FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 7272
Party of Regions, *et al.*	)	
	)	

STATEMENT OF REASONS OF CHAIR ELLEN L. WEINTRAUB

The flow of lobbying money to K Street from foreign despots and kleptocrats is nothing new, if perennially distasteful. But every once in a while, the flow becomes so foul and murky that the government must step in to find out what's going on and to ensure none of the money made its way to congressional campaign accounts.

So it was in this matter, where the illegal foreign influence scheme orchestrated by Paul J. Manafort, Jr. – a convicted money launderer and unregistered foreign agent – prompted serious questions about whether lobbyists violated the ban on campaign contributions from foreign nationals and the prohibition against giving in the name of another.

Despite these pressing concerns, against the backdrop of ongoing attacks by foreign adversaries against our elections,[1] the Federal Election Commission has once again been blocked from investigating this matter. The American public deserves to know the extent of these foreign influence campaigns against our country, which have the potential to compromise American sovereignty and implicate the funding of our elections.

As described in the indictments issued by Special Counsel Robert S. Mueller III, Manafort acted as an unregistered agent of Ukraine's pro-Russian regime between 2006 and 2015.[2] He concealed his work as an agent of Ukraine, the Party of Regions, and the party's leader, then-President Victor Yanukovych (who later fled to Russia after protests against rampant government corruption). Further, Manafort helped arrange for the European Centre for a Modern Ukraine ("ECFMU"), a nonprofit created in Belgium around 2012, to serve as a front for Yanukovych and the Party of Regions. At Manafort's direction, an unidentified lobbying

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[1] Written Testimony of Chair Ellen L. Weintraub Before the House Oversight and Reform Subcommittee on National Security (May 22, 2019), https://go.usa.gov/xme4c.

[2] Superseding Indictment at 2-3, *United States v. Manafort*, 323 F. Supp. 3d 768 (E.D.V.A. Feb. 22, 2018) (No. 18-cr-83); Superseding Indictment at 1-2, *United States v. Manafort*, 312 F. Supp. 3d 60 (D.D.C. June 8, 2018) (No. 17-cr-201).

company[3] lobbied multiple Members of Congress and their staffs about various foreign policy matters, including lifting Russia-related sanctions, the validity of Ukraine's elections, and the imprisonment of President Yanukovych's presidential rival.[4]

The complaint in this FEC matter alleges that Manafort led a group of lobbyists who made financial contributions on behalf of the Party of Regions and the ECFMU to the campaign committees of four Members of Congress.[5] The lobbyists claim that the money for these contributions came out of their own pockets, but the timing of the contributions, the payments from the Ukrainians, and dates of the lobbyists' meetings with the Congressmen raise questions. With the exception of one U.S. representative, the lobbyists met with the Congressmen within weeks if not days of making the 2013 contributions.[6] The lobbyists were on the Ukrainians' payroll at the time.

Some Respondents suggest that this is just the way lobbying works, and they shroud their efforts on behalf of foreign nationals with the First Amendment right to petition the government.[7] But the right to petition our government for a redress of grievances is a right provided to those in the United States. It is not a right afforded to Ukrainian tyrants to wield against American democracy or our national security interests. And although we are unable to impose a monetary penalty on the Respondents now that the statute of limitations has expired, that is no reason to throw in the towel. Even when time has taken the Commission's ability to financially sanction a respondent, we still have the power and the duty to illuminate. The American people deserve to see what happened here.

This matter merited investigation. The FEC had before it a credible allegation indicating that pro-Russian Ukrainian leaders were indirectly making campaign contributions to Members of Congress.[8] The credibility of this allegation is further enhanced now that Manafort is known to have illegally concealed his foreign clients and the foreign sources of money that financed his other illegal activities. It's sometimes said that where there's smoke, there's fire. In this case, it would be more accurate to say that where there's *fire*, there's fire. If Manafort and his foreign

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[3] The Office of General Counsel infers that the unidentified company is the two Respondents Mercury Public Affairs LLC and Mercury LLC, which comprise the lobbying group known as "Mercury." First Gen. Counsel's Rpt. at 7 [hereinafter "First GCR"].

[4] Superseding Indictment at 17-20, *United States v. Manafort*, 312 F. Supp. 3d 60 (D.D.C. June 8, 2018) (No. 17-cr-201).

[5] Compl. at 8 (Aug. 14, 2017). Nothing in the record suggests that the recipient Members of Congress were aware of Manafort's alleged scheme, or that they bear any culpability in this matter.

[6] The record does not show a meeting between the lobbyists and Rep. Chabot. First GCR at 12.

[7] Mercury Joint Resp. at 2 (Oct. 6, 2017).

[8] The "reason to believe" finding required to investigate a matter is appropriate when a complaint credibly alleges that a violation may have occurred, but further investigation is required to determine the actuality and scope of the violation. Statement of Policy Regarding Comm'n Action in Matters at the Initial Stage in the Enforcement Process, 72 Fed. Reg. 12,545 (Mar. 16, 2007). This should be a low threshold to overcome for a civil enforcement action, but my Republican colleagues continue blocking investigations at their earliest stages.

clients obeyed campaign finance law here, it was just about the only law they *did* obey. The Commission should not have given a convicted criminal and fraudster the benefit of the doubt.

June 21, 2019
Date

Ellen L. Weintraub
Chair