



1 **FEDERAL ELECTION COMMISSION**

2 **FACTUAL AND LEGAL ANALYSIS**

3 RESPONDENT: AKT Development Corporation MUR 6848  
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6 **I. INTRODUCTION**  
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8 This matter was generated by a complaint filed with the Federal Election Commission  
9 (the "Commission"), concerning allegations that former congressional candidate George Demos  
10 lacked sufficient personal assets to fund \$2.5 million in loans he made to his campaign.<sup>1</sup> The  
11 Complaint alleged that Demos obtained the funds for the loans from his father-in-law, Angelo  
12 Tsakopoulos; this allegation was based on a meeting between the Complainant Jesus A. Garcia,  
13 Chairman of the Brookhaven Republican Party, Vice Chair Betty Manzella, and Demos on  
14 December 12, 2013.<sup>2</sup> The Complaint also speculated that because Demos's Statement of  
15 Candidacy was mailed from Tsakopoulos's company, AKT Development Corporation ("AKT"),  
16 AKT could have also played a role in funding the loans, which would constitute a prohibited  
17 corporate contribution.<sup>3</sup> The Commission has determined that Demos used funds belonging to  
18 his wife, Chrysanthy T. Demos, to make \$2.5 million in loans to his campaign. Accordingly, the  
19 Commission found no reason to believe that AKT violated 52 U.S.C. § 30118.  
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<sup>1</sup> See 52 U.S.C. § 30109(a)(1). Demos made four loans to his campaign during the 2014 election cycle: a \$1,000,000 loan made on September 27, 2013, a \$1,000,000 loan made on December 30, 2013, and two \$250,000 loans on June 23, 2014. See 2013 October Quarterly Rpt. (Oct. 3, 2013), 2013 Year-End Rpt. (Jan. 31, 2014), and 2014 July Quarterly Rpt. (July 15, 2014).

<sup>2</sup> Compl. at 2.

<sup>3</sup> *Id.* at 1. AKT was listed as the return address on the envelope used to mail the Statement of Candidacy to the Commission. See Statement of Candidacy (Sept. 25, 2013), available at [https://www.fec.gov/data/candidate/H0NY01137/?election\\_full=True&cycle=2014&tab=about-candidate](https://www.fec.gov/data/candidate/H0NY01137/?election_full=True&cycle=2014&tab=about-candidate).

1 **II. FACTUAL AND LEGAL ANALYSIS**

2 Corporations are prohibited from making a contribution in connection with any federal  
3 election.<sup>4</sup> The term “contribution” includes “any gift, subscription, loan advance or deposit of  
4 money or anything of value made by any person for the purpose of influencing any election for  
5 Federal office.”<sup>5</sup>

6 Tsakopoulos is a real estate developer in California and is the registered agent for AKT, a  
7 California corporation.<sup>6</sup> As a corporation, AKT is prohibited from making a contribution in  
8 connection with any federal election. The Complaint had alleged that the funds that Demos used  
9 to loan money to his campaign may have come from his father-in-law and his father-in-law’s  
10 company, AKT, a corporation in California. Tsakopoulos denied providing any additional funds  
11 for the purpose of supporting Demos’s campaign beyond the \$5,200 he contributed to the  
12 Committee for the primary and general elections.<sup>7</sup> Instead, the available information indicates  
13 that Chrysanthy Demos provided the funds that Demos used to lend to his campaign, not  
14 Tsakopoulos or AKT. Mr. Tsakopoulos has further stated in a sworn declaration that neither he  
15 nor his company gave Ms. Demos those funds.<sup>8</sup> Therefore, there is no reason to believe that  
16 AKT violated 52 U.S.C. § 30118.

<sup>4</sup> 52 U.S.C. § 30118.

<sup>5</sup> 52 U.S.C. § 30101(8)(A)(i).

<sup>6</sup> *See Business Entity Detail: AKT Development Corporation*, CALIFORNIA SECRETARY OF STATE,  
<http://kepler.sos.ca.gov/>.

<sup>7</sup> Angelo Tsakopoulos Decl. ¶¶ 2-3 (Aug. 25, 2014).

<sup>8</sup> Angelo Tsakopoulos Second Decl. ¶ 5 (Sept. 5, 2016).