



FEDERAL ELECTION COMMISSION
Washington, DC 20463

VIA FIRST CLASS MAIL

JUN 19 2019

Edwin Pawlowski
43 N. 11th Street
Allentown, PA 18101

RE: MUR 7226
Edwin Pawlowski

Dear Mr. Pawlowski:

The Federal Election Commission (the "Commission") previously notified your principal campaign committee, Pawlowski2016.com and Lisa Pawlowski in her official capacity as treasurer (the "Committee"), that it had ascertained information in the normal course of carrying out its supervisory responsibilities indicating that the Committee may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). At that time, we also provided the Committee with a copy of the referral document received by this Office. Attachment 1. The referral stated that the Committee has been referred for the unauthorized use of committee funds, in violation of 52 U.S.C. §§ 30104(b) and 30114. We received the Committee's response, and the matter is currently under review by the Commission.

The Commission has ascertained information in the normal course of carrying out its supervisory responsibilities indicating that you may have violated the Act or Commission regulations by accepting excessive or prohibited in-kind contributions. We have obtained information indicating that during your campaign for U.S. Senate in 2015, you used vehicles owned by Nicola Bulgari, an Italian businessman, at little or no charge to the campaign, for multiple campaign-related trips in the area. You are therefore being provided this notice and an opportunity to respond, if you wish to do so.

Under the Act, the term "contribution" includes any gift, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing a Federal election. See 52 U.S.C. § 30101(8)(A) and 11 C.F.R. § 100.52. Goods or services provided at less than the usual and normal charge result in in-kind contributions. 11 C.F.R. §§ 100.52(d)(1), 100.111(e)(1). Usual and normal charge refers to the price of goods in the market from which

Edwin Pawlowski
MUR 7226
Page 2

they would have been purchased at the time they were provided. 11 C.F.R. § 100.52(d)(2), 100.111(e)(2).

The Act prohibits any person from making, and any candidate or committee from accepting, contributions in excess of the limits stated in 52 U.S.C. § 30116. 52 U.S.C. § 30116(a), (f). Further, the Act further prohibits persons from soliciting, accepting, or receiving a contribution or donation from a foreign national. 52 U.S.C. § 30121(a)(2). A “foreign national” is an individual who is not a citizen of the United States or a national of the United States and who is not lawfully admitted for permanent residence. 52 U.S.C. § 30121(b)(2).

Your alleged use of vehicles for campaign-related trips without charge or at a charge that is less than the usual and normal charge for rental of such vehicles would constitute an in-kind contribution to the campaign, which is subject to the source and contribution limits under the Act. Based on the available information, it appears that you may have violated the Act by accepting an excessive in-kind contribution, or if from a foreign national, a prohibited in-kind contribution, in connection with your use of the vehicles.

The Office of General Counsel is reviewing this information to determine whether we should recommend to the Commission that it find there is reason to believe you violated the Act or Commission regulations. A “reason to believe” finding is not a finding that any person violated the Act; rather, it means only that the Commission believes a violation may have occurred. In the event the Commission finds that there is reason to believe, it may authorize the Office of General Counsel to conduct an investigation to determine whether, in fact, a violation occurred or to assess the scope of the alleged violation. *See* 52 U.S.C. § 30109(a)(2). The Commission may also authorize the Office of General Counsel to enter into negotiations directed toward reaching a conciliation agreement in settlement of a matter at an earlier stage of the enforcement process prior to a Commission finding that there is probable cause believe that a person violated the Act or Commission regulations. *See* 11 C.F.R. § 111.18(d) and the enclosed procedures. Attachment 2.

Before we make a recommendation to the Commission, we offer you the opportunity to provide in writing a response to the allegations in the complaint and the information in this letter. Should you choose to respond, you may also submit any materials – including documents or affidavits from persons with relevant knowledge – that you believe may be relevant or useful to the Commission’s consideration of this matter. The Commission will take into account any additional information you provide in determining whether to find reason to believe that the Committee violated the Act or Commission regulations.

The response, if you chooses to make one, must be submitted in writing within 15 days of this letter’s receipt. You should address any response to the Office of General Counsel, and the response should reference MUR 7226. Direct any response to: Federal Election Commission, 1050 First St. N.E. Washington, D.C. 20463 or to me at ddillenseger@fec.gov. After 15 days,

Edwin Pawlowski
MUR 7226
Page 3

we will make our recommendations to the Commission. The Commission will then consider the recommendations and take appropriate action.

This matter will remain confidential unless you notify the Commission in writing that you wish the matter to be made public. *See* 52 U.S.C. §§ 30109(a)(4)(B) and 30109(a)(12). If you intend to be represented by counsel in this matter, please complete the enclosed form and return it to the Commission. Attachment 3. Please be advised though that, although the Commission cannot disclose information regarding an investigation to the public, it may share information on a confidential basis with other law enforcement agencies.¹ Also, please be advised that you are required to preserve all documents, records, and materials relating to the subject matter in the complaint and discussed in this matter until we notify you that the Commission has closed its file in this matter. *See* 18 U.S.C. § 1519.

If you have any questions, please contact me at my email address listed above or at (202) 694-1604 or toll free at 1-800-424-9530. Information is also available on the Commission's website at www.fec.gov.

Sincerely,



Dominique Dillenseger
Attorney

Attachments:

1. Referral in MUR 7226

¹ The Commission has the statutory authority to refer knowing and willful violations of the Act to the Department of Justice for potential criminal prosecution, 52 U.S.C. § 30109(a)(5)(C), and to report information regarding violations of law not within its jurisdiction to appropriate law enforcement authorities. *Id.* § 30107(a)(9).

16L-10

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: June 6, 2016

ANALYST: Nataliya Ioffe

- I. COMMITTEE: Pawlowski2016.com
C00576520
Lisa Pawlowski, Treasurer
43 N. 11th Street
Allentown, PA 18101
- II. RELEVANT STATUTES: 52 U.S.C. § 30104(b)
52 U.S.C. §30114
11 CFR § 102.9
11 CFR § 102.15
11 CFR § 104.3

III. BACKGROUND:

Other Violations of the Federal Election Campaign Act (Unauthorized Use of Committee Funds)

Pawlowski2016.com (“the Committee”) disclosed a \$76,500.00 disbursement entry on its 2015 October Quarterly Report with a notation that its purpose was unknown. The Committee subsequently filed a statement indicating that this disbursement represented the unlawful conversion of campaign funds to personal use by a former campaign manager (Attachment 2).

On October 15, 2016, the Committee filed a 2015 October Quarterly Report, covering the period from July 1, 2015 through September 30, 2015 (Image 201510230200311172). Schedule B supporting Line 21 (“Other Disbursements”) disclosed a \$76,500.00 payment to “H Street Strategies LLC” made on July 2, 2015, with the description “Purpose(s) unknown; documentation unavailable” (Image 201510230200311202).

On December 21, 2015, a Request for Additional Information (RFAI) was sent to the Committee referencing the 2015 October Quarterly Report. The RFAI requested clarification of the purpose of the \$76,500.00 disbursement (Image 201512210300008910).

On January 22, 2016, the Committee filed an Amended 2015 October Quarterly Report (Image 201601280200004304). The report included memo text for the July 2, 2015 \$76,500.00 disbursement to H Street Strategies LLC, which stated, in full: "Payment never authorized by treasurer of committee; purpose(s) known only to payee's CEO who is estranged from committee and whereabouts unknown" (Image 201601280200004338). The report also included a cover letter, which stated, in part:

"This \$76,500 payment was not authorized by treasurer of the committee, either before or after it was made on July 2, 2015. The purpose(s) are known only to the CEO of the payee who is estranged from the committee and whose whereabouts are unknown to the committee. On or about July 2, 2015, payee ceased its business operations and abandoned its office location.

The description has been updated in the attached amended October Quarterly Report. The full text of the description has been added in a memo affiliated with the corresponding transaction" (Image 201601280200004304).

On March 15, 2016, Bradley Litchfield, the Committee's counsel, contacted Reports Analysis Division (RAD) Management. Mr. Litchfield indicated that the Committee's former campaign manager made an unauthorized disbursement of \$76,500.00 from the Committee's account. RAD Management advised Mr. Litchfield that the Committee should amend the report to disclose the transaction as unauthorized disbursement of funds and provide additional information about the embezzlement. RAD Management also indicated that per RAD procedures, the matter would be referred to another Commission office (Attachment 2).²

On May 23, 2016, the RAD Analyst called Lisa Pawlowski, the Committee's treasurer, to follow up on the matter of unauthorized use of campaign funds. The RAD Analyst asked Ms. Pawlowski whether the Committee was planning to provide any additional information for the public record concerning the \$76,500.00 disbursement, before the matter was referred for further review to another Commission office. Ms. Pawlowski indicated the Committee was preparing a letter, and advised the RAD Analyst to contact the Committee's attorneys, David McNitt or Bradley Litchfield (Attachment 2).

² The Committee previously requested guidance through a Request for Commission Consideration of a Legal Issue on whether they would be permitted to submit a supplemental response to an RFAI that would not be placed on the public record. The Committee subsequently withdrew the request.

On the same date, the RAD Analyst called David McNitt, who confirmed that Bradley Litchfield was finalizing a letter to the FEC concerning this matter. Mr. McNitt indicated that the letter would be filed with the Secretary of the Senate's Office, and a courtesy copy would be provided to RAD (Attachment 2).

On May 26, 2016, the Committee filed a Miscellaneous Text Document (FEC Form 99), which stated, in part:

“As Ms. Pawlowski explained in a letter to you dated January 22, 2016, this payment was never authorized by her as treasurer. Within a day or two after July 2, the payee abandoned its office location and business operations. The chief executive officer and co-owner of the payee was Michael Fleck. He also abruptly moved away from the Allentown area with no forwarding address or other contact information provided to the committee. Until July 2, Mr. Fleck had been the campaign manager of the Ed Pawlowski, U.S. Senate campaign for the 2016 election cycle.

Mr. Fleck signed the subject check as he then had check signing authority on the campaign account. The check itself includes a memo line on which Fleck wrote: ‘April thru August [2015] consulting, rent and travel.’ The committee has no invoices or other similar records from the payee that might document the subject payment. Nor does the committee have any contract, informal or formal, with the payee LLC, or with Fleck himself regarding compensation for campaign consulting services, office rent or travel expense reimbursement procedures. On the next business day after learning that the unauthorized check had cleared the committee's bank account, Ms. Pawlowski closed the account, as well as other accounts held by the committee that might be accessible by Fleck.

Given the above facts and circumstances, the committee and its treasurer, Lisa Pawlowski, believe that the subject \$76,500 payment represents the unlawful conversion of campaign funds to personal use by a Michael Fleck in violation of 52 U.S.C. §30114 and relevant regulations of the Federal Election Commission” (Image 201605260200190666).³

To date, no further communications have been received from the Committee regarding this matter.

³ A courtesy copy of this letter was also e-mailed to RAD on May 26, 2016.

O-Index (2015-2016)															
Cmte. ID: C00576520 Cmte. Name: PAWLOWSKI2016.COM															
Treasurer Name: LISA PAWLOWSKI Address: 43 N 11TH STREET, ALLENTOWN, PA 18101															
Cmte. Type: S (SENATE) Cmte. Designation: P (PRINCIPAL CAMPAIGN COMMITTEE OF A CANDIDATE) Filing Frequency: QUARTERLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
MS-T			11/2/2015	3	201511020300031347				-	-	-	-	-	-	-
MS-T			5/26/2016	5	201605260200190666				-	-	-	-	-	-	-
RQ2	Q2	A	9/22/2015	4	201509220300005072	4/1/2015	6/30/2015	9/22/2015	-	-	-	-	-	-	-
RQ2	Q3	N	12/21/2015	2	201512210300008910	7/1/2015	9/30/2015	12/21/2015	-	-	-	-	-	-	-
F3	Q2	N	7/15/2015	91	201507200200211525	4/1/2015	6/30/2015		\$0	\$383,717	\$41,856	\$341,861	-	-	\$0
F3	Q2	A	8/19/2015	100	201508240200238370	4/1/2015	6/30/2015		\$0	\$421,367	\$45,326	\$376,041	-	-	\$0
F3	Q3	N	10/15/2015	34	201510230200311172	7/1/2015	9/30/2015		\$376,041	\$2,250	\$272,034	\$106,256	-	-	\$0
F3	Q3	A	1/22/2016	38	201601280200004304	7/1/2015	9/30/2015		\$376,041	\$2,250	\$276,534	\$101,756	-	-	\$0
F3	YE	N	1/29/2016	8	201602160200071158	10/1/2015	12/31/2015		\$101,758	\$0	\$1,500	\$100,256	-	-	\$0
F3	12P	N	4/14/2016	11	201604140200097446	1/1/2016	4/6/2016		\$100,256	\$0	\$81,312	\$18,944	-	-	\$0
F2		N	4/17/2015	4	15020163040				-	-	-	-	-	-	-
F1		N	4/17/2015	7	15020163044				-	-	-	-	-	-	-
F1		A	7/15/2015	7	201507200200211270				-	-	-	-	-	-	-
Totals										\$423,617	\$404,672				

O-Index (2013-2014)															
Cmte. ID: C00576520 Cmte. Name: PAWLOWSKI2016.COM															
Treasurer Name: LISA PAWLOWSKI Address: 43 N 11TH STREET, ALLENTOWN, PA 18101															
Cmte. Type: S (SENATE) Cmte. Designation: P (PRINCIPAL CAMPAIGN COMMITTEE OF A CANDIDATE) Filing Frequency: QUARTERLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
No records were found for this cycle.															

O-Index (2011-2012)															
Cmte. ID: C00576520 Cmte. Name: PAWLOWSKI2016.COM															
Treasurer Name: LISA PAWLOWSKI Address: 43 N 11TH STREET, ALLENTOWN, PA 18101															
Cmte. Type: S (SENATE) Cmte. Designation: P (PRINCIPAL CAMPAIGN COMMITTEE OF A CANDIDATE) Filing Frequency: QUARTERLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
No records were found for this cycle.															