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FEDERAL ELECTION COMMISSION

999 E Street, N.W.
Washington, D.C. 20463

CELA

FIRST GENERAL COUNSEL'S REPORT

PRE-MUR: 498

DATE ACTIVATED: 6/8/2010

EXPIRATION OF SOL: 7/8/2011-
4/18/2012

SOURCE:

RESPONDENTS:

Michael Steele
Michael for Maryland and Belinda Cook, in her
official capacity as Treasurer
Steele for Maryland, Inc. and Elisabeth S. Rubin, in
her official capacity as Treasurer
Monica Turner
Paul Ellington
Belinda Cook

RELEVANT STATUTES
AND REGULATIONS:

2 U.S.C. § 434(b)
2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(f)
2 U.S.C. § 441g
2 U.S.C. § 441i(e)(1)(A)
11 C.F.R. § 110.3(d)
11 C.F.R. § 110.4(c)(1) and (2)

INTERNAL REPORTS CHECKED:

Disclosure Reports

AGENCIES CHECKED:

I. INTRODUCTION

It primarily involves payments made by Monica Turner, the sister of then-Maryland Lieutenant
Governor and U.S. Senate candidate Michael Steele, in support of his 2006 federal election and a

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1 payment by Steele for Maryland, Inc. ("Federal Committee") to Brown Sugar Unlimited, a
2 defunct corporation formerly owned by Turner. _____ also discusses two payments made
3 by Michael for Maryland ("State Committee") for services rendered to Steele's Federal
4 Committee.

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10 _____ Based on the _____ materials and the response
11 submitted by the Federal Committee, Steele, and Belinda Cook, we are prepared to recommend
12 that the Commission find reason to believe that:

- 13 (1) Monica Turner violated 2 U.S.C. § 441a(a)(1)(A) of the Federal Election
14 Commission Act of 1971, as amended ("the Act"), by making excessive contributions
15 and 2 U.S.C. § 441g by making contributions in cash of more than \$100;
- 16 (2) Steele for Maryland, Inc. and Elisabeth S. Rubin, in her official capacity as
17 Treasurer, violated 2 U.S.C. § 441a(f) by knowingly and willfully accepting excessive
18 contributions, 11 C.F.R. § 110.4(c)(2) by knowingly and willfully accepting contributions
19 of more than \$100 in cash, 2 U.S.C. § 434(b) by knowingly and willfully failing to
20 accurately report contributions and disbursements, and 2 U.S.C. § 441i(e)(1)(A) and
21 11 C.F.R. § 110.3(d) by spending non-federal funds for services rendered in connection
22 with a federal election;
- 23 (3) Michael Steele violated 2 U.S.C. § 441i(e)(1)(A) and 11 C.F.R. § 110.3(d) by
24 spending non-federal funds for services rendered to his federal committee; and

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(4) Michael for Maryland and Belinda Cook, in her official capacity as Treasurer² ("State Committee"), violated 2 U.S.C. § 441i(e)(1)(A) and 11 C.F.R. § 110.3(d) by spending non-federal funds in connection with a federal election.

Finally, we recommend that the Commission take no action at this time as to Paul Ellington and Belinda Cook, in her individual capacity.

II. FACTS

A. The Respondents

In 2006, Michael Steele was a Senate candidate in the Maryland Primary and General Elections and the Lieutenant Governor of Maryland. Steele for Maryland, Inc. was his authorized federal campaign committee and Michael for Maryland was his authorized state campaign committee.

Monica Turner, Steele's sister, volunteered on her brother's campaigns by stuffing envelopes, appearing in advertisements, providing monetary support, and hosting fundraisers.

She states she worked with campaign manager Michael Levitt and others on the Federal Committee campaign staff.

Paul Ellington was Steele's chief of staff in the lieutenant governor's office and had known him since 1994 through various Republican Party groups.

Ellington did not have a formal position with the Senate campaign, but

² Respondent Belinda Cook was not the treasurer of Michael for Maryland at the time of the activities at issue nor at the time [redacted] in this matter was filed. She was notified [redacted] in her individual capacity because certain allegations were made in connection with her work on Steele's 2006 Senate campaign. Subsequent to her notification, she became treasurer of the State Committee and is now a respondent in both an individual and official capacity.

1 he had worked on Steele's election since the exploratory phase by helping Steele choose a
2 campaign manager and consulting firm, interacting with volunteers, and providing input on
3 which interviews Steele should give. *Id.* Ellington also was involved in campaign strategy and
4 traveled with Steele on fundraising trips. *Id.* at 1-2.³

5 Belinda Cook is a long-time personal assistant to Steele⁴ and worked on his Senate
6 campaign in various roles.

7 **B. Monica Turner's Payments of Expenses for Steele Fundraisers**

8 **1. July 8, 2006, Fundraising Event**

9 In 2006, Monica Turner hosted two fundraisers at her Bethesda, Maryland, home to
10 support Steele's Senate campaign. On July 8, 2006, prior to the primary election, Turner and
11 Shawnda Wilkinson, the co-chair of Women of Steele, co-hosted a fundraising event. *See* July 8,
12 2006, Invitation, Attachment 1. The invitation and response form state, "Paid For By Steele for
13 Maryland, Inc." *Id.* The invitation requests that contribution checks be made payable to "Steele
14 for Maryland, Inc." *Id.* Turner paid for the following Federal Committee expenses in
15 connection with the July fundraiser:

³ After the 2006 campaign, Steele and Ellington's professional relationship continued at GOPAC, where Steele became chairman and Ellington became president. Ellington worked at GOPAC until February 2008 at which time he was terminated for unknown reasons. *Id.*

⁴ <http://www.washingtontimes.com/news/2009/may/19/steele-associates-pay-spurs-questions/>

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Table One: Expenses for July Event

PAYEE	PURPOSE	AMOUNT	METHOD
Class Act Catering	Catering services	\$5,462.35	Check #6110 ³
Rosa Vargas	Event help	\$250	Check #6111
Joy Sayoto	Event help	\$150	Check #6112
Roland [illegible]	Event security	\$250	Check #6114
Autopark Valet	Event valet service	\$466	Visa credit card
TOTAL		\$6,578.35	

Approximately 80 people attended the July 8, 2006 fundraiser and contributed \$44,450.

2. October 21, 2006, Fundraising Event

On October 21, 2006, prior to the general election, Turner hosted an event billed as a combination birthday party/fundraiser for Steele. See October 21, 2006, Invitation, Attachment

2. The invitation and response form state, "Paid for By Steele for Maryland, Inc." *Id.* The return address shows Turner's name and the campaign headquarters address. *Id.* Turner paid for the following expenses in connection with the Oct. 21, 2006, fundraiser:

Table Two: Expenses for October Event

PAYEE	PURPOSE	AMOUNT	METHOD
Class Act Catering	Catering services	\$7,000	Check #6710
Rosa Vargas.	Event help	\$300	Check #6711
[Illegible]	Event help	\$300	Check #6714
[Illegible]	Event security	\$250	Check #6713
TOTAL		\$7,850	

Approximately 95 people attended the October fundraiser and contributed \$48,570.

³ The checks listed in Tables One, Two and Three refer to checks drawn on Monica Turner's personal checking account.

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C. Other Expenses Paid by Turner

The Federal Committee was apparently low on funds throughout Fall 2006, and Turner paid for additional services and materials procured by it. The following are other expenditures paid by Turner on behalf of the Federal Committee:

Table Three: Additional Expenses Paid by Turner

PAYEE	PURPOSE	DATE PAID ⁶	AMOUNT	METHOD
Mike Richardson	Radio ad sound editor	Oct. 5, 2006	\$300	Check #6621
Eric Taylor	Email advertising blast	Oct. 10, 2006	\$1,500	Check #6701
Lorraine Treanor	Campaign office help	Oct. 13, 2006	\$800	Check #6705
Eric Taylor	Email advertising blast	Nov. 8, 2006	\$3,000	Check #6748
Eric Taylor	Email advertising blast	Nov. 8, 2006	\$2,000	Check #6750
Mike Richardson	Radio ad sound editor	Nov. 20, 2006	\$150	Check #6783
TOTAL			\$7,750	

Lastly, Turner made two cash contributions to the Federal Committee. On October 28, 2006, Turner gave Ellington \$6,000 in cash to purchase campaign "needs" such as telephones and advertising. On November 4, 2006, Turner wrote a check to herself for \$8,500, cashed it, and gave the money to Ellington because the campaign needed to reserve radio advertising spots before the election.

⁶ The dates in this table refer to the payment date. We do not know the specific dates these services were rendered and the costs incurred. however, it is clear that these services were provided prior to the November 7, 2006, election.

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Table Four: Cash Contributions

PURPOSE	DATE	CASH AMOUNT
"Campaign needs"	Oct. 28, 2006	\$6,000
Radio airtime	Nov. 4, 2006	\$8,500
TOTAL		\$14,500

In sum, _____ reveals that Turner made in-kind and cash contributions to Steele and his Federal Committee totaling \$36,678.35. The Federal Committee does not dispute that it accepted these in-kind and cash contributions. See Response from Michael Steele, Federal Committee, and Belinda Cook ("Response to FEC"), 1-2; _____. The Federal Committee did not report any contribution from Turner in its FEC disclosure reports. The Federal Committee also did not report any debt in connection with Turner's contributions.

D. Reimbursing Turner

The Federal Committee states that around the time of the July 2006 fundraiser, Steele campaign staff told Turner that she would be reimbursed for amounts beyond the maximum contribution limit. _____ Turner, however, states that she was not approached about reimbursement until the close of the election campaign when Ellington and/or Cook informed Turner that the Federal Committee had a legal obligation to reimburse her for all the expenses she incurred on behalf of the campaign. _____ Turner states that Ellington suggested it would be beneficial to the campaign if the reimbursement check were made out to Brown Sugar Unlimited, a corporation owned by Turner, and either he or Belinda Cook asked Turner to create the invoices. _____ Ellington states, however, that he was unaware that Turner had a company in that name. _____ Brown Sugar, in fact, had been dissolved as a Maryland corporation in _____

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1 March 2006. According to the Federal Committee, although Turner had signed articles of
2 cancellation for Brown Sugar with the State of Maryland, Turner believed that the corporation
3 was dormant, not dissolved. _____ Turner said she refused to create
4 invoices from Brown Sugar, but she said she would send an email itemizing her expenses. _____

5 _____ On November 13, 2006, Turner sent an email to Cook and Steele listing her
6 expenses, minus the maximum individual contribution amount for both elections (\$4,200), for a
7 total of \$33,462. See November 13, 2006, Email from Turner, Attachment 3.⁷ Sometime
8 thereafter, the Federal Committee sent Turner copies of three purported invoices from Brown
9 Sugar Unlimited. _____ The invoices, dated December 22, 2006, requested payment
10 from the Federal Committee, as follows:

11 **Table Five: Brown Sugar Unlimited "Invoices"**

Invoice #1	"July and October Fundraising Event"	\$14,762.35
Invoice #2	"September 12 – November 7, 2006 Consulting Services, Urban Campaign Strategy"	\$18,000.00
Invoice #3	"Web Site Consulting Services, Urban Web Site Advertising Design"	\$4,500.00
TOTAL		\$37,262.35

12 On February 6, 2007, the Federal Committee wrote a check to Brown Sugar Unlimited
13 for \$37,262.35.⁸ The Committee disclosed the payment to Brown Sugar on its 2007 April
14 Quarterly Report. Turner deposited the reimbursement check into her personal bank account.
15
16 *Id.* at 12.

⁷ Turner appears to have written the November 13, 2006, email detailing her expenses from notes and memory; thus, there is a discrepancy of \$984 between the amount she states she paid (\$37,662.35) and the actual amount she paid (\$36,678.35), as evidenced by Turner's cancelled checks and credit card statements.

⁸ The Federal Committee did not deduct the maximum permissible contribution as Turner requested. Turner said the campaign staff may have believed she was understating her expenses. _____ The Federal Committee's \$37,262.35 payment reflects a \$584 increase from the actual amount she paid (\$36,678.35), as evidenced by Turner's cancelled checks and credit card statements.

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1 The Federal Committee states that it was required to reimburse Turner's expenses to
2 comply with the Act. See Response to FEC at 2. It explains that, otherwise, she would have
3 made and the Federal Committee would have accepted excessive contributions. *Id.* The Federal
4 Committee does not address why it wrote the check to Brown Sugar rather than Turner.

5 **E. Payments by State Committee**

6 Finally, _____ alleges that Steele's State Committee paid for services incurred by
7 Steele's Federal Committee. Specifically, two printing shops, Form Masters and GOP Shoppe,
8 produced promotional materials such as yard signs, buttons, bumper stickers, and mailings for
9 Steele's 2006 Senate campaign. Response to FEC at 2. _____ does not state, and we could
10 not determine, exactly when the printing shops rendered services to the Federal Committee.

11 According to Ellington, the Federal Committee did not have enough funds to pay the \$29,973.30
12 GOP Shoppe bill. _____ Steele and the Federal Committee say that the State
13 Committee paid the bills erroneously and listed them as in-kind contributions to the Maryland
14 Republican Party. See Response to FEC at 2; _____

15 _____ To get paid, Ellington and
16 Cook decided that GOP Shoppe should submit an invoice to Steele's State Committee so the bill
17 could be paid with the State Committee's funds. *Id.* Thus, on or about February 17, 2007, the
18 State Committee paid GOP Shoppe \$29,973.30. See [http://mdelections.org/campaign-](http://mdelections.org/campaign-finance/advanced-search/expenditures?acctno=A3317)
19 [finance/advanced-search/expenditures?acctno=A3317](http://mdelections.org/campaign-finance/advanced-search/expenditures?acctno=A3317). On April 18, 2007, the State Committee
20 paid Form Masters \$7,707. See [http://mdelections.org/campaign-finance/advanced-](http://mdelections.org/campaign-finance/advanced-search/expenditures?acctno=A3317)
21 [search/expenditures?acctno=A3317](http://mdelections.org/campaign-finance/advanced-search/expenditures?acctno=A3317). In March 2009, after the allegations came to light, the
22 Federal Committee paid the vendors, the vendors reimbursed the State Committee, and the
23 Federal Committee amended seven affected disclosure reports to show that the Federal
24 Committee had outstanding debts to the vendors and that the Federal Committee ultimately paid

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1 the vendors.

2 _____ Ellington believes that he and Steele discussed invoicing
3 the state campaign for the federal services. _____

4 **III. LEGAL ANALYSIS**

5 **A. Excessive In-Kind and Cash Contributions and Inaccurate Disclosure**

6
7 The Act limits how much an individual may contribute to a candidate. 2 U.S.C. § 441a.

8 In 2006, an individual could not contribute more than \$2,100 per election per candidate.
9 2 U.S.C. § 441a(a)(1)(A) (2006). A "contribution" includes "any gift, subscription, loan,
10 advance, or deposit of money or anything of value made by any person for the purpose of
11 influencing any election for Federal office." 2 U.S.C. § 431(8)(A)(i). The term "contribution"
12 does not include "the use of real or personal property ... and the cost of invitations, food, and
13 beverages, voluntarily provided by an individual to any candidate ... on the individual's
14 residential premises ... to the extent that the cumulative value ... does not exceed \$1,000 with
15 respect to any single election, and ... does not exceed \$2,000 in any calendar year." 2 U.S.C.
16 § 431(8)(B)(ii); 11 C.F.R. §§ 100.75 and 77. Candidates and committees are prohibited from
17 knowingly accepting excessive contributions. 2 U.S.C. § 441a(f). Cash contributions that in the
18 aggregate exceed \$100 are prohibited. 2 U.S.C. § 441g. Committees must return cash
19 contributions over \$100 to the contributor. 11 C.F.R. § 110.4(c)(2).

20 Each treasurer of a political committee must file reports of receipts and disbursements
21 with the Commission. 2 U.S.C. § 434(a); 11 C.F.R. § 104.1. These reports must accurately
22 reflect the committee's cash on hand, receipts, and disbursements. 2 U.S.C.
23 §§ 434(b)(1), (2) and (4). Commission regulations also contain special disclosure requirements
24 for contributions received during certain time frames before an election ("48-hour notice
25 requirement"). See 11 C.F.R. § 104.5(f). Senate campaign committees are required to file a

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1 notice with the Secretary of the Senate within 48 hours of receiving a contribution of \$1,000 or
2 more less than 20 days before an election but more than 48 hours before the election. *Id.*

3 Monica Turner exceeded the Act's contribution limits by paying expenses for the July
4 and October 2006 Senate fundraisers, paying for other expenses incurred on behalf of the Federal
5 Committee, and making direct cash contributions to the Federal Committee. In total, she
6 contributed \$36,678.35. Subtracting the maximum allowable contribution of \$4,200 for the 2006
7 primary and general election campaign, and subtracting \$1,000 per each in-home event results in
8 Turner making \$30,478.35 (\$36,678.35 - \$6,200 = \$30,478.35) in excessive contributions to the
9 Federal Committee. In addition, because she gave the Federal Committee \$14,500 in cash, she
10 violated 2 U.S.C. § 441g, which prohibits cash contributions of more than \$100.

11 Further, the Federal Committee violated 2 U.S.C. § 441a(f) and 11 C.F.R § 110.4(c)(2)
12 by knowingly accepting the excessive in-kind and cash contributions from Turner. The Federal
13 Committee acknowledges that it accepted the excessive contributions at issue in this matter. See
14 Response to FEC at 1-2; _____

15 The Federal Committee attempts to portray the violations as "technical" reporting
16 violations and argues that it complied with the Act by reimbursing Turner in February 2007 and
17 disclosing the reimbursement in its April 2007 Quarterly Report.⁹ Turner's reimbursement by
18 the Federal Committee more than six months after Turner started to make in-kind contributions
19 to the Committee, while a mitigating factor, does not cure the fact that the contributions were
20 excessive when made and knowingly accepted.

⁹ The Steele Committee's response states that no violation has occurred because Turner was reimbursed, although it acknowledges that "the format and timing of the [April 2007] disclosure did not conform with FEC specifications." Response to FEC, Toner Affidavit at 9. In addition, Toner's affidavit argues that the reimbursement to Turner did not constitute violations of the Commission's Personal Use provisions. See *id.*, at 3-5. We do not believe that a personal use analysis is relevant.

Moreover, it also appears that the violations by the Federal Committee were knowing and willful. To establish a knowing and willful violation, there must be knowledge that one is violating the law. *See FEC v. John A. Dramesi for Congress Comm.*, 640 F. Supp. 985, 987 (D.N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false," and an inference of knowing and willful conduct may be drawn "from the defendant's elaborate scheme for disguising" his or her actions. *United States v. Hopkins*, 916 F.2d 207, 214-15 (5th Cir. 1990).

Here, the fundraising events were clearly held to benefit Steele's federal candidacy. The disclaimers on the invitations for them state, "Paid for by Steele for Maryland, Inc.," and the Federal Committee received \$95,020 in contributions as a result of the fundraisers. In addition, the Federal Committee accepted other payments made by Turner for services incurred by the Committee and cash contributions of \$6,000 and \$8,500, which on their face, violated the individual contribution limit and the cash contribution prohibition. Moreover, the fundraiser invitations state the contribution limits. *See* July and October Invitations, Attachments 1 and 2.

The Federal Committee's disclosure of these contributions also constitutes knowing and willful violations of the Act. First, the Federal Committee failed to report a single contribution from Turner. This caused the Federal Committee's disclosure reports to be inaccurate commencing with the 2006 Pre-Primary Report. Certain of Turner's contributions received by the Federal Committee between October 18, 2006, and November 4, 2006, also should have been disclosed in 48-hour notices of contributions. *See supra* Tables 2-4.

Second, the Federal Committee knowingly and willfully violated 2 U.S.C. § 434(b) by disguising Turner's reimbursement as a \$37,262.35 payment to Brown Sugar Unlimited. The Committee knew that Turner had made the in-kind and cash contributions that it sought to reimburse, but it fabricated false invoices in an effort to portray the reimbursement as a payment

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1 to a vendor and falsely stated in its disclosure reports that Brown Sugar performed services for it.
2 The Committee acknowledges that it failed to report in-kind and cash contributions from Turner.

3 _____ Toner Affidavit at 9-11. The Committee's concealment of
4 the reimbursement further indicates knowledge that it had violated the law.

5 The available information does not suggest that Turner knowingly and willfully violated
6 the Act. Turner states that she was not told and that she did not know about laws regarding
7 contribution limits. In fact, she did not try to hide the contributions, paying with her personal
8 checks and credit card. In addition, Turner states that she was not aware of the prohibition
9 against cash contributions. _____

10 With respect to Steele, there is no information available indicating that he personally
11 accepted or knew that the Federal Committee was accepting excessive in-kind contributions from
12 Turner, _____
13 _____, or that he had knowledge about how
14 the Committee was reporting or failing to report the contributions from Turner. While the record
15 indicates that Steele may have become aware of plans to reimburse his sister when he received
16 the November 13, 2006, email from her, it does not show that he was aware of the excessive
17 contributions at the time they were made, or directed or caused the Federal Committee's reports
18 to contain misstatements.

19 Therefore, we recommend that the Commission find reason to believe that Monica
20 Turner violated 2 U.S.C. §§ 441a(a)(1)(A) and 441g by making excessive in-kind and cash
21 contributions. Additionally, we recommend that the Commission find reason to believe that
22 Steele for Maryland, Inc., and Elisabeth S. Rubin, in her official capacity as treasurer, knowingly
23 and willfully violated 2 U.S.C. § 441a(f) and 11 C.F.R. § 110.4(c)(2) by accepting excessive in-
24 kind and cash contributions, and 2 U.S.C. § 434(b) with respect to its reporting of these

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1 contributions. We also recommend that the Commission take no action as to Michael Steele at
2 this time.]

3 **B. State Committee's Payments for Federal Committee's Expenses**

4 Federal candidates and officeholders, or entities directly or indirectly established,
5 financed, maintained or controlled by them, are prohibited from soliciting, receiving, directing,
6 transferring or spending funds in connection with a Federal election unless the funds are subject
7 to the limitations, prohibitions and reporting requirements of the Act. 2 U.S.C. § 441i(e)(1)(A).
8 Further, Commission regulations provide, in material part, that transfers of funds or assets from a
9 candidate's non-federal campaign committee to his or her principal campaign committee for a
10 federal election are prohibited. See 11 C.F.R. § 110.3(d). Maryland law permits state political
11 committees to accept contributions from corporations, see MD. CODE ANN., ELEC.
12 LAW § 13-226 (2010), and the State Committee's reports disclose the receipt of contributions
13 from them. Thus, if State Committee funds were used to pay federal campaign expenses, Steele
14 and the Federal Committee would have received prohibited in-kind contributions from the State
15 Committee, in violation of 2 U.S.C. § 441i(e)(1)(A) and 11 C.F.R. § 110.3(d). See MUR 5426
16 (Dale Schultz for Congress) (Schultz Federal Committee effectively received prohibited transfer
17 of funds when the Schultz State Committee paid for expenses that the candidate incurred in
18 connection with his federal election).

19 Steele's Federal Committee had the State Committee pay debts owed to Form Masters
20 and GOP Shoppe, two vendors who provided services to the Federal Committee. The Federal
21 Committee does not deny that the State Committee paid the Federal Committee's bills. The
22 Federal Committee and Steele say it was a mistake that was later corrected, albeit two years later,

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1 while Ellington states that having the State Committee pay the vendors was intentional. Either
2 way, the Federal Committee and State Committee, entities established and controlled by Steele,
3 spent \$37,680.30 in connection with a federal election with funds that were not subject to the
4 limitations, prohibitions, and reporting requirements of the Act.

5 Steele's control over the State Committee and the Federal Committee, coupled with
6 Ellington's statement that Steele discussed possibly invoicing the State Committee to pay the
7 Federal Committee's bills, _____ suggests he may have liability under Section
8 441i(e)(1)(A). That section prohibits a candidate from directing or spending funds in connection
9 with a federal election that were not subject to the limitations, prohibitions, and reporting
10 requirements of the Act. In MURs 5480 (Levetan) and 5426 (Schultz), the Commission found
11 the candidates liable under Section 441i(e) because their state committees paid for their federal
12 committee's expenses. Moreover, the Commission specifically notified Steele that it had
13 information indicating that he may have used non-federal funds to pay for services provided to
14 his Federal Committee, yet the responses he and the Federal Committee provided to us and to the
15 _____ do not address this issue.

16 Furthermore, while 2 U.S.C. § 441i(e) provides that an agent, as defined by 11 C.F.R.
17 § 300.2(b), could be liable for certain actions, the Commission has never held an agent liable
18 under section 441i(e), and we do not recommend that the Commission find Ellington and Cook
19 personally liable here. Although Ellington and Cook certainly acted on behalf of the Federal
20 Committee when Ellington accepted excessive contributions and when they directed non-federal
21 funds to pay a federal bill, they did not have formal titles, e.g., treasurer, campaign manager, or
22 have specific duties imposed on them by law or regulation. *See, e.g.*, Statement of Policy
23 Regarding Treasurers Subject to Enforcement Proceedings, 70 Fed. Reg. 3 (Jan. 3, 2005)
24 (treasurer could be personally liable if knowingly and willfully violated the Act; if recklessly

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1 failed to fulfill duties specifically imposed by the Act or regulations, or intentionally deprived
2 self of operative facts giving rise to a violation). *See also* MUR 5646 (Burchfield) (campaign
3 manager/unofficial treasurer personally liable for violating duties applicable to treasurers).

4 Therefore, we recommend that the Commission find reason to believe that Michael for
5 Maryland and Belinda Cook, in her official capacity as treasurer, Steele for Maryland, Inc., and
6 Elisabeth S. Rubin, in her official capacity as treasurer, and Michael Steele violated 2 U.S.C.
7 § 441i(e)(1)(A) and 11 C.F.R. § 110.3(d) by spending the State Committee's non-federal funds
8 in connection with the Federal Committee's bills. We also recommend that the Commission take
9 no action at this time as to Paul Ellington and Belinda Cook, in her personal capacity.

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V. RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that Monica Turner violated 2 U.S.C. §§ 441a(a)(1)(A) and 441g.
3. Find reason to believe that Steele for Maryland, Inc., and Elisabeth S. Rubin, in her official capacity as Treasurer, knowingly and willfully violated 2 U.S.C. §§ 441a(f) and 434(b) and 11 C.F.R. § 110.4(c)(2), and violated 441i(e)(1)(A) and 11 C.F.R. § 110.3(d).
4. Find reason to believe that Michael for Maryland and Belinda Cook, in her official capacity as Treasurer, violated 2 U.S.C. § 441i(e)(1)(A) and 11 C.F.R. § 110.3(d).
5. Find reason to believe that Michael Steele violated 2 U.S.C. § 441i(e)(1)(A) and 11 C.F.R. § 110.3(d).
6. Take no action at this time that Michael Steele violated 2 U.S.C. §§ 441a(f) and 434(b).
7. Take no action at this time that Paul Ellington violated 2 U.S.C. § 441i(e)(1)(A) and 11 C.F.R. § 110.3(d).
8. Take no action at this time that Belinda Cook violated 2 U.S.C. § 441i(e)(1)(A) and 11 C.F.R. § 110.3(d).
9. Approve the attached Factual and Legal Analyses.
- 10.

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12. Approve the appropriate letters.

10-7-2010
Date

Christopher Hughey
Christopher Hughey
Acting General Counsel

Kathleen Guith
Kathleen Guith
Acting Associate General Counsel
for Enforcement

Roy Q. Lockett by kg
Roy Q. Lockett
Acting Assistant General Counsel

Elena Paoli
Elena Paoli
Attorney

1. July 8, 2006, Fundraiser Invitation
2. October 21, 2006, Fundraiser Invitation

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**DR. MONICA TURNER,
LT. GOVERNOR MICHAEL STEELE'S SISTER
&
SHAWNDA N. WILKINSON,
CO-CHAIR OF WOMEN OF STEELE**

**cordially invite you to a reception
in honor of**

**THE HONORABLE MICHAEL S. STEELE
CANDIDATE FOR US SENATE
WITH SPECIAL GUESTS**

**THE HONORABLE ALPHONSO JACKSON
SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
&**

**SHAWN SPRINGS
WASHINGTON REDSKINS DEFENSIVE BACK & NFL PRO- BOWLER AND RECORD HOLDER**

SATURDAY, JULY 8, 2006

**The Home of
Dr. Monica Turner
8313 Persimmon Tree Road
Bethesda, Maryland 20817**

**VIP RECEPTION AND PHOTO-OP 4:00PM
MINIMUM CONTRIBUTION OF \$1,000 PER PERSON**

**GENERAL RECEPTION 5:00-7:00PM
MINIMUM CONTRIBUTION OF \$250 PER PERSON
*Summer Bar-B-Q Attire***

***RSVP by June 30, 2006
By Phone: 202/445-7511
By Email: michael4senate@yahoo.com***

PLEASE MAKE PERSONAL CHECKS PAYABLE TO "STEELE FOR MARYLAND, INC."

**An individual may not contribute more than a total of \$4,200 (\$2,100 each per primary and general election) Contributions by corporations, foreign
nationals, and federal government contractors are prohibited.
Not printed at government expense.**

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**ATTACHMENT 1
Page 1 of 2**

**FOIA
Confidential Treatment
Requested**

STEELE 000100

11044301921

STEELE FOR MARYLAND
ELECTIONS: PRIMARY JULY 8, 2012 WITH
THE HONORABLE ALPHONSO JACKSON
AND SHAWN SPRINGS

YES, I WILL ATTEND THE VIP RECEPTION AND PHOTO-OP.

ENCLOSED IS A CONTRIBUTION OF:

☐ \$4,200 ☐ \$2,100 ☐ \$1,500 ☐ \$1,000 ☐ OTHER

(MINIMUM CONTRIBUTION OF \$1,000 PER PERSON REQUIRED FOR VIP RECEPTION ATTENDANCE)

CONTACT INFO ARE AS FOLLOWS:

FIRST AND LAST NAME

NO, I/WE WILL BE ATTENDING THE GENERAL RECEPTION. ENCLOSED IS A PERSONAL CHECK FOR:

☐ \$500 ☐ \$250 ☐ OTHER

(MINIMUM CONTRIBUTION OF \$250 PER PERSON REQUIRED FOR GENERAL RECEPTION ATTENDANCE)

CONTACT INFO ARE AS FOLLOWS:

2. _____
4. _____

NO, I AM NOT ABLE TO ATTEND BUT HAVE ENCLOSED A CONTRIBUTION OF:

☐ \$4,200 ☐ \$2,100 ☐ \$1,000 ☐ \$500 ☐ \$250 ☐ OTHER

PLEASE MAKE CHECKS PAYABLE TO "STEELE FOR MARYLAND, INC."
CONTRIBUTIONS TO STEELE FOR MARYLAND, INC. ARE SUBJECT TO FEDERAL CONTRIBUTION LIMITS,
AND DO NOT COUNT AGAINST YOUR \$10,000 MARYLAND AGGREGATE
FOR STATE CANDIDATES AND STATE OFFICE HOLDERS.

PLEASE CHARGE MY: ☐ VISA ☐ MASTERCARD ☐ AMEX

CARD # _____ EXP: ____/____

NAME ON CARD: _____ (PLEASE PRINT)

CARDHOLDER BILLING ADDRESS: _____

SIGNATURE: _____ AMOUNT: \$ _____

Federal election law requires us to use our best efforts to collect and report the name, mailing address,
Occupation and name of employer of individuals whose contributions exceed \$200 during an election cycle.

NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

PHONE: _____ FAX: _____ EMAIL: _____

OCCUPATION / EMPLOYER (REQUIRED BY FEDERAL LAW):

OCCUPATION: _____ EMPLOYER: _____

An individual may not contribute more than a total of \$2,100 per election to the committee. The primary and the general election are
considered separate elections. Contributions by corporations, foreign nationals, and federal government contractors are prohibited.
Contributions to Steele for Maryland, Inc. are not tax deductible for Federal income tax purposes. Not printed at government expense.

STEELE FOR MARYLAND, INC.

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ATTACHMENT 1
Page 2 STEELE OFFICE 2

11044301922

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ATTACHMENT 2
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STEELE 000210

...and he's going to be an
incredible United States Senator.

Please Join Us at
Michael Steele's

48th Birthday Bash

Saturday, October 21, 2006

VIP Reception & Photo Opportunity
6:00 to 7:00pm (\$1,500 per person)

General Reception
6:30 to 8:30pm (\$550 per person)

At the Home of Dr. Monica Turner
8313 Persimmon Tree Road
Bethesda, Maryland 20817

Featured Guest: Former Congressman J.C. Williams, Jr. and a special musical
performance by the accomplished Jazz Pianist, Marcus Johnson

Admission is free for all guests.
Seating is limited and reservations are required.
Reservations are available at:

800.444.4444
855.777.7777
Thursday, October 19, 2006

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ATTACHMENT 2
Page 2 of 4

STEELE 000211

11044301923

Contributions to Steele For Maryland, Inc., are subject to federal contribution limits, and do not count against your \$10,000 Maryland aggregate for state candidates and state officeholders. Federal election law requires us to use our best efforts to collect and report the name, mailing address, occupation and name of employer of individuals whose contributions exceed \$200 during an election cycle. An individual may not contribute more than a total of \$2,100 per election to the committee. The primary and the general election are considered separate elections. Contributions by corporations, foreign nationals, and federal government contractors are prohibited. Contributions to Steele for Maryland, Inc. are not tax deductible for Federal income tax purposes. Not printed at government expense.

Name _____		
Address _____		
City _____	State _____	Zip _____
Phone _____	Fax _____	Email _____
Occupation _____	Company/Firm _____	
<input type="checkbox"/> My check is enclosed, payable to "Steele for Maryland, Inc". <input type="checkbox"/> Please charge \$_____ to my <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> American Express		
Card Number _____	Expiration Date _____	
Name as it appears on card _____		
Signature _____		

This information will help us with our record keeping process, please complete.

Finance committee tracking number _____

Event CODE _____

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ATTACHMENT 2
Page 3 of 4

11044301925

☐ YES, I/We will be attending the VIP Reception and Photo Opportunity.
Enclosed is a personal check for \$_____ for _____ number of tickets
at \$1,500 per person. Attendees are as follows:

☐ YES, I/We will be attending the General Reception. Enclosed is a
personal check for \$_____ for _____ number of tickets at \$350
per person. Attendees are as follows:

☐ No, I am not able to attend but have enclosed a personal contribution of:

☐ \$4,200 ☐ \$1,000 ☐ \$250
☐ \$2,100 ☐ \$500 ☐ Other _____

Please complete
as one of the following

ATTACHMENT 2
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STEELE 000213