



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

James Wang, Esq.
A.J. Wang
544 Fairways Circle
St. Louis, MO 63141

APR 24 2018

RE: MUR 7106
Sandy Tsai

Dear Mr. Wang:

On July 18, 2016, the Federal Election Commission notified your client, Sandy Tsai, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On March 6, 2018, the Commission found, on the basis of the information in the complaint, that there is no reason to believe Tsai violated 52 U.S.C. § 30125(e)(1)(A) and 11 C.F.R. § 110.3(d). Accordingly, the Commission closed its file in this matter as it pertains to your client. The Factual and Legal Analysis, explaining the Commission's findings, is enclosed.

The Commission reminds you that the confidentiality provisions of 52 U.S.C. § 30109(a)(12)(A) remain in effect, and that this matter is still open with respect to other respondents. This matter will become part of the public record within 30 days after the entire file is closed with respect to all other respondents involved. The Commission will notify you when the entire file has been closed.

If you have any questions, please contact Shanna Reulbach, the attorney assigned to this matter, at (202) 694-1638.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynn Y. Tran".

Lynn Y. Tran
Assistant General Counsel

Enclosure
Factual and Legal Analysis

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Sandy Tsai

MUR: 7106

I. INTRODUCTION

This matter was generated by a Complaint filed with the Federal Election Commission (the "Commission") by Michelle C. Clay. In relevant part, the Complaint alleges that Sandy Tsai violated the Federal Election Campaign Act of 1971, as amended (the "Act"), by facilitating the transfer of soft money between state candidate committee Citizens for Maria Chappelle-Nadal (the "State Committee") and federal candidate committee Chappelle-Nadal for Congress (the "Federal Committee").

II. FACTUAL AND LEGAL ANALYSIS

A. Factual Background

Maria Chappelle-Nadal has been a Missouri State Senator since 2010 and was a candidate for Missouri's First Congressional District during the 2016 election cycle. Citizens for Maria Chappelle-Nadal was her state candidate committee, and Chappelle-Nadal for Congress was her federal candidate committee.¹

The Complaint in this matter observes from the Committees' reports that Tsai contributed \$14,000 to the State Committee in 2013, but the State Committee refunded the full amount of the contribution on December 10, 2015.² On December 29, 2015, Tsai then made a \$2,500

¹ CO31173: *Citizens for Maria Chappelle-Nadal*, MO. ETHICS COMM'N, http://mec.mo.gov/MEC/Campaign_Finance/CF11_CommInfo.aspx (last visited Jan. 30, 2017); Statement of Organization, Chappelle-Nadal for Congress (Oct. 6, 2015); Statement of Candidacy, Maria Chappelle-Nadal (Oct. 6, 2015).

² Compl. at 1 (July 11, 2016); Amended 2015 Year-End Report, Citizens for Maria Chappelle-Nadal (Feb. 1, 2016).

1 contribution to the Federal Committee which the Complaint argues was an “inappropriate
2 transfer of funds.”³

3 **B. Legal Analysis**

4 The Act prohibits federal candidates, their agents, and entities established, financed,
5 maintained, or controlled (“EFMC’d”) by federal candidates from soliciting, receiving, directing,
6 transferring, or spending funds in connection with any federal election unless the funds are in
7 amounts and from sources permitted by the Act, *i.e.* hard money.⁴ The Commission has
8 concluded that a federal candidate’s state committee is an entity EFMC’d by the federal
9 candidate.⁵

10 As an extension of the Act’s soft money ban, the Commission’s regulations explicitly
11 prohibit “[t]ransfers of funds or assets from a candidate’s campaign committee or account for a
12 nonfederal election to his or her principal campaign committee or other authorized committee for
13 a federal election”⁶ The regulations provide, however, that when a candidate has both a
14 federal and nonfederal committee, “at the option of the nonfederal committee, the nonfederal
15 committee may refund contributions, and may coordinate arrangements with the candidate’s
16 principal campaign committee or other authorized committee for a solicitation by such
17 committee(s) to the same contributors.” The solicitations must be paid for by the federal
18 committee(s).⁷

3 Compl. at 1.

4 52 U.S.C. § 30125(e)(1)(A); *see also* 11 C.F.R. § 300.61.

5 Advisory Op. 2007-26 (Schock) at 4; Advisory Op. 2006-38 (Casey State Committee) at 4.

6 11 C.F.R. § 110.3(d).

7 *Id.*

1 Here, the Commission has information indicating that Tsai asked the State Committee to
2 refund her contribution, and there is no information before the Commission suggesting that the
3 State Committee paid to solicit her for her subsequent contribution to the Federal Committee.
4 Therefore, the Commission finds no reason to believe that Tsai violated 52 U.S.C.
5 § 30125(e)(1)(A) with regard to the allegations of an illegal transfer between the State and
6 Federal Committees.