

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

MUR 6117)

JACOB TURK FOR CONGRESS)

AND DOUGLAS L. FREEMAN)

AS TREASURER)

JO ANN SIGNS LLC)

**CASE CLOSURE UNDER THE
ENFORCEMENT PRIORITY
SYSTEM**

GENERAL COUNSEL'S REPORT

Under the Enforcement Priority System, matters that are low-rated _____

_____ are forwarded to the Commission with a recommendation for dismissal. The Commission has determined that pursuing low-rated matters compared to other higher-rated matters on the Enforcement docket warrants the exercise of its prosecutorial discretion to dismiss these cases. The Office of General Counsel scored MUR 6117 as a low-rated matter.

According to the complainant, Stephen R. Bough, in 2008, there were numerous yard signs and billboards posted in locations throughout Missouri's Fifth Congressional District supporting candidate Jacob Turk, which the complainant believes cost thousands of dollars. The complainant observes that the Jacob Turk for Congress Committee's ("Committee") disclosure reports include only two relevant disbursements: \$500 for "advertising" to the Cannova Outdoor Sign Company ("the Company") on March 8, 2008; and \$2,407.52 to Jo Ann Signs on April 23, 2008 for "signage." The complainant concludes that, because the Committee's disbursements for billboards, yard signs, and other outdoor advertising may have been insufficient to pay for the products involved, one

29044244664

1 or more of the companies providing signage to the Committee may have done so without
2 compensation. Thus, the complainant asserts that the Committee must have either
3 accepted prohibited in-kind corporate contributions, or received the benefits as unreported
4 in-kind contributions from a third party, in violation of 2 U.S.C. §§ 441b(a) and 434(b).

5 Joseph Cannova, the registered agent for respondent Jo Ann Signs LLC, denies
6 that Jo Ann Signs was involved in the Committee's advertisements, with the exception of
7 leasing the Committee a billboard from March 15, 2008 through November 15, 2008.
8 Mr. Cannova provided a copy of a lease between the Company and the Committee, which
9 states that the former would lease an illuminated signboard to the latter for three months,
10 from March 15, 2008 through June 15, 2008, for \$500 per month, or \$1,500, with checks
11 made payable to "Jo Ann Signs." According to Mr. Cannova, the Committee paid the
12 Company timely.¹

13 The Committee denies the allegations in the complaint and asserts that the
14 complainant failed to take into account numerous other relevant disbursements.
15 Specifically, the Committee points out that, in addition to the \$500 and

¹ Mr. Cannova provided a copy of a subsequent lease between the parties, stating that the Committee agreed to lease the signboard, without illumination, for \$425 per month from June 15, 2008 through November 15, 2008. Mr. Cannova characterizes the lease as a "six month" lease, which would have cost the Committee \$2,550, although the time period set forth in the lease is five months, which would have cost \$2,125. No explanation has been provided for the discrepancy. If the second lease was for five months, the total cost to the Committee for the Jo Ann Signs billboard would have been \$1,500 plus \$2,125, or \$3,625; if the lease was for six months, the Committee's total cost would have been \$1,500 plus \$2,550, or \$4,050. However, the Committee's disbursements to the Company and to Jo Ann Signs total \$4,242.59.

1 \$2,407.52 disbursements mentioned in the complaint, the Committee's disclosure reports
2 reveal thousands of dollars disbursed for signage and other outdoor advertising.²

3 The Committee's disclosure reports indicate that it reported expenditures for
4 billboards, advertising, and signage, notwithstanding the complainant's allegations to the
5 contrary. In fact, the Committee had reported a total of \$14,296.78 in disbursements to Jo
6 Ann Signs, Phil Schmidt Company, Cannova Outdoor Sign Company, and CBS Outdoor
7 prior to the date the complaint was filed.³

8 Accordingly, based upon the Committee's response and the disclosure reports filed
9 by the Committee, evidencing significant expenditures for general advertising costs, and
10 the lack of any specific information suggesting certain expenditures were not reported
11 properly, there is no reason to believe that the Committee accepted in-kind corporate
12 contributions, or unreported contributions from third parties, in violation of 2 U.S.C.
13 §§ 434(b) and 441b.

14 **RECOMMENDATIONS**

- 15 1. Find no reason to believe that Jacob Turk for Congress and Douglas Freeman,
16 in his official capacity as treasurer, violated 2 U.S.C. § 434(b).

² Specifically, the Committee pointed to the following expenses: \$5,575.00 to CBS Outdoor on July 23, 2008 for "ads;" \$4,947.78 to Phil Schmidt Co., on April 23, 2008 for "promo" materials; \$868.49 to Jo Ann Signs on August 26, 2008 for "ads"; \$612.50 to CBS Outdoor for "ads" on October 16, 2008 for "ads"; \$603.14 on October 21, 2008 to Phil Schmidt Co., for "business cards, bumper stickers, etc.;" and \$466.58 on October 23, 2008 to Jo Ann Signs for a "billboard."


³ It should be noted that the complainant filed an improper complaint on September 24, 2008 and subsequently submitted a proper complaint on October 28, 2008. As of September 24, 2008, the Committee had already reported a total of \$7,855.29 in expenditures to Cannova Outdoor Sign Company, Jo Ann Signs, LLC, and Phil Schmidt Company. As the Committee pointed out in its response, it appears that the complainant did not account for a \$4,947.78 expenditure for yard signs on the Committee's 2008 Pre-Primary Report.

- 1 2. Find no reason to believe that Jacob Turk for Congress and Douglas Freeman,
2 in his official capacity as treasurer, violated 2 U.S.C. § 441b.
3 3. Find no reason to believe that Jo Ann Signs, LLC violated 2 U.S.C. § 441b.
4 4. Close the file and send the appropriate letters.


5 Thomasenia P. Duncan
6 General Counsel


7
8
9
10 4/30/29
11 Date

BY:



Gregory R. Baker
Special Counsel
Complaints Examination
& Legal Administration

16
17
18
19 
20 Jeff S. Jordan
21 Supervisory Attorney
22 Complaints Examination
23 & Legal Administration

24
25
26 
27 Ruth L. Heilizer
28 Attorney
29 Complaints Examination
30 & Legal Administration
31
32
33
34
35
36
37