



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

March 6, 2014

Sheryl Ayers
11457 Columbia Highway
Eaton Rapids, Michigan 48827

Dear Ms. Ayers:

The Department of State (Department) has concluded its review of the complaints you filed against Mayor Bernero, Elizabeth Hart, and Christopher Breznau, concerning an alleged violation of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 *et seq.* This letter concerns the disposition of your complaint.

You alleged the Virg Bernero for Lansing committee (Bernero Committee) made contributions to the People for Kathi Dunbar candidate committee in contravention of the Act by making uncharacteristically high payments to Elizabeth Hart and Christopher Breznau who then contributed \$1,000.00 each to Ms. Dunbar's candidate committee.

Section 44 of the Act prohibits a person from making a contribution to another person "with the agreement or arrangement that the person receiving the contribution will then transfer that contribution to a particular candidate committee." MCL 169.244(1). Section 44 of the MCFA further prohibits a candidate committee from making a contribution to another candidate committee. MCL 169.244(2). A knowing violation of this section is a misdemeanor, punishable by a fine or imprisonment. MCL 169.244(5).

You filed your complaint on October 3, 2013, and Michael Hodge filed an answer on behalf of the respondents on November 22, 2013. You did not file a rebuttal statement with the Department. In addition, Ms. Hart and Mr. Breznau filed affidavits with the Department on February 25, 2014 and March 4, 2014.

As evidence, you point to payments made by Mayor Bernero's candidate committee to Elizabeth Hart and Christopher Breznau on June 14, 2013 in the amounts of \$2,600.00 and \$3,200.00, respectively. You contend that these payments were higher than normal payments to these two consultants, who then 3 days later each contributed \$1,000.00 to Ms. Dunbar's candidate committee. You allege that Ms. Hart and Mr. Breznau were paid an uncharacteristically high amount with the agreement or arrangement that the extra money would then be given to Ms. Dunbar's candidate committee, effectuating a candidate committee to candidate committee contribution.

In his response to your complaint, Mr. Hodge asserted that Mr. Breznau was not overcompensated in June and that he had received \$700.00 more in compensation the previous month. He further asserted that Ms. Hart's predecessor received comparable compensation to

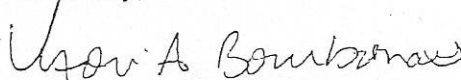
Ms. Hart and made no contribution to Ms. Dunbar's campaign. Mr. Hodge also notes that between February and June of 2013 "the fundraising activity for the Bernero committee slowed down to a point at which revenue necessary to compensate campaign staff was erratic and not always sufficient[,] and that Ms. Hart and Mr. Breznau "sometimes waited as long as 21 days to receive some form of compensation" and as a result the amount of their compensation was in an amount "reduced by whatever funds were available and increased based on the same criteria." Mr. Hodge also asserted that Ms. Hart "proved to be a very effective fundraiser when she joined the campaign in June, and, during that month, reaped the benefits of her success." Finally, Mr. Hodge noted that "it should not be surprising that two politically active campaigners would also contribute to other political candidates."

Ms. Hart and Mr. Breznau further provided signed affidavits to the Department which stated that they were "not instructed or directed, whether express or implied, as to where or how [they] should expend or contribute moneys received from the campaign committee, including but not limited to, moneys contributed to any other candidate or candidate committee, by either the Candidate Committee to Re-Elect Virg Bernero or the candidate himself." The affidavits also stated that the money each received from the Bernero Committee was for, and in, the normal course of employment for work and services provided to the Bernero Committee.

In the absence of any evidence to refute the statements made in Ms. Hart's and Mr. Breznau's sworn affidavits that no agreement or arrangement was made between Mayor Bernero or the Bernero Committee and Ms. Hart and Mr. Breznau to receive extra pay which was then to be contributed to Kathi Dunbar's candidate committee, the Department finds that there is insufficient evidence to support a reason to believe that Mayor Bernero, Ms. Hart, or Mr. Breznau violated section 44 of the Act.

As a result, your complaint is dismissed. The Department's file in this matter has been closed and no further enforcement action will be taken.

Sincerely,



Lori A. Bourbonais
Bureau of Elections
Michigan Secretary of State

c: Michael Hodge