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FEDERAL ELECTION COMMISSION

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OFFICE OF GENERAL COUNSEL

**BEFORE THE UNITED STATES
FEDERAL ELECTION COMMISSION**

Tiffany Muller
End Citizens United
PO Box 66005
Washington, DC 20035

MUR 8077

Complainant,

v.

Keith Pekau
10640 Bonnie Glen Pl
Orland Park, IL 60462, and

Pekau for Congress and William Healey, Treasurer
P.O. Box 2416
Orland Park, IL 60462
pekau4congress@gmail.com
bill@healycpa.com

Respondents.

COMPLAINT

This complaint is filed under 11 C.F.R. § 110.3(d) and 52 U.S.C. § 30125(e)(1) against Keith Pekau, Pekau for Congress, and William Healey, its Treasurer (collectively, “Respondents”), for violating the Federal Election Campaign Act of 1971, as amended (the “Act”) and Federal Election Commission (the “FEC” or “Commission”) regulations. There is compelling evidence that Respondents have violated FEC regulations by improperly using funds from Mr. Pekau’s mayoral campaign committee to support Mr. Pekau’s federal campaign, in violation of the Act and Commission regulations. We urge the Commission to immediately investigate these violations and levy appropriate sanctions against Respondents for their failure to comply with crucial and basic requirements of the Act and Commission regulations.

FACTUAL BACKGROUND

Keith Pekau is the Mayor of Orland Park and is a candidate for election to the U.S. House of Representatives from Illinois's 6th Congressional District.¹ He formed his Illinois candidate committee, Keith for Mayor, for his 2017 and 2021 mayoral campaigns on November 28, 2016.² His principal campaign committee for his congressional campaign, Pekau for Congress, registered with the Commission on November 15, 2021.³ On November 15, 2021, Pekau also filed his original Statement of Candidacy with the FEC in which he declared his intention to run for Congress,⁴ and on November 22, 2021 Pekau announced his congressional campaign to the public.⁵

This complaint pertains to payments by Pekau's mayoral committee and congressional committee to two consulting firms, McPherson Public Affairs Group and COR Services, and expenditures made by his mayoral committee soon before and after Pekau announced his congressional campaign. In total, Pekau's mayoral committee spent at least \$19,196.36 to support his congressional campaign.

From November 2021 to June 27, 2022, his mayoral committee has spent \$37,572 in contributions, consulting fees, advertising and polling.⁶ One month before registering his congressional committee and announcing candidacy, Pekau made a \$2,550 payment for telephone polling from his mayoral campaign.⁷ Then, his mayoral committee made another

¹ Keith Pekau for Congress, Statement of Candidacy (Nov. 15, 2021), available at <https://docquery.fec.gov/cgi-bin/forms/H2IL06116/1548240/>.

² Keith for Mayor, Recipient Committee Statement of Organization Form, *available at* <https://elections.il.gov/CampaignDisclosure/CDPDFViewer.aspx?FiledDocID=gZEgK0DrJfkrVhy%2fHQZTsQ%3d%3d&DocType=y4%2bQAKnRNtkuIDOSzITByg%3d%3d&T=638000518808910068>.

³ See Pekau for Congress, Statement of Organization (Nov. 15, 2021), available at *See* <https://docquery.fec.gov/cgi-bin/forms/C00794479/1548239/>.

⁴ Pekau for Congress, Statement of Candidacy (Nov. 15, 2021), available at <https://docquery.fec.gov/cgi-bin/forms/H2IL06116/1548240/>.

⁵ Facebook (Nov. 23, 2021), available at <https://www.facebook.com/PekauForCongress/videos/icymi-yesterday-i-announced-my-candidacy-for-illinois-6th-congressional-district/580094849763882/>.

⁶ Illinois State Board of Elections, Illinois Report of Campaign Expenditures, *see* Exhibit 1.

⁷ *Id.*

payment of \$2,400 for telephone polling to COR Services only weeks after starting his congressional campaign on December 7, 2021.⁸ A few weeks after, on February 1, 2022, Pekau's mayoral campaign made a \$5,000 payment to Macallan Communications for a website.⁹

McPherson Public Affairs Group is a political consulting firm that has been providing its services to Pekau's mayoral campaign since 2017.¹⁰ COR Services is a Republican political consulting firm,¹¹ which began providing its services to Pekau's mayoral campaign in June 2021,¹² less than four months before Pekau filed his candidacy and registered his federal committee with the Commission.

Despite the fact that Pekau was elected as Mayor in April 2021,¹³ his mayoral committee continued to make payments to McPherson Public Affairs Group and hired the services of COR Services in June 2021.¹⁴ Since Pekau filed his candidacy for Congress, Pekau's mayoral committee has disbursed \$9,246.36 for multiple consulting fees to McPherson Public Affairs Group and COR Services.¹⁵ Pekau's congressional committee has also been making regular payments to COR Services and to McPherson Public Affairs Group since January 2022.¹⁶

Pekau's congressional committee and mayoral committee made payments to both consultants around the same time. On March 4, 2022, Pekau's mayoral committee made a \$400 payment to McPherson Public Affairs Group,¹⁷ and on March 1, 2022, his congressional

⁸ *Id.*

⁹ *Id.*

¹⁰ Illinois State Board of Elections, Illinois Report of Campaign Contributions and Expenditures, at <https://elections.il.gov/CampaignDisclosure/CDPDFViewer.aspx?FiledDocID=KBtgVn%2fd5ZWbfftYCeCRvg%3d%3d&DocType=EYXeAD6k%2f0I%3d&T=638000591335456976>.

¹¹ COR Services, at <https://CORstrategies.com/services/> (last visited Sept. 22, 2022).

¹² Michigan Secretary of State, Report of Campaign Contributions and Expenditures Quarterly Report, at <https://elections.il.gov/CampaignDisclosure/CDPDFViewer.aspx?FiledDocID=WbFmcp6DFOyY9uKbCo3dUg%3d%3d&DocType=EYXeAD6k%2f0I%3d&T=638000603104522911>.

¹³ Cook County Clerk's office, April 06, 2021 Consolidated General election (Sept. 23, 2022), at <https://results421.cookcountyclerk.il.gov/summary.aspx?eid=40621>.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ Keith Pekau for Congress, Disbursements (March 01, 2022), at <https://www.fec.gov/data/committee/C00794479/?cycle=2022&tab=spending#disbursement-transactions>.

committee made a \$3,900 payment to McPherson Public Affairs Group.¹⁸ In April 12, 2022 his congressional committee paid \$438,343.38 to COR Services,¹⁹ and his mayoral committee paid \$786.16 to COR Services in April 13, 2022.²⁰ Then on June 10, 2022 his mayoral committee paid \$300 to McPherson Public Affairs Group,²¹ and his congressional committee paid McPherson Public Affairs Group a total of \$9,000.²²

Pekau's mayoral committee has accepted contributions from federally prohibited sources and in amounts in excess of those permitted by federal law.²³ His mayoral committee accepted contributions from corporations such as Comcast Financial Agency Corporation from July 2021 to March 2021 for a total of \$5,250, Environmental Protection Industries, Inc in 2017 for \$2,500, and Fox Home Center, Inc from 2017 to 2021 for \$2,500 in total.²⁴ The committee also accepted multiple contributions in excess of the \$2,900 per election federal limit, including a \$5,000 contribution from Orland Park Small Business Association in March 11, 2021, a \$3,000 contribution from Robert Jr. Robert on September 10, 2021, and \$3,000 from Patrick DiOrio on January 1, 2021²⁵

LEGAL ANALYSIS

I. Applicable Law

The Act and Commission regulations prohibit federal candidates from soliciting,

¹⁷ See Exhibit 1.

¹⁸ Keith Pekau for Congress, Disbursements (March 01, 2022), at <https://www.fec.gov/data/committee/C00794479/?cycle=2022&tab=spending#disbursement-transactions>.

¹⁹ *Id.*

²⁰ See Exhibit 1.

²¹ *Id.*

²² Keith Pekau for Congress, Disbursements (March 01, 2022), at <https://www.fec.gov/data/committee/C00794479/?cycle=2022&tab=spending#disbursement-transactions>.

²³ 11 C.F.R. § 114.2; 110.1(b).

²⁴ Illinois State Board of Elections, Illinois Report of Campaign Contributions, see Exhibit 2.

²⁵ *Id.*

receiving, directing, transferring or spending funds in connection with a federal campaign unless the funds are subject to the limitations prohibitions, and reporting requirements under the Act.²⁶ Commission regulations provide that individuals simultaneously running for federal and state office “must raise, accept, and spend only Federal funds for the Federal election.”²⁷ Moreover, to ensure that federal campaigns are funded with federally permissible funds, a federal candidate is prohibited from transferring funds or assets from the candidate’s nonfederal campaign committee to their federal campaign committee.²⁸

II. Respondent’s state campaign committee payments to COR Services and McPherson Public Affairs Group constitute impermissible transfers and use of nonfederal campaign committee funds to a federal committee in violation of 11 C.F.R. § 110.3(d) and 52 U.S.C. § 30125(e)(1).

The facts suggest that Respondent’s mayoral committee payments to McPherson Public Affairs Group and COR Services for political consulting were made to impermissibly support his federal congressional campaign, in violation of Commission regulations. As reinforced by the sequence of events relating to payments made by Petkau’s mayoral and congressional committees. Furthermore, the funds used by Pekau’s mayoral committee to make these in-kind contributions to Pekau’s federal campaign came, at least in part, from impermissible sources and exceeded federal limits.

a. The timing of Respondent’s state and federal campaign committee payments to COR Services and McPherson Public Affairs Group.

The timing of Pekau’s mayoral committee payments to COR Services and McPherson Public Affairs Group, just five months prior to Pekau announcing his congressional campaign and the subsequent payments from Pekau’s mayoral and federal committees to these consultants, needs to be investigated.

²⁶ 52 U.S.C. § 30125(e)(1); 11 C.F.R. § 300.61.

²⁷ 11 C.F.R. § 300.63.

²⁸ *Id.* § 110.3(d).

First, the relationship between Pekau's mayoral committee and COR Services commenced less than five months before Pekau's registered his federal committee and he filed his candidacy with the Commission on November 15, 2021, creating a reasonable inference that these payments were for consulting services for Pekau's congressional campaign. This is particularly the case, as the payments began two months *after* Pekau had been elected mayor of Orland Park in April 2021, indicating that the additional consulting was not related to his mayoral election.²⁹

Second, the payments from Pekau's mayoral committee to COR Services and to McPherson Public Affairs Group were not only correlated with Pekau filing his candidacy and registering his federal committee congressional campaign, but also with the continuous payments that are still being made from his congressional and mayoral committees to both consultants.³⁰ As evident from the payments to these consultants, Pekau's committees have both been making payments within three days of one another to COR Services and McPherson Public Affairs Group.

b. Pekau's mayoral campaign expenditures and contributions since Pekau filed to run for congress.

Pekau's mayoral committee's expenditures and contributions do not correspond to those commonly made by the campaign of a victorious mayoral candidate, instead they indicate that the payments made from Pekau's mayoral committee after his election were an impermissible transfer to Pekau's congressional campaign. The mayoral committee's contributions to other campaigns and high expenditures on polling, advertising, a website and consulting are typical of

²⁹ Illinois State Board of Elections, Illinois Report of Campaign Contributions and Expenditures, at <https://elections.il.gov/CampaignDisclosure/CDPDFViewer.aspx?FiledDocID=WbFmcp6DFOyY9uKbCo3dUg%3d%3d&DocType=EYXeAD6k%2f0I%3d&T=638000603104522911>.

³⁰ Illinois State Board of Elections, Illinois Report of Campaign Contributions and Expenditures, at <https://elections.il.gov/CampaignDisclosure/CDPDFViewer.aspx?FiledDocID=FiUq%2bqQhYFY0sT%2b16PiFxQ%3d%3d&DocType=EYXeAD6k%2f0I%3d&T=638000626570010349>.

a campaign that is still in its early stages, and not of a campaign that is winding down after an election.

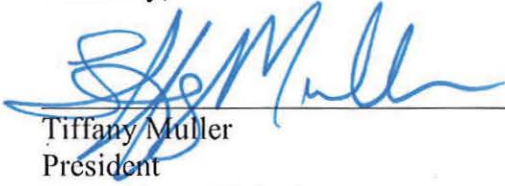
It is odd for a mayoral campaign, which has been using the same consultant since 2017, to hire a second consultant just two months after winning the election. Even more peculiar is that Pekau filed his candidacy for congress and registered his federal committee only a few months after his mayoral committee began making payments to COR Services for polling services, and his congressional campaign also hired both consultants from the start. The payment made by his mayoral committee for polling services only one month prior to registering his federal committee and payment for additional polling two weeks before Pekau announced his candidacy to the public, suggest that the polling was done to prepare for his upcoming federal campaign. The sequence of payments by both campaigns suggests that impermissible transfers and use of funds have been occurring since Pekau's congressional campaign began.

In summary, the nature and timing of expenditures by Pekau's mayoral committee and his congressional committee are exceedingly suspicious and require further investigation by the Commission. They suggest that Pekau likely violated the Act by transferring impermissible funds in the form of in-kind contributions from his mayoral committee to his congressional committee, and by spending nonfederal funds in connection with his congressional election.

REQUESTED ACTION

As shown, Respondents appear to have repeatedly violated the Act and Commission regulations using his mayoral campaign committee to pay for consulting for his federal congressional campaign. Accordingly, we respectfully request that the Commission immediately investigate these violations, fine Respondents the maximum amount permitted by law, and enjoin Respondents from further violations of the law.

Sincerely,



Tiffany Muller
President

End Citizens United
PO Box 66005
Washington, DC 20035

SUBSCRIBED AND SWORN to before me this 5th day of October 2022.



Notary Public

MARK ANDREWS
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires July 14, 2024

My Commission Expires: _____

