



FEDERAL ELECTION COMMISSION
Washington, DC 20463

January 26, 2023

VIA EMAIL AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Gene Blake

Andover, MA 01810

RE: MUR 7585
Lori Trahan
Lori Trahan for Congress Committee
Concire, LLC

Dear Mr. Blake:

On January 10, 2023, the Federal Election Commission reviewed the allegations in your complaint dated March 15, 2019, amendment of May 1, 2019, and supplemental complaint dated July 2, 2019, along with allegations against some of the same respondents in a complaint filed in MUR 7588. The Commission found no reason to believe that 1) Lori Trahan and Lori Trahan for Congress Committee and Maria Cunha in her official capacity as treasurer (the "Committee") violated 52 U.S.C. § 30116(f) by knowingly accepting excessive contributions in the form of loans made by David Trahan; 2) that the Committee violated 52 U.S.C. § 30104(b) by inaccurately reporting the dates loans were received and the Committee's cash on hand on its 2018 April and July Quarterly Reports; 3) that the Committee violated 52 U.S.C. § 30104(b)(3)(E) by failing to report the source of the loans reported to have been made on March 31, June 30, and August 23, 2018; and 4) that Concire, LLC violated 52 U.S.C. § 30116(a)(1)(A) by making excessive contributions in the form of loans to the Committee.

Additionally, the Commission determined to dismiss as a matter of prosecutorial discretion allegations that the Committee violated 52 U.S.C. § 30104(b)(3)(E) and 11 C.F.R. § 104.3(d)(4) by failing to timely report the source of the loan reported on September 4, 2018 and 52 U.S.C. § 30102(h) and 11 C.F.R. § 103.3(a) by failing to timely deposit receipts. 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 finding as to Concire, LLC, is enclosed. A Statement of Reasons providing the basis for the Commission's decision will also follow.

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The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. *See* 52 U.S.C. § 30109(a)(8).

Sincerely,

Lisa J. Stevenson
Acting General Counsel

Ana J. Peña-Wallace

BY: Ana J. Peña-Wallace
Assistant General Counsel

Enclosure
Factual and Legal Analysis

FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS****RESPONDENT:** Concire, LLC**MUR 7585****I. INTRODUCTION**

This matter arises from a Complaint regarding four loans reportedly made by Representative Lori Trahan, a 2018 congressional candidate, to her authorized committee, Lori Trahan for Congress Committee and Maria Cunha in her official capacity as treasurer (the “Committee”), totaling \$371,000. The Committee reported that Rep. Trahan made three of the loans using her “personal funds” and made the fourth loan using funds that she obtained from a home equity line of credit.

Regarding the first three loans, the Complaint alleges that Rep. Trahan did not have sufficient personal funds to make the loans. While the Complaint alleged that Concire, LLC (“Concire”), a company owned by Rep. Trahan, was the source of the funds used to make the loans and therefore made excessive contributions to the Committee in violation of the Federal Election Campaign Act of 1971, as amended (the “Act”), new information released by the Office of Congressional Ethics (“OCE”) of the U.S. House of Representatives indicates instead that Rep. Trahan received the funds to make the loans from her spouse, David Trahan. Accordingly, the Commission finds no reason to believe that Concire violated 52 U.S.C. § 30116(a)(1)(A) by making excessive contributions to the Committee.

II. FACTUAL BACKGROUND

Congresswoman Lori Trahan was a candidate in the 2018 election for the Third Congressional District in Massachusetts, and Lori Trahan for Congress Committee was her

1 authorized committee.¹ In the months leading up to the primary election, and on the day of the
 2 primary election, September 4, 2018, the Committee reported receiving four loans made by Rep.
 3 Trahan to the Committee totaling \$371,000.

4 **Figure 1. Candidate Loans to Lori Trahan for Congress**

Reported Date of Receipt	Amount	Reported Loan Source
March 31, 2018	\$50,000	Personal Funds of the Candidate
June 30, 2018	\$50,000	Personal Funds of the Candidate
August 23, 2018	\$200,000	Personal Funds of the Candidate
September 4, 2018	\$71,000	Personal Funds of the Candidate (initial reporting); Loan from Washington Savings Bank (amended reporting)

5 The first three candidate loans, reportedly received on March 31, June 30, and August 23,
 6 2018, were disclosed by the Committee on Schedule A (Itemized Receipts) with “Personal loan
 7 from Candidate” written on the memo line and on Schedule C (Loans) with “Personal Funds of
 8 the Candidate” identified as the loan source.² The fourth loan, reportedly received on
 9 September 4, 2018, was initially disclosed as a “Personal loan from Candidate” on Schedule A.³
 10 After the election, on December 6, 2018, the Committee filed an amendment to disclose that the
 11 loan source was the “Personal Funds of the Candidate.”⁴ Then, on December 15, 2018, the

¹ Lori Trahan, Statement of Candidacy (Sept. 21, 2017) (initial filing); Lori Trahan for Congress Committee (“LTCC”), Statement of Org. (Sept. 17, 2017) (initial filing).

² LTCC, 2018 April Quarterly Report at 98, 144 (Apr. 15, 2018) (initial reporting of March 31 loan, which identified Lori Trahan as the source on Schedule C but did not check the “Personal Funds of the Candidate” box); LTCC, Amended 2018 April Quarterly Report at 99, 145 (May 14, 2018) (amended reporting of March 31 loan, which identified “Personal Funds of the Candidate” as the loan source); LTCC, 2018 July Quarterly Report at 235, 282 (July 15, 2018) (identifying the personal funds of the candidate as the source of the June 30 loan); LTCC, 2018 October Quarterly Report at 100, 154 (Oct. 15, 2018) (initial reporting of August 23 loan, which identified Lori Trahan as the source on Schedule C but did not check the “Personal Funds of the Candidate” box); LTCC, Amended 2018 October Quarterly Report at 102, 158 (Dec. 6, 2018) (amended reporting of August 23 loan, which identified “Personal Funds of the Candidate” as the loan source).

³ LTCC, 2018 October Quarterly Report at 100, 155 (Oct. 15, 2018).

⁴ LTCC, Amended 2018 October Quarterly Report at 102, 159 (Dec. 6, 2018).

1 Committee filed a second amendment that removed the “Personal Funds of the Candidate”
2 designation and included a Schedule C-1 (Loans and Lines of Credit from Lending Institutions)
3 to disclose that Rep. Trahan had obtained a loan from Washington Savings Bank secured by real
4 estate valued at \$950,000 with a 5.25% interest rate, and with no other parties secondarily
5 liable.⁵

6 On October 30, 2019, in response to media reports questioning the loans, Rep. Trahan
7 published a piece entitled “Setting the Record Straight” on the website *Medium* providing the
8 following statement about how the loans were financed:

9 We considered all of the income that Dave and I earned to be ours,
10 and I had the same right as Dave did to manage and spend it. So,
11 over the course of the campaign, we decided to move \$300,000
12 from income Dave had earned to our joint checking account; Dave
13 deposited \$50,000 and \$55,000 into our joint checking account
14 before I filed my first and second quarterly reports in 2018, and in
15 August, he deposited an additional \$200,000. I loaned money to
16 my campaign in similar amounts from that joint checking account
17 — \$50,000 on March 31st, \$50,000 on June 30th, and \$200,000 on
18 August 22nd. Later in the campaign, I used a home equity line of
19 credit to loan my campaign an additional \$71,000.⁶

20 On December 17, 2019, the U.S. House of Representatives Committee on Ethics made
21 public a referral from OCE regarding these loans, which the Committee on Ethics adopted into
22 its own report issued in July 2020.⁷ According to bank records, Rep. Trahan made the first three
23 loans using checks drawn on a joint bank account at Enterprise Bank that she shared with her

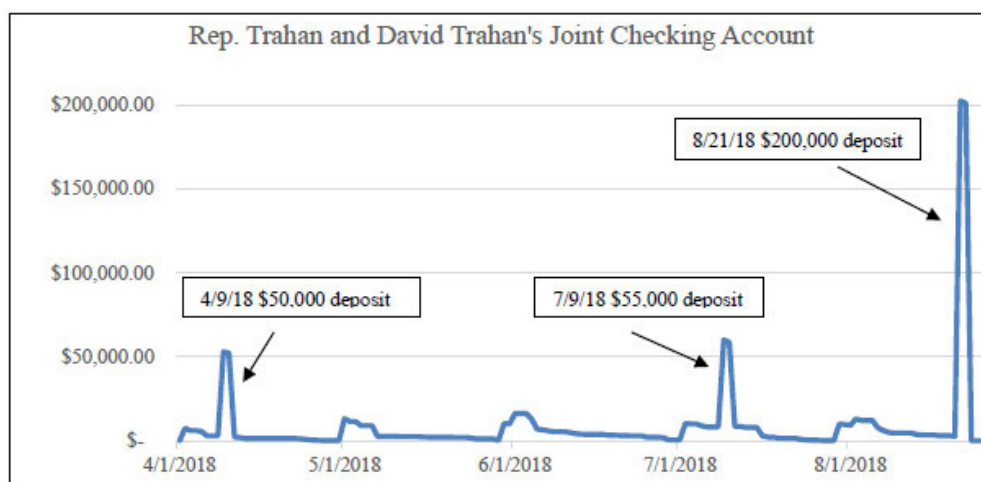
⁵ LTCC, Second Amended 2018 October Quarterly Report at 102, 159, 160 (Dec. 15, 2018).

⁶ Lori Trahan, *Setting the Record Straight*, MEDIUM (Oct. 30, 2019), <https://medium.com/@adminlt/setting-the-record-straight-4bed62080117>.

⁷ Office of Congressional Ethics, United States House of Representatives, Report No. 19-5449 (Sept. 13, 2019) (“OCE Referral”), [https://oce.house.gov/sites/congressionalethics.house.gov/files/documents/Review%20No.%2019-5449 Referral.pdf](https://oce.house.gov/sites/congressionalethics.house.gov/files/documents/Review%20No.%2019-5449%20Referral.pdf); see also Committee on Ethics, United States House of Representatives, Report In the Matter of Allegations Relating to Representative Lori Trahan at 2, 18 (July 15, 2020) (incorporating OCE Referral and attaching it as Appendix A) (“Committee on Ethics Report”), <https://www.congress.gov/116/crpt/hrpt451/CRPT-116hrpt451.pdf>.

1 spouse.⁸ This joint account generally maintained a balance far below the amounts of the loans
 2 (as low as \$55.13) but, on all three occasions, days before or after Rep. Trahan wrote checks to
 3 the Committee, Mr. Trahan made large deposits of funds drawn from his personal or business
 4 accounts sufficient to cover the loans.⁹ The below chart from the OCE Referral shows the
 5 balance of funds in the joint account during the period of April through August 2018, including
 6 the three deposits made by Mr. Trahan and the immediate withdrawals to fund loans to the
 7 Committee, which stand out from the general activity in the account at the time.¹⁰

8 **Figure 2. Joint Bank Account Balances**



⁸ OCE Referral ¶ 24 (image of \$50,000 check signed by Rep. Trahan to the Committee, dated March 31, 2018); *id.* ¶ 28 (image of \$50,000 check dated June 30, 2018); *id.* ¶ 33 (image of \$200,000 check dated August 22, 2018).

⁹ *Id.* ¶¶ 22-34; *see id.* ¶ 26 (image of \$50,000 check dated April 7, 2018, that Mr. Trahan wrote to himself from his personal bank account at Enterprise Bank, and image of April 9, 2018, deposit slip showing that he deposited the funds into the joint account); *id.* ¶ 30 (image of \$55,000 check dated July 9, 2018, that Mr. Trahan wrote to himself from the account of DCT Development, Inc., at Enterprise Bank, and image of July 9, 2018, deposit slip showing that he deposited the funds into the joint account); *id.* ¶ 32 (image of bank record showing internal bank transfer of \$200,000 on August 21, 2018, from Mr. Trahan's personal account at Enterprise Bank to the joint account); *see also* Lori Trahan, Amended 2018 Personal Financial Disclosure at 1-2 (Nov. 16, 2018) (indicating that the "owner" of the personal and business accounts in question was the candidate's spouse rather than being a joint account).

¹⁰ OCE Referral ¶ 22.

1 With respect to the first two loans, Rep. Trahan wrote checks to the Committee on
2 March 31 and June 30, 2018, before Mr. Trahan had deposited funds into the joint account and at
3 a time when there were insufficient funds in the joint account to cover the loans.¹¹ The
4 Committee did not deposit Rep. Trahan's checks until after Mr. Trahan moved funds into the
5 joint account.¹² In the case of the March 31 loan, the Committee waited nine days to deposit the
6 check, and in the case of the June 30 loan, it waited ten days.¹³ In both instances, Rep. Trahan
7 dated her checks on the last day of the relevant FEC reporting period and the Committee reported
8 the loans as received on that date, and thus the loans were included in the Committee's reported
9 cash on hand even though the funds had not been deposited (and could not have been deposited
10 because of insufficient funds in the Trahans' joint bank account).¹⁴

11 Bank records indicate that the fourth loan, in the amount of \$71,000, reportedly received
12 on September 4, 2018, was funded by a home equity line of credit from Washington Savings
13 Bank.¹⁵ The line of credit was opened on October 15, 2010, with a limit of \$200,000, and was
14 secured by a property located in Westford, Massachusetts.¹⁶ The Committee's amended reports
15 with the Commission state that no other parties were liable for the loan, but records from the
16 OCE Referral reflect that Mr. Trahan was a co-signor to that line of credit.¹⁷ Further, the bank
17 records indicate that Mr. Trahan repaid the line of credit with a check from his personal account

¹¹ *Id.* ¶¶ 25, 28.

¹² *Id.* ¶¶ 27, 31.

¹³ *Id.*

¹⁴ *Id.* ¶¶ 19, 27, 31.

¹⁵ *Id.*, Ex. 11 (image of \$71,000 check signed by Rep. Trahan to Committee, dated September 4, 2018, from revolving line of credit at Washington Savings Bank).

¹⁶ *Id.*, Ex. 10 (Revolving Credit Agreement and Note).

¹⁷ *Id.*

1 nine days after the Committee cashed Rep. Trahan’s check drawn on the home equity line of
2 credit, and more than a month prior to the Committee issuing a check to repay her for the loan.¹⁸

3 The Complaint in this matter was initially filed in March 2019, prior to the publication of
4 the OCE Referral in September 2019, based on news reports and Rep. Trahan’s Personal
5 Financial Disclosures (“PFDs”) filed with the House of Representatives. It alleged that it did not
6 appear that Rep. Trahan had sufficient personal funds to support the first three loans, totaling
7 \$300,000.¹⁹ Specifically, the Complaint alleged that Rep. Trahan used her consulting company,
8 Concire, “to channel illegal contributions into her campaign,” and therefore, that Concire might
9 have been the true source of the funds.²⁰ The OCE Referral cites new details suggesting that
10 Mr. Trahan was the true source of the funds.

11 II. LEGAL ANALYSIS

12 The term “contribution” includes “any gift, subscription, loan, advance, or deposit of
13 money or anything of value made by any person for the purpose of influencing any election for
14 Federal office.”²¹ No person, including a candidate’s family members, shall make contributions
15 to any candidate, his or her authorized committee, or their agents with respect to any election for
16 federal office which, in the aggregate, are in excess of applicable contribution limits.²² The
17 individual contribution limit was \$2,700 per election during the 2018 election cycle.²³ Further,

¹⁸ *Id.* ¶¶ 39-43, Exs. 12-15.

¹⁹ *See* Compl. at 4 (Mar. 15, 2019); *see also* Supp. Compl. (May 6, 2019); Second Supp. Compl. (July 11, 2019).

²⁰ Compl. at 4-5; Second Supp. Compl. at 2.

²¹ 52 U.S.C. § 30101(8)(A)(i). *But see* 11 C.F.R. §§ 100.52, 82, 83 (excepting from the definition of loans that are contributions qualifying “Bank loans” and “Brokerage loans and lines of credit to candidates”).

²² 52 U.S.C. § 30116(a)(1)(A); 11 C.F.R. § 110.1(b)(1).

²³ Price Index Adjustments for Contribution and Expenditure Limitations and Lobbyist Bundling Disclosure Threshold, 82 Fed. Reg. 10,904, 10,906 (Feb. 16, 2017).

1 no candidate or political committee shall knowingly accept a contribution that exceeds the
2 applicable contribution limit.²⁴ Candidates, however, “may make unlimited expenditures from
3 personal funds.”²⁵

4 The Complaint, which pre-dated the public release of the OCE Referral, alleges that
5 Concire, a company owned by Rep. Trahan, may have been the true source of the funds used to
6 finance the loans.²⁶ Based on a review of Rep. Trahan’s PFDs filed with Congress, the
7 Complaint surmised that Rep. Trahan used funds from Concire.²⁷ However, the available
8 information demonstrates that this theory is contradicted by the bank records, which trace the
9 flow of funds from personal and business accounts controlled by Mr. Trahan to the joint account
10 and then to the Committee. Accordingly, the Commission finds no reason to believe that
11 Concire, LLC, violated 52 U.S.C. § 30116(a)(1)(A) by making excessive contributions in the
12 form of loans to the Lori Trahan for Congress Committee.

²⁴ 52 U.S.C. § 30116(f); 11 C.F.R. § 110.9.

²⁵ 11 C.F.R. § 110.10. The Act and Commission regulations provide that “personal funds of a candidate” means the sum of: (a) Assets – amounts derived from any asset that, “under applicable State law, at the time the individual became a candidate, the candidate had legal right of access to or control over, and with respect to which the candidate had legal and rightful title or an equitable interest”; (b) Income – the candidate’s income received during the current election cycle, including a salary and other earned income from bona fide employment; dividends and proceeds from the sale of the candidate’s stocks or other investments; and gifts of a personal nature that had been customarily received by the candidate prior to the election cycle; and (c) Jointly Owned Assets – amounts derived from a portion of assets that are owned jointly by the candidate and the candidate’s spouse; the amount is limited to “the candidate’s share of the asset under the instrument of conveyance or ownership,” but if the instrument is silent, the Commission will presume that the candidate holds a one-half ownership interest. 52 U.S.C. § 30101(26)(A)-(C); 11 C.F.R. § 100.33(a)-(c).

²⁶ Compl. at 4-5.

²⁷ *Id.*