



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 13, 1999

Frank Jannazo, Treasurer
Manor Healthcare Corp. Federal
Political Action Committee
333 North Summit Street
Toledo, OH 43604

RE: MUR 4951
Manor Healthcare Corp.
Federal Political Action Committee

Dear Mr. Jannazo:

On December 7, 1999, the Federal Election Commission found that there is reason to believe Manor Healthcare Corp. Federal Political Action Committee ("Committee") and you, as treasurer, violated 2 U.S.C. §§ 434(a)(1), (a)(4)(A)(i), and (a)(4)(A)(iii), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act") Chapters 95 and 96 of Title 26, U.S. Code. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in expediting the resolution of this matter by pursuing pre-probable cause conciliation, and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

Please also be reminded, as you have previously been orally advised by staff of the Commission's Reports Analysis Division, that the Committee must continue to file all the required reports with the Commission until such time as the enforcement matter has been closed as to the Committee.

For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Clinett Short, the staff member assigned to this matter, at (202) 694-1650.

Sincerely,



Scott E. Thomas
Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

Respondents: Manor Healthcare Corp. Federal Political
Action Committee and Frank Jannazo, as treasurer

MUR: 4951

I. GENERATION OF MATTER

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), requires treasurers of political committees, other than authorized committees of a candidate, to file periodic reports of receipts and disbursements. 2 U.S.C. § 434(a)(1). Such committees may choose to file reports either on a monthly or a quarterly basis. 2 U.S.C. § 434(a)(4). Each treasurer of a political committee shall file reports of receipts and disbursements and shall sign each such report.

2 U.S.C. § 434(a)(1). Each individual having the responsibility to file a designation, report or statement required shall sign the original designation, report or statement.

11 C.F.R. § 104.14(a).

In a calendar year in which a regularly scheduled general election is held, committees that choose to file on a quarterly basis shall file quarterly reports no later than the 15th day after the last day of each calendar quarter: except that the report for the quarter ending on December 31 of such calendar year shall be filed no later than January 31 of the following calendar year.

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2 U.S.C. § 434(a)(4)(A)(i). A committee's post-general election report shall be filed no later than the 30th day after the general election and shall be complete as of the 20th day after such general election. 2 U.S.C. § 434(a)(4)(A)(iii).

Each treasurer of a political committee shall file reports of receipts and disbursements and sign such reports. 2 U.S.C. § 434(a)(1). Each individual having the responsibility to file a required report or statement shall also sign the original report or statement. 11 C.F.R. § 104.14(a).

The Manor Healthcare Corp. Federal Political Action Committee is a political committee that is not an authorized committee of a candidate, and has elected to file disclosure reports on a quarterly basis. Frank Jannazo is the current treasurer of the committee.

On December 29, 1997, a prior notice was mailed to the committee informing it of each of the due dates for all of its 1998 reports. The Committee was required to file its 1998 April Quarterly Report no later than April 15, 1998, its 1998 July Quarterly Report no later than July 15, 1998, and its 1998 October Quarterly Report no later than October 15, 1998. In addition, the Committee was also required to file its 1998 30 Day Post-General Report no later than December 3, 1998 and its 1998 Year End Report no later than January 31, 1999. However, respondents failed to file these reports by the required due dates. The Committee's 1998 April Quarterly Report, which disclosed \$1,175 in receipts and \$12,250 in disbursements, was not filed until April 29, 1998, 14 days late. The 1998 July Quarterly Report, which disclosed \$22,273 in receipts and \$15,059 in disbursements, was not filed until October 7, 1998, 84 days late.¹ The 1998 October Quarterly Report, which disclosed \$19,213 in receipts and \$32,300 in

¹ The committee filed an amendment to its 1998 July Quarterly Report on March 5, 1999.

disbursements, was not filed until March 5, 1999, 141 days late. The 1998 30 Day Post-General Report, which disclosed \$7,441 in receipts and \$6,500 in disbursements, was not filed until March 5, 1999, 92 days late. The 1998 Year End Report, which disclosed \$3,331 in receipts and \$0 in disbursements, was not filed until March 5, 1999, 33 days late.

On December 14, 1999, an amended statement of organization was sent by the committee stating that Frank Jannazo was the committee's new treasurer. Although the previous treasurer, Leigh Comas, was not listed as an assistant treasurer, several of the late reports filed with the Commission were signed and submitted by Leigh Comas. The 1998 October Quarterly Report, 1998 Post-General Report, and the 1998 Year End Report were all reports that covered the period when Comas was treasurer, but were filed on March 5, 1999 when Jannazo was treasurer. It was Jannazo's responsibility to sign and submit these reports. 2 U.S.C. § 434(a)(1). Instead, the reports were signed by Comas and submitted on behalf of the committee.

On October 6, 1998 the committee stated in a cover letter the reason for the untimely filing of the April and July quarterly reports. The committee stated that the reports were late due to a conversion to a new software accounting system which delayed the filing of the reports. On March 5, 1999, when the committee submitted the other referred reports, it stated in a cover letter (also signed by Comas, instead of Jannazo) that the delay was "due to a change in our corporate accounting system as well as a recent merger between Manor Care, Inc. and Health Care and Retirement Corp." However, these circumstances did not relieve the Committee of its obligation to file reports with the Commission in a timely fashion.

Accordingly, there is reason to believe the Manor Healthcare Corp. Federal Political Action Committee and Frank Jannazo, as treasurer, violated 2 U.S.C. §§ 434(a)(1), (a)(4)(A)(i) and (a)(4)(A)(iii).