



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

## **MEMORANDUM**

TO: The Commission

FROM: Kathleen M. Guith  
Associate General Counsel for Enforcement

BY: Stephen Gura *SG*  
Deputy Associate General Counsel

Kristina Portner *KP*  
Attorney

DATE: July 13, 2018

SUBJECT: MUR 7361 (Stephany Rose for Congress) — Recommendation to Rescind Findings and Decision to Close the File

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## **ACTIONS RECOMMENDED**

Rescind the Commission's findings of July 9, 2018, and its decision to close the file

### **I. INTRODUCTION**

In light of probative new information in a complaint filed the very same day as the Commission's Certification in MUR 7361—a Certification that included no-reason-to-believe findings as to the Respondents Stephany Rose Spaulding ("Spaulding") and Stephany Rose for Congress and Jason Christensen in his official capacity as treasurer ("the Committee") and a direction to close the MUR 7361 file—we recommend that the Commission rescind those findings and its direction to close the file. The information in the new Complaint, designated MUR 7424, largely corroborates the allegations in MUR 7361 that Spaulding and the Committee accepted contributions in the names of others, and Spaulding commingled Committee funds with her own.

MUR 7361 (Stephany Rose for Congress, *et al.*)

Memorandum

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## II. BACKGROUND

The MUR 7361 Complaint alleges that Spaulding laundered money from an Illinois church through her personal bank account and then dispersed it to family and friends to donate to her Committee.<sup>1</sup> Spaulding and the Committee's treasurer denied the allegation in sworn affidavits.<sup>2</sup> Similarly, Spaulding's father and mother denied in sworn affidavits making any contributions to the Committee from funds that were provided by another.<sup>3</sup> In light of the conclusory nature of the allegations and the sworn affidavits submitted by Respondents, we recommended that the Commission find no reason to believe the allegations.<sup>4</sup> The Commission adopted this recommendation on July 9, 2018, and the vote was certified the next day. We have not notified any party of the Commission's findings.

We received the MUR 7424 Complaint the same day as the Certification. This Complaint, filed by Spaulding's former campaign developer, contains similar allegations against Spaulding and her Committee. The new Complaint alleges that (1) Spaulding cashed a \$12,000 check from an Illinois church and then gave the money to her campaign; (2) Spaulding characterized the money as "under-limit donations so as not to have to report the monies from people"; and (3) Spaulding admitted to the Complainant that she was "on the hook for" \$30,000 to individuals who contributed to her campaign.<sup>5</sup> In support, the Complainant attached copies of text messages in which Spaulding purportedly asserts that "the campaign's finances are directly connected to [her] personal finances" and that she "has tens of thousands of dollars tied up in this campaign right now. It's my mom's credit card that is maxed out right now, my siblings who cashed in their insurance policies, my God parents who maxed out at \$5000s because money is not coming from this community for whatever reason. If the committee of Stephany Rose for Congress wants to write that \$30k check to cover the folks I'm responsible to, the[n] we can take me off the finances."<sup>6</sup>

The Committee has not reported any loans from Spaulding or anyone else, and it reports no debts.<sup>7</sup>

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<sup>1</sup> Compl. at 1, MUR 7361 (Apr. 10, 2018).

<sup>2</sup> Resp. at 1-2, Exs. 1-2, MUR 7361 (Apr. 27, 2018).

<sup>3</sup> *Id.* at Exs. 3-4.

<sup>4</sup> EPS Case Closure Rpt. at 2-3.

<sup>5</sup> Compl. at 1, MUR 7424 (July 10, 2018).

<sup>6</sup> *Id.*, Ex. 1 at 3, 9-11.

<sup>7</sup> Stephany Rose for Congress 2017 October Quarterly Report (filed Oct. 14, 2017); Stephany Rose for Congress Amended 2017 October Quarterly Report (filed Dec. 1, 2017); Stephany Rose for Congress Second Amended 2017 October Quarterly Report (filed Mar. 20, 2018); Stephany Rose for Congress 2017 Year End Report (filed Jan. 29, 2018); Stephany Rose for Congress 2018 April Quarterly Report (filed Apr. 15, 2018); Stephany Rose for Congress Pre-Primary Report (filed June 14, 2018).

MUR 7361 (Stephany Rose for Congress, *et al.*)

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1       **III.    ANALYSIS**

2           If the information in the text messages attached to the MUR 7424 Complaint is true, it  
3 largely corroborates the allegations in the MUR 7361 Complaint. The information casts  
4 substantial doubts as to the truthfulness of the Respondents' affidavits and may support knowing  
5 and willful findings against the Respondents. Given that we have not yet notified any party of  
6 the Commission's findings in MUR 7361, we believe the most reasonable course of action would  
7 be to consider all of the information regarding both Complaints at once. In contrast, notifying  
8 the parties in MUR 7361 now of the Commission's no-RTB findings, as set forth in the July 10,  
9 2018 Certification, would likely confuse the parties in both MURs.

10          Thus, in light of this new information, the significant similarities between the allegations  
11 in the two MURs, and the unique procedural circumstances, we recommend that the Commission  
12 rescind its previous findings in MUR 7361 and its direction to close the file.

13          We notified the respondents in MUR 7424 on July 12, 2018. If the Commission adopts  
14 the recommendations in this memorandum, we will address both matters in one General  
15 Counsel's Report.

16       **IV.    RECOMMENDATIONS**

- 17           1.     Rescind the Commission's findings in MUR 7361 and its direction to close the  
18                 file.

19  
20    Attachments:

- 21           1.    Compl., MUR 7361 (Stephany Rose for Congress)  
22           2.    Compl., MUR 7424 (Stephany Rose for Congress)

OFFICE OF  
GENERAL COUNSEL

March 28, 2018

Betty A. Field

2018 APR 10 AM 8:36

Colorado Springs, CO 80918

**MUR # 7361**

Dear Sir or Madam,

As a candidate for Congressional District 5 in Colorado I take very seriously the need to run a clean and transparent campaign. I also believe that part of running a clean campaign is being willing to follow the 'see something, say something' rule. No candidate is perfect and honest mistakes are part of striving for very high goals. However, when mistakes become a pattern of behavior, I believe it is my responsibility to 'say something'.

Candidate Stephany Rose Spaulding, also a candidate for Colorado's 5<sup>th</sup> Congressional District, has engaged in very questionable fundraising practices. Ms. Spaulding laundered monies from a church in Illinois through her personal bank account, then dispersed it to family members and friends to donate back to her campaign. This information became public knowledge after the resignation of many on her staff.

Members of Rev. Spaulding's campaign engaged in an inappropriate meeting with my campaign treasurer on July 13, 2017 resulting in the immediate termination of my treasurer.

Members of the El Paso County Democrat's Executive Committee have first-hand knowledge of this activity as do Ms. Spaulding's former campaign staff, including Chandra Yvonne, and Dawn Haliburton-Rudy.

Chandra Yvonne: 719.550.777

Teri Christman: 719.550.777

Dawn Haliburton-Rudy: 719.550.777

Misty Plowright: 719.550.777

Sincerely,

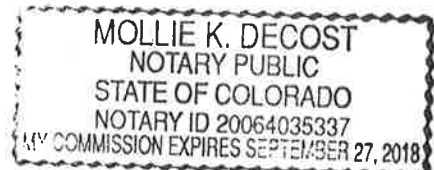


Betty A. Field

Candidate for Colorado's 5<sup>th</sup> Congressional District

Colorado Springs, CO 80903

Sworn before me this  
29<sup>th</sup> day of March 2018.  
Mollie K DeCast



3/28/2018

Screenshot 2017-11-18 at 9:50:43 AM.png

Open with

**Vote Doug Lamborn Out in 2018!**

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**Vote Doug Lamborn Out in 2018!**

Like Reply November 8 at 8:59am

View more replies

Write a reply...

I don't know who you are... but here are some FACTS 1. Stphany Rose Spaulding is the leading democratic candidate in CDS. She has been endorsed by The Black Caucus, Blue Rising Pac, Electing Women PAC, J Street is talking with her now, and the many politicians local and federally (like Jared Polis for one) have endorsed her... so who would you think is a better candidate? If you want a candidate to win in a deep red district then you better get on board and help to make it happen. And Stephany's train is leaving the station... get on board or shut the hell up!!

Like Reply 3 November 8 at 9:49am

Well that was fairly aggressive.

Like Reply 3 November 8 at 9:50am

less aggressive than the statements above...

Like Reply 1 November 8 at 9:30am

View more replies

Write a reply...

It would be really, really helpful to have a decent candidate.

Like Reply 1 November 8 at 11:06am

Betty Field is a wonderful candidate!

Like Reply 1 November 8 at 7:13am

Write a reply...

said the whiteman who ignores the candidacy of a woman of color

**To:** Federal Election Committee  
**Thru:** Betty Field  
**From:** Sarabeth Craft  
**Date:** 12-05-2017  
**Re:** Improperly acquired contact information by a political candidate

---

I strongly suspect that my contact information was acquired by a political candidate using methods contrary to campaign regulations.

For my entire life I have only associated with the Republican Party and have never attended any political events until recently. I attended a Colorado Springs Dems meeting and placed my contact information on their contact log. It was my understanding that the contact list was only for the Colorado Springs Dems to inform attendees of upcoming events. Internal use only.

Recently Liz Herschberger, of Colorado Springs Dems began working with Congressional Candidate Stephanie Rose Spaulding, running for Colorado Congressional District Five, as a paid employee. Immediately I started receiving emails from Rose's campaign, I never joined her mailing list.

Just for emphasis my email address is about 15 months old, I have never registered for any other political campaigns or groups, never before has any one with the Democratic Party emailed me, the first emails from Rose started immediately after Liz Herschberger went to work for her campaign and one year ago I had a legal name change. Just too many things going on for this to be a coincidence.

I would like this looked into, I prefer that candidates run an honest campaign and not use assets that are not available to all, used contrary to their original purpose and just in general bring a stench of what is wrong with politics in America today.

Thank you for your time and consideration in this matter. Please feel free to ask any questions. I can be reached at \_\_\_\_\_ after 3 pm MST or at \_\_\_\_\_

Sincerely,



Sarabeth Craft

12/18/2017

Gmail - Re: Couple of things re: CS Dems Club



Betty Field Listens

&gt;

## Re: Couple of things re: CS Dems Club

5 messages

**Cyndy**

Tue, Nov 28, 2017 at 2:11 PM

To: Stephanie Jean

Cc: Betty Field Listens

Thanks for letting me know, Stephanie. We'll look into it.....  
 If Liz did that, we definitely don't approve of it.  
 Cyndy

Sent from my iPhone

On Nov 28, 2017, at 12:32 PM, Stephanie Jean

&gt; wrote:

Hi Cyndy:

I wanted to let you know of a couple of things that might become conflict of interest issues for you. We don't want you to be blindsided by anything, so we just want to make you aware.

We've had some communication with Liz Hershberger indicating that she's now a paid employee for Rev. Spaulding. I don't know if this was discussed among the CS Dems Club leadership, but Betty and I agree that everyone should be aware of who's working for whom, especially in paid positions.

Also we know at least a couple of people who've been getting promotional emails from Rev. Spaulding without having signed up to receive anything from her. In both cases, the recipients had signed the contact list at a CS Dems Club event, and nowhere else where she might have obtained them. It seems reasonable to suspect that emails collected for the club are being handed directly to Rev. Spaulding's campaign.

Again, just wanted you to be in the know about any potential conflicts. Thanks, Cyndy!

--

Stephanie J. Vigil  
 Campaign Manager, Betty Field for Congress  
 BettyFieldListens.com

**Stephanie Jean**

Wed, Nov 29, 2017 at 4:27 PM

To: Betty Field Listens

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----- Forwarded message -----

From: **Stephanie Jean**

Date: Wed, Nov 29, 2017 at 11:44 AM

Subject: Re: Couple of things re: CS Dems Club

To: Cyndy

I agree, and thank-you for addressing it! So, just between us, Joseph Shelton and Sarabeth Craft, who are both on our core team in Betty's campaign, shared with us that they were getting Rev. Spaulding's emails, and both started seeing them after signing up for CS Dems Club alerts. It seemed to us like quite a red flag seeing as neither of these folks would have any other occasion to give her campaign their contact info, and it's not like they've been at any of her events, so the Dems Club was the only common link we could go back to.

I appreciate you looking into it. Thanks for all you do!

On Tue, Nov 28, 2017 at 3:19 PM, Cyndy &lt;

&gt; wrote:

Stephanie, how many people told you they were added to SRS's list and who are they, just between you and me!

12/18/2017

Gmail - Re: Couple of things re: CS Dems Club

CS Dems Club did not approve their member list being used like this. At our meeting today, we established a policy that it won't be shared in the future, and someone will communicate this to Liz, who wasn't at the meeting, although too late now to help with this situation.

Thanks for letting me know, I'm sorry she acted this way. It's unethical in my opinion.

Cyndy

Sent from my iPhone

On Nov 28, 2017, at 12:32 PM, Stephanie Jean

> wrote:

Hi Cyndy:

I wanted to let you know of a couple of things that might become conflict of interest issues for you. We don't want you to be blindsided by anything, so we just want to make you aware.

We've had some communication with Liz Hershberger indicating that she's now a paid employee for Rev. Spaulding. I don't know if this was discussed among the CS Dems Club leadership, but Betty and I agree that everyone should be aware of who's working for whom, especially in paid positions.

Also we know at least a couple of people who've been getting promotional emails from Rev. Spaulding without having signed up to receive anything from her. In both cases, the recipients had signed the contact list at a CS Dems Club event, and nowhere else where she might have obtained them. It seems reasonable to suspect that emails collected for the club are being handed directly to Rev. Spaulding's campaign.

Again, just wanted you to be in the know about any potential conflicts. Thanks, Cyndy!

--

Stephanie J. Vigil  
Campaign Manager, Betty Field for Congress  
BettyFieldListens.com

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BettyFieldListens.com

Stephanie J. Vigil  
Campaign Manager, Betty Field for Congress  
BettyFieldListens.com

**Stephanie Jean**  
To: Betty Field Listens

Wed, Nov 29, 2017 at 4:29 PM

Hey, meant to cc you on this earlier, and then had to break it up into two! Wanted you to be caught up on the exchange though.

On Wed, Nov 29, 2017 at 12:00 PM, Cynthia Kulp

> wrote:

Thank you, Stephanie. I am so sorry that happened to them, I do see that both are on our CS Dems Club list and were added this fall. Did they actually come to a meeting or just sent an email to join? Liz is one administrator of the list, Cathy and I are also, but she knows more about it than we do. I am pretty sure that what you say happened, did. I'm really glad to know about it because we just happened to have a meeting yesterday, were able to discuss the situation, and at least established a policy for the future.

Still, it is disheartening to learn that Liz would do something like this.... its not honest, and I am sure she knew she should not have done it. I hate working with people like this.

Let me know if you hear from any other of Betty's supporters that this happened to them. It did happen to me, too, and one other woman I know. I stayed on her list, just changed the email address, because I thought it wouldn't hurt to

12/18/2017

Gmail - Re: Couple of things re: CS Dems Club

monitor what Stephanie is putting out. So far I only received one email.  
Cyndy

I don't think that either of those two have ever been to a CS Dems Club meeting, have they? So they could not have been added that way.....

[Quoted text hidden]

[Quoted text hidden]

---

**Stephanie Jean**

To: Cynthia Kulp

Cc: Betty Field Listens

Wed, Nov 29, 2017 at 5:07 PM

Hi Cyndy:

I'm so glad we're on the same page about this. It may be relatively small in the grand scheme of things, but I really do think we should all play fair and be trustworthy. I've learned that people who engage in little cheats tend to turn them into bigger ones when they have the chance.

I did get in touch with those couple members of our team to confirm: it was in fact a physical sign-up sheet for the Dems Club, which they signed in person at an event. I'll keep my ears open for anyone else getting emails from SRS.

Have a nice evening, I'm sure we'll see you soon! :)

[Quoted text hidden]

---

**Betty Field Listens**

To: Stephanie Jean

Thu, Nov 30, 2017 at 1:05 PM

Hey Steph,

Thanks for taking the lead on this! You may want to watch your own email as you have signed in at at Dems club event too! Going to be fun calling this out! If you aren't busy this evening after 5:30 would you like to meet for coffee to prep for Saturday and go over last night's event? LMK

Betty Field

Candidate CO 5th Congressional District

BettyFieldListens.com

[Quoted text hidden]

Verizon

10:52 AM

87%

## New iMessage

Cancel

To: Teri Christman



Write something...

## RECENT ACTIVITY

**Betty Field**

55 mins

I didn't quite grasp the seriousness of Thursday evening's meeting until today. Because of the possibility of confidential campaign information being disclosed I have been encouraged to contact the FEC as sharing of such info is a violation of campaign finance law. I DO NOT THINK TERI SHARED ANYTHING! However, should anything ever be shared it could be very costly to the party receiving the confidential information. As we are all somewhat new to the rules that govern campaigns we must be very careful and always represent transparency

Skeptic Bret

Like

Comment

But why are you do you suddenly not believe that I am acting in your best interest. I was in-



iMessage



12/18/2017

IMG\_3550.PNG

Verizon

10:34 AM

91%

New iMessage

Cancel

To: Teri Christman

I am processing all of this and then we need to have a serious talk. None of it is bad no worries.

Did you get the FEC filing sent?

Yes. Seriously don't worry. This is a lot more personal for me. Kelly totally set me up and it's a little painful.

It was a completely inappropriate meeting

Conversation  
regarding meeting  
set up by Ms Spalding's team and my former treasurer.

Dark = Betty Field

Light - Teri Christman



12/18/2017

IMG\_3551.PNG

Verizon

10:34 AM

91%

New iMessage

Cancel

To: Teri Christman

It was a completely inappropriate meeting and I don't want to know anything that was discussed.

No, we definitely have to talk about it. It's important. Their method sucked but the message was true. I am still talking to Kelly about that part of it. I want you to know I had no part of this whatsoever.

Fine. I will not be asso-



12/18/2017

IMG\_3553.PNG

Verizon

10:34 AM

91%

New iMessage

Cancel

To: Teri Christman

Fine. I will not be associated with the kind of BS that happened tonight. I am not willing to discuss the content of any conversation concerning another candidate's campaign. Nor do I want my campaign information shared with other candidates.

It is not like that. But I need to deal with what I'm dealing with right



iMessage



12/18/2017

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Verizon

10:35 AM

91% 

New iMessage

Cancel

---

**To: Teri Christman**

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**It is not like that. But I need to deal with what I'm dealing with right now. Once I make some sense of all of this, I will talk to you. But seriously, none of it is bad. Other than that the betrayal I experienced.**

**Fri, Jul 14, 6:31 PM**

**I am just curious why you jumped right to doubting me. After all I've done for you?**



12/18/2017

IMG\_3555.PNG

 Verizon 

10:35 AM

91% 

New iMessage

Cancel

To: Teri Christman

I believe you didn't know because that's what you said. That aside, staying for a meeting that was organized by others in an attempt to catch us off guard was unprofessional on their part and disrespectful to me and to the integrity and autonomy of the campaign. Can you meet tomorrow at 3? Pikes Perk?

So you just kick me off



*[Faint, illegible text in the input field]*



12/18/2017

IMG\_3556.PNG

 Verizon 

10:35 AM

90% 

New iMessage

Cancel

To: Teri Christman

So you just kick me off  
the team, without even  
talking to me first?

That was shitty. Yes I  
will meet you.

Where would you like to  
meet?

Pikes Perk is fine.

Thanks

Sat, Jul 15, 9:51 AM

I have decided not to



vidare23



12/18/2017

IMG\_3557.PNG

 Verizon 

10:35 AM

90% 

New iMessage

Cancel

To: Teri Christman

I have decided not to meet with you today. I could meet Monday Tuesday or Wednesday next week after work.

That's fine. I do need the copy of the filing and treasurer info. May I stop by to pick that stuff up?

Not today.

I have a meeting today where I will need those things. If you'd rather it



12/18/2017

IMG\_3558.PNG

Verizon

10:35 AM

90% 

New iMessage

Cancel

To: Teri Christman

I have a meeting today where I will need those things. If you'd rather it not be me that picks it up, I can ask someone else stop by

I'm sorry I have plans today.

And we do need to meet because I want to make sure that the paperwork gets filled out so I'm no longer the treasurer. And I need to get removed from the bank




12/18/2017

IMG\_3559.PNG

 Verizon 

10:35 AM

90% 

New iMessage

Cancel

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To: Teri Christman

And we do need to meet because I want to make sure that the paperwork gets filled out so I'm no longer the treasurer. And I need to get removed from the bank account etc. etc.

May I suggest that you leave the items belonging to the campaign in a ziplock on your porch? The new treasurer needs those things for the meeting today.



*Message*



12/18/2017

IMG\_3560.PNG

Verizon

10:36 AM

90% 

New iMessage

Cancel

To: Teri Christman

I am legally obligated to keep a copy of it for three years. I am leaving and I don't have a copier. I am not going to give you my only copy. Sorry.

The campaign is legally obligated. I will leave a copy of the form removing you as treasurer thus relieving you of any such responsibility

Responsibility



12/18/2017

IMG\_3561.PNG

 Verizon 

10:36 AM

90% 

New iMessage

Cancel

---

To: Teri Christman

It says the treasurer must keep a copy of this for three years. I filed it with my name as treasurer. I am keeping a copy of it for three years.

Here's the deal, I am not turning over this stuff until you meet with me and look me in the eye and explain to me why you decided to treat me this way after all I've done for you. I think I deserve that. But I can't



12/13/2017

Congressional candidate Stephany Rose abandoned by campaign leaders | The Wire



## The Wire

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MONDAY, OCTOBER 9, 2017

LOCAL NEWS / POLITICS

### Congressional candidate Stephany Rose abandoned by campaign leaders

POSTED BY NAT STEIN ON MON, OCT 9, 2017 AT 7:01 PM

UPDATE: While Dawn Halliburton-Rudy listed several groups that she says will work together to search for a new candidate for the 5th Congressional District, leaders of those groups have since contacted the *Independent* to say they have not yet committed to such a process, and are in a wait-and-see mode.

— ORIGINAL POST, MONDAY, 7:01 P.M. —

[click to enlarge](#)


Nat Stein

Stephany Rose speaks alongside Dreamers at a recent rally.

Over the weekend, the majority of Stephany Rose Spaulding's campaign team jumped ship, saying they're uncomfortable with how the campaign's finances have been handled.

Rose, a pastor and professor, is running for the U.S. House of Representatives in the 5th Congressional District on the Democratic side. A political newbie, she officially announced her candidacy on July 3. This staff defection comes as the campaign readies its first campaign finance report.

The Federal Election Commission (FEC) requires candidate committees close their books on the October Quarterly on Sep. 30. They have until Oct. 15 to file a report that itemizes receipts and disbursements. It's a public document that looks like this.

Preparation for the filing is what brought some campaign members' concerns to a fore. On Saturday, they released a joint statement:

All,

Please note that Alan Pitts, Chandra Yvonne and I have resigned from Stephany Rose Spaulding's campaign for Congressional District 5. We have made this decision based on perceived financial improprieties committed by the candidate for this race. We, in no way shape or form, had anything to do nor did we have any knowledge of the current allegations.

Further, we demanded that the candidate provide us the financial information, which only she controls, to perform a forensic evaluation to thoroughly assess the level of potential improprieties. The candidate refused. As a result of the candidate's refusal, we determined, that it is in our best interest to resign. We wish the candidate all the best.

Sincerely,

12/13/2017

Congressional candidate Stephany Rose abandoned by campaign leaders | The Wire

Dawn Haliburton-Rudy (campaign committee chair)  
 Alan Pitts (political strategist)  
 Chandra Yvonne (interim campaign developer)

Originally, that statement was also signed by Carolyn Cathey, a campaign advisor. But on Monday she distanced herself from the other three, releasing this statement instead.

Dear everyone,

To be clear I am still associated with the campaign in the same informal advisory role I was always in. A team of campaign experts have been deployed to complete the FEC filing due October 15th, this is a public document, and according to our team of experts including campaign finance advisors, the accounts have been set up correctly with them all leading back to the candidate as the law requires. The suspicions about possible irregularities are being looked at from all angles to include previous volunteers. All of us take this matter very seriously and I believe that numbers never lie...the money is accounted for and in its proper place, as of writing this message, and the public filing will show that. Any impropriety will be handled with the full extent of the law and will be made public as the investigation allows. Trust is the most important asset a person can ever give... keeping that trust is the most important asset a candidate can ever possess. Thank you so much my friends.

Also on Monday, a draft press release from the campaign was leaked to the *Indy*.

The campaign Stephany Rose for Congress is excited about our candidate who continues to demonstrate the strength of her candidacy and leadership for our community. She has defied expectations with her first quarter fundraising, proving the seriousness as a contender to become the next U.S. House of Representatives Congressional leader for Colorado's Fifth District.

Unfortunately, trust and confidence of volunteers intimate to the campaign have been breached. In their efforts to engage in dirty tricks and orchestrating unethical meetings with potential Republican and Democratic opponents of Stephany Rose Spaulding, they have demonstrated a desire for politics as usual. This is not and never will be the spirit of Stephany Rose for Congress.

Stephany Rose for Congress is a financially and ethically sound campaign. And our candidate is surrounded by a team of trusted expert advisers dedicated to her mission of putting people over politics and transforming Colorado's Fifth Congressional District in all our best interests.

Neither Cathey nor Rose returned multiple voice mails and emails requesting their comment. We eagerly await their reply and will update this blog when we get it.

So, you might be asking yourself, what the heck is going on here?

Haliburton-Rudy and Yvonne sat down with the *Independent* on Sunday to further explain themselves. Essentially, their misgivings are two-fold: they suspect potential campaign finance violations and they disagree with certain fundraising practices on ethical grounds.

[click to enlarge](#)

The reason they're suspicious, they say, is because the candidate was persistently "elusive" when it came to money matters. Rose allegedly kept the campaign's finances quite close to the chest — withholding access to accounting spreadsheets, bank statements and the funds themselves. Tensions came to a head this weekend when members of the campaign requested that the candidate relinquish control of the finances. In a group text message thread, Rose replied that "No [I won't] as the campaign's finances are directly connected to my personal finances."

A frustrated Yvonne asks, "If it was all above board, why make it off-limits to your team?"

The secretive dynamic isn't new. Ethan Wade, former campaign manager (and *Indy* freelancer), says it's one of the reasons he quit in early September. "It's pretty typical for campaigns to hire compliance consultants (lawyers and CPAs who specialize in FEC regulations) and the folks I was working with on Stephany's campaign flat out refused to hire one in favor of having the committee's treasurer work on the finances," he writes to the *Indy* via Facebook messenger. "I was really against that decision since none of us had any expertise in FEC regulations, but they went on regardless."

As committee chair, Haliburton-Rudy says that with the FEC deadline approaching, she won't rubber stamp a filing based on transactions she's never had the chance to review. "There were resources available to her but she wouldn't accept any advisement," she tells the *Indy*, adding that she intends to file a complaint to the FEC this week. That complaint will single out an alleged loan that the campaign received from Rose's childhood church in Chicago. Haliburton-Rudy believes, based on conversations with Rose, that the funds exceeded federal limits, were deposited improperly and came from a source that's barred from political contributions.

Again, Rose didn't return requests for comment on this story.

FEC guidelines state that "The treasurer of a political committee is responsible for examining all contributions to make sure they are not illegal."

According to the "statement of organization" filing for "Stephany Rose for Congress," the committee's treasurer and custodian of records is Sarah Jeanne McCollim. McCollim is reportedly out of the country and has been for a few weeks now. We've reached out and will update when we hear back.



file photo

Dawn Haliburton-Rudy feels deceived.

12/13/2017

Congressional candidate Stephany Rose abandoned by campaign leaders | The Wire

FEC guidelines also state that "The candidate may act as the committee's treasurer."

Aside from their legal and financial skepticism, Haliburton-Rudy, Yvonne and Pitts all harbor an ethical skepticism that, they say, overshadows the rest. It stems from anecdotes they heard at multiple fundraisers. "[Rose] would tell everyone that she had at least two members of her church take out second mortgages to donate to her campaign," Yvonne recounts. "And these were older people who need to be in a nursing home, you know. ... And there was one woman, she told us, with stage-four cancer who cashed in her life insurance to give [to the campaign]."

As a licensed social worker, Haliburton-Rudy says this just didn't sit right with her, regardless of the legality.

"It was like she was bragging about it," she says. "And that's not right."

Yvonne, who lives on a fixed income because of a disability, elaborated: "If this is truly a campaign that 'puts people over politics,' we shouldn't be willing to exploit vulnerable people just to get ahead."

Both acknowledge that leaving the campaign doesn't bode well for progressives in the region. Congressional District 5, where just over 20 percent of the electorate is registered with the Democratic Party, is a long-shot race no matter how united against incumbent Doug Lamborn local Democrats may be.

The closest showing by a Democrat in recent memory was in 2014 when Irv Halter, a retired Air Force Major General, got 40 percent of the vote. In fact, voters in the 5th have never sent a Democrat to Congress. So, any drama or division puts the prospect of winning even further out of reach.

On the Republican side, Colorado Springs State Senator Owen Hill, El Paso County Commissioner Darryl Glenn and Colorado Springs City Councilor Tom Strand are all challenging Doug Lamborn in the primary.

On the Democratic side, another newcomer to electoral politics, Betty Field, is gunning for the nomination. She's not rushing to judgement about the allegations against her opponent, saying, in general, that "people, not just candidates, make mistakes. No one's perfect. People are forgiving ... However, if you make a mistake with someone else's money, that's a much tougher thing to forgive."

For her part, Field doesn't touch her campaign's finances, leaving it for her treasurer to handle. "I promised to run a clean and transparent campaign," Field says. "There were no issues with my first filing and I don't expect there to be any with the second."

But the defectors from Rose's campaign aren't eager to join Field's. Instead, Haliburton-Rudy says, they're going to put their heads together with other local progressives to find the right candidate to run.

She expects the search committee to include, among others, representatives from Together for Colorado Springs (which she herself co-chairs, along with *Indy* founder John Weiss, for transparency), Unite Colorado Springs, Citizens for Hope and Pikes Peak Progressives. It'll be more rigorous this time, she expects, meaning a longer questionnaire and in-person vetting. They'll consider Democratic, Republican and Independent candidates. "We have to get serious. We can't let this happen again," she says.

Tags: Stephany Rose, Stephany Rose Spaulding, Dawn Haliburton-Rudy, Together for Colorado Springs, Democrat, U.S. House of Representatives, Doug Lamborn, Congressional District 5, Betty Field, primary, Congress, Image

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## COMMENTS (3)

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Betty Field is a good and smart and caring person. I think people should step up and empower her to run a kick-ass campaign

report

5 likes, 0 dislikes like dislike

Posted by LAura Montgomery Williams on 10/10/2017 at 8:54 AM



I think it's a shame it came down to this. I have a hard believing Stephany violated any laws, based on her character and the person I've come to know. What saddens me is that a public statement that is so damning came out at all. Because this all but throws Stephany out of the race.... And we haven't even heard her side of the story. I adore Dawn Halliburton-Rudy too. But I am not in favor of this almost personal attack being thrown into the media sphere without a thorough and responsible investigation and concrete evidence. As I said, these allegations will destroy her campaign. And I would have handled the dissemination of this information very differently with solid and complete proof. Nat Stein does a great job writing, no doubt, but to me it's irresponsible journalism to have covered this without talking it through with Stephany and other respected Democratic leaders and experts. My two cents. And it saddens me. Anne Marie

report

4 likes, 0 dislikes like dislike

Posted by Anne Marie P. on 10/10/2017 at 10:49 AM



Betty is being very gracious given how Stephenie supporters have tried to drag Betty through some mud.

report

3 likes, 0 dislikes like dislike

Posted by TruB on 10/10/2017 at 11:03 AM

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## URBAN PEAK

### COLORADO SPRING

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Dec 13, 2017



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Dec 13, 2017



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Dec 13, 2017

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OCT 7TH, 9:54PM



Sy Hershberger talking about  
Stephanie Rose

It's super bad. State and state lawyer is involved. Financial improprieties, taking money from the dying, all kinds of shit. And Dawn has gone to the media so it's going to get even worse.

Shit!!!! I heard something was coming....



Oh, it's really bad. Stephany called her team all kinds of names and talked shit. I didn't have anything to do with her campaign and I was told that Stephany was going around town calling me a crackhead. Nice, huh? And I just heard from Ryan B. that something bad is coming out on the Dems and I have no idea what it is. But she did some really bad shit with the money, over \$40K in donations, and she did shady shit so it's all coming out. I don't know all the details (because I don't want to) but thought you should know. Plus I thought it would cheer you up!

Omg!  
Which media has been contacted?



Personally, I think it's kinda shitty for them to post this "business" but who cares! Stephany really insulted a lot of the people (personal) attacks and karma is a bitch. She also called and said shitty things about Kathleen Ricker, Chuck Murphy, etc., etc. so those people are pissed.



The Gazette is all I know of.

Ok. I'll check that. Thanks! I miss you my friend.



Miss you. Just trying to find some time for myself and get centered. I've been sick on and off for weeks and everytime I think I'm better, I'm not. I just need some down time away from the world and that's my focus right now. Too much shit like this goes on and it's fucked up. I want to stay out of it all and just get a 9-5 job that is no stress and no politics. I'm tired. So tired.

I understand! Hugs!!!



hugs! I think Stephany is DONE. Dawn and them are pretty vicious. Not my circus, not my monkeys!



Use this time to spread positive messages and political stuff. If I were you, I wouldn't even comment on the Stephany situation. Be the better person in this mess, I know I would like to slam her for calling me names, but I'm going to stay classy or try to. But the next time I see her, it's on!

OFFICE OF  
GENERAL COUNSEL

Colorado Springs, Co 80903

Office of General Counsel  
Federal Election Commission  
1050 First Street NE  
Washington, D.C. 20463

2018 JUL 10 AM 8:20

MUR # 7424

To Whom It May Concern:

I was the campaign developer for Stephany Rose Spaulding, brought on the team by Dawn Haliburton-Rudy upon the leaving of Ethan Wade, the former campaign manager. Throughout many house parties, Stephany would speak of people in her hometown so excited about her running that they had cashed in life insurance policies, had taken out second mortgages, or had maxed out their credit cards for her. When the subject of finances came up within the campaign, she indicated that her finances were directly connected to the campaign's and that was the reason she was unwilling to give anyone else access. She also asked if the team was willing to be on the line for the \$30,000 that she was "on the hook for". Dawn Haliburton-Rudy (campaign committee chair) and Alan Pitts (political strategist) can confirm these events.

In conversations about where this money came from, I learned from Dawn Haliburton-Rudy, that Stephany had called and spoken to her about cashing a \$12,000 first check from her home church in Chicago. Stephany was in the process of cashing the check at the church's bank and then turned around and put it into her finance campaign under various under-limit donations so as not to have to report the monies from people. This was all circumstantial to me, but Dawn Haliburton-Rudy came to us with the financial implication of her owing that money back to the church after the text messages had come through from Stephany about her owing \$30,000, putting it together with info she had not understood previously, and now understanding what had happened with the church.

Because I had no actual proof of wrong-doing, I was going to let the matter go, until two things happened. One, I saw her filing and realized that in our text she said she owed \$30,000 and her FEC report had \$33,000 in undocumented donations. Those two numbers were too similar for me to not move forward. Secondly, I did some soul searching and the truth is this, I should wish to hold my own party to a higher standard than an opposing party. I can not say that I am being a vessel for change if I allow wrong-doing in my own party.

Please see attached copy of the article as well as screenshots of the text message conversation with the campaign team and Stephany. This was also reported in the Colorado Springs Independent in October 2017. A copy of that is also enclosed.

Thank you for your time and attention.

  
Chandra Wilkins3 July 18  
Date

State of Colorado

County of EL PASOSigned and sworn to [or affirmed] before me on July 3rd, 2018  
by Clarissa M. Wilson.

(Notary's official signature)

Notary

(Title)

06/20/2021

(Commission Expiration)

CLARISSA M WILSON  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20134018119  
MY COMMISSION EXPIRES JUNE 20, 2021



Stephany Rose Spaulding

[REDACTED]



Dawn Haliburton-Rudy

[REDACTED]



Alan Pitts

[REDACTED]





3 People



Group Conversation

Individual Messaging



12:46 PM

Complaints



Dawn  
Haliburton -  
Rudy

Stephany, James/Alan/  
me want to know if you  
are willing to acquiesce  
to the campaign's  
request that you  
no longer handle  
the finances of the  
campaign.

12:...



Dawn  
Haliburton -  
Rudy

I just forwarded the  
email to you from the



3 People



Group Conversation

Individual Messaging



Dawn  
Haliburton -  
Rudy

email to you from the  
admin at NGP Chandra.  
Reach out to her and  
she'll help

12:...

✓  
12:57 PM

Done



Stephany  
Rose  
Spaulding

No I'm not as the  
campaign's finances are  
directly connected to  
my personal finances

12:...



Dawn

Whoa!



3 People



Group Conversation

Individual Messaging

**Whoa!**

Dawn

Haliburton -

Rudy

12:59 PM

**Stephany that's a huge**

Dawn

Haliburton -

Rudy

**no no**

12:...

**You cannot have the**

Dawn

Haliburton -

Rudy

**two intertwined**

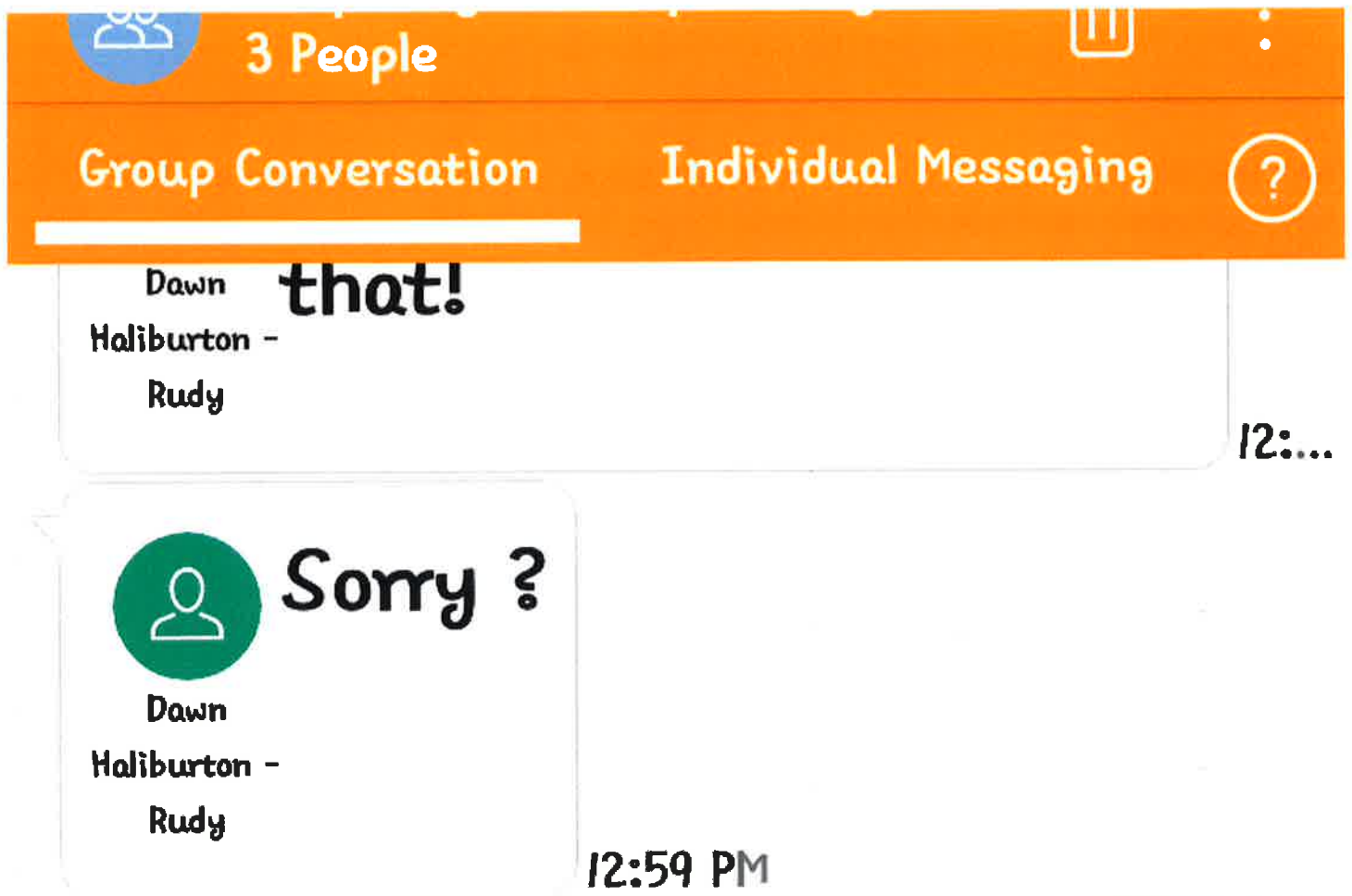
12:...

**What do you mean by**

Dawn

Haliburton -

**that!**



I'm not sure how the two are linked. One should have been set up as only the campaign, Not you directly at all. Was the account set up incorrectly?



3 People



Group Conversation

Individual Messaging

✓  
1:02 PM**incorrectly?**

Stephany  
Rose  
Spaulding

No it's not.

There's no bank that will give an account without a SSN attached even when there's an EIN. In fact an EIN has to be attached to a SSN. There's I credit we can get without connecting to a live human being. And as



3 People



Group Conversation

Individual Messaging



connecting to a live human being. And as both of you were there at the beginning with Ethan, I am the one who will be sued when things are not paid, not any of you. Not to mention the \$20k that I'm responsible for right now.

!:0...



3 People



Group Conversation

Individual Messaging



right now.

1:0...



Dawn

Haliburton -

Rudy

That is very true

1:03 PM



Dawn

Haliburton -

Rudy

Stephany that is not  
how that works at all

1:0...



Stephany

Rose

Spaulding

I'm not doing this over  
text

1:0...



That's why the account



3 People



Group Conversation

Individual Messaging



1:5...



Stephany  
Rose  
Spaulding

The tax I'd has to be connected to an SSN. Whether is an S-Corp or any other business formed an SSN is connected. I set up the EIN trust me I know what is required. But beyond all of that no one on this chain has tens of thousands of

- - - - -



3 People



Group Conversation

Individual Messaging



tens of thousands of dollars tied up in this campaign right now. It's my mom's credit card that is maxed out right now, my siblings who cashed in their insurance policies, my God parents who maxed out at \$5000s because money is not coming from this community



3 People



Group Conversation

Individual Messaging



from this community  
for whatever reason.  
If the Committee of  
Stephany Rose for  
Congress wants to  
write that \$30k check  
to cover the folks I'm  
responsible to, the we  
can take me off the  
finances.

1:4...



Dawn

What about what  
Chandra said Stephany?



3 People



Group Conversation

Individual Messaging



Dawn  
Haliburton -  
Rudy

I'm glad that your family believes in you so much that they did such beautiful things.

1:4...



Dawn  
Haliburton -  
Rudy

The Feds see campaign money as just that, campaign money. Not an individual's money. Yes, your family have to you, but other folks who also gave, gave to



3 People



Group Conversation

Individual Messaging



who also gave, gave to  
the campaign.

In your best interest  
and protection of you,  
I strongly encourage  
you to listen to your  
campaign team on this  
issue.

This is something that  
can tank this campaign.

1:4...



I really appreciate that

Also, I really appreciate that



3 People



Group Conversation

Individual Messaging



1:4...



Alan Pitts

I really appreciate that your family is doing all these wonderful things for you I, but I'm not understanding how you are responsible to them. If they donated money to your Committe to get elected to Congress why would we have to pay all that back

1:4...



3 People



Group Conversation

Individual Messaging



1:4...

Just to clarify, is the bank account set up under your social security number, or is it only set up under the EIC?

There is a way to pay her family back, by calling it a loan in to the account. It can



3 People



Group Conversation

Individual Messaging



the account. It can then be paid back by paying back interest or paying back the principal plus interest, or simply paying the principal on the amount given.

However, if that's the case, we need to notate that.



1:54 PM



3 People



Group Conversation

Individual Messaging



the account. It can then be paid back by paying back interest or paying back the principal plus interest, or simply paying the principal on the amount given.

However, if that's the case, we need to notate that.

✓  
1:54 PM

**§ 103.1**

SOURCE: 45 FR 15108, Mar. 7, 1980, unless otherwise noted.

**§ 103.1 Notification of the commission.**

Each committee shall notify the Commission of the campaign depository(ies) it has designated, pursuant to 11 CFR 101.1 and 103.2.

**§ 103.2 Depositories (52 U.S.C. 30102(h)(1)).**

Each political committee shall designate one or more State banks, federally chartered depository institutions (including a national bank), or depository institutions the depositor accounts of which are insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, as its campaign depository or depositories. One or more depositories may be established in one or more States. Each political committee shall maintain at least one checking account or transaction account at one of its depositories. Additional accounts may be established at each depository.

**§ 103.3 Deposit of receipts and disbursements (52 U.S.C. 30102(h)(1)).**

(a) All receipts by a political committee shall be deposited in account(s) established pursuant to 11 CFR 103.2, except that any contribution may be, within 10 days of the treasurer's receipt, returned to the contributor without being deposited. The treasurer of the committee shall be responsible for making such deposits. All deposits shall be made within 10 days of the treasurer's receipt. A committee shall make all disbursements by check or similar drafts drawn on an account at its designated campaign depository, except for expenditures of \$100 or less made from a petty cash fund maintained pursuant to 11 CFR 102.11. Funds may be transferred from the depository for investment purposes, but shall be returned to the depository before such funds are used to make expenditures.

(b) The treasurer shall be responsible for examining all contributions received for evidence of illegality and for ascertaining whether contributions received, when aggregated with other contributions from the same contrib-

**11 CFR Ch. I (1-1-18 Edition)**

utor, exceed the contribution limitations of 11 CFR 110.1 or 110.2.

(1) Contributions that present genuine questions as to whether they were made by corporations, labor organizations, foreign nationals, or Federal contractors may be, within ten days of the treasurer's receipt, either deposited into a campaign depository under 11 CFR 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer shall make his or her best efforts to determine the legality of the contribution. The treasurer shall make at least one written or oral request for evidence of the legality of the contribution. Such evidence includes, but is not limited to, a written statement from the contributor explaining why the contribution is legal, or a written statement by the treasurer memorializing an oral communication explaining why the contribution is legal. If the contribution cannot be determined to be legal, the treasurer shall, within thirty days of the treasurer's receipt of the contribution, refund the contribution to the contributor.

(2) If the treasurer in exercising his or her responsibilities under 11 CFR 103.3(b) determined that at the time a contribution was received and deposited, it did not appear to be made by a corporation, labor organization, foreign national or Federal contractor, or made in the name of another, but later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality is discovered. If the political committee does not have sufficient funds to refund the contribution at the time the illegality is discovered, the political committee shall make the refund from the next funds it receives.

(3) Contributions which on their face exceed the contribution limitations set forth in 11 CFR 110.1 or 110.2, and contributions which do not appear to be excessive on their face, but which exceed the contribution limits set forth in 11 CFR 110.1 or 110.2 when aggregated with other contributions from the same contributor, and contributions which cannot be accepted under

## Separate Bank Account

Another consideration, though not a requirement, is the segregation of testing the waters funds from personal funds. It is advisable for the individual to set up a separate bank account for the deposit of receipts and the payment of expenses. If the individual later becomes a candidate, a campaign account must be established to keep the campaign funds separate from the individual's personal funds. 102.10, 102.15, 103.2 and 103.3(a).

## **§ 102.15 Commingled funds (52 U.S.C. 30102(b)(3)).**

All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members or associates of that committee, or with the personal funds of any other individual. See also 11 CFR 103.3 and part 114 and 52 U.S.C. 30118.

This information is not intended to replace the law or to change its meaning, nor does this information create or confer any rights for or on any person or bind the Federal Election Commission or the public.

The reader is encouraged also to consult the Federal Election Campaign Act of 1971, as amended (52 U.S.C. 30101 et seq.), Commission regulations (Title 11 of the Code of Federal Regulations), Commission advisory opinions and applicable court decisions.

◀ Current ▶

<< [Previous](#) [TITLE 52](#) / [Subtitle III](#) / [CHAPTER 301](#) / [SUBCHAPTER I](#) / §  
30102 [Next](#) >>

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## **52 USC 30102: Organization of political committees**

Text contains those laws in effect on March 28, 2018

### **From Title 52-VOTING AND ELECTIONS**

Subtitle III-Federal Campaign Finance

CHAPTER 301-FEDERAL ELECTION CAMPAIGNS

SUBCHAPTER I-DISCLOSURE OF FEDERAL CAMPAIGN FUNDS

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## **§30102. Organization of political committees**

### **(a) Treasurer; vacancy; official authorizations**

Every political committee shall have a treasurer. No contribution or expenditure shall be accepted or made by or on behalf of a political committee during any period in which the office of treasurer is vacant. No expenditure shall be made for or on behalf of a political committee without the authorization of the treasurer or his or her designated agent.

### **(b) Account of contributions; segregated funds**

(1) Every person who receives a contribution for an authorized political committee shall, no later than 10 days after receiving such contribution, forward to the treasurer such contribution, and if the amount of the contribution is in excess of \$50 the name and address of the person making the contribution and the date of receipt.

(2) Every person who receives a contribution for a political committee which is not an authorized committee shall-

(A) if the amount of the contribution is \$50 or less, forward to the treasurer such contribution no later than 30 days after receiving the contribution; and

(B) if the amount of the contribution is in excess of \$50, forward to the treasurer such contribution, the name and address of the person making the contribution, and the date of receipt of the contribution, no later than 10 days after receiving the contribution.

(3) All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

### **(c) Recordkeeping**

The treasurer of a political committee shall keep an account of-

(1) all contributions received by or on behalf of such political committee;

(2) the name and address of any person who makes any contribution in excess of \$50, together with the date and amount of such contribution by any person;

(3) the identification of any person who makes a contribution or contributions aggregating more than \$200 during a calendar year, together with the date and amount of any such contribution;

Stephany Rose Spaulding announced her candidacy to represent Colorado's 5<sup>th</sup> Congressional District in July of 2017. Source:

<https://www.csindy.com/coloradosprings/darryl-glenn-to-challenge-lamborn-in-cd5/Content?oid=6302701>

Questions arise concerning campaign finance issues/violations in October 2017. Source: <https://www.csindy.com/TheWire/archives/2017/10/09/congressional-candidate-stephany-rose-abandoned-by-campaign-leaders>

Requirements for when a candidate becomes an official candidate in the FEC's eyes (i.e. no longer "testing the waters" and thus becomes subject to ALL FEC regulations under campaign finance laws):

## I. CANDIDATE REGISTRATION THRESHOLD

An individual triggers registration and reporting responsibilities under the Act when campaign activity exceeds \$5,000 in either contributions or expenditures. Money raised and spent to test the waters does not count toward this dollar threshold until the individual decides to run for federal office or conducts activities that indicate he or she is actively campaigning rather than testing the waters. (See Chapter I, "Testing the Waters.") The \$5,000 threshold is reached when:

- The individual and/or persons he or she has authorized to conduct campaign activity receive over \$5,000 in contributions or make over \$5,000 in expenditures; or
- The individual fails to disavow unauthorized campaign activity by writing a letter to the FEC within 30 days after being notified by the agency that another person or group has received contributions or made expenditures of more than \$5,000 on the individual's behalf. 100.3(a)(3) and 102.13(a)(2).

Source: <https://www.fec.gov/resources/cms-content/documents/candgui.pdf>

Once this threshold is reached, all campaign funds \*MUST\* be segregated from personal finances:

### Separate Bank Account

Another consideration, though not a requirement, is the segregation of testing the waters funds from personal funds. It is advisable for the individual to set up a separate bank account for the deposit of receipts and the payment of expenses. If the individual later becomes a candidate, a campaign account must be established to keep the campaign funds separate from the individual's personal funds. 102.10, 102.15, 103.2 and 103.3(a).

According to Stephany Rose Spaulding's filings with the FEC, that threshold was reached in July with disbursements alone. Source:

[https://www.fec.gov/data/disbursements/?committee\\_id=C00649038&two\\_year\\_transaction\\_period=2018&data\\_type=processed&min\\_date=07%2F01%2F2017&max\\_date=07%2F31%2F2017](https://www.fec.gov/data/disbursements/?committee_id=C00649038&two_year_transaction_period=2018&data_type=processed&min_date=07%2F01%2F2017&max_date=07%2F31%2F2017)

Quote from October *CS Indy* article referenced above:

Tensions came to a head this weekend when members of the campaign requested that the candidate relinquish control of the finances. In a group text message thread, Rose replied that "No [I won't] as the campaign's finances are directly connected to my personal finances."

**52 USC 30102: Organization of political committees**

Text contains those laws in effect on March 29, 2018

Source URL:

[http://uscode.house.gov/view.xhtml?req=\(title:52%20section:30102%20edition:prelim\)](http://uscode.house.gov/view.xhtml?req=(title:52%20section:30102%20edition:prelim))**From Title 52-VOTING AND ELECTIONS**

Subtitle III-Federal Campaign Finance

CHAPTER [301-FEDERAL](#) ELECTION CAMPAIGNS

SUBCHAPTER I-DISCLOSURE OF FEDERAL CAMPAIGN FUNDS

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and see for yourself**§30102. Organization of political committees****(a) Treasurer; vacancy; official authorizations**

Every political committee shall have a treasurer. No contribution or expenditure shall be accepted or made by or on behalf of a political committee

**(b) Account of contributions; segregated funds**

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(2) Every person who receives a contribution for a political committee which is not an authorized committee shall-

(A) if the amount of the contribution is \$50 or less, forward to the treasurer such contribution no later than 30 days after receiving the contribution

(B) if the amount of the contribution is in excess of \$50, forward to the treasurer such contribution, the name and address of the person making

(3) All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

**Federal Election Commission**  
UNITED STATES — of — AMERICASource URL: <https://www.fec.gov/regulations/102-15/2017-annual-102>Scan QR code to  
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All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members or associates of that committee, or with the personal funds of any other individual.

See also 11 CFR 103.3 [§](#) and part 114 and 52 U.S.C. 30118 [§](#).

# The Colorado Springs Independent



## The Wire

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MONDAY, OCTOBER 9, 2017

### POLITICS

## Congressional candidate Stephany Rose abandoned by campaign leaders

POSTED BY NAT STEIN ON MON, OCT 9, 2017 AT 7:01 PM

UPDATE: While Dawn Haliburton-Rudy listed several groups that she says will work together to search for a new candidate for the 5th Congressional District, leaders of those groups have since contacted the *Independent* to say they have not yet committed to such a process, and are in a wait-and-see mode.

----- ORIGINAL POST, MONDAY, 7:01 P.M. -----

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Nat Stein

Stephany Rose speaks alongside Dreamers at a recent rally.

Over the weekend, the majority of Stephany Rose Spaulding's campaign team jumped ship, saying they're uncomfortable with how the campaign's finances have been handled.

Rose, a pastor and professor, is running for the U.S. House of Representatives in the 5th Congressional District on the Democratic side. A political newbie, she officially announced her candidacy on July 3. This staff defection comes as the campaign readies its first campaign finance report.

The Federal Election Commission (FEC) requires candidate committees close their books on the October Quarterly on Sep. 30. They have until Oct. 15 to file a report that itemizes receipts and disbursements. It's a public document that looks like this.

Preparation for the filing is what brought some campaign members' concerns to a fore. On Saturday, they released a joint statement:

All,

Please note that Alan Pitts, Chandra Yvonne and I have resigned from Stephany Rose Spaulding's campaign for Congressional District 5. We have made this decision based on perceived financial improprieties committed by the candidate for this race. We, in no way shape or form, had anything to do nor did we have any knowledge of the current allegations.

Further, we demanded that the candidate provide us the financial information, which only she controls, to perform a forensic evaluation to thoroughly assess the level of potential improprieties. The candidate refused. As a result of the candidate's refusal, we determined, that it is in our best interest to resign. We wish the candidate all the best.

Sincerely,

Dawn Haliburton-Rudy (campaign committee chair)  
 Alan Pitts (political strategist)  
 Chandra Yvonne (interim campaign developer)

Originally, that statement was also signed by Carolyn Cathey, a campaign advisor. But on Monday she distanced herself from the other three, releasing this statement instead.

Dear everyone,

To be clear I am still associated with the campaign in the same informal advisory role I was always in. A team of campaign experts have been deployed to complete the FEC filing due October 15th, this is a public document, and according to our team of experts including campaign finance advisors, the accounts have been set up correctly with them all leading back to the candidate as the law requires. The suspicions about possible irregularities are being looked at from all angles to include previous volunteers. All of us take this matter very seriously and I believe that numbers never lie...the money is accounted for and in its proper place, as of writing this message, and the public filing will show that. Any impropriety will be handled with the full extent of the law and will be made public as the investigation allows. Trust is the most important asset a person can ever give... keeping that trust is the most important asset a candidate can ever possess. Thank you so much my friends.

Also on Monday, a draft press release from the campaign was leaked to the *Indy*.

The campaign Stephany Rose for Congress is excited about our candidate who continues to demonstrate the strength of her candidacy and leadership for our community. She has defied expectations with her first quarter fundraising, proving the seriousness as a contender to become the next U.S. House of Representatives Congressional leader for Colorado's Fifth District.

Unfortunately, trust and confidence of volunteers intimate to the campaign have been breached. In their efforts to engage in dirty tricks and orchestrating unethical meetings with potential Republican and Democratic opponents of Stephany Rose Spaulding, they have demonstrated a desire for politics as usual. This is not and never will be the spirit of Stephany Rose for Congress.

Stephany Rose for Congress is a financially and ethically sound campaign. And our candidate is surrounded by a team of trusted expert advisers dedicated to her mission of putting people over politics and transforming Colorado's Fifth Congressional District in all our best interests.

Neither Cathey nor Rose returned multiple voice mails and emails requesting their comment. We eagerly await their reply and will update this blog when we get it.

So, you might be asking yourself, what the heck is going on here?

Haliburton-Rudy and Yvonne sat down with the *Independent* on Sunday to further explain themselves. Essentially, their misgivings are two-fold: they suspect potential campaign finance violations and they disagree with certain fundraising practices on ethical grounds.

The reason they're suspicious, they say, is because the candidate was persistently "elusive" when it came to money matters. Rose allegedly kept the campaign's finances quite close to the chest — withholding access to accounting spreadsheets, bank statements and the funds themselves. Tensions came to a head this weekend when members of the campaign requested that the candidate relinquish control of the finances. In a group text message thread, Rose replied that "No [I won't] as the campaign's finances are directly connected to my personal finances."

A frustrated Yvonne asks, "If it was all above board, why make it off-limits to your team?"

The secretive dynamic isn't new. Ethan Wade, former campaign manager (and *Indy* freelancer), says it's one of the reasons he quit in early September. "It's pretty typical for campaigns to hire compliance consultants (lawyers and CPAs who specialize in FEC regulations) and the folks I was working with on Stephany's campaign flat out refused to hire one in favor of having the committee's treasurer work on the finances," he writes to the *Indy* via Facebook messenger. "I was really against that decision since none of us had any expertise in FEC regulations, but they went on regardless."

As committee chair, Haliburton-Rudy says that with the FEC deadline approaching, she won't rubber stamp a filing based on transactions she's never had the chance to review. "There were resources available to her but she wouldn't accept any advisement," she tells the *Indy*, adding that she intends to file a complaint to the FEC this week. That complaint will single out an alleged loan that the campaign received from Rose's childhood church in Chicago. Haliburton-Rudy believes, based on conversations with Rose, that the funds exceeded federal limits, were deposited improperly and came from a source that's barred from political contributions.

Again, Rose didn't return requests for comment on this story.

FEC guidelines state that "The treasurer of a political committee is responsible for examining all contributions to make sure they are not illegal."

According to the "statement of organization" filing for "Stephany Rose for Congress," the committee's treasurer and custodian of records is Sarah Jeanne McCollim. McCollim is reportedly out of the country and has been for a few weeks now. We've reached out and will update when we hear back.

FEC guidelines also state that "The candidate may act as the committee's treasurer."

Aside from their legal and financial skepticism, Haliburton-Rudy, Yvonne and Pitts all harbor an ethical skepticism that, they say, overshadows the rest. It stems from anecdotes they heard at multiple fundraisers. "[Rose] would tell everyone that she had at least two members of her church take out second mortgages to

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file photo

Dawn Haliburton-Rudy feels deceived.

donate to her campaign," Yvonne recounts. "And these were older people who need to be in a nursing home, you know. ... And there was one woman, she told us, with stage-four cancer who cashed in her life insurance to give [to the campaign]."

As a licensed social worker, Haliburton-Rudy says this just didn't sit right with her, regardless of the legality.

"It was like she was bragging about it," she says. "And that's not right."

Yvonne, who lives on a fixed income because of a disability, elaborated: "If this is truly a campaign that 'puts people over politics,' we shouldn't be willing to exploit vulnerable people just to get ahead."

Both acknowledge that leaving the campaign doesn't bode well for progressives in the region. Congressional District 5, where just over 20 percent of the electorate is registered with the Democratic Party, is a long-shot race no matter how united against incumbent Doug Lamborn local Democrats may be.

The closest showing by a Democrat in recent memory was in 2014 when Irv Halter, a retired Air Force Major General, got 40 percent of the vote. In fact, voters in the 5th have never sent a Democrat to Congress. So, any drama or division puts the prospect of winning even further out of reach.

On the Republican side, Colorado Springs State Senator Owen Hill, El Paso County Commissioner Darryl Glenn and Colorado Springs City Councilor Tom Strand are all challenging Doug Lamborn in the primary.

On the Democratic side, another newcomer to electoral politics, Betty Field, is gunning for the nomination. She's not rushing to judgement about the allegations against her opponent, saying, in general, that "people, not just candidates, make mistakes. No one's perfect. People are forgiving ... However, if you make a mistake with someone else's money, that's a much tougher thing to forgive."

For her part, Field doesn't touch her campaign's finances, leaving it for her treasurer to handle. "I promised to run a clean and transparent campaign," Field says. "There were no issues with my first filing and I don't expect there to be any with the second."

But the defectors from Rose's campaign aren't eager to join Field's. Instead, Haliburton-Rudy says, they're going to put their heads together with other local progressives to find the right candidate to run.

She expects the search committee to include, among others, representatives from Together for Colorado Springs (which she herself co-chairs, along with *Indy* founder John Weiss, for transparency), Unite Colorado Springs, Citizens for Hope and Pikes Peak Progressives. It'll be more rigorous this time, she expects, meaning a longer questionnaire and in-person vetting. They'll consider Democratic, Republican and Independent candidates. "We have to get serious. We can't let this happen again," she says.

Tags: Stephany Rose, Stephany Rose Spaulding, Dawn Haliburton-Rudy, Together for Colorado Springs, Democrat, U.S. House of Representatives, Doug Lamborn, Congressional District 5, Betty Field, primary, Congress, Image

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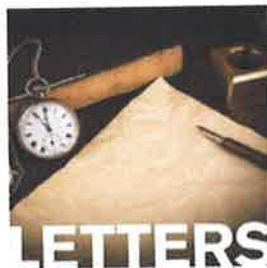
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