



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Lyn Utrecht, Esq.  
Greg Holder, Esq.  
Utrecht, Kleinfeld, Fiori, Partners LLC  
1900 M Street, NW, Suite 500  
Washington, D.C. 20036

**MAY 26 2017**

RE: MUR 7079  
Loretta Sanchez, *et al.*

Dear Ms. Utrecht and Mr. Holder:

On June 13, 2016, the Federal Election Commission ("Commission") notified your clients, Loretta Sanchez and the Committee to Re-elect Loretta Sanchez and Katherine Meyer Borst in her official capacity as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On May 11, 2017, the Commission found, on the basis of the information in the complaint, and information provided by your clients, that there is no reason to believe that Loretta Sanchez violated 52 U.S.C. §§ 30116(a) or 30122 or 11 C.F.R. § 110.4(b). On that same date, the Commission found no reason to believe that the Committee to Re-elect Loretta Sanchez and Katherine Meyer Borst in her official capacity as treasurer violated 52 U.S.C. §§ 30116(f) or 30122 or 11 C.F.R. § 110.4(b). Accordingly, the Commission closed its file in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). The Factual and Legal Analysis, which more fully explains the Commission's findings, is enclosed.

If you have any questions, please contact Marianne Abely, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

A handwritten signature in black ink that reads "Mark Allen".

Mark Allen  
Assistant General Counsel

Enclosure  
Factual and Legal Analysis

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08/01/16

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENTS:**

MUR: 7079

|                                                                 |                        |
|-----------------------------------------------------------------|------------------------|
| Ami Bera for Congress and Jennifer May                          | Amerish "Ami" Bera     |
| in her official capacity as treasurer                           | Babulal Bera           |
| DelBene for Congress and Jay Patterson                          | Kanta Bera             |
| in his official capacity as treasurer                           | Janine Bera            |
| Eggman for Congress and Jay Petterson                           | Suzan DelBene          |
| in his official capacity as treasurer                           | Michael Eggman         |
| Stacey Lawson for Congress and Kevin Heneghan                   | Stacey Lawson          |
| in his official capacity                                        | Jon Hulburd            |
| Hulburd for Congress and David Beckham                          | Patrick Murphy         |
| in his official capacity as treasurer                           | Thomas P. Murphy, Jr.  |
| Friends of Patrick Murphy and Brian Foucart                     | Leslie Murphy          |
| in his official capacity as treasurer                           | Scott Peters           |
| Scott Peters for Congress and Nicholas R. Femia                 | Lynn Gorguze           |
| in his official capacity as treasurer                           | Gloria Gorguze         |
| Sangisetty for Congress LLC and Kurt Fakier                     | Koti Sangisetty        |
| in his official capacity                                        | Aruna Sangisetty       |
| Friends of Steve Pougnet and Kinde Durkee                       | Ravi Sangisetty        |
| in her official capacity as treasurer                           | Stephen P. Pougnet     |
| Kevin Strouse for Congress and Ronald Fader                     | Kevin Strouse          |
| in his official capacity as treasurer                           | Robert Strouse         |
| Dan Roberti for Congress and Daniel McClutchy                   | Daniel Francis Roberti |
| in his official capacity as treasurer                           | Dina Titus             |
| Dr. Raul Ruiz for Congress and John Pinkney                     | Dr. Raul Ruiz          |
| in his official capacity as treasurer                           | Loretta Sanchez        |
| Titus for Congress and Jennifer May                             | Manan Trevidi          |
| in her official capacity as treasurer                           |                        |
| Trivedi for Congress and Bret Binder                            |                        |
| in his official capacity as treasurer                           |                        |
| Committee to Re-elect Loretta Sanchez and Katharine Meyer Borst |                        |
| in her official capacity as treasurer                           |                        |

**I. INTRODUCTION**

This matter was generated by a Complaint filed with the Federal Election Commission (the "Commission") by The Foundation for Accountability and Civic Trust, alleging violations of the Federal Election Campaign Act, as amended (the "Act"). The Complaint alleges that the

1 Respondents, which include a number of congressional candidates, their campaign committees,  
2 and family members, violated the Act and Commission regulations by participating in schemes  
3 to make contributions in the names of others for the purpose of evading the Act's individual  
4 contribution limits.<sup>1</sup>

## 5 II. FACTUAL AND LEGAL ANALYSIS

### 6 A. Facts

7 The Complainant alleges that, between 2009 and 2015, Congressional candidate Amerish  
8 "Ami" Bera, along with his wife and parents, orchestrated a donor-swapping scheme involving  
9 the reimbursement of contributions made by fourteen other congressional candidates and their  
10 families.<sup>2</sup> According to the Complaint, during the 2010, 2012, 2014, and 2016 election cycles,  
11 candidate Ami Bera, his wife, Janine Bera, and his parents, Babulal and Kanta Bera, improperly  
12 reimbursed contributions totaling over \$200,000 for the purpose of magnifying the value of the

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<sup>1</sup> MUR 7079 Compl. at 1

<sup>2</sup> *Id.* While the Complaint alleges that fourteen candidates, their families, and campaign committees participated in this scheme with members of the Bera family, it provides examples of only four of these donor swaps. A review of the candidate committees' disclosure reports provided information regarding contributions made by all 14 of the candidates, their families, or campaign committees to the Bera Committee and Bera family contributions to the 14 campaign committees. And, although most of the contributions at issue in this matter were made by individuals, two were made by committees, Eggman for Congress and Dr. Raul Ruiz for Congress.

1 participants' contributions "beyond lawful contribution limits."<sup>3</sup> This scheme allegedly involved  
2 the Beras directing the "network" to make contributions to the Bera Committee in exchange for  
3 members of the Bera family contributing to the 14 congressional candidates.<sup>4</sup> The Complaint  
4 asserts that the Bera family unlawfully reimbursed the network's contributions by making  
5 "substantially equivalent contributions" to the participating congressional candidates.<sup>5</sup>

6 Respondents deny the allegations and assert that the Complainant fails to present any  
7 facts demonstrating that they were involved in an unlawful scheme involving the reimbursement  
8 of contributions, and the Commission has previously determined that the donor activity as  
9 described in the Complaint is permissible.<sup>6</sup> Several of the Respondents also note that the five-

<sup>3</sup> MUR 7079 Compl. at 1-2. According to the Complaint, the "complex family shell game" described in this matter is similar to the reimbursement scheme for which Babulal Bera pleaded guilty and was sentenced to serve a year and a day in prison. *Id.* at 1; *see also* Judgment, *United States v. Babulal Bera*, No. 2:16-cr-00097 (E.D. Cal. Aug. 18, 2016). In that criminal matter, Babulal Bera admitted that he violated 52 U.S.C. §§ 30116(a)(1)(A) and 30122 by reimbursing over 130 contributions made to the Bera Committee using personal and company funds. *See* Criminal Information, *United States v. Babulal Bera*, Crim. No. 5-16-0097 (E.D. Cal. filed May 9, 2016); Plea Agreement, Ex. A, Factual Basis for Plea, *United States v. Babulal Bera*, Crim. No. 5-16-0097 (E.D. Cal. filed May 10, 2016). In a separate matter, MUR 7072, which related to the reimbursement scheme at issue in the criminal case, in light of Babulal Bera's sentencing in the criminal matter, his advanced age, and the fact that most of the activity was beyond the statute of limitations, the Commission dismissed the matter and admonished Babulal Bera. *See* Babulal Bera Factual and Legal Analysis, MUR 7072; Commission Certification, MUR 7072 (Babulal Bera, *et al.*) (Dec. 9, 2016). The available information, however, does not indicate that any of the contributions at issue in MUR 7079 were part of the criminal activity at issue in MUR 7072.

<sup>4</sup> MUR 7079 Compl. at 2-3. The candidates are Suzan DelBene, Michael Eggman, Jon Hulburt, Stacey Lawson, Patrick Murphy, Scott Peters, Steve Pougnet, Dan Roberti, Dr. Raul Ruiz, Loretta Sanchez, Ravi Sangisetty, Kevin Strouse, Dina Titus, and Manan Trevidi.

<sup>5</sup> MUR 7079 Compl. at 3-4. Specific examples of this alleged scheme provided in the Complaint involve contributions from candidate Ravi Sangisetty's parents, Aruna and Koti Sangisetty, in 2010; contributions from candidate Patrick Murphy's father, Thomas P. Murphy, Jr., in 2011; contributions from candidate Scott Peters, his wife and his mother-in-law in 2012; and, contributions from candidate Patrick Murphy's mother, Leslie Murphy, in 2013. *See Id.* at 4-6.

<sup>6</sup> *See* Loretta Sanchez, Committee to Re-elect Loretta Sanchez Resp. at 1-3; Sangisetty for Congress LLC Resp. at 1-2; Koti, Aruna and Ravi Sangisetty Resp. at 1-2; Michael Eggman, Eggman for Congress Resp. at 2; Ami and Janine Bera, Bera Committee Joint Resp. at 2; Babulal and Kanta Bera Resp. at 2; Scott Peters; Scott Peters for Congress, Lynn Gorguze, Gloria Gorguze Joint Resp. at 1; Suzan DelBene, DelBene for Congress, Patrick Murphy, Murphy Committee, Thomas P. Murphy, Jr., Leslie Murphy, Raul Ruiz, Dr. Paul Ruiz for Congress, Kevin Strouse; Dina Titus, Titus for Congress, Dan Roberti, Dan Roberti for Congress Joint Resp. at 1-4.

1 year statute of limitations ("SOL") has expired for some of the violations alleged in the  
2 Complaint.<sup>7</sup>

3 **B. Analysis**

4 The Act limits how much an individual can contribute to a federal candidate and his or  
5 her principal campaign committee.<sup>8</sup> The Act and Commission regulations provide that no person  
6 shall make a contribution in the name of another person or knowingly permit his or her name to  
7 be used to effect such a contribution.<sup>9</sup> In addition, "no person shall . . . knowingly help or assist  
8 any person in making a contribution in the name of another."<sup>10</sup> Candidates, their committees,  
9 and their agents are also prohibited from knowingly accepting contributions that exceed the  
10 Act's limits and contributions made in the name of another.<sup>11</sup>

11 As argued in the Response, the available information does not support the Complainant's  
12 allegations that the contributions identified in the Complaint constitute contributions in the name  
13 of another. The Complaint, which asserts that fourteen congressional candidates, their families,  
14 and campaign committees participated with the Beras in the alleged scheme, specifically  
15 describes a series of contributions made by four of those candidates and their relatives, including

<sup>7</sup> Sangisetty for Congress LLC Resp. at 2; Koti, Aruna and Ravi Sangisetty Resp. at 2. As of the date of this report, the activity from 2009, 2010 and 2011 was beyond the SOL, representing approximately 35% of the overall amount at issue in MUR 7079.

<sup>8</sup> 52 U.S.C. § 30116(a). During the 2010, 2012, 2014 and 2016 election cycles, an individual could contribute a maximum of \$2,400, \$2,500, \$2,600 and \$2,700, respectively, to a candidate per election. The Act permits an authorized committee to contribute up to \$2,000 to the authorized committee of another candidate. 52 U.S.C. § 30102(e)(3)(B).

<sup>9</sup> 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b)(1)(i), (ii).

<sup>10</sup> See 11 C.F.R. § 110.4(b)(1)(iii).

<sup>11</sup> See 52 U.S.C. §§ 30116(f) and 30122; 11 C.F.R. §§ 110.4(b)(1)(iv). Commission regulations also require treasurers of political committees to examine all contributions for evidence of illegality. Should a treasurer determine that a contribution is illegal, including that a contribution was made in the name of another, the treasurer shall refund the contribution to the contributor within 30 days of the date on which the illegality was discovered. 11 C.F.R. § 103.3(b).

1 parents, spouses, siblings, and an in-law, but does not provide any information that these  
2 contributions were not made with the personal funds of the named contributors.

3 Accordingly, the Commission finds no reason to believe that Michael Eggman violated  
4 52 U.S.C. § 30122 or 11 C.F.R. § 110.4(b); that Dr. Raul Ruiz violated 52 U.S.C. § 30122 or  
5 11 C.F.R. § 110.4(b); that the remaining individual Respondents violated 52 U.S.C. §§ 30116(a)  
6 or 30122, or 11 C.F.R. § 110.4(b); that Eggman for Congress and Jay Petterson in his official  
7 capacity as treasurer violated 52 U.S.C. §§ 30102(e)(3)(B) or 30116(f) or 30122, or 11 C.F.R.  
8 § 110.4(b); that Dr. Raul Ruiz for Congress and John Pinkney in his official capacity as treasurer  
9 violated 52 U.S.C. §§ 30102(e)(3)(B) or 30116(f) or 30122, or 11 C.F.R. § 110.4(b); or that the  
10 remaining Committee Respondents violated 52 U.S.C. §§ 30116(f) or 30122, or 11 C.F.R.  
11 § 110.4(b).

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