



FEDERAL ELECTION COMMISSION
Washington, DC 20463

December 21, 2021

By Electronic Mail

lbaglietto@yahoo.com

Lou Baglietto, Treasurer
Buzz Patterson for Congress
4712 E. 2nd St., #431
Long Beach, CA 90803

RE: MUR 7796 (Buzz Patterson for Congress)

Dear Mr. Baglietto:

On September 17, 2020, the Federal Election Commission (the "Commission") notified Buzz Patterson for Congress, and you in your official capacity as treasurer (the "Committee") of a complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint was forwarded to you at that time.

Upon review of the available information, the Commission, on December 2, 2021, found reason to believe the Committee violated 52 U.S.C. § 30104(a), (b) and 11 C.F.R. § 104.3(a), (b) by failing to file required reports of receipts and disbursements. The Factual and Legal Analysis, which provides the basis for the Commission's findings, is enclosed for your information.

The Committee and you, as treasurer, may submit any factual or legal materials that you believe is relevant to the Commission's consideration of this matter. Statements should be submitted under oath. All responses to the enclosed questions and requests for documents should be submitted to the Office of the General Counsel within 30 days of your receipt of this notification. Any additional materials or statements you wish to submit should accompany the response to this letter. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. *See* 52 U.S.C. § 30109(a)(4).

Please note that you have a legal obligation to preserve all documents, records, and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. *See* 18 U.S.C. § 1519. You may consult with an attorney and have an attorney assist you in the preparation of your responses to this letter. If you intend to be represented by counsel, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notification or other communications from the Commission.

MUR 7796 (Buzz Patterson for Congress, *et al.*)
Letter to Lou Baglietto
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If you are interested in pursuing pre-probable cause conciliation, you should make such a request by letter to the Office of the General Counsel. *See* 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued in order to complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been delivered to the respondent.

Requests for extensions of time are not routinely granted. Requests must be made in writing at least five days prior to the due date of the response and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days. 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.

In the meantime, 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. Please be advised that although the Commission cannot disclose information regarding an investigation to the public, it may share information on a confidential basis with other law enforcement agencies.¹

Please respond to Richard Weiss, the attorney assigned to this matter, at (202) 694-1021 or rweiss@fec.gov, within 10 days of your receipt of this letter if you intend to submit documents and answers to the enclosed questions. If you have any questions, please contact us.

We look forward to your response.

On behalf of the Commission,

Shana M. Broussard
Chair

cc: Buzz Patterson

Enclosures
Questions and Requests for Documents
Factual and Legal Analysis

¹ The Commission has the statutory authority to refer knowing and willful violations of the Act to the Department of Justice for potential criminal prosecution, 52 U.S.C. § 30109(a)(5)(C), and to report information regarding violations of law not within its jurisdiction to appropriate law enforcement authorities. *Id.* 30107(a)(9).

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 7796
Buzz Patterson for Congress and)	
Lou Bagliatto in his official capacity)	
as treasurer)	

**REQUEST FOR WRITTEN ANSWERS AND REQUEST
FOR PRODUCTION OF DOCUMENTS**

TO: Lou Baglietto, Treasurer
 Buzz Patterson for Congress
 4712 E. 2nd St., #431
 Long Beach, CA 90803

In furtherance of its investigation in this matter, the Federal Election Commission requests that you submit (a) written answers under oath to the questions set forth below within 30 days of your receipt of this document. In addition, the Commission requests that you produce the documents specified below.

These written answers and documents must be submitted to the Office of the General Counsel within 30 days of your receipt of this document. You may substitute legible copies for originals, but any copies of two-sided documents must show both sides. You may produce these documents in electronic form.

1. Identify all Committee receipts since its inception. This includes the date of the receipt, the donor that contributed, lent, or otherwise provided funds to the Committee, and the date of the subsequent deposit of each receipt.
2. Identify all disbursements made by the Committee, including the date the disbursement was made, the recipient of the funds, and the purpose of the disbursement.
3. Provide monthly statements of all bank accounts utilized by the Committee for the relevant period-from the Committee's inception to the present date.

1 **FEDERAL ELECTION COMMISSION**

2 **FACTUAL AND LEGAL ANALYSIS**

3 **RESPONDENT:** Buzz Patterson for Congress MUR 7796
4 and Lou Baglietto in his official
5 capacity as treasurer
6

7 **I. INTRODUCTION**

8 The Complaint alleges that the principal campaign committee of 2020 California 7th
9 Congressional District candidate Robert “Buzz” Patterson, Buzz Patterson for Congress and
10 Louis “Lou” G. Baglietto in his official capacity as treasurer (the “Patterson Committee”) failed
11 to report receipts and disbursements with the Federal Election Commission, in violation of the
12 Federal Election Campaign Act of 1971, as amended (the “Act”). The Complaint also alleges
13 that the Patterson Committee converted campaign funds to personal use by paying Patterson a
14 salary to which he was not entitled. For the reasons set forth below, the Commission finds
15 reason to believe that the Patterson Committee failed to report receipts and disbursements. The
16 Commission is deferring any action with regards to the personal use allegation as to the alleged
17 candidate salary until it has more information regarding the Patterson Committee’s unreported
18 disbursements.

19 **II. FACTUAL BACKGROUND**

20 Buzz Patterson was a 2020 candidate for U.S. Congress in California’s 7th Congressional
21 District. Buzz Patterson for Congress is Patterson’s authorized committee, and Lou Baglietto is
22 the Committee’s treasurer.¹ According to the Complaint, the Patterson Committee has failed to

¹ Buzz Patterson Statement of Candidacy (July 1, 2019); Buzz Patterson for Congress Amended Statement of Organization (Feb. 4, 2020). Patterson came in second in the Mar. 3, 2020 Bipartisan Primary, but lost the Nov. 3, 2020 general election. See Statement of Primary Vote at 16, CALIFORNIA SECRETARY OF STATE (Mar. 3, 2020), <https://elections.cdn.sos.ca.gov/sov/2020-primary/sov/complete-sov.pdf>; Statement of General Election Vote at 25,

1 file reports with Commission since October 2019.² The Commission’s records indicate that the
2 Patterson Committee filed only one report as of the date of the Complaint — the 2019 October
3 Quarterly Report.³ Subsequently, on October 15, 2020, the Patterson Committee filed a 2019
4 Year-End Report.⁴ According to the Commission’s records, the Patterson Committee has not
5 filed any reports since that date.⁵ The Patterson Committee did not respond to the Complaint.

6 Publicly available information reveals an interview with the Patterson Committee’s
7 treasurer Baglietto, in which Baglietto is quoted taking responsibility for the failure to file
8 reports with the Commission and indicates there is approximately \$300,000 in previously
9 undisclosed campaign donations.⁶ Baglietto made representations to the reporter that he was
10 “trying to submit all old and upcoming filings.”⁷ In a subsequent press article, Patterson is
11 reported saying that “his campaign treasurer had a corrupted file that wouldn’t let him transmit to

CALIFORNIA SECRETARY OF STATE (Nov. 3, 2020), <https://elections.cdn.sos.ca.gov/sov/2020-general/sov/complete-sov.pdf>.

² Compl. at 1 (Sept. 14, 2020); *2019-2020 Committee Filings*, Buzz Patterson for Congress, FEC.GOV, <https://www.fec.gov/data/committee/C00710624/?tab=filings> (last visited: Aug 5, 2021).

³ See Patterson for Congress 2019 October Quarterly Report (Oct. 15, 2019).

⁴ See Patterson for Congress 2019 Year-End Report (Oct. 15, 2020). About eight months before this filing, the Commission’s Reports Analysis Division (“RAD”) sent a Notice of Failure to File to the Patterson Committee stating that the Patterson Committee may have failed to file a 2019 Year-End Report. See Buzz Patterson for Congress, Notice of Failure to File (Feb. 18, 2020).

⁵ RAD sent a Notice of Failure to File to the Committee for each missed report. See Buzz Patterson for Congress, Notice of Failure to File (Feb. 21, 2020); Buzz Patterson for Congress, Notice of Failure to File (Apr. 30, 2020); Buzz Patterson for Congress, Notice of Failure to File (July 30, 2020); Buzz Patterson for Congress, Notice of Failure to File (Oct. 21, 2020); Buzz Patterson for Congress, Notice of Failure to File (Oct. 23, 2020); Buzz Patterson for Congress, Notice of Failure to File (Dec. 18, 2020); Buzz Patterson for Congress, Notice of Failure to File (Feb. 16, 2021); Buzz Patterson for Congress, Notice of Failure to File (Apr. 30, 2021); Buzz Patterson for Congress, Notice of Failure to File (Aug. 2, 2021).

⁶ Jeff Burdick, *Treasurer: Patterson for Congress to file \$300K in undisclosed donations, takes blame for FEC errors*, THE SACTO POLITICO (Oct. 13, 2020), <https://www.sactopolitico.com/post/patterson-fec-filing-failure>.

⁷ *Id.*

1 the FEC, that the treasurer provided an updated CD to the FEC last week and that updated data
2 would be visible in a day or two.”⁸ Patterson noted that “nothing has been done for any
3 intentional reason. We expect fines. My treasurer is going to cover those.”⁹

4 The Complaint also alleges that the Patterson Committee converted campaign funds to
5 personal use by paying Patterson a salary, which was greater than the salary he received the
6 previous year.¹⁰ In support of this allegation, the Complaint cites a press article citing a breach
7 of contract lawsuit filed by a campaign consultant, which alleges that instead of paying the
8 consultant, the Patterson Committee used its funds to pay Patterson a candidate salary.¹¹ The
9 Complaint pairs the underlying allegation in the lawsuit with Patterson’s 2019 financial
10 disclosure report, which did not disclose any earned income in 2019, and concludes that the
11 salary being paid to Patterson was a prohibited personal use because it exceeded his income from
12 the prior year.¹²

13 III. LEGAL ANALYSIS

14 The treasurer of a political committee is required to file reports of receipts and
15 disbursements.¹³ The available information sets forth facts indicating that the Patterson

⁸ Graham Womack, *Democratic Incumbent Ami Bera Tries To Stave Off Republican Challenger Buzz Patterson*, SACRAMENTO NEWS & REVIEW, (Oct. 21, 2020), <https://sacramento.newsreview.com/2020/10/21/a-trump-referendum-in-7th-congressional-district/>.

⁹ *Id.*

¹⁰ Compl. at 2.

¹¹ *Id.* (citing Brooke Staggs, *Medical Importer Launched By GOP Consultants Prompts Complaints, Federal Investigation*, ORANGE COUNTY REGISTER (May 7, 2020), <https://www.ocregister.com/2020/05/07/medical-importer-launched-by-gop-consultants-prompts-complaints-federal-investigation> (citing the lawsuit which “claims Patterson owes him nearly \$50,000 in unpaid fees and also accuses Patterson of trying to pay himself out of campaign funds and of having issues with alcohol.”)).

¹² Compl., Ex. 5.

¹³ 52 U.S.C. § 30104(a), (b); 11 C.F.R. § 104.3(a), (b).

1 Committee has not filed any reports since the 2019 Year-End Report, thereby failing to file the
2 2020 Pre-Primary Report, 2020 April Quarterly Report, 2020 July Quarterly Report, 2020
3 October Quarterly Report, 2020 Pre-General Report, 2020 Post-General Report, 2020 Year-End
4 Report, 2021 April Quarterly Report, and the 2021 July Quarterly Report. The available
5 information indicates that the Patterson Committee failed to file these nine reports, even though
6 Patterson was the Republican candidate in the general election and earned 43.4% of the vote.¹⁴
7 Therefore, the Commission finds reason to believe that the Patterson Committee violated
8 52 U.S.C. § 30104(a), (b) and 11 C.F.R. § 104.3(a), (b) and authorize an investigation.

9 The Act prohibits any person from converting campaign funds to personal use, defining
10 “personal use” as using funds “to fulfill any commitment, obligation, or expense of a person that
11 would exist irrespective of the candidate’s election campaign or individual’s duties as a holder of
12 Federal office.”¹⁵ The Act and the Commission’s regulation enumerate certain expenses that are
13 considered *per se* “personal use” and thus prohibited, including salary payments to a candidate
14 that do not meet specified criteria.¹⁶

15 A candidate’s principal campaign committee may pay a salary to the candidate that will
16 not constitute personal use of campaign funds so long as it does not exceed the lesser of the
17 minimum salary paid to a Federal officeholder holding the Federal office that the candidate seeks
18 or the earned income that the candidate received during the year prior to becoming a candidate.¹⁷

¹⁴ See Factual & Legal Analysis at 3-4, MUR 7104 (Frederick John LaVergne for Congress, *et al.*) (finding reason to believe Committee violated § 30104(a), (b) because the Committee failed to file reports even though the candidate was the Democratic candidate in the general election and earned nearly 40% of the vote); *see also* note 1 above.

¹⁵ 52 U.S.C. § 30114(b); *see also* 11 C.F.R. § 113(g).

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

¹⁷ 11 C.F.R. § 113.1(g)(1)(i)(I).

1 Any earned income that a candidate receives from salaries or wages from any other source,
2 however, shall count against the minimum salary paid to a federal officeholder holding the seat
3 sought by the candidate.¹⁸ Moreover, a committee shall not pay a salary to a candidate before
4 the filing deadline for access to the primary election ballot for the Federal office that the
5 candidate seeks, as determined by state law.¹⁹ During the time period in which a principal
6 campaign committee may pay a salary to a candidate, such payment must be computed on a *pro-*
7 *rata* basis.²⁰ If the candidate wins the primary election, his or her principal campaign committee
8 may pay him or her a salary from campaign funds through the date of the general election.²¹ The
9 payment of salary to candidates that do not meet these conditions is considered *per se* personal
10 use.²²

11 The Complaint alleges that the Patterson Committee paid Patterson a salary and that it
12 exceeded the permissible amount. The Complaint's allegation is based on a press article that
13 reported that a former consultant to the Patterson Committee sued Patterson for unpaid fees and
14 alleged in the lawsuit that Patterson paid himself out of campaign funds.²³ The Complaint
15 combines the allegation in the lawsuit with the financial disclosure report Patterson filed with the

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

²² *Id.*; see also Disclaimers, Fraudulent Solicitation, Civil Penalties, and Personal Use of Campaign Funds; Final Rule, 67 Fed. Reg. 76,962, 76,972 (Dec. 13, 2002).

²³ Compl. at 2 (citing Brooke Staggs, *Medical Importer Launched By GOP Consultants Prompts Complaints, Federal Investigation*, ORANGE COUNTY REGISTER (May 7, 2020), <https://www.ocregister.com/2020/05/07/medical-importer-launched-by-gop-consultants-prompts-complaints-federal-investigation>).

1 Clerk of the House of Representatives, which did not disclose any earned income.²⁴ The two
2 reports filed with the Commission by the Patterson Committee do not disclose any salary
3 payments to Patterson. At this point, the record contains insufficient information regarding the
4 Patterson Committee's disbursements for the remainder of the campaign due to the Patterson
5 Committee's failure to file reports with the Commission. Therefore, the Commission does not
6 resolve the candidate salary allegation at this time. However, because the Patterson Committee
7 failed to file reports with the Commission, the Commission finds reason to believe that the
8 Patterson Committee violated 52 U.S.C. § 30104(a), (b) and 11 C.F.R. § 104.3(a), (b) and
9 authorizes discovery to determine the amounts and categories of receipts and disbursements that
10 the Patterson Committee failed to report, which will also reveal if the Patterson Committee made
11 excessive salary payments to Patterson.

²⁴ Compl. at 2.