

December 2, 2002

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**VIA HAND DELIVERY**

Mr. Jeff S. Jordan  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

**Re: MUR 5312**

Dear Mr. Jordan:

This letter responds on behalf of Stabenow for U.S. Senate (“Committee”) and Angela M. Autera as Treasurer, (collectively, “Respondents”) to the Commission’s notification that it has received a Complaint alleging that Respondents have violated the Federal Election Campaign Act (“FECA” or “the Act”).

The Complaint appears to assert that the Respondents violated the Act as a result of the Committee’s receipt of an in-kind contribution from the Washtenaw County Democratic Party (the “Party”), a local party committee not registered as a political committee under the Act. However, Respondents received no contribution in-kind as a result of the Party’s disbursements and incurred no reporting obligation with regard to them. Accordingly, the Complaint is factually and legally baseless and the Commission should refuse to take further action on the Complaint, and close the matter.

The Commission should dismiss Respondents from this action for three reasons. First, the disbursements at issue did not amount to “contributions” under the Act. Under the Act and the Commission’s regulations, anything of value given by a person to a political committee, including a contribution in-kind, is a “contribution” to the recipient political committee. 11 C.F.R. § 100.7 (2002). Each political committee is required to disclose contributions it receives on its regular reports with the Commission. 11 C.F.R. § 104.2.

However, to the best of the Respondents’ knowledge the disbursements at issue here were not contributions in-kind, and therefore Respondents were not under any obligation to report them. The Act contains several exemptions from the definitions

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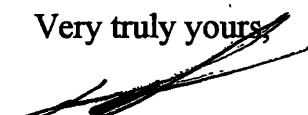
of "contribution" and "expenditure" for certain "party-building" activities by state and local political parties. See, e.g., 11 C.F.R. §§ 100.7(b)(9), (15), (17); §§ 100.8(b)(10). The Party recorded the disbursements in its report to the Michigan Department of State as "exempt federal expenditures," which indicates that the disbursements were made for exempt party activities, and did not constitute contributions or expenditures under the Act. See In-Kind Expenditure Report, Schedule 3B-2, Exhibit A attached.

Second, Respondents did not know about these disbursements until they received notice of this Complaint, and indeed had no reason to know of them before that time. The disbursements at issue were made by a local party committee acting at the county level, and were reported directly to the State of Michigan and not to the Commission. As such, the Respondents had no knowledge of them at the time they were made, and therefore had no way to report them to the Commission.

Third, even if Respondents did know about these disbursements, it is not clear that the Party was under any obligation to register or report with the Commission as a political committee. A local party committee may make disbursements for exempt party activities aggregating to \$5,000 in a calendar year without becoming a political committee. 11 C.F.R. § 100.5(c). The Party's report to the Michigan Department of State indicates cumulative expenditures on behalf of the Committee of only \$1,309.50 for the election cycle. Therefore, even if Respondents had seen the Party's report, they would not have had reason to believe the Party was a political committee under federal law. Accordingly, there is absolutely no cause to believe Respondents committed any violation of the law in this matter.

For the foregoing reasons, the Complaint should be dismissed, and the matter closed.

Very truly yours,

  
Marc E. Elias  
Counsel for Respondents

Exhibit

A

## EXHIBIT A

## View Scanned Image

- Committee Name: WASHTENAW CO DEM COMM
- Statement Type: POST-GENERAL CS
- Statement Year: 2000
- Current Page: 7 of 97

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 MICHIGAN DEPARTMENT OF STATE  
Bureau of Elections

 ITEMIZED IN-KIND EXPENDITURES  
SCHEDULE 3B-2  
POLITICAL PARTY COMMITTEE

 Committee I.D. # 1626-1  
Committee Name: Washtenaw County  
Democratic Committee

3. Name and Address of person or committee to whom goods or services were donated or loaned, or for whom goods or services were purchased	4. Type of In-Kind Expenditure (Check applicable box or boxes)	5. Date of Expenditure	6. Name & Address of Vendor from whom goods or services were purchased	7. Amount or Money Spent (Purchased Goods or Services)	8. Fair Market Value (Loan Endorsement or Guarantee, Loan or Donation of Goods or services)	9. Cumulative for Election Cycle (Through date in Item 5)
Expenditure #1 Name: <u>Al Mainstream Inc.</u> Address: <u>Nashville, TN 37228</u>  <u>Al Gore</u> Name of Candidate <u>President</u> Office Sought & District or Jurisdiction <u>U. S. A.</u> County  Ballot Proposal	<input type="checkbox"/> Loan endorsement or guarantee <input type="checkbox"/> Goods Donated or Loaned <input type="checkbox"/> Services Donated <input checked="" type="checkbox"/> Goods or Services Purchased <input type="checkbox"/> Goods or Services Purchased - LOAN			<b>Exempt Federal Expenditures</b> \$ 1.00 \$ 7.00 <b>\$ 69.50</b>		\$349.50
			Description: Voter Guide and State Card			
		5. Date	6. Vendor Name and Address			
		10-24-00	Grand Blanc Printing, 9449 Holly Rd, Grand Blanc, MI 48439			
		10-28-00	SGI Graphics, 212 E. Huron, Ann Arbor, MI 48104			
		11-01-00	Pathways Press, 21325 Hoover, Warren, MI, 48089			

Expenditure #2 Name: <u>Al Mainstream Inc.</u> Address: <u>Nashville, TN 37228</u>  <u>Joe Lieberman</u> Name of Candidate <u>Vice - President</u> Office Sought & District or Jurisdiction <u>U. S. A.</u> County  Ballot Proposal	<input type="checkbox"/> Loan endorsement or guarantee <input type="checkbox"/> Goods Donated or Loaned <input type="checkbox"/> Services Donated <input checked="" type="checkbox"/> Goods or Services Purchased		<b>\$ 210 Exempt Federal Expenditures</b> \$ 70 <b>\$ 69.50</b>		\$349.50	
			Description: Voter Guide and State Card			

Expenditure #3 Name: <u>P.O. Box 4945</u> Address: <u>E. Lansing 48826</u>  <u>Debbie Stabenow</u> Name of Candidate <u>U. S. Senator</u> Office Sought & District or Jurisdiction <u>Statewide</u> County  Ballot Proposal	<input type="checkbox"/> Loan endorsement or guarantee <input type="checkbox"/> Goods Donated or Loaned <input type="checkbox"/> Services Donated <input checked="" type="checkbox"/> Goods or Services Purchased <input type="checkbox"/> Goods or Services Purchased - LOAN		<b>\$ 195 Exempt Federal Expenditures</b> \$ 65 <b>\$ 49.50</b>		\$1309.50	
			Description: Voter Guide and State Card			

 Page Subtotal  
 Grand Total of all Schedules 3B-2  
 (Complete on last page of Schedule)

1008.50

GAR 7/10/2000

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Ex. 3