

CAMPAIGN FINANCE COMPLAINT

Complainant: Lonnie Scott
614 Seymour Avenue
Lansing, MI 48933

- Alleged Violators:
- 1) Tudor Dixon for Governor, Inc. (“Dixon”)
123 W. Allegan, Suite 900
Lansing, MI 48933
 - 2) Get Michigan Working Again
(Super PAC) (“GMWA”)
1747 Pennsylvania Avenue, N.W., Suite 250
Washington, D.C. 20006
 - 3) Republican Governors Association (“RGA”)
1747 Pennsylvania Avenue, N.W., Suite 250
Washington, D.C. 20006

Sections of the MCFA alleged to be violated include but are not limited to: MCL 169.215(15); 169.216(9); 169.222; 169.224b; 169.224c; 169.226(1)(i) and (j); 169.226(2); 169.231; 169.233(3), (7), (8), (10), and (11); 169.237; 169.247, and 169.254.

INTRODUCTION

“Voters have an interest in knowing where politicians are getting their money and how that money is being spent.”

– League of Women Voters
of the United States

“[D]isclosure permits citizens . . . to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.”

– *Citizens United v FEC*,
558 US 310, 371; 130 S Ct 876;
175 L Ed 2d 753 (2010)

In laying the legal groundwork for the creation of Super PAC’s, the Supreme Court in *Citizens United v FEC*, 558 US 310; 130 S Ct 876; 175 L Ed 2d 753 (2010), relied heavily on the

benefits of full, prompt disclosure of the sources of political contributions and expenditures to justify ending a century of prohibition on the use of corporate funds to engage in political speech. *See id* at 370–71. The premise of the Court’s reliance on disclosure and transparency was that the disclosures are *accurate and true*. That premise has been violated here on a massive scale.

Get Michigan Working Again is a pleasant-sounding name but it is a mirage—a façade hiding the fact that the RGA has been illegally making expenditures in its name. GMWA’s expenditure reports are false, as are its identification on all of its communications—those reports should disclose that RGA is making the expenditures and RGA’s name belongs on all of those communications.

Moreover, because on information and belief RGA has been actively working and coordinating with the Dixon campaign while also engaging in independent expenditures, the RGA and Dixon have broken the law prohibiting coordination between a candidate and an entity making independent expenditures in her race.

THE LEGAL AND EVIDENTIARY STANDARDS

The Legal Standard

The MCFA requires an investigation of a complaint’s allegations, MCL 169.215(9), in order to determine “whether or not there *may be reason to believe* that a violation” of the MCFA has occurred, MCL 169.215(10) (emphasis added); *see also* Mich Admin Code, R 169.54–.56 (reciting the statutory reason to believe standard). The MCFA does not define “reason to believe” (“RTB”) nor has the Department of State promulgated an administrative rule defining that term. However, in interpreting the MCFA, the Department has long looked to the Federal Election Campaign Act (“FECA”) and the Federal Election Commission (“FEC”) rules. *See, e g*, Letter from Phillip T. Frangos, Director, Michigan Department of State, Office of Hearings and

Legislation, to David A. Lambert (October 31, 1984), p 3.

The FEC defines RTB as follows:

The Act requires that the Commission find “reason to believe that a person has committed, or is about to commit, a violation” of the Act as a precondition to opening an investigation into the alleged violation. 2 U.S.C. § 437g(a)(2). A “reason to believe” finding *is not a finding that the respondent violated the Act, but instead simply means that the Commission believes a violation may have occurred.*

FEC, *Guidebook for Complainants and Respondents on the FEC Enforcement Process* (May 2012), p 12 (emphasis added).

Thus, a complaint does not have to prove that a violation, or even a “potential” violation, of the MCFA occurred, only that there “may be reason to believe” that a violation occurred.

The Evidentiary Standard

The Department does not apply rigid courtroom rules of evidence at this preliminary stage. Under the Administrative Procedures Act (“APA”), the rules of evidence in an administrative proceeding are that “an agency may admit and give probative effect to evidence of a type commonly relied upon by reasonably prudent [persons] in the conduct of their affairs.” MCL 24.275. This standard means that the Department is not subject to “rigid courtroom rules on evidence,” *Rentz v Gen Motors Corp*, 70 Mich App 249, 253; 245 NW2d 705 (1976), but has “wide latitude” in considering evidence, *Young v Liquor Control Comm*, 39 Mich App 101, 103; 197 NW2d 295 (1972) (*per curiam*). That wide latitude includes reliance on circumstantial evidence and the drawing of reasonable inferences from direct or circumstantial evidence. *See, e g, Mich Ed Ass’n v Secretary of State*, 241 Mich App 432, 445; 616 NW2d 234 (2000) (in resolving campaign finance complaints, the Department can rely on a circumstantial evidence and reasonable inferences).

As demonstrated below, applying these standards to the facts here easily meets the

threshold that there “may be reason to believe” that Dixon, GMWA, and the RGA committed several violations of the MCFA.

ALLEGED VIOLATIONS

False Reports by GMWA and Failure to Register and Report by RGA

GMWA has reported spending hundreds of thousands of dollars on independent expenditures in the gubernatorial election on its campaign finance reports. However, RGA has reported to the IRS that it—RGA—actually made those expenditures, not GMWA, on its Form 8872 reports.

The first four columns of this chart includes publicly reported expenditures of GMWA by vendor, purpose, amount, and date since its registration in March 2021. The final 3 columns are the RGA’s reported expenditures to the IRS on its Form 8872’s to the *same* vendor in *identical* amounts for the *same* purpose and usually on the *same* date:¹

GMWA EXPENDITURES				RGA EXPENDITURES		
Vendor	Purpose	Amount	Date	Amount	Date	Purpose
Michael Coscia	Production of Coasters	\$2,382.88	3/29/2021	\$2,383.00	3/29/2021	Campaign Materials
GoDaddy.com	Web Development	\$50.32	3/24/2021	\$50.00	3/24/2021	Web Development

¹ Sources: Get Michigan Working Again Super PAC, April Quarterly Committee Statement (April 23, 2021), https://cfrsearch.nictusa.com/documents/510076/details/filing/expenditures?schedule=*&changes=0&page=1; Get Michigan Working Again Super PAC, July Quarterly Committee Statement (July 26, 2021), https://cfrsearch.nictusa.com/documents/513626/details/filing/expenditures?schedule=*&changes=0&page=1; Get Michigan Working Again Super PAC, October Quarterly Committee Statement (October 25, 2021), https://cfrsearch.nictusa.com/documents/516246/details/filing/expenditures?schedule=*&changes=0&page=1; Get Michigan Working Again Super PAC, January Quarterly Committee Statement (January 28, 2022), https://cfrsearch.nictusa.com/documents/519003/details/filing/expenditures?schedule=*&changes=0&page=1; Get Michigan Working Again Super PAC, July Quarterly Committee Statement (July 25, 2022), https://cfrsearch.nictusa.com/documents/528384/details/filing/expenditures?schedule=*&changes=0&page=1; Get Michigan Working Again Super PAC, October Quarterly Committee Statement (October 25, 2022), https://cfrsearch.nictusa.com/documents/535334/details/filing/expenditures?schedule=*&changes=0&page=1; Republican Governors Association, Mid-Year Report (June 30, 2021), https://forms.irs.gov/app/pod/basicSearch/search?_eventId_displayForm=true&formId=125966&formtype=e8872&execution=e1s3; Republican Governors Association, Year End Report (January 31, 2022), https://forms.irs.gov/app/pod/basicSearch/search?_eventId_displayForm=true&formId=129026&formtype=e8872&execution=e1s3; Republican Governors Association, Second Quarter Report (July 15, 2022), <https://forms.irs.gov/app/pod/basicSearch/search?execution=e1s3&pacid=6562&format=>; Republican Governors Association, Third Quarter Report (October 17, 2022), <https://forms.irs.gov/app/pod/basicSearch/search?execution=e1s3&pacid=6562&format=>.

Pinpoint Media LLC	Media Placement	\$501,239.00	5/14/2021	\$501,239.00	5/24/2021	Media Placement
Targeted Victory LLC	Online Fundraising	\$35,119.58	7/16/2021	\$35,120.00	7/16/2021	Digital Fundraising
Pinpoint Media LLC	Media Placement	\$28,500.00	5/11/2021	\$28,500.00	5/11/2021	Media Placement
Something Else Strategies LLC	Media Production	\$36,770.00	7/16/2021	\$36,770.00	7/16/2021	Media Production
Public Opinion Strategies LLC	Polling	\$19,000.00	7/1/2021	\$19,000.00	7/1/2021	Polling
Facebook, Inc.	Digital Media Placement	\$17,000.00	5/24/2021	\$17,000.00	5/24/2021	Digital Media Placement
Cygnal LLC	Digital Media Placement	\$12,900.00	7/16/2021	\$12,900.00	7/16/2021	Polling
OPN Sesame	Digital Media Placement	\$11,090.00	7/16/2021	\$11,090.00	7/16/2021	Digital Media Placement
Ragnar Research Partners LLC	Polling	\$5,250.00	4/30/2021	\$5,250.00	4/30/2021	Polling
Facebook, Inc.	Digital Media Placement	\$5,000.00	6/3/2021	\$5,000.00	6/3/2021	Digital Media Placement
Something Else Strategies LLC	Media Production	\$3,500.00	5/24/2021	\$3,500.00	5/24/2021	Media Production
Pinpoint Media LLC	Media Placement	\$1,125.00	7/1/2021	\$1,125.00	7/1/2021	Media Placement
Facebook, Inc.	Digital Media Placement	\$1,000.00	4/30/2021	\$1,000.00	4/12/2021	Digital Media Placement
FedEx	IE Postage	\$407.77	5/6/2021	\$408.00	5/6/2021	Postage
FedEx	IE Postage	\$179.85	5/5/2021	\$180.00	5/4/2021	Postage
FedEx	IE Postage	\$39.01	5/7/2021	\$39.00	5/7/2021	Postage
FedEx	IE Postage	\$31.93	5/12/2021	\$32.00	5/12/2021	Postage
WinRed Technical Services LLC	Merchant Fees	\$31.36	6/3/2021	\$31.00	6/3/2021	Credit Card Merchant Fees
WinRed Technical Services LLC	Merchant Fees	\$19.54	5/26/2021	\$20.00	5/26/2021	Credit Card Merchant Fees
WinRed Technical Services LLC	Merchant Fees	\$14.59	5/25/2021	\$15.00	5/25/2021	Credit Card Merchant Fees
FedEx	IE Postage	\$14.27	5/20/2021	\$14.00	5/20/2021	Postage
FedEx	IE Postage	\$10.10	5/11/2021	\$10.00	5/11/2021	Postage
Chain Bridge Bank N.A.	Bank Fees	\$10.00	7/16/2021	\$10.00	7/16/2021	Bank Fees
Chain Bridge Bank N.A.	Bank Fees	\$10.00	7/1/2021	\$10.00	7/1/2021	Bank Fees
Chain Bridge Bank N.A.	Bank Fees	\$10.00	5/24/2021	\$10.00	5/24/2021	Bank Fees
Chain Bridge Bank N.A.	Bank Fees	\$10.00	7/16/2021	\$10.00	7/16/2021	Bank Fees
Chain Bridge Bank N.A.	Bank Fees	\$10.00	7/1/2021	\$10.00	7/1/2021	Bank Fees
Chain Bridge Bank N.A.	Bank Fees	\$10.00	6/3/2021	\$10.00	6/3/2021	Bank Fees
Chain Bridge Bank N.A.	Bank Fees	\$10.00	7/16/2021	\$10.00	7/16/2021	Bank Fees
WinRed Technical Services LLC	Merchant Fees	\$4.43	6/23/2021	\$4.00	6/23/2021	Credit Card Merchant Fees
WinRed Technical Services LLC	Merchant Fees	\$3.45	6/2/2021	\$3.00	6/2/2021	Credit Card Merchant Fees
WinRed Technical Services LLC	Merchant Fees	\$1.25	6/4/2021	\$1.00	6/4/2021	Credit Card Merchant Fees
WinRed Technical Services LLC	Merchant Fees	\$1.25	6/30/2021	\$1.00	6/30/2021	Credit Card Merchant Fees
WinRed Technical Services LLC	Merchant Fees	\$1.25	7/7/2021	\$1.00	7/7/2021	Credit Card Merchant Fees

WinRed Technical Services LLC	Merchant Fees	\$1.25	6/25/2021	\$1.00	6/25/2021	Credit Card Merchant Fees
WinRed Technical Services LLC	Merchant Fees	\$1.25	6/30/2021	\$1.00	6/30/2021	Credit Card Merchant Fees
WinRed Technical Services LLC	Merchant Fees	\$0.68	6/11/2021	\$1.00	6/11/2021	Credit Card Merchant Fees
WinRed Technical Services LLC	Merchant Fees	\$0.68	5/27/2021	\$1.00	5/27/2021	Credit Card Merchant Fees
The Tarrance Group	Polling	\$34,875.00	8/6/2021	\$34,875.00	8/6/2021	Polling
OPN Sesame	IE Digital Media Placement	\$18,055.84	8/6/2021	\$18,056.00	8/6/2021	Digital Media Placement
Tag LLC	IE Digital Media Production	\$3,500.00	8/23/2021	\$3,500.00	8/23/2021	Media Production
Targeted Victory LLC	Online Fundraising	\$375.88	8/13/2021	\$376.00	8/13/2021	Digital Fundraising
Kate Rogers	Research	\$300.00	8/30/2021	\$300.00	8/30/2021	Research
Kate Rogers	Research	\$300.00	8/24/2021	\$300.00	8/24/2021	Research
Cygnal LLC	Polling	\$12,500.00	11/18/2021	\$12,500.00	11/18/2021	Polling
Facebook, Inc.	IE Digital Media Placement	\$10,000.00	10/26/2021	\$10,000.00	10/26/2021	Digital Media Placement
Paula Y. Edwards LLP	Accounting Services	\$3,200.00	6/10/2022	\$3,200.00	6/10/2022	Compliance Support Services
Uprinting.com	Printing/Campaign Materials	\$203.00	5/17/2022	\$203.00	5/17/2022	Printing
The Tarrance Group	Polling	\$55,637.00	8/19/2022	\$55,637.00	8/19/2022	Polling
MS Causeway Solutions	Research/Data Services	\$53,875.00	9/30/2022	\$53,875.00	9/30/2022	Research/Data Services
The Tarrance Group	Polling	\$50,914.00	9/30/2022	\$50,914.00	9/30/2022	Polling
FPI Strategies LLC	Research	\$10,000.00	9/26/2022	\$10,000.00	9/26/2022	Research
Grant White	Research	\$660.55	8/8/2022	\$661.00	8/8/2022	Research

Because RGA actually made these expenditures, GMWA's reports are false in violation of several sections of the MCFA. Moreover, because the RGA actually made those expenditures, it has violated the MCFA by failing to register and report to the Bureau of Elections on the contributions which paid for these expenditures and on the expenditures themselves.

False Identification by GMWA and Failure to Use the Correct Identification by RGA

The MCFA requires that every communication include the identification of the person paying for it. *See* MCL 169.247. Because GMWA did not pay for the communications bearing its identification, those identifications are false in violation of the MCFA. Because its identification did not appear on communications it paid for, the RGA has also violated the identification requirements of the MCFA.

Illegal Coordination Between Dixon and the RGA Making Independent Expenditures

An entity like the RGA making independent expenditures in a candidate election is forbidden from making expenditures “in cooperation, consultation, or concert with” a candidate. MCL 169.209(2).

RGA “is dedicated to one primary objective: electing, re-electing, and supporting America’s Republican governors.” Republican Governors Association, *About* <<https://www.rga.org/about/>> (accessed October 25, 2022). Therefore, its purposes require it to cooperate, consult, and act in concert with Dixon. Upon information and belief, it has been cooperating, consulting, and acting in concert with Dixon despite also operating as an independent expenditure committee. Because of that, its expenditures are in fact in-kind contributions to Dixon which the RGA has failed to report, exceeded the contribution limits, and are illegal because those contributions and expenditures were funded with corporate funds in violation of MCL 169.254.²

Similarly, Dixon has failed to report in-kind contributions from RGA in excess of the contribution limit which are also illegal because they were made with corporate funds.

CONCLUSION AND RELIEF SOUGHT: THERE IS REASON TO BELIEVE THAT DIXON, GMWA, AND THE RGA MAY HAVE VIOLATED THE MCFA

This complaint need only demonstrate that there “may be reason to believe” violations of the MCFA have occurred based on the relaxed evidentiary standards of the APA. This threshold is easily met.

By use of its identification on communications and statements in its reports, GMWA claims to have made—and continues to make—millions of dollars of independent expenditures in the Michigan gubernatorial election. In fact, those identifications and reports are false because the

² The RGA is funded by corporate contributions. *See* note 1 (RGA’s Form 8872 reports show that it is funded by corporate contributions).

RGA has been reporting to the IRS that it—the RGA—has been making all of those expenditures. Similarly, the RGA has failed to register and report its contributions and expenditures and failed to put its identification on those communications. Finally, because RGA has been coordinating with the Dixon campaign while making alleged independent expenditures in the gubernatorial election, Dixon and the RGA have violated the ban on coordination between candidates and independent expenditure committees, leading to excessive and illegal in-kind contributions.

For all these reasons, I request that you:

- 1) Find that there may be reason to believe that Dixon for Governor, Get Michigan Working Again, and the Republican Governors Association violated, among other provisions, MCL 169.215(15); 169.216(9); 169.222; 169.224b; 169.224c; 169.226(1)(i) and (j); 169.226(2); 169.231; 169.233(3), (7), (8), (10), and (11); 169.237; 169.247 and 169.254.
- 2) Conduct an investigation of Dixon, GMWA, and RGA by obtaining the communications between them, and obtaining the bank and expenditure records of GMWA and RGA; and
- 3) Take any further action necessary to punish Dixon, GMWA, and RGA for their violations of the MCFA.



Mark Brewer (P35661)
Goodman Acker, P.C.
Attorneys for Lonnie Scott

Dated: October 26, 2022

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.

Lonnie Scott

Lonnie Scott

10/26/22

Date