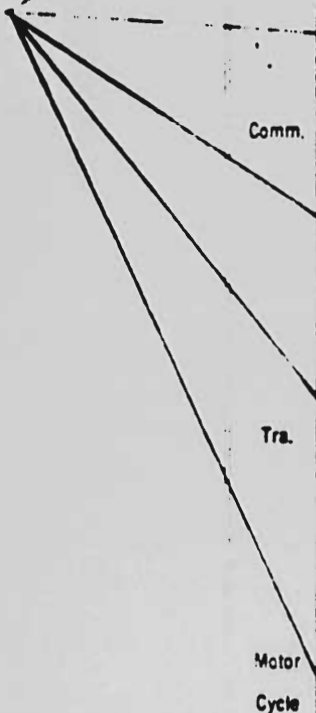
2. Post the beginning and ending plate number for each classification in the space provided. (Note: make a separate posting below the space provided for commercial plates for GVW plates.) To establish the number of plates issued, subtract the beginning number from the ending number and add one. Place this figure in column one; circle this figure. Refer to Example 3.

EXAMPLE 3

Class of Vehicle	FULL YEAR PLATES ISSUED			RECAP. ONLY When NCR is not used Amount
	Beginning	Ending	No. of Plates	
80 TABS.	1200300	1200400	(101)	Total Tabs. (108)
81	4987776	4987782	(7)	
	Pass Tabs Issued		72	
Pass.	SJM 102	SJM 115	(14)	
	Plate Only		1	
	Comm Tabs Issued		12	
	11016H	11036H	(3)	
Comm.	GVW Tabs Issued		5	
	6834BH	6835BH	(2)	
	Tra Tabs Issued		7	
Tra.	120100	120101	(2)	
	Motor Cycle Tabs Issued		12	
Motor Cycle	KM 323	KM 327	(5)	
	TOTAL		109	

9  
1  
0  
1  
0  
2  
3  
4  
3  
1  
2

#2



1980 and 1981 Tab Year Procedures - Staggered Registration Implementation(cont.)

3. Sort all the registrations by classification. Sort the classifications by:
  - a) plates issued (this includes plates only, replacement plates, plates with 1980 tabs, plates with 1981 tabs)
  - b) tab only issued (You do not need to separate 1980 tabs from 1981 tabs.)
4. Place in numerical order, by classification, the plate registrations issued. (This includes 1979 plates only, plates with tabs, replacement plates only, and replacement plates with tabs.) Numerical order is placing in series sequence, from beginning to end the first plate issued to the last plate issued.
5. Count the newly issued plate registrations. This should equal the circled plate figure.

EXAMPLE 4

#6	Pass	Pass Tabs Issued	72	#5
		SJM102    SJM115	(14)	
		Plate Only	1	

6. When "Plates Only" are issued, on the line below the plate number write "Plates Only" and record the number issued in column one. This includes 1979 plates only and 1979 replacement plates. Do not circle this figure. Refer to Example 4.
7. Place in NCR validation order, by classification, the tabs issued. You do not need to separate 1980 tabs from 1981 tabs. (This includes tabs and replacement tabs only.) NCR VALIDATION ORDER is also known as transaction number, line number, and file number. It is the order in which the NCR machine validates transactions.
8. Post the classification, and tabs issued above the plate numbers for each classification. Refer to Example 5.

EXAMPLE 5

#8		Comm Tabs Issued	12	#9
		11016H    11036H	(3)	
	Comm.			

9. Add the number of tabs issued by classification. (This includes plates with tabs, tab only, replacement plate with tab, and replacement tab.) This figure is the total number of tabs issued for each classification. Place this figure in column one behind the tabs issued. Refer to Example 5.

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1980 and 1981 Tab Year Procedures - Staggered Registration Implementation(cont.)

10. Add together the number of tabs issued for all classifications. This total should equal the total number of tabs issued for both 1980 and 1981 registration years. (The circled total tabs figure found on the top line of the report.) Refer to Example 6.

EXAMPLE 6

81040234314

Class of Vehicle	FULL YEAR PLATES ISSUED			No. of Plates	RECAP. ONLY When NCR is not used Amount
	Beginning	Ending			
80 TABS.	1200300	1200400	(101)		Total Tabs (108)
81	4987776	4987782	(7)		
Pass.	Pass Tabs Issued SJM 102 SJM 115 Plate Only		72 (14) 1		
Comm.	Comm Tabs Issued 11016H 11036H		12 (3)		
	GVW Tabs Issued 6834BH 6835BH		5 (2)		
Tra.	Tra Tabs Issued 120100 120101		7 (2)		
Motor Cycle	MIC Tabs Issued KM 323 KM 327		12 (5)		
TOTAL			109		

#10

EQUALS

1980 and 1981 Tab Year Procedures - Staggered Registration Implementation(cont.)

11. Add together, by classification, the total number of tabs issued with the total number of Plates Only. (The numbers added together will be the uncircled figures.) Place this figure in the space provided for total at the bottom of column one. Refer to Example 7.

EXAMPLE 7

81040234315

Class of Vehicle	FULL YEAR PLATES ISSUED		No. of Plates	RECAP. ONLY When NCR is not used Amount
	Beginning	Ending		
80 TABS.	1200300	1200400	(101)	Total Tabs (108)
81	4987776	4987782	(7)	
Pass.	Pass Tabs Issued SJM 102	SJM 115	72 (14)	
	Plate Only		1	
Comm.	Comm Tabs Issued 11016H	11036H	12 (3)	
	GVW Tabs Issued 6834BH	6835BH	5 (2)	
Tra.	Tra Tabs Issued 120100	120101	7 (2)	
Motor Cycle	MC Tabs Issued KM 323	KM 327	12 (5)	
TOTAL			109	

# 1

# 11

Note: Every day carry the beginning number for each series on the report. If none were issued, draw a line through the space provided for the ending number.



COLUMN ONE PROCEDURES FOR PLATE YEAR 1979 - TAB YEAR 1978

1. Post the beginning and ending tab number on the top lines for each series used. To establish the number of tabs issued, subtract the beginning number from the ending number and add one. Place this figure in column one. Circle this figure. Refer to example 8.
2. Post the beginning and ending plate number for each classification in the space provided. (Note: Make a separate posting below the space provided for commercial plates for GW plates.) To establish the number of plates issued, subtract the beginning number from the ending number and add one. Place this figure in column one. Circle the figure for 1978 plates. Do not circle the figure for 1979 plates. Refer to Example 8.

Example 8

Class of Vehicle	FULL YEAR PLATES ISSUED			No. of Plates	RECAP. ONLY When NCR is not used Amount
	Beginning	Ending			
78 TABS.	4563704	4563724	(21)		#1
78	Pass Tabs Issued		5		
78 Pass.	SJM 201	SJM 205	(5)		
	Replacement	Plate Only	1		
79	TKL 101	TKL 109	9		
79	TKL 112	TKL 112	1		
78	Comm Tabs Issued		6		#2
	2234 EF	2236 EF	(3)		
79 Comm.	1354 BD	1359 BD	6		
78	GVW Tabs Issued		3		
GVW	4851 GH	4853 GH	(3)		
79	1281 FH	1284 FH	4		
78 Tra.	Tra Tabs Issued		5		
	121354	121355	(2)		
79	111301	111304	4		
78 Motor	M/c Tabs Issued		2		
Cycle	KM 921	KM 922	(2)		
79	CD 201	CD 204	4		

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#2

#2





- Place in NCR validation order, by classification, the 1978 tabs issued. This includes tabs and replacement tabs only.
- Post the registration year, classification and tabs issued above the 1978 plate numbers for each classification. Refer to Example 10.

Example 10

of Vehicle	Beginning	Ending	No. of Plates	When NCR is not used Amount
78 TABS.	4563704	4563724	(21)	
78 Pass	Poss Tabs Issued		5	
	SJM201	SJM205	(5)	
	Replacement Plate Only		1	
79	IKL101	TKL109	9	
79	IKL112	IKL112	1	
78 Comm	Comm Tabs Issued		6	
	2234FF	2234FF	(3)	
79 Comm	1354BD	1359BD	6	
78 GVW	GVW Tabs Issued		3	
	4851GH	4853GH	(3)	
79	1281FH	1284FH	4	
78 Tra.	Tra Tabs Issued		5	
	121354	121355	(2)	
79	111301	111304	4	
78 Motor Cycle	M/C Tabs Issued		2	
	KM921	KM922	(2)	
79	CD201	CD204	4	
TOTAL			50	

78

#10

#9

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- Add, by classification, the number of 1978 tabs issued. (This includes plates with tabs, tabs only, replacement plate with tab, and replacement tab. This figure is the total number of 1978 tabs issued for each classification. Place this figure in column one behind the tabs issued. Refer to Example 10.

10. Add together the number of 1978 tabs issued for all classifications. This total should equal the number of tabs issued. (The circled figure found on the top line of the report.) Refer to Example 10.
11. Add together, by classification, the total number of 1978 tabs issued, 1978 replacement plates only issued, and 1979 plates issued. (All the numbers not circled.) Place this figure in the space provided for total at the bottom of column one. Refer to Example 11.

Example 11

Class of Vehicle	FULL YEAR PLATES ISSUED			No. of Plates	RECAP. ONLY When NCR is not used Amount
	Beginning	Ending			
78 TABS.	4563704	4563724	(21)		
78	Pass Tabs Issued		5		
	SJM 201	SJM 205	(5)		
78	Replacement Plate Only		1		
Pass.					
79	TKL101	TKL109	9		
79	TKL112	TKL112	1		
78	Comm Tabs Issued		6		
	2234EF	2236EF	(3)		
79	1354BD	1359BD	6		
Comm.					
78	GVW Tabs Issued		3		
GVW	4851GH	4853GH	(3)		
79	1281FH	1284FH	4		
78	Tra Tabs Issued		5		
Tra.	121354	121355	(2)		
79	111301	111304	4		
78	M/C Tabs Issued		2		
Motor	KM 921	KM 922	(2)		
Cycle	CD 201	CD 204	4		
79					
	TOTAL			50	

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EQUALS

#11

Note: Every day carry the beginning number for each series on the report. If none were issued draw a line through the space provided for the ending number.



5. Count the number of new plate registrations. This should equal the figure placed in column one.
6. Add together the number of plates issued for all the classifications. Place figure in the space provided for total at the bottom of column one. Refer to Example 12.

NOTE: Every day carry the beginning number for each series on the report. If none were issued, draw a line through the space provided for the ending number.

COLUMN TWO PROCEDURES

DO NOT CIRCLE ANY NUMBERS IN COLUMN TWO.

Half year plates expiring November 14 and May 14 are no longer issued. For permits, watercraft, ORV, snowmobile, moped and 10-day registrations, post the beginning and ending numbers. Subtract the beginning number from the ending number and add one. Place this figure in the space provided. Refer to Example 13.

Example 13

PERMITS ISSUED			
	Beginning	Ending	No. of Permits
48 Hour Permits	A12345	A12345	1
10 Day Permits	501600	—	
Trip Permits Ontario Only			
30 Day			
In-Transit Permits	234641	234645	5
WATERCRAFT TITLES & REGISTRATIONS			
WATERCRAFT TITLES //			No.
	Beginning	Ending	No. of Registration
	MC 1549JC	MC 1560JC	12
	MC	MC	
ORV REGISTRATIONS			No. of Registration
	89AF57	89AF57	1
SNOWMOBILE REGISTRATIONS			No. of Registration
	CD 4567	—	
MOPED REGISTRATIONS			No. of Registration
	A 303 M	—	
DEALER 10 DAY REGISTRATIONS			No. of Registration
	A1234560	A1234564	5

NOTE: Every day carry the beginning number for each series on the report. If none were issued, draw a line through the space provided for the ending number.

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REMARKS SECTION

Unless clearing correspondence from Branch Reconciliation, do NOT list plate exchanges in this section. Example: JJM098 exchanged for 8170HG - \$1.20 additional fee collected.

Title returns (form TR-163) involving \$5.00 late fees should be sent under separate cover to: Michigan Department of State, Operations Division, Correspondence Unit, Lansing, MI 48918. (Refer to page 31, Section IV for title return procedures.)

Listed below are examples of items to be placed in the Remarks Section:

1. When issuing a plate or tab at no fee, list the registration number and reason for issuance at no fee.
2. Note all correspondence from Branch Reconciliation that is cleared. Example: clearing correspondence dated 5-5-78 for John Doe of \$30.15 for added weight fee.
3. If you know where a shortage or overage is located, explain. Example:
  - a) Failed to collect \$20.35 from John Doe, line 078. Contacted--will include in report when received.
  - b) When the money is collected at a later date, list: received from John Doe \$20.35. Refer to report \_\_\_\_\_ dated \_\_\_\_\_.
4. Note all \$5.00 late fee title returns (form TR-163). Example: Received \$5.00 late fee from John Doe. 1978 Ford P.U., F15GCBE4809, weight 3750, line 081.
5. Note all plates, registrations, and permits issued out of sequence.
6. Explain shorted deposits as authorized by a field auditor due to Breaking & Entering or Robbery.
7. Explain missing registrations. Note, if known, the individual's name, plate number, tab number, NCR validation number and fee; DO NOT MAKE A "DUMMY" REGISTRATION. (A "dummy" registration is a substitute registration used when the original registration document is missing.) Branch Reconciliation will make the "dummy" registration.
8. Place mutilated tabs in a separate envelope and attach to the report. Record the mutilated tab number in the Remarks Section.
9. When a dealer transaction is voided after the plates or tabs were issued and taken from the office, note the plate or tab number in the Remarks Section and when the plates are returned to the field office, state that the plates were then surrendered and destroyed at the field office.

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SORTING DOCUMENTS USED IN THE DAILY REPORT

1. Plate registrations (place in numerical order).
2. Tab registrations (place in NCR validation order).
3. Plate transfer only (TR-19).
4. 30-Day In-transit Permits (MV-42 and MV-42M).
5. Watercraft Titles (WR-11).
6. Mobile Home Transactions (S-110 or S-111 with TR-11B attached). (Place in a manner that the S-110 or S-111 is face-up).
7. Snowmobile, ORV, Moped, Watercraft, Non-titled Trailers, all using a UT-7B tax form.
8. Vehicle Titles (titles should be grouped together and placed in NCR validation order).
9. Junking Certificates.
10. Salmon or blue copies of the RD-108.

Count the number of title applications (this includes the \$2.00 fee collected for in-transit transactions using the MV-42). Enter this figure in the space provided in the daily report. Under "Title Applications No. \_\_\_\_\_" write in "Mobile Home No. \_\_\_\_\_", and enter the number of Mobile Home transactions applied for. (The Mobile Home Transaction with the Title Transaction should be counted as two separate transactions.) Refer to Example 14.

Example 14

Report No. _____	Report Date _____
TITLE APPLICATIONS	No. <u>138</u>
Mobile Home	No. <u>5</u>

Enter the number of watercraft titles applied for in the space provided in column two. Refer to Example 15.

Example 15

WATERCRAFT TITLES & REGISTRATIONS		
WATERCRAFT TITLES //		No. <u>6</u>
Beginning	Ending	No. of Registration
MC _____	MC _____	
MC _____	MC _____	

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**RECAPITULATION**

1. Place the NCR total on the Machine Total or Report Total line.
2. Add the voids and place on the Less Machine Voids line. (Note: Voids are also listed on the bottom of the NCR tape.)
3. Subtract the voids from the NCR total and place on the Machine Sub Total line.
4. Place the adjustments + or -. (Example: \$20.90 deposited for plate TNL305 and not placed on the NCR machine. Also explain in the Remarks Section.)
5. If adjustments were made, place the new total on the Machine Sub Total line. Place the amount of debit or credit memos cleared below the machine sub total on line 5 - ACM offices only. Explain these memos in the Remarks Section.
6. Place the total amount of funds deposited on the Total Work and Deposit line. (Add all the certified pink bank deposit slips to establish this figure.)
7. Indicate whether the cash balanced or state the amount of overage or shortage. In the Remarks Section, explain any overage or shortage, if known.
8. The report is to be initialed by the person completing the report and signed by the field office manager or acting manager.

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**EXAMPLE 16**

MACHINE TOTAL OR REPORT TOTAL	①			
LESS MACHINE VOIDS	②			
MACHINE SUB TOTAL	③			
ADJUSTMENTS+OR-	④			
MACHINE SUB TOTAL (List in Remarks)	⑤			
DEBIT OR CREDIT MEMOS CLEARED	⑤			
TOTAL WORK AND DEPOSIT	⑥			
CASH—BALANCED <input type="checkbox"/> OVER	⑦		SHORT	
⑧				
MANAGER: _____		BY: _____		

NCR TAPE

The original NCR tape is to be submitted with the daily report. Retain the carbon copy of the NCR tape until audited. The final total of each transaction must appear on the NCR tape. If part of the transaction must be voided, void the entire transaction.

1. List on the bottom of the NCR tape all voids; indicating the NCR validation number and amount.
2. Where voids occur on the NCR tape:
  - a) Write "Void" across the original transaction. Draw a line above and below the transaction.
  - b) If the document is re-entered, note the re-entered NCR validation number in the voided area of the NCR tape.
  - c) If the document is not re-entered, note this in the voided area of the NCR tape. (Do not submit documents not re-entered with the daily report.)
3. If a wrong code is entered on the NCR tape, you may cross this out and write in the proper code.
4. If any documents are missing (Example: validated registration), explain this on the bottom of the NCR tape. You must notify your regional manager and Branch Reconciliation of this by phone, (517) 322-1475. When the documents are received, forward them under separate cover to: Michigan Department of State, Branch Reconciliation, Lansing, MI 48918. DO NOT forward any such documents with your next report.

Example 17

	7252300 #29	46.00	*	
		20.35	1+	
		2.00	2 1+	
#2b	<b>VOID</b>	265.89	2 2+	#2a
	Re-entered #15 7152307 #29	286.54	*	
		2.00	2 1+	
		7.54	2 2+	
		2.00	2 2+	
	7252303 #29	11.54	*	
		2.00	2 1+	
#2c	<b>VOID</b>	59.30	<del>2 1+</del> 15	#3
	<b>NOT re-entered</b>	2.00	2 2+	
	7252300 #29	63.00	*	
		2.00	2 1+	
		165.30	2 2+	
		2.00	2 2+	

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COLUMN THREE PROCEDURES

1. On the designated lines, starting with \$5.00 additional title fee, enter the number of items and amount for each category. Filing fees for 30-Day In-Transit Permits, is to be included with the title applications. "Mobile Home Sale Permits" is to be placed before title applications and the number and fees entered.
2. Add the amount of fees collected and enter on the line "Report Total".
3. Enter the funds deposited on the "Total Work and Deposit" line.
4. Indicate whether cash balanced or state amount of overage or shortage.
5. The report is to be initialed by the person completing the report and signed by the field office manager or acting manager.

INVENTORY OF EXPIRED PLATES AND TABS

When a field office is having storage problems, the following procedures may be used prior to auditing:

1. The regional manager or assistant regional manager, in conjunction with the field office manager, may take a physical inventory of expired items.
2. Submit a copy of the physical inventory and certifying signatures to the Internal Audit Division.
3. The Internal Audit Division will balance the physical inventory to the master control list in Lansing.
4. The Internal Audit Division will issue releases with authorization for disposal for balanced units. Plates cannot be destroyed until the release has been obtained.
5. The Internal Audit Division will conduct audits at the units where discrepancies are in existence.

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TITLE AND REGISTRATION RETURNS FROM LANSING

A preparation error on any title or registration document could be the basis for a return to a field office by the Operations Division in Lansing. Field offices should give immediate attention to all returns, unless prior approval is obtained, do not keep returns for more than 30 days.

NOTE: Whenever any information is corrected on a title (owner's name, make, body style, vin or weight), be sure to correct the vehicle registration. Whenever this information is changed on a registration, the title must also be corrected. THE INFORMATION ON A TITLE AND REGISTRATION MUST ALWAYS AGREE.

Types of Returns

Returns could be:

- A memo to the field office from the Branch Reconciliation Unit, or
- A TR-163 return.

MEMOS from the Branch Reconciliation Unit are not entered on the Department's computer. MEMOS will not be sent for title errors, only for registration errors. No original documents will be sent with a Branch Reconciliation memo. If necessary, a photostatic copy of the registration document will be attached to the memo.

A TR-163 return is "flashed" on the Department's computer system. A TR-163 return can be sent for any type of error. When a title transaction is returned, the new certificate of title will not be issued until the TR-163 return is cleared. With the TR-163 return, the field office will receive most of the documents submitted in the transaction. The vehicle registration may or may not be included.

(NOTE: All documents attached to the TR-163 must be returned. Do not return to the owner bills of sale, legal papers, etc.)

Three copies of the TR-163 form will be sent to the field office. Form instructions:

1. First White Copy - ALWAYS remains attached to the returned documents. Notes concerning the return should be made on this copy.
2. Pink Copy - May be used by the field office to notify the dealer or owner of the return. Before using this pink copy, list your field office address and telephone number.
3. Second White Copy - Where indicated by these procedures, this copy is sent with your DAILY REPORT.

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Logging the Return

All field offices will maintain a folder (logbook) of returns. Form BFS-38 was designed to be used in your logbook.

When a return from Lansing is received use the following procedures:

1. Hand-validate the memo or top copy of the TR-163 return as soon as it is received.
2. List the return in the logbook.
3. The return and the documents attached will be filed alphabetically. Returns are not to be kept for more than 30 days.
4. Before sending the return back to Lansing, indicate whether or not the return was completed and list the sending date.

Contacting the Owner/Dealer for a MEMO or a TR-163 Return

On RD-108 title returns, indicate in your logbook whether the dealer or the vehicle owner was notified.

1. At least two attempts should be made to contact the person named on the return.
2. The field office may use any of the following means:
  - a) telephone contact,
  - b) the TR-87 postcard, or
  - c) the pink copy of the TR-163 title return.
3. Each time an attempt is made to contact the owner record the activity in your logbook. Include the date and outcome.
4. If the owner does not respond to the notification within 30 days, mark the return as "incomplete." Also show the return as incomplete in the logbook. Send incomplete TR-163 title returns under separate cover to the Correspondence Unit. Send incomplete memos from the Branch Reconciliation Unit with your daily report.

Clearing a MEMO from Branch Reconciliation

Key Point to Remember: MEMOS from the Branch Reconciliation Unit are ALWAYS returned with your DAILY REPORT. Do not send these memos under separate cover.

1. If a fee is collected to clear the MEMO:
  - a) Enter the amount collected on the NCR,
  - b) Subtotal on the MEMO, and
  - c) Explain the fee in the Remarks section of your daily report.

EXAMPLE: Line 603, \$12.10 added fee, memo regarding John Jones.

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2. If an inventoried item (plate, tab or registration number) is issued in clearing the MEMO:

- a) Attach the validated registration to the MEMO, and
- b) Explain the action in the Remarks section of your daily report.

EXAMPLE: GGG111 for 7777DD, clearing memo regarding Daniel Down.

3. If the MEMO is not cleared or if no fee or no inventoried item is used to clear the memo:

- a) Explain what action was taken on the memo.
- b) It is not necessary to make any notation on your daily report.

In all of these situations, clear the memo in the logbook. Send the memo with your daily report.

Clearing a TR-163 return - TITLE INVOLVED

Key Point to Remember:

When a title is involved on a TR-163 return, the transaction is ALWAYS returned under separate cover to the Correspondence Unit. This is to insure the prompt issuance of the new title. Additional accounting procedures are required if a fee is collected or an inventoried item issued.

These procedures apply to a TR-163 return involving a TR-11B, RD-108, S-110, S-111 or Wr-11 title application.

1. If a fee is collected to clear the TR-163 title return:

- a) Enter the amount collected on the NCR machine,
- b) Subtotal on the title application,
- c) Subtotal on the second white copy of the TR-163 form,
- d) Explain the fee in the Remarks section of your daily report.

EXAMPLE: Line 819, \$5.00 late fee, Peter Piper

- e) The title documents and the first white copy of the TR-163 form are sent under separate cover to the Correspondence Unit.
- f) The second white copy of the TR-163 showing the NCR validation is sent with your daily report. If an inventoried item is also issued, attach the new registration to the second white copy of the TR-163 form.

2. If an inventoried item is issued to clear a TR-163 title return:

- a) Attach the new registration to the second white copy of the TR-163 form.
- b) List the item issued in the Remarks section of your daily report.

EXAMPLE: 3311GG replaces GX1311 at no fee.

- c) Explain the action taken on BOTH white copies of the TR-163 form.
- d) Send the title documents and the first white copy of the TR-163 to the Correspondence Unit.
- e) Send the new registration which is attached to the second white copy of the TR-163 form with your daily report.

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3. If no fee is collected or if no inventoried item is issued or if the TR-163 title return is being returned as incomplete:
- a) Send the TR-163 return and all the documents used to the Correspondence Unit.
  - b) Explain what action was taken on the first white copy of the TR-163 form.

EXAMPLE: TR-54 attached, VIN corrected on title and registration.

- c) No remarks are required on your daily report. The second white copy of the TR-163 form may be destroyed.

EXAMPLES: Verification of a VIN, missing signatures, affidavits, etc.

As with all returns, be sure to clear the return in the logbook.

Clearing a TR-163 return - NO TITLE INVOLVED

Key Point to Remember: This TR-163 return, if completed, will be sent with your daily report. (No title is being delayed!) If this TR-163 return is sent as incomplete, mail the return to the Correspondence Unit.

These procedures apply to a TR-163 return involving a registration--vehicle, snowmobile, watercraft, CRV, or moped. No title application is involved.

1. If a registration fee is collected to clear the TR-163 return:
- a) Enter the amount collected on the NCR machine,
  - b) Subtotal on the first white copy of the TR-163 (this TR-163 form stays attached to the other documents returned.)
  - c) Subtotal on the registration document.
  - d) Explain the fee in the Remarks section of your daily report.

EXAMPLE: Line 288 \$12.10 additional fee, George Gold.

- e) The entire transaction is sent with your daily report. The second white copy of the TR-163 may be destroyed.

2. If an inventoried item is issued to clear the TR-163 return:
- a) Attach the new registration to the first white copy of the TR-163 return. (This TR-163 form stays attached to the other documents returned).
  - b) Explain the action taken on the first white copy of the TR-163 form. The second white copy of the TR-163 form may be destroyed.
  - c) List the item issued in the Remarks section of your daily report.

EXAMPLE: Snowmobile # AB1111 replaces watercraft # MC1131DD which was issued in error.

- d) Send the first white copy of the TR-163 and the other documents with your DAILY REPORT.

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3. Incomplete TR-163 registration returns are sent to Lansing under separate cover to the Correspondence Unit.
4. Completed TR-163 registration returns that do not require a fee or the issuance of an inventoried item are sent to Lansing with your DAILY REPORT. It is not necessary to make a notation in your Remarks Section.

As with all returns, be sure to clear the return in the logbook.

#### Mailing Address

The mailing address of the Correspondence Unit is:

Michigan Department of State  
Information Services Section  
Correspondence Unit  
Lansing, MI 48918

#### Unjustified Returns

If the field office manager feels that a TR-163 return is unjustified, send the documents and the return to:

Leonard F. Miller, Jr.  
Administrative Assistant  
Michigan Department of State  
Bureau of Field Services  
Lansing, MI 48918

#### Examples of Returns

**Error:** Signature missing on RD-108.

**Solution:** After obtaining the required signature send the TR-163 return to the Correspondence Unit under separate cover. No notation is required on the daily report.

**Error:** VIN Error, Have TR-54 completed and issue correct registration.

**Solution:** Attach TR-54 and corrected registration to TR-163. Send all documents under separate cover to Correspondence Unit. No notation is required on the daily report.

**Error:** Passenger plates on pickup, necessary to issue commercial plates (on RD-108).

**Solution:** After issuing new commercial plates send the corrected registration and the second white copy of the TR-163 with your daily report. Send the RD-108 and the top white copy of the TR-163 under separate cover to the Correspondence Unit. Include an explanation on both white copies of the TR-163 and in the Remarks section on the daily report.

**Error:** Incorrect fee on registration, MEMO from Branch Reconciliation.

**Solution:** After collecting the fee, subtotal the memo on the NCR machine. Send the memo with your daily report. Explain the added fee in the Remarks section.

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N.C.R. MACHINE REPAIRS

For service of N.C.R. machines call the appropriate telephone number.

Wayne, Oakland And Macomb county offices (313) 875-7111 (Detroit Center)

Monroe County offices (419) 255-1560 (Toledo Center)

The following numbers will ring into the NCR Grand Rapids office. All service calls are dispatched from this Grand Rapids office except for the Detroit and Toledo calls which are mentioned above.

All Upper Peninsula offices (toll free) 1-800-632-8760

All Lower Peninsula offices unless designated otherwise (616) 784-9040

Area local calls:

Grand Rapids	(616) 784-9040	Jackson	(517) 783-6469
Muskegon	(616) 853-2305	Lansing	(517) 371-1150 or 51
Kalamazoo	(616) 343-2561 or 62	Flint	(313) 767-8173 or 74
Traverse City	(616) 941-8660	Ann Arbor	(313) 971-1460
Saginaw	(517) 792-1558	Port Huron	(313) 982-4684

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VALIDATING PROCEDURES USING THE NCR MACHINE

Renewal plate or tab

1. Index amount of weight tax and revenue code, depress add bar.
2. Insert application and subtotal on part 1 and part 2.
3. Remove application and total on tape.

Half Year License Plates Only

1. Index amount of weight tax and revenue code, depress add bar.
2. Index \$2.00, revenue code 47, depress add bar.
3. Insert application and subtotal on part 1 and part 2.
4. Remove application and total on tape.

License Transfer Only (TR-19)

1. Index amount of license transfer (\$1.00 or \$2.00), revenue code 22, depress add bar.
2. Index amount of added license plate fee, if any, revenue code 6, depress add bar.
3. Insert TR-19, subtotal.
4. Insert license transfer and subtotal on part 1 and part 2.
5. Remove application and total on tape.
6. Attach part 1 of license transfer and the surrendered registration to the (TR-19) form.

License Transfer with Change of Classification

1. Index title fee and tax, if any, and properly validate title application, if one is presented.
2. Index amount of license transfer (\$1.00), revenue code 22, depress add bar.
3. Index amount, if any, of license plate fee, revenue code 6, depress add bar.
4. If a title is not applied for, insert TR-19 and subtotal.
5. Insert plate application and subtotal on part 1 and part 2.
6. Remove application and total on tape.

Title Transaction Only (No Plates)

1. Index title fee of \$2.00 plus \$5.00 late fee and/or \$6.00 SEMTA fee, if any, revenue code 21, depress add bar.
2. Index amount of use tax, if any, revenue code 45, depress add bar.
3. Insert the title application, depress subtotal bar.
4. Remove application and total on tape.

Form S-111 - Mobile Home Dealer's Form

1. Index Mobile Home Sale Permit fee of \$25.00, revenue code 59, depress add bar.
2. Index amount of sales tax collected, if any, revenue code 44, depress add bar.
3. Insert the form S-111 and subtotal.
4. Remove the application and total on tape.

Form S-110 - Individual's Mobile Home Form

1. Index Mobile Home Sale Permit Fee of \$25.00, revenue code 59, depress add bar.
2. If purchased from an out-of-state dealer, index amount of tax collected, revenue code 45, depress add bar. (Use tax is not collected on a mobile home purchased from an individual.)
3. Insert the form S-110 and subtotal.
4. Remove the application and total on tape.

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Individual Title Transaction with License Plate Purchase.

1. Index title fee of \$2.00 plus \$5.00 late fee and/or \$6.00 SEMTA fee, if any, revenue code 21, depress add bar.
2. Index amount of use tax, if any, revenue code 45, depress add bar.
3. Insert title application and subtotal.
4. Index weight tax (license fee), revenue code, depress add bar.
5. Insert license plate application and subtotal on part 1 and part 2.
6. Remove application and total on tape.

Individual Title Transaction with License Plate Transfer.

1. Index title fee of \$2.00 plus \$5.00 late fee and/or \$6.00 SEMTA fee, if any, revenue code 21, depress add bar.
2. Index license transfer fee (\$1.00 or \$2.00), revenue code 22, depress add bar.
3. Index amount of use tax, if any, revenue code 45, depress add bar.
4. Insert title application and subtotal.
5. Index added license fee, if any, revenue code 6, depress add bar.
6. Insert license transfer application and subtotal on part 1 and part 2.
7. Remove application and total on tape.

Form RD-108

1. Index weight tax (license fee) or added license fee, if any, revenue code, depress add bar.
2. Index title fee of \$2.00 plus \$5.00 late fee and/or \$6.00 SEMTA fee, if any, revenue code 21, depress add bar.
3. Index amount of sales tax, if any, revenue code 44, depress add bar.
4. Index license transfer fee (\$1.00 or \$2.00), if any, revenue code 22, depress add bar.
5. Validate in the space provided in the upper right hand corner. The complete set of papers with the carbon in will be inserted in the machine upside down and the total fees validated by depress the subtotal bar.
6. Remove the RD-108 form and depress total bar.

In-Transit 30-Day Permits (MV-42 or MV-42M)

(Same procedure for Manufacturer MV-42M except the \$2.00 filing fee is not collected.)

1. Index filing fee of \$2.00, revenue code 21, depress add bar.
2. Index \$5.00, revenue code 50, depress add bar.
3. Insert TR-11B or RD-108, if any, and subtotal. (Omit for MV-42M.)
4. Insert MV-42 and subtotal.
5. Remove the form and total on tape.

48-Hour Special Transporting Permits

1. Index \$2.00, revenue code 48, depress add bar.
2. Insert permit and subtotal.
3. Remove permit and total on tape.

10-Day Permits & Ontario Single Trip Permits

1. Index \$20.00, revenue code 49, depress add bar.
2. Insert permit and subtotal.
3. Remove permit and total on tape.

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Watercraft Registration

1. Index amount of registration plus \$2.00 transfer and \$3.00 late fee, if any, revenue code 51, depress add bar.
2. Index amount of tax, if any, revenue code 53, depress add bar.
3. Insert application and subtotal on part 1 and part 2.
4. Remove application and total on tape.

Watercraft Title

1. Index \$5.00 title fee plus \$5.00 late fee, if any, revenue code 52, depress add bar.
2. Index amount of use tax, if any, revenue code 53, depress add bar.
3. Insert title application (WR-11), depress subtotal bar.
4. Remove application and total on tape.

Moped Registration

1. Index amount of registration plus \$2.00 transfer and \$5.00 late fee, if any, revenue code 60, depress add bar.
2. Index amount of use tax, revenue code 61, depress add bar.
3. Insert application and subtotal on part 1 and part 2.
4. Remove application and total on tape.

Snowmobile Registration

1. Index amount of registration plus \$2.00 transfer and \$2.00 VIN fee, if any, revenue code 54, depress add bar.
2. Index amount of use tax, if any, revenue code 55, depress add bar.
3. Insert application and subtotal on part 1 and part 2.
4. Remove application and total on tape.

Off-Road Vehicle Registration

1. Index amount of registration plus \$2.00 transfer and \$2.00 VIN fee, if any, revenue code 56, depress add bar.
2. Index amount of use tax, if any, revenue code 57, depress add bar.
3. Insert application and subtotal on part 1 and part 2.
4. Remove application and total on tape.

Non-Titled Trailer

1. Index amount of weight tax (plate fee), revenue code 4, depress add bar.
2. Index amount of tax, if any, revenue code 45, depress add bar.
3. Insert the application and sub-total on part 1 and part 2.
4. Remove the application and total on the tape.

10-Day Temporary Registration

1. Index total fee collected at (\$1.00 each) using revenue code 58, depress add bar.
2. Insert copies 1 & 2 of receipt (A-54) and subtotal on receipt.
3. Remove copies 1 & 2 of receipt and total on tape.
4. The three parts of receipt will be:
  - A. White - to dealer
  - B. Yellow - submit with daily report
  - C. Pink - will be left in receipt book for office record

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MICHIGAN DEPARTMENT OF STATE

AGREEMENT FOR SERVICES

THIS AGREEMENT, made and entered into as of this 1st day  
(Date)  
of July, A.D., 1975, by and between  
(Month) (Year)

Charles Edward Indorf, 6840 Jackson,  
(Name) (Address)

Taylor, Michigan, 48180,  
(City) (State) (Zip Code)

hereinafter referred to as the FEE BRANCH MANAGER, and the Michigan Department of State, hereinafter referred to as the DEPARTMENT;

WITNESSETH:

WHEREAS, the DEPARTMENT has certain duties to perform with respect to vehicle, watercraft and snowmobile registration and related areas, which are set forth in the Michigan Compiled Laws, as amended, and

WHEREAS, the DEPARTMENT desires to engage the services of the FEE BRANCH MANAGER as an independent contractor relative to the performance of these services; and

WHEREAS, the FEE BRANCH MANAGER is willing to furnish said services to the DEPARTMENT; and

WHEREAS, the FEE BRANCH MANAGER has established an office at 20349 Ecorse, Taylor, Michigan,  
(Address) (City) (State)  
48180, for the purpose of rendering the necessary services;  
(Zip Code)

NOW, THEREFORE, IT IS HEREBY AGREED by and between the parties hereto that this agreement will be accomplished in accordance with the provisions set forth below, said provisions being a part of this agreement.

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**THE FEE BRANCH MANAGER, IN ADDITION TO ANY DUTIES AND SERVICES PRESCRIBED BY THE SECRETARY OF STATE, SHALL:**

1. Comply with appropriate federal, state and local laws and policies and procedures established by the DEPARTMENT;
2. Comport himself at all times in a manner which will be a credit to the Secretary of State;
3. Keep the office in good physical condition and appearance;
4. Exercise careful and prudent control over cash;
5. Operate the office with a minimum of error;
6. Be responsible and make restitution, when not following appropriate DEPARTMENT regulations, for losses incurred from armed robbery, larceny, embezzlement, riot, act of God, or other acts of persons resulting in a loss of money which is within the authority of the Secretary of State as administrator of the several relevant statutes;
7. Keep open the office those hours which are posted and which have been approved by the DEPARTMENT;
8. Cooperate with and follow the direction of appropriate DEPARTMENT classified and unclassified personnel;
9. Provide adequate public liability insurance.

**THE DEPARTMENT SHALL:**

10. Pay fees to the FEE BRANCH MANAGER for his services at a rate established by applicable statute, regulation or policy.

**IT IS HEREBY FURTHER AGREED:**

11. This agreement is personal to the parties and is not assignable;
12. The terms of this agreement shall remain in effect at the pleasure of the Secretary of State but in any case shall

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terminate on June, 30, 1976  
(Month) (Date) (Year)

This contract may be extended at the pleasure of the Secretary of State;

- 13. The FEE BRANCH MANAGER may terminate this agreement after not less than thirty (30) days notice to the DEPARTMENT;
- 14. The parties hereby agree that they will not discriminate against any employee or applicant for employment to be employed in the performance of this agreement, with respect to his hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment because of his age, sex, race, color, religion, national origin, or ancestry; and they will require a similar agreement on the part of any contractor or subcontractor employed in the performance of this agreement;
- 15. Payments made under the conditions of the agreement are subject to audit by the DEPARTMENT.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed the date and year first above written.

DATE 5-14-75

BY *Richard Hunter*  
Secretary of State  
MICHIGAN DEPARTMENT OF STATE

DATE 1-17-76

BY *James Edward Indorf*

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RECEIVED  
FEDERAL ELECTION  
COMMISSION

**McCLINTOCK DONOVAN CARSON & ROACH**

GUARDIAN BUILDING

DETROIT 48226

80 JAN 25 PM 12:09

January 22, 1980

AREA CODE 313  
993-3400

Mr. Charles N. Steele  
General Counsel  
Federal Election Commission  
Washington, D. C. 20463

006000

Re: MUR 1053

Dear Mr. Steele:

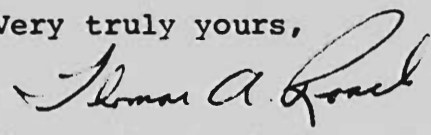
I am the attorney for the Austin for Senate Committee. Your letter dated January 10, 1980 addressed to Larry Davidson, Treasurer, has been referred to me.

I was first asked to serve as counsel for the committee last Friday and I did not receive a copy of your letter until yesterday. I have had very little time to investigate the matter. Based upon my preliminary investigation, it does not appear that any of the technical violations alleged to have occurred were knowing or wilful violations of the Federal Election Campaign Act. It further appears that appropriate corrective action was taken with respect to most of the matters in connection with the audit.

I would like to have a preliminary meeting with you and Mr. Bogin within the next two weeks. My calendar indicates I can meet with you late morning or early afternoon on Wednesday, January 30 or Thursday, January 31. I also have some days in the following week. While my preliminary discussion with Mr. Bogin was most helpful as to the specific problems, it is necessary that I know the specific matters that you question with respect to the general allegations, so that appropriate affidavits and documents can be obtained and furnished.

It is requested that you call me so we can arrange a meeting. We can set a timetable for further response at such meeting.

Very truly yours,



Thomas A. Roach

TAR:pv

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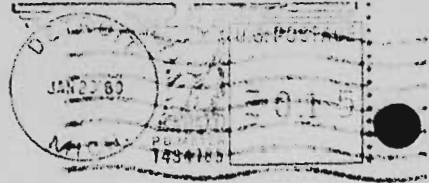
8101031342  
MCCLENTOCK DONOVAN CARSON & ROACH

GUARDIAN BUILDING

DETROIT 48226

RECEIVED  
JAN 23 12:30 PM '80

Mr. Charles N. Steele  
GENERAL COUNSEL  
FEDERAL ELECTION COMMISSION  
Washington, D. C. 20463





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 10, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Larry Davidson, Treasurer  
Austin for Senate Committee  
c/o Grant and Silverman  
Certified Public Accountants  
21411 Civic Center Drive  
Southfield, Michigan 47076

Re: MUR 1053

Dear Mr. Davidson:

On January 8, 1980, the Commission found reason to believe that the Austin for Senate Committee ("Committee") may have violated various provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"). Specifically, the Commission found reason to believe that your Committee violated 2 U.S.C. §§ 433(b)(9), 434(b)(1), (2), (8), (9), and (11) by failing to adequately disclose in the statement of organization and reports filed with the Commission information concerning a transfer of funds from the Austin Campaign Fund to the Committee on or about September 16, 1976. In addition, the Commission found reason to believe that the Committee violated 2 U.S.C. § 441f by accepting contributions ostensibly made by certain individuals which the Committee in fact knew were made by other individuals, and 2 U.S.C. § 441a(f) by knowingly accepting contributions which exceeded the allowable \$1,000 limit imposed by 2 U.S.C. § 441a(a)(1)(A). Furthermore, the Commission found reason to believe that the Committee violated 2 U.S.C. § 434(b)(7) by reporting money derived from the state treasury as contributions from various fee branch managers, their spouses, and employees, instead of as a receipt from the State of Michigan. The Committee has an obligation to report the source of its funding.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

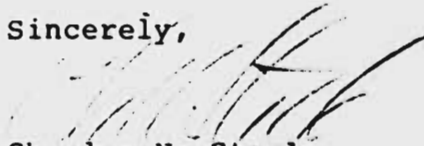
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Letter to: Larry Davidson  
Page 2

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification. We have numbered this matter MUR 1053. Please refer to this number in all future correspondence.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Robert Bogin, the attorney assigned to this matter, at (202) 523-4073.

Sincerely,

  
Charles N. Steele  
General Counsel

8 1 3 1 3 1 3 1 4

PS Form 3811, Aug. 1978

SENDER: Complete items 1, 2, and 3. Add your address to the "RETURN TO" section.

1. The following service is requested (check one).  
 Show to whom and date delivered.  
 Show to whom, date, and address of delivery.  
 RESTRICTED DELIVERY  
 Show to whom and date delivered.  
 RESTRICTED DELIVERY  
Show to whom, date, and address of delivery.  
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:  
*Larry Davidson*

3. ARTICLE DESCRIPTION:  
REGISTERED NO. *246906* CERTIFIED NO. INSURED NO.

4. I have received this article described above.  
 Through (T)  Address  Authorized agent  
DATE OF DELIVERY *1-16-80*

5. ADDRESS (Complete)  
*1-16-80*

6. UNABLE TO DELIVER REASON

*Mae 1053*



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Larry Davidson, Treasurer  
Austin for Senate Committee  
c/o Grant and Silverman  
Certified Public Accountants  
21411 Civic Center Drive  
Southfield, Michigan 47076

Re: MUR 1053

Dear Mr. Davidson:

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Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

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Letter to: Larry Davidson  
Page 2

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Sincerely,

Charles N. Steele  
General Counsel

1/9/80  
RB

91040231345



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Austin for Senate Committee )

MJR 1053

CERTIFICATION

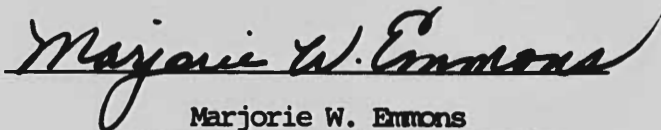
I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission's Executive Session on January 8, 1980, do hereby certify that the Commission determined by a vote of 6-0 to take the following actions in MJR 1053:

1. Find reason to believe that the Austin for Senate Committee may have violated 2 U.S.C. §434(b)(1), (2), (7), (8), (9), (11); 2 U.S.C. §433(b)(9); 2 U.S.C. §441f, and 2 U.S.C. §441a(f).
2. Approve and send the letter of notification to respondent, as attached to the December 31, 1979 report from the Office of General Counsel.

Attest:

1-8-80

Date



Marjorie W. Emmons  
Secretary to the Commission

81010234347



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE *mwe*  
FROM: MARJORIE W. EMMONS, MARGARET CHANEY *mc*  
DATE: JANUARY 3, 1980  
SUBJECT: OBJECTION - MUR 1053 - First General  
Counsel's Report dated 12-31-79;  
Received in OCS 12-31-79

The above-named document was circulated on a 48  
hour vote basis at 11:00, January 2, 1980.

Commissioner Friedersdorf submitted an objection  
at 10:32, January 3, 1980, thereby placing MUR 1053  
on the Executive Session Agenda for January 8, 1980.

9171023119

December 31, 1979

MEMORANDUM TO: Marjoffe W. Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 1053

Please have the attached First GC Report on MUR 1053 distributed to the Commission on a 48 hour tally basis.

Thank you.

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FEDERAL ELECTION COMMISSION

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL  
BY OGC TO COMMISSION 12-31-79

MUR NO. 1053  
STAFF MEMBER(S) \_\_\_\_\_

Robert Bogin

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENT'S NAME: Austin for Senate Committee

RELEVANT STATUTE: 2 U.S.C. § 433(b)(9), § 434(b)(1)(2)(7)(8)(9) and(11),  
§ 441f

INTERNAL REPORTS CHECKED: Audit Report

FEDERAL AGENCIES CHECKED:

GENERATION OF MATTER

This matter under review was generated by an audit of the Austin for Senate Committee. The referral memorandum from the Audit Division is attached. (Attachment I). The Austin for Senate Committee ("Committee") registered with the Commission as the principal campaign committee for Richard H. Austin, Secretary of State of Michigan. The audit covered the period October 1, 1975, through June 30, 1977.

PRELIMINARY LEGAL ANALYSIS

A. Transfers

On September 16, 1976, Committee records disclosed a transfer of \$73,199.61 1/ from the Austin Campaign Fund ("Fund") to the Austin for Senate Committee. The Fund was established in 1972 by a group of Michigan Branch Managers to help finance future political campaigns of Richard H. Austin. Contributions to the Fund totalling \$102,365 were made during the years 1972 and 1973. 2/ The Fund never functioned as a principal or authorized

1/ The audit staff determined that only \$68,699.61 was transferred.

2/ An analysis of the contributors revealed that 18 individuals (all fee branch managers) made contributions (\$102,365) ranging from \$300 to \$9,100, including 11 individuals who contributed \$5,000 or more.

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campaign committee for any of the Candidate's previous campaigns. 3/ Although this Fund never operated as a campaign committee in previous campaigns, it is apparent that Secretary of State Austin authorized the activity of the Fund. 4/ Although, the Committee may accept the transfer of pre-1975 contributions, it must disclose information as to the source of the transferred funds. AO 1975-10 and AO 1975-66. The Committee never disclosed in its statement of organization the Fund's depository, the failure to do so is an apparent violation of 2 U.S.C. § 433 (b)(9). In addition, Committee reports apparently did not properly disclose the amount of cash on hand at the beginning of the first reporting period pursuant to 2 U.S.C. § 434(b)(1), the names and other information of contributors pursuant to § 434(b)(2), the total sum of all receipts pursuant to § 434 (b)(8), the identification of each person receiving expenditures in excess of \$100 pursuant to § 434(b)(9), and the total sum of those expenditures pursuant to § 434(b)(11).

B. Contributions

In addition to the money from the Fund, the Committee, during the period April 9, 1976, through June 23, 1976, received contributions totaling \$44,550.00. This money was deposited into an account entitled "Austin For Senate-M Account" (M Account). The deposits represented contributions from various fee branch managers and their respective employees. Committee records documented the contributions by contributor name, occupation, amount, check number, and business address.

3/ The Committee in AOR 1976-49 requested an advisory opinion as to the transfer of contributions received by the Committee from the Fund. The Commission premised its opinion on the fact that the Fund was a state election account. Insofar as the advisory opinion was based on this faulty premise, it cannot be relied on as a defense by the Committee to Commission enforcement action. (See Attachment II).

4/ We deduce that the Fund was authorized by Austin and was not a separate political committee based on the classification of the Fund as the Austin Campaign Committee in AOR 1976-49, based on the patronage system involving the Secretary of State and the contributors to the Fund, and based on the Deputy Secretary of State having intimate knowledge of the operations of the Fund.

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In one instance, the Committee reported a \$500 contribution from a branch manager and a \$1,000 contribution from an employee of the same fee branch office. Committee records indicate that the contributions were received from the branch manager and on consecutive check numbers.

In another instance, the Committee reported a branch employee contributing \$1,000; however, the deposit ticket listed the contributor's last name as Stec. Other Committee records indicate that Stanley J. Stec is a fee branch manager at the same office that the contributor is employed.

Additionally, the Committee reported an \$800 contribution from Stanley J. Stec on May 17, 1976. The two (2) contributions totaled \$1,800, which exceed the \$1,000 contribution limitation by \$800.

In another instance, the Committee reported a \$700 contribution from a fee branch manager and \$500 from an assistant fee branch manager of the same office. However, Committee records indicate both contributions were received from the fee branch manager, which in the aggregate would be in excess of the contribution limitation.

2 U.S.C. § 441f prohibits a political committee from "knowingly accept[ing] a contribution made by one person in the name of another person." The above-cited instances appear to be violations of 2 U.S.C. § 441f.

2 U.S.C. § 441a(f) prohibits a candidate or his authorized committee from knowingly accepting contributions which in the aggregate exceed the limitation imposed on contributions by 2 U.S.C. § 441a(a)(1)(A). The above-cited instances appear to be violations of 2 U.S.C. § 441a(f) in that the Committee apparently accepted contributions from fee branch managers in excess of the § 441a(a)(1)(A) limitations.

C. Receipts

The Audit staff was unable to determine with certainty the source of the contributions to the Fund or to the M account. However, the possibility exists that the source for these monies was various Secretary of State Fee Branch depositories. This possibility is based on a review of the occupation of the contributors, the amount of the contributions, and of one instance

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where the auditors viewed a contribution attributed to a fee branch manager as having been written on a check entitled Secretary of State-Taylor Branch. 5/ If the source of any of the money contributed to the Fund or to the M account by the fee branch managers was drawn on state treasury depositories, then the Committee might have violated 2 U.S.C. § 434(b)(7) by not reporting the proper source of these receipts. The Act does not prohibit a state from funding federal candidates, 6/ but if the source of the money is from the state treasury, it would be misleading for the Committee to list these monies as contributions from state employees. Instead, the Committee has a requirement to report these monies as a receipt from the State of Michigan since the source of the money was the state treasury.

Recommendation

1. The Commission find reason to believe that the Austin for Senate Committee violated 2 U.S.C. § 434(b)(1), (2), (7), (8), (9), (11); 2 U.S.C. § 433(b)(9); 2 U.S.C. § 441f, and 2 U.S.C. § 441a(f).
2. Approve and send the letter of notification to respondent.

ATTACHMENTS:

Memo from Audit Division  
Letter of Notification  
AOR 1976-49

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5/ It should be noted that a state grand jury is looking into the financial affairs of the Committee, and the possible misappropriation of state funds by the fee branch managers.

6/ The Commission has determined that the federal government is not a person under the Act, and thus, is not subject to the limitations on contributions and expenditures. AO 1976-34 and AO 1976-44. The exception carved out by these decisions may appropriately be expanded to exempt state governments from being a person under the Act.

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Attachment I



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

August 24, 1979

MEMORANDUM

TO: WILLIAM C. OLDAKER  
GENERAL COUNSEL

THROUGH: ORLANDO B. POTTER  
STAFF DIRECTOR

FROM: *RC* BOB COSTA/RAY LISI *RL*

SUBJECT: AUDIT OF AUSTIN FOR SENATE COMMITTEE  
("the Committee") (MUR 563(78)).

On August 17, 1978, the Commission adopted the recommendation of the Office of General Counsel to refer the Committee to the Audit Division for consideration. During the audit of the Committee, several matters were noted which are being referred to your office for possible MUR action.

The Committee registered with the Federal Election Commission on October 15, 1975, as the principal campaign committee for the Honorable Richard H. Austin. 1/ The Committee maintained its headquarters in Detroit, Michigan.

The audit covered the period from October 1, 1975, through June 30, 1977, the final coverage date of the last disclosure report filed by the Committee. For the period covered by the audit the Committee reported \$ -0- in beginning cash, total receipts of \$239,665.92, total expenditures of \$235,150.07 and \$ -0- 2/ in ending cash.

1/ The Honorable Richard H. Austin is in his third term as the Secretary of State of Michigan.

2/ Difference \$4,515.85 - For the period 4-1-76 through 6-30-76 the Committee reported \$4,515.85 in unitemized receipts, however, the Committee also itemized this figure (\$4,515.85) on Schedule A, thereby, overstating the total receipts for the period by \$4,515.85.



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1. Transfer Received From The Austin Campaign Fund

On July 2, 1976, the Committee submitted an advisory opinion request (AOR) (See Attachment 1) regarding the utilization of residual funds from the Austin Campaign Committee for the Austin For Senate Campaign. The AOR stated that the Austin Campaign Committee received contributions totaling approximately \$102,000 during 1972 and 1973, and expended approximately \$33,000 from 1972 through 1975 for political purposes unrelated to Mr. Austin's campaign for the U.S. Senate.

The AOR made reference to AO 1975-10 and OC 1975-131 supporting the transfer, related disclosure requirements, and the application of individual limitations.

In response (AO 1976-49) the Commission reiterated its policy as to the transfer of excess campaign funds from a state election account to a Federal campaign committee, which had been stated in AO 1975-10, 1975-66, and OC 1975-131. The AO further stated that a transfer of pre-1975 contributions was permitted if the transferred sum did not include funds donated by national banks, corporations, labor unions, Federal contractors, or foreign nationals, and if full information as to the source of the transferred funds could be properly disclosed.

Additionally, the response cited Section 104.10 of the Commission's Regulations which embodies and clarifies the policy developed in the above advisory opinions.

During the audit a review of the Committee records disclosed that on September 16, 1976, the residual balance from the Austin Campaign Fund 3/ (the Fund) was transferred to the Committee. The actual amount transferred was \$68,699.61, however, the Committee reported receiving \$73,199.61 from the Fund, a difference of \$4,500. 4/

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3/ In the AOR the Committee erroneously referred to the Fund as the Austin Campaign Committee.

4/ Committee officials were unable to explain the difference between the amount received and the amount reported.

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According to a Committee memorandum (See Attachment 2), in 1972 a group of supporters (Michigan Branch Managers) established the Fund to help finance subsequent political campaigns of the candidate. The memo further states that no formal plans were drawn for the accumulation of the Fund or for its operation, however, the stated goal was to accumulate approximately \$100,000 by 1974.

A review of the bank records maintained for the Fund indicates that for the period April 20, 1972 through June 15, 1973, total contributions of \$102,365 were deposited into the Fund. An analysis of the contributors revealed that 18 individuals (all fee branch managers) made contributions (\$102,365) ranging from \$300 to \$9,100, including 11 individuals who contributed \$5,000 or more.

The Audit staff was unable to determine the source of the funds from which the contributions originated. It is possible that the contributor checks were drawn on various Secretary of State Fee Branch depositories, based on the dollar amount of the contributions and the occupations of the contributors. Furthermore, in reviewing the contributor records for the Austin for Senate Committee it was noted that in one (1) instance copies of two (2) checks from one (1) contributor (a fee branch manager) were drawn on an account entitled Secretary of State - Taylor Branch. The contributions were deposited into the Committee's depository.

An analysis of the Fund's expenditures revealed that \$68,128.80 was expended through 1975, on behalf of various entities. 5/ The expenditures included a \$24,000 advance to a public relation firm in order to secure billboard space for future advertisements on behalf of the Committee, \$2,053.31 for campaign material for the Committee, and various transfers to the Committee totaling \$6,300. 6/

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5/ The AOR stated that approximately \$33,000 was expended from 1972 through 1975 for political purposes unrelated to Mr. Austin's campaign for the U.S. Senate.

6/ The Committee did not report the \$26,053.31 expended on its behalf or the \$6,300 in transfers from the Fund.

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The remaining expenditures were made for various operating costs, expenditures on behalf of a non-Federal candidate, and a \$10,000 contribution to the Michigan Democratic Party.

It should be noted that as of March 31, 1976, the balance in the Fund was \$38,399.61. On April 28, 1976, the public relation firm (MG and Casey, Inc.) repaid the \$24,000 advance 7/ and the Committee refunded the \$6,300 in transfers. 8/ As of April 30, 1976, the Fund had a balance of \$68,699.61, which as stated previously, was subsequently transferred to the Committee on September 16, 1976.

Committee officials stated that although the Fund was established to help finance the future political campaign needs of the Candidate, it never functioned as a campaign committee for any of the Candidate's previous campaigns. In a subsequent meeting with the Deputy Secretary of State, 9/ the staff questioned whether the transfer from the Fund represented residual funds of a previous non-Federal campaign committee of the Candidate. He replied that the Fund never served as a campaign committee (as represented in the AOR) for the Candidate, but was established in 1972 to finance the future political needs of the Honorable Richard H. Austin.

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7/ A partner of the public relations firm, who also co-ordinated the Committee's, public relations activities stated that the advance from the Fund was not used for its intended purpose.

8/ The Committee did not report making the transfer to the Fund.

9/ The Treasurer recommended we discuss this matter with the Deputy Secretary of State who had more knowledge of the operations of the Fund.

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In a recent phone conversation with the Treasurer of the Committee it was learned that a grand jury has requested the financial records of the Fund.

It is our opinion that the Fund is either a separate political organization or an account of the Committee, but not a previous non-Federal campaign committee of the Candidate, as represented in the AOR submitted by the Committee.

If the Fund is determined to be a separate political organization, not authorized by the Candidate, it is our opinion that the Committee violated Section 441a(f) of Title 2 by accepting a transfer and in-kind contributions in excess of the applicable limitation and that the Fund violated Section 433 and 434 by not registering and reporting, and Section 441a(a)(1)(A) of Title 2, by making contributions totaling \$69,752.92 (\$68,699.61 + \$2,053.31 - \$1,000 (allowable)) in excess of the limitations. If the Fund is determined to be an account of the Committee it is our opinion that the Committee violated Section 433(b)(9) of Title 2 by not disclosing the depository and, Section 434(b)(1)(2)(8)(9) and (11) by not disclosing the activity of the account.

2. Contributions Received Directly From Fee Branch Managers

For the period April 9, 1976, through June 23, 1976, contributions totaling \$44,550.00 were deposited into an account entitled "Austin For Senate-M Account" (M Account). The deposits represented contributions from various fee branch managers and respective employees. Committee records documented the contributions by contributor name, occupation, amount, check number, and business address.

In one (1) instance the Committee reported a \$500 contribution from a branch manager and a \$1,000 contribution from an employee of the same fee branch office. Committee records indicate that the contributions were received from the branch manager and on consecutive check numbers. However, the contributor checks were subsequently returned by the bank due to non-sufficient funds.

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In another instance the Committee reported a branch employee contributing \$1,000, however, the deposit ticket listed the contributor's last name as Stec. Other Committee records indicate that Stanley J. Stec is a fee branch manager at the same office that the contributor is employed.

Additionally, the Committee reported an \$800 contribution from Stantly J. Stec on May 17, 1976. The two (2) contributions totaled \$1,800, which exceed the \$1,000 contribution limitation by \$800.

In another instance the Committee reported a \$700 contribution from a fee branch manager and \$500 from an assistant fee branch manager of the same office. However, Committee records indicate both contributions were received from the fee branch manager, which in the aggregate would be in excess of the contribution limitation.

Futhermore, in 12 instances the Committee's records indicated that two (2) individuals with the same last name (appearing to be husband and wife) made contributions to the Committee.

In all 12 instances one (1) of the individuals was a fee branch manager and in nine (9) of the 12 instances the contributions were received on consecutive check numbers.

It is possible that the contributor's checks were drawn on various Secretary of State Fee Branch depositories, based on the occupation of the contributors, the consecutively numbered checks and, as previously stated, we observed in the Committee records copies of two (2) contributor checks which were drawn on a branch depository.

It is our opinion that the Committee may have violated Section 441(f) by accepting at least three (3) contributions made by one (1) person in the name of another person and possibly Section 441b(a) if the contributions are determined to be from prohibited sources.

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3. Prohibited Contributions

Receipt of excessive contributions from individuals and a political organization and contributions from incorporated entities will be addressed in our letter of Findings and Recommendations to the Committee which is being forwarded to your office prior to mailing. The Office of General Counsel will be advised of the disposition of this matter.

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ATTACHMENT

July 1, 1976

75 JUL 2 9:50

76-846

Mr. Vernon Thompson, Chairman  
Federal Elections Commission  
1325 K St., N. W.  
Washington, D. C. 20463

o/a # 669  
AOR 1976-49



Dear Mr. Thompson:

I am requesting an advisory opinion regarding the utilization of the balance of funds from the Austin Campaign Committee in the Austin For Senate Campaign.

The Austin Campaign Committee received contributions totalling approximately \$102,000.00 during 1972 and 1973. From 1972 through 1975 it expended approximately \$33,000.00 in political purposes unrelated to Mr. Austin's campaign for the U. S. Senate.

Specifically we are asking for advisory opinion to address the following points:

1. Under A.O. - 1975 - 10, can the monies of the Austin Campaign Committee be transferred to the Austin For Senate Campaign.
2. If the transfer is permitted, we understand that:
  - a. Under O.C. 1975 - 131, contributors prior to April 6, 1972 do not have to be disclosed under U.S.C. §434.
  - b. Under O.C. 1975 - 131, contributors after April 7, 1972, but before January 1, 1975, are not subject to the \$1,000.00 limitation of 18 U.S.C. §603 (b).
  - c. Under O.C. 1976 - 131, none of the pre 1975 contributions of any individual through the Austin Campaign Committee apply against the permitted \$1,000.00 contribution that an individual can make in 1976 to the Primary Election and again in the General Election.

*[Handwritten signature]*

*[Handwritten signature]*

20131 James Couzens  
Detroit, Michigan 48235  
(313) 863-5800

CO-CHAIRPERSONS:  
Robert L. Millender  
Michael B. Staebler

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... of our report is  
... with the Federal  
... Commission and  
... is available for purchase  
... from the Federal Election  
... Commission, Washing-  
... ton, D.C.

Mr. Vernon Thompson, Chairman

July 1, 1976

Page 2

3. Can the expenditures from the fund be pro rated among all contributions or do we need to use the first-in first-out reporting method.

We will appreciate receiving your advice on these questions.



20131 James Couzens  
Detroit, Michigan 48235  
(313) 863-5800

Sincerely,

*Robert L. Millender*

Robert L. Millender, Co-Chairman  
Austin For Senate

CO-CHAIRPERSONS:  
Robert L. Millender  
Michael B. Staebler

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A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.



FEDERAL ELECTION COMMISSION SECRETARY OF THE COMMISSION  
1225 K STREET N.W.  
WASHINGTON, D.C. 20543

1977 FEB -2 AM 9 43  
HAND DELIVERED   
5 AUG 1976

Re: AOR 1976-49

Robert L. Millender, Co-Chairman  
Austin for Senate  
20131 James Couzens  
Detroit, Michigan 48235

Dear Mr. Millender:

This letter responds further to your request of July 1, 1976, for an opinion as to the transfer of contributions received by the Austin Campaign Committee in 1972 and 1973 to the present Austin for Senate Campaign Committee.

Under 2 U.S.C. 5437 of the 1976 Amendments to the Federal Election Campaign Act of 1971, the Commission is required to initially propose rules of general applicability by regulation rather than by advisory opinion.

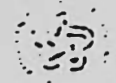
The Commission's previous policy as to the transfer of excess campaign funds from a state election account to Federal campaign committee had been stated in Advisory Opinions 1975-10 and 1975-66 and Opinion of Counsel 1975-131. A transfer of pre-1975 contributions was permitted if the transferred sum did not include funds donated by national banks, corporations, labor unions, Federal contractors, or foreign nationals, and if full information as to the source of the transferred funds could be properly disclosed.

Section 104.10 of the proposed regulations recently given final approval by the Commission embodies and clarifies the policy developed in those advisory opinions. A copy of the pertinent section is enclosed.

(a)

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The proposed regulations are not intended to be retroactive, but may be retroactive if the Commission determines that retroactive regulations are necessary in the public interest. The proposed regulations are subject to the approval of the Commission. The proposed regulations may be approved in final form by the Commission only if not disapproved either by the House or the Senate within thirty legislative days from the date received by each body. 2 U.S.C. 333(c). These regulations were submitted to Congress on August 3, 1976. It is, however, the Commission's view that no enforcement or compliance action should be initiated in this matter if the actions of the political committee you represent conform to the conclusions and views stated in this letter.

Sincerely yours,

*Vernon W. Thomson*  
 Vernon W. Thomson  
 Chairman for the  
 Federal Election Commission

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Enclosure

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§104.9 Waiver of reporting requirements.

Upon application to the Commission, a political committee may be relieved, at the discretion of the Commission, of the duty to file reports of receipts and disbursements if the treasurer of that political committee certifies that the political committee--

- (a) primarily supports persons seeking state or local office; and
- (b) does not operate in more than one state or does not operate on a statewide basis.

§104.10 Political committees; cash on hand.

Political committees and candidates which have cash on hand at the time of registration (which the committee or candidate anticipates using in an election) shall disclose on their first report the source(s) of these funds, including the information required by §10 4.2. The cash balances are assumed to be composed of those contributions most recently received by the committee or candidate. The committee shall exclude from funds to be used for Federal elections any contributions not permissible under the Act; see Parts 110, 114 and 115.

*PH*  
*Da*

SECRETARY OF STATE

Secretary of State Richard Austin has begun the process which will put an end to the state's largest political spoils system. The branch office fee mangers who sell you your license plates will be transferred to the jurisdiction of the Civil Service Commission.

EDITORIAL

In the past, the fee managers were the political appointees of the Secretary. Almost all of them were of the same party. They repaid the favor by working hard on the Secretary's re-election campaign. They contributed financially to his campaign fund. They are an important part of the Secretary's political power base. But Mr. Austin has decided to forego all that because he obviously recognizes that the patronage system does not serve the best interests of the citizens. In our opinion, he acted unselfishly and should be given credit for it. Dropping the patronage system is the best for all concerned.

Telecast -- August 18 & 19, 1971

No. 1087

WXYZ-TV regularly presents editorials on topics of vital interest to its viewers. Clearly labeled as opinion, these television editorials are delivered by the Vice-President and General Manager of WXYZ-TV, Donald F. Keck. Your comments concerning this editorial will be greatly appreciated.  
Lowell Newton,  
Editorial Director

8101731356

This memo will review the handling of the reserve fund established in 1972 to help finance subsequent political campaigns of Richard H. Austin.

In 1970, a group of supporters who identified themselves as Michigan Branch Managers collectively contributed the sum of \$57,000.00 to his first campaign for Michigan Secretary of State. Austin's opponent had stated publicly that if elected he would oust these people from their positions and replace them with new appointees. Over 200 of these fee offices with varying work loads were a statewide network of outlets for distribution of vehicle license plates, titling of and transfers of motor vehicles.

The Branch Managers had been engaged in many activities contributing to their general welfare and the welfare of the Democratic Party of Michigan. For more than 30 years under several administrations (Democratic and Republican), Branch Managers individually and collectively, with their own officers and with the Secretary of State as their principal focus, maintained a communication system, engaged in public relations activities, supported their local and state political party organizations and supported candidates for office. To achieve and finance their objectives, they accepted financial contributions from members and on occasions encouraged members to contribute directly to candidate committees.

The Austin Campaign Fund was created in 1972 by a group of the Branch Managers to help finance the future political campaign needs of Richard H Austin, one year after he was elected Michigan Secretary of State. No formal plans were drawn for accumulation of the Fund or for its operation.

*Source: Committee Records*

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The stated goal was to accumulate approximately \$100,000 by 1974. Certain of the managers made contributions directly to the Fund.

Contributions were made to the Austin Campaign Fund during 1972 and 1973 only. The aggregate of contributions amounted to \$102,365.00. The first disbursement from the Fund was a transfer of \$10,000.00 to the Branch Managers Association on September 11, 1972 to cover their operating expenses. Other disbursements (net) before September 16, 1976 totaled \$23,665.39. The balance of \$68,665.39 was transferred to the Austin for Senate Committee on September 16, 1976 as a contribution to that campaign.

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# Democratic Party Money Tree To Shrivvel, Die in 7 Years

BY BUD VESTAL  
News Lansing Bureau

LANSING—The Democratic Party's money tree in state government will shrivel slowly for the next seven years, and then die.

It is the patronage empire of 200 "fee branch" offices of the secretary of state which over the years' contributed hundreds of thousands of dollars to secretaries of state, and to the state Democratic Party treasury. The going rate was about 10 per cent of the fees collected from such items as 30 cents per set license plates issued by the politically appointed branch managers.

Since 1955, the patronage empire has been in Democratic hands first under Secretary of State James M. Hare, and now under Secretary Richard H. Austin.

Hare acknowledged publicly that the patronage system was worth up to \$100,000 a year, and in the last years of his long tenure there were quarrels over how much the Democratic Party should get. When Hare's Deputy, William N. Hettiger, was opposed by James M. McNeely for the job of party secretary, the donations to the party treasury dried up for a time, and the money was used for such ventures as trying to nominate ex-legislator Charles Gray of Ypsilanti for secretary of state.

Democratic Chairman McNeely, after defeating Hettiger, received a written report as to how much the fee branches contributed to the party over the years. He never made it public but he now reports in answer to a question, "The figures they gave didn't agree with ours."

In 1957 when Hare made a foredoomed bid for nomination as governor, a large but undisclosed amount of money was delivered to his campaign. When he retired last year an also undisclosed but substantial amount was spent on farewell gift to Hare, including a station wagon. Similarly, the system donated more than \$50,000 to Austin's campaign treasury last year.

Once a Bay County fee branch manager bridled at the system and began sending checks to then party secretary Neil Trabler of Ann Arbor for exactly 10 percent of his monthly fees, to the penny. He was fired.

Final disappearance of the system, when it comes, will end some traditional practices in Democratic politics.

## Analysis

The fee branch managers will no longer be a power block at Democratic state conventions.

The branch offices will no longer be a happy retirement ground for defeated Democratic legislators who need jobs. Like ex-Rep. George Stetsema of Wyoming, Gray, and others.

Service at some branch offices won't always be prompt and with a smile, because there's a difference between a clerk with civil service protection and a politically appointed hireling who can be fired instantly.

The system will cost more, because civil service employees get annual pay raises instead of fees, and have lots of fringe benefits.

Owners of truck and auto fleets will no longer feel constrained to buy blocs of tickets to political fish fries, or make large contributions to campaign of the secretary of state.

Other facts about the great change in Michigan politics may be better brought out as answers to questions many voters will ask, such as:

Q. Is this the last of patronage in Michigan?

A. No, the governor gets to appoint lots of people to state jobs too, and many of them contribute to his campaign treasury; the attorney general gets to appoint hundreds of special assistants, who usually contribute.

Q. Was it any different when there were Republican secretaries of state?

A. Yes, the fees were smaller and there were fewer motor vehicles, so the political contributions were smaller.

Q. Why did the Democrats decide to give up their patronage?

A. They didn't: A court was about to order conversion to civil service, and they bargained with civil service (which started the lawsuit) to get a seven-year phaseout.

Q. How does the phaseout go?

A. Fifteen per cent a year, of the volume of licenses or number of patronage offices, or a combination of the two. The first year, the system gets an 8 per cent credit for a new system of mailing license tabs.

Q. How much money did Secretary Hare claim his regime contributed to the party's central treasury, and how much does McNeely say?

A. One million, and about \$400,000 respectively, so somebody obviously made a bookkeeping error.

Q. What do Democrats think about it?

A. Chairman McNeely says, "It is not in the narrow interests of the party, or of the secretary of state, but times move on." Democratic Party headquarters broke the bad news in the form of a "bulletin to all Democratic Party Officers, Leadership, County and District Officers, members of the Democratic State Central Committee and Legislators."



Editorial Page

The Detroit News

Published Daily and Sunday by The Evening News Association

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WILBUR E. ELSTON  
Associate Editor—Editorial Page

10-B

Thursday, August 19, 1971

Good-by and good riddance

Michigan's Department of State is finally phasing out a patronage system which, while very lucrative to the political party in power, has for decades been a constant source of dissension, unsavory politics and criminal abuse.

Fee branch managers who sold license plates and vehicle titles on a commission basis will be replaced by state civil service employees, Secretary of State Richard H. Austin says. Thus passes a practice, dating back to the early 1920's, whereby some 200 branch managers were picked because of their loyalty and campaign donations to the party in power.

Austin has wisely filed a consent judgment to settle a suit brought by the Department of Civil Service requiring that such branch offices be manned by merit system employees. He could well afford to agree, since auto license tabs will be paid for and issued through the mails from now on — eliminating the 30 cents commission on a set of plates.

Although the fee branch patronage has been dispensed by Demo-

crats for the past 17 years, the dispensing of these jobs was no less unsavory under previous Republican secretaries of state. In recent years the branch managers had contributed as much as \$110,000 to a single political campaign and were getting so powerful they were attempting to handpick their next boss.

Austin shows his political astuteness by getting an agreement that the change-over to civil service will take seven years, with the phasing out of 15 percent of the branches annually. This means that the majority of the managers still will be Democrats when the next election rolls around.

In any event, the fee system, prone as it was to scandal, is one political patronage gimmick Michigan will be well rid of.

Easterners try to understand the West Coast but there are some things they wonder about, such as why they start the ball games so late out there.

BILL VAUGHAN.

F

By OI

WASHINGTON

the most serious by opponents Southeast Asian planes the job of ground troops was has been cruelly — especially

This viewpoint up in an article issue of The Monthly Magazine Branfman, from March, 1971, with International Services and freelance work

"While millions of hands" or "millions killed in Vietnam Chinese bullets" ident dares to "The People's China!"

Has Mr. Nixon all moral principles his overtures to China are not peace! The Communist control of the Vietnam! There will be peace if Communist appeased. The divisions of Hungary, Slovakia, of Vietnam!

Will President be allowed to Chamberlain Will American at any price?

Posing

To the Editor all you men fee were policemen asked by their walk the streets prostitutes?

MRS.

31010131370



# Austin agrees to shut fee branch offices

By ROBERT A. POPA  
News Staff Writer

Secretary of State Richard H. Austin, under pressure from a lawsuit, has agreed to phase out some 200 fee branch offices which have been attacked by reformers for years as undesirable political patronage.

Austin disclosed in Detroit yesterday that he has entered into a consent judgment in a lawsuit filed against the Department of State six years ago by the Michigan Civil Service Commission, now called the Department of Civil Service.

According to the judgment, Austin will abolish fee branch offices at a steady rate of 15 percent annually until they are all eliminated in about seven years.

The only exception will be if some rare case develops that would justify hiring nongovernment contractors rather than civil service employees, the judgment noted.

Fee branch offices have been created by the secretary of state in the past as independent contractors. They sell automobile license plates and keep a percentage of the sales as a commission.

In appreciation for being appointed to their jobs by the secretary of state, fee branch managers traditionally have contributed heavily to his campaign funds, an estimated \$100,000 a year.

Inasmuch as Democrats have controlled the secretary of state's office for 17 years, the Democratic Party has been the chief beneficiary of patronage and contributions during that time.

In 1965, the Civil Service Commission sued James M. Hare, the secretary of state who retired last year, seeking to end appointment of fee branch managers and to bring all Department of State employees under civil service.

Hare resisted through the years on the grounds that it would be cheaper to retain fee branches than to replace them with full-time state employees.

Since 1965, Austin said yesterday, conditions in the secretary of state's office have changed enough to allow both parties to the lawsuit to reach

Many employees of fee branch offices may make the switch to offices run by the state, Austin said, but they would first have to pass civil service examinations. "I don't know how many employees are affected," he said.

Asked whether his agreement sounds the death knell for patronage, Austin said there in Michigan lie with the governor who, he said, may appoint some 1,500 job holders and that is not affected by the consent order.

During the transition period, the Ingham Circuit Court will retain supervisory watch, and all payments to fee branch

major patronage opportunities managers will be overseen by the Department of Civil Service.

Reaction from the Branch Managers Association (BMA) whose members run the 200 fee branch offices was unexpectedly mild.

"It was the very best thing we could get," said Charles J. Deamud, BMA chairman who runs a fee branch office in Redford Township.

Deamud said fee branch offices make 30 cents for selling a license plate, 20 cents for transferring a car title, and 10 cents for collecting a use tax or sales tax.



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**GREAT SAV**

Spartan  
DEPARTMENT STORES  
Atlantic

- FIRST IN DISCOUNTING
- FIRST IN FASHION
- FIRST IN VALUE

SP

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PAN  
4

Acrylic bond  
hot pants. E

667

Attachment II

5 AUG 1976

Re: AOR 1976-49

Robert L. Millender, Co-Chairman  
Austin for Senate  
20131 James Couzens  
Detroit, Michigan 48235

Dear Mr. Millender:

This letter responds further to your request of July 1, 1976, for an opinion as to the transfer of contributions received by the Austin Campaign Committee in 1972 and 1973 to the present Austin for Senate Campaign Committee.

Under 2 U.S.C. §437 of the 1976 Amendments to the Federal Election Campaign Act of 1971, the Commission is required to initially propose rules of general applicability by regulation rather than by advisory opinion.

The Commission's previous policy as to the transfer of excess campaign funds from a state election account to a Federal campaign committee had been stated in Advisory Opinions 1975-10 and 1975-66 and Opinion of Counsel 1975-131. A transfer of pre-1975 contributions was permitted if the transferred sum did not include funds donated by national banks, corporations, labor unions, Federal contractors, or foreign nationals, and if full information as to the source of the transferred funds could be properly disclosed.


*RM*

Section 104.10 of the proposed regulations recently given final approval by the Commission embodies and clarifies the policy developed in those advisory opinions. A copy of the pertinent section is enclosed.

31010231372

This response relates to your opinion request but may be regarded as informational only and not as an advisory opinion since it is based in part on proposed regulations of the Commission which must be submitted to Congress. The proposed regulations may be prescribed in final form by the Commission only if not disapproved either by the House or the Senate within thirty legislative days from the date received by each body. 2 U.S.C. §438(c). These regulations were submitted to Congress on August 3, 1976. It is, however, the Commission's view that no enforcement or compliance action should be initiated in this matter if the actions of the political committee you represent conform to the conclusions and views stated in this letter.

Sincerely yours,

  
Vernon W. Thomson  
Chairman for the  
Federal Election Commission

Enclosure

81040:31373



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Larry Davidson, Treasurer  
Austin for Senate Committee  
c/o Grant and Silverman  
Certified Public Accountants  
21411 Civic Center Drive  
Southfield, Michigan 47076

Re: MUR 1053

Dear Mr. Davidson:

On \_\_\_\_\_, the Commission found reason to believe that the Austin for Senate Committee ("Committee") violated various provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"). Specifically, the Commission found reason to believe that your Committee violated 2 U.S.C. §§ 433(b)(9), 434(b)(1), (2), (8), (9), and (11) by failing to adequately disclose in the statement of organization and reports filed with the Commission information concerning a transfer of funds from the Austin Campaign Fund to the Committee on or about September 16, 1976. In addition, the Commission found reason to believe that the Committee violated 2 U.S.C. § 441f by accepting contributions ostensibly made by certain individuals which the Committee in fact knew were made by other individuals, and 2 U.S.C. § 441a(f) by knowingly accepting contributions which exceeded the allowable \$1,000 limit imposed by 2 U.S.C. § 441a(a)(1)(A). Furthermore, the Commission found reason to believe that the Committee violated 2 U.S.C. § 434(b)(7) by reporting money derived from the state treasury as contributions from various fee branch managers, their spouses, and employees, instead of as a receipt from the State of Michigan. The Committee has an obligation to report the source of its funding.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

31010:31374



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

PUBLIC FINANCING TEAM  
OFFICE OF GENERAL COUNSEL

MEMORANDUM

TO:

*Elissa G*

FROM:

*KAG*

DATE:

*10/23/79*

RE:

*Austin*

*Pls. make Elissa*

*MUR*

*Track I*

*R. Begier -*

*Bob - we need to  
send audit covering*



311010231375





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

PUBLIC FINANCING TEAM  
OFFICE OF GENERAL COUNSEL

MEMORANDUM

TO: *Bob B.*  
FROM: *MAH*  
DATE: *10/15/79*  
RE: *Asst.*

*Pls. reviewed & comment*  
*There are some questionable points*  
*matter raised in the audit*  
*B*  
*Wet*



0010031376





**FEDERAL ELECTION COMMISSION**

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

July 13, 1979

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**ADVISORY OPINION 1979-30**

**Mr. Michael Flanary**  
**Director, Finance and Operations**  
**Democratic Party of Virginia**  
**701 East Franklin Street**  
**Richmond, Virginia 23319**

**Dear Mr. Flanary:**

This responds to your letter of May 31, 1979, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act") and Commission regulations, to the transfer of funds between various Virginia Democratic Party Committees and the payment by these committees of debts owed by the Miller for Senate Committee.

Your letter states that three committees are involved in the situation presented:

The Miller for Senate Committee (Miller Committee), which has a debt of \$27,000. It is a registered committee reporting to the FEC for the 1978 U.S. Senate bid of Andrew P. Miller;

The 1978 Virginia Democratic Campaign Committee, (VDCC) which has a debt of \$15,000. It is a registered committee reporting to the FEC and provided phone bank operations to candidates for the House of Representatives in addition to the Senate bid of Andrew P. Miller; [It has spent \$68,560.89 toward the election of Federal candidates.]

The Jefferson-Jackson Day Committee, (J-J) which has a surplus of \$22,500 in its account. This is a fundraising committee that maintains a separate bank account from the Democratic Party of Virginia. This committee did receive \$1,000.00 in corporate and union funds. However, through specific identification we can prove that an amount in excess of \$22,500 was not from these sources. The J-J

Committee is not registered with the FEC.

Your letter explains that the Jefferson-Jackson Day Committee ("JJDC") held a fund-raising dinner, which yielded a profit of approximately \$42,500; \$20,000 has been transferred to the Democratic Party of Virginia. The balance, approximately \$22,500, remains in the separate JJDC bank account.

Specifically, you ask whether the Democratic Party of Virginia can pay up to \$15,000 directly to the creditors of the Miller Committee, either from the JJDC account, or by transferring that amount from the JJDC account to the 1978 VDCC and having the VDCC make payment to the Miller Committee creditors. In addition, you ask if \$7,500 can be transferred from the JJDC to the 1978 VDCC to facilitate repayment of a portion of the VDCC debt owed to the Bank of Virginia Beach.

Title 2 U.S.C. §441a(d) is applicable to your first question. Under that section a State committee of a political party, including any subordinate committee of a State committee, may make expenditures in connection with the general election campaign of its candidates for Federal office, subject to the limitations contained in that subsection. The Commission has previously held that payments by a State committee to creditors of the party's general election candidates may be considered expenditures for purposes of §441a(d). See Advisory Opinion 1979-9 (copy enclosed). That opinion further stated that all other §441a(d) expenditures made by the committee for a particular candidate's general election campaign must be combined with the payments to retire debts and when combined must be within the applicable §441a(d)(3) limit.

In the situation which you present however, the funds which are intended to pay the debt are in the JJDC account. Although the JJDC is an arm of the Virginia Democratic Party it is not a registered political committee. Additionally, it has in its account \$1,000 of corporate and union funds. If the JJDC now wishes to participate in financing Federal elections as well as State and local, the committee may segregate its funds and organize its operations in accordance with the provisions of 11 CFR 102.6. That section provides, in part, that each State committee and subordinate committee of the State committee which intends to solicit, receive, or make contributions or expenditures, in excess of \$1,000, to, for, or on behalf of any candidate for Federal office can establish a separate Federal campaign committee which shall

This response constitutes an advisory opinion concerning the application of a general rule of law stated in the Act, or prescribed as a Commission regulation, to the specific factual situation set forth in your request. See 2 U.S.C. §437f.

Sincerely yours,

*Robert O. Tiernan*  
Robert O. Tiernan  
Chairman for the  
Federal Election Commission

Enclosure

1979-30-10379

register as a political committee and establish a segregated Federal account. Hence, to participate, the JJDC must register as a "political committee" connected with the Virginia Democratic Party.\*

Commission regulations at 11 CFR 104.10 require that if at the time of registration a political committee has cash on hand, the source of these funds be disclosed on the committee's first report, and the information required by §104.2 must be included. According to §104.10 the cash balance is assumed to be composed of those contributions most recently received by the committee before its registration. Further, the committee must exclude from funds to be used for Federal elections any contributions not permissible under the Act. In summary, in order for the JJDC to participate in Federal elections in the manner you describe, it must register as a political committee and identify the sources of its cash on hand on the basis of last in, first "on hand." If any of that cash "on hand" consists of union or corporate treasury contributions, that amount shall be excluded from the JJDC's Federal account. See 2 U.S.C. §441b

The Commission concludes that if, after the JJDC registers as a political committee and follows the cash determination process set forth in §104.10, it has \$15,000 in its Federal account, that amount may be paid directly to the creditors of the Miller Committee subject to §441a(d)(3) limits. Also, since §110.3(c) of the Commission's regulations permits unlimited transfers between political committees of the same political party, the JJDC after it registers and discloses cash on hand in the described manner, could transfer the \$15,000 to the VDCC for direct payment to the Miller Committee creditors. In either situation the §441a(d)(3) limits apply, and there is one overall limit for the State committee and its subordinate committees.

In response to your question regarding a transfer of \$7,500 from the JJDC to the 1978 VDCC, §110.3(c) of Commission regulations permits unlimited transfers between State and subordinate committees of the same political party. Hence if there is \$7,500 in the JJDC Federal account it may transfer that amount to the VDCC.

\*/When the JJDC registers it must notify all contributors who are listed on its report that it has become a "political committee" as defined in 2 U.S.C. §431(d). This is required due to 11 CFR 102.6 and the fact that these contributions will be charged against the individual contribution limits. See 2 U.S.C. §441a and 11 CFR 110.1 and 110.2.



## FEDERAL ELECTION COMMISSION

[Notice 1975-48, AOR 1975-66--AOR 1975-71]

## ADVISORY OPINION REQUESTS

In accordance with the procedures set forth in the Commission's Notice 1975-4, published on June 24, 1975 (40 FR 26660), Advisory Opinion Requests 1975-66 through 1975-71 are published today. Some of the requests consist of similar inquiries from several sources which have been consolidated in cases where appropriate.

Interested persons wishing to comment on the subject matter of any Advisory Opinion Request may submit written views with respect to such requests on or before October 2, 1975. Such submission should be sent to the Federal Election Commission, Office of General Counsel, Advisory Opinion Section, 1325 K Street, NW, Washington, D.C. 20463. Persons requiring additional time in which to respond to any Advisory Opinion Request will normally be granted such time upon written request to the Commission. All timely comments received by the Commission will be considered by the Commission before it issues an advisory opinion. The Commission recommends that comments on pending Advisory Opinion Requests refer to the specific AOR number of the Request commented upon, and that statutory references be to the United States Code citations, rather than to the Public Law Citations.

**AOR 1975-66:** Transfer of Funds From An Individual's State Office Campaign Committee To His Federal Principal Campaign Committee (Request Edited by the Commission).

DEAR MR. CURTIS AND COMMISSION MEMBERS: Due to what I feel is an omission in the Federal Election Act of 1971, and its attendant amendments thereafter ratified by Congress, I request on behalf of our campaign committee an advisory opinion dealing with the following:

If a candidate is presently an elected state official with a campaign Treasury designed for state legislative campaigns, how can his Federal principal campaign committee transfer funds from one effort to the other treasury?

How is the federal campaign committee supposed to report this kind of income if at all?

What should a committee do if they have used money of this nature at this juncture and now are notified that this kind of contribution is unacceptable?

Is the committee liable for past use when nothing in the Federal law prohibits such use?

DENNIS C. MUCHMORE,  
Treasurer & Reporting Officer.

Source: Dennis C. Muchmore, Treasurer & Reporting Officer, Bowman for Congress Committee, 203 Lawyers Building, Mt. Clemens, Michigan 48043. (September 2, 1975.)

**AOR 1975-67:** Use of Name of Campaign Committee Chairman and Treasurer on Billboard Signs (Request Edited by the Commission).

DEAR SIR: I am a candidate for the Democratic nomination for the U.S. House of Representatives and hereby request an advisory opinion . . . on the following question:

"Is it necessary under the Federal Election Campaign Act and the amendments of 1974 to place the name of the campaign committee chairman and treasurer on billboard signs?"

My signs will read merely:

VOTE DEMOCRATIC  
THOMAS A. WALSH  
U.S. CONGRESS

No solicitation of funds is intended or implied in this wording.

THOMAS A. WALSH.

Source: Thomas A. Walsh, 621 Prigge Road, St. Louis County, Missouri 63138. (September 2, 1975.)

**AOR 1975-68:** Use of and Reporting of Funds Received After January 1, 1975 to Retire 1974 Campaign Debts Without Specific Authorization of Contributors (Request Edited and Paraphrased by the Commission).

GENTLEMEN:

During the 1974 Congressional campaign and at the present time, the Hughes for Congress Committee was the sole campaign committee authorized to receive monies and make expenditures on behalf of the Congressional candidacy of Honorable William J. Hughes. Congressman Hughes was elected to the United States House of Representatives in the 1974 election as the Representative for the Second Congressional District of New Jersey.

As a result of the 1974 Congressional campaign and as reported on reports of the Hughes for Congress Committee filed in the Office of the Clerk of the U.S. House of Representatives, our Committee carried obligation as campaign debts arising from the 1974 campaign. Since January 1, 1975, the Committee has received substantial monies from individuals and groups not connected with any fund raising event. These monies were received prior to any of the memorandums or advisory opinions issued by your Commission in interpreting the Federal Election Campaign Law and these monies have been used to reduce the 1974 campaign debt. In addition, those who donated the monies have not designated in writing that the monies be used to defray past election debts.

Further, on May 22, 1975, the Hughes for Congress Committee sponsored a fund raising dinner as reported on the July 10, 1975 report. The purpose of this event was to raise funds to reduce the 1974 campaign debt. However, there was no formal notification on the tickets, or otherwise, that the receipts would be used to reduce the 1974 campaign debt; and, in addition, the Committee has not to date received any written document from the donors in excess of \$100.00 designating that the money be used by the Committee to defray the 1974 campaign debt.

. . . I [request an advisory] opinion from the Commission [as to whether] the Committee [may] apply the monies received from that fund raising event to reduce the 1974 campaign debt without the necessity of obtaining any written authorization from individuals who contributed in excess of \$100.00 for that particular dinner or [from] those who contributed to that dinner but less than \$100.00 who as a result of their contribution have an aggregate year to date in excess of \$100.00.

I would further appreciate your issuing an opinion regarding the monies received by the Committee from individuals and groups since January 1, 1975 but not connected

with the fund raising dinner as to whether written authorizations are necessary. Since these monies were received prior to the issuance of your opinions and memorandums and have already been applied to reduce the debt, I would hope that your opinion would sanction the Committee's actions.

In addition to the above, please advise whether the contributions made in connection with the fund raising dinner and otherwise referred to above are subject to the limits in 18 U.S.C.A. 608 (b) and (c).

I would also appreciate your advising whether the Hughes for Congress Committee must submit a separate report concerning the monies received and expended since January 1, 1975 to liquidate the campaign debt. Since all receipts and expenditures have already been reported, it is my hope that the reports previously filed are sufficient.

DONALD R. CHARLES, JR.

Source: Donald R. Charles, Jr., Counsel, Hughes for Congress Committee, 838 Asbury Avenue, Ocean City, New Jersey 08226. (August 25, 1975.)

**AOR 1975-69:** Retired Loans—Effective With Respect to Contribution Limitations; Existence of a Written Instrument of Obligation (Request Edited by the Commission).

DEAR MR. CHAIRMAN: Please consider this an official request for an Advisory Opinion of the Federal Election Commission, pursuant to the provisions of 2 U.S.C. § 437f(a). I am aware that under procedures outlined in Commission Notice 1975-4 (FEDERAL REGISTER, June 24, 1975) an edited version of this request shall be published in the FEDERAL REGISTER to allow public comment.

Question I

Does a loan from a donor to a federal officeholder's campaign committee continue to be considered a contribution after the loan has been repaid by the Committee, for purposes of 18 U.S.C. § 608?

Question II

Would such a retired loan bar acceptance of any further contributions—either gift or loan—from that same donor by the officeholder's campaign committee with respect to the same election?

Question III

Would such a retired loan (Question I) count against the donor's \$25,000 election period contribution limitation?

Question IV

What effect does the existence of a written instrument of obligation have in the interpretation of the questions above?

ALVIN BALDUS, M.C.

Source: Representative Alvin Baldus, House of Representatives, 509 Cannon House Office Building, Washington, D.C. 20515. (September 2, 1975.)

**AOR 1975-70:** Use of Labor Union Office Telephones to Call Members Within a Candidate's District (Request Edited by the Commission).

DEAR CHAIRMAN CURTIS: A labor union in my district has offered to make telephone calls to all its members in the district from the union office. It will necessitate adding phones and union personnel to make these calls. Since the union will be contacting its own members, will these calls, the cost of the phones or the salaries of the personnel making the calls be construed as a political contribution and reportable by the union or their political action committee? Will this be reportable by my principal campaign committee even though I have not contributed to the expense of this project?



## FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20463

MEMORANDUM

TO: AUDIT, INFORMATION, AND  
REPORTS ANALYSIS DIVISIONS

FROM: ORLANDO B. POTTER *OBP*  
STAFF DIRECTOR

SUBJECT: PROCEDURES APPROVED BY THE COMMISSION  
CONCERNING TRANSFERS FROM UNREGISTERED  
POLITICAL ORGANIZATIONS

The following procedures, approved by the Commission on February 8, 1979, are to be implemented by the Audit and Reports Analysis Division when encountering transfers from unregistered political organizations.

A. Unregistered Political Organizations  
Federal Activity \$1,000 or Less

No action will be taken with respect to:

- a) Unregistered political organizations which have not transferred an amount exceeding or aggregating in excess of \$1,000 within a calendar year to Federal committees. 1/
- b) Any political committee which has received transfers mentioned in a) above.

However, if it appears that a candidate or committee may be attempting to circumvent the provisions of the statute by accepting numerous contributions from unregistered committees the matter should be brought to the attention of the appropriate audit manager or branch chief for treatment on a case by case basis.

1/ During an audit, only transfers to the committee being audited will be considered.



31010234392



B. Unregistered Political Organizations Qualifying as Political Committees-Federal Activity in Excess of \$1,000

If, during the course of an audit, the Audit Division uncovers contributions in excess of \$1,000 within a calendar year received from an unregistered political committee, the unregistered committee will be referred to the Reports Analysis Division. The Audit Division will take no action with respect to the audited committee, unless with regard to non-party committees the contribution(s) exceed(s) the applicable contribution limitations (in which case the recipient committee will be required to refund the amount in excess of the limitation and a referral made to the Office of General Counsel if the amount exceeds \$500 or if the refund is not made).

Additionally, the Reports Analysis Division will periodically review reports and the G Index of contributors to determine which unregistered organizations have transferred funds to Federal candidates and committees in excess of \$1,000 within a calendar year and also identify any apparent excessive contributions as a result of transfers to Federal candidates from affiliated party organizations.

When unregistered political organizations transfer an amount exceeding or aggregating in excess of \$1,000 within a calendar year to a Federal candidate(s) or Federal committee(s), a Surface Violation letter is sent by the Reports Analysis Division (see Attachment 1). Registration and reporting forms are enclosed with the letter. The response is tracked for compliance purposes. Failure to respond results in referral to the Office of General Counsel.

The unregistered organization which became a "political committee" is required to either:

- 1) Register and report to the Federal Election Commission; or
- 2) Have all contributions to Federal candidates or committees which aggregated in excess of \$1,000 refunded by the recipient candidate(s) or committee(s) or transferred by the recipient candidate(s) or committee(s) to accounts which are not used to influence Federal elections.

In the event the organization elects to register and to file reports as a political committee, it becomes subject to the requirements of Sections 441a(a) and 441b of Title 2 of the United States Code.

81010274333

The first report filed must encompass the entire reporting period in which the contribution(s) which triggered the registration requirement occurred. For example, an unregistered organization whose only Federal activity was a transfer of \$900 on June 15, 1978 and a transfer of \$300 on June 18, 1979 to Federal candidates/committees would be required to register and report to the Federal Election Commission (the initial report being a July 10 Report covering the period April 1, 1978 through June 30, 1978).

A statement as to the source of the beginning cash balance must be filed with the report, if the beginning cash reported is greater than \$-0-.

To ensure compliance with Sections 441a(a) and 441b of Title 2 of the United States Code, the Committee would be required to refund any contributions which exceeded the prescribed limitations or were from prohibited sources. These refunds must be disclosed as expenditures.

In the alternative, if the unregistered organization, which became a "political committee" by virtue of its contributions exceeding \$1,000 to Federal committees determines to either seek refunds of the excessive amounts, or request the recipient committee(s) to transfer the excessive amount(s) to a non-Federal account, the refund(s) or transfer(s) which reduces the political organization's Federal activity to \$1,000 or less would then obviate any registration and reporting requirements. <sup>2/</sup> For example, if a Federal committee refunded a contribution to an unregistered "political committee", and thereafter, the unregistered organization had not received or expended in excess of or aggregated in excess of the net amount of \$1,000 for the support of Federal candidates or committees, it would no longer qualify as a political committee subject to the requirements of the Act.

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<sup>2/</sup> In addition, an unregistered organization would not be required to register with the Federal Election Commission in those instances in which the organization served only as a fundraising agent for a Federal candidate/committee (see AOR 1976-15 attached).

91010231334

Upon notice from the unregistered political committee that refunds or transfers to a non-Federal account are being requested or effected, the Reports Analysis Division will ensure that the recipient reporting committee's next report reflects that the refunds or transfers were made.

In addition to the above procedures, the Commission will publish a quarterly notice in the Record informing political committees that they must assume the responsibility for determining that funds received from unregistered organizations are from sources permissible under the Act.

Attachments as stated

81040234395



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 28, 1979

MEMORANDUM

TO: Robert Costa  
THROUGH: Orlando B. Potter  
Staff Director  
FROM: William C. Oldaker *WCO*  
SUBJECT: Audit of Austin for Senate Committee - Letter  
of Audit Findings

This Office has reviewed the draft of the letter of audit findings which you propose to send to the Austin for Senate Committee. It is requested that you amend the last sentence of paragraph two as follows:

If the recommendations contained in this letter are followed, such efforts will be noted in the audit report which will be presented to the Commission; however, adherence to these recommendations will not necessarily preclude the institution of enforcement proceedings with regard to apparent violations of the Federal Election Campaign Act of 1971, as amended.

We ask that this same language be incorporated into all future audit letters which include recommendations for actions by a committee. Additional language will be needed with regard to violations of Title 26 by presidential committees.

Attachment: Letter

31010234396



## FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

Mr. Larry Davidson, Treasurer  
Austin For Senate  
c/o Grant and Silverman  
Certified Public Accountants  
21411 Civic Center Drive  
Southfield, Michigan 48076

Dear Mr. Davidson:

The attached is to formally advise you of the findings and recommendations of the Audit staff resulting from the audit of the Austin For Senate ("the Committee"). These matters were discussed with you at the conclusion of the fieldwork in Detroit, Michigan on April 13, 1979.

You are requested to comply with the stated recommendations within 30 days of receipt of this letter. After expiration of the 30 day period and receipt of your response, the Audit staff will present a final audit report to the Commission for approval and subsequent public release. Efforts to comply with the recommendations will be noted in the report when presented.

Apparent contributions made by persons in the name of another person and transfers from the Austin Campaign Fund have been referred to the Office of General Counsel.

Should you not respond adequately to the recommendations within the time specified above, in accordance with Commission policy, the matter will be referred to the Commission's Office of General Counsel with a recommendation that an order or subpoena be prepared requiring compliance with the staff recommendation.



If you have any questions regarding this matter, please do not hesitate to contact Mr. Raymond Lisi or Mr. Thomas Nurthen at (202) 523-4155 or toll free at (800) 424-9530.

Sincerely,

Robert J. Costa  
Assistant Staff Director  
for the Audit Division

Attachment as stated

CERTIFIED MAIL:  
RETURN RECEIPT REQUESTED

8 1 1 0 1 0 2 3 4 3 3 8





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

August 24, 1979

MEMORANDUM:

TO: BILL OLDAKER

THROUGH: ORLANDO B. POTTER <sup>AL for O.B.P.</sup>  
STAFF DIRECTOR

FROM: BOB COSTA *AK*

SUBJECT: AUDIT OF AUSTIN FOR SENATE COMMITTEE

Attached please find a memorandum which the Audit staff has prepared concerning specific matters noted during the audit of the above Committee which are being referred to your office for possible MUR treatment. Also, attached for your review and comment is a letter to the treasurer of the Committee concerning additional findings and recommendations.

Please notify this office, as soon as possible, if you have any objections to the mailing of this letter.

Attachment as stated

31010211339

# 843  
8/24



# FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

August 24, 1979

## MEMORANDUM

TO: WILLIAM C. OLDAKER  
GENERAL COUNSEL

THROUGH: ORLANDO B. POTTER  
STAFF DIRECTOR

FROM: *RC* BOB COSTA/RAY LISI *RL*

SUBJECT: AUDIT OF AUSTIN FOR SENATE COMMITTEE  
("the Committee") (MUR 563(78))

On August 17, 1978, the Commission adopted the recommendation of the Office of General Counsel to refer the Committee to the Audit Division for consideration. During the audit of the Committee, several matters were noted which are being referred to your office for possible MUR action.

The Committee registered with the Federal Election Commission on October 15, 1975, as the principal campaign committee for the Honorable Richard H. Austin. 1/ The Committee maintained its headquarters in Detroit, Michigan.

The audit covered the period from October 1, 1975, through June 30, 1977, the final coverage date of the last disclosure report filed by the Committee. For the period covered by the audit the Committee reported \$ -0- in beginning cash, total receipts of \$239,665.92, total expenditures of \$235,150.07 and \$ -0- 2/ in ending cash.

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1/ The Honorable Richard H. Austin is in his third term as the Secretary of State of Michigan.

2/ Difference \$4,515.85 - For the period 4-1-76 through 6-30-76 the Committee reported \$4,515.85 in unitemized receipts, however, the Committee also itemized this figure (\$4,515.85) on Schedule A, thereby, overstating the total receipts for the period by \$4,515.85.



1. Transfer Received From The Austin Campaign Fund

On July 2, 1976, the Committee submitted an advisory opinion request (AOR) (See Attachment 1) regarding the utilization of residual funds from the Austin Campaign Committee for the Austin For Senate Campaign. The AOR stated that the Austin Campaign Committee received contributions totaling approximately \$102,000 during 1972 and 1973, and expended approximately \$33,000 from 1972 through 1975 for political purposes unrelated to Mr. Austin's campaign for the U.S. Senate.

The AOR made reference to AO 1975-10 and OC 1975-131 supporting the transfer, related disclosure requirements, and the application of individual limitations.

In response (AO 1976-49) the Commission reiterated its policy as to the transfer of excess campaign funds from a state election account to a Federal campaign committee, which had been stated in AO 1975-10, 1975-66, and OC 1975-131. The AO further stated that a transfer of pre-1975 contributions was permitted if the transferred sum did not include funds donated by national banks, corporations, labor unions, Federal contractors, or foreign nationals, and if full information as to the source of the transferred funds could be properly disclosed.

Additionally, the response cited Section 104.10 of the Commission's Regulations which embodies and clarifies the policy developed in the above advisory opinions.

During the audit a review of the Committee records disclosed that on September 16, 1976, the residual balance from the Austin Campaign Fund 3/ (the Fund) was transferred to the Committee. The actual amount transferred was \$68,699.61, however, the Committee reported receiving \$73,199.61 from the Fund, a difference of \$4,500. 4/

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3/ In the AOR the Committee erroneously referred to the Fund as the Austin Campaign Committee.

4/ Committee officials were unable to explain the difference between the amount received and the amount reported.

According to a Committee memorandum (See Attachment 2), in 1972 a group of supporters (Michigan Branch Managers) established the Fund to help finance subsequent political campaigns of the candidate. The memo further states that no formal plans were drawn for the accumulation of the Fund or for its operation, however, the stated goal was to accumulate approximately \$100,000 by 1974.

A review of the bank records maintained for the Fund indicates that for the period April 20, 1972 through June 15, 1973, total contributions of \$102,365 were deposited into the Fund. An analysis of the contributors revealed that 18 individuals (all fee branch managers) made contributions (\$102,365) ranging from \$300 to \$9,100, including 11 individuals who contributed \$5,000 or more.

The Audit staff was unable to determine the source of the funds from which the contributions originated. It is possible that the contributor checks were drawn on various Secretary of State Fee Branch depositories, based on the dollar amount of the contributions and the occupations of the contributors. Furthermore, in reviewing the contributor records for the Austin for Senate Committee it was noted that in one (1) instance copies of two (2) checks from one (1) contributor (a fee branch manager) were drawn on an account entitled Secretary of State - Taylor Branch. The contributions were deposited into the Committee's depository.

An analysis of the Fund's expenditures revealed that \$68,128.80 was expended through 1975, on behalf of various entities. 5/ The expenditures included a \$24,000 advance to a public relation firm in order to secure billboard space for future advertisements on behalf of the Committee, \$2,053.31 for campaign material for the Committee, and various transfers to the Committee totaling \$6,300. 6/

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5/ The AOR stated that approximately \$33,000 was expended from 1972 through 1975 for political purposes unrelated to Mr. Austin's campaign for the U.S. Senate.

6/ The Committee did not report the \$26,053.31 expended on its behalf or the \$6,300 in transfers from the Fund.

The remaining expenditures were made for various operating costs, expenditures on behalf of a non-Federal candidate, and a \$10,000 contribution to the Michigan Democratic Party.

It should be noted that as of March 31, 1976, the balance in the Fund was \$38,399.61. On April 28, 1976, the public relation firm (MG and Casey, Inc.) repaid the \$24,000 advance 7/ and the Committee refunded the \$6,300 in transfers. 8/ As of April 30, 1976, the Fund had a balance of \$68,699.61, which as stated previously, was subsequently transferred to the Committee on September 16, 1976.

Committee officials stated that although the Fund was established to help finance the future political campaign needs of the Candidate, it never functioned as a campaign committee for any of the Candidate's previous campaigns. In a subsequent meeting with the Deputy Secretary of State, 9/ the staff questioned whether the transfer from the Fund represented residual funds of a previous non-Federal campaign committee of the Candidate. He replied that the Fund never served as a campaign committee (as represented in the AOR) for the Candidate, but was established in 1972 to finance the future political needs of the Honorable Richard H. Austin.

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7/ A partner of the public relations firm, who also co-ordinated the Committee's, public relations activities stated that the advance from the Fund was not used for its intended purpose.

8/ The Committee did not report making the transfer to the Fund.

9/ The Treasurer recommended we discuss this matter with the Deputy Secretary of State who had more knowledge of the operations of the Fund.

31710231393

In a recent phone conversation with the Treasurer of the Committee it was learned that a grand jury has requested the financial records of the Fund.

It is our opinion that the Fund is either a separate political organization or an account of the Committee, but not a previous non-Federal campaign committee of the Candidate, as represented in the AOR submitted by the Committee.

If the Fund is determined to be a separate political organization, not authorized by the Candidate, it is our opinion that the Committee violated Section 441a(f) of Title 2 by accepting a transfer and in-kind contributions in excess of the applicable limitation and that the Fund violated Section 433 and 434 by not registering and reporting, and Section 441a(a)(1)(A) of Title 2, by making contributions totaling \$69,752.92 (\$68,699.61 + \$2,053.31 - \$1,000 (allowable)) in excess of the limitations. If the Fund is determined to be an account of the Committee it is our opinion that the Committee violated Section 433(b)(a) of Title 2 by not disclosing the depository and, Section 434(b)(1)(2)(8)(9) and (11) by not disclosing the activity of the account.

2. Contributions Received Directly From Fee Branch Managers

For the period April 9, 1976, through June 23, 1976, contributions totaling \$44,550.00 were deposited into an account entitled "Austin For Senate-M Account" (M Account). The deposits represented contributions from various fee branch managers and respective employees. Committee records documented the contributions by contributor name, occupation, amount, check number, and business address.

In one (1) instance the Committee reported a \$500 contribution from a branch manager and a \$1,000 contribution from an employee of the same fee branch office. Committee records indicate that the contributions were received from the branch manager and on consecutive check numbers. However, the contributor checks were subsequently returned by the bank due to non-sufficient funds.

31010:1394



In another instance the Committee reported a branch employee contributing \$1,000, however, the deposit ticket listed the contributor's last name as Stec. Other Committee records indicate that Stanley J. Stec is a fee branch manager at the same office that the contributor is employed.

Additionally, the Committee reported an \$800 contribution from Stantly J. Stec on May 17, 1976. The two (2) contributions totaled \$1,800, which exceed the \$1,000 contribution limitation by \$800.

In another instance the Committee reported a \$700 contribution from a fee branch manager and \$500 from an assistant fee branch manager of the same office. However, Committee records indicate both contributions were received from the fee branch manager, which in the aggregate would be in excess of the contribution limitation.

Futhermore, in 12 instances the Committee's records indicated that two (2) individuals with the same last name (appearing to be husband and wife) made contributions to the Committee.

In all 12 instances one (1) of the individuals was a fee branch manager and in nine (9) of the 12 instances the contributions were received on consecutive check numbers.

It is possible that the contributor's checks were drawn on various Secretary of State Fee Branch depositories, based on the occupation of the contributors, the consecutively numbered checks and, as previously stated, we observed in the Committee records copies of two (2) contributor checks which were drawn on a branch depository.

It is our opinion that the Committee may have violated Section 441(f) by accepting at least three (3) contributions made by one (1) person in the name of another person and possibly Section 441b(a) if the contributions are determined to be from prohibited sources.

91010271395

3. Prohibited Contributions

Receipt of excessive contributions from individuals and a political organization and contributions from incorporated entities will be addressed in our letter of Findings and Recommendations to the Committee which is being forwarded to your office prior to mailing. The Office of General Counsel will be advised of the disposition of this matter.

31710:31395

ATTACHMENT 1

July 1, 1976

75 JUL 2 9:50

Mr. Vernon Thompson, Chairman  
Federal Elections Commission  
1325 K St., N. W.  
Washington, D. C. 20463

76-846

o/a # 66?  
AOR 1976-49



Dear Mr. Thompson:

I am requesting an advisory opinion regarding the utilization of the balance of funds from the Austin Campaign Committee in the Austin For Senate Campaign.

The Austin Campaign Committee received contributions totalling approximately \$102,000.00 during 1972 and 1973. From 1972 through 1975 it expended approximately \$33,000.00 in political purposes unrelated to Mr. Austin's campaign for the U. S. Senate.

Specifically we are asking for advisory opinion to address the following points:

1. Under A.O. - 1975 - 10, can the monies of the Austin Campaign Committee be transferred to the Austin For Senate Campaign.
2. If the transfer is permitted, we understand that:
  - a. Under O.C. 1975 - 131, contributors prior to April 6, 1972 do not have to be disclosed under U.S.C. §434.
  - b. Under O.C. 1975 - 131, contributors after April 7, 1972, but before January 1, 1975, are not subject to the \$1,000.00 limitation of 18 U.S.C. §608 (b).
  - c. Under O.C. 1976 - 131, none of the pre 1975 contributions of any individual through the Austin Campaign Committee apply against the permitted \$1,000.00 contribution that an individual can make in 1976 to the Primary Election and again in the General Election.

*[Handwritten signature]*

*[Handwritten signature]*

Copy of our report is available with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.

20131 James Couzens  
Detroit, Michigan 48235  
(313) 863-5800

CO-CHAIRPERSONS:  
Robert L. Millender  
Michael B. Staebler

8101017137



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20463

RECEIVED  
SECRETARY OF THE SENATE

1977 FEB -2 AM 9:43

HAND DELIVERED

5 AUG 1976

Re: AOR 1976-49

Robert L. Millender, Co-Chairman  
Austin for Senate  
20131 James Couzens  
Detroit, Michigan 48235

Dear Mr. Millender:

This letter responds further to your request of July 1, 1976, for an opinion as to the transfer of contributions received by the Austin Campaign Committee in 1972 and 1973 to the present Austin for Senate Campaign Committee.

Under 2 U.S.C. §437 of the 1976 Amendments to the Federal Election Campaign Act of 1971, the Commission is required to initially propose rules of general applicability by regulation rather than by advisory opinion.

The Commission's previous policy as to the transfer of excess campaign funds from a state election account to a Federal campaign committee had been stated in Advisory Opinions 1975-10 and 1975-66 and Opinion of Counsel 1975-131. A transfer of pre-1975 contributions was permitted if the transferred sum did not include funds donated by national banks, corporations, labor unions, Federal contractors, or foreign nationals, and if full information as to the source of the transferred funds could be properly disclosed.

Section 104.10 of the proposed regulations recently given final approval by the Commission embodies and clarifies the policy developed in those advisory opinions. A copy of the pertinent section is enclosed.

@

For

3101031379  
77020012249

Mr. Vernon Thompson, Chairman

July 1, 1976

Page 2

3. Can the expenditures from the fund be pro rated among all contributions or do we need to use the first-in first-out reporting method.

We will appreciate receiving your advice on these questions.



20131 James Couzens  
Detroit, Michigan 48235  
(313) 863-5800

CO-CHAIRPERSONS:  
Robert L. Millender  
Michael B. Staebler

Sincerely,

Robert L. Millender, Co-Chairman  
Austin For Senate

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.

This response relates to your opinion request but may be regarded as confidential. It is not an advisory opinion since it is based on proposed regulations of the Commission which must be submitted to Congress. The proposed regulations may be prescribed in final form by the Commission only if not disapproved either by the House or the Senate within thirty legislative days from the date received by each body. 2 U.S.C. 5438(c). These regulations were submitted to Congress on August 3, 1976. It is, however, the Commission's view that no enforcement or compliance action should be initiated in this matter if the actions of the political committee you represent conform to the conclusions and views stated in this letter.

Sincerely yours,

*Vernon W. Thomson*  
 Vernon W. Thomson  
 Chairman for the  
 Federal Election Commission

7702004051

Enclosure

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 77020012250

*P3*



§104.9 Waiver of reporting requirements.

Upon application to the Commission, a political committee may be relieved, at the discretion of the Commission, of the duty to file reports of receipts and disbursements if the treasurer of that political committee certifies<sup>1</sup> that the political committee--

(a) primarily supports persons seeking state or local office; and

(b) does not operate in more than one state or does not operate on a statewide basis.

§104.10 Political committees; cash on hand.

Political committees and candidates which have cash on hand at the time of registration (which the committee or candidate anticipates using in an election) shall disclose on their first report the source(s) of these funds, including the information required by §10 4.2. The cash balances are assumed to be composed of those contributions most recently received by the committee or candidate. The committee shall exclude from funds to be used for Federal elections any contributions not permissible under the Act; see Parts 110, 114 and 115.

*Handwritten signature or initials*

31710231101  
77020012251

SECRETARY OF STATE

Secretary of State Richard Austin has begun the process which will put an end to the state's largest political spoils system. The branch office fee mangers who sell you your license plates will be transferred to the jurisdiction of the Civil Service Commission.

EDITORIAL

In the past, the fee managers were the political appointees of the Secretary. Almost all of them were of the same party. They repaid the favor by working hard on the Secretary's re-election campaign. They contributed financially to his campaign fund. They are an important part of the Secretary's political power base. But Mr. Austin has decided to forego all that because he obviously recognizes that the patronage system does not serve the best interests of the citizens. In our opinion, he acted unselfishly and should be given credit for it. Dropping the patronage system is the best for all concerned.

Telecast -- August 18 & 19, 1971

No. 1087

WXYZ-TV regularly presents editorials on topics of vital interest to its viewers. Clearly labeled as opinion, these television editorials are delivered by the Vice-President and General Manager of WXYZ-TV, Donald F. Keck. Your comments concerning this editorial will be greatly appreciated.  
Lowell Newton,  
Editorial Director

91010131102

This memo will review the handling of the reserve fund established in 1972 to help finance subsequent political campaigns of Richard H. Austin.

In 1970, a group of supporters who identified themselves as Michigan Branch Managers collectively contributed the sum of \$57,000.00 to his first campaign for Michigan Secretary of State. Austin's opponent had stated publicly that if elected he would oust these people from their positions and replace them with new appointees. Over 200 of these fee offices with varying work loads were a statewide network of outlets for distribution of vehicle license plates, titling of and transfers of motor vehicles.

The Branch Managers had been engaged in many activities contributing to their general welfare and the welfare of the Democratic Party of Michigan. For more than 30 years under several administrations (Democratic and Republican), Branch Managers individually and collectively, with their own officers and with the Secretary of State as their principal focus, maintained a communication system, engaged in public relations activities, supported their local and state political party organizations and supported candidates for office. To achieve and finance their objectives, they accepted financial contributions from members and on occasions encouraged members to contribute directly to candidate committees.

The Austin Campaign Fund was created in 1972 by a group of the Branch Managers to help finance the future political campaign needs of Richard H Austin, one year after he was elected Michigan Secretary of State. No formal plans were drawn for accumulation of the Fund or for its operation.

*Source: Committee Records*

910031103

The stated goal was to accumulate approximately \$100,000 by 1974. Certain of the managers made contributions directly to the Fund.

Contributions were made to the Austin Campaign Fund during 1972 and 1973 only. The aggregate of contributions amounted to \$102,365.00. The first disbursement from the Fund was a transfer of \$10,000.00 to the Branch Managers Association on September 11, 1972 to cover their operating expenses. Other disbursements (net) before September 16, 1976 totaled \$23,665.39. The balance of \$68,665.39 was transferred to the Austin for Senate Committee on September 16, 1976 as a contribution to that campaign.

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31010:31104

# Democratic Party Money Tree To Shrivelf, Die in 7 Years

BY BUD VESTAL  
News Lansing Bureau

LANSING—The Democratic Party's money tree in state government will shrivel slowly for the next seven years, and then die.

It is the patronage empire of 200 "fee branch" offices of the secretary of state which over the years' contributed hundreds of thousands of dollars to secretaries of state, and to the Democratic Party treasury. The going rate was about 10 per cent of the fees collected from such items as 30 cents per set of license plates issued by the politically appointed branch managers.

Since 1955, the patronage empire has been in Democratic hands first under Secretary of State James M. Hare, and now under Secretary Richard H. Austin.

Hare acknowledged publicly that the patronage system was worth up to \$100,000 a year, and in the last years of his long tenure there were quarrels over how much the Democratic Party should get. When Hare's Deputy, William N. Hettiger, was opposed by James M. McNeely for the job of party secretary, the donations to the party treasury dried up for a time, and the money was used for such ventures as trying to nominate ex-legislator Charles Gray of Ypsilanti for secretary of state.

Democratic Chairman McNeeley, after defeating Hettiger, received a written report as to how much the fee branches contributed to the party over the years. He never made it public but he now reports in answer to a question, "The figures they gave didn't agree with ours."

In 1960 when Hare made a foredoomed bid for nomination as governor, a large but undisclosed amount of money was delivered to his campaign. When he retired last year an also undisclosed but substantial amount was spent on farewell gift for Hare, including a station wagon. Similarly, the system donated more than \$50,000 to Austin's campaign treasury last year.

Once a Bay County fee branch manager bridled at the system and began sending checks to then party secretary Neil Staebler of Ann Arbor for exactly 10 percent of his monthly fees, to the penny. He was fired.

Final disappearance of the system, when it comes, will end some traditional practices in Democratic politics.

## Analysis

The fee branch managers will no longer be a power block at Democratic state conventions.

The branch offices will no longer be a happy retirement ground for defeated Democratic legislators who need jobs. Like ex-Rep. George Sietsema of Wyoming, Gray, and others.

Service at some branch offices won't always be prompt and with a smile, because there's a difference between a clerk with civil service protection and a politically appointed hireling who can be fired instantly.

The system will cost more, because civil service employees get annual pay raises instead of fees, and have lots of fringe benefits.

Owners of truck and auto fleets will no longer feel constrained to buy blocs of tickets to political fish fries, or make large contributions to campaign of the secretary of state.

Other facts about the great change in Michigan politics may be better brought out as answers to questions many voters will ask, such as:

Q. Is this the last of patronage in Michigan?

A. No, the governor gets to appoint lots of people to state jobs too, and many of them contribute to his campaign treasury; the attorney general gets to appoint hundreds of special assistants, who usually contribute.

Q. Was it any different when there were Republican secretaries of state?

A. Yes, the fees were smaller and there were fewer motor vehicles, so the political contributions were smaller.

Q. Why did the Democrats decide to give up their patronage?

A. They didn't: A court was about to order conversion to civil service, and they bargained with civil service (which started the lawsuit) to get a seven-year phaseout.

Q. How does the phaseout go?

A. Fifteen per cent a year, of the volume of licenses or number of patronage offices, or a combination of the two. The first year, the system gets an 8 per cent credit for a new system of mailing license tabs.

Q. How much money did Secretary Hare claim his regime contributed to the party's central treasury, and how much does McNeeley say?

A. One million, and about \$400,000 respectively, so somebody obviously made a bookkeeping error.

Q. What do Democrats think about it?

A. Chairman McNeeley says, "It is not in the narrow interests of the party, or of the secretary of state, but times move on." Democratic Party headquarters broke the bad news in the form of a "bulletin to all Democratic Party Officers, Leadership, County and District Officers, members of the Democratic State Central Committee and Legislators."



Editorial Page

# The Detroit News

Published Daily and Sunday by The Evening News Association

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*Executive Vice-President*

JAMES T. DORRIS  
*Vice-President and General Manager*

RICHARD M. SPITZLEY  
*Senior Vice-President*

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*Associate Editor*

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*Managing Editor*

ROBERT E. LUBECK  
*Associate Editor—Features*

WILBUR E. ELSTON  
*Associate Editor—Editorial Page*

10-B

Thursday, August 19, 1971

## Good-by and good riddance

Michigan's Department of State is finally phasing out a patronage system which, while very lucrative to the political party in power, has for decades been a constant source of dissension, unsavory politics and criminal abuse.

Fee branch managers who sold license plates and vehicle titles on a commission basis will be replaced by state civil service employees, Secretary of State Richard H. Austin says. Thus passes a practice, dating back to the early 1920's, whereby some 200 branch managers were picked because of their loyalty and campaign donations to the party in power.

Austin has wisely filed a consent judgment to settle a suit brought by the Department of Civil Service requiring that such branch offices be manned by merit system employees. He could well afford to agree, since auto license tabs will be paid for and issued through the mails from now on — eliminating the 30 cents commission on a set of plates.

Although the fee branch patronage has been dispensed by Demo-

crats for the past 17 years, the dispensing of these jobs was no less unsavory under previous Republican secretaries of state. In recent years the branch managers had contributed as much as \$110,000 to a single political campaign and were getting so powerful they were attempting to handpick their next boss.

Austin shows his political astuteness by getting an agreement that the change-over to civil service will take seven years, with the phasing out of 15 percent of the branches annually. This means that the majority of the managers still will be Democrats when the next election rolls around.

In any event, the fee system, prone as it was to scandal, is one political patronage gimmick Michigan will be well rid of.

Easterners try to understand the West Coast but there are some things they wonder about, such as why they start the ball games so late out there.

BILL VAUGHAN.

# F

By ON

WASHINGTON  
the most serious  
by opponents  
Southeast Asian  
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the job of ground troops  
was has been  
cruelly — especially

This viewpoint  
up in an article  
issue of The  
Monthly Magazine  
Branfman, from March  
ary, 1971, but  
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Services and  
freelance writer

"While more  
sands" or "more  
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ident dares to  
"The People's  
China!"

Has Mr. N  
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his overtures  
China are not  
peace! The Communist  
control of the world

There will  
peace if Communist  
appeased. The  
sions of Hungary  
slovakia, of  
Vietnam!

Will President  
be allowed to  
Chamberlain  
Will America  
at any price?

P

## Posing

To the Editor  
all you mean  
were policemen  
asked by their  
walk the streets  
prostitutes?

MRS.

8100374005







FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

Mr. Larry Davidson, Treasurer  
Austin For Senate  
c/o Grant and Silverman  
Certified Public Accountants  
21411 Civic Center Drive  
Southfield, Michigan 48076

Dear Mr. Davidson:

The attached is to formally advise you of the findings and recommendations of the Audit staff resulting from the audit of the Austin For Senate ("the Committee"). These matters were discussed with you at the conclusion of the fieldwork in Detroit, Michigan on April 13, 1979.

You are requested to comply with the stated recommendations within 30 days of receipt of this letter. After expiration of the 30 day period and receipt of your response, the Audit staff will present a final audit report to the Commission for approval and subsequent public release. Efforts to comply with the recommendations will be noted in the report when presented.

Apparent contributions made by persons in the name of another person and transfers from the Austin Campaign Fund have been referred to the Office of General Counsel.

Should you not respond adequately to the recommendations within the time specified above, in accordance with Commission policy, the matter will be referred to the Commission's Office of General Counsel with a recommendation that an order or subpoena be prepared requiring compliance with the staff recommendation.



If you have any questions regarding this matter, please do not hesitate to contact Mr. Raymond Lisi or Mr. Thomas Nurthen at (202) 523-4155 or toll free at (800) 424-9530.

Sincerely,

Robert J. Costa  
Assistant Staff Director  
for the Audit Division

Attachment as stated

CERTIFIED MAIL:  
RETURN RECEIPT REQUESTED

81040231109

Audit Findings and Recommendations

A. Prohibited Contributions

Section 441a(a)(1)(A) of Title 2 of the United States Code states, in part, that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

Section 431(h) of Title 2 of the United States Code defines a "person" as an individual, partnership, committee, association, corporation, labor organization and any other organization or group of persons.

Section 441b(a) of Title 2 of the United States Code states, in part, that it is unlawful for any corporation whatever, to make a contribution or expenditure in connection with any election to any Congressional office, or for any candidate, political committee, or other person to knowingly accept or receive any such contribution.

Finally, Section 441a(f) of Title 2 of the United States Code states, in part, that no candidate, political committee, or officer of a political committee shall knowingly accept any contribution in violation of the provisions of this section.

Our review of the Committee's contribution records disclosed the following discrepancies:

1. The final four (4) payments of a Committee debt, totaling \$3,753.46, were paid by an unregistered political organization called the Friends of Austin (FOA) during the period May 26, 1977, through March 30, 1978. Since the payments were made directly to the vendor, they represent in-kind contributions to the Committee from the FOA. The in-kind contributions (\$3,753.46) were not disclosed by the Committee (see Finding C), and exceed the \$1,000 primary election contribution limitation by \$2,753.46.

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Committee officials stated that the FOA was neither authorized nor affiliated with the Committee but is an organization which holds an annual birthday dinner in honor of the candidate. <sup>1/</sup> The proceeds of the dinners are normally used for the candidate's general office expenses.

2. The Committee reported receiving contributions from two (2) individuals each in excess of \$1,000 towards the primary election. The contributions in the aggregate totaled \$1,800 and \$1,500 respectively.

3. The Committee received nine (9) contributions, totaling \$622.50, from business entities. Subsequent confirmation with the Secretary of State's office in Michigan revealed that all of the entities were incorporated at the time the contributions were made.

When informed of the matters Committee officials agreed to take necessary corrective action.

Recommendation

It is the recommendation of the Audit staff that within 30 days of receipt of this letter the Committee:

1. Refund to the FOA the amount in excess of the contributor's primary election limitation (\$2,753.46), and submit evidence (both sides of the refund check) of the refund to the Audit Division.

2. Refund to the contributors the contributions received in excess of the \$1,000 primary election limitation, \$800 and \$500 respectively, and submit evidence (both sides of the refund check) of the refunds to the Audit Division.

3. Submit evidence that the contributions were not funded through corporate sources or refund the contributions (\$622.50) to the contributors, and provide the Audit Division with evidence (both sides of the cancelled refund checks) of the refunds.

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<sup>1/</sup> The Honorable Richard H. Austin has been the Secretary of State of Michigan since 1970.

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B. Reporting of Debts and Obligations

Section 434(b)(12) of Title 2 of the United States Code states, in part, that each report under this section shall disclose the amount and nature of debts and obligations owed by or to the committee, in such form as the Commission may prescribe and a continuous reporting of the debts and obligations after the election at such periods as the Commission may require until such debts and obligations are extinguished.

Section 104.8(a) and (b) of Title 11 of the Code of Federal Regulations state, in part, that debts and obligations which remain outstanding after the election shall be continuously reported on separate schedules until extinguished, and a debt, obligation, or promise to make an expenditure of \$500 or less shall be reported no later than 60 days after incurrence. Any debt or obligation over \$500 shall be reported as of the time of the transaction.

During the course of the audit, it was determined that outstanding obligations to three (3) vendors, totaling \$4,257.22 disclosed on Schedule C, were not continuously reported until extinguished. One (1) of the outstanding debts (\$1,291.41) payable to the Michigan Department of Treasury was subsequently disclosed on Schedule B as being paid on January 10, 1977. However, no evidence existed that a check drawn on the Committee's depository had been issued for payment of this debt.

Additionally, two (2) debts totaling \$1,169.16 were neither disclosed on Schedule C as debts, nor paid by the Committee.

Recommendation

It is the recommendation of the Audit staff that the Committee submit documentation detailing the disposition of the five (5) debts and file the necessary amendment evidencing same, within 30 days of receipt of this letter.

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C. Reporting of Contributions

Section 434(b)(2) and (8) of Title 2 of the United States Code states, in part, that each report shall disclose the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate within a calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contributions; and the total sum of all receipts by or for such committee or candidate during the reporting period.

Section 104.3(a) of Title 11 of the Code of Federal Regulations states, in part, that each in-kind contribution shall be valued at the usual and normal charge on the date received and reported if in excess of \$100 on the appropriate schedules of receipts and expenditures, identified as to its nature and listed as an "in-kind contribution".

Our review of the Committee's disclosure reports and contribution records revealed the following:

1. Two (2) contributions, totaling \$1,500, were not reported by the Committee.

2. Ten (10) contributions each in excess of \$100, and totaling \$1,595, were disclosed by the Committee as unitemized receipts.

3. One (1) in-kind contribution for \$862.40 was reported and identified on the appropriate receipt schedule but was not reported as an expenditure. Additionally, five (5) in-kind contributions, totaling \$4,079.52 were 2/ not reported by the Committee.

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2/ Includes the in-kind contributions noted in Finding A.

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4. The Committee reported a total of \$4,515.85 in unitemized receipts for the period April 1, 1976, through June 30, 1976. The Committee also itemized the figure (\$4,515.85) on Schedule A, thereby, resulting in an overstatement of itemized receipts for the period of \$4,515.85.

5. Debit memos, totaling \$4,410 were charged to the Committee's checking account. Committee officials obtained documentation for one (1) charge for \$1,500, which indicated that two (2) contributor's checks (itemized on the Committee's disclosure reports) had been returned by the bank due to non-sufficient funds. No documentation has been provided for the remaining charges, totaling \$2,910.

6. For the period January 1, 1977, through January 31, 1977, the Committee reported only one receipt consisting of a contribution from the Candidate totaling \$6,745.87. However, the Committee's contribution records revealed that the Candidate contributed only \$4,000, resulting in an overstatement of the Candidate's contribution by \$2,745.87.

In addition, the Committee's bank records for the period January 1, 1977 through January 31, 1977 revealed total receipts of \$4,997.24. As noted above, the actual contribution received from the Candidate was \$4,000, therefore, receipts totaling \$997.24 have not been properly disclosed by the Committee.

When informed, the Committee officials agreed to file the necessary amendments.

Recommendation

It is the recommendation of the Audit staff that within 30 days of receipt of this letter the Committee file comprehensive amendments to:

1. Disclose the two (2) contributions, totaling \$1,500.
2. Properly disclose the ten (10) contributions totaling \$1,595, as itemized receipts.

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3. Properly disclose the \$862.40 in-kind contribution on the appropriate expenditure schedule and report the remaining five (5) in-kind contributions on the appropriate receipt and expenditure schedules.

4. Delete from itemized receipts the \$4,515.85 in contributions, which the Committee disclosed as both itemized and unitemized receipts.

5. Delete from the reports the itemized contributions (\$1,500) received from the two (2) contributors whose contribution checks were returned by the bank for reasons of non-sufficient funds and submit to the Audit staff documentation supporting the remaining bank charges, totaling \$2,910.

6. Disclose the correct amount of the contribution from the candidate (\$4,000) and disclose the \$997.24 in unreported receipts, and provide documentation for same (\$997.24).

D. Preservation of Receipts

Section 432(d) of Title 2 of the United States Code states, in part, that it shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of \$100 in amount, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during the calendar year exceeds \$100.

In addition, Section 102.9(c)(4) of Title 11 of the Code of Federal Regulations states, in part, that instead of a receipted bill, the treasurer may keep the cancelled check showing payment of the bill; and the bill; invoice or other contemporaneous memorandum of the transaction supplied to the committee by the payee.

During the course of the audit, it was determined that 179 expenditures, totaling \$49,564.98, were not supported by receipted bills, invoices, or other contemporaneous memoranda. This represents 35% of the number and 23.1% of the dollar value of all itemized expenditures. Additionally, 22 reported expenditures, totaling \$85,535.32 were not supported with cancelled checks.

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Committee officials stated they would attempt to obtain the required documentation for the above expenditures.

Recommendation

It is the recommendation of the Audit staff that the Committee obtain the supporting documentation and cancelled checks for the expenditures and submit copies to the Audit staff or present evidence of its efforts to do so within 30 days of receipt of this letter.

E. Reporting of Expenditures

Section 434(b)(9) and (11) of Title 2 of the United States Code states, in part, that each report shall disclose the identification of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within a calendar year in an aggregate amount or value in excess of \$100, the amount, date, and purpose of each such expenditure together with the total sum of expenditures made by such committee or candidate during the calendar year.

During a review of the expenditure records and reports, it was determined that 39 expenditures, totaling \$11,494.90, each aggregating in excess of \$100 were not itemized by the Committee, and four (4) expenditures, totaling \$4,308.34, were disclosed on Schedule B twice. Additionally the Committee itemized nine (9) expenditures, totaling \$2,327.76, which were not made from a Committee depository.

When informed, Committee officials agreed to make the necessary corrections.

Recommendation

It is the recommendation of the Audit staff that the Committee file a comprehensive amendment disclosing the 39 unreported expenditures (\$11,494.90), delete the four (4) expenditures (\$4,308.34) which had been reported twice, and provide documentation concerning the account from which the nine (9) expenditures (\$2,327.26) were made within 30 days of receipt of this letter.

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F. Disclosure of Depositories

Section 433(b) of Title 2 of the United States Code states, in part, that the statement of organization shall include a listing of all banks or other repositories used.

A review of the bank records revealed that the Committee's depository has not been disclosed on its statement of organization.

Additionally, three (3) fundraisers were held on behalf of the Candidate by individuals not associated with the Committee.

For each event the fundraising group stated by letter that a separate checking account was maintained, into which the proceeds were deposited and from which related expenditures were made. However, the depositories were not disclosed in the Committee's statement of organization.

Recommendation

It is our recommendation that the Committee file an amendment to its statement of organization disclosing its depository and the depositories maintained by the fundraising groups.

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FEDERAL ELECTION COMMISSION

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