Campaign Finance Complaint Form Michigan Department of State

LLA F. 128 AM 9:27

This complaint form may be used to file a complaint alleging that someone violated the Michigan Campaign Finance Act (the MCFA, 1976 PA 388, as amended; MCL 169.201 et seq.). All information on the form must be provided along with an original signature and evidence. Please print or type all information

PLEASE PRINT OR TYPE ALL INFORMATION.

I allege that the MCFA was violated as follows:

SECTION 1. COMPLAINANT	
Your Name: Steve Linder	Telephone Number: 517-499-2243
Mailing Address: 2550 Dustin Road	
City: Okemos	State: MI Zip: 48864
SECTION 2. ALLEGED VIOLATORS	
Name: Paul Gieleghem	Telephone Number: 586-530-0242
Mailing Address: 37905 E. Horseshoe	
City: Clinton Township	State: MI Zip: 48035
Name: Mike Keys	Telephone Number: 586-925-9797
Mailing Address: 35316 Jamestown	
City: Clinton Township	State: MI Zip: 48035
Name: Kenneth Pearl	Telephone Number: 586-256-1408
Mailing Address: 38316 Santa Barbara	
City: Clinton Township	State: MI Zip: 48035

SECTION 3. ALLEGED VIOLATIONS

Section(s) of the MCFA violated:

Section 44 (MCL 169.244).

Explain how those sections were violated:

Section 44 of the MCFA prohibits a candidate committee from making "an expenditure or other disbursement except to further the nomination or election of the candidate for which it is formed." MCL 169.244(2). The only exceptions to section 44 are related to fundraising events, disbursements upon termination of the committee, and incidental expenses necessary for an elective official to carry out his or her official duties. See MCL 169.221a, 169.245, & 169.271. Expenditure means "a payment, donation, loan, or promise of payment of money or anything of ascertainable monetary value for goods, materials, services, or facilities in assistance of, or in opposition to . . . the qualification, passage, or defeat of a ballot question." MCL 169.206. It includes expenditures for communications that use express words of advocacy, such as "vote against", "defeat", or "reject". See id. Each violation of section 44 is a misdemeanor punishable by a fine of up to \$1,000.00 and imprisonment for up to 93 days. MCL 169.244(5).

A ballot question on whether to authorize marihuana establishments (the "Ballot Question") is set to appear on the March 10, 2020 ballot in Clinton Township, Michigan. Paul Gieleghem is the Clinton Township Treasurer and Mike Keys and Kenneth Pearl are Clinton Township Trustees (collectively, the "Board Members"). Recently, the Board Members sent a letter to Clinton Township residents regarding the Ballot Question (the "Letter"). Exhibit A. In the Letter, the Board Members state that "On Tuesday, March 10, we'll be voting NO on the proposal to authorize and allow marijuana establishments in our township." *Id.* The Letter concludes by saying "We urge you to vote NO on the [Ballot Question] on Tuesday, March 10." *Id.* The Letter fails to identify the Board Members as candidates or any election in which the Board Members will appear on the ballot. *See id.* The Letter includes a disclaimer that it was "Paid for by" the Board Members' campaign committees. *Id.*

Because the Letter uses words of express advocacy in opposition to the Ballot Question (without any mention of the Board Members' candidacies), the Letter and the funds used to pay for the Letter are clearly not intended to "further the nomination or election" of the candidates. Nor does the Letter implicate any of the exceptions to section 44. Therefore, by using their campaign funds to pay for the Letter, the Board Members have violated section 44 of the MCFA.

Evidence that supports those allegations (attach copies of pertinent documents and other information):

Exhibit A Letter from Board Members.

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. X Signature of Complainant Date SECTION 5. Certification (Supplemental to Section 4)

SECTION 4. Certification (Required)

Section 15(6) of the MCFA (MCL 169.215) requires that the signed certification found in section 4 of this form be included in every complaint. However, if, after a reasonable inquiry under the circumstances, you are unable to certify that certain factual contentions are supported by evidence, you may also make the following certification:

I certify that to the best of my knowledge, information, or belief, there are grounds to conclude that the following specifically identified factual contentions are likely to be supported by evidence after a reasonable opportunity for further inquiry. Those specific contentions are:

x Signature of Complainant Date

Section 15(8) of the MCFA provides that a person who files a complaint with a false certification is responsible for a civil violation of the MCFA. The person may be required to pay a civil fine of up to \$1,000.00 and some or all of the expenses incurred by the Michigan Department of State and the alleged violator as a direct result of filing the complaint.

Mail or deliver the completed complaint form with an original signature and evidence to the following address:

Exhibit A



Paul Gieleghem 586 530 0242



Mike Keys 586 925 9797



Kenneth Pearl 586 256 1408

Dear Clinton Township Residents,

On Tuesday, March 10, we'll be voting NO on the proposal to authorize and allow marijuana establishment: in our township.

This issue is not about legalization or decriminalization -- those issue have already been decided by voters:

- In 2008, we voted to make medicinal use marijuana legal so loved ones and neighbors can access relief from suffering.
- In 2018, we voted to legalize marijuana for adult recreational use because we didn't want to see people arrested and sent to jail for using marijuana.

This is about our Township being a center for growing, producing and selling marijuana:

- It is a petition led by big business interest to allow for 8 12 marijuana retail establishments, and
- up to 12 other marijuana related businesses, including growing, processing, testing and transporting establishments.

We do not believe that voters envisioned our community as a place where there are marijuana operations spread throughout Clinton Township.

There is neither a social nor financial advantage for Clinton Township to be a center for marijuana operations. Taxes from these businesses won't pay for the added Township services necessary to ensure safety and security

A vote yes guarantees that a multitude of marijuana operations open-up in our community. A vote NO maintains Clinton Township status as an opt-out community; which means there will be no marijuana operations in our community until we can guarantee that the necessary protections are in place and the funds are available to pay for them.

This proposal is not about creating jobs and investment in our community. It's about the interests of a few business owners wanting to cash in and make large profits.

We urge you to vote NO on the "Proposal to amend Part 8 of the Codified Ordinances of the Charter Township of Clinton, to add a new Chapter 803, Marijuana Establishments" on Tuesday, March 10.

Respectfully,

Paul Gieleghem, Mike Keys and Kenneth Pearl

Paid for by: Paul Gieleghem for Treasurer, 37905 E. Horseshoe Dr., Clinton Township, MI 48036, Friends of Mike Keys, P.O. Box 381284, Clinton Township, MI 48038, Committee to Elect Kenneth Pearl, 38316 Santa Barbara, Clinton Township 48036

Proudly printed in Macomb County Please recycle











1. 486 830 0240



\$658.00 X 23.9 926 975 9797



Kerceth Pobl 186 256 1408

. The Charles Separated States and the

the fluence March 1 and the states for the second to action and allow manginess establishments in deal terminal

This was a red annex or have a recommended by volers.

- Appartudations or her size we didn't want to see profit
- No. 2018. He was not a deposit of man come for a common section.

They be produced and Toward to being a control of

- A his perhaps but to buy business of them.
- * 學物 2 學級 學學學學 网络阿尔克克 egzalskárosentk.

your presenting belief and transporting The state of the s

line zinsondekteles etste este est

ne, ann waterg marfuarra.

gread throughout Control foresters. There is nestles a real and in a real state against Coming Tompship to be a center for many save operations.
There from these beautiful real to a fact that the state of the s

A water year quarrantees that a manifestation of manifestation and a second of the sec a real programmer control of the con contact see in place and the funds the sufficient to pay her dem

The proposal is not about the charge the and it is not beginned parent was any to have it is not

His company on the series SCO of the Albertain of to weeked four 8 of the Company Company of the Charter Transfer of Contract to the charter of the charter an Sacráig March 10

Residenthally.

Paul Glengton, Miles Repriet Kenneth Paul

And the terminant of the constraint of the Const

Amerika, distribuid on televischeit Kloserta. Stelevischeit



and it is a second the interests of a few





March 6, 2020

Paul Gieleghem 37905 E Horseshoe Dr Clinton Township, MI 48035

Mike Keys 35316 Jamestown CT Clinton Township, MI 48035

Kenneth Pearl 38316 Santa Barbara St Clinton Township, MI 48035

Re:

Linder v. Gieleghem, et al Campaign Finance Complaint No. 2020-02-12-44

Dear Mr. Gieleghem, Mr. Keys, and Mr. Pearl:

The Department of State (Department) has received a formal complaint alleging violations of the Michigan Campaign Finance Act (MCFA or Act), 1976 PA 388, MCL 169.201 et seq. A copy of the complaint and supporting documentation is enclosed with this letter.

The complaint was submitted to the Department by Steve Linder on February 28, 2020 and alleges that you have improperly made a contribution to a ballot question committee using your committee funds. Specifically, Mr. Linder alleges that you mailed a letter that urged voters to vote no on a ballot proposal. He further alleges that this fails to further your nomination or election. Submitted with his complaint, is a copy of the letter that was mailed.

The MCFA prohibits candidate committees from making an expenditure or other disbursement except to further the nomination or election of the candidate for which the committee was formed. MCL 169.244(2). A person who knowingly violates this section is guilty of a misdemeanor punishable by imprisonment up to 90 days or a fine up to \$1,000, or both. MCL 169.244(5).

The purpose of this letter is to inform you of the Department's examination of these matters and your right to respond to the allegations before the Department proceeds further. It is important to understand that the Department is neither making this complaint nor accepting the allegations as

Paul Gieleghem Mike Keys Kenneth Pearl March 6, 2020 Page 2

<u>true</u>. The investigation and resolution of this complaint is governed by section 15 of the Act and the corresponding administrative rules, R 169.51 *et seq*. An explanation of the investigation process is enclosed with this letter and a copy is available on the Department's <u>website</u>.

If you wish to file a written response to this complaint, you are required to do so within 15 business days of the date of this letter. Your response may include any written statement or additional documentary evidence you wish to submit. All materials must be sent to the Department of State, Bureau of Elections, Richard H. Austin Building, 1st Floor, 430 West Allegan Street, Lansing, Michigan 48918. If you fail to submit a response, the Department will render a decision based on the evidence furnished by the complainant.

A copy of your answer will be provided to Mr. Linder, who will have an opportunity to submit a rebuttal statement to the Department. After reviewing all of the statements and materials provided by the parties, the Department will determine whether "there may be reason to believe that a violation of [the MCFA] has occurred [.]" MCL 169.215(10). Note that the Department's enforcement powers include the possibility of entering a conciliation agreement, conducting an administrative hearing, or referring this matter to the Attorney General for enforcement of the criminal penalty provided in section 44(5) of the Act.

If you have any questions concerning this matter, you may contact me at (517) 335-3234.

Sincerely,

Adam Fracassi Bureau of Elections

Michigan Department of State

Enclosure c: Steve Linder



* GERALD H. ACKER ** Barry J. Goodman TIM SULOLLI IORDAN B. ACKER *** Bradley M. Peri

March 24, 2020

LARRY R. MAITLAND II MARK BREWER Ronita Bahri MICHELLE T. AARON Leah S. Hougaboom Amanda B. Warner

BART P. O'NEILL

*Also admitted in DC **Also admitted in Plorida ** Also Admitted in NY

www.goodmanacker.com

Adam Fracassi Michigan Department of State Richard Austin Building, 1st Floor 430 W. Allegan Lansing, MI 48918

RE: Linder v. Gieleghem, et al, Campaign Finance Complaint

No. 2020-02-12-44

Dear Mr. Fracassi:

We are legal counsel to Clinton Twp. Treasurer Paul Gieleghem, Clinton Twp. Trustee Kenneth Pearl, and Clinton Twp. Trustee Michael Keys.

This frivolous complaint should be dismissed and Mr. Linder sanctioned, including payment of our clients' attorneys' fees.

For decades the Michigan Campaign Finance Act has allowed officeholders such as our clients to use candidate committee funds for expenses incidental to holding office, including contributions in ballot question elections.

Currently, MCL 169.221a(1) allows an elected official to use candidate committee funds for "an incidental expense for the elective office." MCL 169.209(1)(h) defines "incidental expense" to include a "disbursement to a ballot question committee."

The mailer for which our clients' candidate committees paid related to a Clinton Township ballot proposal and the costs were duly reported by those candidate committees as in-kind contributions to a ballot question committee opposing the proposal. The mailer was plainly incidental to these officeholders' responsibilities. Clinton Twp. voters were entitled to know their elected officials' views on the ballot question.



Our clients did what thousands of elected officials for decades have legally done – make legal contributions to a ballot question committee.

This frivolous complaint should be dismissed and Mr. Linder sanctioned.

Very truly yours,

GOODMAN ACKER, P.C.

/s/ Mark Brewer

Mark Brewer

cc: Hon. Paul Gieleghem

Hon. Kenneth Pearl Hon. Mike Keys



June 1, 2020

Steve Linder 2550 Dustin Road Okemos, MI 48864

Re:

Linder v. Gieleghem, et al.

Campaign Finance Complaint

No. 2020-02-12-44

Dear Mr. Linder:

The Department of State received a response to the complaint you filed against Paul Gieleghem, Mike Keys, and Kenneth Pearl, which concerns an alleged violation of the Michigan Campaign Finance Act (MCFA), 1976 P.A. 388, MCL 169.201 *et seq*. A copy of the response is provided as an enclosure with this letter.

If you elect to file a rebuttal statement, you are required to send it <u>within 10 business days</u> of the date of this letter to the Bureau of Elections, Richard H. Austin Building, 1st Floor, 430 West Allegan Street, Lansing, Michigan 48918.

Please note that due to the ongoing COVID-19 public health crisis, processing and mailing times may be delayed. To the extent possible, you should email any documents to my attention at Elections@Michigan.gov with the hard copy to follow.

Sincerely,

Adam Fracassi Bureau of Elections

Michigan Department of State

c: Mark Brewer, Attorney for Mr. Gieleghem, Mr. Keys, and Mr. Pearl, via email

Fracassi, Adam (MDOS)

From:

Caviston, Jeffrey <JCaviston@dykema.com>

Sent:

Tuesday, June 16, 2020 3:38 PM

To:

SOS, Elections; Fracassi, Adam (MDOS)

Subject:

Reply to MCFA Complaint No. 2020-02-12-44 - Attn: Adam Fracassi

Attachments:

Linder Rebuttal Statement to MCFA Complaint No. 2020-02-12-44.pdf

CAUTION: This is an External email. Please send suspicious emails to abuse@michigan.gov

Dear Mr. Fracassi,

On behalf of Steve Linder, please find attached his rebuttal statement pursuant to your letter dated June 1, 2020 regarding the above-referenced complaint. Per your instructions, a hard copy will follow.

Thank you for your attention to this matter.

Regards, Jeff Caviston

Stay up to date with Dykema's COVID-19 Legal Resource Center

×==

Jeffrey A. Caviston Attorney JCaviston@dykema.com | 855-226-2186 Fax

517-374-9100 Main

517-374-9136 Direct | 201 Townsend Street, Suite 900 Lansing, Michigan 48933 www.dykema.com

*** Notice from Dykema Gossett PLLC: This Internet message may contain information that is privileged, confidential, and exempt from disclosure. It is intended for use only by the person to whom it is addressed. If you have received this in error, please (1) do not forward or use this information in any way; and (2) contact me immediately. Neither this information block, the typed name of the sender, nor anything else in this message is intended to constitute an electronic signature unless a specific statement to the contrary is included in this message.

June 16, 2020

Adam Fracassi Michigan Department of State Richard Austin Building, 1st Floor 430 W. Allegan St. Lansing, MI 48918

Re:

Linder v. Gieleghem, et al. Campaign Finance Complaint No. 2020-02-12-44

Dear Mr. Fracassi:

I am writing in response to your June 1, 2020 letter regarding the above-reference matter and the March 24, 2020 letter from the legal counsel of Mr. Gieleghem, Mr. Pearl, and Mr. Keys (the "Board Members") that was enclosed therein.

In their letter, the Board Members claim that their candidate committees' expenses were made and reported as in-kind contributions to the Clinton Township First ballot question committee (the "BQC") in compliance with the MCFA. According to their letter, this means my complaint is without merit. This distorts the facts.

Before filing my complaint, I waited until February 28, 2020 to verify that the Board Members' alleged contributions were not reported by the BQC on its report, which covered a period ending February 23, 2020. Because the contributions were not reported, it was an apparent violation of Section 44 of the MCFA and I therefore proceeded to file my complaint.

Furthermore, even if the disclosure of the contribution after-the-fact is not a violation of Section 44, it would still be a violation of the MCFA as it was not timely reported. Inappropriately reporting the contributions on February 25, 2020 after the statutory deadline does not cure the violation.

In either event, a violation of the MCFA occurred and the Department of State should enforce the MCFA and impose penalties accordingly.

Thank you for your attention to and consideration of this matter.

Steve Linder

Fracassi, Adam (MDOS)

From:

Fracassi, Adam (MDOS)

Sent:

Monday, July 6, 2020 2:05 PM

To:

Caviston, Jeffrey

Subject:

RE: Reply to MCFA Complaint No. 2020-02-12-44 - Attn: Adam Fracassi

Attachments:

Rebuttal Letter.pdf; Linder Rebuttal Statement to MCFA Complaint No.

2020-02-12-44.pdf

Mr. Caviston.

Please see attached correspondence.

Thank you, Adam

From: Caviston, Jeffrey <JCaviston@dykema.com>

Sent: Tuesday, June 16, 2020 3:38 PM

To: SOS, Elections < Elections@michigan.gov >; Fracassi, Adam (MDOS) < Fracassi A@michigan.gov >

Subject: Reply to MCFA Complaint No. 2020-02-12-44 - Attn: Adam Fracassi

CAUTION: This is an External email. Please send suspicious emails to abuse@michigan.gov

Dear Mr. Fracassi,

On behalf of Steve Linder, please find attached his rebuttal statement pursuant to your letter dated June 1, 2020 regarding the above-referenced complaint. Per your instructions, a hard copy will follow.

Thank you for your attention to this matter.

Regards, Jeff Caviston

Stay up to date with Dykema's COVID-19 Legal Resource Center

Dykema

Jeffrey A. Caviston

JCaviston@dykema.com | 855-226-2186 Fax

517-374-9136 Direct | 517-374-9100 Main

201 Townsend Street, Suite 900

Lansing, Michigan 48933

www.dykema.com

*** Notice from Dykema Gossett PLLC: This Internet message may contain information that is privileged, confidential, and exempt from disclosure. It is intended for use only by the person to whom it is addressed. If you have received this in error, please (1) do not forward or use this information in any way; and (2) contact me immediately. Neither this information block, the typed name of the sender, nor anything else in this message is intended to constitute an electronic signature unless a specific statement to the contrary is included in this message.

Fracassi, Adam (MDOS)

From:

Fracassi, Adam (MDOS)

Sent:

Monday, July 6, 2020 2:05 PM

To:

Mark Brewer

Subject:

Linder v. Gieleghem, et al, Campaign Finance Complaint

Attachments:

Rebuttal Letter.pdf; Linder Rebuttal Statement to MCFA Complaint No.

2020-02-12-44.pdf

Good afternoon, Mark:

Please find attached correspondence and the rebuttal in the abovementioned campaign finance complaint. If you have questions, please let me know.

Adam Fracassi, Election Law Specialist Michigan Bureau of Elections P.O. Box 20126 Lansing, Michigan 48901



July 6, 2020

Paul Gieleghem Kenneth Pearl Michael Keys C/O Mark Brewer, Attorney Goodman Acker 17000 West Ten Mile Road, Second Floor Southfield, MI 48075

Via Email

Re:

Linder v. Gieleghem

Campaign Finance Complaint

No. 2020-02-12-44

Dear Mr. Brewer:

This letter concerns the complaint that was recently filed against your clients, which relates to a purported violation 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 45 business days from the receipt of the rebuttal statement whether there is a reason to believe that a violation of the Act has occurred. The complaint remains under investigation at this time.

If the Department needs more information, you may be contacted. The complaint will remain under investigation until a final determination has been made. At the conclusion of the review, all parties will receive written notice of the outcome of the complaint.

Sincerely,

Adam Fracassi

Bureau of Elections

Michigan Department of State

c: Jeffrey A. Caviston, Attorney for Steve Linder, via Email



October 9, 2020

Jeff Caviston Attorney for Steve Linder 201 Townsend Street, Suite 900 Lansing, MI 48933

Re: Lin

Linder v Gieleghem, et al Campaign Finance Complaint No. 2020-02-12-44

Dear Mr. Caviston:

The Department of State (Department) has concluded its investigation into the formal complaint your client filed against Paul Gieleghem, Mike Keys, and Kenneth Pearl (Respondents) alleging violations of the Michigan Campaign Finance Act (MCFA or Act). This letter concerns the disposition of your complaint.

The complaint alleges the respondents sent a letter to Clinton Township residents which expressly advocated against a ballot question on the March 10, 2020 ballot. The letter specifically urged voters to "vote NO" on the question. Included with the complaint was a copy of the letter.

By letter dated March 24, 2020, Mark Brewer, on behalf of respondents, responded to the complaint and alleged that this was an allowable incidental office expense as that term is defined by MCL 169.209.

You submitted a rebuttal on behalf of your client arguing that it was not an incidental office expense because the committee did not report the in-kind contribution prior to the filing of the complaint.¹

¹ The Department emailed the rebuttal letter to all parties as it is required to do. Mr. Brewer subsequently delivered a sur-reply. Because this filing is not contemplated by the Act and does not raise arguments necessary for the Department to make the instant conclusion, the filing is not being considered in this determination, and was not transmitted.

Jeff Caviston October 9, 2020 Page 2

The MCFA prohibits candidate committees from making an expenditure or other disbursement except to further the nomination or election of the candidate for which the committee was formed. MCL 169.244(2). A person who knowingly violates this section is guilty of a misdemeanor punishable by imprisonment up to 90 days or a fine up to \$1,000, or both. MCL 169.244(5).

Incumbent officeholders may use committee funds to pay for ordinary and necessary expenses created for the purpose of carrying out the business of an elective office – called incidental office expenses. While still an expenditure, an incidental office expense is "an expenditure that is an ordinary and necessary expense, paid or incurred in carrying out the business of an elective office." MCL 169.209(1) (emphasis added). The MCFA does not allow a candidate committee to make disbursements for incidental office expenses unless the candidate actually holds elective office. MCL 169.221a(1). In order to qualify as an incidental office expense, the expenditure must fit into one of the 16 categories outlined under the Act. Notably, disbursements to a ballot question committee qualifies as an incidental. MCL 169.209(1)(h).

Upon review, the Department concludes that the evidence is insufficient to support the conclusion that a potential violation of the Act has occurred. The disbursement from the Respondents was reported as an expenditure and qualifies as an incidental office expense under the plain language of the Act. Absent evidence to the contrary, the Department concludes the disbursements were proper incidental office expenses.

Accordingly, the Department dismisses the complaint and will take no further enforcement action. In accordance with MCL 169.215, the Department's file on this matter will be posted on its website.

Sincerely,

Adam Fracassi

Bureau of Elections

Michigan Department of State

Enclosure c: Mark Brewer