

BEFORE THE FEDERAL ELECTION COMMISSION

REC'D  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF THE GENERAL  
COUNSEL  
OCT 29 P 12:09

ROWENA ANN RENO

Sabina, OH 45169

Complainant,

v.

MICHAEL TURNER and  
TURNER FOR CONGRESS

131 North Ludlow Street, Suite 304  
Dayton, Ohio 45403

Respondent.

MUR # 5591

\*  
\*  
\*  
\*  
\*  
\*  
\*  
\*

2604151312

COMPLAINT

1. The undersigned, Rowena Ann Reno, is a resident of Clinton County, Ohio, residing in the United States Congressional District represented by Respondent Michael Turner.
2. "Turner for Congress" is the authorized committee of Michael Turner for purposes of obtaining and expending funds and specifically for the purpose of reporting receipts and disbursements obtained during the course of his campaign to be elected to Congress.
3. I am filing this Complaint with the Federal Election Commission because an investigation of this matter by the local Board of Elections is still not completed.
4. According to a report contained in the *Dayton Daily News*, published August 25, 2004 (Exhibit A) the Montgomery County Republican Party obtained contributions over an extended period of time, which were deposited in its "Operating Account" and then expended for the benefit of Republican candidates.

5. Money from the Montgomery County Republican Party Operating Account was used to pay James S. Nathanson, a Republican consultant and member of the Montgomery County Board of Elections, for political consulting work he did in the amount of \$76,400.
6. According to an article published in the *Columbus Dispatch* on August 25, 2004 (Exhibit B), the money was paid to Mr. Nathanson in December 2003 or January 2004, in payment for prior years of consulting undertaken by Nathanson for the benefit of specific Republican candidates for office.
7. According to an August 1, 2004 article in the *Dayton Daily News* (Exhibit C), money paid to Mr. Nathanson out of the Montgomery County Republican operating fund was used to pay the consultant to assist "its endorsed candidate" who in fact was Michael Turner.
8. It is my understanding, based upon these admissions contained in the media, that Montgomery County Republican Party Operating Account was used to pay as much as \$76,400 to James S. Nathanson for work he did in support of candidate Michael Turner as part of his effort to with a Republican primary in which he was opposed by Roy Brown (Exhibit B).
9. A letter was sent by Jeff Jacobson (who was the chairman of the Montgomery County Republican Party at the time of the existence of the operating fund and at the time of the payments to James Nathanson) in which he admits payment of funds from the Operating Account as compensation to James Nathanson for work he provided to Michael Turner and the Turner for Congress Committee.
10. That based upon the admissions contained in the media and letter, it is clear that Mr. Nathanson provided in-kind services to Turner for Congress, as subsequently paid for out of the Operating Account of the Montgomery County Republican Party, triggering a duty of "Turner for Congress" and Michael Turner to report contributions, in kind or in cash, on FEC Disclosure Form 3 filed with respect to the primary election in 2002.
11. Each FEC Disclosure Form 3 filed by Turner for Congress and Michael Turner with the Federal Elections Commission on April 25, 2002, July 15, 2002 and January 22, 2003 contained no disclosure whatsoever of any in-kind or cash contribution provided by James S. Nathanson or by the Montgomery County Republican Party.
12. The failure to report the in kind or cash benefit resulting from the services of James S. Nathanson is a violation of FEC Rules.
13. The acceptance of contributions from the Operating Account of the Montgomery County Republican party is a violation of FEC Rules. The Montgomery County

26044151313

Republican Party is not a Federal Political Action Committee, and it is not otherwise qualified (in part due to the fact that it gathers contributions from corporate donors) to make contributions to the Turner for Congress committee or to Michael Turner.

14. I have attempted to allege specific facts showing violations occurring under the Federal Election Commission's jurisdiction, have attempted to clearly identify each person that has committed a violation, have attached all documentation available to me to support the allegations and have also identified the source of information upon which I base my Complaint.
15. I request that the Federal Election Commission notify Respondent of the Complaint and proceed to investigate and reach conclusions with respect to the existence of these alleged violations.

*Rosena Ann Basso*

STATE OF OHIO  
COUNTY OF MONTGOMERY, SS:

Signed and sworn to before me, *Rosena Ann Basso* a Notary Public on this *28* day of October, 2004.

*Monty L. Lawson*  
Notary Public

*Commission Expires  
3-14-06*

Copyright 2004 Dayton Newspapers, Inc.

# Dayton Daily News

August 25, 2004 Wednesday CITY EDITION

**SECTION:** LOCAL; Pg. 1B

**LENGTH:** 567 words

**HEADLINE:** ELECTIONS BOARD SUBPOENAS RECORDS OF GOP;  
Inquiry into party's use of operating account

**BYLINE:** Jim Bebbington jbebbington@DaytonDailyNews.com

**BODY:**

DAYTON - The Montgomery County Board of Elections is subpoenaing financial records from the county Republican Party to investigate whether the party used operating account money to influence elections.

The board voted 3-0 Tuesday to subpoena records showing how the county GOP spent money from its operating fund since 1995.

The board also called on county Republican Chairman John J. White, former chairman Jeff Jacobson and Jim **Nathanson**, a Republican consultant and member of the board of elections, to testify at a hearing Sept. 14.

**Nathanson** abstained from the vote Tuesday.

The records have already been subpoenaed by Ohio Secretary of State J. Kenneth Blackwell, who also is investigating how the operating account was used.

Operating funds, intended to pay for party operating costs, can take in unlimited donations and are exempt from public disclosure, but are not supposed to be used in a political campaign.

The Montgomery County operating fund was used to pay **Nathanson's** political consulting firm \$76,400 for work he did, according to Jacobson, as an adviser to the party in recent years.

**Nathanson** also hired two Columbus political consultants, Kyle Sisk and Brett Buerck, to promote Jacobson in his abandoned bid to

2604151315

become the next Senate president. But **Nathanson** said Tuesday that contract was separate from the money he received from the party operating account.

Don Culp, a member of the county GOP central committee and longtime critic of Jacobson's tenure as party chairman, prompted the board of elections to schedule its hearing by filing a complaint Aug. 19.

Culp, who supported an unsuccessful challenge to White's chairmanship this year, said he thinks the operating account is what paid for expensive mailings and videotapes used during the chairmanship fight.

'I don't think any of Jeff's large donors would agree with giving him money to essentially bash 150 Republicans at the precinct level,' Culp said.

Jacobson said he would honor any subpoena he received.

'I have to check my calendar, but I will definitely honor whatever request they make of me,' he said. 'There were no violations.'

**Nathanson** defended his payments as well.

He said he was paid by Jacobson after serving as an adviser for several years and not in connection to his work on any election.

'My activities for the party was exclusively in working with Jeff,' he said.

In a letter to Senate colleagues, Jacobson said **Nathanson's** work included being 'the party's liaison for Dayton Mayor Mike Turner's re-election campaign,' and working on the contentious 2002 GOP primary between U.S. Rep. Mike Turner, R-Centerville, and Roy Brown.

Jacobson has defended that spending in the primary as defending the party against attacks from Brown.

**Nathanson** resigned this summer as a campaign adviser to Turner.

Board of elections member Tom Ritchie said the Montgomery County board should move ahead with its hearing regardless of what Blackwell's office rules.

'I'm not as ready to relinquish the issue to the secretary of state; the complaint was filed with us and I want to deal with it here,' he said.

White on Thursday said he will release publicly the expenditure records of the county operating account when Blackwell issues a ruling in the investigation.

'I'm very anxious to get a ruling from the secretary of state's office,' he said.

Contact Jim Bebbington at 225-2262.

26044151317

B

Copyright 2004 The Columbus Dispatch

# The Columbus Dispatch

Columbus Dispatch (Ohio)

August 25, 2004 Wednesday, Home Final Edition

**SECTION:** NEWS; Pg. 03B

**LENGTH:** 577 words

**HEADLINE:** MONTGOMERY COUNTY BOARD TO OPEN FUND-RAISING PROBE; 2 GOP legislators, consultant may be asked about account

**BYLINE:** Jon Craig and Lee Leonard, THE COLUMBUS DISPATCH

**BODY:**

The Montgomery County Board of Elections plans to issue subpoenas seeking testimony from Sen. Jeff Jacobson, Rep. John J. White and a Republican Party consultant embroiled in a Statehouse fund-raising scandal.

The political consultant, James S. **Nathanson**, sits on the county board of elections and excused himself from yesterday's vote.

The remaining board members voted to summon Jacobson, White and **Nathanson** to a Sept. 14 hearing and subpoena information from a secret county operating account, according to Dennis A. Lieberman, one of two Democrats on the board.

Lieberman, chairman of the Montgomery County Democratic Party, said the subpoenas would be issued by Friday.

The board is responding to a complaint from Dayton-area Republican Don Culp, as well as news reports about use of the county operating account, which cannot be used in political campaigns to pay the salaries of GOP consultants.

On July 1, Jacobson withdrew his name from consideration as the next Senate president after revelations that **Nathanson** had hired two other consultants under investigation by state and federal authorities for heavy-handed fund-raising tactics.

Consultant Brett T. Buerck and fund-raiser Kyle S. Sisk were hired by

26044151318

**Nathanson** to assist in lining up Senate Republican votes for Jacobson for Senate president. Questions remain about how they were paid.

Jacobson has since disclosed that **Nathanson** was paid about \$76,400 in January for four prior years of consulting when Jacobson was county GOP chairman.

**Nathanson's** Dayton company had paid companies incorporated by Buerck and Sisk about \$9,000 a month. The contracts also had clauses awarding them \$25,000 bonuses if Jacobson was sworn in as Senate president.

"I'm happy to explain once again . . . what the party spent its money on, and I'm confident there are no violations," Jacobson said yesterday.

Lieberman said the board does not want to interfere with separate investigations initiated by Ohio Secretary of State J. Kenneth Blackwell and the U.S. Justice Department. "I don't know what issues they are looking at," Lieberman said.

The county board wants to determine whether spending from secret GOP operating accounts dating back to 1995 should have been disclosed under Ohio election law.

White, a Kettering Republican and chairman of the Montgomery County Republican Party, called the subpoenas "definitely a political move" by Lieberman and Culp.

White said Culp wrote a letter late last week asking the board to force White to open the county GOP's operating account to see whether Jacobson used it to launder money. White said Culp and Jacobson are political enemies.

**Nathanson** said the issues raised by the county board "are exactly the same thing the secretary (of state) was looking into."

White said the hearing might be irrelevant if Blackwell, who already is investigating the matter, rules before then.

"We've already given over to Secretary Blackwell all the records they wanted and more," White said. "We're waiting for a response. Once he issues a ruling, I'll turn over the operating account. I don't want to turn it over to a political hack."



Carlo LoParo, a spokesman for Blackwell, said the county board has asked the secretary of state whether its subpoenas would interfere with his probe. Blackwell's staff asked for a transcript of yesterday's meeting before issuing an opinion, LoParo said.

[jcraig@dispatch.com](mailto:jcraig@dispatch.com)

[lleonard@dispatch.com](mailto:lleonard@dispatch.com)

**GRAPHIC:** Photo, Sen. Jeff Jacobson's campaign hired two GOP consultants now under, investigation by state and federal authorities.

**LOAD-DATE:** August 25, 2004

26044151320

Copyright 2004 Dayton Newspapers, Inc.

# Dayton Daily News

August 1, 2004 Sunday CITY EDITION

**SECTION:** NEWS; Pg. A1

**LENGTH:** 1149 words

**HEADLINE:** JACOBSON SAYS HE REGRETS ACTIVITY DURING CAMPAIGN

**BYLINE:** Lynn Hulsey lhulsey@DaytonDailyNews.com

**BODY:**

DAYTON - State Sen. Jeff Jacobson said he told donors to give money to a state legislator he supported or to help her by donating to a nonprofit group that ran negative ads about her opponent's voting record.

Jacobson, R-Butler Twp., said he regrets making those phone calls for state Rep. Jean Schmidt, R-Loveland, and the Ohio Taxpayers Association, an anti-tax group.

"It's a bad thing," Jacobson said of the practice he now wants to outlaw. "It allows people to expand their network of ways to influence the election beyond where it should be, which is their own committee and political party."

He said it also allows candidates to evade responsibility for what is said in a campaign.

Jacobson made the calls in February before Schmidt lost the Republican Senate primary to state Rep. Tom Niehaus, R-New Richmond. The commercials attacked Niehaus' support for tax increases. Id potential contributors "they could either give to her or to the taxpayers (association)."

Jacobson defended what he did as legal at the time and said he has not been contacted about it by Ohio Secretary of State J. Kenneth Blackwell, who is investigating fund-raising activities and spending by the Ohio Taxpayers Association.

Scott Pullins, executive director of the Columbus-based organization,

26044151321

said the association did not violate campaign finance laws or rules for nonprofits.

Despite acknowledging that he directed donors to the taxpayer association as a way to help Schmidt, Jacobson said he did not know what the taxpayer group was doing with the money nor did he know how much he raised.

"I did not know if they were going to spend it on chocolate or spend it on the race," Jacobson said. "Did I assume that the reason I was being asked to help the group was that people thought that the group was worthy of support because in some way they would be helpful to her effort? Sure."

Blackwell is investigating spending practices during Jacobson's 13-year tenure as chairman of the Montgomery County Republican Party. Blackwell's investigators last week pored over subpoenaed financial documents at the county party's Dayton office.

Blackwell declined to comment on the investigation but said he believes the party violated the law by not reporting a \$14,500 donation to a pro-charter school group called Citizens for Conservative Values. Jacobson said the donation, which he approved at the request of state Rep. Jon Husted, R-Kettering, came from county party operating funds and could remain secret.

"I am very happy to have (Blackwell) litigate that issue if he wants to because I do think he is wrong," Jacobson said.

The party can keep operating account donations and expenditures secret as long as they're used for items such as staff and maintenance of headquarters and not used for campaign purposes, according to the Ohio Campaign Finance Reporting Handbook.

Jacobson called the campaign finance handbook "guidelines" rather than a legal list of what is permissible.

Jacobson's use of the party operating fund came under scrutiny after it was disclosed in June that Jim **Nathanson**, a consultant paid from that fund, had hired two consultants to promote Jacobson for the Senate presidency in 2005. Jacobson contends he did nothing wrong but dropped his bid for the top job in the wake of the controversy.

The consultants, Kyle Sisk and Brett Buerck, who were hired with

26044151322

Jacobson's knowledge, are linked to state and federal investigations of political fund-raising in Ohio.

"I think my first error was that I was party to things being done that I wouldn't have done if I had had to make them public," Jacobson said. "Meaning I would not have worked with these guys (Sisk and Buerck) or had them advise me if I had had to do it in a public way from the beginning.

"The value of the advice compared to the disappointment of my colleagues would not have made it worthwhile."

The operating fund also was used to pay Jacobson \$448,196 in salary, fund-raising bonuses and interest during his time chairman. As his term ended in December 2003, Jacobson used \$76,400 in operating funds to retroactively reimburse **Nathanson** for party work he'd done between 2000 and 2003.

That work included helping the party fight off the Republican primary bid of newspaper publisher Roy Brown, who opposed Mike Turner's effort to win a seat in Congress. Turner, who ultimately won, hired **Nathanson** for the general-election part of the race and paid him \$30,000, **Nathanson** said.

Jacobson said it was legal to use confidential operating funds to pay **Nathanson** for his work in the primary because Brown was attacking the party and its endorsed candidate. He said every staffer or consultant paid with operating funds, including Jacobson himself, can legally promote the party's candidates.

"Forget about **Nathanson**," Jacobson said. "I was hired by the party out of the operating account. I was the guy who wrote the commercials for all the candidates. I'm the guy who raised them their money. I'm the guy who defended them in the paper when I needed to (and) attacked the Democratic opponent.

"I'm the guy who designed the strategy, recruited candidates, asked the party to endorse candidates in endorsed primaries."

He said **Nathanson** filled in for him for him as a "quasi-chairman," did extensive work on Sheriff David Vore's campaign and provided strategic advice on other campaigns.

**Nathanson**, who earns his living as a corporate and public affairs

consultant, said he did not charge his usual rates to the county party because he loves being active in politics.

While Jacobson has disclosed some expenses made out of the account, he and the current party chair, state Rep. John J. White, R-Kettering, refuse to make public all expenditures or the names of donors. But Jacobson also said he believes state law should be changed to prohibit the fund's secrecy and he regrets using it as he did.

**Nathanson**, Buerck and Sisk were also involved in Jacobson's work for Schmidt, who could not be reached for comment.

Jacobson said **Nathanson** told him Schmidt needed his help. Jacobson said he felt guilty for not doing more for Schmidt, so he agreed to make calls soliciting donations for Schmidt's campaign.

Jacobson said he spent about an hour on two occasions making phone calls from Schmidt's office on her behalf. He called about a dozen people he knew on a list of about 30 people provided by Sisk and Buerck, who worked for her.

Jacobson's phone calls caused him problems with Senate leaders, who thought his calls violated his pledge to not show support for Schmidt. Jacobson said he thought the issue was behind him until it came up again in the wake of controversy over the county operating fund.

"I raised some money. I regret doing it," Jacobson said. "But the fact is it was legal to do that. Do I approve of the practice? No."

Contact Lynn Hulsey at 225-7455.

26044151324