Dear Mr. Hodge and Mr. Nickelhoff:

This letter concerns the complaint that was recently filed against Citizens for Affordable Quality Home Care and Home Care First, Inc. by Gideon D’Assandro, which relates to purported violations of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 et seq. The Department of State has received a rebuttal statement from the complainant, a copy of which is enclosed with this letter.

Section 15(10) of the MCFA, MCL 169.215(10), requires the Department to determine within 60 business days from the receipt of the rebuttal statement whether there is a reason to believe that a violation of the Act has occurred. Mr. D’Assandro’s complaint remains under investigation at this time. At the conclusion of the review, all parties will receive written notice of the outcome of the complaint.

Sincerely,

Lori A. Bourbonais
Bureau of Elections
Michigan Department of State

c: Gideon D’Assandro
Rebuttal Statement Regarding Complaint Against:

Citizens for Affordable Quality Home Care
(Former Committee ID #515805)
400 Galleria Officentre, Suite 117
Southfield, MI 48034
Telephone Number: (248) 354-9650
Dohn Hoyle, Treasurer and Designated Record Keeper

Dohn Hoyle
1325 S. Washington Avenue
Lansing, MI 48910
Telephone Number: (517) 487-5426

Home Care First, Inc.
(Former Committee ID #516286)
400 Galleria Officentre, Suite 117
Southfield, MI 48034
Telephone Number: (248) 354-9650
Norm DeLisle, Treasurer

Norm DeLisle
400 Galleria Officentre, Suite 117
Southfield, MI 48034
Telephone Number: (248) 354-9650

Complainant:
Gideon D'Assandro
P.O. Box 14162
Lansing, Michigan 48901
Telephone Number: (313) 312-0695

Dated: November 5, 2013

Filed pursuant to MCL 169.215(5) and The Administrative Rules of the Michigan Department of State

Filed with:
Michigan Department of State
Legal and Regulatory Services Administration
Richard H. Austin Building, 4th Floor
430 West Allegan Street
Lansing, Michigan 48918
REBUTTAL STATEMENT

Complainant, Gideon D’Assandro, whose address is P.O. Box 14162, Lansing, Michigan 48901, Telephone: (313) 312-0695, declares to the Michigan Secretary of State the following:

1. This Rebuttal Statement is submitted in reply to the Response dated October 21, 2013 (the “Response”) filed on behalf of the Respondents by two separate attorneys and law firms, Andrew Nickelhoff of Sachs Waldman, PC and Michael Hodge of Miller Canfield Paddock & Stone, PLC. The Response was submitted in connection with the Complaint filed against Respondents Citizens for Affordable Quality Home Care (“CAQHC”), Home Care First, Inc. (“HCF”), Dohn Hoyle, and Norm DeLisle. Rather than deny the factual allegations of the Complaint, the Response provides additional factual support to demonstrate that the Respondents violated the Michigan Campaign Finance Act (“MCFA”) as set forth in the Complaint.

2. The Respondents’ principal defense to laundering over $9 million, filing incomplete or inaccurate reports, and refusing to file campaign finance reports until after the 2012 election, is an “ignorance of the law” excuse:

   (a) “At worst, Respondents misunderstood the complicated and opaque wording of the statute.” Response, p 10.

   (b) “Respondents Hoyle and DeLisle believed that HCF would not have to register as a committee so long as it did not make independent expenditures; they assumed that if HCF contributed to CAQHC, then CAQHC would satisfy any reporting obligations regarding the contributions (which it did).” Response, p 9.

   (c) “As is the case with many other advocacy and community organizations, the organizers of HCF believed that they could legally contribute unlimited amounts to a ballot question committee without themselves registering as one, understanding that the ballot question committee would be reporting their organization’s contributions.” Response, p 12.

In Michigan, ignorance of the law is not an excuse. People v Weiss, 191 Mich App 553, 561 (1992). The reason for this maxim "is not because everyone knows the law, but because ignorance of it is a ready excuse easily raised and difficult to refute." 17A Am Jur 2d, Contracts,
§ 209. This is particularly true where persons such as the Respondents have access to knowledgeable legal representatives such as Mr. Nickelhoff and Mr. Hodge.

3. The most revealing denial of the Response is the denial that was not made. With respect to the violations of the anti-laundering provisions of MCL 169.241(3) and MCL 169.231(1), and knowingly filing incomplete or inaccurate statements or reports contrary to MCL 169.234(7), the Complaint indicates that the Respondents certainly must have known that the contributions falsely reported by CAQHC as coming from HCFI were, in reality, contributions controlled by, or made at the direction of, or made indirectly by, various SEIU organizations. However, nowhere in the Response or in the Affidavit of Respondent Dohn Hoyle or in the nonexistent Affidavit of Respondent Norm DeLisle is there a claim that the Respondents did not know that these contributions were actually made by various SEIU organizations. Even the criminal defendant (whose DNA and fingerprints are found at the crime scene) at least makes the obligatory denial of guilt. But in the case of the Respondents here, there is not even an attempt to make this obligatory denial. The silence here speaks volumes.

4. Even if the Respondents attempted the obligatory denial of guilt, it would be meaningless for the Respondents to claim that they were truly unaware that various SEIU organizations did not launder their contributions to CAQHC through HCFI. As the Complaint indicates, the Respondents formed HCFI and shared the same address, etc. However, the Response further admits:

(a) An “SEIU official was one member of its three person Board of Directors.” Response, p 7.

(b) In addition, Robert Allison was chosen as an Alternate Director of HCFI. See Minutes of the March 22, 2012 Organizational Meeting of the Board of Directors of HCFI attached at Response, Exhibit G, p 1. Robert Allison is the Executive Director of the SEIU Michigan State Council. See Exhibit 1 attached to this Rebuttal Statement. The Minutes of the March 22, 2012 meeting of the Board of Directors of HCFI indicate that Mr. Allison was not a passive participant in HCFI, as he was given the “duties
of calling and staffing meetings, keeping minutes, helping with other logistical needs and generally assisting the Board reporting to the Board and under the Board's direction.” Response, Exhibit G, p 5.

(c) The Board of Directors of HCFI was aware that significant contributions were made and pledged to HCFI in order to support CAQHC. See Minutes of the March 22, 2012 Organizational Meeting of the Board of Directors of HCFI attached at Response, Exhibit G, p 6; see Minutes of the May 16, 2012 Meeting of the Board of Directors of HCFI attached at Response, Exhibit H; see Minutes of the June 6, 2012 Meeting of the Board of Directors of HCFI attached at Response, Exhibit I, pp 1-2.

Accordingly, since the Response further admits that: (i) two of the four persons in charge of HCFI were SEIU officials; (ii) an SEIU official ran the HCFI board meetings and staffed the HCFI operation; (iii) the Board members of HCFI actively participated in soliciting contributions to HCFI; and (iv) the treasurer and designated record keeper of CAQHC (Respondent Dohn Hoyle) was a member of the HCFI Board - - the Respondents certainly knew that various SEIU organizations laundered contributions through Respondent HCFI to Respondent CAQHC.

5. It cannot be overemphasized that the Respondents admitted that Respondent HCFI became a ballot question committee on March 23, 2012, then raised and spent $9,360,000, but did not file its Statement of Organization until October 30, 2012, and did not publicly disclose its financial activity until it filed its first campaign finance report on November 14, 2012 - - 8 days after the November 6, 2012 general election! See Complaint, Exhibits 5-9. Ignoring these fatal admissions, the Response attempts to argue that the MCFA’s definition of “committee” is “unclear.” Response, p 10. However, the additional factual admissions set forth in the Response demonstrate that the Respondents “solicit[ed] or receive[d] contributions [to HCFI] for the purpose of making an expenditure to [CAQHC].” MCL 169.203(4). According to the Response:

“It was decided at the time of HCF’s formation that this purpose could best be achieved by campaign and public education and by protecting MQC3 from the vicissitudes of politics through a constitutional amendment.” Response, p 3.
Consequently, the Board of Director Minutes of HCFI make it abundantly clear that HCFI solicited or received contributions for the purpose of making expenditures to CAQHC since “once sufficient monies are available for disbursement” from various SEIU organizations, these contributions would be transferred to CAQHC. Minutes of the March 22, 2012 meeting of the Board of Directors of HCFI attached at Response, Exhibit G, p 6. See also, Minutes of the May 16, 2012 meeting of the Board of Directors of HCFI attached at Response, Exhibit H, p 2. Therefore, HCFI was - “at the time of HCF’s formation” - a ballot question committee under the MCFA, as evidenced by the Statement of Organization filed on October 30, 2012 (see Complaint, Exhibit 5) and as now further admitted by the Response and its Exhibits.

6. The Response attempts to reference the “erroneous” registration by the Service Employees International Union Ballot Question Committee (Committee Identification No. 516248) as somehow illustrating that no MCFA violations occurred. In fact, quite the opposite is true. As admitted in the Response, the Service Employees International Union Ballot Question Committee initially reported contributions directly to CAQHC, but these contributions were not given directly to CAQHC, but to HCFI. Response, p 5. Clearly, it was the Service Employee International Union’s intention that its contributions were to be ultimately given to CAQHC, as it initially reported. Rather than serve as evidence that there was no intent to conceal SEIU involvement, the actions of Service Employees International Union here demonstrate the “money trail” connecting various SEIU organizations to CAQHC, where HCFI was merely the laundering device.

7. The Response attempts to justify the various Respondents’ MCFA violations by referring to the never-before-used “common knowledge” exception to the MCFA:

“All of the Complainant’s hyperbole about laundering and concealment ignores the salient fact that SEIU’s support for Proposal 4 was common knowledge and was widely publicized. The attached contemporaneous
news stories and commentary attest to that fact. (Ex. P). It was no secret that SEIU was supporting the ballot proposal.” Response, p 6.

With respect to the foregoing statement, are the Respondents actually suggesting that a news story satisfied the requirements of the MCFA to timely file a Statement of Organization or a campaign finance report, or allows the Respondents to knowingly file an incomplete or inaccurate statement or report? Not only is this statement irrelevant to the serious (very serious) allegations set forth in the Complaint, but they are also false. Exhibit P, referenced in the Response, are news stories, editorials, and commentary that were not authored by the Respondents. In fact, the Respondents, when asked to make public comments about the SEIU involvement in the Proposal 4 campaign, chose to conceal the SEIU involvement:

(a) “He [Dohn Hoyle] declined to describe the level of SEIU involvement in the effort.” ‘Shadowy’ and ‘clandestine?’ Groups for and against union-backed ballot proposals trade barbs over revealing donors. Mlive (September 7, 2013). See Exhibit 2 attached to this Rebuttal Statement.

(b) “Hoyle did not respond to a request for comment.” Not Much Mystery Behind $9 Million Raised For Prop 4. Michigan Capitol Confidential (November 2, 2012). See Exhibit 3 attached to this Rebuttal Statement.

(c) “Hoyle did not respond to requests for comment or to answer questions about the Home Health Program, the SEIU’s participation or his role with Home Care First.” Union Money Behind Health Care Ballot Proposal Not Well Hidden. Michigan Capitol Confidential (August 25, 2012). See Exhibit 4 attached to this Rebuttal Statement.

8. The Complaint demonstrates that the Respondents violated MCL 169.234(7) by knowingly filing incomplete or inaccurate statements or reports. However, as the truth begins to be revealed, there is still even more nondisclosure:

“In May, 2012, the HCF Board approved a $350,000.00 contribution to the Michigan Senior and Disability Voter Education Project. (Ex. H, Minutes p. 3) In June the Board approved a $100,000.00 contribution to keep the de-funded MQC3 in existence so that it could ‘continue serving seniors and persons with disabilities across the state.’ (Ex. I, Minutes, p. 2).” Response, p 4.
Significantly, these contributions have not been reported by Respondent HCFI, thereby evidencing additional violations of MCL 169.234(7).

CONCLUSION

Rather than exonerate the Respondents from perhaps the worst laundering and concealment scheme that has ever been perpetuated in the history of Michigan elections, the Response provides additional factual support to demonstrate that the Respondents violated the MCFA as set forth in the Complaint. Based on the materials submitted to the Michigan Department of State in this matter, all or some of the Respondents have violated the following provisions of the Michigan Campaign Finance Act:

1. MCL 169.241(3);
2. MCL 169.224(1);
3. MCL 169.234(6); and
4. MCL 169.234(7).

REQUEST FOR ACTION BY THE SECRETARY OF STATE

Accordingly, the Complainant respectfully renews its request that the Secretary of State immediately investigate these violations and determine as a matter of law that the Respondents have violated the MCFA, and assess all appropriate penalties for each violation. In addition, given the serious nature and the extent of the violations committed here, the Complainant respectfully requests that the Secretary of State refer this matter to the Attorney General for the enforcement of any criminal penalties provided by the MCFA.

To the extent that the additional allegations set forth in this Rebuttal Statement constitute an additional complaint, I certify that to the best of my knowledge, information and belief, formed after a reasonable inquiry under the circumstances, each factual contention of this complaint is supported by evidence.
Dated: November 5, 2013

Respectfully submitted,

Gideon D’Assandro
EXHIBIT 1
SEIU Healthcare Michigan Names New Executive Director

BOB ALLISON

On The MOVE

LANSONG — The SEIU Michigan State Council, which represents more than 80,000 workers in health care, state and local governments, corrections facilities, and the building service industry, today named Bob Allison as Executive Director.

Allison is a longtime leader in organized labor, helping direct both major organizing of health care workers in the state and overseeing large voter contact field operations. He was most recently SEIU Healthcare Michigan’s director of government affairs, a position he held from 2007.

“We face one of the most important times in the movement for economic and social justice, and Bob has the right blend of lobbying, organizing and communications to help rebuild power for SEIU members and all working people,” said Marge Robinson, RN, President of the SEIU State Council and President of SEIU Healthcare Michigan.

Allison, a respected veteran of Michigan political circles, led two successful lobbying and public pressure campaigns to earn first-ever wage increases and training opportunities for 42,000 Michigan home care workers.

He served in 2008 as state director of the Change To Win labor federation’s field campaign for President Obama, and he has extensive experience in coalition building, union political fundraising and strategic planning. Allison was also the senior director for the Proposal 4 home care ballot measure campaign during the 2012 election.

Prior to joining SEIU, Allison was a press secretary for U.S. Congressman David Bonior and served as the media liaison. He was also a media contact for the Bonior gubernatorial campaign in 2002.

“Our members are facing a more hostile political environment than ever before, and Bob brings an aggressive, focused approach that will help all our Locals succeed,” said Mel Grishaber, Vice President of the SEIU State Council and Executive Director of the Michigan Corrections Organization/SEIU Local 526M.

Before union and political work, Allison was a reporter in Michigan and Florida. He won numerous Associated Press and Gannett News Services award for investigative and public service journalism. In Michigan, Allison worked at the Kalamazoo Gazette, the Port Huron Times Herald and the Lansing State Journal.
EXHIBIT 2
‘Shadowy’ and ‘clandestine’ Groups for and against union-backed ballot proposals trade barbs over revealing donors

Dave Murray | dmurray@mlive.com By Dave Murray | dmurray@mlive.com
Follow on Twitter

on September 27, 2012 at 5:33 PM, updated September 27, 2012 at 9:23 PM

GRAND RAPIDS, MI – Groups for and against union-backed ballot proposals traded barbs over disclosing donors on Thursday, with groups backing the measures calling opponents “shadowy” and the other side calling groups “clandestine.”

Whatever the label, the sides do not debate that lots of money is at stake and millions of dollars will be spent on the ballot issues before the Nov. 6 election.

Jocelyn Benson, the former Democratic candidate for Secretary of State, spoke on behalf of Protect Our Jobs, calling organizations spending money campaigning against the proposal “shadowy front groups” for “corporate special interests.”

The measure, Proposal 2 on the ballot, would enshrine collective bargaining in the state constitution. Opponents said about 170 state laws would be affected.

Benson said Citizens Protecting Michigan’s Constitution is “the worst offender” and it has produced ads that are “riddled with lies.” She said failure to disclose who is funding the campaign hurts its credibility.

"We lose our ability to have any kind of accountability," she said in a conference call arranged by the Protect Our Jobs coalition.

She said ads have said school bus drivers would no longer need safety certification if the measure is approved, which the coalition disputes.

The Protect Our Jobs coalition had raised $8 million — nearly all from unions and the Democratic Party — according to campaign finance reports filed with the Secretary of State's office in July. A campaign spokesman declined to say how much the campaign has collected since, saying it will report those numbers late next month.

Benson, a member of the Wayne State University Law School faculty, called on all groups to disclose their funding — but balked at applying the "shadowy" label on Citizens for Affordable Quality Home Care, which in July reported receiving nearly all of its $1.8 million from an organization called Home Care First, which has not revealed its donors.

Opponents said the home health care measure, Proposal 4 on the ballot, would force 40,000 home health care workers in the Service Employees International Union.

Citizens Protecting Michigan's Constitution called that group "clandestine," and issued a statement from former Michigan Attorney General Mike Cox, who said the proposal backers need to "come clean with Michigan voters about the source behind their millions of dollars in secret campaign cash."

"The willingness of special interests and out-of-state unions to hide their motives from voters apparently knows no bounds," Cox said in a release, "Michigan families don't need insincere lectures from partisan law professors—they need the facts and they deserve to know who is behind this clandestine scheme to skim millions a year from Michigan seniors and the family members who care for them."

Citizens Protecting Michigan's Constitution released a list of 15 groups it said are both endorsing the measure and contributing financially, including the Michigan Chamber of Commerce, Business Leaders for Michigan, the Michigan Farm Bureau, the Michigan Association of School Boards, the Michigan Association of School Administrators and the Michigan Manufacturers Association.

The coalition raised $340,100 by the July reporting date. A spokesman declined to say how much has been raised since then, but said the group will comply with state laws and file a report next month.
Dohn Hoyle, campaign co-chair and executive director of the Arc Michigan, said after the session that Home Care First Inc. is a 501(c)(4) non-profit organization "formed and supported by Michigan’s leading senior and disability rights groups."

"Home Care First — along with the Michigan Disability Rights Coalition, Michigan Paralyzed Veterans of America, the Area Agencies on Aging Association of Michigan, the Arc Michigan and many more — strongly supports Proposal 4, because it will give seniors and people with disabilities the right to receive safe, quality care in their own homes as an alternative to expensive nursing homes and other institutions."

He declined to describe the level of SEIU involvement in the effort.

Email Dave Murray at dmurray@mlive.com and follow him on Twitter @ReporterDMurray or on Facebook.

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EXHIBIT 3
Not Much Mystery Behind $9 Million Raised for Prop 4

Proposal 4 supporters expect voters to believe that the union is spending $9,593 per name for a registry

By JACK SPENCER | Nov. 2, 2012

Home Care First Inc., an organization that is believed to be primarily funded by the Service Employees International Union, has pumped nearly $9 million into Proposal 4.

The SEIU is trying to stay out of the picture in the push to get Proposal 4 passed, but the ballot initiative was created to preserve a scheme that was orchestrated by the union when Jennifer Granholm was governor. As a result, about 44,000 home-based caregivers were forced into the union. The SEIU wants the scheme to continue because it takes about $6 million a year from those workers, most of whom are taking care of family and friends.

The set-up using Home Care First and a committee, Citizens for
Affordable Home Care, allows for the campaign contributions to be hidden until March.

According to campaign finance reports, Citizens for Affordable Quality Home Care has reported raising almost $9 million for Proposal 4 with the money coming from Home Care First.

Home Care First was created just days before the signature petition drive for what is now known as Proposal 4 was started. Home Care First's treasurer is Dohn Hoyle, who is the spokesman for the campaign supporting the ballot initiative and also is co-chair of Citizens for Affordable Quality Care.

MLive reported that Hoyle said Home Care First is a 501(c)4 non-profit organization, which gives it the ability to lobby under IRS regulations. Hoyle told MLive that Home Care First is supported by the same groups that support Proposal 4.

Proposal 4 backers claim the measure is about providing a background check registry to protect patients in their homes. What they don't say is that such a registry has been around since 2006 and has largely been ignored.

Apparently, the Proposal 4 campaign wants Michigan voters to believe that mystery donors are willing to spend more than $8.95 million to convince people that a registry is needed. Only 933 names have been added to the registry in six years. That means Proposal 4 backers are spending roughly $9,593 per name to convince people the registry is essential.

"If the SEIU is bankrolling this, it isn't a surprise," said Patrick Wright, senior legal analyst at Mackinac Center for Public Policy. "It would just show how much the union has made in profits from this and how it all goes to politics."

In reality, Proposal 4 is about locking a forced unionization of Michigan's home-based caregivers scheme into the constitution. The SEIU orchestrated the forced unionization in 2005 when Jennifer Granholm was governor and has been receiving money deducted from the Medicaid checks of home-based caregivers ever since.

So far the SEIU has taken more than $32 million from the disabled
and elderly in Michigan.

"The legislature de-funded this after we saw what they were really doing," said National Republican Party Committee member and state Rep. Dave Agema, R-Grandville. "These 40,000 people should never have had that money taken away from them in the first place. It should be returned to them."

Hoyle, who also is executive director of the Arc Michigan, pushes aside connections to the union and in an interview with the Detroit Free Press called a home-based caregiver "an idiot" because he is opposed to Proposal 4 and the forced unionization.

Initially, the Proposal 4 campaign claimed it was about allowing the elderly and others with disabilities have the option of being cared for at home instead of being sent to nursing homes. What the proposal backers didn't say was that such a program already exists. It's called the Home Help Program and has been around since 1981.

The private sector also provides resources for those who require care in their homes.

Barbara Roden is the head of Senior Helpers, which provides in-home care for senior citizens in Oakland Wayne and Macomb counties and says Proposal 4 would hurt senior citizens by increasing the cost of in-home care.

"Being in the business of home care, if this proposal passes it will force my employees to unionize, and will raise the cost of employing them, which in turn will force my client's rates to increase," Roden said. "We already do criminal background checks on our caregivers. Seniors will not garner any new benefits from this proposal."

Hoyle did not respond to a request for comment.
Union Money Behind Health Care Ballot Proposal Not Well Hidden

Use of a dummy corporation will keep official disclosure 'secret' until next year

By JACK SPENCER | Aug. 25, 2012

On the surface, it appears that a corporation that was formed just days before a signature petition drive was started to create a ballot proposal that would lock a forced unionization of home health care workers into the state constitution, is the major player behind the ballot proposal.
But one doesn't have to dig too deep to figure out that it is almost certainly the Service Employees International Union that is behind the company promoting the "Keep Home Care Safe" initiative.

"Citizens for Affordable Quality Home Health Care" is the name of the campaign committee for the proposal. According to records filed with the secretary of state, 97 percent of the campaign's money ($1.84 million) has come from a corporation, Home Care First Inc.

SEIU Healthcare Michigan, an SEIU affiliate, is the most likely source of the campaign dollars, although other affiliates of SEIU likely are contributing as well. Under this set-up the unions won't have to disclose what they've spent on the ballot proposal campaign until next year because of campaign finance rules.

The SEIU has a vested interest in this proposed ballot initiative because it is the union behind the scheme that unionized home health care workers in Michigan and has taken more $31 million from those workers since 2005.

More than half of SEIU Healthcare Michigan's finances now come from the union dues taken out of the Medicaid checks sent to Michigan residents (mostly relatives and friends) who participate in the Home Help Program.

The federal Home Help Program was created years ago so elderly and disabled people can receive care at home instead of having to live in nursing homes.

Supporters of the ballot initiative have repeatedly said passing the ballot proposal would create the Home Help Program. In doing so, the campaign apparently hopes most voters won't realize this program has existed for years and will continue regardless of what happens in the election.

At the center of the campaign is Dohn Hoyle, treasurer and co-chairman of the "Keep Home Care Safe" ballot proposal. Hoyle also is executive director of The Arc Michigan, an agency that helps people who have developmental disabilities, and he is a member of the Michigan Quality Community Care Council (MQC3) board, which is the dummy employer the SEIU used in the establishment and operation of the unionization scheme. Under Hoyle's direction, the
Arc donated $50,000 to the MQC3 this past spring.

Hoyle also is the head of Home Care First.

Hoyle did not respond to requests for comment or to answer questions about the Home Help Program, the SEIU's participation or his role with Home Care First.