



CONTACT: Greg McNeilly
PHONE: (313) 312-0695
E: Press@MichiganFreedomFund.com

Bureau of Elections: Schauer-Supporting SEIU Front-Groups Guilty of Major Campaign Finance Violations

Michigan Freedom Fund Demands Schauer Return SEIU Contributions and Denounce Illicit, Shadowy Campaign Tactics

LANSING, March 10, 2014 – The Michigan Bureau of Elections today responded to a formal complaint filed by the Michigan Freedom Fund hitting the Service Employees International Union front groups Citizens for Affordable Quality Home Care and Home Care First, Inc. with fines for numerous campaign finance violations totaling \$205,000 —the second-largest campaign finance fine in Michigan history—in connection with their failed attempt to force home health care workers into a union via a ballot proposal in 2012.

Despite their best efforts, these SEIU front-groups were unable to beat Mark Schauer's record for the largest campaign finance violation in Michigan history.

"This is one more example of dirty politics and corrupt union bosses willing to steal from the elderly and disabled," said Michigan Freedom Fund President Greg McNeilly. "Career politicians like Mark Schauer—whose own committee holds the state's record for largest campaign finance violation penalty—and the union bosses in charge of SEIU obviously care more about lining their own pockets than doing the right thing. The law, honesty and common decency mean nothing to these people in the face of greater political power.

"Given the way the SEIU conducted itself, Mark Schauer and any candidate for public office should be embarrassed to be associated with their schemes and legacy of dirty money. That is why we are calling on Mark Schauer to renounce his endorsement from the SEIU and return any financial contributions from this tainted organization. If he refuses to do the right thing, Michigan residents can fairly assume that he endorses this illegal behavior.

BACKGROUND INFORMATION

The Bureau of Elections found that the SEIU front-groups violated multiple sections of the Michigan Campaign Finance Act. In the run-up to the November 2012 election, the following four-step scheme was perpetrated:

1. A new organization called Home Care First, Inc. (HCFI) raised more than \$9 million from various SEIU chapters.
2. HCFI donated that money to another new organization called Citizens for Affordable Quality Home Care (CAQHC), which served as the less controversial face of the campaign in support of Proposal 4.
3. CAQHC reported to the public that the donations came from HCFI, even though the two organizations shared an office and they knew the funding came from the SEIU.
4. HCFI illegally waited until eight days after the election to reveal the SEIU sources of their funding, even though they had been funneling the funds since March 2012.

The SEIU was not able to keep its tainted name out of the public debate in the end, and the ballot measure failed 44%-56%. Despite the shadowy attempts to disguise their financial support, the question of forced unionization became a focal point in the campaign.

Schauer still holds the record for the largest campaign finance penalty ever assessed in Michigan—a staggering \$208,250—after a Bureau of Elections investigation found he had illegally laundered nearly a half-million dollars for Democratic candidates during his time in the Michigan Legislature.

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