

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

HOWARD FOSTER, individually and on  
behalf of all others similarly situated,

Plaintiff,

v.

AARON JON SCHOCK and  
JOHN DOES 1-100,

Defendants.

Case No. 15-cv-3325

**JURY TRIAL DEMANDED**

**CLASS ACTION COMPLAINT**

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Plaintiff Howard Foster alleges the following based on the investigation of counsel, except as to the allegations regarding his own experiences, which are based on personal knowledge, and on information and belief.

## I. INTRODUCTION

1. Effective with his March 31, 2015 resignation as a member of the U.S. House of Representatives, Defendant Aaron Schock joined a long line of disgraced former Illinois politicians, some names more familiar than others: Jesse Jackson Jr., Rod Blagojevich, George Ryan, Dan Rostenkowski, Mel Reynolds, Dan Walker, Otto Kerner, William Stratton, Lennington Small, Joel Matteson, Paul Powell, Orville Hodge, and William Scott. According to Schock's father, "[t]wo years from now he'll be successful, if he's not in jail."

2. Plaintiff, like all Schock donors, gave money to the rising young Republican Congressman because he believed Mr. Schock was ethical, a breath of fresh air in Illinois politics, and had a bright future in Congress. However, the opposite was true, and while Schock may have been a new, young face in Congress, he willingly followed well-tread paths of political sleaze for personal gain. As a result, Plaintiff brings this action to recover campaign contributions made by Plaintiff and the members of the Class, contributions Schock solicited through false representations and by concealing material facts.

3. Mr. Foster is not alone in his disappointment. As reported by Politico, one of "Schock's longtime fundraisers[s] sent an email to the Illinois Republican's donors, saying she feels 'sad, angry, cheated' and filled with 'total disgust, disbelief and disappointment' at the congressman's alleged misspending of taxpayer and campaign dollars."<sup>1</sup>

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<sup>1</sup> Jake Sherman, et al., *Aaron Schock's fundraiser: I feel 'sad, angry, cheated,'* Politico (March 24, 2015) (available at <http://www.politico.com/story/2015/03/aaron-schock-fundraiser-angry-116357.html>) (last visited April 13, 2015).

4. In fact, Schock's campaign contributors would not have supported him had they known he was engaged in illicit financial schemes. Thus, they have all been defrauded of their money.

5. In his March 26, 2015 farewell speech from the House floor, Schock did not address any of the multiple issues leading to his resignation. Instead, he said: "I LEAVE HERE WITH SADNESS AND HUMILITY. FOR THOSE WHOM I'VE LET DOWN, I WILL WORK TIRELESSLY TO MAKE IT UP TO YOU."<sup>2</sup> With this lawsuit, Schock has an opportunity to do just that by refunding campaign contributions.

## II. PARTIES

6. Defendant Aaron Jon Schock is the former U.S. Congressman for Illinois' Eighteenth Congressional District. Schock is a citizen of Illinois, residing at 222 W. Detweiller Drive, Peoria, IL 61615, according to public records. Schock was elected to four terms in the United States House of Representatives as a Republican beginning in 2008. Prior to serving in Congress, Schock was an Illinois State Representative and a Peoria School Board member. From his home in Illinois as well as Washington, D.C., Schock directed the Campaign Contribution Enterprise as further described below.

7. Plaintiff Howard Foster is a citizen of Chicago, Illinois. On or about April 19, 2012, Mr. Foster contributed \$500 via check to Schock, solicited by Schock through Schock's campaign committees, Schock for Congress and the Schock Victory Committee. Just like thousands of other contributors, Mr. Foster contributed money to Schock's campaign for the specific purpose electing a congressional representative with integrity who would deliver on his

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<sup>2</sup> Transcript of Representative Aaron Schock's Farewell Speech (available at <http://www.c-span.org/video/?324978-5/representative-aaron-schock-farewell-speech>) (last visited April 13, 2015).

promises and representations.<sup>3</sup> Believing that Schock was what Schock represented to the public, Mr. Foster would not have contributed to Schock's campaign had he known of Schock's then ongoing illegal and/or unethical activities, detailed below.

8. Mr. Foster's campaign contribution came following repeated mailings from Schock's committees, Schock for Congress and the Schock Victory Committee, which arrived at Mr. Foster's home in early 2012. These mailings described Schock as young (he was the youngest member of Congress when first elected in 2008), honest, different from other Illinois politicians who had been indicted in recent scandals (including former Governors Blagojevich and Ryan) and having the potential to change the image of the Republican party to make it more appealing to millennials. But, every one of these mailings was sent pursuant to Schock's scheme to defraud donors. He was in fact a corrupt politician deeply engaged in illegal and/or unethical transactions to enrich himself.

9. On information and belief, Defendants John Does 1-100 are either residents of or doing business in this judicial district, are transacting business at premises in this judicial district, and are subject to the jurisdiction of this Court. John Does 1-100, alone or through their agents, servants or employees, operated to solicit campaign contributions from Plaintiff and the members of the Class.

### **III. JURISDICTION AND VENUE**

10. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331, because this action arises under the laws of the United States, and 18 U.S.C. § 1964(c), because this

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<sup>3</sup> According to the Federal Election Commission, a campaign contribution is anything of value given, loaned or advanced to influence a federal election. Campaign contributions take the form of money (e.g., check, cash, or credit card) or in-kind contributions (e.g., goods or services). Campaign contributions are the most common source of campaign support.

action alleges violations of the Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. § 1961 et seq.

11. This Court also has jurisdiction over the subject matter presented by this Class Action Complaint because it is a class action arising under the Class Action Fairness Act of 2005, under 28 U.S.C. § 1332(d)(2), the proposed Class contains more than 100 members, the aggregate amount in controversy exceeds \$5,000,000, and at least one Class member is from a state different from Defendants. Additionally, the Court has supplemental jurisdiction of the state law counts as they arise from the same nucleus of facts as the RICO count.

12. Venue is proper in this judicial district under 28 U.S.C. § 1391(b)(2) because a substantial part of the acts or omissions giving rise to the claims set forth herein occurred in this judicial district. In addition, Plaintiff Foster received mailings in this district and made campaign contributions from this district.

#### **IV. FACTS**

13. In the six years since his election to Congress, Schock rose quickly through the House GOP ranks, becoming one of the party’s most prolific fundraisers (reportedly raising approximately \$11 million in his seven years in Congress), utilizing his Instagram social media account to document his world travels, appearing shirtless on a magazine cover, and hanging out with celebrities and world leaders.

14. While many members of Congress view campaign contribution solicitations as a dirty part of their job, Schock reveled in it as a path to Congressional power and GOP leadership, telling “potential donors that their check isn’t charity and it’s not a favor, it’s an investment in themselves and pays for something real – getting him and other hardworking Republicans elected to the House. ‘You’ve got to be unabashed about why the person on the other side of the

table is doing the easier part of the job,' he explains 'I'm the one who's taking four plane rides a week out here, the guy who's running his business is writing a check.'"<sup>4</sup>

15. To that end, Schock directed and/or controlled multiple campaign committees, comprising one association-in-fact enterprise, which had a legitimate purpose of electing Schock to the U.S. House of Representatives but was illegitimately used for illegal purposes. These campaign committees include:

- a. *Schock for Congress*, mailing address P.O. Box 10555, Peoria, IL 61612, and office address at Junction City Shopping Center, 5901 N. Prospect Road, Peoria, IL 61614, is a Federal Election Commission-registered campaign committee, which served as Schock's principal campaign committee. Schock for Congress deposited funds, held an account, rented safety deposit boxes and/or maintained funds with Citizens Equity First Credit Union in Peoria, Illinois, SunTrust Bank in Atlanta, Georgia, and PNC Bank in Peoria, Illinois.
- b. *Schock Victory Committee*, mailing address 2470 Daniels Bridge Road, Suite 121, Athens, GA 30606, is a Federal Election Commission-registered joint fundraising committee, which pays fundraising expenses and disperses net proceeds for Schock for Congress, GOP Generation Y and NRCC. Schock Victory Committee deposited funds, held an account, rented safety deposit boxes and/or maintained funds with Citizens Equity First Credit Union in Peoria, Illinois.

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<sup>4</sup> Brendan Greeley, *Aaron Schock has nothing to hide*, Bloomberg Businessweek (Aug. 8, 2013) (available at <http://genypac.com/blog-archives/>) (cache version as it appeared on Feb. 20, 2015).

- c. *GOP Generation Y Fund*, mailing address P.O. Box 9055, Peoria, IL 61612, is a Federal Election Commission-registered political action committee (“PAC”) supporting more than one Federal candidate and is also a Leadership PAC sponsored by Schock. *GOP Generation Y* deposited funds, held an account, rented safety deposit boxes and/or maintained funds with Citizens Equity First Credit Union in Peoria, Illinois, and SunTrust Bank in Atlanta, Georgia.
- d. *Schock Majority Fund*, mailing address 2470 Daniels Bridge Road, Suite 121, Athens, GA 30606, is a Federal Election Commission-registered joint fundraising committee, which pays fundraising expenses and disperses net proceeds for Diane Black for Congress, Bill Flores for Congress, Graves for Congress, and Rodney for Congress. *Schock Majority Fund* deposited funds, held an account, rented safety deposit boxes and/or maintained funds with SunTrust Bank in Atlanta, Georgia.

16. In soliciting campaign contributions both directly and through the Campaign Contribution Enterprise, however, Schock utilized misrepresentations and omissions of material fact.

**A. Schock’s Mileage Reimbursement Fraud Scheme**

17. Beginning in 2010 or 2011 Schock began to submit phony mileage reimbursement requests to the House Administration Committee.<sup>5</sup> On information and belief, each request inflated the actual number of miles that Schock had driven his car, which he maintained in his Illinois district, in order to enrich himself at taxpayer expense (the official

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<sup>5</sup> Jake Sherman, et al., *Aaron Schock resigns after new questions about mileage expenses*, Politico (March 17, 2015) (available at <http://www.politico.com//story/2015/03/aaron-schock-resigns-116153.html>) (last visited April 13, 2015).

reimbursement rate was about 56 cents per mile). Schock read every one of these false, inflated reimbursement requests and accepted the inflated reimbursements he subsequently received.

18. Schock sold this car in 2014.<sup>6</sup> It had only 81,860 miles on the odometer. But he had received reimbursements for 170,000 miles, thereby enriching himself by about \$50,000.

19. The day this reimbursement fraud was disclosed and reported by Politico, Schock announced he was resigning from Congress.<sup>7</sup> The effect of his resignation was to halt any further investigation by the House Ethics Committee or other House entities.

**B. Schock's Scheme to Hide a Large Contribution by Selling His House to a Donor**

20. In early 2012, shortly before the 2012 election, Schock began to arrange the sale of his Dunlap, Illinois home to Ali Bahaj, a political supporter who was an executive with Caterpillar, Inc., the largest company in Schock's congressional district.<sup>8</sup> Caterpillar executives and PACs had been very generous supporters of Schock throughout his career.<sup>9</sup>

21. Schock had paid just \$128,250 for the vacant lot in Dunlap, Illinois, in 2003. Schock sold it to Mr. Bahaj for \$925,000 in 2012, at the nadir of the real estate market. The

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<sup>6</sup> Schock bought the 2010 Tahoe from Green Chevrolet in Peoria, Illinois, a dealership owned by Jeff Green. *See generally infra* at Section IV.C.2.

<sup>7</sup> Politico also separately reported that Schock's campaign purchased a \$74,000 Chevrolet Tahoe to help get him around back home in Illinois, in addition to a \$27,000 Ford. At least as to the Tahoe, he registered it in his own name. *See* Jake Sherman, et al., *Congressman's spending brings Schock and awe*, Politico (Feb. 9, 2015) (available at <http://www.politico.com/story/2015/02/aaron-schock-spending-115020.html>) (last visited April 13, 2015); Jake Sherman, et al., *Aaron Schock resigns after new questions about mileage expenses*, Politico (March 17, 2015) (available at <http://www.politico.com/story/2015/03/aaron-schock-resigns-116153.html>) (last visited April 13, 2015).

<sup>8</sup> Jimmy Williams, *Aaron Schock Sells Home Above Market Value to Political Donor*, Blue Nation Review (February 2015) (available at <http://blunationreview.com/bnr-exclusive-aaron-schock-sells-home-above-market-value-political-donor/>) (last visited April 13, 2015).

<sup>9</sup> Mr. Bahaj, then a recently retired executive at Caterpillar, Inc., donated \$2,300 to Schock's campaign in 2008 and \$1,000 to his joint fundraising committee. He has also contributed to Caterpillar PAC, which gave \$10,000 to Schock in every election cycle since he first ran for Congress. Mr. Bahaj's wife also donated \$2,300 to Schock's campaign.

assessed value of the home, according to records from Peoria County, was only \$255,240 at the time, and comparable homes in the Augusta Estates subdivision sold for between \$580,000 and \$791,500, considerably less than the \$925,000 received by Schock. Moreover, Schock had not even put the home on the Multiple Listing Service, the ordinary way residential real estate is sold.

22. The transaction was in fact an illicit way for Schock to enrich himself. It raises grave concerns about possible bribery of a member of Congress.

**C. Schock's Other Dealings Confirm a Concealment of Material Facts Contradicting Schock's Integrity**

**1. Flights on Contributors' Airplanes**

23. In early 2014 the Associated Press ("AP") reviewed Schock's travel and entertainment expenses in his taxpayer-funded House account, in his campaign committee and in the GOP Generation Y Fund.<sup>10</sup> The AP tracked Schock's use on the aircraft partly through the congressman's proclivity for uploading pictures and videos of himself to his Instagram account. Specifically, the AP extracted location data associated with each image, correlating that data with flight records showing airport stopovers and expenses later billed for air travel against Schock's office and campaign records.

24. The AP reported that Schock covered most of the private flights with office funds even though the applicable rules prohibited lawmakers from using office funds to pay for flights on private aircraft, allowing payments only for federally-licensed charter and commercial flights.<sup>11</sup>

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<sup>10</sup>Jack Gillum and Stephen Braun, *Lawmaker with lavish decor billed private planes, concerts*, Associated Press (available at <http://www.pbs.org/newshour/rundown/lawmaker-lavish-decor-billed-private-planes-concerts/>) (last visited April 13, 2015).

<sup>11</sup> The rules would change in January 2013.

25. For example, Schock's House account paid more than \$24,000 directly to a Peoria aviation firm for eight flights provided by one of Schock's donor's planes in 2011 and 2012.

26. While the aircraft at issue flies as part of an Illinois charter service, the owner of the service told the AP that any payments made directly to the donor's aviation company would not have been for charter flights.

27. The donor planes include an Italian-made Piaggio twin-engine turboprop owned by Todd Green of Springfield, Illinois, who runs car dealerships in Schock's district with his brother, Jeff Green. Todd Green told a Springfield newspaper that Jeff Green, a pilot and campaign contributor, and Schock have been friends for a long time.

28. The AP found that Green's plane traveled to at least eight cities in October 2014 in the Midwest and East Coast, cities where Schock met with political candidates ahead of the midterm elections. Schock's Instagram account's location data and information from the service FlightAware even pinpointed Schock's location on a stretch of road near one airport before Green's plane departed.

29. Campaign records show a \$12,560 expense later that month to Jeff Green from one of Schock's committees, the GOP Generation Y Fund. That same month, the PAC paid \$1,440 to a massage parlor for a fundraising event.

30. In November 2013, Schock cast votes in the Capitol just after Green's plane landed at Washington D.C.'s nearby Reagan National Airport. Shortly after Green's return to Peoria, Schock posted a photo from his "Schocktoberfest" fundraising event at a brewery in his district. Schock billed his office account \$11,433 for commercial transportation during that same four-day period to a Peoria flight company, Byerly Aviation.

31. Schock also used his House office account to pay more than \$24,000 for eight flights between May 2011 and December 2012 on a six-passenger aircraft owned by D&B Jet Inc., run by Peoria agribusiness consultant and major Schock donor Darren Frye.

32. While D&B Jet is a private corporate aviation firm, it also flies with Jet Air Inc., an Illinois-based aviation firm licensed by the FAA for charter service. Records show Schock used House funds to directly pay D&B Jet instead of Jet Air for the eight flights. Harrel Timmons, Jet Air's owner, said in a telephone interview that any charter flights D&B Jet flies through his firm are paid directly to Jet Air. "They've got their own corporate jet and pilot," he said.

33. House records also show that, since 2013, Schock has flown four times on a Cessna aircraft owned by Peoria auto dealer Michael J. Miller and businessman Matthew Vonachen, who heads a janitorial firm, Vonachen Services, Inc. Schock's House office account paid nearly \$6,000 total for the four flights, according to federal data published online by the nonprofit Sunlight Foundation. Under current House rules, the payments for the private flights would be authorized if they paid for Schock's portion of each flight. It is not clear from records how many other passengers flew on the same flights. Vonachen and his family donated at least \$27,000 to Schock's campaigns, while Miller contributed \$10,000 to the Automotive Free International Trade PAC. Schock has supported recent free trade agreements with South Korea and with several other countries, which the Automotive PAC — a Schock contributor — lauded.

34. And, Schock reported on federal campaign finance documents that he spent more than \$3,000 on software on November 14, 2013. In fact, the expenditure was part of the cost of flying in a software executive's private plane to a Chicago Bears game and his district, the pilot and company executive said. Keith Siilats, the chief technology officer of Bytelogics, said in an

interview with Politico that the \$3,425 that the Schock Victory Fund reported spending with his company was really part of the cost for a ride on his airplane. “‘This is for a flight,’ Siilats said in a brief interview.... Asked if he has ever sold Schock software, Siilats said, ‘No, I never sold him software.’”<sup>12</sup>

## **2. Personal Photographers, London Gifts, and Golf**

35. In June 2011, Schock attended dinner and drinks at Windsor Castle, Buckingham Palace, and at a swanky nightclub in London but never disclosed receiving a single gift on his financial disclosure form despite being obligated to do so.<sup>13</sup> During the trip, he accepted several elaborate dinners and a customized china plate with a personalized description. Yet, he did so despite being unable to accept gifts – which includes food and beverage – exceeding \$100 from any source.

36. In addition, in August 2013, Schock had photographer Jonathon Link accompany him during a trip to India, and the bill was paid for by an international anti-poverty group. Members of Congress are allowed to accept private money to pay for a companion’s travel expenses, but the rule applies only to spouses, children and official staff. Link was none of those. Schock failed to disclose the \$4,000 the Global Poverty Project put forward for Link’s travel expenses.

37. And, in September 2013, Schock held a golf fundraiser — the “Aaron Schock Golf Classic” — at Anne Arundell Manor in Maryland, but never reported a payment for use of the golf course and facilities on his campaign finance forms. Within weeks of the golf event,

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<sup>12</sup> Jake Sherman, et al., *Schock misrepresented payment for private flight*, Politico (March 9, 2015) (available at <http://www.politico.com//story/2015/03/schock-misreported-payment-for-private-flight-115912.html>) (last visited April 13, 2015).

<sup>13</sup> Anna Palmer, et al., *Aaron Schock didn’t report gifts, meals in London*, Politico (Feb. 26, 2015) (available at <http://www.politico.com/story/2015/02/aaron-schock-didnt-report-gifts-meals-london-115570.html>) (last visited April 13, 2015).

Schock paid for other amenities he treated donors to during the fundraiser — including course-side masseuses, a personal cigar roller complete with his initials on the band and monogrammed shirts — according to campaign reports. Lawmakers must pay for any goods or services they use as part of fundraising events. They can accept “in-kind contributions” of goods and services from donors up to \$2,600 per election for their reelection committees or \$5,000 for leadership PACs, but the donations must be disclosed on reports to the Federal Election Commission.

### **3. Schock’s “Downton Abbey” Inspired Office Renovations**

38. And, in February 2014, the Washington Post first reported that Schock spent more than \$40,000 to have his Capitol Hill office remodeled in the style of the TV show “Downton Abbey,” complete with pheasant feathers, gilded mirrors, and elaborate wall sconces. The designer, Annie Brahler of Euro Trash (a design firm located in Jacksonville, Illinois, within Schock’s district) reportedly provided the design services for free.

39. When the Washington Post reporter toured Schock’s offices, the reporter received a phone call from Benjamin Cole, Aaron Schock’s communications director: “‘Are you taking pictures of the office?’ he asked. ‘Who told you you could do that? . . . Okay, stay where you are. You’ve created a bit of a crisis in the office.’” He added that “[a] staff member then came and asked me to please delete the photos from my phone,” starting “a day of back-and-forths with a congressman’s office about interior design.”<sup>14</sup>

40. When asked if he thought he broke any rules or federal laws, Schock responded, “Well, I certainly hope not,” adding “I’m not an attorney.” After ensuing media reports

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<sup>14</sup> Ben Terris, *He’s got a ‘Downton Abbey’-inspired office, but Rep. Aaron Schock won’t talk about it*, The Washington Post (Feb. 2, 2015) (available at [http://www.washingtonpost.com/lifestyle/style/hes-got-a-downton-abbey-inspired-office-but-rep-aaron-schock-wont-talk-about-it/2015/02/02/1d3f1466-ab1f-11e4-abe8-e1ef60ca26de\\_story.html](http://www.washingtonpost.com/lifestyle/style/hes-got-a-downton-abbey-inspired-office-but-rep-aaron-schock-wont-talk-about-it/2015/02/02/1d3f1466-ab1f-11e4-abe8-e1ef60ca26de_story.html)) (last visited April 13, 2015).

discussed the expense and propriety of the renovation, Schock later said he personally repaid the government for the office.

41. Though the design services were reportedly given free of charge, under House Ethics Committee rules, lawmakers may not accept gifts over \$100 from a single source in a one year period.

**D. The Federal Investigation**

42. At the time of filing, the FBI and federal prosecutors are investigating the allegations that Schock misused public and campaign funds. News reports indicate that the U.S. Attorney's office for the Central District of Illinois is issuing subpoenas for grand jury testimony relating to Schock's spending.

**V. CLASS ACTION ALLEGATIONS**

43. Plaintiff brings this action both on behalf of himself, and as a class action pursuant to Federal Rules of Civil Procedure 23(a) and (b)(3), on behalf of the following Class (the "Class"):

All persons in the United States who made campaign contributions to Aaron Schock, Schock for Congress, Schock Victory Committee, GOP Generation Y Fund or Schock Majority Fund from January 1, 2010, to March 31, 2015.

Excluded from the Class are Defendants, all governmental entities, and any judges or justices assigned to hear any aspect of this action.

44. Plaintiff does not know the exact number of Class members at this time but expects that many of the Class members are ascertainable because Schock collected and reported to the Federal Election Commission the name, mailing address, occupation and employer for thousands of individuals whose contributions exceeded \$200. According to Federal Election Commission records, 7,130 people were recorded as donating to Schock for Congress and 2,429

people were recorded as donating to the Schock Victory Committee. As a result, Plaintiff reasonably believes that there are thousands of Class members, geographically dispersed throughout the United States such that joinder of all Class members is impracticable.

45. Plaintiff's claims are typical of the claims of the Class in that Plaintiff made campaign contributions to Schock. All Class members were damaged by the same wrongful conduct of Defendants as alleged herein, and the relief sought is common to the Class.

46. Numerous questions of law or fact arise from Defendants' conduct that are common to the Class, including but not limited to:

- a. Whether Defendants' conduct herein violated 18 U.S.C. § 1962(c) of the Racketeer Influenced and Corrupt Organizations Act (RICO);
- b. Whether Defendants' conduct resulted in a violation of common law fraud;
- c. Whether the doctrine of promissory estoppel applies to Defendants' conduct as alleged herein;
- d. Whether Defendants were unjustly enriched through the solicitation of campaign contributions;
- e. Whether Plaintiff and the other members of the Class were injured by Defendants' conduct, and, if so, the appropriate class-wide measure of damages for Class members; and
- f. The scope of any injunctive relief to which Plaintiff and the other members of the Class are entitled.

47. These and other questions of law and fact are common to the Class and predominate over any questions affecting only individual Class members.

48. Plaintiff will fairly and adequately represent the interests of the Class in that he has no conflict with any other members of the Class. Furthermore, Plaintiff has retained competent counsel experienced in class actions and other complex litigation.

49. Defendants have acted on grounds generally applicable to the Class, thereby making final injunctive relief appropriate with respect to the Class as a whole.

50. This class action is superior to the alternatives, if any, for the fair and efficient adjudication of this controversy. Prosecution as a class action will eliminate the possibility of repetitive litigation. There will be no material difficulty in the management of this action as a class action.

51. The prosecution of separate actions by individual Class members would create the risk of inconsistent or varying adjudications, establishing incompatible standards of conduct for Defendants.

## **VI. CONCEALMENT & TOLLING**

52. Defendants' fraudulent scheme depended on concealing their involvement in the Campaign Contribution Enterprise and the underlying reality of Schock's integrity. Indeed, the Campaign Contribution Enterprise was created precisely to make it appear to the public that the Defendants were collecting campaign contributions for legitimate purposes based on Schock's representations of integrity. These activities and others described above concealed Defendants' fraudulent campaign contribution collection activities and prevented Plaintiff and the members of the Class from discovering the scheme alleged herein earlier in the exercise of reasonable diligence. Indeed, much of the scheme to this day remains concealed by Defendants.

53. Any applicable statute of limitation has been tolled by Defendants' knowing and active concealment and denial of the facts alleged herein. Plaintiff has been kept in ignorance of

vital information essential to the pursuit of these claims, without any fault or lack of diligence on his part. Plaintiff could not reasonably have discovered the fraudulent nature of Defendants' conduct.

54. Plaintiff was not and could not have been on notice of Defendants' scheme until about February or March 2015, when news reports began revealing information regarding Schock's dealings, as outlined above.

55. Accordingly, Defendants are estopped from relying on any statute of limitations to defeat any of Plaintiff's claims.

## VII. CAUSES OF ACTION

### A. **Count One: Violation of 18 U.S.C. § 1962(c) of the Racketeer Influenced and Corrupt Organizations Act (RICO) – The Campaign Contribution Enterprise**

56. Plaintiff incorporates the preceding paragraphs by reference as if fully set forth herein and further alleges as follows.

57. Schock is a "person" within the meaning of 18 U.S.C. § 1961(3).

58. Schock for Congress, Schock Victory Committee, Schock Majority Fund and Generation Y Fund constitute an association-in-fact RICO enterprise under 18 U.S.C. § 1961(4) (hereafter "the Campaign Contribution Enterprise").

59. Schock was the principal of each of the entities in the Campaign Contribution Enterprise and directed their activities. He also directed his subordinates within each to write his misleading fundraising letters emphasizing the themes of integrity, freshness, and his bright future as a party leader, to sign his name to them, and mail them to potential campaign contributors around the nation, and to conceal material facts.

60. Each member of the Campaign Contribution Enterprise shared the common purpose of raising money to enrich Schock's monetary and political power and mislead

campaign contributors. The Campaign Contribution Enterprise ran smoothly in this manner for several years. Accordingly, Schock participated in the affairs of the Campaign Contribution Enterprise through many instances of directing his subordinates to deposit thousands of campaign solicitations in the U.S. mail to potential campaign contributors. At all times, Schock intended these mailings to mislead potential campaign contributors into believing he was what the materials presented and to omit his illegal activities, i.e., to deceive people into given money to him and his political causes. This violated of 18 U.S.C. § 1341, the federal mail fraud statute, which is a form of “racketeering activity.”

61. The use of mail was essential to Schock’s ability to communicate with potential campaign contributors. All campaign contributors received the same basic mailings approved by Schock in violation of 18 U.S.C. § 1341, the federal mail fraud statute. Accordingly, Schock violated 18 U.S.C. §1962(c) of RICO by participating in the affairs of the Campaign Contribution Enterprise through a pattern of racketeering activity.

62. Schock committed the mail fraud violations through the Campaign Contribution Enterprise on an ongoing basis from 2010 until his resignation in March 2015.

63. The Campaign Contribution Enterprise engaged in and affected interstate commerce, because, *inter alia*, Schock contacted and solicited campaign contributors across the country for millions of dollars in campaign contributions. The Campaign Contribution Enterprise and its activities affected interstate commerce through the mailing and transfer of money across state lines.

64. Foster has been injured in his property by reason of these violations in that he made a \$500 campaign contribution that he would not have made had he known of Schock’s illegal schemes.

65. By virtue of these violations of 18 U.S.C. § 1962(c), Schock has proximately damaged Foster and the Class for the amount of their contributions, totaling several million dollars.

66. Accordingly, Foster demands judgment on Count One for three times his damages, attorney's fees and costs, pursuant to 18 U.S.C. § 1964(c) and enjoin Schock from further racketeering activity, pursuant to 18 U.S.C. § 1964(a).

**B. Count Two: Common Law Fraud**

67. Plaintiff incorporates the preceding paragraphs by reference as if fully set forth herein and further alleges as follows.

68. As detailed above, Schock and John Does 1-100 made false statements of material fact to Plaintiff and the members of the Class, representing that he was a politician with integrity.

69. Schock and John Does 1-100, however, knew the opposite to be true and had knowledge that that the statements by Schock and John Does 1-100 were false and/or misleading.

70. Schock and John Does 1-100 made such statements intending to induce Plaintiff and other Class members to act by making campaign contributions.

71. Acting in reliance on the truth of the statements by Schock and John Does 1-100, Plaintiff and the other members of the Class made campaign contributions to Schock.

72. As a result of their reliance and their act of making campaign contributions, Plaintiff and the members of the Class were financially damaged.

73. Individually, Plaintiff brings his claim under the law of his home state, Illinois. At the class certification stage of the case, Plaintiff will seek to represent members of the Class pursuant to Rule 23(b)(3), seeking damages for himself under the law of Illinois and for the Class members under the laws of their respective states.

**C. Count Three: Promissory Estoppel**

74. Plaintiff incorporates the preceding paragraphs by reference as if fully set forth herein and further alleges as follows.

75. In soliciting campaign contributions, Schock and John Does 1-100 unambiguously promised and represented to Plaintiff and the members of the Class that Schock would represent the interests of campaign contributors with integrity as a member of the U.S. House of Representatives.

76. Plaintiff and the members of the Class reasonably and justifiably relied on Schock's promise of integrity.

77. Schock and John Does 1-100 expected that Plaintiff and the members of the Class would rely on Schock's promise of integrity. Indeed, Schock and John Does 1-100 played on Schock's promise of integrity to obtain substantial campaign contributions.

78. Plaintiff and the members of the Class relied on Schock's promise of integrity to their detriment, making substantial campaign contributions.

79. Plaintiff and the members of the Class were damaged as a result.

80. Individually, Plaintiff brings his claim under the law of his home state, Illinois. At the class certification stage of the case, Plaintiff will seek to represent members of the Class pursuant to Rule 23(b)(3), seeking damages for himself under the law of Illinois and for the Class members under the laws of their respective states.

**D. Count Four: Unjust Enrichment**

81. Plaintiff incorporates the preceding paragraphs by reference as if fully set forth herein and further alleges as follows.

82. At all relevant times, Schock was an elected member of the U.S. House of Representatives. Schock and John Does 1-100 knew Schock was in fact a corrupt politician

deeply engaged in illegal transactions to enrich himself but nevertheless Schock and John Does 1-100 solicited and obtained millions of dollars of campaign contributions by representing Schock to be ethical, a breath of fresh air in Illinois politics, and have a bright future in Congress.

83. Schock and John Does 1-100 benefited from his unlawful acts by receiving campaign contributions from Plaintiff and the members of the Class even though he was not ethical, a breath of fresh air in Illinois politics, nor did he have a bright future in Congress.

84. In making campaign contributions to Schock, Plaintiff and the members of the Class conferred non-gratuitous benefits upon Schock.

85. Schock and John Does 1-100 received and enjoyed the benefits of the campaign contributions, utilizing the contributions for a variety of purposes, legal or otherwise.

86. Schock and John Does 1-100 accepted or retained the non-gratuitous benefits conferred by Plaintiff and the members of the Class, with full knowledge that, as a result of his unjust actions, Plaintiff and the members of the Class were not contributing to a person with integrity as reasonably expected.

87. Furthermore, retention of the benefits of campaign contributions by Schock and/or and John Does 1-100 would be unjust because campaign contributions were donated for the specific purpose of ensuring Schock would remain an elected member of Congress, benefits he forfeited once he resigned from Congress, facing scandal.

88. Because Defendants' retention of the non-gratuitous benefits conferred by Plaintiff and the Class members would be unjust and inequitable, Plaintiff and the Class members are entitled to, and hereby seek disgorgement and restitution of the wrongfully obtained campaign contributions in a manner to be established by the Court.

89. Individually, Plaintiff brings his claim under the law of his home state, Illinois. At the class certification stage of the case, Plaintiff will seek to represent members of the Class pursuant to Rule 23(b)(3), seeking damages for himself under the law of Illinois and for the Class members under the laws of their respective states.

### **VIII. PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays that the Court enter judgment on his behalf and on behalf of the Class herein, adjudging and decreeing that:

- A. This action may proceed as a class action, with Plaintiff as the designated Class representative and his counsel as Class Counsel;
- B. Plaintiff and the members of the Class recover damages sustained by them, as provided by statutory or common law, and that a judgment in favor of Plaintiff and the Class be entered against the Defendants;
- C. Plaintiff and members of the Class be awarded pre-judgment and post-judgment interest, and that such interest be awarded at the highest legal rate from and after the date of service of the initial complaint in this action;
- D. Plaintiff and members of the Class recover their costs of this suit, including reasonable attorneys' fees as provided by law; and
- E. Plaintiff and members of the Class receive such other and further relief as may be just and proper.

### **IX. JURY TRIAL DEMAND**

Pursuant to Federal Rule of Civil Procedure 38(b), Plaintiff demands a trial by jury of all of the claims asserted in this Complaint so triable.

Dated: April 15, 2015

Respectfully submitted,

By: /s/ Steve W. Berman

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