



FEDERAL ELECTION COMMISSION

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

8 0 0 4 0 1 9 1 5 3 8

THIS IS THE END OF MUR # 1165

Date Filmed 5/30/80 Camera No. --- 2

Cameraman SPC

PS Form 3811, Aug. 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:
 Erma Kunzi
 4727 Gull Rd. #294
 Lansing, MI 48917

3. ARTICLE DESCRIPTION:
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | 944778 |
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
 Erma Kunzi

4. DATE OF DELIVERY | POSTMARK
 MAY 17 1980

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE | CLERK'S INITIALS
 | [Signature]

GPO: 1978-272-582

MUR-1165 Colahan



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 13, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Erma Kunzi
4727 Gull Road
Apt. 29
Lansing, MI 48917

Re: MUR 1165

Dear Ms. Kunzi:

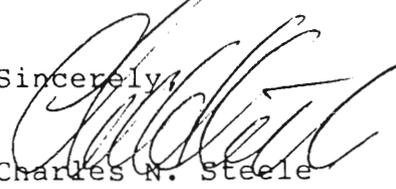
It has been brought to the Commission's attention, through the Reports Analysis Division, that the Eaton County '78 Democratic Committee may have certain reporting problems in connection with reporting its funds raised through bingo games.

As you are aware, all committee assets must be reported to the Commission. If your bingo proceeds are deposited and held in a separate account which is not reported to the Commission, the funds must be transferred to the registered committee's depository within ten days after receipt or that separate account must register with the Commission as a political committee. Please note that the expenses of running the bingo game are expenditures under the Act and both the proceeds and expenses of the bingo game must be reported by the registered committee. Additionally, the bingo players must be advised that their contributions could be used in connection with federal elections pursuant to 11 C.F.R. §102.6.

On May 13, 1980, the Commission voted to find no reason to believe the Eaton County Democratic Committee violated 2 U.S.C. §433 or §434 and voted to close its file in this matter. This matter will become a part of the public record within 30 days.

If you have any questions, please contact Suzanne Callahan at (202) 523-5071.

Sincerely,


Charles N. Steele
General Counsel

60040191540

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Erna Kunzi
4727 Gull Road
Apt. 29
Lansing, MI 48917

Re: MUR 1165

Dear Ms. Kunzi:

It has been brought to the Commission's attention, through the Reports Analysis Division, that the Eaton County '78 Democratic Committee may have certain reporting problems in connection with reporting its funds raised through bingo games.

As you are aware, all committee assets must be reported to the Commission. If your bingo proceeds are deposited and held in a separate account which is not reported to the Commission, the funds must be transferred to the registered committee's depository within ten days after receipt or that separate account must register with the Commission as a political committee. Please note that the expenses of running the bingo game are expenditures under the Act and both the proceeds and expenses of the bingo game must be reported by the registered committee. Additionally, the bingo players must be advised that their contributions could be used in connection with federal elections pursuant to 11 C.F.R. §102.6.

On May , 1980, the Commission voted to find no reason to believe the Eaton County Democratic Committee violated 2 U.S.C. §433 or §434 and voted to close its file in this matter. This matter will become a part of the public record within 30 days.

If you have any questions, please contact Suzanne Callahan at (202) 523-5071.

Sincerely,

CS
5/13/80

Charles N. Steele
General Counsel

0040191541

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Eaton County Democratic) MUR 1165
Committee)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on May 13, 1980, the Commission decided by a vote of 6-0 to take the following actions regarding MUR 1165:

1. Find NO REASON TO BELIEVE the Eaton County Democratic Committee violated 2 U.S.C. §433 and §434.
2. Send the information letter to the '78 committee, as attached to the General Counsel's Report dated May 5, 1980.
3. Close the file.

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

Attest:

5/13/80

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Report signed:	5-8-80
Received in Office of the Commission Secretary:	5-9-80, 10:24
Circulated on 48 hour vote basis:	5-9-80, 2:00

0040191542

May 9, 1980

MEMORANDUM TO: Marjorie W. Emmons
FROM: Elissa T. Gaff
SUBJECT: NUR 1165

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

80040191543

BEFORE THE FEDERAL ELECTION COMMISSION
May 5, 1980

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

80 MAY 9 AIO 24

In the Matter of)
)
Eaton County Democratic) MUR 1165
Committee)

GENERAL COUNSEL'S REPORT

BACKGROUND

On January 7, 1980, the Reports Analysis Division ("RAD") referred to the Office of General Counsel, the Eaton County Democratic Committee ("the respondent committee") in connection with its failure to register and file as a political committee pursuant to 2 U.S.C. §433 and §434.

The RAD referral was based on the fact that the Eaton County '78 Democratic Committee ("the '78 Committee" - which is registered with the Commission) reported receipt of \$10,000 from the respondent committee. However, letters and telecons contained in the referral indicate that the funds were actually the '78 committee's bingo proceeds which had been deposited into a separate account titled as the respondent committee; the respondent committee account is listed on the '78 committee's statement of organization. Pursuant to RAD instructions, the '78 committee filed a letter amending the subject transaction as bingo proceeds rather than a contribution from an unregistered committee.

While the respondent committee need not register or file, its funds were not properly reported or included as '78 committee assets, an apparent reporting violation by the '78 committee of 2 U.S.C. §434(b) which requires reporting of all receipts and expenditures.

80040191541

On April 10, 1980, the Commission approved the General Counsel's recommendation to send an order to Rosemary DiPonio, treasurer of the '78 committee; the order was sent to Ms. DiPonio because the RAD file contained a telecon stating she was the treasurer. The purpose of the order was to clarify the circumstances surrounding the committee's receipt and reporting of its bingo proceeds.

On April 21, 1980, Ms. DiPonio called in connection with her receipt of the order. She stated that she was not the treasurer of the committee and would not respond to the questions because of this fact and insisted the questions had all been answered previously; she supplied this office with the name and address of the current treasurer. Ms. DiPonio said this matter had been taken care of four years ago with the aid of an attorney and a congressman; however, Commission records indicate that the subject transaction occurred two years ago and Commission files do not contain any documentation or correspondence from the committee other than that contained in the RAD referral.

LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended, requires that each political committee which anticipates receiving contributions or making expenditures during the calendar year in an aggregate amount exceeding \$1,000 file with the Commission a statement of organization, within 10 days after its organization or, if later, 10 days after the date on which it has information which causes the committee to anticipate it will receive contributions or make expenditures in excess of \$1,000. 2 U.S.C. §433.

10040191545

Additionally, each treasurer of a political committee supporting a candidate or candidates for election to Federal office shall file with the Commission reports of receipts and expenditures on forms to be prescribed or approved by it. 2 U.S.C. §434.

Since the respondent committee is a separate account of the '78 committee which is registered with the Commission, the respondent committee is not required to register and file pursuant to §433 and §434; it is therefore recommended that the Commission find no reason to believe that such violations have been committed.

While the committee did fail to properly report its bingo proceeds, it did implement RAD's instructions on how to report its bingo receipts. Ms. DiPonio has indicated that the past two treasurers of the '78 committee have resigned and the new treasurer would be unable to supply any information in addition to that previously provided to the Commission. Thus, further pursuit of this matter appears to be unwarranted. Therefore, the Office of General Counsel recommends that the Commission send the attached informational letter detailing the reporting requirements of bingo proceeds to the '78 committee in order that its future reporting be in accordance with §434(b) and close the file in this matter.

RECOMMENDATIONS

1. Find no reason to believe the Eaton County Democratic Committee violated 2 U.S.C. §433 or §434.

004719154

2. Send attached information letter to the '78 committee.
3. Close the file.

8 May 1980
Date


Charles N. Steele
General Counsel

Attachment

Notification letter

0040191547



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Erma Kunzi
4727 Gull Road
Apt. 29
Lansing, MI 48917

Re: MUR 1165

Dear Ms. Kunzi:

It has been brought to the Commission's attention, through the Reports Analysis Division, that the Eaton County '78 Democratic Committee may have certain reporting problems in connection with reporting its funds raised through bingo games.

As you are aware, all committee assets must be reported to the Commission. If your bingo proceeds are deposited and held in a separate account which is not reported to the Commission, the funds must be transferred to the registered committee's depository within ten days after receipt or that separate account must register with the Commission as a political committee. Please note that the expenses of running the bingo game are expenditures under the Act and both the proceeds and expenses of the bingo game must be reported by the registered committee. Additionally, the bingo players must be advised that their contributions could be used in connection with federal elections pursuant to 11 C.F.R. §102.6.

On May , 1980, the Commission voted to find no reason to believe the Eaton County Democratic Committee violated 2 U.S.C. §433 or §434 and voted to close its file in this matter. This matter will become a part of the public record within 30 days.

If you have any questions, please contact Suzanne Callahan at (202) 523-5071.

Sincerely,

Charles N. Steele
General Counsel

60040191548



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 16, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Rosemary DiPonio
Treasurer
Eaton County Democratic Committee
302 South Waverly Road
Lansing, Michigan 48917

Re: MUR 1165

Dear Ms. DiPonio:

Enclosed is an Order to submit written answers pursuant to Section 437d(a)(1) of Title 2, United States Code. The Order pertains to information relevant to the Eaton County Democratic Committee.

Your response to the Order should be filed with the Federal Election Commission within five days of your receipt of this notification.

If you have any questions, please contact Suzanne Callahan, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles N. Steele".

Charles N. Steele
General Counsel

Enclosure
Order

60047191549

PS Form 3811, Aug. 1978

RETURN RECEIPT REGISTERED, REGISTERED AND CERTIFIED MAIL

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

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. S _____
 (CONSULT POSTMASTER FOR FEES)

2 ARTICLE ADDRESSED TO:
 Rosemary DiPonio

3 ARTICLE DESCRIPTION
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 644350

(Always obtain signature of addressee or agent)

I have examined the article described above:
 SIGNATURE addressee authorized agent
 Rosemary DiPonio
 Henderson Estates
 4-17-80

5 ADDRESS (Complete only if requested)

6 ARTICLE DELIVERED BECAUSE



GPO: 1978-272-382

MUR 1165 (Callahan)

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Rosemary DiPonio
Treasurer
Eaton County Democratic Committee
302 South Waverly Road
Lansing, Michigan 48927

Re: MUR 1165

Dear Ms. DiPonio:

Enclosed is an order to submit written answers pursuant to Section 437d(a) (1) of Title 2, United States Code. The order pertains to information relevant to the Eaton County Democratic Committee.

Your response to the Order should be filed with the Federal Election Commission within five days of your receipt of this notification.

If you have any questions, please contact Suzanne Callahan, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Order

004019151

Stm c
7/16/80

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1165
Eaton County Democratic)
Committee)

ORDER TO SUBMIT WRITTEN ANSWERS

To: Ms. Rosemary DiPonio
Treasurer
Eaton County Democratic Committee
302 South Waverly Road
Lansing, Michigan 48917

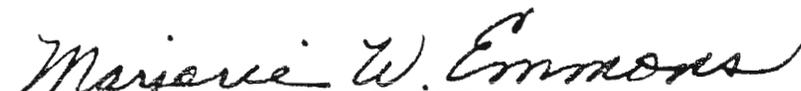
PURSUANT to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within five days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 15th day of April, 1980.


Robert O. Tiernan
Chairman

ATTEST


Marjorie W. Emmons
Secretary to the Commission

80040191552

Attachment to Order to Answer Questions to Rosemary DiPonio

1. Describe, in detail, the relationships between the Eaton County '78 Democratic Committee and the Eaton County Democratic Committee.

2. State the source of all funds contained in the Eaton County Democratic Committee account.

3. State whether there is now, or ever has been, corporate or union monies held in the Eaton County Democratic Committee account.

4. Were the contributors, whose funds comprise the Eaton County Democratic Committee account, advised that their contributions could be used in connection with federal elections pursuant to 11 C.F.R. 102.6?

5. (a) When was the Eaton County Democratic Committee account opened?
- (b) At what bank?
- (c) What is the account number?
- (d) What is the current balance in the account?

6. Why was the Eaton County Democratic Committee account held separate from the Eaton County 78 Democratic Committee account?

7. Why were the funds contained in the Eaton County Democratic Committee account never reported to the Federal Election Commission as total committee assets in reports filed by the Eaton County 78 Democratic Committee?

60040191553

A review of past correspondence from David Fry indicates that the source of the contribution, which is itemized on the attached page, is from bingo game proceeds. In this regard, please address the following.

8. On what dates were the bingo games held?

9. How long were the bingo proceeds held in the Eaton County Democratic Committee account?

10. State the costs incurred for the bingo games. State the source of the funds used in connection with the bingo games.

11. Were all expenditures incurred in connection with the bingo games reported to the Commission? Please detail.

12. Are all current financial transactions of the Eaton County Democratic Committee reported to the Commission at this time? If so, by what registered entity?

00040191554



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: APRIL 15, 1980
SUBJECT: ORDER IN RELATION TO MUR 1165

The attached order, approved by a vote of 6-0
in Executive Session on April 10, 1980, has been signed
and sealed this date.

80040191555

ATTACHMENT:
Order - DePonio

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Eaton County Democratic)
Committee)

MUR 1165

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission's Executive Session on April 10, 1980, do hereby certify that the Commission decided by a vote of 6-0 to send the Order to Ms. Rosemary DiPonio as recommended by the General Counsel in the first report on MUR 1165.

Attest:

4-11-80

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

80040191556



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE

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

DATE: MARCH 25, 1980

SUBJECT: OBJECTION - MUR 1165 - First General Counsel's
Report dated 3-21-80; Received in OCS 3-21-80,
11:19

The above-named document was circulated on a 48 hour
vote basis at 2:00, March 21, 1980.

Commissioner Reiche submitted an objection at 8:00,
March 25, 1980, thereby placing MUR 1165 on the Executive
Session Agenda for April 10, 1980.

Attached is a copy of Commissioner Reiche's vote
sheet with his comments.

ATTACHMENT:
Copy of Vote Sheet

00040191557



FEDERAL ELECTION COMMISSION

1155 K STREET N.W.
WASHINGTON D.C. 20463

MAR 24 11:04 AM '80

Date and Time Transmitted: 3-21-80
2:00

Commissioner FRIEDERSDORF, AIKENS, TIERNAN, McGARRY, REICHE, HARRIS

RETURN TO OFFICE OF COMMISSION SECRETARY BY: 3-25-80
2:00

MUR No. 1165 First General Counsel's report dated 3-21-80

- () I approve the recommendation
- () I object to the recommendation

COMMENTS: I believe an effort should first be made to obtain this information without a formal order.

Date: 3/24/80 Signature: Frank P. Reiche

THE OFFICE OF GENERAL COUNSEL WILL TAKE NO ACTION IN THIS MATTER UNTIL THE APPROVAL OF FOUR COMMISSIONERS IS RECEIVED. PLEASE RETURN ALL PAPERS NO LATER THAN THE DATE AND TIME SHOWN ABOVE TO THE OFFICE OF COMMISSION SECRETARY. ONE OBJECTION PLACES THE ITEM ON THE EXECUTIVE SESSION AGENDA.

00040191558

March 21, 1980

MEMORANDUM TO: Marjorie W. Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 1165

Please have the attached First GC Report distributed
to the Commission on a 48 hour tally basis. Thank you.

60040191539

FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION 3-21-80

MUR # 1165 ALL: 19
STAFF MEMBER(S) Callahan

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

RESPONDENT'S NAME: Eaton County Democratic Committee

RELEVANT STATUTE: § 433 and § 434

INTERNAL REPORTS CHECKED: Eaton County 78 Democratic Committee

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

The Reports Analysis Division ("RAD"), on January 7, 1980, referred to the Office of General Counsel, the Eaton County Democratic Committee ("the respondent committee") in connection with its possible violations of 2 U.S.C. § 433 and § 434.

FACTUAL AND LEGAL ANALYSIS

During the normal course of reports review, it was noted that the Eaton County '78 Committee ("'78 Committee") received \$5,000 on June 24, 1978, and \$5,000 on September 7, 1978, from the respondent committee which is not registered with the Commission.

On June 27, 1979, RAD sent a surface violation letter to the respondent committee advising the group that the registration and reporting provisions of § 433 and § 434 appeared applicable to their activities. On July 26, 1979, the treasurer (at that time) of both committees, Kenneth Fry, responded to RAD's surface violation letter by stating that he thought the former treasurer had resolved the issue previously. On August 21, 1979, Mr. Fry spoke with RAD and explained that the source of the \$10,000 contribution from the respondent committee was bingo proceeds. ^{1/} Mr. Fry was then told to write a letter explaining the source of funds and to file amended reports reflecting the bingo receipts as unitemized contributions; Mr. Fry did so on September 3, 1979.

^{1/} According to Fry, the Eaton County '78 Democratic Committee (78 Committee) kept its bingo proceeds in a separate account which was titled Eaton County Democratic Committee ("respondent committee").

On October 18, 1979, RAD phoned Mr. Fry in an attempt to clarify the relationship between the two entities at issue. RAD was told by Fry that the bank depository for the bingo account was properly included on the '78 committee's statement of organization and that the bingo players were informed that their contributions might be used in connection with federal elections.

Advisory Opinions 1978-42 and 1978-98 note that political committees can receive contributions from unregistered committees or "clearing" accounts so long as the funds are transferred to the committee's registered depository within 10 days. If the bingo account is seen as analogous to a clearing account, it need not register so long as the 10 day requirement is met. Of course, since the expenses of running the bingo game are expenditures under the Act, both the proceeds and expenses of the bingo game must be reported by the registered committee.

In the instant matter, the '78 committee reported its receipt of funds from its bingo account which is included on its statement of organization. However, the question of how long the funds remained in the bingo account and whether the expenditures involved in the bingo games have been properly reported remains unanswered. Therefore, the Office of General Counsel recommends sending the attached order to the respondent committee prior to making a recommendation in this matter.

RECOMMENDATION:

Send attached Order to Ms. Rosemary DiPonio.

Attachments

RAD Referral
Proposed Order to Ms. DiPonio.

REFER TO INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING

REPORTS ANALYSIS REFERRAL SHEET

DATE 1-7-80 ANALYST Alva Smith JS
 TO: Office of General Counsel TEAM CHIEF Bobby Werfel [Signature]
 THROUGH: STAFF DIRECTOR [Signature] COMPLIANCE REVIEW Carroll Bowen CB/BS
 FROM: ASSISTANT STAFF DIRECTOR FOR REPORTS ANALYSIS [Signature]

CANDIDATE/COMMITTEE: Eaton County Democratic Committee

TREASURER: Kenneth E. Fry

ADDRESS: 318 W. Pearl Street
Pottersville, Michigan 48876

AFFILIATE(S):

N/A

ALLEGATION(S): CITE: ATTACHMENT(S):
 Failure to register and report as a political committee. 2 U.S.C. 433 & 434

DATE INITIATED: June 27, 1979

MANNER IN WHICH REVIEW WAS INITIATED:

Normal review Other:
 Special Project:

ATTACHMENT

REPORTS: All reports within the dates listed below have received initial basic review. For all reports reviewed, see Attachment 1.

PERIOD COVERED FROM N/A TO N/A

TOTAL RECEIPTS \$ N/A TOTAL EXPENDITURES \$ N/A

CASH ON HAND \$ N/A DEBTS \$ N/A

HISTORY:

RESULTS OF REVIEW ATTACHMENT
 3SV179-44, sent 6/27/79 1

COMMUNICATIONS WITH CANDIDATE COMMITTEE.

Telecon-Kenneth Fry and Alva Smith, 8/21/79 ATTACHMENT 3
 Telecon-Kenneth Fry and Alva Smith, 10/13/79 5
 Telecon-Ms. Ditonio and Alva Smith, 10/30/79 6

REASON(S) FOR REFERRAL:

Inadequate response, received 7/26/79 ATTACHMENT 2
 Response (Question of adequacy), received 9/6/79 4

OTHER PENDING ACTIONS INITIATED BY RAD:

None ATTACHMENT

OTHER RELEVANT INFORMATION:

Instance #3 (This was not written in reference to Eaton County Dem. Com.) 7

PREVIOUS DDC AUDIT REFERRALS FROM RAD:

None

NOTE: Les Deall, DDC, suggested RAD refer before RTD

00040191562

REFER TO INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING

REPORTS ANALYSIS REFERRAL SHEET

DATE 1-7-80

ANALYST Alva Smith JS

TO: Office of General Counsel

TEAM CHIEF Bobby Werfel BJW

THROUGH: STAFF DIRECTOR *ASD*

COMPLIANCE REVIEW Carroll Bowen CB/BS

FROM: ASSISTANT STAFF DIRECTOR FOR REPORTS ANALYSIS *ASD*

CANDIDATE/COMMITTEE: Eaton County Democratic Committee

TREASURER: Kenneth E. Fry

ADDRESS: 318 W. Pearl Street
Potterville, Michican 48876

AFFILIATE(S):

N/A

ALLEGATION(S):

CITE:

ATTACHMENT(S)

Failure to register and report
as a political committee.

2 U.S.C. 433 & 434

DATE INITIATED: June 27, 1979

MANNER IN WHICH REVIEW WAS INITIATED:

Normal review Other:
 Special Project:

ATTACHMENT

REPORTS: All reports within the dates listed below have received initial basic review. For all reports reviewed, see Attachment 1.

PERIOD COVERED FROM N/A TO N/A

TOTAL RECEIPTS \$ N/A TOTAL EXPENDITURES \$ N/A

CASH ON HAND \$ N/A DEBTS \$ N/A

HISTORY:

RESULTS OF REVIEW:

3SV1/79-44, sent 6/27/79

ATTACHMENT

1

COMMUNICATIONS WITH CANDIDATE/COMMITTEE:

Telecon-Kenneth Fry and Alva Smith, 8/21/79

Telecon-Kenneth Fry and Alva Smith, 10/13/79

Telecon-Ms. Ditonio and Alva Smith, 10/30/79

ATTACHMENT

3

5

6

REASON(S) FOR REFERRAL:

Inadequate response, received 7/26/79

Response (Question of adequacy), received 9/6/79

ATTACHMENT

2

4

OTHER PENDING ACTIONS INITIATED BY RAD:

ATTACHMENT

None

OTHER RELEVANT INFORMATION:

Instance #3 (This was not written in reference to Eaton County Dem Cmte.) 7

PREVIOUS OGC/AUDIT REFERRALS FROM RAD:

NONE

NOTE: Les Scall, OGC, suggested RAD refer before RTB

RAD Form 1

80040191565

1



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 27, 1979

Treasurer
Eaton County Democratic Committee
302 S. Waverly Road
Lansing, MI 48917

Dear Treasurer:

This letter is prompted by the Commission's interest in assisting committees who wish to comply with the Federal Election Campaign Act. Our review of the receipts reported by Eaton County '78 Democratic Committee indicates that your organization may have made contributions which total in excess of \$1,000 during the calendar year. Enclosed is a copy(s) of the report(s) in which your contribution(s) is listed.

The Act defines "political committee" to mean any organization, or other group of persons which receives contributions or makes expenditures (which includes contributions to Federal candidates and committees supporting Federal candidates), aggregating in excess of \$1,000 during a calendar year. It would appear that your organization may qualify as a "political committee" subject to registration, reporting, and contribution limitation requirements of the Act.

If you agree that your organization is a political committee, please submit a Statement of Organization on FEC Form 1, in accordance with 2 U.S.C. 433. In addition, your committee will be required to file disclosure reports in accordance with 2 U.S.C. 434 on FEC Form 3.

If you agree that your organization has made contributions or expenditures which qualify you as a "political committee", but you do not wish to be considered as a "political committee", you must request refund(s) from the candidate(s) and/or political committee(s) to which you have contributed. As an alternative, political committees to which you made contributions may transfer all or part of the contributions to accounts which are not used to influence Federal elections. Refunds or transfers must be made in such amounts that the total remaining contributions made by you do not exceed \$1,000 during a calendar year.

If you believe that your organization is not a political committee, or that the Commission is otherwise in error, please submit a statement which would clarify this matter for the public record. We have also enclosed relevant informational materials and forms for the registration of and reporting by the political committee. Please examine the enclosed materials.

0040191566

Please notify the Commission within thirty (30) days from the date on this letter of your decision on this matter. If you have any questions, please contact Alva Smith, in our Reports Analysis Division at (800)424-9530. Our local number is (202)357-0023.

Sincerely,

Orlando B. Potter

Orlando B. Potter
Staff Director

Enclosure
Certified Mail:
Return Receipt Requested

0010191567

3501/79-44

PS Form 3811, Apr. 1977

● 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 c
 Show to whom, date, and address of delivery c
 RESTRICTED DELIVERY
 Show to whom and date delivered c
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO
Eaton City Demo Centre

3. ARTICLE DESCRIPTION
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 _____ | _____ | _____
 (Always obtain signature of addressee or agent)

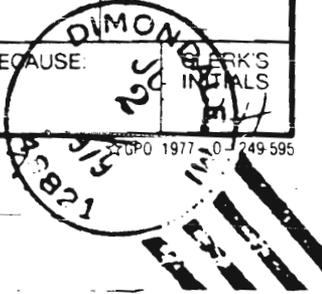
I have received the article described above.
 SIGNATURE Addressee Authorized agent
Eaton City Demo. Com
Windsor Catalog

4. DATE OF DELIVERY | POSTMARK
7-2-79 | _____

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: _____

CLERK'S INITIALS
MS



FORM 700
 PREPARED BY
 FEBRUARY, 1978
 Federal Election Commission
 5 K Street, N.W.
 Washington, D.C. 20463

(Contributions, Transfers, Contribution In-Kind,
 Other Income, Loans, Refunds)
 Supporting Lines 14a, 15a, 15b, 15c, 16a, 17a, and/or 18a
 of FEC FORM 3

Line Number 15A
 (Use Separate Schedules for
 each numbered line)

Name of Candidate or Committee in Full <i>EATON County '78 Democratic Committee</i>				
Full Name, Mailing Address and ZIP Code <i>EATON County Democratic Committee 302 S. Waverly Rd. LANSING, MI. 48917</i>	Principal Place of Business <i>302 S. WAVERLY RD. LANSING, MI. 48917</i>	Date (month, day, year) <i>6/24/78</i>	Amount of each Receipt this Period <i>5000.00</i>	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-To-Date . . . \$	Date (month, day, year) <i>9/7/78</i>	Amount of each Receipt this Period <i>5000.00</i>
Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-To-Date . . . \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-To-Date . . . \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-To-Date . . . \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-To-Date . . . \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-To-Date . . . \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-To-Date . . . \$		
SUBTOTAL of receipts this page (optional)			\$	
TOTAL this period (last page this line number only)			\$ <i>10,000.00</i>	

0040191569

35 VI/79-44

July 1979

Walter H. Mick
FEDERAL ELECTION
COMMISSION

79 JUL 26 PM 12:00

Carlisle B Potter, S.D.
Federal Election Comm
Washington, D.C. 20463

Dear Sir,

709046136553

Your communication comes as a surprise to me, in part, and there seems to be a mix up that was clarified and I feel handled within the frame work of the law. I have newly taken over as ^(Gen) both Eaton County Democratic committee treas and of course goes with it treas of Eaton County "78" Democratic Committee. The frustration of technicalities become overpowering and time when I was unbearable when address changes are involved - I enclose copies of the two communication to the former Treas alluding to your present situation and my hope I am correct in my recollection that they have been resolved. I will continue to check further.

Sincerely,
Kenneth E. By



FEDERAL ELECTION COMMISSION

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

June 5, 1978

Ms. Marlene M. Freeman, Treasurer,
Eaton County 78 Democratic Committee
302 S. Waverly Rd.
Lansing, Michigan 48917

Dear Ms. Freeman:

This letter is prompted by our interest in assisting candidates and committees who wish to comply with the Federal Election Campaign Act, as amended.

During review of your Statement of Organization, we noticed that you omitted certain information. Attached is an itemization of the information requested.

While we recognize the difficulties you may have experienced in filling out the registration forms, we must ask that you supply the Commission with the missing information within (10) days of receipt of this letter. If you have any questions, please do not hesitate to contact Mike Thompson (202-523-1474) our reports analyst assigned to you. The toll free number is (800)424-9880.

Sincerely,

Orlando B. Potter
Staff Director

Attachment

11

7903335054
00040191571

Hand answered by Rosemary De Gennet

FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

TO: Eaton County 78 Democratic Committee (MI)

DATE: June 5, 1978

I.D. No.: C00095620

REQUEST FOR ADDITIONAL INFORMATION FOR YOUR STATEMENT OF ORGANIZATION OF A POLITICAL COMMITTEE, PURSUANT TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971, AS AMENDED.

A review of the statement indicates that additional information is needed in order to be considered complete. Please return a copy of this form with your amended submission(s).

Please provide the required data, as indicated (X):

780313855055

- Signature omitted incorrect
- Question Five. Complete information for: (a) , (b) , (c) , (d) , or (e) .
- Name of affiliated or connected organization(s). (IF NONE, SO STATE.)
- Area, scope, and jurisdiction of the committee.
- Name, address, state and party affiliation of individual candidates supported by the committee.
- Name, address, and position of the committee's custodian of books and accounts.
- Name, address, and position of other principal officers of the committee including officers and members of the finance committee.
- Statement of existence beyond the current calendar year.
- Name(s), location(s) of bank(s), depository(ies).
- Other: Please provide name(s) and address(es) of affiliated committee(s),
if any. You may do so by letter to the Commission. (If none, please so
state).

Your initial submission(s), together with this request for additional information, has been made available for public inspection. The Commission urges you to file the additional submission(s) promptly to the above address. If you have any questions regarding this request, please call the Disclosure Division toll free at (800) 424-9537. The local Washington, D.C. telephone number is (202) 523-1474.

Senate filers should file their submission(s) with the Secretary of the Senate, Office of Public Records, 115 D Street, N.E., Washington, D.C. 20510. House filers should file their submission(s) with the Clerk of the House, Office of Records and Registration, 1036 Longworth House Office Building, Washington, D.C. 20515.

0040191573



Kenneth E Fry
318 24 Road
Pottersville, MI 48876



ALWAYS USE ZIP CODE

79031335056



79 JUL 26 PM 12:00

RECEIVED
FEDERAL ELECTION
COMMISSION

Orlando B Potter S.D
Federal Election Comm
Washington, D.C. 20463

00040191574

DATE: 8/21/79

TIME: 8:30

COMMITTEE: Eaton County 78 Dem Cmte

PERSON SPOKEN TO: Kenneth Fry 517-645-2331 (home) 517-321-4004 (Work)

FEC'R: A. Smith

SUBJECT: 3SV1/79-44

I called Mr. Fry explaining that the Commission received his response 7/26/79 however, it's inadequate. Fry was under the impression that the chairperson handled the problem by writing a letter a year ago. I told him there is record of a letter from the chairperson, but it does not answer the question.

Fry explained that the funds received from the local account were actually from the bingo account. I told Fry to write a letter to that effect and to amend the q2 '78 report disclosing those receipts as unitemized contributions. I also explained that a question regarding reporting of bingo accounts was sent to legal and I'm still awaiting a response.

(It appears that Mr. Fry has confused the request for additional information sent to the Eaton County 78 Democratic Committee with the M letter sent to the Eaton County Democratic Committee. Although this confusion was not noted until the completion of the referral, the M letter was discussed.)

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0040191576

Sept 3, 1979
Pottersville, NJ 1

RECEIVED
FEDERAL ELECTION
COMMISSION

48876

Orlando B Potter S.D.
Federal Election Comm
Washington D.C. 20463

SEP 6 PM 12:03

Dear Sir,

In response to a morning telephone conversation with an F.E.C. staff member I am submitting this letter to report that the funds attributed as a contribution from our committee were erroneously reported and should have been filed as unitemized receipts.

Thanking you in advance for your understanding and patience.

Sincerely
Kenneth E Fry

0040191578

DATE: 10/18/79

TIME: 9:30

COMMITTEE: Eaton County Dem Committee

PERSON SPOKEN TO: Kenneth Fry

FEC'R: A. Smith

SUBJECT: Bingo Account

I called to ascertain;

1. Is the bank depository for the unregistered cmtte included in the recipient cmtte's form 1? Yes it is. The bank is the MI National Bank
2. Are the bingo players informed that their contributions may be used to influence federal elections? Yes they are. However, it is illegal (state law) to compile a list of bingo players. Therefore contributor info is not recorded.
3. Are expenditures made to the bingo account? If so are they reported? Mr. Fry does not know. However, if expenditures are made he is sure they would be properly reported.

Mr. Fry resigned as treasurer last week. He does not know who the new treasurer will be.

0000191579

Eaton County Democratic Committee

Call to ascertain:

1. Is the bank depository for the committee included in the recipient committee's Form 1?
2. Are the receipts for the committee really unitemized. Would they be if you considered contributions to the recipient committee also?
3. Are the expenditures for the contributing committee included in the recipient committee's reports?
4. Are the bingo players informed that their contributions may be used to influence Federal elections?

00040191580

DATE: 10/30/79

TIME: 2:30

COMMITTEE: Eaton County 78 Democratic Committee

PERSON SPOKEN TO: Ms. Ditonio

FEC'R: A. Smith

SUBJECT: 3SV1/79-44

Ms. Ditonio called stating that she is the new treasurer. She wanted to know what the problem is with the committee. I requested her number to call her back so in the meantime I could retrieve the committee's folder and not tie up the watts line. She refused to disclose her number stating that is not going to put herself in the position to be harrassed by the Commission. She claims that Mr. Fry resigned because of undo harassment. I told her that it is my understanding that Mr. Fry resigned because the job was too time consuming.

She then wanted to know why I called Fry with asking alot of questions? I explained that I am not sure as to what she is referring to. I asked if she was possibly referring to the bingo account. Her response, yes. I explained that I asked those questions for further clarification. Mr. Fry is aware of the fact that the question concerning the proper way in which to report this info was sent to the Commission's legal division. Those questions were asked to give legal some guidance when the problem comes up for review. I did not call Mr. Fry to harrass him.

She wanted to know the exact questions asked. I told her, I have no idea, I'd have to get the folder. She will call back in an hour.

(I requested that she submit a letter disclosing that she is now the new treasurer.)

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Instance #3

A political organization has several bank accounts, one of which is designated as a "Federal Account", is reported to the Commission, and is disclosed on the committee's Statement of Organization as a bank depository. The political committee, which represents the Federal Account, reports receiving funds from another account of the political organization. The transferring account has been established for purposes of operating a bingo game. Under several States' law, e.g. Michigan, the organization is required to establish a separate account for bingo revenue, and is required to transfer such revenue to another account of the organization within a specified period.

Questions

In cases in which a political organization has several accounts, only one of which is reported to the Commission, and the reporting account reports receiving funds in excess of \$1,000 during the calendar year from another of the organization's accounts, is that other account under an obligation to report to the Commission?

If so, should that other account register with and report separately to the Commission, or should its activities be included in the reports of the presently registered account, i.e. political committee?

As an alternative, may such revenue be placed into the "unregistered" account and transmitted to the "registered" account, with the "registered" account reporting not the transfers-in from the "unregistered" account, but rather reporting the actual sources of the revenue? Should such reporting be made in accordance with 2 U.S.C. 434? Would the committee report the gross contributions or the net contributions? Would the "registered" account have to pay for the expenses of the bingo games, and other related expenses? If not, and if the committee reported the gross contributions, how would the committee reconcile the cash on hand problems? Must the "unregistered" account be included as an additional bank depository on an amended Statement of Organization? Please see AO 1978-42, regarding such transmission of funds from an "unregistered" account to a political committee.

If the method described in AO 1978-42 can be utilized, can that method described in AO 1978-98 be utilized? Is either method preferable in the situation described above? With the exception of the addition of the "clearing account", described in AO 1978-98, would there be any changes to the answers for the questions presented above. If so, what are those changes?

Examples

Adams County 1200 Club
Kalamazoo County Democratic Party

Attachments

Adams County 1200 Club

Reporting of funds received	1
3SV1/78-118, dated 10/17/78	2
Telecon: Gore with Hamilton, dated 11/2/78	3
3SV2/78-118 (no response), dated 2/27/79	4
Telecon: Sims with Hamilton, dated 2/26/79	5
Response, dated 3/7/79	6

Instance #3(continued)

Attachments-continued

Kalamazoo County Democratic Party

Reporting of funds received	7
3SV1/78-53, dated 10/17/78	8
Response, dated 11/16/78	9
3SV2/78-53 (inadequate response); dated 2/12/79	10
Response, dated 2/26/79	11
Telecon: Smith with Druker, dated 3/9/79	12

78-42

78-98

Proceeds & Expendts must be reported

00040191584



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

AUTHORIZATION TO ISSUE AN ORDER

The Commission hereby authorizes the issuance of an order to the following person in connection with MUR 1165:

Ms. Rosemary DiPonio
Treasurer
Eaton County Democratic Committee
302 South Waverly Road
Lansing, Michigan 48917

Robert O. Tiernan
Chairman

Thomas E. Harris
Commissioner

Max . Friedersdorf
Vice Chairman

John W. McGarry
Commissioner

Joan D. Aikens
Commissioner

Frank P. Reiche
Commissioner

60040191585



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Rosemary DiPonio
Treasurer
Eaton County Democratic Committee
302 South Waverly Road
Lansing, Michigan 48917

Re: MUR 1165

Dear Ms. DiPonio:

Enclosed is an Order to submit written answers pursuant to Section 437d(a)(1) of Title 2, United States Code. The Order pertains to information relevant to the Eaton County Democratic Committee.

Your response to the Order should be filed with the Federal Election Commission within five days of your receipt of this notification.

If you have any questions, please contact Suzanne Callahan, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Order

00047191585

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1165
Eaton County Democratic)
Committee)

ORDER TO SUBMIT WRITTEN ANSWERS

To: Ms. Rosemary DiPonio
Treasurer
Eaton County Democratic Committee
302 South Waverly Road
Lansing, Michigan 48917

PURSUANT to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within five days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this day of , 1980.

Robert O. Tiernan
Chairman

ATTEST

Marjorie W. Emmons
Secretary to the Commission

80047191587

Attachment to Order to Answer Questions to Rosemary DiPonio

1. Describe, in detail, the relationships between the Eaton County '78 Democratic Committee and the Eaton County Democratic Committee.

2. State the source of all funds contained in the Eaton County Democratic Committee account.

3. State whether there is now, or ever has been, corporate or union monies held in the Eaton County Democratic Committee account.

4. Were the contributors, whose funds comprise the Eaton County Democratic Committee account, advised that their contributions could be used in connection with federal elections pursuant to 11 C.F.R. 102.6?

5. (a) When was the Eaton County Democratic Committee account opened?
- (b) At what bank?
- (c) What is the account number?
- (d) What is the current balance in the account?

6. Why was the Eaton County Democratic Committee account held separate from the Eaton County 78 Democratic Committee account?

7. Why were the funds contained in the Eaton County Democratic Committee account never reported to the Federal Election Commission as total committee assets in reports filed by the Eaton County 78 Democratic Committee?

00040191583

A review of past correspondence from David Fry indicates that the source of the contribution, which is itemized on the attached page, is from bingo game proceeds. In this regard, please address the following.

8. On what dates were the bingo games held?

9. How long were the bingo proceeds held in the Eaton County Democratic Committee account?

10. State the costs incurred for the bingo games. State the source of the funds used in connection with the bingo games.

11. Were all expenditures incurred in connection with the bingo games reported to the Commission? Please detail.

12. Are all current financial transactions of the Eaton County Democratic Committee reported to the Commission at this time? If so, by what registered entity?

80049101589

D 592
RAD 904 17

REFER TO INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING

REPORTS ANALYSIS REFERRAL SHEET

DATE 1-7-80

ANALYST Alva Smith *AS*

TO: Office of General Counsel

TEAM CHIEF Bobby Werfel *Bobby Werfel*

THROUGH: STAFF DIRECTOR *AS*

COMPLIANCE REVIEW Carroll Bowen *CB/B*

FROM: ASSISTANT STAFF DIRECTOR FOR REPORTS ANALYSIS *AS*

CANDIDATE/COMMITTEE: Eaton County Democratic Committee

Re MUR - assigned to Calabrese 1/10

TREASURER: Kenneth E. Fry

ADDRESS: 318 W. Pearl Street
Pottersville, Michigan 48876

MUR 1165

AFFILIATE(S):

N/A

ALLEGATION(S):

CITE:

ATTACHMENT(S)

Failure to register and report as a political committee.

2 U.S.C. 433 & 434

DATE INITIATED: June 27, 1979

MANNER IN WHICH REVIEW WAS INITIATED:

Normal review Other:
 Special Project:

ATTACHMENT

REPORTS: All reports within the dates listed below have received initial basic review. For all reports reviewed, see Attachment 1.

PERIOD COVERED FROM N/A TO N/A

TOTAL RECEIPTS \$ N/A TOTAL EXPENDITURES \$ N/A

CASH ON HAND \$ N/A DEBTS \$ N/A

HISTORY:

RESULTS OF REVIEW:

3SV1/79-44, sent 6/27/79

ATTACHMENT

1

C

COMMUNICATIONS WITH CANDIDATE/COMMITTEE:

Telecon-Kenneth Fry and Alva Smith, 8/21/79
Telecon-Kenneth Fry and Alva Smith, 10/18/79
Telecon-Ms. Ditonio and Alva Smith, 10/30/79

ATTACHMENT

3

5

6

REASON(S) FOR REFERRAL:

Inadequate response, received 7/26/79
Response (Question of adequacy), received 9/6/79

ATTACHMENT

2

4

OTHER PENDING ACTIONS INITIATED BY RAD:

None

ATTACHMENT

OTHER RELEVANT INFORMATION:

Instance #3 (This was not written in reference to Eaton County Dem Cmte.) 7

PREVIOUS OGC/AUDIT REFERRALS FROM RAD:

NONE

NOTE: Les Scall, OGC, suggested RAD refer before RTD

00040191592

Please notify the Commission within thirty (30) days from the date on this letter of your decision on this matter. If you have any questions, please contact Alva Smith, in our Reports Analysis Division at (800)424-9530. Our local number is (202)357-0023.

Sincerely,

Orlando B. Potter

Orlando B. Potter
Staff Director

Enclosure
Certified Mail:
Return Receipt Requested

651610000

3501/79-44

PS Form 3811, Apr 1977 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 C
 Show to whom, date, and address of delivery C
 RESTRICTED DELIVERY
 Show to whom and date delivered C
 RESTRICTED DELIVERY
 Show to whom, date, and address of delivery \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Eaton City News Center

3. ARTICLE DESCRIPTION:
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE Addressee Authorized agent
Eaton City News, Com

4. *Windsor Estates*
 DATE OF DELIVERY: *7-2-79* POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

DIMON
 7/2
 6/2 35821
 1977
 49-535

RECEIVED
 January, 1978
 Federal Election Commission
 5 K Street, N.W.
 Washington, D.C. 20463

STANDARD RECEIPT

(Contributions, Transfers, Contribution In-Kind,
 Other Income, Loans, Refunds)

Line Number 15A

Supporting Lines 14a, 15a, 15b, 15c, 16a, 17a, and/or 18a
 of FEC FORM 3

(Use Separate Schedules for
 each numbered line)

Name of Candidate or Committee in Full
EATON County '78 Democratic Committee

Full Name, Mailing Address and ZIP Code <u>EATON County Democratic Committee</u> <u>302 S. Waverly Rd.</u> <u>LANSING, MI. 48917</u>	Principal Place of Business <u>302 S. WAVERLY RD.</u> <u>LANSING, MI. 48917</u>	Date (month, day, year) <u>6/24/78</u>	Amount of each Receipt this Period <u>5000.00</u>
	Occupation	<u>9/7/78</u>	<u>5000.00</u>

Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	<input type="checkbox"/> Check if Contributor is self-employed
Aggregate Year-To-Date . . . \$	

Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period
	Occupation		

Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	<input type="checkbox"/> Check if Contributor is self-employed
Aggregate Year-To-Date . . . \$	

Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period
	Occupation		

Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	<input type="checkbox"/> Check if Contributor is self-employed
Aggregate Year-To-Date . . . \$	

Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period
	Occupation		

Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	<input type="checkbox"/> Check if Contributor is self-employed
Aggregate Year-To-Date . . . \$	

Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period
	Occupation		

Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	<input type="checkbox"/> Check if Contributor is self-employed
Aggregate Year-To-Date . . . \$	

Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period
	Occupation		

Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	<input type="checkbox"/> Check if Contributor is self-employed
Aggregate Year-To-Date . . . \$	

Full Name, Mailing Address and ZIP Code	Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period
	Occupation		

Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other	<input type="checkbox"/> Check if Contributor is self-employed
Aggregate Year-To-Date . . . \$	

SUBTOTAL of receipts this page (optional) \$

TOTAL this period (last page this line number only) \$ 10,000.00

0040191595

35VI/79-44

July 1979

Pattonville Mich.
FEDERAL ELECTION
COMMISSION

79 JUL 26 PM 12:00

Earlance B Potter, S.D.
Federal Election Comm
Washington D.C. 20463

Dear Sir,

71900
13350533
1596

Your communication comes as a surprise to me, in part, and there seems to be a mix up that was clarified and I feel handled within the frame work of the law. I have newly taken over as ^(Chair) both Eaton County Democratic committee treas and of course goes with it treas of Eaton County "78" Democratic Committee. The frustration of technicalities become overpowering and time when I was unbearable when address changes are in what I receive copies of the two communication to the former Treas alludes to your present situation and myself. I am correct in my recollections that they have been resolved. I will continue to check further.

Sincerely,
Kenneth J. By



FEDERAL ELECTION COMMISSION

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

June 5, 1978

Ms. Marlene M. Freeman, Treasurer,
Eaton County 78 Democratic Committee
302 S. Waverly Rd.
Lansing, Michigan 48917

1903355054
60040191597

Dear Ms. Freeman:

This letter is prompted by our interest in assisting candidates and committees who wish to comply with the Federal Election Campaign Act, as amended.

During review of your Statement of Organization, we noticed that you omitted certain information. Attached is an itemization of the information requested.

While we recognize the difficulties you may have experienced in filling out the registration forms, we must ask that you supply the Commission with the missing information within (10) days of receipt of this letter. If you have any questions, please do not hesitate to contact Mike Thompson (202-526-1474) our reports analyst assigned to you. The toll free number is (800)424-9500.

Sincerely,

Orlando B. Potter
Staff Director

Attachment

11

Handwritten: This is answered by Rosemary De Gennaro

FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

TO: Eaton County 78 Democratic Committee (MI)

DATE: June 5, 1978

I.D. No.: C00095620

REQUEST FOR ADDITIONAL INFORMATION FOR YOUR STATEMENT OF ORGANIZATION OF A POLITICAL COMMITTEE, PURSUANT TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971, AS AMENDED.

A review of the statement indicates that additional information is needed in order to be considered complete. Please return a copy of this form with your amended submission(s).

Please provide the required data, as indicated (X):

7
9
0
3
1
3
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5
5
0
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5
9
8

- Signature omitted incorrect
- Question Five. Complete information for: (a) , (b) , (c) , (d) , or (e) .
- Name of affiliated or connected organization(s). (IF NONE, SO STATE.)
- Area, scope, and jurisdiction of the committee.
- Name, address, state and party affiliation of individual candidates supported by the committee.
- Name, address, and position of the committee's custodian of books and accounts.
- Name, address, and position of other principal officers of the committee including officers and members of the finance committee.
- Statement of existence beyond the current calendar year.
- Name(s), location(s) of bank(s), depository(ies).
- Other: Please provide name(s) and address(es) of affiliated committee(s),
if any. You may do so by letter to the Commission. (If none, please so
state).

Your initial submission(s), together with this request for additional information, has been made available for public inspection. The Commission urges you to file the additional submission(s) promptly to the above address. If you have any questions regarding this request, please call the Disclosure Division toll free at (800) 424-9530. The local Washington, D.C. telephone number is (202) 523-1474.

Senate filers should file their submission(s) with the Secretary of the Senate, Office of Public Records, 115 D Street, N.E., Washington, D.C. 20510. House filers should file their submission(s) with the Clerk of the House, Office of Records and Registration, 1036 Longworth House Office Building, Washington, D.C. 20515.

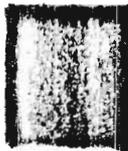
0010191590



Kenneth E Fry
318 W Reed
Pattersonville, MI 48876



79031335056



79 JUL 26 PM 12:00

FEDERAL ELECTION COMMISSION

Orlando B Potter S.D
Federal Election Comm
Washington, D.C. 20463

00040191600

DATE: 8/21/79

TIME: 8:30

COMMITTEE: Eaton County 78 Dem Cmte

PERSON SPOKEN TO: Kenneth Fry 517-645-2331 (home) 517-321-4004 (Work)

FEC'R: A. Smith

SUBJECT: 3SV1/79-44

I called Mr. Fry explaining that the Commission received his response 7/26/79 however, it's inadequate. Fry was under the impression that the chairperson handled the problem by writing a letter a year ago. I told him there is record of a letter from the chairperson, but it does not answer the question.

Fry explained that the funds received from the local account were actually from the bingo account. I told Fry to write a letter to that effect and to amend the q2 '78 report disclosing those receipts as unitemized contributions. I also explained that a question regarding reporting of bingo accounts was sent to legal and I'm still awaiting a response.

(It appears that Mr. Fry has confused the request for additional information sent to the Eaton County 78 Democratic Committee with the M letter sent to the Eaton County Democratic Committee. Although this confusion was not noted until the completion of the referral, the M letter was discussed.)

0047191601

00000191602

Sept 3, 1979
Potterville, MD 1

RECEIVED
FEDERAL ELECTION
COMMISSION

48876

Orlando B Potter S.D.
Federal Election Comm
Washington D.C. 20463

13 SEP 6 PM 12:03

Dear Sir,

In response to a morning telephone conversation with an F.E.C. staff member I am submitting this letter to report that the funds attributed as a contribution from our committee were erroneously reported and should have been filed as unitemized receipts.

Thanking you in advance for your understanding and patience.

Sincerely
Kenneth E Fry

00040191601

DATE: 10/18/79

TIME: 9:30

COMMITTEE: Eaton County Dem Committee

PERSON SPOKEN TO: Kenneth Fry

FEC'R: A. Smith

SUBJECT: Bingo Account

I called to ascertain;

1. Is the bank depository for the unregistered cmte included in the recipient cmte's form 1? Yes it is. The bank is the MI National Bank
2. Are the bingo players informed that their contributions may be used to influence federal elections? Yes they are. However, it is illegal (state law) to compile a list of bingo players. Therefore contributor info is not recorded.
3. Are expenditures made to the bingo account? If so are they reported? Mr. Fry does not know. However, if expendiutres are made he is sure they would be properly reported.

Mr. Fry resigned as treasurer last week. He does not know who the new treasurer will be.

Eaton County Democratic Committee

Call to ascertain:

1. Is the bank depository for the committee included in the recipient committee's Form 1?
2. Are the receipts for the committee really unitemized. Would they be if you considered contributions to the recipient committee also?
3. Are the expenditures for the contributing committee included in the recipient committee's reports?
4. Are the bingo players informed that their contributions may be used to influence Federal elections?

0040191605

DATE: 10/30/79

TIME: 2:30

COMMITTEE: Eaton County 78 Democratic Committee

PERSON SPOKEN TO: Ms. Ditonio

FEC'R: A. Smith

SUBJECT: 3SV1/79-44

Ms. Ditonio called stating that she is the new treasurer. She wanted to know what the problem is with the committee. I requested her number to call her back so in the meantime I could retrieve the committee's folder and not tie up the watts line. She refused to disclose her number stating that is not going to put herself in the position to be harrassed by the Commission. She claims that Mr. Fry resigned because of undo harassment. I told her that it is my understanding that Mr. Fry resigned because the job was to time consuming.

She then wanted to know why I called Fry with asking alot of questions? I explained that I am not sure as to what she is referring to. I asked if she was possibly referring to the bingo account. Her response, yes. I explained that I asked those questions for further clarification. Mr. Fry is aware of the fact that the question concerning the proper way in which to report this info was sent to the Commission's legal division. Those questions were asked to give legal some guidance when the problem comes up for review. I did not call Mr. Fry to harrass him.

She wanted to know the exact questions asked. I told her, I have no idea, I'd have to get the folder. She will call back in an hour.

(I requested that she submit a letter disclosing that she is now the new treasurer.)

00107

00040191609

Instance #3

A political organization has several bank accounts, one of which is designated as a "Federal Account", is reported to the Commission, and is disclosed on the committee's Statement of Organization as a bank depository. The political committee, which represents the Federal Account, reports receiving funds from another account of the political organization. The transferring account has been established for purposes of operating a bingo game. Under several States' law, e.g. Michigan, the organization is required to establish a separate account for bingo revenue, and is required to transfer such revenue to another account of the organization within a specified period.

Questions

In cases in which a political organization has several accounts, only one of which is reported to the Commission, and the reporting account reports receiving funds in excess of \$1,000 during the calendar year from another of the organization's accounts, is that other account under an obligation to report to the Commission?

If so, should that other account register with and report separately to the Commission, or should its activities be included in the reports of the presently registered account, i.e. political committee?

As an alternative, may such revenue be placed into the "unregistered" account and transmitted to the "registered" account, with the "registered" account reporting not the transfers-in from the "unregistered" account, but rather reporting the actual sources of the revenue? Should such reporting be made in accordance with 2 U.S.C. 434? Would the committee report the gross contributions or the net contributions? Would the "registered" account have to pay for the expenses of the bingo games, and other related expenses? If not, and if the committee reported the gross contributions, how would the committee reconcile the cash on hand problems? Must the "unregistered" account be included as an additional bank depository on an amended Statement of Organization? Please see AO 1978-42, regarding such transmission of funds from an "unregistered" account to a political committee.

If the method described in AO 1978-42 can be utilized, can that method described in AO 1978-98 be utilized? Is either method preferable in the situation described above? With the exception of the addition of the "clearing account", described in AO 1978-98, would there be any changes to the answers for the questions presented above. If so, what are those changes?

Examples

Adams County 1200 Club
Kalamazoo County Democratic Party

Attachments

Adams County 1200 Club

Reporting of funds received	1
3SV1/78-118, dated 10/17/78	2
Telecon: Gore with Hamilton, dated 11/2/78	3
3SV2/78-118 (no response), dated 2/27/79	4
Telecon: Sims with Hamilton, dated 2/26/79	5
Response, dated 3/7/79	6

Instance #3(continued)

Attachments-continued

Kalamazoo County Democratic Party

Reporting of funds received	7
3SV1/78-53, dated 10/17/78	8
Response, dated 11/16/78	9
3SV2/78-53 (inadequate response), dated 2/12/79	10
Response, dated 2/26/79	11
Telecon: Smith with Druker, dated 3/9/79	12

78-42

78-98

Proceeds & Expendts must be reported

0040191610

