

Ethics Watchdog Calls for Probes into Michigan Organizations Funding Ballot Committees

Evidence shows several nonprofits violated Michigan campaign finance law forbidding organizations from raising money on behalf of a MI Ballot Question Committee

Washington, D.C. --- July 8, 2022 ---- Yesterday, the non-partisan ethics watchdog, the Foundation for Accountability and Civic Trust (FACT), requested the Michigan Department of State immediately investigate whether multiple organizations violated campaign finance laws by raising millions of dollars on behalf of Michigan Ballot Question Committees to shield the organization's donors from reporting requirements.

The five complaints center around Michigan's laws governing ballot question committees and the precedent the Michigan Department of State established in a 2021 decision.

Though the details of each case slightly vary, at the core is this: under Michigan law and clear case precedent, while an outside organization is allowed to donate to a ballot question committee, it is not allowed to fund the ballot question committee with funds it raised with the intent of supporting the ballot question committee. The reason for this is that ballot question committees are required to publicly identify their donors, and an outside organization is not. The clear purpose of the law is to prevent groups who do not have to disclose their donors from funding political efforts that do require the disclosure of their donors.

The evidence shows this is fundamentally what unfolded in each case here. Put simply, organizations transferred large amounts of their anonymously collected money to fund ballot question committees that require full disclosure. In most cases, the organizations involved were nearly the sole funders of the ballot question committees (up to 99.9%)—meaning the ballot question committee would not exist without the funding and these organizations essentially WERE the ballot question committee. The timing of contributions followed directly by expenditures to vendors in equal amounts also clearly shows they were not independent from one another. These are among other facts revealed in the complaints.

These cases are nearly identical to, or governed by, a 2021 case in which the Michigan Department of State found organizations doing the same thing (with much less money involved) were in fact committees required to disclose their donors. The complaints filed yesterday ask the Department to reach the same conclusion in these cases.

“We believe the hard evidence presented in each of these five cases plainly point to a violation of Michigan campaign finance laws. A combined \$8,964,917.80 was spent on ballot question issues without any donors being disclosed. The symmetry between these cases and the Department's 2021 decision should make it an easy conclusion for the Michigan Department of State to come to. We look forward to the law being upheld,” Kendra Arnold, Executive Director of FACT.

Links to each complaint and excerpts of each case are below:

Read the Bipartisan Solutions Complaint [here](#).

Read the Road to Michigan's Future Complaint [here](#).

Read the One Fair Wage Action Complaint [here](#).

Read the American Civil Liberties Union, ACLU Fund of Michigan, and Center for Reproductive Rights Complaint [here](#).

Read the American Civil Liberties Union and Sixteen Thirty Fund Complaint [here](#).

Bipartisan Solutions:

In the first three months of 2020, Bipartisan Solutions raised and contributed nearly \$700,000 to a ballot question committee, Fair and Equal Michigan. The interaction that unfolded between the two entities was as follows: Bipartisan Solutions made contributions, and directly after Fair and Equal Michigan made large payments to its vendors. The disparity between Bipartisan Solutions' assets going into 2020 (\$11,485) and the amount it contributed to Fair and Equal Michigan (\$782,000), as well as the timing of Bipartisan Solutions contributions to Fair and Equal Michigan and then the subsequent payments Fair and Equal Michigan made to its vendors, demonstrate a level of coordination showing the entities were not independent of each other. In fact, because both occurred over such a short period of time, Bipartisan Solutions' significant fundraising could not have been "independent" from its simultaneous contributions to Fair and Equal Michigan.

Road to Michigan's Future:

From July 2020 to October 2021, Road to Michigan's Future raised and contributed \$865,000 to a ballot question committee, Keep Michigan Safe. Both Road to Michigan's Future and Keep Michigan Safe were newly formed organizations in 2020 and formed within months of one another. The subsequent interaction between the two entities unfolded as follows: approximately six and one-half months after it formed on January 15, 2020, and prior to which it had no assets, Road to Michigan's Future made a \$750,000 contribution to Keep Michigan Safe. Keep Michigan Safe was formed on July 3, 2020, and received the contribution on July 31, 2020.⁴ This was Keep Michigan Safe's primary funding throughout the next year and three months, until its cash on hand was low. Then Road to Michigan's Future replenished Keep Michigan Safe's funds by making another \$115,000 contribution in October 2021, which Keep Michigan Safe paid out to its vendors almost in its entirety over the next six weeks. Ultimately, Road to Michigan's Future's contributions comprised 86.4% of Keep Michigan Safe's funding.

One Fair Wage Action:

One Fair Wage Action is an organization that is not registered as a ballot question committee, but its activity clearly shows it should have registered as a committee and filed the required reports. From December 2021 to April 2022, One Fair Wage Action contributed \$1,808,000 to a ballot question committee, Raise the Wage. While this is a substantial amount to contribute in approximately four months, it was also a substantial amount to Raise the Wage—comprising over 99.9% of its total funding during that period. In fact, apart from a separate \$110 contribution, One Fair Wage Action was Raise the Wage's only contributor.

American Civil Liberties Union, ACLU Fund of Michigan, Center for Reproductive Rights:

The American Civil Liberties Union, ACLU Fund of Michigan, and the Center for Reproductive Rights are tax-exempt organizations that are not registered as ballot question committees, but their activity clearly demonstrates they should have registered as a committee and filed the required reports. In February and March 2022, the ACLU, ACLU-Michigan, and the Center for Reproductive Rights (Center) contributed a total of \$1,378,718.80 to a ballot question committee, Reproductive Freedom for All (RFFA). The specific contributions from the organizations were: ACLU \$682,400, ACLU-Michigan \$596,318.80, and the Center \$100,000. These contributions were substantial to RFFA—comprising 98.31% of RFFA's total funding during that period.

In addition to the fact that these three organizations were nearly the only source of funding for RFFA, the amounts and timing of payments further demonstrate the high level of coordination between the four organizations. Both the ACLU and the Center made substantial contributions on the exact same day to RFFA, occurring approximately one month after the RFFA was formed. ACLU-Michigan's contribution a month later was in the nearly exact same amount of an RFFA expenditure of \$596,316.80. If there was any doubt as to the control of RFFA, ACLU-Michigan's own website states the RFFA campaign is led by ACLU-Michigan, an ACLU affiliate. Further, the RFFA's Treasurer is the Political Director for ACLU-Michigan. These facts rise to the level of showing the organizations were not independent of one another.

American Civil Liberties Union and Sixteen Thirty Fund:

The American Civil Liberties Union (ACLU) and Sixteen Thirty Fund are tax-exempt organizations that are not registered as a ballot question committee, but their activity clearly demonstrates they should have registered as a committee and filed the required reports. From November 2021 to April 2022, The ACLU contributed \$2,606,199, and the Sixteen Thirty Fund contributed \$1,525,000 to a ballot question committee, Michiganders for Fair Lending (Fair Lending). These contributions were "substantial" to Fair Lending—comprising 99.9% of Fair Lending's total funding during that period.

FACT is a nonprofit organization to promoting accountability, ethics, and transparency in government and civic arenas. For more on FACT, visit <http://www.factdc.org/>.

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