

**FEDERAL ELECTION COMMISSION**  
**FIRST GENERAL COUNSEL'S REPORT**

MUR: 7361<sup>1</sup>  
 DATE COMPLAINT FILED: April 10, 2018  
 DATE OF NOTIFICATION: April 11, 2018  
 RESPONSE RECEIVED: April 27, 2018  
 DATE ACTIVATED: December 16, 2018

EARLIEST SOL: July 2, 2022 (est.)  
 LATEST SOL: October 14, 2022  
 ELECTION CYCLE: 2018

**COMPLAINANT:**

Betty A. Field

**RESPONDENTS:**

Stephany Rose for Congress and Jason D.  
 Christensen in his official capacity as treasurer  
 Stephany Rose Spaulding

MUR: 7424  
 DATE COMPLAINT FILED: July 9, 2018  
 DATE OF NOTIFICATION: July 12, 2018  
 RESPONSE RECEIVED: August 29, 2018  
 DATE ACTIVATED: December 16, 2018

EARLIEST SOL: July 2, 2022 (est.)  
 LATEST SOL: October 14, 2022  
 ELECTION CYCLE: 2018

**COMPLAINANT:**

Chandra Wilkins

**RESPONDENTS:**

Stephany Rose for Congress and Jason D.  
 Christensen in his official capacity as treasurer  
 Stephany Rose Spaulding

**RELEVANT STATUTES AND  
 REGULATIONS:**

52 U.S.C. § 30101(8)(A)(i)  
 52 U.S.C. § 30102(b)(3)  
 52 U.S.C. § 30102(e)(2)

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<sup>1</sup> MUR 7361 was originally handled via the Enforcement Priority System, and the Commission found no reason to believe that Respondents violated 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b) and closed the file. General Counsel's Report, MUR 7361 (Stephany Rose for Cong.) (June 21, 2018); Certification, MUR 7361 (July 10, 2018). After the Complaint in MUR 7424 was filed, which included similar allegations against the Respondents and new information, OGC recommended that the Commission rescind its findings and decision to close the file in MUR 7361 and address both matters in one General Counsel's Report. Memorandum to Commission from Kathleen Guith, Recommendation to Rescind Findings and Decision to Close the File (July 13, 2018). The Commission approved the recommendations. Certification, MUR 7361 (July 19, 2018).

52 U.S.C. § 30104(b)  
 52 U.S.C. § 30116(a)(1)(A), (f)  
 52 U.S.C. § 30118(a)  
 52 U.S.C. § 30122  
 11 C.F.R. § 104.3(a)(3), (a)(4), and (d)

**INTERNAL REPORTS CHECKED:** Disclosure Reports

**FEDERAL AGENCIES CHECKED:** None

## I. INTRODUCTION

The Complaints in MURs 7361 and 7424 allege that congressional candidate Stephany Rose Spaulding and her principal campaign committee, Stephany Rose for Congress (the “Committee”) violated the Federal Election Campaign Act of 1971, as amended (the “Act”), by “laundering” funds from an Illinois church through the candidate’s personal account and either providing the funds to family and friends to contribute to her campaign or depositing the funds into her campaign account and reporting them as unitemized contributions.<sup>2</sup> The Complaint in MUR 7424 also suggests that Respondents may have accepted up to \$30,000 in unreported loans from friends and family, and the church funds may have also been an unreported and prohibited or excessive loan.<sup>3</sup>

As discussed below, we recommend that the Commission find reason to believe that Stephany Rose Spaulding and the Committee may have accepted an excessive or prohibited

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<sup>2</sup> MUR 7361 Compl. at 1; MUR 7424 Compl. at 1.

<sup>3</sup> See MUR 7424 Compl. at 1, Attach. at 11-19 (text message string) and 26-28 (news article, Nat Stein, *Congressional Candidate Stephany Rose Abandoned by Campaign Leaders*, COLORADO SPRINGS INDEPENDENT at 27 (Oct. 9, 2017) (“Stein article”), <https://www.csindy.com/TheWire/archives/2017/10/09/congressional-candidate-stephany-rose-abandoned-by-campaign-leaders>. The news article is also attached to the MUR 7361 Complaint at 17-21.

The Complaint in MUR 7361 also alleges that Committee staff or volunteers had an “inappropriate” meeting with the campaign staff of the Complainant, a potential primary opponent of Spaulding, resulting in the termination of the Complainant’s treasurer. MUR 7361 Compl. at 1. Neither the MUR 7361 Complaint, nor its attachments, indicate how this conduct violates the Act or Commission regulations. Thus, the conduct appears to fall outside the Commission’s jurisdiction. Accordingly, we make no recommendation as to this allegation.

1 contribution and that the Committee may have failed to report the contribution and to accurately  
 2 report other contributions as loans. We further recommend that the Commission take no action  
 3 at this time as to the allegations of commingling and contributions in the name of another.  
 4 Additionally, we recommend that the Commission authorize compulsory process.

## 5 **II. FACTUAL BACKGROUND**

6 Stephany Rose Spaulding filed a Statement of Candidacy on July 2, 2017, seeking  
 7 election to the House of Representatives in Colorado's 5th Congressional District and designated  
 8 Stephany Rose for Congress as her principal campaign committee.<sup>4</sup> Spaulding was unopposed in  
 9 the June 26, 2018, primary election and lost the general election on November 6, 2018.<sup>5</sup>

10 The two Complaints are based on publicly reported statements from Committee staffers  
 11 and non-public communications among Committee staffers and the candidate. On or about  
 12 October 7, 2017, three Committee staffers, Chandra Yvonne [the MUR 7424 Complainant],<sup>6</sup>  
 13 Dawn Haliburton-Rudy, and Alan Pitts, issued a statement announcing they were resigning from  
 14 their volunteer positions as campaign chair, political strategist, and interim campaign developer,  
 15 respectively, over "perceived financial improprieties committed by the candidate."<sup>7</sup> The staffers'

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<sup>4</sup> Statement of Candidacy, Stephany Rose Spaulding (July 2, 2017); Statement of Organization, Stephany Rose for Congress (July 2, 2017).

<sup>5</sup> The Committee filed a termination report. 2019 Termination Report, Stephany Rose for Cong. (April 10, 2019). OGC sent a letter denying the Committee's termination request because of the pendency of the complaints. Spaulding is running for election to the U.S. Senate in Colorado in 2020 and has filed a Statement of Candidacy for that election, naming The Committee to Elect Stephany Rose Spaulding as her principal campaign committee. Statement of Candidacy, Stephany Rose Spaulding (April 1, 2019).

<sup>6</sup> Chandra Yvonne Wilkins, the MUR 7424 complainant, appears to have used the name Chandra Yvonne during the campaign.

<sup>7</sup> Stein article.

statement referenced Spaulding's unwillingness to share financial information with Committee staff.<sup>8</sup>

In an interview with a local publication about their departure from the Spaulding campaign, Haliburton-Rudy and Young expanded on their reasons for leaving. Notably, Haliburton-Rudy expressed a concern about a potential campaign finance violation.<sup>9</sup> She said that, based on conversations with Spaulding, the Committee received an alleged loan from Spaulding's childhood church in Chicago that exceeded the Act's limitations, the loan came from a prohibited source, and it was improperly deposited.<sup>10</sup>

In a group text message thread among Spaulding and at least two of the staffers exchanged shortly before the resignations, Spaulding declined the staffers' request that she relinquish her handling of the campaign's finances, stating that she was not willing to do so "as the campaign finances are directly connected to my personal finances."<sup>11</sup> In response to staffers' questions as to how the campaign and candidate's personal finances were linked and whether the campaign account was set up separately, Spaulding suggested that she had obtained the Committee's Employment Identification Number from the IRS using her social security number.<sup>12</sup>

Spaulding then texted:

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<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* Spaulding is a pastor and a professor. *Id.*

<sup>11</sup> MUR 7424 Compl. Attach at 4-5; the full group text message thread is at 3-19. The text messages are undated but were apparently sent over the weekend of October 7-8, 2017, based on the October 9, 2017, date of the Stein article, which states that the group text message thread occurred "this weekend." Stein article.

<sup>12</sup> *See* MUR 7424 Compl. Attach. at 6-11.

But beyond all of that no one on this chain 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 [*sic*] because money is not coming in from this community for whatever reason. If the Committee ... wants to write that \$30k check to cover the folks I'm responsible to, the[n] we can take me off the finances.<sup>13</sup>

The staffers questioned Spaulding in the thread about why any donated money would have to be repaid, and one staffer stated that if contributions were expected to be paid back, they needed to be reported as a loan.<sup>14</sup> The text thread provided does not reflect a response from Spaulding about this issue.

### III. LEGAL ANALYSIS

During the 2018 election cycle, the Act provided that no person shall make contributions to any candidate and their authorized political committees with respect to any election for Federal office, which in aggregate, exceed \$2,700.<sup>15</sup> In addition, a corporation is prohibited from making a contribution or expenditure in connection with any election for federal office.<sup>16</sup> No candidate or political committee shall knowingly accept a contribution in excess of the Act's contribution limitations.<sup>17</sup> Similarly, no candidate or political committee may knowingly accept any contribution prohibited by the Act.<sup>18</sup> Further, no person shall make a contribution in the name of another person or knowingly permit his or her name to be used to effect such a

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<sup>13</sup> *Id.* Attach. at 11-13.

<sup>14</sup> *Id.* Attach at 16-19.

<sup>15</sup> 52 U.S.C. § 30116(a)(1)(A).

<sup>16</sup> 52 U.S.C. § 30118(a).

<sup>17</sup> 52 U.S.C. § 30116(f).

<sup>18</sup> 52 U.S.C. § 30118(a).

contribution and no person make accept such a contribution.<sup>19</sup> The term “contribution” includes a loan.<sup>20</sup> Any candidate who receives a contribution or loan for use in the candidate’s campaign for election, shall be considered as having received the contribution or loan as an agent of the candidate’s authorized committee.<sup>21</sup>

Each treasurer of a political committee must file reports of receipts and disbursements.<sup>22</sup> Each report filed by a political committee shall disclose the total amount of receipts, including the total loans received during the reporting period and the election cycle.<sup>23</sup> A political committee must also disclose the identification of any person who makes a contribution aggregating in excess of \$200 during the election cycle, including a loan to a committee or a candidate acting as an agent of the committee, the date the loan was made and the amount of the loan.<sup>24</sup> Finally, each political committee report must disclose on Schedule C the amount and nature of outstanding obligations owed by the committee.<sup>25</sup>

**A. The Available Information Supports a Reasonable Inference that Respondents May Have Accepted an Excessive or Prohibited Contribution from a Church**

Both Complaints contain allegations about a check from Spaulding’s hometown church in Illinois. The MUR 7361 Complaint alleges that Spaulding “laundered” money from the

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<sup>19</sup> 52 U.S.C. § 30122.

<sup>20</sup> 52 U.S.C. § 30101(8)(A).

<sup>21</sup> 52 U.S.C. § 30102(e)(2).

<sup>22</sup> 52 U.S.C. § 30104(a), 11 C.F.R. § 104.3(a)(3)(vii).

<sup>23</sup> 52 U.S.C. § 30104(b)(2)(H).

<sup>24</sup> 11 C.F.R. § 104.3(a)(4)(iv); *see also* 52 U.S.C. § 30104(b)(3)(A).

<sup>25</sup> 11 C.F.R. § 104.3(d). Debts and obligations owed by a political committee must be reported until distinguished. 11 C.F.R. § 104.11.

church through her personal bank account and then disbursed the funds to family and friends to donate to her campaign.<sup>26</sup> The MUR 7424 Complaint alleges that Haliburton-Rudy told Complainant that she had spoken with Spaulding about a \$12,000 “first check” from her childhood church, an apparent loan, while Spaulding was cashing the check at the church’s bank.<sup>27</sup> According to this Complaint, Spaulding then deposited the funds into her campaign in “under-limit donations” so as not to have to report “the monies from people.”<sup>28</sup> The Complaint’s allegation that funds from the church check—and apparently other funds comprising the \$30,000 Spaulding referred to in her text—were deposited into the Committee account as unitemized contributions is based on the \$33,908 in unitemized receipts the Committee reported in its 2017 Year-End Report, as well as conversations with Haliburton-Rudy about the \$30,000.<sup>29</sup>

The responses deny the allegations regarding the church check by repeating and negating the exact language of the Complaints. Spaulding attests in separate affidavits submitted with each response that:

- She never “laundered money from a church in Illinois through [her] personal bank account, then dispersed it to family and friends to donate back to [her] campaign.”<sup>30</sup>
- She did not “take[ ] a check for \$12,000 from [her] home church in Chicago and deposit[ ] it into [her] candidate committee bank account in various under-limit donations so as not to have to report the contributors.”<sup>31</sup>

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<sup>26</sup> MUR 7361 Compl. at 1.

<sup>27</sup> MUR 7424 Compl. at 1. The Complaint refers to the church check as money owed back to the church. *See also* Stein Article (Haliburton-Rudy’s reported statement about an alleged loan from Spaulding’s childhood church).

<sup>28</sup> MUR 7424 Compl. at 1.

<sup>29</sup> *Id.*

<sup>30</sup> MUR 7361 Resp., Affidavit of Stephany Rose Spaulding ¶ 6 (undated) (“MUR 7361 Spaulding Aff.”).

<sup>31</sup> MUR 7424 Resp. Ex. 1, Affidavit of Stephany Rose Spaulding ¶ 7 (undated) (“MUR 7424 Spaulding Aff.”).

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1 These statements, together with sworn statements by Spaulding's parents that they made  
 2 contributions to the Committee with their own funds and did not receive funds from Spaulding or  
 3 an Illinois church to be passed through to the Committee,<sup>32</sup> appear to sufficiently rebut the  
 4 allegations that Spaulding funneled funds from her hometown church through her personal  
 5 account to others to donate to the Committee, or that she deposited the church check into the  
 6 Committee account and disguised those funds as unitemized contributions. In addition, the  
 7 MUR 7424 response attaches a printout listing the name, address, date, and amount of all  
 8 unitemized contributions received by the Committee from July 1, 2017, through July 15, 2018,  
 9 also effectively rebutting that any proceeds from the cashed church check were deposited into the  
 10 Committee's account.<sup>33</sup>

11 Respondents do not, however, directly address whether Spaulding received a check from  
 12 a Chicago church. Halliburton-Rudy's statements that (1) Spaulding spoke to her about cashing  
 13 a \$12,000 "first check" from her childhood church, and (2) the Committee received an alleged  
 14 excessive, prohibited loan from the church that was misdeposited leave open the possibility that  
 15 Spaulding herself used the proceeds from the church check for the campaign. Committee reports  
 16 show that Spaulding made \$12,323 in contributions to her campaign through the end of the 2018  
 17 election, including \$8,562.95 in in-kind contributions for travel, software, and cell phone  
 18 service.<sup>34</sup> These facts support a reasonable inference that Respondents may have accepted an  
 19 excessive and impermissible contribution, possibly in the form of a loan, from an Illinois church,

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<sup>32</sup> MUR 7361 Resp., Affidavit of Lawrence Spaulding ¶¶ 6-8. (Apr. 25, 2018) ("Lawrence Spaulding Aff."); *Id.*, Affidavit of Rosemary Spaulding ¶¶ 7-9.

<sup>33</sup> MUR 7424 Ex. 3, Donor Listing Report and Affidavit of Jason D. Christensen, Committee treasurer, ¶¶ 5-6 (attesting that he kept records of all unitemized contributions received by the Committee, referencing the donor list at Ex. 3, and stating that he is aware of no facts to support the complaint's allegations).

<sup>34</sup> See 2018 Post-General Report, Stephany Rose for Congress at 4 (Dec. 6, 2018) (showing total election-cycle-to-date contributions from the candidate).



1 and the Committee failed to report it. Respondents do not address or rebut these facts.  
 2 Therefore, we recommend that the Commission reason to believe that Spaulding and Stephany  
 3 Rose for Congress and Jason D. Christensen in his official capacity as treasurer violated  
 4 52 U.S.C. §§ 30116(f) or 30118(a), depending on whether the church was incorporated, and the  
 5 Committee violated 52 U.S.C. § 30104(b) by failing to report it.

6 We further recommend that the Commission take no action at this time as to the  
 7 allegations that Spaulding commingled campaign funds with her personal funds or that  
 8 Respondents accepted contributions in the names of others pending additional information about  
 9 the disposition of funds from the church check.<sup>35</sup> Although Respondents refute the broader  
 10 commingling suggested in Spaulding's text message statement that her campaign's finances were  
 11 directly connected to her own,<sup>36</sup> they do not directly address whether Spaulding received a  
 12 church check, and thus, also fail to address the disposition of the funds from the check.<sup>37</sup> In  
 13 addition, Spaulding's statement that she did not "launder[ ] money . . . *through [my] personal*  
 14 *bank account* [and] then disperse[d] it to family members and friends to donate to [my]  
 15 campaign" leaves open the possibility that Spaulding could have given proceeds from the cashed  
 16 church check to friends or siblings to contribute to her campaign.<sup>38</sup>

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<sup>35</sup> See 52 U.S.C. § 30102(b)(3) (all funds of a political committee shall be segregated from and not commingled with the personal funds of any individual); 52 U.S.C. § 30122 (no person shall accept a contribution made by one person in the name of another person).

<sup>36</sup> Spaulding attests that the campaign had an account separate from her personal bank account and that she used her social security number to obtain an Employer Identification Number to open it, statements apparently corroborated by a June 2017 letter Respondents provided from the Internal Revenue Service assigning the Committee an EIN. MUR 7424 Spaulding Aff. ¶ 6; MUR 7424 Resp. Ex. 5 (IRS letter dated June 5, 2017).

<sup>37</sup> Accordingly, we do not view Spaulding's broad denial that she has "not ever commingled funds from [her] campaign with [her] personal funds," see MUR 7424 Spaulding Aff. ¶ 6, made in the context of addressing a general connection between her personal and campaign accounts, as addressing what happened to the funds from the church check.

<sup>38</sup> MUR 7361 Spaulding Aff. ¶ 6 (emphasis added).

**B. The Available Information Supports an Inference that Respondents May Have Misreported Loans Made by Individuals as Contributions**

Spaulding's statement in the text message thread attached to the Complaint in MUR 7424 that she would relinquish control of the Committee's finances if the Committee would write a "\$30k check to cover the folks I'm responsible to" raises an inference that Respondents may have accepted \$30,000 in purported contributions that were in fact loans.<sup>39</sup> If true, the Committee would have violated the Act's reporting provisions since it has not reported the receipt of any loans.

Spaulding sufficiently refutes the allegation that she accepted loans from family members, but she does not address whether contributions from other individuals referenced in the text message thread were loans. In the text message concerning "the folks I'm responsible to," Spaulding refers to her mom's credit card being maxed out, her siblings having cashed in insurance policies, and "my God parents who maxed out at \$5,000s."<sup>40</sup> Committee reports show that Spaulding's parents, Lawrence and Rosemary Spaulding, contributed a total of \$4,060 and \$1,550 to the Committee, respectively, and that Esther Spaulding, possibly a sibling, contributed \$2,800.<sup>41</sup> Spaulding attests in an affidavit that family members contributed to her campaign with no expectation of being repaid.<sup>42</sup> Three other individuals, however – Linda M. Garner, Arlene Lewis, and Jessie Brown, all residing in Chicago like Spaulding's family members – contributed \$5,000 each on September 30, 2017. The Committee report reflects that each of these

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<sup>39</sup> The MUR 7424 Complaint appears to suggest that the \$30,000 allegedly owed by Spaulding may have included the \$12,000 check from the church, and that all of the loaned funds were reported as unitemized contributions.

<sup>40</sup> MUR 7424 Resp. at 11-13.

<sup>41</sup> Amended 2017 October Quarterly Report at 19-21 (Mar. 20, 2018).

<sup>42</sup> MUR 7424 Spaulding Aff. ¶8.

1 contributors are either retired or “not employed.”<sup>43</sup> We have no information as to whether any of  
2 these contributors are Spaulding’s family members, although it appears that one or more of them  
3 may be a Spaulding Godparent based on her reference that her Godparents “maxed out at  
4 \$5000s.”

5 Spaulding’s text message stating that she needed to cover specific contributors coupled  
6 with the lack of a response as to whether non-family member contributors had any expectation  
7 that their contributions would be repaid, supports a reasonable inference that certain contributors  
8 may have made contributions in the form of loans. Accordingly, we recommend that the  
9 Commission find reason to believe that Stephany Rose for Congress and Jason D. Christensen in  
10 his official capacity as treasurer violated 52 U.S.C. § 30104(b) by misreporting loans received  
11 from individuals as contributions.<sup>44</sup>

#### 12 **IV. PROPOSED INVESTIGATION**

13 We intend to determine whether Spaulding received any funds from an Illinois church,  
14 and if so, the amounts, whether the funds were used in the campaign, and whether the funds were  
15 a loan. We will also obtain information about the contributions from three apparent non-family  
16 member contributors, including whether their contributions were loans. While we will attempt to  
17 obtain this information through informal means, we recommend that the Commission authorize  
18 compulsory process in the event informal means prove ineffective.

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<sup>43</sup> *Id.* at 7, 11-12, 14.

<sup>44</sup> As noted, *supra*, the check from the Illinois church may also have been a loan, but it was not reported at all.

## V. RECOMMENDATIONS

1. Find reason to believe that Stephany Rose Spaulding and Spaulding for Congress and Jason D. Christensen in his official capacity as treasurer violated 52 U.S.C. §§ 30116(f) or 30118(a);
2. Find reason to believe that Spaulding for Congress and Jason D. Christensen in his official capacity as treasurer violated 52 U.S.C. § 30104(b) by failing to report a contribution and by misreporting loans;
3. Take no action at this time with regard to allegations that Stephany Rose Spaulding commingled campaign funds with her personal funds;
4. Take no action at this time with regard to allegations that Stephany Rose Spaulding and Spaulding for Congress and Jason D. Christensen in his official capacity as treasurer accepted contributions in the names of others;
5. Approve the attached Factual and Legal Analysis;
6. Authorize the use of compulsory process, as necessary; and
7. Approve the appropriate letters.

Lisa J. Stevenson  
 Acting General Counsel

Charles Kitcher  
 Acting Associate General Counsel for Enforcement

9-18-19  
 Date

*Stephen Gura/dmo*  
 Stephen Gura  
 Deputy Associate General Counsel

*Mark Allen*  
 Mark Allen  
 Assistant General Counsel

*Dawn M. Odrowski*  
 Dawn M. Odrowski  
 Attorney

Attachment  
 Factual and Legal Analysis

SMB Edits 3/19/2021

**FEDERAL ELECTION COMMISSION****FACTUAL AND LEGAL ANALYSIS**

**RESPONDENTS:** Stephany Rose for Congress and Jason D. Christensen in his official capacity as treasurer  
Stephany Rose Spaulding

**MURs:** 7361 & 7424

**I. INTRODUCTION**

The Complaints in MURs 7361 and 7424 allege that congressional candidate Stephany Rose Spaulding and her principal campaign committee, Stephany Rose for Congress (the “Committee”) violated the Federal Election Campaign Act of 1971, as amended (the “Act”), by “laundering” funds from an Illinois church through the candidate’s personal account and either providing the funds to family and friends to contribute to her campaign or depositing the funds into her campaign account and reporting them as unitemized contributions.<sup>1</sup> The Complaint in MUR 7424 also suggests that Respondents may have accepted up to \$30,000 in unreported loans from friends and family, and the church funds may have also been an unreported and prohibited or excessive loan.<sup>2</sup>

As discussed below, the Commission finds reason to believe that Stephany Rose Spaulding and the Committee may have accepted an excessive or prohibited contribution and

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<sup>1</sup> MUR 7361 Compl. at 1; MUR 7424 Compl. at 1.

<sup>2</sup> See MUR 7424 Compl. at 1, Attach. at 11-19 (text message string) and 26-28 (news article, Nat Stein, *Congressional Candidate Stephany Rose Abandoned by Campaign Leaders*, COLORADO SPRINGS INDEPENDENT at 27 (Oct. 9, 2017) (“Stein article”), <https://www.csindy.com/TheWire/archives/2017/10/09/congressional-candidate-stephany-rose-abandoned-by-campaign-leaders>. The news article is also attached to the MUR 7361 Complaint at 17-21.

The Complaint in MUR 7361 also alleges that Committee staff or volunteers had an “inappropriate” meeting with the campaign staff of the Complainant, a potential primary opponent of Spaulding, resulting in the termination of the Complainant’s treasurer. MUR 7361 Compl. at 1. Neither the MUR 7361 Complaint, nor its attachments, indicate how this conduct violates the Act or Commission regulations. Thus, the conduct appears to fall outside the Commission’s jurisdiction.

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that the Committee may have failed to report the contribution and to accurately report other contributions as loans.

## II. FACTUAL BACKGROUND

Stephany Rose Spaulding filed a Statement of Candidacy on July 2, 2017, seeking election to the House of Representatives in Colorado's 5th Congressional District and designated Stephany Rose for Congress as her principal campaign committee.<sup>3</sup> Spaulding was unopposed in the June 26, 2018, primary election and lost the general election on November 6, 2018.<sup>4</sup>

The two Complaints are based on publicly reported statements from Committee staffers and non-public communications among Committee staffers and the candidate. On or about October 7, 2017, three Committee staffers, Chandra Yvonne [the MUR 7424 Complainant],<sup>5</sup> Dawn Haliburton-Rudy, and Alan Pitts, issued a statement announcing they were resigning from their volunteer positions as campaign chair, political strategist, and interim campaign developer, respectively, over "perceived financial improprieties committed by the candidate."<sup>6</sup> The staffers' statement referenced Spaulding's unwillingness to share financial information with Committee staff.<sup>7</sup>

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<sup>3</sup> Statement of Candidacy, Stephany Rose Spaulding (July 2, 2017); Statement of Organization, Stephany Rose for Congress (July 2, 2017).

<sup>4</sup> The Committee filed a termination report. 2019 Termination Report, Stephany Rose for Cong. (April 10, 2019). OGC sent a letter denying the Committee's termination request because of the pendency of the complaints. Spaulding ran for election to the U.S. Senate in Colorado in 2020 and filed a Statement of Candidacy for that election, naming The Committee to Elect Stephany Rose Spaulding as her principal campaign Committee. Statement of Candidacy, Stephany Rose Spaulding (April 1, 2019).

<sup>5</sup> Chandra Yvonne Wilkins, the MUR 7424 complainant, appears to have used the name Chandra Yvonne during the campaign.

<sup>6</sup> Stein article.

<sup>7</sup> *Id.*

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1 In an interview with a local publication about their departure from the Spaulding  
2 campaign, Haliburton-Rudy and Young expanded on their reasons for leaving. Notably,  
3 Haliburton-Rudy expressed a concern about a potential campaign finance violation.<sup>8</sup> She said  
4 that, based on conversations with Spaulding, the Committee received an alleged loan from  
5 Spaulding's childhood church in Chicago that exceeded the Act's limitations, the loan came from  
6 a prohibited source, and it was improperly deposited.<sup>9</sup>

7 In a group text message thread among Spaulding and at least two of the staffers  
8 exchanged shortly before the resignations, Spaulding declined the staffers' request that she  
9 relinquish her handling of the campaign's finances, stating that she was not willing to do so "as  
10 the campaign finances are directly connected to my personal finances."<sup>10</sup> In response to staffers'  
11 questions as to how the campaign and candidate's personal finances were linked and whether the  
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13 Committee's Employment Identification Number from the IRS using her social security  
14 number.<sup>11</sup>

15 Spaulding then texted:  
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<sup>8</sup> *Id.*

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<sup>10</sup> MUR 7424 Compl. Attach at 4-5; the full group text message thread is at 3-19. The text messages are undated but were apparently sent over the weekend of October 7-8, 2017, based on the October 9, 2017, date of the Stein article, which states that the group text message thread occurred "this weekend." Stein article.

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But beyond all of that no one on this chain 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 [sic] because money is not coming in from this community for whatever reason. If the Committee ... wants to write that \$30k check to cover the folks I'm responsible to, the[n] we can take me off the finances.<sup>12</sup>

The staffers questioned Spaulding in the thread about why any donated money would have to be repaid, and one staffer stated that if contributions were expected to be paid back, they needed to be reported as a loan.<sup>13</sup> The text thread provided does not reflect a response from Spaulding about this issue.

### III. LEGAL ANALYSIS

During the 2018 election cycle, the Act provided that no person shall make contributions to any candidate and their authorized political committees with respect to any election for Federal office, which in aggregate, exceed \$2,700.<sup>14</sup> In addition, a corporation is prohibited from making a contribution or expenditure in connection with any election for federal office.<sup>15</sup> No candidate or political committee shall knowingly accept a contribution in excess of the Act's contribution limitations.<sup>16</sup> Similarly, no candidate or political committee may knowingly accept any contribution prohibited by the Act.<sup>17</sup> Further, no person shall make a contribution in the name of another person or knowingly permit his or her name to be used to effect such a

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<sup>12</sup> *Id.* Attach. at 11-13.

<sup>13</sup> *Id.* Attach at 16-19.

<sup>14</sup> 52 U.S.C. § 30116(a)(1)(A).

<sup>15</sup> 52 U.S.C. § 30118(a).

<sup>16</sup> 52 U.S.C. § 30116(f).

<sup>17</sup> 52 U.S.C. § 30118(a).



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contribution and no person make accept such a contribution.<sup>18</sup> The term “contribution” includes a loan.<sup>19</sup> Any candidate who receives a contribution or loan for use in the candidate’s campaign for election, shall be considered as having received the contribution or loan as an agent of the candidate’s authorized committee.<sup>20</sup>

Each treasurer of a political committee must file reports of receipts and disbursements.<sup>21</sup> Each report filed by a political committee shall disclose the total amount of receipts, including the total loans received during the reporting period and the election cycle.<sup>22</sup> A political committee must also disclose the identification of any person who makes a contribution, including a loan to a committee or a candidate acting as an agent of the committee, the date the loan was made and the amount of the loan.<sup>23</sup> Finally, each political committee report must disclose on Schedule C the amount and nature of outstanding obligations owed by the committee.<sup>24</sup>

**A. The Available Information Supports a Reasonable Inference that Respondents May Have Accepted an Excessive or Prohibited Contribution from a Church**

Both Complaints contain allegations about a check from Spaulding’s hometown church in Illinois. The MUR 7361 Complaint alleges that Spaulding “laundered” money from the

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<sup>18</sup> 52 U.S.C. § 30122.

<sup>19</sup> 52 U.S.C. § 30101(8)(A).

<sup>20</sup> 52 U.S.C. § 30102(e)(2).

<sup>21</sup> 52 U.S.C. § 30104(a), 11 C.F.R. § 104.3(a)(3)(vii).

<sup>22</sup> 52 U.S.C. § 30104(b)(2)(H).

<sup>23</sup> 11 C.F.R. § 104.3(a)(4)(iv); *see also* 52 U.S.C. § 30104(b)(3)(A).

<sup>24</sup> 11 C.F.R. § 104.3(d). Debts and obligations owed by a political committee must be reported until distinguished. 11 C.F.R. § 104.11.

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church through her personal bank account and then disbursed the funds to family and friends to donate to her campaign.<sup>25</sup> The MUR 7424 Complaint alleges that Haliburton-Rudy told Complainant that she had spoken with Spaulding about a \$12,000 “first check” from her childhood church, an apparent loan, while Spaulding was cashing the check at the church’s bank.<sup>26</sup> According to this Complaint, Spaulding then deposited the funds into her campaign in “under-limit donations” so as not to have to report “the monies from people.”<sup>27</sup> The Complaint’s allegation that funds from the church check—and apparently other funds comprising the \$30,000 Spaulding referred to in her text—were deposited into the Committee account as unitemized contributions is based on the \$33,908 in unitemized receipts the Committee reported in its 2017 Year-End Report, as well as conversations with Haliburton-Rudy about the \$30,000.<sup>28</sup>

The responses deny the allegations regarding the church check by repeating and negating the exact language of the Complaints. Spaulding attests in separate affidavits submitted with each response that:

- She never “laundered money from a church in Illinois through [her] personal bank account, then dispersed it to family and friends to donate back to [her] campaign.”<sup>29</sup>
- She did not “take[ ] a check for \$12,000 from [her] home church in Chicago and deposit[ ] it into [her] candidate committee bank account in various under-limit donations so as not to have to report the contributors.”<sup>30</sup>

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<sup>25</sup> MUR 7361 Compl. at 1.

<sup>26</sup> MUR 7424 Compl. at 1. The Complaint refers to the church check as money owed back to the church. *See also* Stein Article (Haliburton-Rudy’s reported statement about an alleged loan from Spaulding’s childhood church).

<sup>27</sup> MUR 7424 Compl. at 1.

<sup>28</sup> *Id.*

<sup>29</sup> MUR 7361 Resp., Affidavit of Stephany Rose Spaulding ¶ 6 (undated) (“MUR 7361 Spaulding Aff.”).

<sup>30</sup> MUR 7424 Resp. Ex. 1, Affidavit of Stephany Rose Spaulding ¶ 7 (undated) (“MUR 7424 Spaulding Aff.”).

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Spaulding's parents also submitted affidavits in MUR 7361 stating that they made contributions to the Committee with their own funds and did not receive funds from Spaulding or an Illinois church to be passed through to the Committee.<sup>31</sup> In addition, the MUR 7424 response attaches a printout listing the name, address, date, and amount of all unitemized contributions received by the Committee from July 1, 2017, through July 15, 2018..<sup>32</sup>

The responses and attachments do not, however, directly address whether Spaulding received a check from a Chicago church. Halliburton-Rudy's statements that (1) Spaulding spoke to her about cashing a \$12,000 "first check" from her childhood church, and (2) the Committee received an alleged excessive, prohibited loan from the church that was misdeposited leave open the possibility that Spaulding herself used the proceeds from the church check for the campaign. Committee reports show that Spaulding made \$12,323 in contributions to her campaign through the end of the 2018 election, including \$8,562.95 in in-kind contributions for travel, software, and cell phone service.<sup>33</sup> These facts support a reasonable inference that Respondents may have accepted an excessive and impermissible contribution, possibly in the form of a loan, from an Illinois church, and the Committee failed to report it. Respondents do not address or rebut these facts. Therefore, the Commission finds reason to believe that Spaulding and Jason D. Christensen in his official capacity as treasurer the Committee violated

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<sup>31</sup>

<sup>32</sup> MUR 7424 Ex. 3, Donor Listing Report and Affidavit of Jason D. Christensen, Committee treasurer, ¶¶ 5-6 (attesting that he kept records of all unitemized contributions received by the Committee, referencing the donor list at Ex. 3, and stating that he is aware of no facts to support the complaint's allegations).

<sup>33</sup> See 2018 Post-General Report, Stephany Rose for Congress at 4 (Dec. 6, 2018) (showing total election-cycle-to-date contributions from the candidate).

52 U.S.C. §§ 30116(a)(1)(A) or 30118(a), depending on whether the church was incorporated, and the Committee violated 52 U.S.C. § 30104(b) by failing to report it.

**B. The Available Information Supports an Inference that Respondents May Have Misreported Loans Made by Individuals as Contributions**

The available information also raises an inference that Respondents may have accepted contributions from individuals that were in fact loans.<sup>34</sup> In the text message thread attached to the MUR 7424 Complaint, Spaulding told her campaign staff that she would relinquish control of the Committee’s finances if the Committee would write a “\$30k check to cover the folks I’m responsible to.”

In the same message, Spaulding refers to her mom’s credit card being maxed out, her siblings having cashed in insurance policies, and her “God parents who maxed out at \$5,000s.”<sup>35</sup> Further, Spaulding acknowledged the need to cover these contributions in the same text thread, where she also stated that the “campaign finances are directly connected to her [personal] finances,”<sup>36</sup> and these statements were made in the context of her explaining why she was not going to turn over control of the campaign’s finances at the requests of Committee staff.

Spaulding attests in an affidavit that family members contributed to her campaign with no expectation of being repaid, but she does not dispute sending the text messages attached to the MUR 7424 Complaint to her campaign staff.<sup>37</sup> Nor does the response to this Complaint mention

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<sup>34</sup> The MUR 7424 Complaint appears to suggest that the \$30,000 allegedly owed by Spaulding may have included the \$12,000 check from the church, and that all of the loaned funds were reported as unitemized contributions.

<sup>35</sup> MUR 7424 Resp. at 11-13.

<sup>36</sup> MUR 7424 Compl. Attach at 4-5.

<sup>37</sup> MUR 7424 Spaulding Aff. ¶ 8.

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1 the text thread. Moreover, Spaulding's parents, who provided affidavits in MUR 7361 stating  
2 that they made contributions to the Committee with their own funds,<sup>38</sup> have not submitted  
3 affidavits in MUR 7424 addressing Spaulding's claim of being responsible to them for their  
4 contributions to the Committee. Under these circumstances, the response does not sufficiently  
5 refute the allegation that certain contributors may have made contributions in the form of loans  
6 Accordingly, the Commission finds reason to believe that Stephany Rose for Congress and Jason  
7 D. Christensen in his official capacity as treasurer violated 52 U.S.C. § 30104(b) by misreporting  
8 loans received from individuals as contributions.<sup>39</sup>

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<sup>38</sup> Committee reports show that Spaulding's parents, Lawrence and Rosemary Spaulding, contributed a total of \$4,060 and \$1,550 to the Committee, respectively, and that Esther Spaulding, possibly a sibling, contributed \$2,800. Amended 2017 October Quarterly Report at 19-21 (Mar. 20, 2018).

<sup>39</sup> As noted, *supra*, the check from the Illinois church may also have been a loan, but it was not reported at all.