



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

BY U.S. MAIL

DEC 12 2013

Vickie Pasley, Esq.
Law Offices of Vickie Pasley LTD
25 E. Washington, Suite 902
Chicago, IL 60602

Re: MUR 6766 (formerly Pre-MUR 554)
Vickie Pasley

Dear Ms. Pasley:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission received information suggesting that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). On March 21, 2013, you were notified that the information was being reviewed by the Commission's Office of the General Counsel for possible enforcement action under 2 U.S.C. § 437g. On December 3, 2013, the Commission found reason to believe that you violated 2 U.S.C. §§ 432(c) and 434(b) and Commission regulations by failing to keep records and ensure the accuracy of campaign committee disclosures filed with the Commission. I have enclosed the Factual and Legal Analysis that sets forth the basis for the Commission's determination.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be granted routinely. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed Statement of Designation of Counsel form stating the name, address, and telephone number of your counsel and authorizing your counsel to receive any notifications and other communications from the Commission.

Please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519.

If you have any questions, please contact Leonard Evans, the attorney handling this matter, at (202) 694-1650. In the meantime, this matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

On behalf of the Commission,



Ellen L. Weintraub
Chair

Enclosures:

Factual and Legal Analysis: Vickie Pasley

CONFIDENTIAL

1 **BEFORE THE FEDERAL ELECTION COMMISSION**

2 In the Matter of:)
3)
4 Vickie Pasley,) MUR 6766
5) (formerly Pre-MUR 554 and RR 13L-12)
6 Respondent:)
7 _____)

8 **FACTUAL AND LEGAL ANALYSIS**¹

9 This matter concerns a scheme spanning seven years and involving more than 3,100
10 transactions that diverted approximately \$750,000 from Jesse Jackson, Jr. for Congress to pay
11 personal expenses of Congressman Jesse Jackson, Jr. and his wife, Chicago Alderman Sandra
12 Jackson. Over the years, Congressman Jackson's campaign committee paid for the Jacksons'
13 meals, groceries, designer clothing, travel, tickets, dry cleaning, home renovations, memorabilia,
14 and personal credit card bills. To prevent the Commission or the public from discovering or
15 questioning the scheme, Congressman Jackson and the treasurers of his campaign committee
16 filed materially false and misleading disclosure reports.

17 The available record — including the statement of facts supporting Congressman
18 Jackson's guilty plea in a criminal proceeding related to this scheme — provides substantial
19 evidence that, by participating in and covering up this scheme, former treasurer Vickie Pasley,
20 among others, violated provisions of the Federal Election Campaign Act of 1971, as amended
21 (the "Act"). The Commission therefore finds reason to believe that Vickie Pasley violated the
22 Act.²

¹ This matter was initiated based on information the Commission received in the course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(1).

² See Statement of Policy Regarding Commission Action in Matters at the Initial Stage in the Enforcement Process, 72 Fed. Reg. 12,545 (Mar. 16, 2007) ("RTB Policy") ("The Commission will find 'reason to believe' in cases where the available evidence in the matter is at least sufficient to warrant conducting an investigation, and

1 I. FACTUAL SUMMARY

2 In separate hearings on February 20, 2013, Congressman Jesse Jackson, Jr. and Sandra
3 Jackson entered guilty pleas to federal charges related to a \$750,000 personal-use scheme dating
4 back to 2005.³ The Statement of Offense supporting Congressman Jackson's plea describes a
5 long-running scheme involving Congressman Jackson, his wife Sandra Jackson (referred to as
6 Co-Conspirator 1), and former campaign treasurer Vickie Pasley (referred to as Person B),
7 among others, to divert funds from Congressman Jackson's campaign committee, Jesse Jackson,
8 Jr. for Congress, for his and Sandra Jackson's personal use.⁴ Specifically, between
9 approximately August 2005 and April 2012, the Jacksons diverted approximately \$750,000 in
10 campaign funds to pay for personal expenses.⁵

11 They obtained these funds through several means. First, between August 2005 and April
12 2012, the Jacksons used the Jackson Committee credit card to make approximately 3,100
13 personal purchases — including meals and entertainment, travel, and household items — totaling

where the seriousness of the alleged violation warrants either further investigation or immediate conciliation.”).

³ Congressman Jackson pleaded guilty to conspiracy to commit mail and wire fraud and making false statements. See Plea Agreement at 1, *United States v. Jesse Jackson, Jr.*, 1:13-CR-58 (D.D.C. Feb. 20, 2013) (Dkt. Entry No. 8). Sandra Jackson pleaded guilty to filing false tax returns for failing to report as income the funds the Jacksons diverted from the Jackson Committee for their own use and benefit. See Plea Agreement at 1, *United States v. Sandra Jackson*, 1:13-CR-59 (D.D.C. Feb. 20, 2013) (Dkt. Entry No. 12). On August 14, 2013, the district court sentenced Congressman Jackson to 30 months imprisonment and ordered forfeiture of a money judgment totaling \$750,000 and specifically enumerated property traceable to the scheme. See Judgment at 2, 6, *United States v. Jesse Jackson, Jr.*, 1:13-CR-58 (D.D.C. Aug. 19, 2013) (Dkt. Entry No. 56). On that same date, the district court sentenced Sandra Jackson to 12 months imprisonment and ordered her to pay restitution of \$20,000 to the Internal Revenue Service. See Judgment at 2, 5, *United States v. Sandra Jackson*, 1:13-CR-59 (D.D.C. Aug. 19, 2013) (Dkt. Entry No. 45).

⁴ Although the Statement of Offense refers to several individuals using pseudonyms, the identities of Sandra Jackson and Vickie Pasley, among others, are discernible from the references to their tenures at different times as treasurers to the Jackson Committee.

⁵ Statement of Offense ¶ 11.

1 approximately \$582,773.⁶ Second, between July 2007 and July 2011, Congressman Jackson
2 made direct expenditures of \$57,793 in Committee funds to purchase a Rolex watch and pay
3 down personal credit card debt.⁷ Third, between 2006 and 2012, the Jacksons used an
4 intermediary to divert Committee funds and otherwise disguised transactions involving
5 approximately \$100,741 used to pay down personal credit card debt, pay for home renovations,
6 and purchase elk heads.⁸

7 To enable and prolong the scheme, the Jacksons directed that materially false and
8 misleading disclosure reports be filed with the Commission between in or about August 2005
9 and in or about July 2012. To conceal the Jacksons' personal expenditures using the
10 Committee's credit card, the Jacksons directed the Committee's treasurer not to itemize personal
11 expenditures made on the campaign credit card.⁹ Other times, the Jacksons provided false
12 justifications for expenditures, causing that false information to be included in the campaign's
13 disclosure reports.¹⁰ The Committee's treasurer then submitted disclosure reports containing
14 materially false and misleading statements.¹¹ For example, on or about January 23, 2009, Pasley
15 filed a disclosure report stating that the Committee spent \$387.04 on November 22, 2008, at
16 Costco for "Food for Campaign Staff Holiday dinner."¹² In truth, however, Sandra Jackson used

6 *Id.* ¶¶ 20-25.

7 *Id.* ¶¶ 16-19.

8 *Id.* ¶¶ 26-38, 46-53.

9 *Id.* ¶ 59.

10 *Id.*

11 *Id.*

12 *Id.*

1 this Committee funds to purchase bathrobes and other items for the Jacksons' personal use.¹³
2 Filing the materially false and misleading disclosure reports, "enabled the conspiracy to continue
3 without detection for a lengthy period of time and without the questions from regulators or the
4 general public that likely would have ensued had truthful and accurate reports and forms been
5 filed."¹⁴

6 On March 21, 2013, the Office of General Counsel provided notice of this matter to
7 Vickie Pasley. She submitted a response denying any wrongdoing, arguing that she did not
8 prepare the Jackson Committee's disclosure reports and had essentially no control or
9 involvement in the Jackson Committee's finances.¹⁵

10 II. LEGAL ANALYSIS

11 Congressman Jackson has admitted that he and others participated in a plan to divert
12 Jackson Committee funds for the Jacksons' personal use and benefit. Using a variety of
13 methods, the Jacksons ultimately diverted approximately \$750,000 in Committee funds to pay
14 for a variety of personal goods and services. Pasley, among others, helped conceal this scheme
15 by filing materially false and misleading disclosures.

16 The treasurer function is not merely ministerial. The Act and Commission regulations
17 require treasurers to be responsible for the accuracy of the information contained in committee
18 disclosures, as well as the timely and complete filing of those reports.¹⁶ This gives rise to
19 record-keeping obligations. Among them, a treasurer must keep an account of the name and

¹³ *Id.*

¹⁴ *Id.* ¶ 15.

¹⁵ See Pasley Resp. at 2 (May 11, 2013).

¹⁶ 11 C.F.R. § 104.14(d).

1 address of every person to whom a disbursement is made, together with the date, amount and
2 purpose of the disbursement.¹⁷ And for each disbursement in excess of \$200 by or on behalf of
3 the Committee, the treasurer must obtain and keep a receipt, invoice, or cancelled check.¹⁸ “Due
4 to their ‘pivotal role,’ treasurers may be held personally liable for failing to fulfill their
5 responsibilities under the Act and the Commission’s regulations.”¹⁹ Thus, the Commission has
6 determined as a matter of policy that it will proceed against treasurers in their personal capacity:

7 [W]here information indicates that the treasurer knowingly and willfully violated
8 an obligation that the Act or regulations specifically impose on treasurers or
9 where the treasurer recklessly failed to fulfill the duties imposed by law, or where
10 the treasurer has intentionally deprived himself or herself of the operative facts
11 giving rise to the violation.²⁰

12 Here, the false and misleading disclosures were key to concealing the personal-use
13 scheme, and they could not have continued without Pasley’s willingness to turn a blind eye when
14 she became treasurer in 2008. In her Response, Pasley disclaims essentially all involvement in
15 carrying out the duties of a committee treasurer. She claims that she did not prepare reports or
16 keep records.²¹ Instead, she asserts that she merely “perused” final reports “as needed” and
17 asked others for explanations “if I had a question.”²² Pasley then asserts, “There was never an

¹⁷ 2 U.S.C. § 432(c).

¹⁸ *Id.*; 11 C.F.R. § 102.9(b)(2).

¹⁹ Statement of Policy Regarding Treasurers Subject to Enforcement Proceedings, 70 Fed. Reg. 3, 5 (Jan. 3, 2005) (quoting *FEC v. Toledano*, 317 F.3d 939, 947 (9th Cir. 2003)).

²⁰ *Id.* at 3-4.

²¹ Pasley Resp. at 2-3 (“Because I have never had a role in the preparation of the reports, [records evidencing expenditures] were *never* in my possession.” (emphasis in original)).

²² *Id.*

1 indication made to me . . . that said expenditures were not appropriate under the
2 circumstances.²³

3 Pasley's asserted lack of any meaningful involvement in the Committee's disclosure
4 reporting — other than to sign the reports — suggests that she may have either recklessly failed
5 to fulfill the duties of a treasurer under the Act and Commission regulations or that she willfully
6 blinded herself to the falsity of the disclosures she signed as treasurer.²⁴ Given the scope and
7 scale of the personal-use scheme, the various means employed to carry it out, the necessity of the
8 treasurer's role in concealing the scheme, the Commission finds reason to believe that Pasley
9 violated the Act and Commission regulations by failing to keep records and ensure the accuracy
10 of the information contained in the Committee's disclosures.²⁵

11 III. CONCLUSION

12 For the reasons discussed above, the available information — and in particular the factual
13 basis supporting Congressman Jackson's guilty plea — credibly sets forth facts supporting a
14 reason to believe that Pasley violated the Act and Commission regulations.

²³ *Id.* at 2.

²⁴ *See, e.g.*, MUR 5646 (Buchalski) (2008) (finding reason to believe treasurer recklessly failed to perform his duties in case where treasurer "in title only" never handled committee funds and signed blank or incomplete reports prepared by others). Thus, Pasley's claim that her lack of involvement was precisely the arrangement agreed to when she became treasurer, *see* Pasley Resp. at 1-2, does not relieve her from her responsibility under the Act and Commission regulations to familiarize herself with the relevant records, conduct appropriate inquiries, and certify the accuracy of the Committee's disclosure reports.

²⁵ 2 U.S.C. §§ 432(c), 434(b). *Cf.* MUR 5453 (Ariola) (2005) (finding reason to believe treasurer recklessly failed to perform his duties where treasurer was certified public accountant, had requisite financial information available, but failed to accurately reconcile committee's financial activity).