



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

**BEFORE THE FEDERAL ELECTION COMMISSION
FINAL AUDIT REPORT ON THE JEFFERSON COMMITTEE**

**STATEMENT OF REASONS
Commissioner Ellen L. Weintraub**

On May 9, 2011, the Commission voted to issue the Final Audit Report of the Commission on the Jefferson Committee ("the Committee") covering the period of January 1, 2005 to December 31, 2006. Because I believe that the Final Audit Report accurately reflects the conclusions of the Commission, I voted to issue the Report.¹ However, I disagree with Finding 4 of the Report, which concerns the commingling of committee funds. I write separately to explain the reasons for my disagreement.

On June 24, 2005, Jack Swetland, then the Committee's Treasurer, deposited a check in the amount of \$25,015 from the ANJ Group, LLC ("ANJ") into the Committee's bank account.² Mr. Swetland then transferred \$25,000 from the Committee's account to iGate, Inc. ("iGate").³ The Committee did not report the transaction. ANJ is a limited liability company controlled and directed by William "Bill" Jefferson and owned by members of his family.⁴ According to a Federal Grand Jury Indictment, Mr. Jefferson solicited bribes to be paid to ANJ from Vernon L. Jackson, the President and Chief Executive Officer of iGate.⁵ On August 5, 2009, Mr. Jefferson was convicted by a Federal jury of conspiring to solicit bribes and soliciting bribes, among other charges.⁶

Section 432(b)(3) of the Federal Election Campaign Act requires that all "funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual."⁷ At the Interim Audit stage, the Audit Division determined that the transactions detailed above resulted in a commingling of funds in

¹ Proposed Final Audit Report of the Commission on the Jefferson Committee, Certification dated May 9, 2011.

² See Final Audit Report of the Commission on the Jefferson Committee at 16.

³ *Id.*

⁴ Indictment, *United States v. Jefferson*, Criminal No. 1:07CR209 (E.D. Va. June 4, 2007) ("Indictment") at ¶ 17.

⁵ Indictment at ¶¶ 25, 53-60.

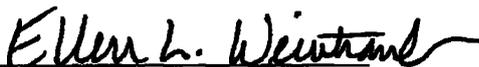
⁶ Jury Verdict Form, *United States v. Jefferson*, Criminal No. 1:07CR209 (E.D. Va. Aug. 5, 2009). Mr. Jefferson was sentenced to 13 years in Federal prison by United States District Judge T. S. Ellis III. Judgement, *United States v. Jefferson*, Criminal No. 1:07CR209 (E.D. Va. Nov. 13, 2009). Mr. Jefferson's appeal of his conviction is pending.

⁷ 2 U.S.C. § 432(b)(3).

violation of 2 U.S.C. § 432(b)(3) and 11 CFR § 102.15. I agreed with this conclusion, and voted to approve the Interim Audit Report.⁸ At the Final Audit Report stage, however, the Audit Staff revised its conclusion and determined that the prohibition on commingling "addresses only the commingling of individual personal funds as opposed to business funds."⁹

In my view, the prohibition on commingling applies equally to all funds belonging to or under the control of an individual, whether or not they pass through a business account. Indeed, the Commission has previously applied the prohibition to campaign funds deposited in the business account of a dental office,¹⁰ and also to campaign funds paid to credit card companies to cover charges incurred by an individual.¹¹ Here, the business in question was used by Mr. Jefferson as a conduit for the bribes that he was convicted of soliciting. While Mr. Jefferson may not have had legal title to these funds, he certainly acquired them for his personal benefit. It is also clear that Mr. Jefferson exercised some degree of control over ANJ. Under these circumstances, I believe 2 U.S.C. § 432(b)(3) and 11 CFR § 102.15 prohibit the commingling of ANJ funds with those of the Jefferson Committee.

May 12, 2011
Date


Ellen L. Weintraub
Commissioner

⁸ Interim Audit Report on the Jefferson Committee, Certification dated Dec. 3, 2008.

⁹ Final Audit Report of the Commission on the Jefferson Committee at 17.

¹⁰ See Report of the Audit Division on Texans for Rudy Izzard, approved Aug. 26, 1999; MUR 5040 (Texans for Rudy Izzard), Conciliation Agreement dated Mar. 27, 2002.

¹¹ See MUR 5923 (Lydia Meuret), Conciliation Agreement dated November 15, 2007.