



FEDERAL ELECTION COMMISSION
Washington, DC 20463

VIA ELECTRONIC MAIL

Casper Wesley Stockham
Casper for Colorado
6833 S. Dayton Street # 187
Greenwood Village, CO 80112
casperforcolorado@gmail.com

January 18, 2022

RE: MUR 7763
Casper Wesley Stockham
Casper for Colorado and Casper
Stockham in his official capacity
as treasurer

Dear Mr. Stockham,

On December 14, 2021, the Federal Election Commission found reason to believe that you and your committee, Casper for Colorado and you in your official capacity as treasurer (the "Committee"), violated 52 U.S.C. § 30114(b) of the Federal Election Campaign Act of 1971, as amended (the "Act") by converting campaign funds to personal use. The Commission also found reason to believe that the Committee and you in your official capacity as treasurer violated 52 U.S.C. § 30104(b)(6) and 11 C.F.R. § 104.3(b) by failing to accurately report salary payments to you. The Factual and Legal Analyses, which formed a basis for the Commission's findings, are enclosed for your information.

In order to expedite the resolution of this matter, the Commission authorized the Office of General Counsel to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Pre-probable cause conciliation is not mandated by the Act or the Commission's regulations, but is a voluntary step in the enforcement process that the Commission is offering to you as a way to resolve this matter at an early stage and without the need for briefing the issue of whether or not the Commission should find probable cause to believe that you violated the law.

Casper Wesley Stockham
MUR 7763 (Casper for Colorado, *et al.*)
Page 2

If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 60 days, you should respond to this notification as soon as possible. Accordingly, if you are interested in engaging in pre-probable cause conciliation negotiations, please contact Justine A. di Giovanni, the attorney assigned to this matter, at (202) 694-1574 or jdigiiovanni@fec.gov within seven days of receipt of this letter. In order to facilitate this voluntary step in the enforcement process, also attached is a tolling agreement for your signature.

During conciliation, you may submit any factual or legal materials that you believe are relevant to the resolution of this matter. Because the Commission only enters into pre-probable cause conciliation in matters that it believes have a reasonable opportunity for settlement, we may proceed to the next step in the enforcement process if a mutually acceptable conciliation agreement cannot be reached within 60 days. *See* 52 U.S.C. § 30109(a), 11 C.F.R. Part 111 (Subpart A). Please note that once the Commission enters the next step in the enforcement process, it may decline to engage in further settlement discussions until after making a probable cause finding.

Pre-probable cause conciliation, extensions of time, and other enforcement procedures and options are discussed more comprehensively in the Commission's "Guidebook for Complainants and Respondents on the FEC Enforcement Process," which is available on the Commission's website at https://www.fec.gov/resources/cms-content/documents/respondent_guide.pdf. This matter will remain confidential in accordance with 52 U.S.C. § 30109(a)(4)(B) and 30109(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

Casper Wesley Stockham
MUR 7763 (Casper for Colorado, *et al.*)
Page 3

We look forward to your response.

On behalf of the Commission,

A handwritten signature in blue ink, appearing to read "Allen Dickerson", written over a horizontal line.

Allen Dickerson
Chairman

Enclosures:
Factual and Legal Analyses

FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS****RESPONDENT:** Casper Wesley Stockham**MUR:** 7763**I. INTRODUCTION**

This matter was generated by a complaint filed with the Federal Election Commission, alleging that Casper Wesley Stockham, a 2020 congressional candidate, converted campaign funds from his authorized committee, Casper for Colorado (the “Committee”), to personal use in violation of the Federal Election Campaign Act of 1971, as amended (the “Act”). Specifically, the Complaint alleges that Stockham used campaign funds for vehicle expenses unrelated to the campaign, utilities, moving expenses, and personal Amazon purchases. In addition, the Complaint alleges that Stockham received an impermissible salary from the Committee, and that the Committee failed to report Stockham’s salary. Related to the salary payments, the Complaint alleges that the Committee made payments to Stockham’s LLC to allow Stockham “to withdraw money for himself.” If the payments to the LLC amounted to salary payments, then they were not reported correctly. Stockham generally denies the allegations, but acknowledges that his use of Committee funds in connection with his vehicle may have been problematic.

As discussed below, the available information supports the conclusion that Stockham converted campaign funds to personal use in connection with his vehicle and utility expenses. Moreover, it appears that the Committee’s payments to Stockham’s LLC should have been treated as salary payments to Stockham. The record before the Commission also suggests that the payments to the LLC and other direct salary payments to Stockham did not comply with the

1 Commission's regulations because they were either excessive or made outside the time period
2 within which candidate salary payments are permitted.

3 Therefore, the Commission finds reason to believe that Stockham violated 52 U.S.C.
4 § 30114(b) by converting campaign funds to personal use.

5 **II. FACTUAL BACKGROUND**

6 Casper Stockham was a 2020 candidate in Colorado's 7th Congressional District.¹ He
7 ran as the Republican candidate but was defeated in the general election.² Casper for Colorado
8 was his authorized campaign committee with Stockham serving as treasurer.³ During the 2020

¹ Stockham originally registered as a candidate in Colorado's 6th Congressional District, but switched to the 7th District in April 2020. Casper Wesley Stockham, Original Statement of Candidacy (July 1, 2019), <https://docquery.fec.gov/pdf/197/201907019150438197/201907019150438197.pdf>; Casper Wesley Stockham, Amended Statement of Candidacy (Apr. 6, 2020), <https://docquery.fec.gov/pdf/356/202004069216597356/202004069216597356.pdf>.

² Stockham ran unopposed and won the Republican primary on June 30, 2020, and lost the general election on November 3, 2020. COLO. SEC'Y STATE, COLORADO ABSTRACT OF VOTES CAST FOR THE JUNE 30, 2020 STATE PRIMARY ELECTION at 19 (July 27, 2020), <https://www.sos.state.co.us/pubs/elections/files/2020StatePrimaryResultsCert.pdf> (reporting Stockham won 100% of the vote in the primary election); COLO. SEC'Y STATE, COLORADO ABSTRACT OF VOTES CAST FOR THE NOVEMBER 3, 2020 GENERAL ELECTION at 57-58 (Dec. 8, 2020), <https://www.sos.state.co.us/pubs/elections/Results/2020/StateAbstractCertAndReportSigned.pdf> (reporting Stockham lost with 37.6% of the vote in the general election to his opponent's 59.1%).

³ Matthew Arnold was treasurer at the time the relevant activity occurred. Casper for Colorado, Amended Statement of Organization (Apr. 1, 2020), <https://docquery.fec.gov/pdf/441/202004069216597441/202004069216597441.pdf>.

1 election, the Committee raised \$147,959 and spent the same amount.⁴ Stockham, who also ran
 2 for Congress in 2016 and 2018, is a driver for Uber and Lyft.⁵

3 The Complaint alleges that, during the 2020 election, Stockham converted Committee
 4 funds to personal use in the categories elaborated below. Though Stockham generally denies the
 5 allegations, he states that “[i]f I am in error as it pertains to the FEC filings I am happy and ready
 6 to comply and correct.”⁶

7 **Vehicle Expenses** — The Complaint alleges that Stockham used campaign funds for
 8 payments related to his occupation as an Uber and Lyft driver, including auto repairs, tolls, and
 9 purchases at Wal-Mart and Sam’s Club that the Complaint infers must have been for gasoline.⁷
 10 The Committee paid \$1,079 for auto repairs; \$1,290 for tolls; and \$3,026 at Wal-Mart and Sam’s
 11 Club.⁸ It appears that Stockham’s previous campaign committees made similar payments.

⁴ *Casper for Colorado – Financial Summary*, FEC.gov, <https://www.fec.gov/data/committee/C00710855/?tab=summary> (last visited Feb. 10, 2021).

⁵ Stockham Resp. at 1 (Aug. 7, 2020). In 2016 and 2018, Stockham was a candidate in Colorado’s 1st District, and though “Casper for Colorado” was the name of his committee in those elections, after each election cycle, Stockham terminated his committee and formed a new committee for the next election with the same name. See Charles (Casper) Wesley Stockham, Statement of Candidacy (Jan. 11, 2018), <https://docquery.fec.gov/pdf/256/201801119090394256/201801119090394256.pdf>; Casper for Colorado, Statement of Organization (Jan. 11, 2018), <https://docquery.fec.gov/pdf/256/201801119090394256/201801119090394256.pdf>; Casper for Colorado, Termination Report (Dec. 6, 2018), <https://docquery.fec.gov/pdf/317/201812069134879317/201812069134879317.pdf>; *Casper for Colorado—About This Committee*, FEC.GOV, <https://www.fec.gov/data/committee/C00665588/?cycle=2018&tab=about-committee> (last visited Feb. 10, 2021); Charles Wesley (“Casper”) Stockham, Amended Statement of Candidacy (Oct. 10, 2015), https://docquery.fec.gov/pdf/438/20151019030002_8438/20151019030002_8438.pdf; Casper for Colorado, Amended Statement of Org. (Oct. 10, 2015), <https://docquery.fec.gov/pdf/430/201510190300028430/201510190300028430.pdf>; Casper for Colorado, Termination Report (Jan. 3, 2017), <https://docquery.fec.gov/pdf/498/201701039040912498/201701039040912498.pdf>; *Casper for Colorado—About This Committee*, FEC.GOV, <https://www.fec.gov/data/committee/C00585265/?tab=about-committee&cycle=2018> (last visited Feb. 10, 2021).

⁶ Stockham Resp. at 3.

⁷ Compl. at 2 (July 17, 2020). The Complaint’s inference appears to be based in part on the proximity of Stockham’s residence to Sam’s Club and Wal-Mart, and that these merchants sell gasolines at these locations. *Id.* The Committee’s reports indicate that these expenditures were for, *e.g.*, campaign supplies.

⁸ The Commission notes that the Complaint was filed prior to the end of the election cycle, and as such refers to lower amounts than those that appear in the Committee’s reports for the whole cycle.

1 Stockham’s 2016 committee paid \$1,288 in tolls, as well as \$1,210 at Wal-Mart and Sam’s Club;
2 Stockham’s 2018 committee paid \$1,036 to Wal-Mart and Sam’s Club. The Complaint contends
3 that, given Stockham’s profession as a ride-sharing driver, the frequency and amount of the
4 payments, and the location of alleged gasoline and toll purchases along “lucrative UBER routes,”
5 these expenditures indicate personal use of campaign funds.⁹

6 Stockham states that, as an Uber and Lyft driver, he routinely used his vehicle for non-
7 campaign purposes but that, at the same time, he was using the vehicle to promote his campaign
8 and speak with potential voters.¹⁰ Accordingly, Stockham acknowledges that “there may be a
9 little overlap” between campaign and non-campaign vehicle expenses.¹¹ Regarding a \$5,000
10 car-repair expense that he incurred, Stockham states that he “had the campaign pay \$810.73,” but
11 does not explain the rationale for this apportionment, or otherwise describe whether or how he
12 might have apportioned any of the other vehicle expenses.¹² The available information does not
13 indicate that Stockham or the Committee kept records apportioning Stockham’s personal and
14 campaign-related use of his vehicle. Regarding the alleged gasoline purchases at Wal-Mart and
15 Sam’s Club, Stockham contends that the payments were not for vehicle expenses but, as reported
16 on disclosure reports, for unspecified “campaign related items.”¹³

17 **Utilities** — The Complaint alleges that the Committee’s two disbursements to Comcast
18 totaling \$339 were for Stockham’s personal residence given that Stockham ran his campaign out

⁹ Compl. at 2 (arguing that the payments were “for the specific purpose of funding a business entity . . . that has absolutely nothing to do with the operations of a political campaign”).

¹⁰ Stockham Resp. at 1 (“During my campaigns I have spoken directly to over 8,000 people, over the past few years, about my campaign and have campaign signs on my car as I drive around town.”).

¹¹ *Id.*

¹² *Id.*

¹³ Stockham Resp. at 1.

1 of his home.¹⁴ Stockham acknowledges that the charges were for his personal residence, but
2 states that they were necessary to “maintain communications, websites, emails [sic] newsletters
3 and phones from that location.”¹⁵ Stockham’s 2018 committee similarly reported \$434 in
4 disbursements to Comcast.

5 **Amazon** — The Complaint alleges that the Committee’s reported payments to Amazon
6 for “campaign materials,” which totaled \$2,146 during the 2020 election, are “highly suspect,” in
7 light of the alleged pattern of converting campaign funds to personal use, but does not provide
8 any specific information that the items purchased were for non-campaign-related purposes.¹⁶
9 Stockham states that the payments were for “marketing materials, equipment, supplies and other
10 purchases.”¹⁷

11 **Payments to Candidate-Owned LLC** — UBG Online LLC (“UBG”) is a Colorado
12 limited liability company which incorporated in 2003 and is owned by Stockham.¹⁸ During the
13 2020 election, the Committee paid \$19,100 to UBG for various purposes, including “social

¹⁴ Compl. at 3.

¹⁵ Stockham Resp. at 2.

¹⁶ Compl. at 3. Stockham’s 2016 committee reported \$429 in such disbursements.

¹⁷ Stockham Resp. at 2.

¹⁸ *Business Entity Details*, COLO. SEC’Y OF STATE, <https://www.sos.state.co.us/biz/BusinessEntityCriteriaExt.do?resetTransTyp=Y> (last visited Feb. 10, 2021) (search “UBG online”). Stockham, who refers to UBG in his Response as “my company,” is listed as UBG’s registered agent on its Articles of Organization and his wife is listed as an “initial member;” no other person is listed on UBG’s Articles of Organization and no other names appear on any UBG state filing. Stockham Resp. at 1; UBG ONLINE LLC, ARTICLES OF ORGANIZATION 1 (Apr. 15, 2003), <https://www.sos.state.co.us/biz/ViewImage.do?masterFileId=20031121143&fileId=20031121143>; *Business Entity Details*, *supra*. From 2003, when the company was founded, to the present, Stockham has been responsible for filing all documents with the Colorado Secretary of State. *Id.* UBG became delinquent for failure to file reports with the Colorado Secretary of State on August 1, 2018, which was cured on June 3, 2019. *Id.*; UBG ONLINE LLC, STATEMENT CURING DELINQUENCY (June 3, 2019), <https://www.sos.state.co.us/biz/ViewImage.do?masterFileId=20031121143&fileId=20191467203>.

1 media marketing,” “campaign marketing,” and “social media GOTV.”¹⁹ Similarly, during the
2 2018 election, Casper’s former committee paid \$11,211 in disbursements to UBG, all reported
3 for the purpose of “website SEO marketing,” and during the 2016 election, Stockham’s former
4 committee paid \$8,350 to UBG for various purposes, including “SEO marketing” and “SEO
5 campaign online marketing,” among others.

6 The Complaint alleges that the Committee’s payments to UBG were not for legitimate
7 campaign services but rather a way for Stockham “to withdraw money for himself.”²⁰ Stockham
8 asserts that UBG “has done a lot of work for the campaign” and that it is not a “shell
9 company.”²¹ Attached to Stockham’s Response are several example invoices from UBG to the
10 Committee for services rendered, each of which matches a reported expenditure by the
11 Committee to UBG.²² Stockham does not provide any additional details about UBG other than
12 that “it does not make a lot of money each year and most years it has made no income at all.”²³
13 It is unclear whether UBG has any employees besides Stockham, and it does not appear to have
14 any public internet presence. No other political committees have reported any disbursements to
15 UBG.²⁴

¹⁹ Other purposes include “website conversion,” “website setup configuration,” “campaign website[] conversion/archiving,” “website SEO work” “campaign SEO work,” and “campaign data archiving and wrapup work.”

²⁰ Compl. at 2-3. At the time of the Complaint, the amount of such payments was \$6,250.

²¹ Stockham Resp. at 1-2.

²² *Id.* at 2 (“We have included a few invoices to show that work. I am happy to provide all the invoices if requested.”). *Id.*, Attachs. 1-3. The invoices reflect UBG’s provision of services and do not indicate reimbursements for payments made by Stockham on behalf of the Committee. *Id.*

²³ Stockham Resp. at 2.

²⁴ *FEC Disbursements: Filtered Results*, FEC.gov, https://www.fec.gov/data/disbursements/?data_type=processed&recipient_name=UBG&two_year_transaction_period=2010&two_year_transaction_period=2012&two_year_transaction_period=2014&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020 (showing all reported disbursements to UBG since the 2010 election cycle, all of which were by the Committee or Stockham’s prior committees).

1 **Candidate Salary** — The Complaint alleges that Stockham received a salary from the
2 Committee before he was legally permitted to do so and that the Committee failed to report the
3 salary.²⁵ The allegations are based on Stockham’s statements referring to salary payments of
4 approximately \$1,500 month that he appears to acknowledge receiving from the Committee in or
5 around February 2020.²⁶ The Complaint asserts that Stockham was not permitted to take a salary
6 until he received his party’s nomination on April 18, 2020, more than two months after making
7 the first statement that he was receiving a salary, and points out that the Committee’s FEC
8 disclosure reports did not reflect any salary payments to Stockham during this time.²⁷

9 Stockham denies that, as of the date of his Response in August 2020, he had received a
10 salary from the Committee and maintains that his statements “were wishful thinking on my part.
11 I was trying to say that even if all the false claims [Complainant] was making were true and
12 added up they would still come to less than what the campaign could legitimately pay me.”²⁸ In
13 his Response, however, Stockham states the Committee “will start to pay me a candidate salary
14 at the end of each month starting the end of July 2020.”²⁹ Between July 31 and November 3,

²⁵ Compl. at 1-2.

²⁶ *Id.* In an email to supporters on February 15, 2020 Stockham wrote that FEC rules allow a candidate to be paid a salary by his campaign and that in his case the salary “has been on average a little over \$1500 a month.” Compl., Ex. 2 at 3 (emphasis omitted). In an interview with *Colorado Politics*, he stated that he was entitled to \$4,500 per month and that the campaign had been paying him “like \$1,500 or whatever.” Compl., Ex. 1 at 2 (attaching Ernest Luning, *Perennial GOP Candidate Casper Stockham Sent Contributions to His Own Company, Records Show*, COLO. POL. (June 17, 2020), https://www.coloradopolitics.com/news/perennial-gop-candidate-casper-stockham-sent-contributions-to-his-own-company-records-show/article%20_e0d09ebc-b010-11ea-87aa-5b29eeb20b9c.html).

²⁷ Compl. at 2, 3.

²⁸ Stockham Resp. at 2. In fact, the Committee had paid its first salary to Stockham on July 31, 2020, but disclosure reports otherwise confirm that the Committee had not previously reported any such payments.

²⁹ Stockham Resp. at 1. Though the Response was sent to the Commission on August 7, 2020, this language in the Response indicates that it was written prior to the end of July 2020.

1 2020, the Committee reported a series of five \$2,000 monthly salary payments (totaling \$10,000)
2 to Stockham.³⁰

3 **Moving** — The Complaint alleges that the Committee’s payment of “Office Moving
4 Expenses” totaling \$420 to Kaleem Howze is suspect because “Stockham has always run his
5 campaign from his home and thus it is unclear why he would list payments [for moving].”³¹
6 Stockham states that, while he runs his campaign from his home, the payments related to an
7 instance when he moved certain equipment “to a new storage location.”³²

8 **III. LEGAL ANALYSIS**

9 The Act prohibits the conversion of campaign funds by any person to “personal use.”³³
10 “Personal use” is the use of funds in a campaign account “to fulfill a commitment, obligation or
11 expense of any person that would exist irrespective of the candidate’s campaign or duties as a
12 Federal officeholder.”³⁴ The Act and Commission regulations list certain uses of campaign
13 funds that constitute *per se* conversion to personal use including a home mortgage, rent, utility
14 payments, and non-campaign-related automobile expenses.³⁵ For other payments, the
15 “Commission will determine, on a case-by-case basis, whether other uses” of campaign funds
16 constitute personal use by applying the “irrespective test,” that is, whether the payment fulfills a
17 commitment, obligation, or expense that would exist irrespective of the candidate’s campaign or
18 duties as a federal officeholder.³⁶

³⁰ Stockham’s 2018 and 2016 committees did not report salary payments to Stockham.

³¹ Compl. at 3.

³² Stockham Resp. at 2.

³³ 52 U.S.C. § 30114(b).

³⁴ 11 C.F.R. § 113.1(g).

³⁵ 52 U.S.C. § 30114(b)(2)(A)-(I); 11 C.F.R. § 113.1(g).

³⁶ 11 C.F.R. § 113.1(g)(1)(ii).

1 Under the personal use provision, a candidate is permitted to receive a salary from his or
2 her principal campaign committee, subject to rules governing the timing and amount.³⁷ As for
3 timing, the committee shall not pay a salary to a candidate before the filing deadline for access to
4 the primary election ballot for the federal office that the candidate seeks, as determined by state
5 law.³⁸ If the candidate wins the primary, his or her principal campaign committee may pay him
6 or her a salary through the date of the general election.³⁹ The amount of the candidate's salary
7 shall not exceed the lesser of: (1) the minimum salary paid to a federal officeholder holding the
8 office that the candidate seeks or (2) the earned income that the candidate received during the
9 year prior to becoming a candidate.⁴⁰ Should the minimum salary paid to a federal officeholder
10 be the lesser figure, any earned income that a candidate receives from salaries or wages from any
11 other source during his or her candidacy shall count against this sum.⁴¹ During the time period
12 in which a principal campaign committee may pay a salary to a candidate, such payment must be
13 computed on a *pro-rata* basis.⁴² The payment of a salary to candidates that do not meet these
14 conditions is considered *per se* personal use.⁴³

15 As explained below, based on the available information, it appears that Stockham
16 impermissibly converted Committee funds to personal use with respect to the vehicle and

³⁷ 52 U.S.C. § 30114(b)(2); 11 C.F.R. § 113.1(g)(1)(i)(I).

³⁸ 11 C.F.R. § 113.1(g)(1)(i)(I).

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.* Upon request of the Commission, the candidate must provide evidence of earned income. *Id.*

⁴² *Id.* This is intended to prevent a candidate's principal campaign committee from paying the candidate the entire minimum annual salary for the Federal office sought by the candidate, unless he or she is a candidate, as defined by 11 C.F.R. § 100.3(a), for at least one year. See Disclaimers, Fraudulent Solicitation, Civil Penalties, and Personal Use of Campaign Funds; 67 Fed. Reg. 76,962, 76,972 [hereinafter Personal Use E&J] (Dec. 13, 2002).

⁴³ *Id.*; Personal Use E&J at 76,972.

1 utilities expenses. The record further indicates that Stockham received an impermissible salary
2 from the Committee. With respect to the moving expenses and Amazon purchases, there is no
3 information to support an inference that these payments were for personal use.

4 **A. Vehicle Expenses**

5 Though Stockham claims to have promoted his campaign to his riders,⁴⁴ this does not
6 convert the expenses which arose out of his employment with Uber and Lyft from personal to
7 campaign related.⁴⁵ Hanging campaign signs in the vehicle and speaking with customers about
8 his campaign does not change the fact that his customers entered the vehicle as part of a separate
9 business transaction, irrespective of his campaign. Thus, Stockham would have incurred the
10 vehicle expenses regardless of his candidacy. Moreover, it does not appear that Stockham or the
11 Committee kept any records of vehicle usage to account for the apportionment between personal
12 and campaign-related activities.⁴⁶ Indeed, neither Stockham nor the Committee point to any
13 campaign use of the vehicle besides Stockham's driving for Uber and Lyft customers and
14 speaking with them about his campaign. Accordingly, it appears that charges for auto repairs
15 (\$1,079) during the 2020 cycle and tolls during the 2016 and 2020 cycles (\$2,578), totaling

⁴⁴ Stockham Resp. at 1.

⁴⁵ Given that Stockham arguably used corporate resources to advertise his campaign to Uber and Lyft customers, there is a question as to whether Stockham received in-kind corporate contributions from the two ride-hailing companies. In a matter involving free political ads on a stock car used in NASCAR racing, the Commission found that the ads constituted in-kind contributions, valued at the amount for which the space where they appeared could have been rented by other sponsors. Factual & Legal Analysis at 5-7, MUR 5563 (Kirk Shelmerdine Racing, LLC). However, the Commission makes no determination as to this potential violation.

⁴⁶ 11 C.F.R. § 113.1(g)(1)(ii)(D); *see* Second Gen. Counsel's Rpt. at 10-11, MUR 6498 (Lynch for Congress) (recommending conciliation regarding personal use where candidate made expenditures for gasoline, tolls, and parking for a vehicle driven for mixed purposes but did not maintain records of the use).

1 \$3,657, were for personal use.⁴⁷ However, it is unclear whether the alleged gasoline charges at
2 Wal-Mart and Sam’s Club, totaling \$5,272, were for personal use. In his Response, Stockham
3 suggests, but does not equivocally state, that purchases at Wal-Mart and Sam’s Club were not for
4 gasoline, and the Committee’s reports indicate that purchases at these vendors were for, *e.g.*,
5 “campaign supplies.”⁴⁸ Given Stockham’s acknowledgement that he paid for vehicle repairs
6 using campaign funds, it would have been logical to have also used campaign funds for gasoline.
7 Nevertheless, many of the individual disbursements to Wal-Mart and Sam’s Club are in amounts
8 inconsistent with gasoline purchases.⁴⁹

9 **B. Utilities**

10 The Committee’s payment of Comcast bills for Stockham’s personal residence totaling
11 \$339, and his 2018 committee’s payment of \$434 for the same, is *per se* personal use despite the
12 fact that Stockham operated his campaign out of his home.⁵⁰ Commission regulations make
13 clear that personal use includes “utility payments for any part of any personal residence of the
14 candidate or a member of the candidate’s family,” and the Commission has previously held that
15 the prohibition extends to instances where a candidate’s home doubles as his or her campaign

⁴⁷ Given the unique facts of this case, involving a driver who engages in campaign activity while driving for Uber and Lyft, it appears that Stockham’s personal use for vehicle expenses likely extends back to similar payments made by his 2016 and 2018 campaign committees. Stockham Resp. at 1 (explaining that he has been campaigning while driving for Uber and Lyft during his multiple “campaigns” and claiming to have “spoken directly to over 8,000 people”).

⁴⁸ *Id.* at 2 (“The campaign does shop at Wal-Mart because of their proximity and their supplies are normally cheaper than other stores. These items were all campaign related items.”).

⁴⁹ For example, multiple disbursements were made for amounts greater than \$100, and others for as little as \$3.

⁵⁰ Though the Commission does not have specific information, it is reasonable to infer that Stockham ran his 2018 campaign from his home as well. See *FEC Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00665588&two_year_transaction_period=2018 (last visited Feb. 10, 2021) (showing all disbursements by Stockham’s 2018 committee).

1 headquarters.⁵¹

2 **C. Salary**

3 As stated above, federal candidates may receive a salary from their principal campaign
 4 committees starting the date of the filing deadline for access to the primary election ballot for the
 5 office the candidate seeks, until the date of the general election (assuming that the candidate was
 6 successful in the primary election).⁵² Applied here, March 17, 2020, was the first date on which
 7 Stockham was permitted to receive a salary and, because he won the primary election,
 8 November 3, 2020, was the final day he was permitted to receive a salary.⁵³ Moreover, as
 9 relevant here, the amount of a candidate salary shall not exceed the candidate's earned income
 10 during the year prior to becoming a candidate.⁵⁴ Though the Commission does not have specific
 11 information on Stockham's 2018 earned income, in statements to the media, Stockham claimed
 12 that he was entitled to \$4,500 per month (equating to a \$54,000 yearly salary).⁵⁵ As explained
 13 below, based on the available information, it appears that Stockham received impermissible

⁵¹ 11 C.F.R. § 113.1(g)(1)(E)(1); *see, e.g.*, Factual & Legal Analysis at 6, MUR 6380 (Friends of Christine O'Donnell, *et al.*) (finding reason to believe a candidate who ran her campaign from her primary residence had converted campaign funds to personal use by paying her mortgage and utility bills); *see also* *FEC v. O'Donnell*, 209 F. Supp. 3d 727, 734-36 (D. Del. 2016) (holding O'Donnell's payments of rent constituted personal use and requiring O'Donnell to disgorge converted funds and pay a \$25,000 civil penalty).

⁵² 11 C.F.R. § 113.1(g)(1)(i)(I). The Complaint appears mistaken as a matter of law as to which date applies to the Act's salary provision. *Compare* 11 C.F.R. § 113.1(g)(1)(i)(I) ("Salary shall not be paid to a candidate before **the filing deadline for access to the primary election ballot** for the Federal office that the candidate seeks, as determined by State law" (emphasis added)) *with* Compl. at 3 ("Mr. Stockham was not even eligible to begin taking a salary from his campaign . . . until April 18th . . . **when he became the official candidate** for District 7." (emphasis added)).

⁵³ COLO. SEC'Y STATE, 2020 ELECTION CALENDAR at 4 (Sept. 15, 2020), <https://www.sos.state.co.us/pubs/elections/calendars/2020ElectionCalendar.pdf> (listing March 17, 2020, as the "[l]ast day to file major party candidate petitions"); FEC, 2020 CONGRESSIONAL PRIMARY DATES AND CANDIDATE FILING DEADLINES FOR BALLOT ACCESS (July 17, 2020), <https://www.fec.gov/resources/cms-content/documents/2020pdates.pdf> (listing March 17, 2020 as "FILING DEADLINE FOR PRIMARY BALLOT ACCESS" for Colorado).

⁵⁴ 11 C.F.R. § 113.1(g)(1)(i)(I).

⁵⁵ Compl., Ex. 1 at 2, Ex. 2 at 3.

1 salary payments before and after the operative dates and, further, that one of the payments was
2 excessive because it was not computed on a *pro-rata* basis.

3 On February 15, 2020, Stockham claimed in an email to his supporters that he was
4 receiving a monthly salary from the Committee of approximately \$1,500.⁵⁶ Stockham reiterated
5 this claim to *Colorado Politics*.⁵⁷ Nonetheless, Stockham contends that he did not, in fact,
6 receive any salary until July 31, 2020.⁵⁸ Stockham claims that his February 15, 2020, email and
7 subsequent interview were “wishful thinking.” Given the specificity of the amount and the
8 indication that the payments had been occurring on a routine basis — “in fact it has been on
9 average a little over \$1500 a month” — this contention does not appear credible.

10 An alternative explanation is that Stockham may have been referring, at least in part, to
11 the payments to his LLC for work he performed on behalf of the campaign.⁵⁹ Although the LLC
12 is a separate legal entity and Stockham’s Response includes several example invoices from UBG
13 to the Committee for “social media marketing” services,⁶⁰ the available information suggests that
14 UBG operates only as an extension of Stockham and the Committee itself. Stockham appears to
15 be UBG’s only employee, and the Committee is UBG’s only known client. There is no available
16 information concerning any other work UBG has done for political or non-political clients.
17 Under these circumstances, and without additional information about the nature of services

⁵⁶ Compl., Ex. 2 at 3 (emphasis omitted).

⁵⁷ Compl., Ex. 1 at 2.

⁵⁸ Stockham Resp. at 2.

⁵⁹ The monthly totals paid to UBG during the 2020 election cycle are: July 2019: \$300; August 2019: \$1,750; September 2019: \$0; October 2019: \$2,200; November 2019: \$1,000; December 2019: \$1,000; January 2020: \$1,300; February 2020: \$500; March 2020: \$300; April 2020: \$700; May-June 2020: \$0; July 2020: \$2,500; August 2020: \$500; September 2020: \$1,500; October 2020: \$2,000; November 2020: \$3,000; December 2020: \$550.

⁶⁰ *Id.* at 2 (“We have included a few invoices to show that work. I am happy to provide all the invoices if requested.”). *Id.*, Attachs. 1-3.

1 rendered by UBG to the Committee, the record suggests that the Committee's payments to UBG
2 should be treated as payments to Stockham.

3 Accordingly, it appears payments that the Committee made to UBG prior to March 17,
4 2020, in the amount of \$8,050, constitute impermissible salary payments because they occurred
5 prior to when Stockham was permitted to receive a salary. Payments that the Committee made
6 to UBG after November 3, 2020, totaling \$2,550, constitute impermissible salary payments
7 because they occurred after the final date that Stockham was permitted to receive a salary.⁶¹
8 Stockham appears to have similarly received impermissible salary payments during the 2018 and
9 2016 election cycles: prior to the date on which Stockham could first receive a salary (totaling
10 \$1,850) and after the date of the general election (\$1,711).⁶² The aggregate across all three
11 cycles is \$14,161.

12 Finally, during the time that Stockham was permitted to receive a salary, the Committee
13 made an excessive salary payment to Stockham that was not computed on a *pro-rata* basis.
14 Stockham received monthly salary payments of \$2,000 between July and October 2020, paid
15 between the 22nd and 31st of the month. The Committee paid Stockham an additional \$2,000 on
16 November 3, 2020. Assuming, *arguendo*, that Stockham was entitled to \$4,500 a month, as he
17 publicly claimed, Stockham would have been permitted to receive \$450 for November 1 through

⁶¹ *Id.*

⁶² FEC, 2018 CONGRESSIONAL PRIMARY DATES AND CANDIDATE FILING DEADLINES FOR BALLOT ACCESS (Aug. 17, 2018), <https://www.fec.gov/resources/cms-content/documents/2018pdates.pdf> (showing ballot access deadline of March 20, 2018, and general election date of November 6); FEC, 2016 CONGRESSIONAL PRIMARY DATES AND CANDIDATE FILING DEADLINES FOR BALLOT ACCESS (Apr. 21, 2016), <https://www.fec.gov/resources/cms-content/documents/2016pdates.pdf> (showing ballot access deadline of April 20, 2016, and general election date of November 8).

1 November 3 ($\$4,500 \div 30 \text{ days} = \150 per day ; $\$150 \times 3 \text{ days} = \450).⁶³ The remaining \$1,550
 2 was therefore excessive, since Stockham was not permitted to receive any salary after November
 3 3, 2020, the date of the general election.

4 **D. Moving Costs and Amazon Purchases**

5 The Complaint alleges that reported “Office Moving Expenses” could not constitute valid
 6 campaign expenditures, as Stockham runs his campaign from his home.⁶⁴ However, Stockham
 7 states that the disbursements were to move campaign equipment to a new storage location.⁶⁵ The
 8 Complaint also alleges that various payments to Amazon were “suspect.”⁶⁶ Stockham states that
 9 payments to Amazon were for marketing materials, equipment, and supplies.⁶⁷ The Complaint
 10 lacks sufficient information to support these allegations, both of which are denied by Stockham,
 11 and the Commission is aware of no other information that directly supports them, other than the
 12 separate alleged overall pattern of personal use. Accordingly, there is no reasonable basis to
 13 conclude that the moving costs and Amazon purchases were necessarily for personal use.⁶⁸

14 * * *

⁶³ As stated above, Stockham has stated publicly that he believes that he is entitled to a campaign salary of \$4,500 per month, which would lead to an annual salary of \$54,000. *See* Compl., Ex. 1 at 2, Ex. 2 at 3. Stockham has not provided evidence of his income from the year prior to becoming a candidate, so the Commission is unable at this time to determine whether this amount is the permissible sum. Presuming that this amount is accurate, Stockham’s reported salary payments of \$2,000 per month (\$24,000 per annum) are within the permissible range. Adding payments to UBG during the relevant time frame to Stockham’s direct salary payments, the total only once exceeded \$4,500, by \$50 in November 2020. However, all payments in excess of \$450 that month, and those made after November 3, were already *per se* personal use as they were outside the permitted timeframe for Stockham to receive a salary from the Committee.

⁶⁴ Compl. at 3.

⁶⁵ Stockham Resp. at 2.

⁶⁶ *See* Compl. at 3 (“Mr. Stockham lists a campaign expense on Jan. 2, 2020 to Amazon for Campaign Marketing Materials. Again, this expense is highly suspect.”).

⁶⁷ Stockham Resp. at 2.

⁶⁸ Statement of Reasons, Comm’rs Mason, Sandstrom, Smith, & Thomas at 1, MUR 4960 (Clinton for U.S. Exploratory Comm.) (“The Commission may find ‘reason to believe’ only if a complaint sets forth sufficient specific facts, which, if proven true, would constitute a violation of the [Act].”).

1 In conclusion, the available information supports a reasonable inference that Stockham
2 converted Committee funds to personal use in connection with: (1) vehicle expenses, totaling at
3 least \$2,369; (2) utilities, totaling \$773; and (3) impermissible salary payments, totaling \$15,711.
4 The range is between \$18,853 and \$25,413.

5 Therefore, the Commission finds reason to believe that Stockham violated 52 U.S.C.
6 § 30114(b) by converting campaign funds to personal use.

1 **FEDERAL ELECTION COMMISSION**

2 **FACTUAL AND LEGAL ANALYSIS**

3 **RESPONDENT:** Casper for Colorado and Casper Stockham in **MUR: 7763**
4 his official capacity as treasurer

5 **I. INTRODUCTION**

6 This matter was generated by a complaint filed with the Federal Election Commission,
7 alleging that Casper Wesley Stockham, a 2020 congressional candidate, converted campaign
8 funds from his authorized committee, Casper for Colorado and Casper Stockham in his official
9 capacity as treasurer (the “Committee”), to personal use in violation of the Federal Election
10 Campaign Act of 1971, as amended (the “Act”). Specifically, the Complaint alleges that
11 Stockham used campaign funds for vehicle expenses unrelated to the campaign, utilities, moving
12 expenses, and personal Amazon purchases. In addition, the Complaint alleges that Stockham
13 received an impermissible salary from the Committee, and that the Committee failed to report
14 Stockham’s salary. Related to the salary payments, the Complaint alleges that the Committee
15 made payments to Stockham’s LLC to allow Stockham “to withdraw money for himself.” If the
16 payments to the LLC amounted to salary payments, then they were not reported correctly. The
17 Committee generally denies the allegations.

18 As discussed below, the available information supports the conclusion that the
19 Committee converted campaign funds to Stockham’s personal use in connection with his vehicle
20 and utility expenses. Moreover, it appears that the Committee’s payments to Stockham’s LLC
21 should have been treated and reported as salary payments to Stockham. The record before the
22 Commission also suggests that the payments to the LLC and other direct salary payments to

1 Stockham did not comply with the Commission’s regulations because they were either excessive
2 or made outside the time period within which candidate salary payments are permitted.

3 Therefore, the Commission finds reason to believe that the Committee violated 52 U.S.C.
4 § 30114(b) by converting campaign funds to personal use, and 52 U.S.C. § 30104(b)(6) and
5 11 C.F.R. § 104.3(b) by failing to accurately report salary payments to Stockham.

6 **II. FACTUAL BACKGROUND**

7 Casper Stockham was a 2020 candidate in Colorado’s 7th Congressional District.¹ He
8 ran as the Republican candidate but was defeated in the general election.² Casper for Colorado
9 was his authorized campaign committee with Stockham serving as treasurer.³ During the 2020

¹ Stockham originally registered as a candidate in Colorado’s 6th Congressional District, but switched to the 7th District in April 2020. Casper Wesley Stockham, Original Statement of Candidacy (July 1, 2019), <https://docquery.fec.gov/pdf/197/201907019150438197/201907019150438197.pdf>; Casper Wesley Stockham, Amended Statement of Candidacy (Apr. 6, 2020), <https://docquery.fec.gov/pdf/356/202004069216597356/202004069216597356.pdf>.

² Stockham ran unopposed and won the Republican primary on June 30, 2020, and lost the general election on November 3, 2020. COLO. SEC’Y STATE, COLORADO ABSTRACT OF VOTES CAST FOR THE JUNE 30, 2020 STATE PRIMARY ELECTION at 19 (July 27, 2020), <https://www.sos.state.co.us/pubs/elections/files/2020StatePrimaryResultsCert.pdf> (reporting Stockham won 100% of the vote in the primary election); COLO. SEC’Y STATE, COLORADO ABSTRACT OF VOTES CAST FOR THE NOVEMBER 3, 2020 GENERAL ELECTION at 57-58 (Dec. 8, 2020), <https://www.sos.state.co.us/pubs/elections/Results/2020/StateAbstractCertAndReportSigned.pdf> (reporting Stockham lost with 37.6% of the vote in the general election to his opponent’s 59.1%).

³ Matthew Arnold was treasurer at the time the relevant activity occurred. Casper for Colorado, Amended Statement of Organization (Apr. 1, 2020), <https://docquery.fec.gov/pdf/441/202004069216597441/202004069216597441.pdf>. The Committee states that Arnold was “not integrated” into campaign operations and “relie[d] upon information supplied by the candidate/committee” regarding disbursements. Committee Resp. at 2 (Aug. 7, 2020).

1 election, the Committee raised \$147,959 and spent the same amount.⁴ Stockham, who also ran
2 for Congress in 2016 and 2018, is a driver for Uber and Lyft.⁵

3 The Complaint alleges that, during the 2020 election, Stockham and the Committee
4 converted campaign funds to personal use in the categories elaborated below. The Committee
5 generally denies the allegations.⁶

6 **Vehicle Expenses** — The Complaint alleges that Stockham used campaign funds for
7 payments related to his occupation as an Uber and Lyft driver, including auto repairs, tolls, and
8 purchases at Wal-Mart and Sam’s Club that the Complaint infers must have been for gasoline.⁷
9 The Committee paid \$1,079 for auto repairs; \$1,290 for tolls; and \$3,026 at Wal-Mart and Sam’s
10 Club.⁸ The Complaint contends that, given Stockham’s profession as a ride-sharing driver, the

⁴ *Casper for Colorado – Financial Summary*, FEC.gov, <https://www.fec.gov/data/committee/C00710855/?tab=summary> (last visited Feb. 10, 2021).

⁵ In 2016 and 2018, Stockham was a candidate in Colorado’s 1st District, and though “Casper for Colorado” was the name of his committee in those elections, after each election cycle, Stockham terminated his committee and formed a new committee for the next election with the same name. *See* Charles (Casper) Wesley Stockham, Statement of Candidacy (Jan. 11, 2018), <https://docquery.fec.gov/pdf/256/201801119090394256/201801119090394256.pdf>; Casper for Colorado, Statement of Organization (Jan. 11, 2018), <https://docquery.fec.gov/pdf/256/201801119090394256/201801119090394256.pdf>; Casper for Colorado, Termination Report (Dec. 6, 2018), <https://docquery.fec.gov/pdf/317/201812069134879317/201812069134879317.pdf>; *Casper for Colorado—About This Committee*, FEC.GOV, <https://www.fec.gov/data/committee/C00665588/?cycle=2018&tab=about-committee> (last visited Feb. 10, 2021); Charles Wesley (“Casper”) Stockham, Amended Statement of Candidacy (Oct. 10, 2015), <https://docquery.fec.gov/pdf/438/201510190300028438/201510190300028438.pdf>; Casper for Colorado, Amended Statement of Org. (Oct. 10, 2015), <https://docquery.fec.gov/pdf/430/201510190300028430/201510190300028430.pdf>; Casper for Colorado, Termination Report (Jan. 3, 2017); <https://docquery.fec.gov/pdf/498/201701039040912498/201701039040912498.pdf> *Casper for Colorado—About This Committee*, FEC.GOV, <https://www.fec.gov/data/committee/C00585265/?tab=about-committee&cycle=2018> (last visited Feb. 10, 2021).

⁶ Committee Resp.

⁷ Compl. at 2 (July 17, 2020). The Complaint’s inference appears to be based in part on the proximity of Stockham’s residence to Sam’s Club and Wal-Mart, and that these merchants sell gasolines at these locations. *Id.* at 2. The Committee’s reports indicate that these expenditures were for, *e.g.*, campaign supplies.

⁸ The Commission notes that the Complaint was filed prior to the end of the election cycle, and as such refers to lower amounts than those that appear in the Committee’s reports for the whole cycle.

1 frequency and amount of the payments, and the location of alleged gasoline and toll purchases
2 along “lucrative UBER routes,” these expenditures indicate personal use of campaign funds.⁹

3 The Commission is in possession of information indicating that Stockham, as an Uber
4 and Lyft driver, routinely used his vehicle for non-campaign purposes but that, at the same time,
5 he was using the vehicle to promote his campaign and speak with potential voters. Accordingly,
6 the Committee acknowledges that “Mr. Stockham **may** have failed to apportion **some**” of the
7 vehicle expenditures.¹⁰ The Committee asserts that it is “perfectly legal” to apportion personal
8 and campaign vehicle expenses “[s]o long as adequate records are kept distinguishing such use,
9 and costs are apportioned among the different uses,” but does not submit that any records were
10 kept here.¹¹ Regarding the alleged gasoline purchases at Wal-Mart and Sam’s Club, the
11 Committee contends that the payments were not for vehicle expenses but, as reported on
12 disclosure reports, for unspecified “campaign supplies.”¹²

13 **Utilities** — The Complaint alleges that the Committee’s two disbursements to Comcast
14 totaling \$339 were for Stockham’s personal residence given that Stockham ran his campaign out
15 of his home.¹³ The Committee maintains that “[p]ayment for high-speed internet, used to access
16 and maintain campaign websites, social media, communications, and related functions is for a
17 legitimate campaign-related purpose.”¹⁴

⁹ Compl. at 2 (arguing that the payments were “for the specific purpose of funding a business entity . . . that has absolutely nothing to do with the operations of a political campaign”).

¹⁰ Committee Resp. at 2 (emphasis in original).

¹¹ *Id.*

¹² *Id.* at 3.

¹³ Compl. at 3.

¹⁴ Committee Resp. at 3.

1 **Amazon** — The Complaint alleges that the Committee’s reported payments to Amazon
2 for “campaign materials,” which totaled \$2,146 during the 2020 election, are “highly suspect,” in
3 light of the alleged pattern of converting campaign funds to personal use, but does not provide
4 any specific information that the items purchased were for non-campaign-related purposes.¹⁵
5 The Committee states that the allegation is “purely speculative, and devoid of evidentiary,
6 factual, and/or legal merit.”¹⁶

7 **Payments to Candidate-Owned LLC** — UBG Online LLC (“UBG”) is a Colorado
8 limited liability company which incorporated in 2003 and is owned by Stockham.¹⁷ During the
9 2020 election, the Committee paid \$19,100 to UBG for various purposes, including “social
10 media marketing,” “campaign marketing,” and “social media GOTV.”¹⁸

11 The Complaint alleges that the Committee’s payments to UBG were not for legitimate
12 campaign services but rather a way for Stockham “to withdraw money for himself.”¹⁹ The
13 Committee asserts that UBG billed the Committee for “specific campaign-related tasks, and
14 these expenditures have been duly disclosed as such.”²⁰ The Commission is in possession of

¹⁵ Compl. at 3.

¹⁶ Committee Resp. at 3.

¹⁷ *Business Entity Details*, COLO. SEC’Y OF STATE, <https://www.sos.state.co.us/biz/BusinessEntityCriteriaExt.do?resetTransTyp=Y> (last visited Feb. 10, 2021) (search “UBG online”). Stockham is listed as UBG’s registered agent on its Articles of Organization and his wife is listed as an “initial member;” no other person is listed on UBG’s Articles of Organization and no other names appear on any UBG state filing. UBG ONLINE LLC, ARTICLES OF ORGANIZATION 1 (Apr. 15, 2003), <https://www.sos.state.co.us/biz/ViewImage.do?masterFileId=20031121143&fileId=20031121143>; *Business Entity Details*, *supra*. From 2003, when the company was founded, to the present, Stockham has been responsible for filing all documents with the Colorado Secretary of State. *Id.* UBG became delinquent for failure to file reports with the Colorado Secretary of State on August 1, 2018, which was cured on June 3, 2019. *Id.*; UBG ONLINE LLC, STATEMENT CURING DELINQUENCY (June 3, 2019), <https://www.sos.state.co.us/biz/ViewImage.do?masterFileId=20031121143&fileId=20191467203>.

¹⁸ Other purposes include “website conversion,” “website setup configuration,” “campaign website[] conversion/archiving,” “website SEO work” “campaign SEO work,” and “campaign data archiving and wrapup work.”

¹⁹ Compl. at 2-3. At the time of the Complaint, the amount of such payments was \$6,250.

²⁰ Committee Resp. at 3.

1 several invoices from UBG to the Committee for services rendered, each of which matches a
2 reported expenditure by the Committee to UBG. It is unclear whether UBG has any employees
3 besides Stockham, and it does not appear to have any public internet presence. No other political
4 committees have reported any disbursements to UBG.²¹

5 **Candidate Salary** — The Complaint alleges that Stockham received a salary from the
6 Committee before he was legally permitted to do so and that the Committee failed to report the
7 salary.²² The allegations are based on Stockham’s statements referring to salary payments of
8 approximately \$1,500 month that he appears to acknowledge receiving from the Committee in or
9 around February 2020.²³ The Complaint asserts that Stockham was not permitted to take a salary
10 until he received his party’s nomination on April 18, 2020, more than two months after making
11 the first statement that he was receiving a salary, and points out that the Committee’s FEC
12 disclosure reports did not reflect any salary payments to Stockham during this time.²⁴

²¹ *FEC Disbursements: Filtered Results*, FEC.gov, https://www.fec.gov/data/disbursements/?data_type=processed&recipient_name=UBG&two_year_transaction_period=2010&two_year_transaction_period=2012&two_year_transaction_period=2014&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020 (showing all reported disbursements to UBG since the 2010 election cycle, all of which were by the Committee or Stockham’s prior committees).

²² Compl. at 1-2.

²³ *Id.* In an email to supporters on February 15, 2020 Stockham wrote that FEC rules allow a candidate to be paid a salary by his campaign and that in his case the salary “has been on average a little over \$1500 a month.” Compl., Ex. 2 at 3 (emphasis omitted). In an interview with *Colorado Politics*, he stated that he was entitled to \$4,500 per month and that the campaign had been paying him “like \$1,500 or whatever.” Compl., Ex. 1 at 2 (attaching Ernest Luning, *Perennial GOP Candidate Casper Stockham Sent Contributions to His Own Company, Records Show*, COLO. POL. (June 17, 2020), https://www.coloradopolitics.com/news/perennial-gop-candidate-casper-stockham-sent-contributions-to-his-own-company-records-show/article_e0d09ebc-b010-11ea-87aa-5b29ceb20b9c.html).

²⁴ Compl. at 2, 3.

1 The Committee denies that, as of the date of its Response in August 2020, it had paid
 2 Stockham a salary.²⁵ In its Response, however, the Committee states that it had advised
 3 Stockham to “begin taking a salary, funds permitting, beginning 1 July 2020.”²⁶ Between July
 4 31 and November 3, 2020, the Committee reported a series of five \$2,000 monthly salary
 5 payments (totaling \$10,000) to Stockham.

6 **Moving** — The Complaint alleges that the Committee’s payment of “Office Moving
 7 Expenses” totaling \$420 to Kaleem Howze is suspect because “Stockham has always run his
 8 campaign from his home and thus it is unclear why he would list payments [for moving].”²⁷ The
 9 Committee states that the Complaint “errs in asserting that Mr. Stockham has not incurred
 10 campaign moving expenses.”²⁸

11 **III. LEGAL ANALYSIS**

12 **A. The Commission Finds Reason to Believe that the Committee Converted** 13 **Campaign Funds to Stockham’s Personal Use**

14 The Act prohibits the conversion of campaign funds by any person to “personal use.”²⁹
 15 “Personal use” is the use of funds in a campaign account “to fulfill a commitment, obligation or
 16 expense of any person that would exist irrespective of the candidate’s campaign or duties as a
 17 Federal officeholder.”³⁰ The Act and Commission regulations list certain uses of campaign
 18 funds that constitute *per se* conversion to personal use including a home mortgage, rent, utility

²⁵ Committee Resp. at 2-3 (“The campaign *has not paid* Mr. Stockham a salary to date.”) (emphasis in original). In fact, the Committee had paid its first salary to Stockham on July 31, 2020, but disclosure reports otherwise confirm that the Committee had not previously reported any such payments.

²⁶ Committee Resp. at 3.

²⁷ Compl. at 3.

²⁸ Committee Resp. at 3.

²⁹ 52 U.S.C. § 30114(b).

³⁰ 11 C.F.R. § 113.1(g).

1 payments, and non-campaign-related automobile expenses.³¹ For other payments, the
2 “Commission will determine, on a case-by-case basis, whether other uses” of campaign funds
3 constitute personal use by applying the “irrespective test,” that is, whether the payment fulfills a
4 commitment, obligation, or expense that would exist irrespective of the candidate’s campaign or
5 duties as a federal officeholder.³²

6 Under the personal use provision, a candidate is permitted to receive a salary from his or
7 her principal campaign committee, subject to rules governing the timing and amount.³³ As for
8 timing, the committee shall not pay a salary to a candidate before the filing deadline for access to
9 the primary election ballot for the federal office that the candidate seeks, as determined by state
10 law.³⁴ If the candidate wins the primary, his or her principal campaign committee may pay him
11 or her a salary through the date of the general election.³⁵ The amount of the candidate’s salary
12 shall not exceed the lesser of: (1) the minimum salary paid to a federal officeholder holding the
13 office that the candidate seeks or (2) the earned income that the candidate received during the
14 year prior to becoming a candidate.³⁶ Should the minimum salary paid to a federal officeholder
15 be the lesser figure, any earned income that a candidate receives from salaries or wages from any
16 other source during his or her candidacy shall count against this sum.³⁷ During the time period
17 in which a principal campaign committee may pay a salary to a candidate, such payment must be

³¹ 52 U.S.C. § 30114(b)(2)(A)-(I); 11 C.F.R. § 113.1(g).

³² 11 C.F.R. § 113.1(g)(1)(ii).

³³ 52 U.S.C. § 30114(b)(2); 11 C.F.R. § 113.1(g)(1)(i)(I).

³⁴ 11 C.F.R. § 113.1(g)(1)(i)(I).

³⁵ *Id.*

³⁶ *Id.*

³⁷ *Id.* Upon request of the Commission, the candidate must provide evidence of earned income. *Id.*

1 computed on a *pro-rata* basis.³⁸ The payment of a salary to candidates that do not meet these
2 conditions is considered *per se* personal use.³⁹

3 As explained below, based on the available information, it appears that Stockham, the
4 candidate, impermissibly converted Committee funds to personal use with respect to the vehicle
5 and utilities expenses. The record further indicates that Stockham received an impermissible
6 salary from the Committee. With respect to the moving expenses and Amazon purchases, there
7 is no information to support an inference that these payments were for personal use.

8 1. Vehicle Expenses

9 Because Uber and Lyft customers entered Stockham's vehicle as part of a non-campaign-
10 related business transaction, Stockham's use of his vehicle for the provision of ride-sharing
11 services and the expenses associated with that use existed irrespective of his campaign. Thus,
12 Stockham would have incurred the vehicle expenses regardless of his candidacy. Moreover, it
13 does not appear that the Committee kept any records of vehicle usage to account for the
14 apportionment between personal and campaign-related activities.⁴⁰ Indeed, the Committee does
15 not point to any specific campaign use of the vehicle. Accordingly, it appears that charges for
16 auto repairs (\$1,079) and tolls (\$1,290), totaling \$2,369, were for personal use. However, it is
17 unclear whether the alleged gasoline charges at Wal-Mart and Sam's Club were for personal use.
18 In its Response, the Committee suggests, but does not equivocally state, that purchases at Wal-

³⁸ *Id.* This is intended to prevent a candidate's principal campaign committee from paying the candidate the entire minimum annual salary for the Federal office sought by the candidate, unless he or she is a candidate, as defined by 11 C.F.R. § 100.3(a), for at least one year. *See* Disclaimers, Fraudulent Solicitation, Civil Penalties, and Personal Use of Campaign Funds; 67 Fed. Reg. 76,962, 76,972 [hereinafter Personal Use E&J] (Dec. 13, 2002).

³⁹ *Id.*; Personal Use E&J at 76,972.

⁴⁰ 11 C.F.R. § 113.1(g)(1)(ii)(D); *see* Second Gen. Counsel's Rpt. at 10-11, MUR 6498 (Lynch for Congress) (recommending conciliation regarding personal use where candidate made expenditures for gasoline, tolls, and parking for a vehicle driven for mixed purposes but did not maintain records of the use).

1 Mart and Sam’s Club were not for gasoline, and the Committee’s reports indicate that purchases
2 at these vendors were for, *e.g.*, “campaign supplies.”⁴¹ Nevertheless, many of the individual
3 disbursements to Wal-Mart and Sam’s Club are in amounts inconsistent with gasoline
4 purchases.⁴²

5 2. Utilities

6 The Committee’s payment of Comcast bills for Stockham’s personal residence totaling
7 \$339 is *per se* personal use despite the fact that Stockham operated his campaign out of his
8 home.⁴³ Commission regulations make clear that personal use includes “utility payments for any
9 part of any personal residence of the candidate or a member of the candidate’s family,” and the
10 Commission has previously held that the prohibition extends to instances where a candidate’s
11 home doubles as his or her campaign headquarters.⁴⁴

12 3. Salary

13 As stated above, federal candidates may receive a salary from their principal campaign
14 committees starting the date of the filing deadline for access to the primary election ballot for the
15 office the candidate seeks, until the date of the general election (assuming that the candidate was

⁴¹ Committee Resp. at 3 (“Mr. Kirkland’s allegations regarding committee purchases of campaign supplies and equipment at retail stores near Mr. Stockham’s residence are risibly devoid of factual or legal merit, are unsupported by any substantive evidence and are purely speculative. Should Mr. Stockham only be allowed to purchase campaign supplies & equipment at stores or locations far remote from his residence (and campaign office/headquarters)? Ludicrous.”).

⁴² For example, multiple disbursements were made for amounts greater than \$100, and others for as little as \$3.

⁴³ *See id.*; Committee Resp. at 3.

⁴⁴ 11 C.F.R. § 113.1(g)(1)(E)(1); *see, e.g.*, Factual & Legal Analysis at 6, MUR 6380 (Friends of Christine O’Donnell, *et al.*) (finding reason to believe a candidate who ran her campaign from her primary residence had converted campaign funds to personal use by paying her mortgage and utility bills); *see also* *FEC v. O’Donnell*, 209 F. Supp. 3d 727, 734-36 (D. Del. 2016) (holding O’Donnell’s payments of rent constituted personal use and requiring O’Donnell to disgorge converted funds and pay a \$25,000 civil penalty).

1 successful in the primary election).⁴⁵ Applied here, March 17, 2020, was the first date on which
 2 Stockham was permitted to receive a salary and, because he won the primary election,
 3 November 3, 2020, was the final day he was permitted to receive a salary.⁴⁶ Moreover, as
 4 relevant here, the amount of a candidate salary shall not exceed the candidate’s earned income
 5 during the year prior to becoming a candidate.⁴⁷ Though the Commission does not have specific
 6 information on Stockham’s 2018 earned income, in statements to the media, Stockham claimed
 7 that he was entitled to \$4,500 per month (equating to a \$54,000 yearly salary).⁴⁸ As explained
 8 below, based on the available information, it appears that Stockham received impermissible
 9 salary payments before and after the operative dates and, further, that one of the payments was
 10 excessive because it was not computed on a *pro-rata* basis.

11 On February 15, 2020, Stockham claimed in an email to his supporters that he was
 12 receiving a monthly salary from the Committee of approximately \$1,500.⁴⁹ Stockham reiterated
 13 this claim to *Colorado Politics*.⁵⁰ Nonetheless, the Committee contends that Stockham did not,
 14 in fact, receive any salary until July 31, 2020.⁵¹ The available information suggests that

⁴⁵ 11 C.F.R. § 113.1(g)(1)(i)(I). The Complaint appears mistaken as a matter of law as to which date applies to the Act’s salary provision. *Compare* 11 C.F.R. § 113.1(g)(1)(i)(I) (“Salary shall not be paid to a candidate before **the filing deadline for access to the primary election ballot** for the Federal office that the candidate seeks , as determined by State law” (emphasis added)) *with* Compl. at 3 (“Mr. Stockham was not even eligible to begin taking a salary from his campaign . . . until April 18th . . . **when he became the official candidate** for District 7.” (emphasis added)).

⁴⁶ COLO. SEC’Y STATE, 2020 ELECTION CALENDAR at 4 (Sept. 15, 2020), <https://www.sos.state.co.us/pubs/elections/calendars/2020ElectionCalendar.pdf> (listing March 17, 2020, as the “[l]ast day to file major party candidate petitions”); FEC, 2020 CONGRESSIONAL PRIMARY DATES AND CANDIDATE FILING DEADLINES FOR BALLOT ACCESS (July 17, 2020), <https://www.fec.gov/resources/cms-content/documents/2020pdates.pdf> (listing March 17, 2020 as “FILING DEADLINE FOR PRIMARY BALLOT ACCESS” for Colorado).

⁴⁷ 11 C.F.R. § 113.1(g)(1)(i)(I).

⁴⁸ Compl., Ex. 1 at 2, Ex. 2 at 3.

⁴⁹ Compl., Ex. 2 at 3 (emphasis omitted).

⁵⁰ Compl., Ex. 1 at 2.

⁵¹ Committee Resp. at 2, 3.

1 Stockham may have been referring, at least in part, to the payments to his LLC for work he
2 performed on behalf of the campaign.⁵² Although the LLC is a separate legal entity and
3 Stockham’s Response includes several example invoices from UBG to the Committee for “social
4 media marketing” services,⁵³ the available information suggests that UBG operates only as an
5 extension of Stockham and the Committee itself. Stockham appears to be UBG’s only
6 employee, and the Committee is UBG’s only known client. There is no available information
7 concerning any other work UBG has done for political or non-political clients. Under these
8 circumstances, and without additional information about the nature of services rendered by UBG
9 to the Committee, the record suggests that the Committee’s payments to UBG should be treated
10 as payments to Stockham.

11 Accordingly, payments that the Committee made to UBG prior to March 17, 2020, in the
12 amount of \$8,050, constitute impermissible salary payments because they occurred prior to when
13 Stockham was permitted to receive a salary. Payments that the Committee made to UBG after
14 November 3, 2020, totaling \$2,550, constitute impermissible salary payments because they
15 occurred after the final date that Stockham was permitted to receive a salary.⁵⁴ The total of these
16 payments is \$10,600.

17 Finally, during the time that Stockham was permitted to receive a salary, the Committee
18 made an excessive salary payment to Stockham that was not computed on a *pro-rata* basis.

⁵² The monthly totals paid to UBG during the 2020 election cycle are: July 2019: \$300; August 2019: \$1,750; September 2019: \$0; October 2019: \$2,200; November 2019: \$1,000; December 2019: \$1,000; January 2020: \$1,300; February 2020: \$500; March 2020: \$300; April 2020: \$700; May-June 2020: \$0; July 2020: \$2,500; August 2020: \$500; September 2020: \$1,500; October 2020: \$2,000; November 2020: \$3,000; December 2020: \$550.

⁵³ *Id.* at 2 (“We have included a few invoices to show that work. I am happy to provide all the invoices if requested.”). *Id.*, Attachs. 1-3.

⁵⁴ *Id.*

1 Stockham received monthly salary payments of \$2,000 between July and October 2020, paid
2 between the 22nd and 31st of the month. The Committee paid Stockham an additional \$2,000 on
3 November 3, 2020. Assuming, *arguendo*, that Stockham was entitled to \$4,500 a month, as he
4 publicly claimed, Stockham would have been permitted to receive \$450 for November 1 through
5 November 3 ($\$4,500 \div 30 \text{ days} = \150 per day ; $\$150 \times 3 \text{ days} = \450).⁵⁵ The remaining \$1,550
6 was therefore excessive, since Stockham was not permitted to receive any salary after November
7 3, 2020, the date of the general election.

8 4. Moving Costs and Amazon Purchases

9 The Complaint alleges that reported “Office Moving Expenses” could not constitute valid
10 campaign expenditures, as Stockham runs his campaign from his home.⁵⁶ However, the
11 Committee disputes this assertion.⁵⁷ The Complaint also alleges that various payments to
12 Amazon were “suspect.”⁵⁸ The Committee states that the Complaint’s allegations regarding
13 these purchases are “purely speculative.”⁵⁹ The Complaint lacks sufficient information to
14 support these allegations, both of which are denied by the Committee, and the Commission is
15 aware of no other information that directly supports them, other than the separate alleged overall

⁵⁵ As stated above, Stockham has stated publicly that he believes that he is entitled to a campaign salary of \$4,500 per month, which would lead to an annual salary of \$54,000. *See* Compl., Ex. 1 at 2, Ex. 2 at 3. Stockham has not provided evidence of his income from the year prior to becoming a candidate, so the Commission is unable at this time to determine whether this amount is the permissible sum. Presuming that this amount is accurate, Stockham’s reported salary payments of \$2,000 per month (\$24,000 per annum) are within the permissible range. Adding payments to UBG during the relevant time frame to Stockham’s direct salary payments, the total only once exceeded \$4,500, by \$50 in November 2020. However, all payments in excess of \$450 that month, and those made after November 3, were already *per se* personal use as they were outside the permitted timeframe for Stockham to receive a salary from the Committee.

⁵⁶ Compl. at 3.

⁵⁷ Committee Resp. at 3.

⁵⁸ *See* Compl. at 3 (“Mr. Stockham lists a campaign expense on Jan. 2, 2020 to Amazon for Campaign Marketing Materials. Again, this expense is highly suspect.”).

⁵⁹ Committee Resp. at 3.

1 pattern of personal use. Accordingly, there is no reasonable basis to conclude that the moving
 2 costs and Amazon purchases were necessarily for personal use.⁶⁰

3 * * *

4 In conclusion, the available information supports a reasonable inference that the
 5 Committee converted campaign funds to Stockham’s personal use in connection with:
 6 (1) vehicle expenses, totaling at least \$2,369; (2) utilities, totaling \$339; and (3) impermissible
 7 salary payments, totaling \$12,150.

8 Therefore, the Commission finds reason to believe that the Committee violated 52 U.S.C.
 9 § 30114(b) by converting campaign funds to personal use.

10 **B. The Commission Finds Reason to Believe that the Committee Failed to**
 11 **Accurately Report Disbursements for Stockham’s Salary**

12 The Act and Commission regulations require political committees to report the name and
 13 address of each person to whom they make disbursements aggregating more than \$200 per
 14 calendar year, or per election cycle for authorized committees, as well as the date, amount, and
 15 purpose of such payments.⁶¹ As discussed above, the record suggests that UBG operates only as
 16 an extension of Stockham and that the Committee’s payments to UBG should be treated as
 17 payments to Stockham. Accordingly, the Commission finds reason to believe the Committee
 18 violated 52 U.S.C. § 30104(b)(6) by failing to accurately report disbursements paid to Stockham.

⁶⁰ Statement of Reasons, Comm’rs Mason, Sandstrom, Smith, & Thomas at 1, MUR 4960 (Clinton for U.S. Exploratory Comm.) (“The Commission may find ‘reason to believe’ only if a complaint sets forth sufficient specific facts, which, if proven true, would constitute a violation of the [Act].”).

⁶¹ 52 U.S.C. § 30104(b)(6); 11 C.F.R. § 104.3(b).