



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Debbie Lesko, *et al.*) MUR 7337
)
)

**STATEMENT OF REASONS OF COMMISSIONER SHANA M. BROUSSARD
AND COMMISSIONER ELLEN L. WEINTRAUB**

On July 23, 2019, the Commission found reason to believe that former Arizona State Senator and 2018 Congressional candidate, Debbie Lesko and her state committee, Re-Elect Debbie Lesko for Senate (the “State Committee”) violated the soft money prohibitions contained in the Federal Election Campaign Act of 1971, as amended (the “Act”) when it transferred \$50,000 to Conservative Leadership for Arizona (“CLA”), an independent expenditure-only political committee (“IEOPC”), which then used the funds to support Lesko’s federal campaign.¹

The Act prohibits federal candidates and officers, their agents, and entities directly or indirectly established, financed, maintained, or controlled by (“EFMC’d”) a federal candidate or officeholder from “solicit[ing], receiv[ing], direct[ing], transfer[ing], or spend[ing] funds in connection with an election for Federal office, . . . unless the funds are subject to the limitations, prohibitions, and reporting requirements of [the] Act.”²

On December 21, 2027, Lesko filed her statement of candidacy with the Commission.³ On January 10, 2018, CLA registered with the Commission as an IEOPC.⁴ Eight days later, Lesko’s State Committee, where Lesko served as chair and treasurer, transferred \$50,000 to CLA.⁵ At this point, CLA had only reported receiving \$50 in contributions.⁶ Within that month, CLA moved quickly and reported spending \$21,000 on polling that focused on the special election where Lesko was a candidate and voter opinions on Lesko and her opponents,⁷ as well as \$20,193.50 for mailers, and \$7,581 for road signs, all supporting Lesko.⁸ All of these “independent” expenditures could be

¹ Certification ¶4, MURs 7327, 7337, and 7344 (Debbie Lesko, *et al.*) (July 23, 2019).

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

³ Factual and Legal Analysis at 2, MURs 7327, 7337, and 7344 (Debbie Lesko, *et al.*).

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ General Counsel’s Brief at 2, MUR 7337 (Debbie Lesko, *et al.*).

⁸ *Id.*

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traced to funds originating with Lesko’s state committee. The Commission concluded that, by authorizing the transfer of funds that comprised 99% of CLA’s funding, Lesko EFMC’d not only her state Committee but also CLA.⁹ Accordingly, the Commission found reason to believe that “Lesko and the entities she EFMC’d transferred, spent, and received funds that had not been reported to the Commission.”¹⁰

CLA entered into a negotiated conciliation agreement, in which it admitted that the State Committee provided it with “99% of CLA’s total contributions” and that it was EMFC’d by Lesko through her Committee’s transfer of funds.¹¹ CLA further admitted to violating “52 U.S.C. § 30125(e)(1)(A) by receiving and spending \$50,000 in funds from Re-Elect Debbie Lesko for Senate that were not subject to the limitations, prohibition, and reporting requirements of the Act and were used in connection with a federal election.”¹² Lesko and her State Committee did not conciliate, and our Office of General Counsel (“OGC”) recommended that the Commission pursue this apparent violation by finding probable cause to believe that both Lesko and her State Committee violated 52 U.S.C. § 30125(e)(1)(A). We approved OGC’s recommendations, as did another one of our colleagues. Unfortunately, there was not sufficient Commission support to continue to pursue this matter.¹³

An IEOPC materialized out of thin air days after a state candidate announced her federal candidacy, was funded almost entirely with funds controlled by that candidate, spent all of those funds purportedly “independently” supporting that candidate, and then ceased virtually all activity.¹⁴ This was a textbook lesson in soft money infiltrating federal elections and was the exact activity that the Bipartisan Campaign Reform Act of 2002 was designed to prevent. At a time when fostering trust in our electoral system is of paramount importance, we should be doing all that we can to ensure transparency and legality in how our elections are funded and hold those who skirt the law to funnel soft money into federal elections accountable. It is regrettable that after forging consensus that there was reason to believe that the law was violated and securing an admission from

⁹ See *id.* at 6-8.

¹⁰ *Id.* at 9.

¹¹ Conciliation Agreement at IV.

¹² *Id.* at V.

¹³ Certification (Sept. 29, 2022).

¹⁴ See General Counsel’s Brief at 3, n.12 (noting that CLA had only \$1,230.50 cash-on-hand after the special primary election in which Lesko participated, and that “On subsequent disclosure reports, CLA disclosed no additional receipts.”). OGC further noted that CLA reported a zero cash on hand balance since its 2018 October Quarterly Report and no financial activity on any of its 2019, 2020, and 2021 disclosure reports. *Id.*

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one of the parties that the law had indeed been violated, we nonetheless could not muster four votes to hold *all parties* accountable for an obvious violation of the Act.

11/4/2022

Date



Shana M. Broussard
Commissioner

11/4/2022

Date



Ellen L. Weintraub
Commissioner