



FEDERAL ELECTION COMMISSION

Washington, DC 20463

December 7, 2021

Via Electronic Mail

Jeannine Lee Lake
5300 North County Road, 500-W
Muncie, IN 47304

RE: MUR 7778
Jeannine Lee Lake

Dear Ms. Lee Lake:

On August 18, 2020, the Federal Election Commission notified you of a complaint alleging violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations in the complaint and information supplied by you, the Commission, on November 9, 2021, voted to dismiss the allegations that you violated 52 U.S.C. § 30102(e)(1) by failing to file and timely file Statements of Candidacy and 52 U.S.C. § 30114(b) by converting campaign funds to personal use. The Commission also cautioned you to take steps to ensure compliance with the reporting requirements with respect to the filing of Statements of Candidacy. 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), effective September 1, 2016. The Factual and Legal Analysis, which explains the Commission's findings, is enclosed for your information.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 694-1650 or ddillenseger@fec.gov.

Sincerely,

A handwritten signature in black ink that reads "Jin Lee".

Jin Lee
Acting Assistant General Counsel

Enclosure:

Factual and Legal Analysis

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Lake for Congress and
Constance Saylease Prater-Baker
in her official capacity as treasurer,
Jeannine Lee Lake

MUR: 7778

I. INTRODUCTION

The Complaint alleges that Jeannine Lake and her authorized committee, Lake for
ess and Constance Saylease Prater-Baker in her official capacity as treasurer¹ (collectively,
ommittee”), violated the Federal Election Campaign Act of 1971, as amended (the “Act”)
ommission regulations, by “misrepresenting Lake’s status as a federal candidate,”
ngly and willfully failing to file required reports with the Federal Election Commission
Commission”), and failing to provide adequate purposes for its disbursements.² The
aint further alleges that the inadequately reported purposes for the disbursements indicate
ake and the Committee converted campaign funds to personal use.³ Lake denies the
ions, asserting that the Complaint is politically motivated and that the filing delays and
are due to “repeated software errors” and lack of funds to hire a professional accountant.⁴

The available information indicates that Lake, a candidate for Congress in 2018 and 2020, never filed a Statement of Candidacy for 2018 and filed her Statement of Candidacy for 2020 late. In addition, the Committee failed to timely file disclosure reports and failed to properly itemize disbursements for the 2018 and 2020 election cycles, among other reporting

¹ The Complaint lists Kizmin Jones and Jesse Nahshon Prater as former treasurers and respondents. The current named treasurer is Constance Saylease Prater-Baker. Compl. at 1 (Aug. 14, 2020).

2 *Id.* at 1, 2.

3

Id. at 3.

⁴ Lake Resp. (E-mail from Jeannine Lake to Christal Dennis, CELA, FEC (Aug. 27, 2020 14:30 EST)).

MUR 7778 (Lake for Congress Committee, *et al.*)

Factual and Legal Analysis

Page 2 of 13

1 violations. As discussed further below, however, the Commission is not pursuing this matter
2 given that the Commission has already assessed penalties as to the Committee under the
3 Administrative Fine Program for failing to file several reports, and the other apparent violations
4 do not appear to warrant the expenditure of additional Commission resources. Accordingly, the
5 Commission exercises its prosecutorial discretion and dismisses with caution the allegations that
6 Lake violated 52 U.S.C. § 30102(e)(1) by failing to file or timely file Statements of Candidacy
7 and the Committee violated 52 U.S.C. § 30103(c) by failing to amend its Statement of
8 Organization, and 52 U.S.C. § 30104(a) by failing to timely file disclosure reports; and
9 dismisses, as a matter of prosecutorial discretion, the allegations that the Committee violated
10 52 U.S.C. § 30104(b)(5)(A) and 6(A) by failing to properly itemize disbursements.⁵ Further, the
11 Commission dismisses the allegations that Lake and the Committee violated 52 U.S.C.
12 § 30114(b) by converting campaign funds to personal use.

13 **II. FACTUAL BACKGROUND**

14 Jeannine Lee Lake was a candidate for the U.S. House of Representatives in Indiana's
15 Sixth District in the 2018 and 2020 elections, advancing to the general election each time before
16 ultimately losing. Lake for Congress has been Lake's principal campaign committee since
17 2018.⁶ The Committee filed a Statement of Organization on May 10, 2018, which disclosed
18 Jesse Nahshon Prater as treasurer. However, all of the disclosure reports filed by the Committee
19 from the 2018 July Quarterly Report to the 2020 July Quarterly Report were signed by Kizmin
20 Jones, though Jones is not listed on the Committee's Statement of Organization as a new
21 treasurer, assistant treasurer or designated agent of the Committee. On August 14, 2020, the

⁵ *Heckler v. Chaney*, 470 U.S. 821, 831-32 (1985).

⁶ See Statement of Organization (May 10, 2018).

MUR 7778 (Lake for Congress Committee, *et al.*)

Factual and Legal Analysis

Page 3 of 13

1 Committee filed an amended Statement of Organization, designating Constance Saylease
 2 Prater-Baker as treasurer,⁷ but all disclosure reports filed after that date have been signed by
 3 Michele Harding rather than Prater-Baker. As with Jones, Harding is not listed on the
 4 Committee's Statement of Organization as a new treasurer, assistant treasurer, or designated
 5 agent of the Committee.

6 Although Lake had never filed a Statement of Candidacy for the 2018 election, Lake ran
 7 as a candidate in the Democratic primary election for Indiana's Sixth Congressional District and
 8 won that election on May 8, 2018.⁸ On May 10, 2018, Lake for Congress filed a Statement of
 9 Organization. The next day, on May 11, 2018, Lake called the Reports Analysis Division
 10 ("RAD") to notify them that she had won the primary election and triggered the \$5,000 candidate
 11 registration threshold.⁹ Lake did not file a Statement of Candidacy, however, and RAD sent her
 12 a disavowal notice on July 26, 2018 inquiring about the Statement.¹⁰ Lake lost the general
 13 election on November 6, 2018.¹¹

14

⁷ See Amended Statement of Organization (Aug. 14, 2020); Amended Statement of Organization (Aug. 27, 2020) (amended to reflect a change of address).

⁸ 2018 Indiana Primary Election Results, Indiana Election Division, <https://enr.indianavoters.in.gov/archive/2018Primary/index.html>.

⁹ The Committee's first disclosure report, the 2018 July Quarterly, shows expenditures totaling over \$5,000 by June 15, 2018. See 2018 July Quarterly Report (July 15, 2018).

¹⁰ See Disavowal Notice from RAD to Lake (Jul. 26, 2018). RAD sends a disavowal notice to a candidate when the authorized committee of the candidate receives contributions or makes expenditures in excess of \$5,000 and the candidate has not filed a Statement of Candidacy. The notice requests the candidate submit a Statement of Candidacy or disavow the campaign activity within 35 days of receipt of the notification. See also, 11 C.F.R. § 100.3(a) (individual must disavow such activity by letter to the Commission within 30 days of receipt of the notification.) RAD had previously discussed with Lake the need to file a Statement of Candidacy.

¹¹ November 2018 Indiana Election Results, Indiana Election Division, <https://enr.indianavoters.in.gov/archive/2018General/index.html>.

MUR 7778 (Lake for Congress Committee, *et al.*)

Factual and Legal Analysis

Page 4 of 13

1 During the 2018 election cycle, the Committee failed to timely file most of the required
 2 reports. RAD sent the Committee non-filer notices for the 2018 12-Day Pre-General, 2018
 3 30- Day Post-General, and 2018 Year-End Reports. The Committee later filed the missing
 4 Pre-General Report on October 30, 2018, the 30-Day Post-General Report on December 31,
 5 2019, and the Year-End Report on February 5, 2020. According to the Committee's reports, the
 6 Committee raised \$100,644.90 for the entire 2018 cycle. On June 29, 2020, the Commission
 7 assessed civil money penalties totaling \$1,571.00 under the Administrative Fine Program for the
 8 failure to file the 2018 30-Day Post-General and Year-End Reports.¹²

9 In 2020, Lake ran again for the same congressional district and won the Democratic
 10 primary on June 2, 2020.¹³ Because she had yet to file a Statement of Candidacy for that
 11 election, RAD sent her a disavowal notice on August 6, 2020.¹⁴ On August 14, 2020, Lake filed
 12 the Statement of Candidacy.¹⁵ Lake ultimately lost the general election on November 3, 2020.
 13 Because the Committee filed no reports for much of the 2020 election cycle, RAD sent non-filer
 14 notices to the Committee for the 2019 April, July, and October Quarterly Reports; the 2019
 15 Year-End Report; the 2020 April and July Quarterly Reports; and the 2020 Pre-General Report.¹⁶

¹² See Administrative Fine Case #3570 (June 29, 2020) (\$1,230 for nonfiled 2018 Post-General Report) and #3696 (June 29, 2020) (\$341 for nonfiled 2018 Year-End Report). In addition, the Committee received Requests for Additional Information (“RFAs”) pertaining to its 2018 cycle reports for: (1) failing to file one or more 48-hour notices; (2) failing to continuously report all outstanding loans; (3) failing to report the receipt of possible prohibited contributions, unreimbursed contributions received after the 2018 primary election, and receipt of anonymous contributions; and (4) misreporting the cash balances.

¹³ 2020 Indiana Primary Election Results, Indiana Election Division, <https://enr.indianavoters.in.gov/archive/2020Primary/index.html>.

¹⁴ See Disavowal Notice from RAD to Lake (Aug. 6, 2020).

¹⁵ See Statement of Candidacy (Aug. 14, 2020). The Committee filed an amended Statement of Candidacy to change the candidate's address. See Statement of Candidacy (Sept. 1, 2020).

¹⁶ See Non-filer notice (Oct. 23, 2020) (failure to file 2020 Pre-General Report); Non-filer notice (July 30, 2020) (failure to file 2020 July Quarterly Report); Non-filer notice (April 30, 2020) (failure to file 2020 April

MUR 7778 (Lake for Congress Committee, *et al.*)

Factual and Legal Analysis

Page 5 of 13

1 The Committee later filed these reports in 2020. The 2019 April Quarterly was filed on February
 2 26, 2020; the 2019 July Quarterly on March 2, 2020; the 2019 October Quarterly on June 2,
 3 2020; the 2019 Year-End on July 21, 2020; the 2020 April Quarterly on August 20, 2020, the
 4 2020 July Quarterly on August 27, 2020; and the 2020 Pre-General on October 26, 2020. During
 5 the 2020 election cycle, the Committee raised a total of \$150,670.82.

6 The Complaint alleges Respondents knowingly and willfully failed to file required
 7 reports, including Statements of Candidacy, provided inadequate purposes for its disbursements,
 8 and may have converted campaign funds to personal use.

9 **II. LEGAL ANALYSIS**

10 **A. The Commission Dismisses with Caution Allegations that Respondents
 11 Knowingly and Willfully Failed to Timely Register and File Reports with the
 12 Commission**

13 An individual becomes a candidate under the Act when: (a) such individual receives
 14 contributions or makes expenditures in excess of \$5,000, or (b) such individual gives his or her
 15 consent to another person to receive contributions or make expenditures on behalf of such
 16 individual and if such person has received such contributions or has made such expenditures in
 17 excess of \$5,000.¹⁷ Once the \$5,000 threshold has been met, the candidate has fifteen days to
 18 designate a principal campaign committee by filing a Statement of Candidacy with the
 19 Commission.¹⁸ Within 10 days after it has been designated by the candidate, the principal

20 Quarterly Report); Non-filer notice (Feb. 19, 2020) (failure to file 2019 Year-End Report); Non-filer notice (Oct. 30,
 21 2019) (failure to file 2019 October Quarterly Report); Non-filer notice (July 31, 2019) (failure to file 2019 July
 Quarterly Report); and Non-filer notice (April 30, 2019) (failure to file 2019 April Quarterly Report).

¹⁷ 52 U.S.C. § 30101(2).

¹⁸ 52 U.S.C. § 30102(e)(1); 11 C.F.R. § 101.1(a).

MUR 7778 (Lake for Congress Committee, *et al.*)

Factual and Legal Analysis

Page 6 of 13

1 campaign committee must register by filing with the Commission a Statement of Organization.¹⁹

2 Every political committee must have a treasurer and may designate, on the committee's

3 Statement of Organization, an assistant treasurer who shall assume the duties and responsibilities

4 of the treasurer in the event of a vacancy or where the treasurer is unavailable.²⁰ Finally, a

5 committee must report any change or correction of information contained in its Statement of

6 Organization within 10 days after the change.²¹

7 1. Failure to File Statement of Candidacy

8 Lake was required to file a Statement of Candidacy within fifteen days of crossing the

9 \$5,000 candidate registration threshold. According to the Committee's disclosure reports, Lake

10 should have filed her 2018 Statement of Candidacy no later than fifteen days after June 15, 2018,

11 the date on which the Committee's expenditures appear to have reached the \$5,000 candidate

12 registration threshold.²² However, Lake never filed a Statement of Candidacy for the 2018

13 cycle. Further, while Lake crossed the \$5,000 threshold for registering as a candidate for the

14 2020 cycle on or before August 28, 2019, when the Committee's expenditures totaled over

15 \$5,000 in the cycle,²³ she did not file a Statement of Candidacy until August 14, 2020.

¹⁹ 52 U.S.C. § 30102(g); 11 C.F.R. § 102(a).

²⁰ 11 C.F.R. § 102.7(a)

²¹ 52 U.S.C. § 30103(c); 11 C.F.R. § 102.2(a)(2).

²² See Lake for Congress, Financial Summary for 2018 cycle (Spending).
<https://www.fec.gov/data/committee/C00678557/?tab=spending&cycle=2018>; 2018 July Quarterly Report at 18 (July 15, 2018) (disclosing \$290 expenditure on June 15, 2018). The Committee also disclosed unitemized contributions totaling \$216.00 in the election cycle- to-date, so the Committee may have crossed the \$5,000 threshold at an earlier date.

²³ See Lake for Congress, Financial Summary, (Spending).
<https://www.fec.gov/data/committee/C00678557/?tab=spending>; 2019 Amended October Quarterly Report at 18 (Aug. 27, 2020) (disclosing \$647 expenditure on August 28, 2019).

MUR 7778 (Lake for Congress Committee, *et al.*)

Factual and Legal Analysis

Page 7 of 13

1 2. Failure to Amend of Statement of Organization

2 The Committee filed a Statement of Organization on May 10, 2018, which disclosed
 3 Jesse Nahshon Prater as treasurer. However, all of the disclosure reports filed by the Committee
 4 from the 2018 July Quarterly Report to the 2020 July Quarterly Report were signed by Kizmin
 5 Jones. The Committee did not file an amended Statement of Organization to disclose Jones as
 6 the new treasurer, assistant treasurer, or designated agent during that period. Further, the
 7 Committee filed an amended Statement of Organization on August 14, 2020, designating
 8 Constance Saylease Prater-Baker as treasurer, but disclosure reports filed after that date have
 9 been signed by Michele Harding rather than Prater-Baker.²⁴ The Committee has not filed an
 10 amended Statement of Organization to disclose Harding as the new treasurer, assistant treasurer,
 11 or designated agent for the Committee.

12 3. Failure to File Reports of Receipts and Disbursements

13 Political committees must file reports of receipts and disbursements according to the
 14 schedules prescribed in the Act and Commission regulations.²⁵ Authorized committees of
 15 individuals running for House or Senate are required to file quarterly reports with the FEC,
 16 which are due on April 15, July 15 and October 15, as well as a year-end report due on January
 17 31 of the following year. Authorized committees must also file pre- and post-election reports
 18 during the candidate's election.²⁶

²⁴ See *supra* note 7; 2020 October Quarterly, Pre-General, and Post-General Reports (FEC Form 3, Report of Receipts and Disbursements, page 1).

²⁵ 52 U.S.C. § 30104(a); 11 C.F.R. § 104.5.

²⁶ 11 C.F.R. § 104.5(a)(2)(i), (ii)

MUR 7778 (Lake for Congress Committee, *et al.*)

Factual and Legal Analysis

Page 8 of 13

1 Here, the Committee failed to timely file most of its disclosure reports for the 2018 and
 2 2020 election cycles: the 2018 Pre-General, Post-General, and Year-End Reports; the 2019
 3 April and October Quarterly Reports; the 2019 Year-End Report; the 2020 April and July
 4 Quarterly Reports; and the 2020 Pre-General Report. The Committee has already incurred two
 5 outstanding Administrative Fines for the 2018 Day Post-General and Year-End Reports.

6 The Complaint alleges that the Committee's failure to file was knowing and willful,
 7 relying on the multiple RFAs and non-filer notices that RAD sent to the Committee. Lake
 8 denies the delays and errors in reporting were intentional but were caused by software problems
 9 and lack of funds to hire an accountant.

10 A violation of the Act is knowing and willful if the "acts were committed with full
 11 knowledge of all the relevant facts and a recognition that the action is prohibited by law."²⁷ This
 12 does not require proving knowledge of the specific statute or regulation the respondent allegedly
 13 violated.²⁸ Rather, it is sufficient to demonstrate that a respondent "acted voluntarily and was
 14 aware that his conduct was unlawful."²⁹ This awareness may be shown through circumstantial
 15 evidence from which the respondent's unlawful intent reasonably may be inferred.³⁰

²⁷ 122 Cong. Rec. 12,197, 12,199 (May 3, 1976).

²⁸ *United States v. Danielczyk*, 917 F. Supp. 2d 573, 578 (E.D. Va. 2013) (quoting *Bryan v. United States*, 524 U.S. 184, 195 & n.23 (1998) (holding that, to establish a violation is willful, government needs to show only that defendant acted with knowledge that conduct was unlawful, not knowledge of specific statutory provision violated)).

²⁹ *Id.* (citing jury instructions in *United States v. Edwards*, No. 11-61 (M.D.N.C. 2012), *United States v. Acevedo Vila*, No. 08-36 (D.P.R. 2009), *United States v. Fieger*, No. 07-20414 (E.D. Mich. 2008), and *United States v. Alford*, No. 05-69 (N.D. Fla. 2005)).

³⁰ Cf. *United States v. Hopkins*, 916 F.2d 207, 213 (5th Cir. 1990) (quoting *United States v. Bordelon*, 871 F.2d 491, 494 (5th Cir. 1989)). *Hopkins* involved a conduit contributions scheme, and the issue before the Fifth Circuit concerned the sufficiency of the evidence supporting the defendants' convictions for conspiracy and false statements under 18 U.S.C. §§ 371 and 1001.

MUR 7778 (Lake for Congress Committee, *et al.*)

Factual and Legal Analysis

Page 9 of 13

1 While the Committee has not met its reporting obligations, RAD's documentation of
 2 multiple calls with Lake confirms that the Committee experienced continuing problems with the
 3 filing software and RAD's attempts to help them resolve these problems. The Committee also
 4 advised RAD that the lack of funds and staff hindered its ability to resolve these filing issues.

5 Under these circumstances, it does not appear that the Committee's failure to timely file
 6 disclosure reports was knowing and willful but due to its lack of experience and resources.

7 Despite the Committee's apparent violations described above, the Commission is not
 8 pursuing the allegations based upon a number of mitigating factors. First, the Committee's
 9 failure to file its reports have been addressed through the referral of several reports to the
 10 Administrative Fine Program. Second, the Committee has sought to remedy its violations by
 11 filing all of the required reports and most of the missing reports were filed before the respective
 12 general elections. Third, the Committee's receipts and disbursements appear to have been
 13 modest for both the 2018 and 2020 election cycles, and currently, the Committee reports a
 14 negative cash balance.³¹ Accordingly, the Commission dismisses with caution the allegations
 15 that Lake failed to file the 2018 Statement of Candidacy and timely file the 2020 Statement of
 16 candidacy, and that the Committee failed to amend its Statement of Organization and file
 17 required reports.³²

18 **B. The Commission Dismisses the Allegations that the Committee Failed to**
 19 **Properly Itemize its Disbursements**

20 The Act and Commission regulations provide that an authorized committee must itemize
 21 and report the name and address of each person to whom it makes expenditures or other

³¹ See 2020 30-Day Post-General Report, Summary Page at 2 (Dec. 4, 2020); 2020 Post-General Report, Summary Page at 2 (Dec. 4, 2020).

³² *Heckler*, 470 U.S. at 831.

MUR 7778 (Lake for Congress Committee, *et al.*)

Factual and Legal Analysis

Page 10 of 13

1 disbursements that aggregate more than \$200 per election cycle, together with the date, amount,
 2 and purpose of each expenditure.³³ The committee must keep a record of each disbursement
 3 including its purpose (a brief but specific description of why the disbursement was made).³⁴

4 The Complaint alleges that with respect to the reports that the Committee has filed, those
 5 reports contain mostly vague descriptions for purposes of disbursements.³⁵ It asserts that none of
 6 the disbursements in the Committee's 2019 Year-End Report satisfies the "adequate purpose"
 7 requirements, noting that disbursements to the Muncie Meijer Grocery store, located a few miles
 8 from Lake's residence, includes purpose entries such as, "admin" "event," "travel," and that
 9 Lake spent \$353.99 at the Village Pantry (store 5524), a store located three miles from Lake's
 10 residence, for "travel-gas."³⁶

11 The Committee's 2019 Year-End Report and other disclosure reports include a number of
 12 disbursements with missing or inadequate information: cash withdrawals with no payee or
 13 purpose specified, disbursements with no payee specified, disbursements listed with inadequate

³³ 52 U.S.C. § 30104(b)(5)(A); 11 C.F.R. §§ 104.3(b)(4)(i), 104.9(a). The Commission's *Statement of Policy: "Purpose of Disbursement" Entries for Filings with the Commission* instructs that descriptions, when considered along with the identity of the disbursement recipient, must be sufficiently specific to make clear the purpose of the disbursement. *See Statement of Policy "Purpose of Disbursement" Entries for Filings with the Commission*, 72 Fed. Reg. 887 (Jan. 9, 2007). Further, the policy includes a non-exhaustive list of sufficient and insufficient "purposes" for disbursements made by political committees, and instructs political committees to contact their RAD analysts with questions as to how to report the purposes of disbursements. *Id.* at 888. Examples of statements or descriptions, which meet the requirements of 11 C.F.R. § 104.3(b)(4) include the following: dinner expenses, media, salary, polling, travel, party fees, phone banks, travel expenses, travel expense reimbursement, and catering costs. 11 C.F.R. § 104.3(b)(4)(i)(A). However, statements or descriptions such as *advance, election day expenses, other expenses, expenses, expense reimbursement, miscellaneous, outside services, get-out-the-vote, and voter registration* would not meet the requirements of 11 C.F.R. § 104.3(b)(4) for reporting the purpose of an expenditure. *Id.* (emphasis in original).

³⁴ 11 C.F.R. § 102.9(b)(1).

³⁵ Compl. at 2.

³⁶ *Id.* at 3. The Committee's disclosure reports do not reflect any disbursements to Village Pantry, contrary to the allegation in the Complaint.

MUR 7778 (Lake for Congress Committee, *et al.*)

Factual and Legal Analysis

Page 11 of 13

1 purposes such as “event,” “campaign expense,” and “campaign event expense.”³⁷ However,
 2 these disbursements represent only about \$1,773.48 in disbursements, and most are for small
 3 dollar amounts that fall below the itemization threshold of \$200.³⁸ Under these circumstances,
 4 the Commission exercises its prosecutorial discretion and dismisses the allegations pertaining to
 5 the failure to properly itemize disbursements, in violation of 52 U.S.C. § 30104(b)(5)(A) and
 6 6(A).³⁹

7 **C. The Commission Dismisses the Allegations that the Committee and Lake**
 8 **Violated 52 U.S.C. § 30114(b) by Converting Campaign Funds to Personal**
 9 **Use**

10 The Act and Commission regulations provide that campaign funds “shall not be
 11 converted by any person to personal use,” and defines personal use as using funds “to fulfill any
 12 commitment, obligation, or expense of a person that would exist irrespective of the candidate’s
 13 election campaign or individual’s duties as a holder of Federal office.”⁴⁰ The Act and
 14 Commission regulations further enumerate certain types of disbursements that are *per se*
 15 personal use.⁴¹ These include, but are not limited to, household food items or supplies;
 16 mortgage, rent, or utility payments for any part of a personal residence of the candidate;
 17 admission to a sporting event or other form of entertainment unless part of a specific campaign

³⁷ Committee disclosure reports reflect several disbursements to Meijer for unspecified “campaign event expense” and “event” in the following amounts: \$3.21, \$51.41, \$98.54, \$39.70, \$26.16, \$49.04, \$55.78, \$54.42, \$20.53, and \$20.53. Disclosure reports reflect several cash withdrawals from Ball State Federal Credit Union without a specific payee or purpose: \$100, \$200, \$64, \$47.51, \$103.95, \$200, \$100, \$134.70, and \$404.00.

³⁸ *Id.*

³⁹ See Heckler; see also Factual and Legal Analysis at 1-2, MUR 7278 (McClintock for Congress) (Heckler dismissal for incorrectly describing the purpose of certain disbursements given the technical nature of the alleged violations).

⁴⁰ 52 U.S.C. § 30114(b)(1); 11 C.F.R. § 113.1(g).

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

MUR 7778 (Lake for Congress Committee, *et al.*)

Factual and Legal Analysis

Page 12 of 13

1 or officeholder activity; and dues, fees, or gratuities at a recreational facility unless they are part
 2 of the costs of a specific fundraising event.⁴² For all other disbursements, the regulation
 3 provides that the Commission shall determine on a case-by-case basis, whether a given
 4 disbursement is personal use by applying the “irrespective test” formulated in the statute.⁴³
 5 Meals, travel, and vehicle expenses are examples of disbursements that may be determined to be
 6 personal use after applying the irrespective test.⁴⁴

7 In this matter, the Complaint’s personal use allegations rely upon the lack of specificity
 8 for disbursements to the Meijer store *e.g.*, “event,” “campaign expense event,” combined with
 9 disbursements to the same store for “meals,” “travel,” and “fuel,” and the store’s proximity to
 10 Lake’s residence.⁴⁵ However, the allegations appear to be speculative.⁴⁶ None of the activity
 11 represents *per se* personal use, and the store’s proximity to Lake’s residence does not establish
 12 personal use. And, as previously noted, the disbursements represent a small number of
 13 transactions, totaling about \$1,773.48 in disbursements. Further, while the candidate does not
 14 specifically rebut the personal use allegations, the information, on balance, is insufficient to
 15 create a credible allegation that a significant violation may have occurred.⁴⁷ Without additional

⁴² *Id.*

⁴³ 11 C.F.R. § 113.1(g)(1)(ii).

⁴⁴ *Id.*

⁴⁵ Compl. at 3.

⁴⁶ See Factual and Legal Analysis at 7-8, MUR 7494 (Culberston) (dismissing personal use allegations where Complaint failed to provide sufficient information that expenditures in question were made to support candidate’s business or personal interests).

⁴⁷ The Commission’s stated policy regarding matters at the initial stage in the enforcement process is that a reason to believe finding is appropriate “when a complaint credibly alleges that a significant violation may have occurred.” See Statement of Policy Regarding Commission Action in Matters at the Initial Stage in the Enforcement Process, 72 Fed. Reg. 12,545 (Mar. 16, 2007).

MUR 7778 (Lake for Congress Committee, *et al.*)

Factual and Legal Analysis

Page 13 of 13

1 specificity regarding the nature of the potential personal use, the Complaint does not appear to
2 raise a reasonable inference that Committee funds were converted to personal use. Accordingly,
3 the Commission dismisses the allegations that Lake for Congress Committee and Constance
4 Saylease Prater-Baker in her official capacity as treasurer and Jeannine Lake violated 52 U.S.C.
5 § 30114(b).