

From California to Florida, government officials may not be a party, directly or indirectly, to any contract with the public agency they serve.¹ Michigan is one of the only states which ignores substantial conflict of interests when governor appointed taxpayer funded grantors are simultaneously allowed to be taxpayer funded grantees with the same grants they control.²

This complaint regards somewhat intertwined ethics violations related to several government appointees, including Randy Thelen, Tom Lutz (Eli Isaguirre), Stephen Pontoni, and Jennifer Root. The complaint also discusses, but does not complain of, related political and government parties, including Amy Chapman, Amanda Stitt, Patrick Schuh, Doug Pratt, Lonnie Scott, Bob Allison, Bill Pink, Krista Flynn, Steven Downing, etc. The employers related to this complaint are tax-exempt organizations, including unions, business leagues, and social/welfare groups. In addition to not paying taxes on the outset, these organizations have taken millions in taxpayer funded MSF/MEDC grants that they were not eligible for, in violation of Michigan public contracting and ethics laws. The issues herein concern ethics problems like those in the case of Fay Beydoun. Beydoun is no longer appointed to the MEDC, so the BOE likely has no jurisdiction over her, but when she was an MEDC board member, she was able to secure a \$20,000,000 legislatively appropriated MEDC grant in taxpayer funding for a tax-exempt organization that didn't even exist yet.³ In all of these cases, taxpayers are harmed twice: with the cronyistic squandering of our taxes with fraudulent wasteful grants that NEVER end up creating the jobs promised in return;⁴ and by footing the tax bill for these organization in the first place. The following pages provide details of inappropriate conflicts of interest as well as unlawful contracting/public fund expenditures at the Michigan Strategic Fund (MSF) and its subsidiary, the Michigan Economic Development Corporation (MEDC), etc. Though I examine but two MSF/MEDC clusters of conspirators here, there are surely more. MEDC is a public-private partnership agency and economic development corporation charged with spending taxpayer funding, under the MSF.⁵ MEDC was created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the MSF.⁶ The MSF was created by P.A.

¹ https://www.counties.org/sites/main/files/file-attachments/csac-ilg_ethics_4-pager.pdf

² https://kslegislature.gov/li/b2023_24/committees/ctte_spc_2023_special_committee_on_governmental_1/documents/testimony/20231006_06.pdf <https://www.ncsl.org/ethics/state-ethics-commissions>

³

<https://www.detroitnews.com/story/news/politics/2024/05/22/nonprofit-fay-beydoun-made-failed-pitches-to-medc-before-scoring-20m-legislative-grant/73785339007/>

⁴ <https://www.mackinac.org/study-michigan-business-development-program-of-questionable-merit>

⁵ <https://www.michiganbusiness.org/about-medc/>

⁶ <https://www.legislature.mi.gov/documents/mcl/pdf/mcl-Act-338-of-1974.pdf>

270 of 1984, the MSF Act, and has broad authority to promote economic development and create jobs with the taxpayer dollars that make up the fund.⁷ The board members of MSF/MEDC are appointed by the governor.⁸

The public officer oath MSF/MEDC governor appointees take states: “I do solemnly swear (or affirm) that I will support the Constitution of the United States and the constitution of this state, and that I will faithfully discharge the duties of the office of according to the best of my ability.”⁹ The duties of the MSF board include making grants and loans as well as approving bonds with the support of subsidiary MEDC.¹⁰ The duties of the MEDC executive committee is responsible for the overall management and control of the MEDC.¹¹

State Ethics Act states: ““public officer” means a person appointed by the governor or another executive department official. For the purpose of section 2b, public officer shall include an elected or appointed official of this state or a political subdivision of this state.” The Board of Ethics has jurisdiction over Randy Thelen, Tom Lutz, Jennifer Root, and Stephen Pontoni because they are governor appointees.¹² These appointees/parties have breached Michigan ethics laws related to public funds, conflict of interest, and/or contracting. Although, in cases where Lutz and Thelen solicited and accepted funding from the agency they served, they often superficially recuse themselves from voting on contracts when there are glaring conflicts. However, *recusal is insufficient* to comply with Michigan law. Furthermore, Lutz and Thelen control the terms of the grants and do not consistently recuse themselves from those discussions. The Michigan Strategic Fund Act, under MCL 125.2006, states (in reference to MEDC/MSF committee appointees): “notwithstanding section 3(1) of 1968 PA 317, MCL 15.323, members of the board and officers and employees of the fund are subject to 1968 PA 317, MCL 15.321 to 15.330...” This means there are no exceptions regarding the prohibition against MSF/MEDC appointees contracting with the public entity they serve, MSF/MEDC, and that recusal is insufficient to overcome conflicts of interest. Furthermore, Michigan Contracts with Public Servants, MCL 15.322 defines “public servant” to include “all persons serving any public entity.” “Public entity” means “the state including all agencies thereof, any public body corporate within the state, including all agencies thereof, or any non-incorporated public body within the state of whatever nature, including all agencies thereof.” MCL 15.322 goes on to state “a public servant shall not be a party, directly or indirectly, to any contract between himself or herself and the public entity of which he or she is an officer or employee...; a public

7

<https://legislature.mi.gov/Laws/MCL?objectName=mcl-act-270-of-1984#:~:text=AN%20ACT%20relating%20to%20the,and%20the%20Michigan%20economic%20development>

⁸ <http://legislature.mi.gov/doc.aspx?mcl-2-132>

⁹ § 1 Oath of public officers. MICHIGAN Constitution ARTICLE XI

¹⁰ <https://www.michiganbusiness.org/about-medc/michigan-strategic-fund/>

¹¹ <https://www.michiganbusiness.org/about-medc/executive-committee/>

¹²

<https://www.michigan.gov/mdcs/quick-links/boardethics#:~:text=The%20State%20Ethics%20Board%20has,Governor%20or%20other%20executive%20officials.>

servant shall not directly or indirectly solicit any contract between the public entity of which he or she is an officer or employee and any of the following: (a) Him or herself. (b) Any firm, meaning a co-partnership or other unincorporated association, of which he or she is a partner, member, or employee.” AG Opinion #6906 found that “1968 PA 317, MCL 15.321 et seq; MSA 4.1700(51) et seq. Section 2 of 1968 PA 317 generally prohibits public servants from being interested in, soliciting, negotiating or approving contracts with the public entity they serve.¹³ This means that, recusal or not, disclosure of conflicts or not, MSF/MEDC appointees may not be parties, even through their employer (indirectly), to contracts with the MSF/MEDC. This also means that they may not solicit (apply for) grants/contracts either.

The preceding paragraph on the MSF Act and Contracting with Public Servants statutes is essential to the analysis here because MCL 15.342 Ethics Act states “(3) A public officer...shall use...funds under the officer...’s official care and control judiciously and solely in accordance with prescribed constitutional, statutory, and regulatory procedures and not for personal gain or benefit.” This means the MSF/MEDC appointees must follow the “statutes”, or “laws”, that were written to specifically apply to their official positions, including MCL 15.322 by way of the MSF Act. The Board of Ethics must refer to the MSF Act to determine whether the accused have used funds in their care with prescribed statutory procedures and not for personal gain. The MSF Act is the statute that prescribes the procedures MSF/MEDC appointees must use when administering the funds. And the MSF mandates the application of MCL 15.322 to MSF/MEDC board/committee members/appointees. The Ethics Act Sec. 2 states “(4) A public officer...shall not solicit or accept ...money, goods, services, or other thing of value for the benefit of a person or organization, other than the state, which tends to influence the manner in which the public officer or employee or another public officer or employee performs official duties.” This means conduct that could be construed as a quid pro quo is prohibited. The Act also states “(5) A public officer or employee shall not engage in a business transaction in which the public officer or employee may profit from his or her official position or authority or benefit financially from confidential information which the public officer or employee has obtained or may obtain by reason of that position or authority” and “(6) ...a public officer...shall not engage in or accept employment or render services for a private or public interest when that employment or service is incompatible or in conflict with the discharge of the officer or employee's official duties or when that employment may tend to impair his or her independence of judgment or action in the performance of official duties.” Many of the appointees listed in this complaint are registered lobbyist, governor appointees, and heads of unions, simultaneously. The Board of Ethics, to establish a 2(6) violation, requires that complainant establish a nexus between the officer’s official position and employment which might tend to impair the independence of judgment required for the discharge of the officer’s official duties.

¹³ <https://www.ag.state.mi.us/Opinion/datafiles/1990s/op06906.htm>

Randy Thelen was appointed to MSF board on April 26, 2023. Bill Pink, Tom Lutz, and Krista Flynn were all appointed to the MEDC Executive Committee in April 2019 and reappointed April 2024.¹⁴ Krista Flynn was also appointed to the Grand Rapids-Kent County Convention/Arena Authority in March 2024. Jennifer Root, who is an active registered lobbyist according to Michigan lobby records, was appointed, along with several other SEIU staff, to the Nursing Home Workforce Stabilization Council in February 2022.¹⁵

Name	Organization	Representing
Alison Hirschel	Michigan Elder Justice Initiative	Residents
Dian Palmer	SEIU	Workforce
Mark Berger	Villa Healthcare	Employers
Nancy M. Hebert	SEIU	Workforce
Erica Holman	Clinton Area Care Service	Employers (not-for-profit)
Jannice L. Lamm	Oakview MCF	Employers (county govt.)
Mary McClendon	SEIU	Workforce
Michael Munter	Symphony Care Network	Employers
Martha M. Nichols	SEIU	Workforce
Robert L. Norcross	Prestige Healthcare Management	Employers
Jennifer Root	SEIU	Workforce
Terence Thomas	Thomas Consulting Group	Residents
Yvonne M. White	NAACP	Advocates
Salli Pung	Michigan Long-Term Care Ombudsman Program	Residents

Jennifer Root and Bill Pink were also both appointed to the governor’s Growing Michigan Together Council, which was created by Executive Order 2023-4-. Pink appears to no longer be serving on Growing Michigan.¹⁶ Stephen Pontoni, another active lobbyist registered with the state of Michigan, was appointed to the Huron Clinton Metropolitan Authority Board of Commissioners in July 2021 and reappointed in September 2023.¹⁷ This Board of Commissioners makes policy decisions for the Authority, including approving expenditures, acquiring land, planning of new parks and facilities, approving fees and charges, awarding contracts, and other matters necessary to provide regional recreation.

Tom Lutz is the treasurer/head of the Michigan Regional Council of Carpenters and Millwrights (MRCC) in addition to serving on the MEDC executive committee board since 2019. Lutz’s employers have received millions in MEDC taxpayer funded opportunities while he has been a sitting MEDC committee member. The MEDC

¹⁴ <https://www.thenewsherald.com/2019/04/05/gov-whitmer-makes-appointments-to-medc-committee/>

¹⁵ <https://www.michigan.gov/mdhhs/doing-business/commissions-boards/nursing-home-workforce-stabilization-council>

<https://www.michigan.gov/whitmer/news/press-releases/2022/02/23/governor-whitmer-makes-appointments-to-nursing-home-workforce-stabilization-council#:~:text=Jennifer%20Root%20is%20the%20executive,Thomas%20Group%20Consulting%20in%20Detroit.>

¹⁶

<https://www.michigan.gov/whitmer/news/press-releases/2023/07/13/whitmer-announces-more-growing-michigan-together-council-appointees-workgroup-chairs>

¹⁷ <https://www.pressandguide.com/2021/07/22/um-dearborn-alumnus-appointed-to-state-board/>

funding proceeds contribute to his salary.¹⁸ Lutz is also on the Metropolitan Affairs Coalition (MAC) and SEMCOG board with another MEDC executive committee member, Lizabeth Ardisana, who runs both boards. MRCC pays MAC funding that funnels to SEMCOG annually, according to IRS 990s and LM2 reports.¹⁹ Lutz also writes for Detroit News.²⁰ Eli Isaguirre is the lobbyist for MRCC; and an MRCC employee under Tom Lutz.²¹ According to US Department of Labor LM2 reports, MRCC has contributed \$364,132 to a Michigan registered nonprofit called Two Peninsulas Research Group (TPRG).²² Some of the payments include \$50,000 on 4/8/19, \$50,000 on 3/4/20, \$25,000 on 8/11/20, \$25,000 on 5/5/21, \$50,000 on 11/5/21, and \$50,000 on 5/16/22. The MRCC PAC also contributed \$28,333 to TPRG and \$139,500 to Whitmer over the last few years. Whitmer paid TPRG \$60,000 from 2020-2022, according to Michigan campaign finance records.²³

Committee Making Expenditure Committee ID-Type	Sched Type	Payee Name Address City, State Zip Exp Type-Purpose	Exp Date	Exp Amt or Value	Support/Oppose Candidate or BQ Office Sought
MI REGIONAL CARPENTERS MRCC PAC 507878-IND	DIRECT	WHITMER FOR GOVERNOR P.O. BOX 15282 LANSING, MI 48901-0000 DI-CAMPAIGN CONTRIBUTION	05/05/21	\$25,000.00	GRETCHEN WHITMER for GOVERNOR
MI REGIONAL CARPENTERS MRCC PAC 507878-IND	DIRECT	WHITMER FOR GOVERNOR P.O. BOX 15282 LANSING, MI 48901-0000 DI-CAMPAIGN CONTRIBUTION	11/03/20	\$25,000.00	GRETCHEN WHITMER for GOVERNOR
MI REGIONAL CARPENTERS MRCC PAC 507878-IND	DIRECT	WHITMER FOR GOVERNOR P.O. BOX 15282 LANSING, MI 48901-0000 DI-CAMPAIGN CONTRIBUTION	10/09/17	\$20,000.00	GRETCHEN WHITMER for GOVERNOR
MI REGIONAL CARPENTERS MRCC PAC 507878-IND	DIRECT	WHITMER FOR GOVERNOR P.O. BOX 15282 LANSING, MI 48901-0000 DI-CAMPAIGN CONTRIBUTION	01/22/18	\$18,000.00	GRETCHEN WHITMER for GOVERNOR
MI REGIONAL CARPENTERS MRCC PAC 507878-IND	DIRECT	WHITMER FOR GOVERNOR P.O. BOX 15282 LANSING, MI 48901-0000 DI-CAMPAIGN CONTRIBUTION	05/24/17	\$15,000.00	GRETCHEN WHITMER for GOVERNOR
MI REGIONAL CARPENTERS MRCC PAC 507878-IND	DIRECT	WHITMER FOR GOVERNOR P.O. BOX 15282 LANSING, MI 48901-0000 TP-CAMPAIGN CONTRIBUTION	08/20/21	\$11,500.00	GRETCHEN WHITMER for GOVERNOR
MI REGIONAL CARPENTERS MRCC PAC 507878-IND	DIRECT	WHITMER FOR GOVERNOR P.O. BOX 15282 LANSING, MI 48901-0000 TP-CAMPAIGN CONTRIBUTION	10/18/19	\$10,000.00	GRETCHEN WHITMER for GOVERNOR

¹⁸ <https://projects.propublica.org/nonprofits/organizations/383292997/202420349349300702/full>

¹⁹ https://www.causeiq.com/organizations/view_990/381602801/c33ba915fba6b11bd1780a6dd5dbfe0d
<https://mac.semco.org/Leadership/Board-of-Directors>
https://apps.irs.gov/pub/epostcard/cor/381602801_202112_990_2023031021070830.pdf

²⁰

<https://eu.detroitnews.com/story/opinion/columnists/labor-voices/2024/06/25/labor-voices-infrastructure-investment-creates-skilled-trades-jobs/74201884007/>

²¹ <https://www.linkedin.com/in/eli-isaguirre-74936024/>

²² <https://olmsapps.dol.gov/olpdr/#Union%20Reports/Payer/Payee%20Search/>

²³ https://miboecfr.nictusa.com/cgi-bin/cfr/exp_anls_res.cgi

Committee Making Expenditure Committee ID-Type	Sched Type	Payee Name Address City, State Zip Exp Type-Purpose	Exp Date	Exp Amt or Value
GRETCHEN WHITMER FOR GOVERNOR 518014-GUB	DIRECT	TWO PENINSULAS RESEARCH GROUP 614 SEYMOUR AVE # MI LANSING, MI 48933-1120 RESEARCH	10/11/22	\$25,000.00
GRETCHEN WHITMER FOR GOVERNOR 518014-GUB	DIRECT	TWO PENINSULAS RESEARCH GROUP 614 SEYMOUR AVE # MI LANSING, MI 48933-1120 RESEARCH	10/05/22	\$25,000.00
GRETCHEN WHITMER FOR GOVERNOR 518014-GUB	DIRECT	TWO PENINSULAS RESEARCH GROUP 215 SOUTH WASHINGTON SUITE 135 LANSING, MI 48933-0000 CN-RESEARCH IN-HOUSE	02/04/20	\$10,000.00

Tom Lutz runs several Michigan for profit and nonprofit organizations. In 2020, Lutz's MRCC subsidiary, Statewide Carpenters and Millwrights Joint Apprenticeship and Training Fund (MSCM JAFT) EIN 47-1972321, applied for and accepted a *federally funded* State Small Business Credit Initiative (SSBCI) collateral support award from MEDC worth \$5 Million, while he was a sitting MEDC Executive Committee member. The MEDC Executive Committee controls the salary and hiring of the MEDC CEO and staff, as well as oversees processes of the SSBCI program.¹ Lutz, using his authority over the SSBCI program and MSMC JAFT, received one of the only awards to a non-profit trust and the highest award ever, since the inception of the venture capital SSBCI program in 2011.³ In 2022, a mere 18 months after his SSBCI award, while still an MEDC Executive Committee member, Lutz, was appropriated, through his 501(c)(5), a \$5 Million MEDC grant called the "Schools to Tools." The 2022 appropriation was sponsored by Curtis Hertel, to whom Lutz's MRCC PAC was the top donor in 2021.⁴ In March 2023, Lutz's 501(c)(5), MRCC deposited the first \$2.5 Million MEDC granted them according LM2 reports for 2023. Lutz's SSBCI contract and "Schools to Tools" grant contract with MEDC was created in violation of Michigan conflict-of-interest laws, Michigan contracting with public servants laws, Michigan ethics laws, federal procurement laws under 2 CFR 200, et al.

Lutz, as a registered lobbyist, head of MRCC and its affiliates, as well as MEDC executive committee member, lobbied for and accepted MRCC's non-competitive appropriation, a thing of value. Within a period of 18 months, MEDC granted Lutz's organizations funding worth \$10 Million. According to IRS 990 filings, Lutz's salary doubled, then nearly tripled in the same brief 18 months it took for MEDC to grant him \$10 Million, despite nobody other than the board making similar salary gains at MSCM JAFT. His compensation grew with his organizations receipt of MEDC funding, showing his personal financial interest. Lutz reviews and approves the annual fiscal budget for

MEDC as chair of the MEDC Audit and Governance subcommittee.²⁴ While other organizations can apply for similar funding from MEDC, they are required to compete for funding and awards get nowhere near as much funding as Lutz did.²⁵ In his capacity as Executive Committee member, Lutz did not recuse himself when the committee discussed SSBCI funding processes. **XXXXX** Lutz is charged with creating a budget timeline and monitoring the MEDC budget as an Executive Committee member. TPRG's most recent annual Michigan business entity reports list Eli Isaguirre (lobbyist and political director for MRCC)²⁶, Stephen Pontoni, Doug Pratt, Amy Chapman, Amanda Stitt, Patrick Schuh, and Jennifer Root on TPRG's short list of board members. There is no record of TPRG ever filing IRS 990s, 8872s, or SEC filings as legally required, despite receiving millions from the same people discussed here. Jennifer Root, for instance, runs the Michigan Service Employees (SEIU) EIN 38-6088982, which paid TPRG \$437,500 since 2018, according to US Department of Labor LM2 reports. SEIU's PAC (committee # 508737) gave Whitmer \$103,400 from 2018-2022 according to Michigan campaign contribution data.²⁷ SEIU also paid Michigan Civic Action Fund (MCAF) contributions according to LM2 reports.

In fact, all of the TPRG directors had their tax-exempt organizations contribute to TPRG. Doug Pratt's Michigan Education Association has given TPRG \$327,132 since 2018. Amy Chapman is the director of the Michigan Donor Alliance and the MCAF, EIN 82-3995979, a 501(c)(4) non-profit in Madison Heights which gave TPRG \$288,500 in 2018, \$220,000 in 2020, and \$220,000 in 2022.²⁸ TPRG Department of Labor LM2 records show labor department reportable revenues of nearly \$3 Million over the last decade, according to the contributors' (not TPRG's) IRS filings.²⁹

Justice for All Michigan (JFAM) EIN 82-5471655 (committee # 519782) is a SuperPAC registered on the Michigan campaign finance website. The state of Michigan campaign finance website lists JFAM's address 325 S. Walnut Street, Lansing, MI 48933, which is occasionally the same address as several organizations discussed here, including the Michigan Association for Justice. Chapman's organization MCAF, according to 990 filings, paid JFAM \$15K in 2018, \$600K in 2020, and \$800K in 2022.

²⁴

<https://www.michiganbusiness.org/4906a4/globalassets/documents/executive-committee-meeting-minutes/may-9-2023.pdf>

²⁵

<https://www.michiganbusiness.org/4a3b10/globalassets/documents/pdfs/training-center-equipment-grant-awardees.pdf> <https://www.michiganbusiness.org/workforce-training-grant/>

²⁶ https://miboecfr.nictusa.com/cgi-bin/cfr/lobby_srch_res.cgi

²⁷ https://miboecfr.nictusa.com/cgi-bin/cfr/exp_anls_res.cgi

²⁸ <https://projects.propublica.org/nonprofits/organizations/823995979/202102019349300005/IRS990Schedule>

²⁹ <https://projects.propublica.org/nonprofits/organizations/823995979/201932619349300123/IRS990Schedule>

The SEIU, led by Jennifer Root, has paid JFAM \$400K in 2020 according to Dept. of Labor LM2 reporting. Data from US Dept. of Labor, IRS 990 filings, and campaign finance reports show that SEIU, MCAF, MAJ, MEA, and MRCC, paid TPRG a total of over \$4.6 Million over the last few years.³⁰

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Summary for: TWO PENINSULAS RESEARCH GROUP

The name of the DOMESTIC NONPROFIT CORPORATION: TWO PENINSULAS RESEARCH GROUP

Entity type: DOMESTIC NONPROFIT CORPORATION
Identification Number: 800931171 **Old ID Number:** 70994T

Date of Incorporation in Michigan: 08/18/2011

Purpose:

Term: Perpetual

Most Recent Annual Report: 2024 **Most Recent Annual Report with Officers & Directors:** 2024

The name and address of the Resident Agent:

Resident Agent Name: EMMA WHITE
Street Address: 325 S WALNUT ST
Apt/Suite/Other:
City: LANSING State: MI Zip Code: 48933

Registered Office Mailing address:

P.O. Box or Street Address: 325 S WALNUT ST
Apt/Suite/Other:
City: LANSING State: MI Zip Code: 48933

The Officers and Directors of the Corporation:

Title	Name	Address
PRESIDENT	STEPHEN PONTONI	325 S. WALNUT ST LANSING, MI 48933 USA
TREASURER	DOUG PRATT	12116 KENDALE BLVD EAST LANSING, MI 48823 USA
SECRETARY	DOUG PRATT	12116 KENDALE BLVD EAST LANSING, MI 48823 USA
DIRECTOR	AMY CHAPMAN	28342 DARTMOUTH ST MADISON HEIGHTS, MI 48071 USA
DIRECTOR	JENNIFER ROOT	124 W ALLEGAN ST LANSING, MI 48933 USA
DIRECTOR	PATRICK SCHUH	614 SEYMOUR AVE LANSING, MI 48933 USA
DIRECTOR	ELI ISAGUIRRE	11687 AMERICAN ST DETROIT, MI 48204 USA
DIRECTOR	AMANDA STITT	3819 FOSSUM LN OKEMOS, MI 48864 USA
DIRECTOR	BOB ALLISON	340 BEAKES ST STE 110 ANN ARBOR, MI 48104 USA

Act Formed Under: 162-1982 Nonprofit Corporation Act

³⁰ <https://olmsapps.dol.gov/query/>

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Summary for: PROGRESSMICHIGAN

The name of the DOMESTIC NONPROFIT CORPORATION: PROGRESSMICHIGAN

Entity type: DOMESTIC NONPROFIT CORPORATION

Identification Number: 800914340 Old ID Number: 70170K

Date of Incorporation in Michigan: 09/19/2007

Purpose:

Term: Perpetual

Most Recent Annual Report: 2022

Most Recent Annual Report with Officers & Directors: 2018

The name and address of the Resident Agent:

Resident Agent Name: LONNIE SCOTT
 Street Address: 215 S WASHINGTON SQUARE
 Apt/Suite/Other: SUITE 135
 City: LANSING State: MI Zip Code: 48933

Registered Office Mailing address:

P.O. Box or Street Address: 215 S WASHINGTON SQUARE, SUITE 135
 Apt/Suite/Other: SUITE 135
 City: LANSING State: MI Zip Code: 48933

The Officers and Directors of the Corporation:

Title	Name	Address
PRESIDENT	PATRICK SCHUH	215 S WASHINGTON SQUARE, SUITE 135 LANSING, MI 48933 USA
TREASURER	DOUG PRATT	215 S WASHINGTON SQUARE, SUITE 135 LANSING, MI 48933 USA
SECRETARY	DOUG PRATT	215 S WASHINGTON SQUARE, SUITE 135 LANSING, MI 48933 USA
DIRECTOR	LISA CANADA	215 S WASHINGTON SQUARE, SUITE 135 LANSING, MI 48933 USA
DIRECTOR	BRIAN ROTHENBERG	215 S WASHINGTON SQUARE, SUITE 135 LANSING, MI 48933 USA
DIRECTOR	STEVE PONTONI	215 S WASHINGTON SQUARE, SUITE 135 LANSING, MI 48933 USA
DIRECTOR	LONNIE SCOTT	215 S WASHINGTON SQUARE, SUITE 135 LANSING, MI 48933 USA
DIRECTOR	BOB ALLISON	215 S WASHINGTON SQUARE, SUITE 135 LANSING, MI 48933 USA

Stephen (aka Steven V. aka Steve) Pontoni is the Executive Director of the Michigan Association for Justice (MAJ) EIN 38-1989639, a 501(c)(6) tax-exempt law league in Lansing, MI. Pontoni is also president of a Michigan registered non-profit called the Two Peninsulas Research Group (TPRG) EIN 45-3017171. Pontoni is also a Michigan registered lobbyist and governor appointee of the Huron-Clinton Metropolitan Authority

Board of Commissioners in Brighton, MI where he lives.³¹ The MAJ, led by Stephen Pontoni, paid JFAM hundreds of thousands of dollars according to federal 8872 reports.

Current contribution	Michigan Association for Justice	325 S Walnut St, Lansing, MI 48933	Justice for All - Michigan	\$7,200	December 20, 2022
<input type="checkbox"/>	Michigan Association for Justice	325 S Walnut St, Lansing, MI 48933	Justice for All - Michigan	\$80,000	April 24, 2024
<input type="checkbox"/>	Michigan Association for Justice	6639 Centurion Dr Ste 120, Lansing, MI 48917	Put Michigan First	\$50,000	October 24, 2022
<input type="checkbox"/>	Michigan Association for Justice	325 S Walnut St, Lansing, MI 48933	Justice for All - Michigan	\$200,000	July 26, 2022
<input type="checkbox"/>	Michigan Association for Justice	325 S Walnut St, Lansing, MI 48933	Justice for All - Michigan	\$50,000	July 19, 2022
<input type="checkbox"/>	Michigan Association for Justice	325 S Walnut St, Lansing, MI 48933	Justice for All - Michigan	\$50,000	October 20, 2020
<input type="checkbox"/>	Michigan Association for Justice	325 S Walnut St, Lansing, MI 48933	Justice for All - Michigan	\$25,000	September 30, 2020
<input type="checkbox"/>	Michigan Association for Justice	325 Walnut St, Lansing, MI 48933	Justice for All - Michigan	\$100,000	September 17, 2020

Additionally, JFAM has been accepting contributions since at least 2018, but was not registered as a SuperPAC with the Michigan secretary of state until 2020.³² Although JFAM and TPRG evade reporting and tracking, TPRG is registered in Michigan as a nonprofit business entity, showing Pontoni, Pratt, Root, and Stitt, and Chapman as board members. JFAM's 8872 reports are submitted by Pontoni's employee, Laura Hornshaw.

³¹ <https://www.metroparks.com/wp-content/uploads/2024/02/Jan-BOC-Meeting-Minutes.pdf>

³² <https://cfrsearch.nictusa.com/committees/519782>

Political Organization Report of Contributions and Expenditures

▶ See separate instructions.

A For the period beginning 04/01/2022

B Check applicable box: Initial report Ch

1 Name of organization
Justice for All - Michigan

2 Mailing address (P.O. box or number, street, and room o
325 S Walnut St

City or town, state, and ZIP code
Lansing, MI 48933

3 E-mail address of organization:
no@email

5a Name of custodian of records
Laura Hornshaw

6a Name of contact person
Laura Hornshaw



Laura Hornshaw · 3rd

Development Director at Michigan Association for Justice

Lansing, Michigan, United States · [Contact info](#)

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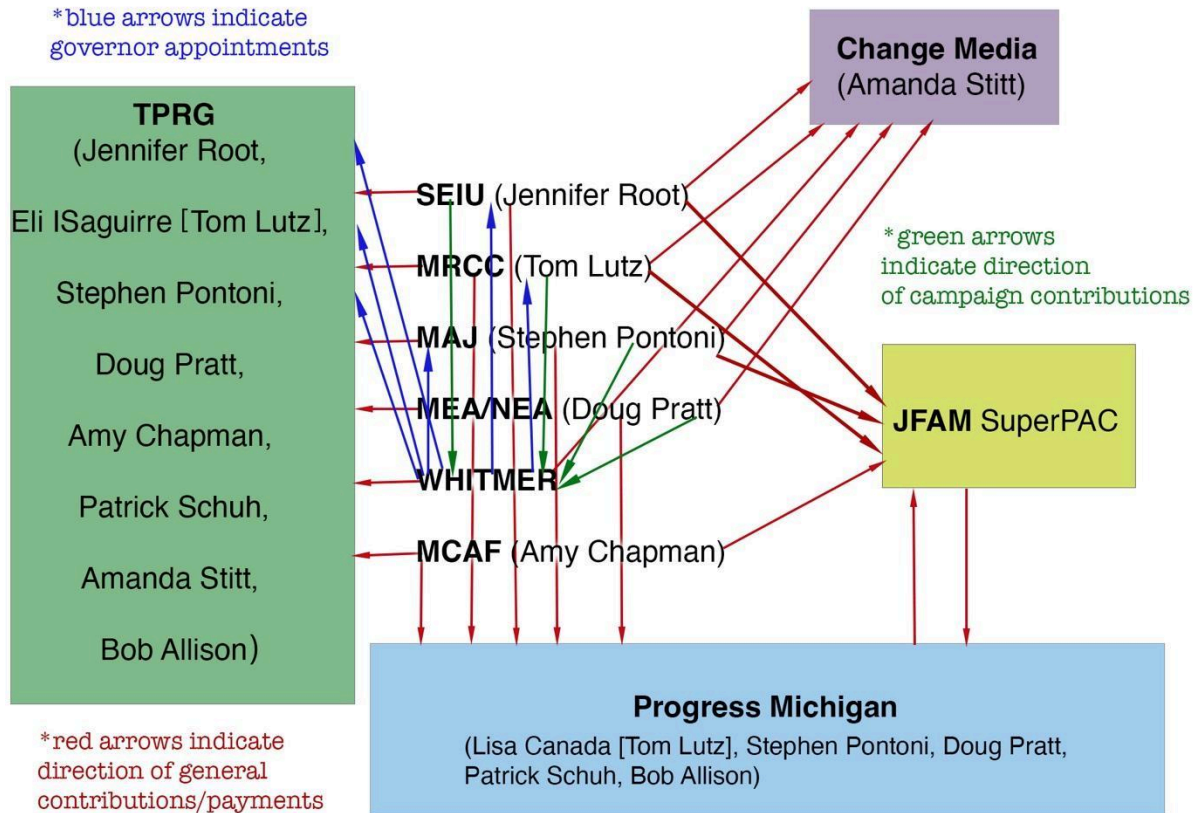
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TPRG's Amanda Stitt was Whitmer's campaign manager and runs Change Media Group, a political agency. Lutz's MRCC has paid Change Media group \$552,924 since 2018 according to LM2 reports. Doug Pratt's Michigan Education Association via the National Education Association which share the same leadership and address, paid Change Media Group \$1,732,748 since 2018 according to LM2 reports. Jennifer Root's SEIU paid Stitt's Change Media Group \$36,155 in 2023. Pontoni's MAJ and Whitmer also paid Change Media.³³ Since 2020, Progress Michigan, which is ran by the nearly all of the same people [(Lonnie Scott, Patrick Schuh (registered lobbyist), Doug Pratt (registered lobbyist), Bob Allison (registered lobbyist), MRCC/Lutz employee and grant signatory Lisa Canada, and Stephen Pontoni (registered lobbyist)] as TPRG, and has received millions from the Jennifer Root's SEIU, Lutz's MRCC, and Pratt's MEA/NEA, and Pontoni's Michigan Association for Justice unions, as well as Amy Chapman's MCAF, according to LM2 and Michigan campaign finance reports. Again, all of these groups, save Change Media, are tax-exempt.

³³ https://miboecfr.nictusa.com/cgi-bin/cfr/contrib_anls.cgi



Doug Pratt is also a director at TPRG, a Michigan nonprofit corporation which again has never filed 990s and has received millions in contributions. Doug is the treasurer for a ballot committee called Education Gets Results (EGR). The state of Michigan has fined EGR for failing to file taxes and other reporting. Pratt's MEA also unlawful took \$6.4 million in PPP loan funding.³⁴ Whitmer contributed no less than \$60,000 to TPRG, according to Michigan campaign finance records. Pratt's MEA PAC gave Whitmer's campaign \$139,500, Lutz's MRCC gave her campaign \$139,500, and Pontoni's MAJ PAC (committee# 501544) paid Whitmer's campaign \$140,500 since 2017. These payments were some of Whitmer's highest campaign contributions according to Michigan campaign finance records.

transparencyusa.org/mi/candidate/gretchen-whitmer/contributors?cycle=2017-to-now

\$140,500.00 [Michigan Association for Justice Justice PAC](#)

\$139,500.00 [American Federation of State County and Municipal Employees PEOPLE](#)

\$139,500.00 [Blue Cross Blue Shield of Michigan PAC](#)

\$139,500.00 [Michigan Education Association PAC](#)

\$139,500.00 [Michigan Infrastructure and Transportation Assoc PAC](#)

\$139,500.00 [Michigan Laborers Political League](#)

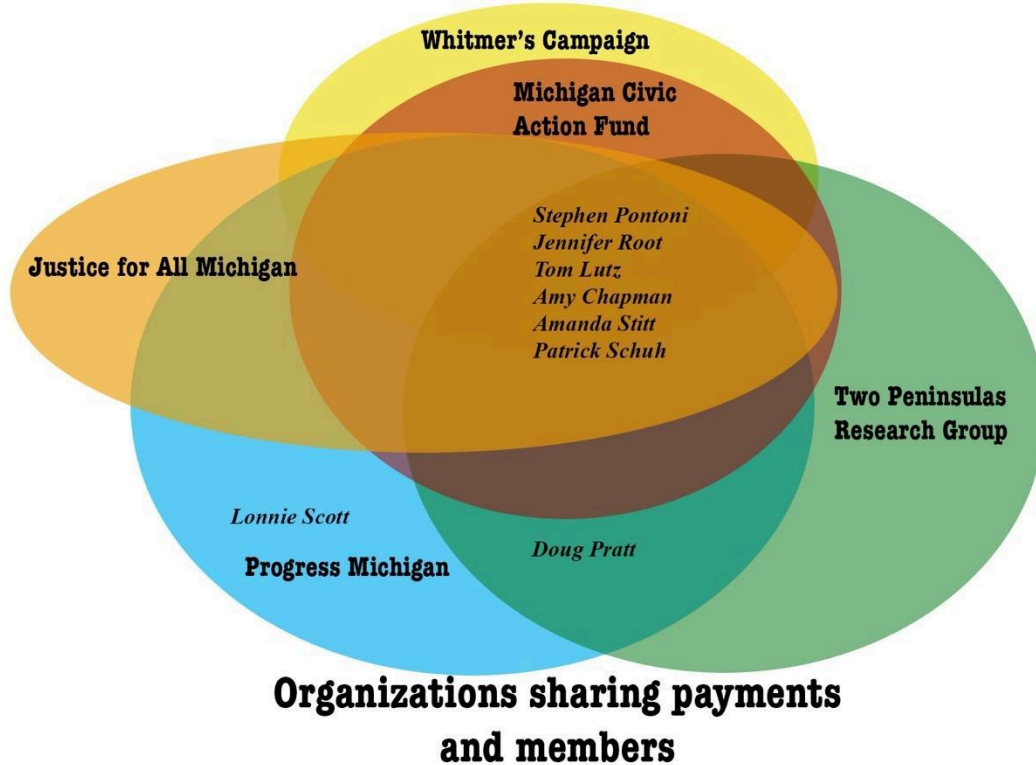
\$139,500.00 [Michigan Regional Council of Carpenters PAC](#)

Committee Making Expenditure Committee ID-Type	Sched Type	Payee Name Address City, State Zip Exp Type-Purpose	Exp Date	Exp Amt or Value	Support/Oppose Candidate or BQ Office Sought
MICHIGAN ASSOCIATION FOR JUSTICE JUS 501544-IND	DIRECT	GRETCHEN WHITMER FOR GOVERNOR PO BOX 15282 LANSING, MI 48901-0000 DI-DIRECT CONTRIBUTION	05/10/18	\$28,000.00	GRETCHEN WHITMER for GOVERNOR
MICHIGAN ASSOCIATION FOR JUSTICE JUS 501544-IND	DIRECT	GRETCHEN WHITMER FOR GOVERNOR PO BOX 15282 LANSING, MI 48901-0000 TC-DIRECT CONTRIBUTION	01/18/22	\$20,500.00	GRETCHEN WHITMER for GOVERNOR
MICHIGAN ASSOCIATION FOR JUSTICE JUS 501544-IND	DIRECT	WHITMER LEADERSHIP FUND 11063 P.O. BOX LANSING, MI 48901-0000 DI-CONTRIBUTION	09/20/06	\$15,000.00	
MICHIGAN ASSOCIATION FOR JUSTICE JUS 501544-IND	DIRECT	GRETCHEN WHITMER FOR GOVERNOR PO BOX 15282 LANSING, MI 48901-0000 DI-DIRECT CONTRIBUTION	05/08/18	\$10,000.00	GRETCHEN WHITMER for GOVERNOR
MICHIGAN ASSOCIATION FOR JUSTICE JUS 501544-IND	DIRECT	GRETCHEN WHITMER FOR GOVERNOR PO BOX 15282 LANSING, MI 48901-0000 DI-DIRECT CONTRIBUTION	03/15/18	\$10,000.00	GRETCHEN WHITMER for GOVERNOR
MICHIGAN ASSOCIATION FOR JUSTICE JUS 501544-IND	DIRECT	GRETCHEN WHITMER FOR GOVERNOR PO BOX 15282 LANSING, MI 48901-0000 DI-DIRECT CONTRIBUTION	09/22/20	\$10,000.00	GRETCHEN WHITMER for GOVERNOR

excerpt from Michigan Campaign Finance search

Name Box	Name	Payer/Payee	C Type/Classifi	Itemized	Non Itemize	Total	Union Name	Abbr	Designation	Designation Number
2023 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P POLITICAL RE	\$ 62,500.00		\$ 62,500.00	SERVICE EMPLOYEES	SEIU	SYSTEM COUNCIL	
2022 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P POLITICAL RE	\$ 62,500.00		\$ 62,500.00	SERVICE EMPLOYEES	SEIU	SYSTEM COUNCIL	
2022 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P CNSLT	\$ 125,000.00	\$ -	\$ 125,000.00	NATIONAL EDUCATION ASN INC	NEA	STATE ASSOCIATION	
2022 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P PROGRESSIV	\$ 30,000.00		\$ 30,000.00	TEACHERS AFL-CIO	AFT	STATE FEDERATION	
2022 (LM2)	Two Peninsulas Research Group	PAYEE	P Political orga	\$ 100,000.00		\$ 100,000.00	CARPENTERS IND	CJA	LEADERSHIP COUNCIL	
2021 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P POLITICAL RE	\$ 62,500.00		\$ 62,500.00	SERVICE EMPLOYEES	SEIU	SYSTEM COUNCIL	
2021 (LM2)	Two Peninsulas Research Group	PAYEE	P Political orga	\$ 50,000.00		\$ 50,000.00	CARPENTERS IND	CJA	LEADERSHIP COUNCIL	
2020 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P RESEARCH O	\$ 83,300.00	\$ -	\$ 83,300.00	AUTO WORKERS AFL-CIO	UAW	CAP COUNCIL	
2020 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P POLITICAL RE	\$ 62,500.00		\$ 62,500.00	SERVICE EMPLOYEES	SEIU	SYSTEM COUNCIL	
2020 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P CNSLT	\$ 125,000.00	\$ -	\$ 125,000.00	NATIONAL EDUCATION ASN INC	NEA	STATE ASSOCIATION	
2020 (LM2)	Two Peninsulas Research Group	PAYEE	P Political orga	\$ 50,000.00		\$ 50,000.00	CARPENTERS IND	CJA	LEADERSHIP COUNCIL	
2019 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P POLITICAL RE	\$ 62,500.00		\$ 62,500.00	SERVICE EMPLOYEES	SEIU	SYSTEM COUNCIL	
2019 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P RESEARCH O	\$ 41,700.00	\$ -	\$ 41,700.00	AUTO WORKERS AFL-CIO	UAW	CAP COUNCIL	
2019 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P CNSLT	\$ 12,132.00	\$ -	\$ 12,132.00	NATIONAL EDUCATION ASN INC	NEA	STATE ASSOCIATION	
2018 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P research	\$ 65,000.00	\$ -	\$ 65,000.00	NATIONAL EDUCATION ASN INC	NEA	STATE ASSOCIATION	
2019 (LM2)	Two Peninsulas Research Group	PAYEE	P Political orga	\$ 62,132.00	\$ 2,000.00	\$ 64,132.00	CARPENTERS IND	CJA	LEADERSHIP COUNCIL	
2018 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P POLITICAL RE	\$ 125,000.00	\$ -	\$ 125,000.00	SERVICE EMPLOYEES	SEIU	SYSTEM COUNCIL	
2018 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P RESEARCH O	\$ 125,000.00	\$ -	\$ 125,000.00	AUTO WORKERS AFL-CIO	UAW	CAP COUNCIL	
2018 (LM2)	TWO PENINSULAS RESEARCH GROUP	PAYEE	P PROFESSION	\$ 11,995.00	\$ -	\$ 11,995.00	TEACHERS AFL-CIO	AFT	NATIONAL HEADQUARTERS	
2018 (LM2)	Two Peninsulas Research Group	PAYEE	P Political orga	\$ 100,000.00	\$ -	\$ 100,000.00	CARPENTERS IND	CJA	LEADERSHIP COUNCIL	

excerpt from LM2 report for Two Peninsulas Research Group
 How is it that TPRG can earn millions over the course of a few years and not even have an active website?



Of course, this complaint is not about campaign finance violations or unlawful campaign coordination, it is about ethics violations and the taxpayers' rights. The interrelated transactions created unethical conflicts of interest for the appointees Pontoni, Lutz, and Root, splintering and skewing their loyalties. The exchanges of opportunities and funding indicate quid pro quo interactions. Their organizations ALREADY tax-exempt, with taxpayers footing those bills. Additionally, the organizations' leadership already also have a finger on the scale with so many of them

being registered lobbyist and influential political figures. To then give them millions upon millions of taxpayer funding since they skipped to the front of the line, is not only unsavory, it is unlawful and unethical. The appointees, like Lutz, do this all while controlling grants terms and administering the very grants they apply for. The saddest part of this story is that the taxpayers will also pay for an attorney to defend these people, as though we have not given them enough. The waste is profoundly disturbing when our roads, schools, and natural resources are being disregarded.

To establish a violation of Sec. 2(4) of the Ethics Act, a complainant must show a public officer solicited or accepted a thing of value for the benefit of a person or organization other than the state, and that benefit had a tendency to influence the manner in which a public officer performs official duties.³⁵ The incestuous transactions between Lutz, Pontoni, Root, and their appointer, Whitmer, violate section 2(4) of the Ethics Act because they are all public officers who accepted a “thing of value: (financial contributions to TPRG,etc,)” for the benefit of a person or organization (TPRG), other than the state, *which tends to influence* the manner in which the public officer or employee or another public officer or employee performs official duties. Pontoni, Lutz (via his lobbyist and employee Isaguirre and through grants), and Root have accepted funding from Whitmer to their organization TPRG while seated at their public appointments at MEDC, Huron-Clinton Metropolitan Authority Board of Commissioners, and the Nursing Home Workforce Stabilization Council as shown below as from Michigan’s campaign finance records.

Committee Making Expenditure Committee ID-Type	Sched Type	Payee Name Address City, State Zip Exp Type-Purpose	Exp Date	Exp Amt or Value
GRETCHEN WHITMER FOR GOVERNOR 518014-GUB	DIRECT	TWO PENINSULAS RESEARCH GROUP 614 SEYMOUR AVE # MI LANSING, MI 48933-1120 RESEARCH	10/11/22	\$25,000.00
GRETCHEN WHITMER FOR GOVERNOR 518014-GUB	DIRECT	TWO PENINSULAS RESEARCH GROUP 614 SEYMOUR AVE # MI LANSING, MI 48933-1120 RESEARCH	10/05/22	\$25,000.00
GRETCHEN WHITMER FOR GOVERNOR 518014-GUB	DIRECT	TWO PENINSULAS RESEARCH GROUP 215 SOUTH WASHINGTON SUITE 135 LANSING, MI 48933-0000 CN-RESEARCH IN-HOUSE	02/04/20	\$10,000.00

The fact that the members of TPRG hide their earnings from the state and federal government removes all doubt that the transactions are unethical. Additionally, Lutz’s grant transactions as sitting MEDC appointee, gaining millions both for himself and for his organizations, are things of value he accepted as well as indirectly contracting with the public entity he serves. Appointees are entitled to make campaign contributions on

³⁵ *In re Tax Commissioners, 79-EA-4*

their own time as a matter of free speech. However, they are not allowed to use tax-exempt funds to pay themselves, through various entities, and to use tax-exempt funds to pay their appointer without creating insurmountable conflicts of interests as public officials who are simultaneously lobbyists and co-members of two organizations they secretly work with. Unions, business leagues, social welfare groups, and the like are also entitled to support what they choose. And taxpayers could not care less what these people do with their own money, but we (and union dues payers) are being taken for a ride while Pontoni, Lutz, and Root self-deal tax-free, pay their appointer tax-free, and then take more of our hard-earned tax dollars while sitting in administrative and policy positions where they control taxpayer funds. Unfortunately, TPRG's board members, through their PACs and tax-exempt organizations were also the top campaign donors of Michigan's current secretary of state and attorney general, so the potential for *any* Michigan-based cure rests solely with the completely unfunded Michigan Board of Ethics.³⁶ If other Michigan nonprofits so much as miss a dot on an "i", let alone not file a 990, organizations lose their tax-exempt status through LARA. For some reason, Michigan's secretary of state and attorney general have not taken any action on TPRG, despite no 990s...ever being filed with TPRG's annual reports. The reciprocal payments to and from TPRG's governor appointer create a conflict which would tend to influence the manner in which public officers Stephen Pontoni, Tom Lutz, and Jenifer Root perform official duties.

Pontoni, Lutz, and Root also violated subsection (6) of the Ethics Act's section 2. To establish a violation of Sec. 2(6) of the Ethics Act, a complainant must show that a public officer has engaged in employment that may tend to impair their independence of judgment or action in performing their official duties or has engaged in employment that presents a conflict of interest in the discharge of their official duties. It is not necessary that the public officer's independence of judgment or action actually be impaired; rather a violation can occur where a situation may tend to impair the required independence of judgment.³⁷ Being lobbyists in financial cahoots with their appointer, which is demonstrated by TPRG's appointees' financial *exchanges* with Whitmer as well as their using their tax-exempt organizations (MAJ, MRCC, and SEIU) to fund their own other organizations (Progress Michigan and TPRG) as well as to fund Whitmer's campaign strategist via Change Media, impairs Pontoni, Lutz's, and Root's independence of judgment. The transactions and positions are reciprocal, excessive, hidden (no state or federal filings for TPRG), and partisan. Simultaneously working at TPRG, Progress Michigan, etc. is incompatible with being governor appointees serving the taxpayers, constitution, and their agencies. They have been paid to serve Whitmer and themselves, not the state. Michigan governors have a history of putting these sorts of clusters of loyalists where they need them and then let the rewards flow.

³⁶ The fact that our Board of Ethics has no funding while these appointees has millions upon millions shows our collective priorities.

³⁷ *In re: Hughes v. Mikula 23- ED-01*

Lutz went a step further by soliciting and accepting grants from MEDC. He violated Ethics Act section 2(3) in addition to (4) and (6). The others may have as well, the BOE has an obligation to investigate as the job of discovery should not belong to an individual taxpayer. To establish a violation of Sec. 2(3) of the Ethics Act, a complainant must show that a public officer has actually received some personal gain or benefit from the misuse of funds under their care or control.³⁸ Under subsection (3), Lutz has clearly indirectly solicited funding from MEDC through his employers and he did it for personal gain, at least partially.

How "enhancement grants" get spent

In the 2023 fiscal year state budget, Michigan lawmakers doled out \$1 billion in line-item grants to real estate developers, private companies, economic development organizations, school districts, municipalities, police departments, and not-for-profit organizations.

The Detroit News has been able to document \$480 million in grants through documents submitted to the State Budget Office. Recipients of the grants have until May 2023 to submit paperwork detailing the projects and the legislator who sponsored the appropriation.

Michigan Regional Cou

Grantee	Grantee Location	Amount	Legislative Sponsor	Summary of the project
Michigan Regional Council of Carpenters	Detroit	\$5,000,000	Sen. Curtis Hertel	Funding for the creation of a Schools to Tools program to raise awareness about skilled trades careers.

Curtis A Hertel Jr - Michigan Senate (D)

Summary Contributors Industries Geography Other Data

Now showing data for the **2021** election year.

Top Contributors 2021

Export to CSV

Contributor	Total
Michigan Health & Hospital Association	\$6,000
Michigan Regional Council Of Carpenters & Millwrights	\$6,000
Michigan Operating Engineers Local 324	\$2,500

³⁸ In re: MSEA v. Kolb, 2015-ED-3.

MCL 15.328 regarding contracts of public servants with public entities: It is the intention that this act shall constitute the sole law in this state and **shall supersede all other acts in respect to conflicts of interest relative to public contracts.**

(3) A public officer or employee shall use personnel resources, property, and funds under the officer or employee's official care and control judiciously and solely in accordance with prescribed constitutional, statutory, and regulatory procedures and not for personal gain or benefit.

The MSF Act, the statute describing MSF appointee duties, (which, after the interlocal agreement also transfer along with powers to MEDC), states: "...notwithstanding section 3(1) of 1968 PA 317, MCL 15.323, members of the (MSF) board and officers and employees of the fund are subject to 1968 PA 317, MCL 15.321 to 15.330 (Contracts with Public Servants). MCL 15.322 states that "a public servant shall not be a party, directly or indirectly, to any contract between himself or herself and the public entity of which he or she is an officer or employee...; a public servant shall not directly or indirectly solicit any contract between the public entity of which he or she is an officer or employee and any of the following: ...Any firm ...of which he... is a(n)... employee." Lutz as a MEDC appointee is prohibited from his organization applying for an accepting grants contracts from the public entity he serves (MEDC). In OAG No. 6005 (1981) Attorney General Kelley found that an "official who is employed by the intended beneficiary (of a contract) of quasi-judicial municipal action is in conflict of interest and may not participate in official action involving the employer of such person." In another opinion from the same year OAG No. 5864, Kelley concluded that members of the site approval board, having a direct employment nexus with the permit applicant... are in conflict of interest." In these cases, it was established that employees have an interest in contracts involving their employers, however the board/commission appointees were not ruled by the MSF statute and therefore could be indirect parties to and/or solicit/apply for contracts, though they could not vote on the contracts. The Michigan BOE found, in the 1978 Certificate of Need Commission decision, that "under the Ethics Act, a personal interest of a...commission member includes the interest of the member's employer, even though the member may not receive monetary or pecuniary remuneration as a result of the adopted standard." So even if Lutz received no boost in salary from his MEDC contracts, he is in conflict in activity related to MEDC grants with his employer. Because the MSF applies to Lutz, as MEDC appointee, he must also follow 15.322 and not, even indirectly, for a grant contract between MEDC and MRCC and its affiliates.

Randy Thelen is the CEO of 501c6 organization, the Right Place, Inc. in addition to serving as MSF board member. Thelen previously worked as a salaried MSF/MEDC employee and was later grantee via the Right Place, Inc. prior to Whitmer appointing him to a term lasting until 2026.³⁹ Bill Pink is the vice-chair and Krista Flynn is an at-large board member of Thelen's the Right Place, Inc.'s board of directors in addition

³⁹ <https://theorg.com/org/the-right-place/org-chart/randy-thelen>

to both being MEDC executive committee members under the MSF.⁴⁰ Bill Pink is also a board member of Gentex (a MEDC grant recipient Thelen approved funding despite Securities and Exchange Commission (SEC) charges and fines against Gentex).⁴¹ Bill Pink is also grantee from MEDC/MSF via his employer Ferris State University, though, again, he is not the subject of any of the complaints here.⁴² Likewise, neither the current and past chair of the Right Place Inc. (Tina Freese Decker of Corewell/Spectrum Health nor Steven Downing of Gentex,⁴³ respectively, [whose organizations have also received millions from MEDC]) are subjects of this complaint. However, it is of note that Pink, Decker, and Downing as the Right Place, Inc. leadership, determine Thelen's annual salary and performance bonuses, according to IRS 990 filings schedules J and O.⁴⁴ Pink and Thelen's respective organizations are partners with Gotion, another MEDC/MSF grantee, which is building an EV battery plant in Big Rapids, MI.⁴⁵ The Right Place, Inc. has applied for/solicited MSF grants worth millions of taxpayer dollars while Thelen sits on the MSF board which determines the terms and approves the very grants he applies for through his employer. Again, the MEDC/MSF grant proceeds contribute to Thelen's salary. In February 2023, the SEC charged and fined Gentex \$4 Million for bonus compensation and accounting lapses.⁴⁶ On July 23, 2024 Thelen voted to approve millions worth of performance-based renewal of MEDC/MSF taxpayer funding for Gentex at the MSF board meeting without saying a word regarding Gentex's SEC violations and fines.⁴⁷ Thelen recused himself during the same meeting for other discussion and voting. As shown below in a news excerpt Thelen regularly publicly lauds Gentex as they relate to economic development. Thelen and Pink, as state appointees serving taxpayers and the constitution share an obligation of at least sharing Gentex's SEC charges and fines. The MEDC committee bylaws state that members of the board have a duty to protect the taxpayer funds they

⁴⁰ <https://projects.propublica.org/nonprofits/organizations/383262801>

⁴¹ <https://ir.gentex.com/corporate-governance/board-of-directors>

⁴²

<https://www.mlive.com/news/grand-rapids/2023/03/state-taps-ferris-state-to-help-recruit-talent-for-surging-electric-vehicle-sector.html>

⁴³ <https://www.craigslist.com/news/manufacturing/gentex-expanding-in-zeeland/> and

<https://www.michiganbusiness.org/press-releases/2023/11/grants-for-mobility-pilot-programs/>

⁴⁴ <https://projects.propublica.org/nonprofits/organizations/274012914/202242439349300424/full> on schedules J and O.

⁴⁵

[https://www.michiganbusiness.org/press-releases/2022/10/whitmer-announces-new-battery-component-manufacturing-facility-big-rapids-creating-2350-jobs-investment-more-than-\\$2.3-billion/](https://www.michiganbusiness.org/press-releases/2022/10/whitmer-announces-new-battery-component-manufacturing-facility-big-rapids-creating-2350-jobs-investment-more-than-$2.3-billion/)

⁴⁶

<https://www.complianceweek.com/regulatory-enforcement/gentex-fined-4m-for-bonus-compensation-accounting-lapses/32637.article>

⁴⁷

https://www.michiganbusiness.org/4a199f/globalassets/documents/msf-board/msf-board-packets/july-23-2024-msf-board-packet_final_web-upload.pdf

grant.⁴⁸ Ordinary individuals would mention SEC charges for a grant renewal candidate, but perhaps not if the candidate CEO controlled their compensation.

Section 8.03 Fiduciary Duty. The members of the Corporation Board, the Executive Committee, and all officers of the Corporation are under a fiduciary duty to conduct the activities and affairs of the Corporation in the best interests of the Corporation, including the safekeeping and use of all Corporation monies and assets for the benefit of the Corporation. The members of the Corporation Board, the Executive Committee, and all officers shall discharge this duty in good faith, with the care an ordinarily prudent individual in a like position would exercise under similar circumstances.

excerpt from MEDC committee by-laws

To establish a violation of Sec. 2(6) of the Ethics Act, a complainant must show that a public officer has engaged in employment that may tend to impair their independence of judgment or action in performing their official duties or has engaged in employment that presents a conflict of interest in the discharge of their official duties. The complainant must establish a nexus between the officer's employment might tend to impair the independence of judgment required for the discharge of the officer's official duties. Randy Thelen's salary is directly tied to successful MEDC grant applications because of his performance bonuses and as the literal means for his wages. Another inextricable nexus because Thelen's employment and the discharge of his duties as MSF board member is the sheer amount MSF activity, he must recuse himself from. In January 2024 alone, Thelen had to recuse himself from 18 out of 22 resolution votes because of conflicts.⁴⁹ Thelen, unlike other appointees has had to recuse himself at more than half of the MSF board meetings in the year since his appointment, including 6 times in July 2023 and 9 times in September 2023.⁵⁰ Additionally, on July 23, 2024 Thelen voted to approve a performance-based renewal of up to \$5.5 Million grant funding for Gentex, whose CEO Steven Downing determines Thelen's salary and performance bonuses as chair of Thelen's employer, the Right Place, Inc.⁵¹ Gentex was fined \$4 Million in 2023 while Bill Pink, who also controls Thelen's compensation, also sat on Gentex's board while a grant recipient from MEDC/MSF via Ferris State and simultaneously sitting on the MEDC executive committee.

⁴⁸

<https://www.michiganbusiness.org/4944f8/globalassets/documents/reports/medc-reports/seventh-amended-and-restated-medc-by-laws.pdf>

⁴⁹

<https://www.michiganbusiness.org/about-medc/michigan-strategic-fund/michigan-strategic-fund-board-packets/>

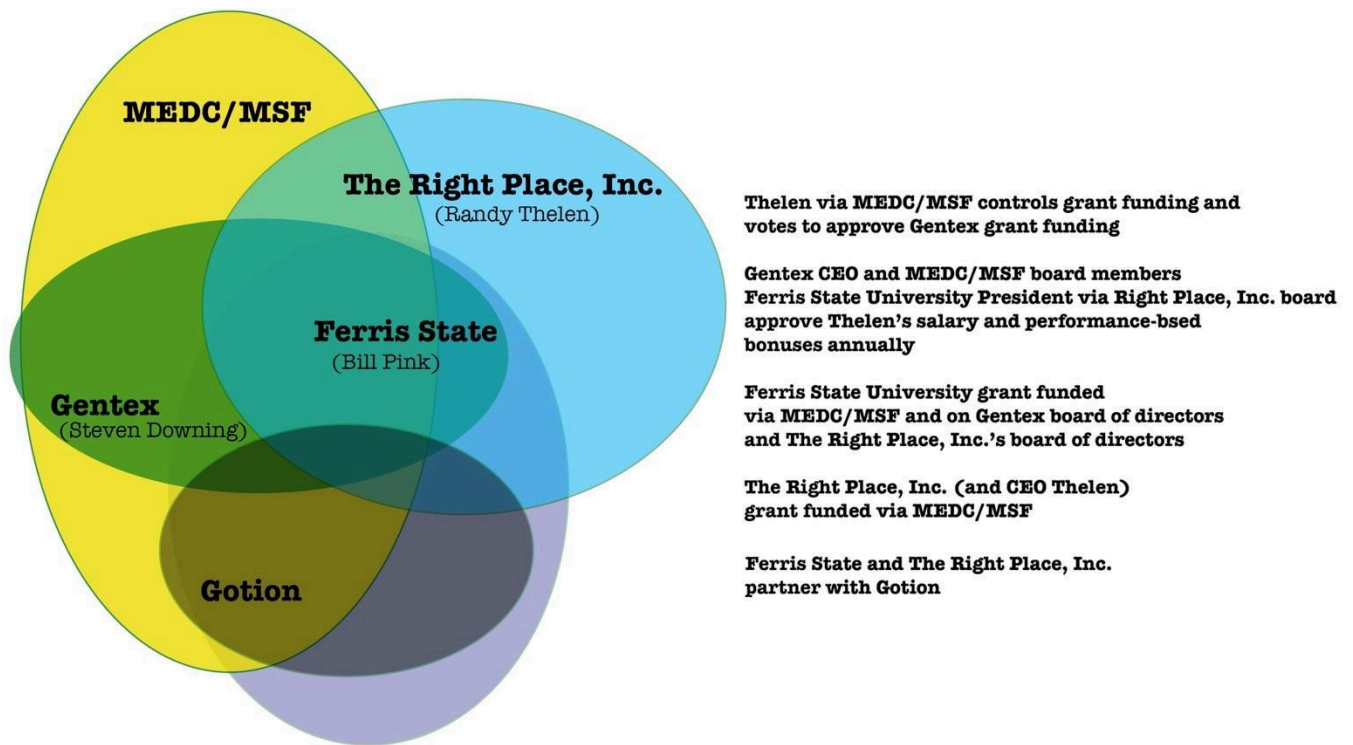
⁵⁰ *Id.*

⁵¹

https://www.michiganbusiness.org/4a199f/globalassets/documents/msf-board/msf-board-packets/july-23-2024-msf-board-packet_final_web-upload.pdf at p. 42

The MSF Act also states “Sec. 5 (2) A member of the board or officer, employee, or agent of the fund shall discharge the duties of his or her position in a nonpartisan manner, with good faith, and with that degree of diligence, care, and skill which an ordinarily prudent person would exercise under similar circumstances in a like position.” Because the Ethics Act requires that the MSF board follow applicable statutes and not act for personal gain, Thelen is required to follow MSF 125.2006 (2), when the subject of Gentex came up, Thelen was obligated to inform the rest of the MSF board of Gentex’s SEC charges to protect the fund. Surely he will say he didn’t know, but there is zero chance he did not know that Downing determines his salary and therefore had a conflict of interest related to approving Gentex’s performance-based funding renewal. Assuming Thelen didn’t know about Gentex’s SEC violations, he definitely knew Gentex’s CEO controlled his compensation and that he should have disclosed that fact and recused himself from the discussion and vote.

It is in appropriate, at best, for Thelen to approve up to \$5.5 Million worth of performance-based funding for an organization lead by the same person who approves his salary and performance bonuses, especially when Gentex was just fined \$4 Million for unlawful accounting practices *related to compensation*.⁵²



⁵² <https://www.sec.gov/enforcement-litigation/administrative-proceedings/34-96819-s>

ABOUT US

Strategic Plan

Board of Directors

Our Team

Testimonials

Annual Report



Steve Downing* | Chair
President & CEO, Gentex Corporation



Bill Pink, Ph.D. * | Vice Chair/Treasurer
President, Ferris State University

The Right Place, Inc leadership and 990 description of how they decide Thelen's salary and performance bonuses

EXECUTIVE COMMITTEE



Tina Freese Decker*
CHAIR
President & CEO, Corewell Health



Bill Pink, Ph.D. *
VICE CHAIR
President, Ferris State University



Steve Downing*
TREASURER
President & CEO, Gentex Corporation

Select a schedule Form 990, Schedule O

FORM 990, PART VI, SECTION B, LINE 15

THE CEO'S COMPENSATION IS ANNUALLY REVIEWED BY A COMMITTEE. THE COMMITTEE IS COMPRISED OF THE CURRENT, FORMER, AND NEXT CHAIR OF THE BOARD OF DIRECTORS. THEY USE PERFORMANCE TO ESTABLISHED GOALS AND BENCHMARKING OF OTHER SIMILAR ORGANIZATIONS IN SETTING THE COMPENSATION PACKAGE. ALL OTHER STAFF MEMBERS ARE REVIEWED BY THEIR IMMEDIATE SUPERVISOR IN NOVEMBER AND DECEMBER. THE CEO AND SENIOR VICE PRESIDENTS WORK TOGETHER ON CHANGES IN COMPENSATION ANNUALLY. PERFORMANCE TO ESTABLISHED GOALS, AND GENERAL PERFORMANCE ARE CONSIDERED IN THE STAFF MEMBER EVALUATIONS.



Investor Overview

News & Media

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Financials & Filings

Corporate Governance

Contact IR

Dr. Bill Pink

Director since 2024

Dr. Pink currently serves as Ferris State University's 19th president, and is the first African American person to lead the university since it was founded in 1817. Prior to guiding Ferris State University, Dr. Pink served as president of Grand Rapids Community College in Grand Rapids, MI, and before that served as vice president for academic affairs at Oklahoma State University-Oklahoma City Campus in Oklahoma. He is involved in governance and policy development at

Gentex fined \$4M for bonus compensation accounting lapses



By Kyle Brasseur | Wed, Feb 8, 2023 1:37 PM

Michigan-based manufacturer Gentex Corp. agreed to pay \$4 million as part of a settlement with the Securities and Exchange Commission (SEC) regarding alleged failures in its internal accounting controls that affected executive and employee bonus compensation programs over several years.

ZEELAND, Mich., Sept. 18, 2023 (GLOBE NEWSWIRE) -- Gentex Corporation (NASDAQ: GNTX) announced today that it has opened a technology hub in downtown Grand Rapids designed to help the company support, attract, and retain top engineering and software talent from throughout West Michigan.

Gentex's announcement was lauded by local economic development organizations, including the The Right Place, which works to fuel current and long-term economic prosperity through comprehensive strategies to retain, expand and attract businesses.

"We're excited to see a thriving tech-focused company like Gentex continue to grow in the region," said Randy Thelen, President and CEO of The Right Place, Inc. "This move by Gentex aligns with our region's goal of becoming one of the leading tech hubs in the Midwest. This new space will accelerate the development, retention, and attraction of top tech talent to West Michigan."

SEC Charges Gentex and Chief Financial Officer in Connection with EPS Initiative

ADMINISTRATIVE PROCEEDING File No. 3-21296

February 7, 2023 - The Securities and Exchange Commission today announced charges against Gentex Corporation for financial reporting, books-and-records, and internal accounting controls violations arising out of the company's accounting for its executive and employee bonus compensation programs. The SEC also announced charges against

Randy Thelen has personally received hundreds of thousands (and his organizations have received hundreds of millions in taxpayer funding), as a result of his incompatible positions as governor-appointed MSF board member at the MEDC and as CEO of the Right Place, Inc., where Thelen has worked since 2021.⁵³ Thelen's conduct, especially given his performance-based bonuses, demonstrate Thelen is incentivized, partial, and financially interested to benefit his employer as opposed to the state, at the expense of

⁵³ <https://www.rightplace.org/about-us/our-team/randy-thelen>

the taxpayers. Despite some performative recusals for MSF votes, Thelen, as CEO of The Right Place, Inc., is responsible for all MEDC/MSF grants contracts at the Right Place, Inc. as well as at MSF. He speaks publicly in defense of the related projects often.⁵⁴ In July 2023 MSF board voted to amend the SSRP terms in favor of Thelen's needs while Thelen recused himself.⁵⁵ In August 2023, Thelen discussed and voted for SSRP terms.⁵⁶ In September 2023 MSF awarded Thelen and the Right Place, Inc \$4,021,581 in SSRP on top of the \$50,000,000 MSF had approved for Thelen and the Right Place, Inc.⁵⁷ in October 2022. ⁵⁸ On September 26, the MSF voted to give the Right Place Inc., an "implementation" grant of over \$400,000.⁵⁹ On September 15, 2023 the Right Place, Inc. entered into the MSF approved, \$50,000,000 SSRP and \$125,000,000 CIP contract, which means Thelen, via his employer, entered into a contract with the MSF board while he was a sitting and voting member. On February 12, 2024 the Right Place Inc., Thelen's employer, entered into a SOAR contract worth \$4,021,581. The full contracts are included in the evidence I have submitted and the state that terms are governed by Michigan Law. Thelen actively solicited the MSF SSRP funding and is an indirect party to the SSRP grants between MSF, where he is an appointed member, and the Right Place, Inc., where he is CEO.⁶⁰

Thelen's The Right Place, Inc. applied to MSF for (and received) federal funding from Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act (ARPA) in the amount of \$3,600,000 for Michigan's revitalization and placemaking program (RAP) in September 2022. Records show Thelen requesting SOAR funding for The Right Place, Inc. in October 2022.⁶¹ In June

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<https://www.bigrapidsnews.com/news/article/green-charter-township-board-faces-questions-18615796.php> and google

55

<https://www.michiganbusiness.org/4ac11f/globalassets/documents/msf-board/msf-board-packets/msf-board-packet-july-2023.pdf>

56

<https://www.michiganbusiness.org/4919f4/globalassets/documents/msf-board/msf-board-packets/msf-board-packet-august-2023.pdf> page 41

57

<https://www.michiganbusiness.org/495c0c/globalassets/documents/reports/legislative-reports/fy2023-msf-annual-report.pdf> page 83

58

<https://www.michiganbusiness.org/48d5ee/globalassets/documents/msf-board/msf-board-packets/september-2023-msf-board-packet.pdf> page 269 and

<https://www.michiganbusiness.org/48d5ee/globalassets/documents/msf-board/msf-board-packets/september-2023-msf-board-packet.pdf>

⁵⁹ *Id.*

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https://www.michiganbusiness.org/4a8430/globalassets/documents/msf-board/msf-board-packets/msf-special-october-packet_final.pdf

61

https://www.michiganbusiness.org/4aa8e1/globalassets/documents/msf-board/msf-board-packets/msf-board-packet_october-25-2022_final.pdf page 11 page 29

2023, Thelen discussed and made a vote regarding SLFRF funding including the small business support hubs as well as the RAP 2.0 program. Thelen was appointed to the MSF board in April 2023, the RAP 2.0 application opened in May 2023 and closed in June 2023.⁶² By the end of 2023, Thelen and the Right Place, Inc. received that additional round of RAP grant funding in the amount of \$6,179,744 under the RAP 2.0 program.⁶³ His was the only state economic development corporation, out of 20, to receive both RAP 1.0 and 2.0 program grants.⁶⁴ At the July 23, 2024 MSF meeting, Thelen voted on RAP agreements as well as to approve Gentex funding reauthorization.⁶⁵

⁶² <https://www.michiganbusiness.org/rap/2/>

⁶³

<https://www.michiganbusiness.org/4a616a/globalassets/documents/msf-board/msf-board-packets/msf-board-packet-june-2023.pdf>

⁶⁴<https://www.michiganbusiness.org/services/partners/#:~:text=Ten%20regions%20were%20formed%20and,the%20Michigan%20Economic%20Developers%20Association.>

⁶⁵

https://www.michiganbusiness.org/4a199f/globalassets/documents/msf-board/msf-board-packets/july-23-2024-msf-board-packet_final_web-upload.pdf

Subgrant Program Awards:

Municipality	Applicant	Amount	Description
Alpena	Target Alpena Development Corp.	\$4,967,527	Mixed-use redevelopment with layers of local support
Grand Rapids	City of Grand Rapids	\$9,378,000	Multiple projects addressing the need for quality affordable/attainable housing
Muskegon	City of Muskegon	\$6,000,000	Downtown revitalization adding diverse housing types at multiple affordability levels, and accessible places for social gathering
Various Cities	The Right Place	\$3,613,166	Investment in bold public space place-based initiatives that attract and retain talent and businesses
Flint	City of Flint	\$10,000,000	Support mixed-income, multi-family housing development and integration of civic and institutional uses in a mixed-use environment
Lansing	City of Lansing	\$6,694,375	Comprehensive strategy to support small businesses, community non-profits and housing needs
Niles, Benton Harbor	Berrien County	\$2,600,000	Support real estate reinvestment that leverages existing investments and contributes to implementation of locally-approved plans
Various Cities	Southwest Michigan First	\$7,910,999	Support real estate redevelopment and placemaking that will attract and retain talent
Detroit	Downtown Detroit Partnership	\$13,740,000	Invest in projects that focus on living and playing downtown as a way to generate new demand for small businesses and new tax revenue for the city

Total Subgrants: \$64,904,067

RAP 1.0 subgrant recipients

Subgrant Program Awards:

<u>Municipality</u>	<u>Applicant</u>	<u>Amount</u>
Detroit	Detroit Economic Growth Corporation	\$14,500,000
Grand Rapids	City of Grand Rapids	\$6,129,256
Lansing	City of Lansing	\$6,450,000
Various Cities	Ann Arbor Housing Development Corporation	\$8,037,830
Various Cities	Market Van Buren	\$2,500,000
Various Cities	Southwest Michigan First Corp (SMF)	\$4,500,000
Various Cities	The Right Place, Inc.	\$6,170,744

RAP 2.0 subgrant recipients

Compensation and performance-based bonus process for The Right Place, Inc. on 990 schedule O

Page 4

Schedule J (Form 990) 2021 Page 2

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (I) and from related organizations, described in the instructions, on row (II). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2, 1099-MISC compensation, and/or 1099-NEC			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 RANDY THELEN CEO (3-1-2022 - PRESENT)	(I) 327,507	100,000	38,512	45,783	6,650	518,452	0
	(II) 0	0	0	0	0	0	0
2 THWAYNE HOWARD ASSISTANT TREASURER & COO, INTERIM C	(I) 179,248	0	0	9,637	16,518	205,403	0
	(II) 0	0	0	0	0	0	0
3 BRENT CASE VP ATTRACTION	(I) 139,898	0	0	7,092	14,039	161,029	0
	(II) 0	0	0	0	0	0	0
4 BRAD COMMENT SR VP OF INVESTOR RELATIONS	(I) 134,238	0	0	6,925	15,660	157,323	0
	(II) 0	0	0	0	0	0	0

The Right Place leadership compensation from 990

Thelen, as CEO of The Right Place, Inc., administers the grant contracts that his organization has sought as a governor appointed MSF committee member. As simultaneously acting as grantor and grantee, Thelen holds unlawful incompatible

positions and has several insurmountable personal financial conflicts of interest.⁶⁶ The nexus between his employment and a tendency for impaired judgment related to his MSF duties lie in his performance-based bonuses, MEDC executive committee members determining those bonuses, Thelen's votes to give funding to Gentex, whose CEO also determines Thelen's compensation and bonuses, and that his wages are based on grants funding generally. Thelen's very appointment in April 2023 created insurmountable conflicts because so much of what the MSF does relates to funding Thelen seeks and receives.

As MSF board member, Thelen exercises control over the Michigan Strategic Fund(s). Ethics Act 2 subsection (3) states that a "public officer...shall use...funds under the officer...'s official care and control judiciously and solely in accordance with prescribed constitutional, statutory, and regulatory procedures and not for personal gain or benefit." The MSF Act, which is the controlling authority for MSF board appointees, mandates compliance with two specific statutory mandates for grant making procedures. One of which is MCL 15.321 to 15.330. MCL 15.322 states that "a public servant shall not be a party, directly or indirectly, to any contract between himself or herself and the public entity of which he or she is an officer or employee...; a public servant shall not directly or indirectly solicit any contract between the public entity of which he or she is an officer or employee and any of the following: ...Any firm ...of which he... is a(n)... employee." This means Thelen and the Right Place, Inc. are barred from applying for MEDC/MSF grants and from contracting with MEDC while Thelen sits as an MSF board member. He did both repeatedly with every grant detailed above in violation of subsection (3) of the Ethics Act Sec. 2.

Sec. 2(4) of the Ethics Act, a complainant must show a public officer solicited or accepted a thing of value for the benefit of a person or organization other than the state, and that benefit had a tendency to influence the manner in which a public officer performs official duties.⁶⁷ Thelen's indirect (via the organization where he is CEO) solicitation (applying for) and entering into a contract with MSF also violates sections (4) and/or (5) of the Michigan Ethics Act, because he accepted performance-based bonuses that would influence his conduct as MSF board member. Under Ethics Act 2 subsection (4) his influence came in many forms: Thelen did not speak up about Gentex's SEC charges and fines when the Gentex CEO funding renewal was up for a vote, Thelen sought MEDC/MSF grants he may not have, for the Right Place, Inc., if his own compensation was not directly linked to them.⁶⁸ Under subsection (5), he profited

⁶⁶

[https://www.legislature.mi.gov/\(S\(drwprobtvqcm4j3lqvpu2qb5\)\)/documents/mcl/pdf/mcl-act-566-of-1978.pdf](https://www.legislature.mi.gov/(S(drwprobtvqcm4j3lqvpu2qb5))/documents/mcl/pdf/mcl-act-566-of-1978.pdf)

⁶⁷ *In re Tax Commissioners, 79-EA-4*

⁶⁸

https://www.michiganbusiness.org/4a199f/globalassets/documents/msf-board/msf-board-packets/july-23-2024-msf-board-packet_final_web-upload.pdf at p. 42

from his official position by pursuing MEDC/MSF funding that increased his performance-based bonus with his employer. He benefitted from his official position by approving Gentex's funding renewal without disclosing his conflict of interest or Gentex's SEC violations. Thelen also controls the terms of the grants and is first in line to apply so he benefits from his official position.

Additionally, the sheer frequency of recusal demonstrates that Thelen's employment is incompatible with MSF board membership. He was a grantee when he was appointed. The violations of subsection (3) of the Ethics Act Sec. 2 partially show why his roles are in conflict. Thelen is statutorily barred from being both a grantee and grantor, whether directly or indirectly. Thelen also did not have independence of judgment when the man who controls compensation at his employment had a grant before the MSF. His judgment is impaired and the nexus is the lack of discuss about Gentex's fines and SEC charges as well as his perpetual grant application via the Right Place, Inc. Thelen also violated MSF act conflict of interest laws MCL 125.2006 (5) and (6) when he voted for Gentex's funding without discussing the SEC violations.

The agreement between The Right Place Inc. and Green Charter Township is a sub-agreement to the agreement between The Right Place Inc. and the MSF, which enables The Right Place Inc. to access the \$50 million in grant funds from the SSRP allocation.

"The MEDC received the grant/incentive money from the legislature for Gotion," Green Charter Township supervisor Jim Chapman said. "The MEDC asked The Right Place to administer the grant. The Right Place needs an application from Green (Charter) Township or the county road commission (to disburse funds).

<https://www.bigrapidsnews.com/news/article/green-charter-township-signs-infrastructure-18340943.php>

Under Michigan law, "incompatible offices" means public offices held by a public official which, when the official is performing the duties of any of the public offices held by the official, results in any of the following with respect to those offices held: (i) The subordination of 1 public office to another; (ii) The supervision of 1 public office by another; and/or (iii) *A breach of duty of public office*. Michigan courts have concluded that a breach of duty arises when a public official "cannot protect, advance, or promote the interest of both offices simultaneously." 233 Mich. App. 381 (1997). Courts further reasoned that a breach occurs when an "issue arises in which one constituency's interests may conflict with the interests of a separate constituency represented by the official." *Id.* at 382. The Right Place, Inc. is an economic development corporation developed under the

Michigan Economic Development Corporation Act of 1974.⁶⁹

MEDC makes sure to often *exclude* or diminish conflict of interest language in grant contracts because so many appointees receive millions in taxpayer funding from MEDC (including Fay Beydoun, Tom Lutz, Sheldon Neeley, Bill Pink, Krista Flynn, etc.).⁷⁰ As you can see from Thelen's grant contract excerpt below, MEDC contracts often carve out an *unlawful* exception to conflict-of-interest requirements.

Section 3.10 Conflict of Interest.

Except as to any actual or potential conflict of interest that may arise as a result of membership on the MSF Board of Directors as it relates to this Agreement and the Grantee's performance of its obligations hereunder, which are and shall be governed by the MSF Board Conflict of Interest Policy, as may be amended from time to time (i) the Grantee affirms that there exists no actual or potential conflict of interest between the Grantee, the Grantee's Key Personnel or the Grantee's Key Personnel's Immediate Family, its business, or any financial interest and the performance by the Grantee under this Agreement, and (ii) the Grantee affirms that there exists no actual or potential conflict of interest between the Grantee and its owners, officers, directors, managers, members, or employees and any of the Indemnified Persons and the performance by the Grantee of its obligations under this Agreement. The Grantee further affirms that neither the Grantee, nor its owners, officers, directors, managers, members, or employees, have accepted, shall accept, have offered, or shall offer, directly or indirectly, anything of value to influence the Indemnified Persons. Further, the Grantee affirms that it has an internal conflicts of interest policy in place to discover and avoid current or future conflicts of interest of the nature described in this Section that may arise. For the purposes of this Section 3.10, "Immediate Family" means a person's grandparent, spouse, domestic partner, parent, stepparent, sibling, child, stepchild, or in-law.

Michigan Law MCL 750.174 defines "embezzlement" as "when an agent or employee of an individual, business, or the government uses his or her position of trust to fraudulently take the property, valuables, or proprietary information."

I submitted a FOIA request to MEDC related to the RAP grant agreement, to show whether Thelen was appointed by the time the first RAP grant contract was signed. SLFRF rules state that "recipients may not use SLFRF funds in violation of the conflict-of-interest requirements contained in the Award Terms and Conditions, including any self-dealing or violation of ethics rules." The applicable uniform guidance from 2 CFR 200.318 mandates that "no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest." MEDC knows they are caught again and will not fill my FOIA requests without payment. I made one payment last week, but am sending this complaint now because in a previous experience with MEDC I was charged over \$880 for a FOIA request that had zero responsive documents. I also think

⁶⁹ <https://www.legislature.mi.gov/documents/mcl/pdf/mcl-Act-338-of-1974.pdf> and

<https://www.rightplace.org/about-us>

⁷⁰

<https://www.corpmagazine.com/break-room/grant-aims-to-help-regional-advanced-manufacturing-technology-companies-attract-retain-talent/>

taxpayers have given MEDC enough money. The BOE has every right to request these documents. The taxpayers deserve robust investigations.

2 CFR 200.318 goes one to state: “the officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.” Thelen is an appointed officer of the non-federal entity (MSF) and accepts performance-based bonuses directly tied to his solicitation and acceptance of MSF federal and state taxpayer funded grants.

The Michigan Attorney General has ruled that it violates the Incompatibles Offices Act for more than one member of the township planning board to simultaneously serve on the township’s zoning board of appeals. Opp. Atty. Gen. 1999, No. 7012. The compatibility analysis in OAG’s pivot on the existence of a contract. Thelen, by way of his employer, is a party to several MSF grant contracts despite being an MSF board appointee who discusses and votes on the grants terms. Thelen was not eligible to be appointed to MSF board because of his pending grants and/or former employment position. Once appointed, his organization was in eligible for grants while Thelen exercised control over the grants.

In *Macomb County Prosecutor v. Murphy* analyzed the Act as follows:

Under the common law, public offices were incompatible when the nature of the positions created the potential for a breach of duty. Following the enactment of the incompatible offices act, an incompatibility now arises only when a breach of duty actually results from the performance of the duties of the public offices. Abstaining from any official actions in an attempt to avoid the incompatibility does not remedy a breach of duty, vacating one of the offices is the only solution to the problem.

2 CFR 200.318 states that “in order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- (1) Placing unreasonable requirements on firms in order for them to qualify to do business;
- (2) Requiring unnecessary experience and excessive bonding;
- (3) Noncompetitive pricing practices between firms or between affiliated companies;
- (4) Noncompetitive contracts to consultants that are on retainer contracts;
- (5) Organizational conflicts of interest;

(6) Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and

(7) Any arbitrary action in the procurement process.

Under federal acquisition regulations (FAR), “organizational conflict of interest” (OCI) “means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage.”⁷¹ Randy Thelen determines the terms and eligibility of MSF grant contracts as an MSF appointee. This power and influence/familiarity with the rest of the board gives his organizations an unfair competitive advantage for government contracts that they are not lawfully eligible for. FAR Subpart 9.5 and, in particular, FAR 9.505 provide the general rules that govern OCIs. Case law in the federal court and the U.S. Government Accountability Office have classified OCIs into three categories: (1) biased ground rules, under which the contractor was unfairly able to set the competition rules for the procurement, such as preparing specifications or work statements (FAR 9.505-2); (2) impaired objectivity, where a firm's ability to render impartial advice would be undermined by the firm's competing interests; and (3) unequal access to information (see FAR 9.505-4). Thelen is clearly guilty of all of these. He determines the MSF grant terms, creates terms in his organization's favor, and has an unfair advantage with his relationships and dual conflicting positions as MSF board member and CEO of the Right Place, Inc.

A recent example:

In the last year, the Right Place, Inc received taxpayer funding including, but not limited to...

- " A \$125 million Critical Industry Program performance-based grant through the SOAR Fund
- An MSF Designated Renaissance Zone estimated to be worth \$540 million
- A \$50 million Strategic Site Readiness Program performance-based grant through the SOAR Fund will be administered by The Right Place to assist with infrastructure improvements. "⁷²

Another example from January 30, 2024:

The Right Place, Inc., and project partners Franklin Partners and Lowell Charter Township announced they have received \$17.5 million from the Michigan Economic Development Corporation's (MEDC) new Strategic Site Readiness Program (SSRP) to

⁷¹ FAR 2.101.

⁷²

help prepare the 237-acre Covenant Business Park in Lowell Township for industrial and commercial use.⁷³

Another example from 2024:

“The state of Michigan is granting \$5 million from the 2024 state budget to Ferris State University’s Jim Crow Museum of Racist Imagery. This is the second time in two years the museum has received money from the state. It was given \$1 million in the 2023 budget, bringing the total to \$6 million in two years.”⁷⁴

Thelen discussing the SSRP grant in September 2023

Randy Thelen, of The Right Place Inc., said they have a grant agreement in place with the MEDC for \$50 million to cover land assembly, site preparation and public infrastructure investments.

2

<https://www.bigrapidsnews.com/news/article/green-charter-township-signs-infrastructure-18340943.php>

"We are not yet holding the \$50 million, but expect to request the first \$25 million grant distribution in September, which would then be available to the community to begin infrastructure design, engineering and construction," Thelen said. "A second \$25 million grant distribution will be requested, in accordance with the grant agreement, as the funds are needed. In other words, the state distributes the money in two disbursements over time."

⁷³

<https://www.rightplace.org/news/state-awards-17-5-million-grant-to-prepare-lowell-townships-covenant-business-park-for-development>

⁷⁴

<https://www.michiganconfidential.com/pork/michigan-budget-gives-5m-for-collection-of-racist-images>



Gentex

 News • Aug 30, 2024

thefly.com – **Gentex announces Q3 cash dividend 12c**

 News • Aug 27, 2024

thefly.com – **Voxx jumps after Gentex buys shares at \$5, offers buyout**

 News • Jul 26, 2024

SeekingAlpha – **Gentex shares resume losing stream as Q2 results disappoint, cuts FY24 guidance**

 News • Jul 26, 2024

SeekingAlpha – **Gentex misses top-line and bottom-line estimates; narrows FY24 outlook**

 News • Jul 26, 2024

Benzinga – **Gentex Stock Sinks 7% After Q2 Earnings Miss And Revenue Forecast Slash - Details Here**

 News • Jul 26, 2024

Automotive News – **Gentex Q2 net income falls 21% on lower vehicle production**

Gentex performance improved after Thelen's MSF vote for funding in July 23, 2024.⁷⁵

From MEDC annual reports:

⁷⁵ <https://ir.gentex.com/financials-and-filings/sec-filings>

MICHIGAN BUILD READY SITES PROGRAM continued

Grantee	Site	Municipality	County	Grant Award	Project Description
Marshall Area Economic Development Alliance (Choose Marshall)	14354 C-Drive North	Marshall	Calhoun	\$950,000	Funds awarded to secure additional parcels under land options.
Marshall Area Economic Development Alliance (Choose Marshall)	14354 C-Drive North	Marshall	Calhoun	\$750,000	Funds awarded to secure additional parcels under land options.
Middle Michigan Development Corporation	West Industrial Drive	Clare	Clare	\$29,500	Funds awarded for site due diligence studies.
The Right Place	18 Mile Road	Big Rapids	Mecosta	\$258,000	Funds awarded for surveys which includes the TOPO survey, Phase I, and a wetland study.
The Right Place	18 Mile Road	Big Rapids	Mecosta	\$650,000	Funds awarded to conduct site due diligence, land acquisition, and hiring a professional firm for site readiness activities.
				\$8,923,300	

STRATEGIC SITE READINESS PROGRAM continued

EXHIBIT 1—MICHIGAN STRATEGIC FUND ACT: STRATEGIC SITE READINESS PROGRAM														
MSF BOARD ACTION TAKEN: NO AGREEMENT EXECUTED														
Fiscal year 2023: 10/01/2022-09/30/2023														
Fiscal Year Approved	Eligible Entity	MSF Approval Date	Municipality	County	Project Type	Incentive Type	Approved Amount	Cumulative Disbursed Amount	Total Projected Qualified Investment ¹	Actual Qualified Investment ²	Qualified Jobs Committed ³	Actual Qualified Jobs Created/Retained ⁴	Qualified Jobs Created/Retained that are not Temporary ⁵	Average Annual Salary of Qualified Jobs
2023	Ford Motor Company	03/28/23	Marshall	Calhoun	New Development	Grant	\$120,300,000		\$3,500,000,000		2,500			
	Detroit Regional Partnership	09/26/23	Detroit	Wayne	Investment in Existing	Grant	\$9,723,650		\$0		-			
	Flint and Benese Chamber Foundation	09/26/23	Flint	Genesee	Investment in Existing	Grant	\$2,123,484		\$0		-			
	Lansing Economic Area Partnership	09/26/23	Lansing	Ingham	Investment in Existing	Grant	\$1,202,168		\$0		-			
	Marshall Area Economic Development Alliance	09/26/23	Marshall	Calhoun	Investment in Existing	Grant	\$65,000,000		\$0		-			
	Northeast Michigan Council of Governments	09/26/23	Gaylord	Otsego	Investment in Existing	Grant	\$435,669		\$0		-			
	Northwest Michigan Council of Governments	09/26/23	Traverse City	Grand Traverse	Investment in Existing	Grant	\$838,728		\$0		-			
	Southwest Michigan First Corporation	09/26/23	Kalamazoo	Kalamazoo	Investment in Existing	Grant	\$1,257,674		\$0		-			
	The Right Place	09/26/23	Grand Rapids	Kent	Investment in Existing	Grant	\$4,021,581		\$0		-			
TOTAL							\$204,902,954		\$3,500,000,000		2,500			

<https://www.michiganbusiness.org/494fba/globalassets/documents/executive-committee-meeting-minutes/march-8-2022.pdf> soar

<https://www.michiganbusiness.org/49aadf/globalassets/documents/executive-committee-meeting-minutes/march-17-2022.pdf> compensation

<https://www.michiganbusiness.org/4a5435/globalassets/documents/executive-committee-meeting-minutes/july-19-2022.pdf> soar and ssbci with lutz right there

<https://www.michiganbusiness.org/4ac993/globalassets/documents/executive-committee-meeting-minutes/august-30-2022.pdf> compensation

<https://www.michiganbusiness.org/49aa42/globalassets/documents/executive-committee-meeting-minutes/january-17-2023.pdf> approving fy2023 budget and amending it

<https://www.michiganbusiness.org/4a552e/globalassets/documents/reports/medc-reports/medc-fiscal-year-2023-budget-spending-plan.pdf> fy2023 budget overview

<https://www.michiganbusiness.org/495c0c/globalassets/documents/reports/legislative-reports/fy2023-msf-annual-report.pdf> detailed fy 2023 budget

<https://www.michiganbusiness.org/490545/globalassets/documents/executive-committee-meeting-minutes/november-14-2023.pdf> krista flynn budget lead

<https://www.michiganbusiness.org/4a239d/globalassets/documents/executive-committee-meeting-minutes/may-22-2024.pdf> conflict of interest

<https://www.bridgemi.com/business-watch/jobs-v-china-how-politics-communist-ties-roiled-23b-gotion-plan-michigan>

<https://www.michiganbusiness.org/press-releases/2023/04/statements-on-gotions-transformational-investment-advancing-in-michigan/>

https://www.house.mi.gov/Document/?Path=2023_2024_session/committee/house/standing/appropriations/meetings/2023-03-15-1/documents/testimony/The%20Right%20Place%20Randy%20Thelen%20Gotion%20Testimony%202023%20v2.pdf

<https://freebeacon.com/democrats/whitmer-appoints-ceo-who-brought-chinese-battery-company-to-michigan-to-powerful-state-board/>



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Homepage](#)

Search Results

Results for the following input:
Organization Type: Charity or Public Safety Organization
Name *Includes: two peninsulas (All words); State: mi;*
0 record(s) found

To view a summary report, click on the organization's name. Results appear in alphabetical order. To sort otherwise, click on the header above the desired column.

Organizations listed with **Registration Pending** are able to continue to solicit. The License/ Registration Expiration date will be updated when the application is completely processed by our office.

No records found for your search criteria

[Start New Search](#)



Tax Exempt Organization Search

Select Database [?](#)

Search All

Search By [?](#)

Organization Name

Search Term [?](#)

two peninsulas research group

City

Enter City

State

Michigan

Country

United States

[RESET](#)

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⚠ Your search did not return any results. Try again.

Need Help? See [Search Tips](#) for guidance on effective searching, search criteria and logic, and selecting search terms.

Dear Tedda Hughes,

This written notice is issued in response to your email request dated 8/15/2024 to the Michigan Economic Development Corporation (MEDC) for information under the Freedom of Information Act (FOIA), MCL 15.231 et. seq, which was considered received at this office the following business day.

It has been determined that there are 1081 pages of information that may be responsive to your request. The MEDC estimates it will take approximately 4 hours to run reports, review and examine, separate and extract information, and copy the records that fall within the scope of your request. As allowed under Section 4(2) of the FOIA, we are requiring a good-faith deposit of one-half the approximate labor costs. The estimated labor costs are based on the hourly rate of the lowest paid MEDC staff capable of performing the tasks to process this request, as follows: 4.00 @ \$29.43 per hour (\$117.72) to search, retrieve, review, examine, and separate/extract the appropriate information. The estimated total cost is \$225.82. Copying costs will be based on \$.10 per page for standard black and white copying (8½" x 11") is approximately \$108.10. Additionally, there may be added charges as a result of the need to use odd-size paper and color copies. These will be based on the actual costs and services required to accommodate these needs. Copying costs will be determined upon completion of processing your request.

Upon receipt of your good faith deposit in the amount of \$112.91, the MEDC will begin processing your request. Please make an online payment at <https://www.thepayplace.com/mi/medc/foia>. You can also make a check payable to: The State of Michigan

ATTN: FOIA Coordinator
300 N. Washington Sq.
Lansing, MI 48913

Dear Tedda Hughes,

This written notice is issued in response to your email **request** dated 8/1/2024 to the Michigan Economic Development Corporation (MEDC) for information under the Freedom of Information Act (FOIA), MCL 15.231 et. seq, which was considered received at this office the following business day.

It has been determined that there are 294 pages of information that may be responsive to your **request**. The MEDC estimates it will take approximately 6 hours to run reports, review and examine, separate and extract information, and copy the **records** that fall within the scope of your **request**. As allowed under Section 4(2) of the FOIA, we are requiring a good-faith deposit of one-half the approximate labor costs. The estimated labor costs are based on the hourly rate of the lowest paid MEDC staff capable of performing the tasks to process this **request**, as follows: 6.00 @ \$29.43 per hour (\$176.58) to search, retrieve, review, examine, and separate/extract the appropriate information. The estimated total cost is \$205.98. Copying costs will be based on \$.10 per page for standard black and white copying (8½" x 11") is approximately \$: \$29.40. Additionally, there may be added charges as a result of the need to use odd-size paper and color copies. These will be based on the actual costs and services required to accommodate these needs. Copying costs will be determined upon completion of processing your **request**.

Upon receipt of your good faith deposit in the amount of \$102.99, the MEDC will begin processing your **request**. Please make an online payment at <https://www.thepayplace.com/mi/medc/foia>. You can also make a check payable to: The State of Michigan

ATTN: FOIA Coordinator
300 N. Washington Sq.
Lansing, MI 48913

Dana Nessel

Attorney General of Michigan

Overview

Contributions

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Contributors

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View By: **CONTRIBUTORS** CONTRIBUTIONS

Total Contributions	↕	Contributor
\$146,000.00		Democratic State Central Committee
\$139,500.00		American Federation of State County and Municipal I
\$126,150.00		Michigan Regional Council of Carpenters PAC
\$101,500.00		Michigan Education Association PAC
\$71,500.00		Building Bridges PAC
\$71,500.00		Daga PAC Federal
\$71,500.00		Michigan State Utility Workers Council AFL CIO PAC
\$70,000.00		Michigan League of Conservation Voters Inc PAC
\$68,000.00		MI Uaw PAC
\$50,000.00		Michigan Association for Justice Justice PAC

Jocelyn Benson

Michigan Secretary of State

Overview

Contributions

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Contributors

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View By: **CONTRIBUTORS** CONTRIBUTIONS

Total Contributions	↕	Contributor
\$118,000.00		MI Uaw PAC
\$105,000.00		Michigan Education Association PAC
\$103,000.00		MI State Carpenters Council PAC
\$102,000.00		American Federation of State County and Municipal Em
\$100,000.00		Democratic State Central Committee
\$85,400.00		Ivote Action Fund
\$81,500.00		Michigan Regional Council of Carpenters PAC