

**FEDERAL ELECTION COMMISSION**

October 21, 2021

Hunter Davis Pace  
[REDACTED]Oxford, Mississippi 38655  
[REDACTED]RE: MUR 7932  
Hunter Davis Pace

Dear Mr. Pace:

On October 13, 2021, the Federal Election Commission (the "Commission") found that there is reason to believe you knowingly and willfully violated 52 U.S.C. §§ 30102(b)(3) and 30104(b), provisions of the Federal Election Campaign Act of 1971, as amended (the "Act") and 11 C.F.R. §§ 102.15, 104.3, and 104.14(d), provisions of the Commission's regulations. These findings were based on information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities. *See* 52 U.S.C. § 30109(a)(2). The Factual and Legal Analysis, which formed the basis for the Commission's findings, is enclosed for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the Office of the General Counsel within 15 days of your receipt of this notification. Where appropriate, statements should be submitted under oath. 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.

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 that pre-probable cause conciliation not be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into in order to complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation

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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 [http://www.fec.gov/em/respondent\\_guide.pdf](http://www.fec.gov/em/respondent_guide.pdf).

If you intend to be represented by counsel in this matter, 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 notifications and other communications from the Commission.

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.<sup>1</sup>

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 investigation to be made public. If you have any questions, please contact Elena Paoli, the attorney assigned to this matter, at (202) 694-1548 or [epaoli@fec.gov](mailto:epaoli@fec.gov).

On behalf of the Commission,



Shana M. Broussard  
Chair

Enclosures:  
Factual and Legal Analysis



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<sup>1</sup> 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).

**FEDERAL ELECTION COMMISSION****FACTUAL AND LEGAL ANALYSIS****RESPONDENT:** Hunter Davis Pace**MUR:** 7932**I. INTRODUCTION**

This matter was generated based on information ascertained by the Federal Election Commission (the “Commission”) in the normal course of carrying out its supervisory responsibilities, *see* 52 U.S.C. § 30109(a)(2), and involves allegations that Hunter Davis Pace, former treasurer of the Lafayette County (MS) Democratic Party (the “Committee”) embezzled \$14,235.87 from the Committee.

In a one-month period, Pace appears to have embezzled a total of \$14,523.87 by writing checks to himself and to his corporation, and using a debit card tied to the Committee’s bank account to make ATM withdrawals for personal expenses. He also failed to file the Committee’s 2019 Mid-Year disclosure report and failed to account for his disbursements.

**II. FACTS**

The Committee is a non-qualified party committee in Oxford, Mississippi, and is overseen by an Executive Committee.<sup>1</sup> It registered with the Commission on October 22, 2012. At its January 2019 monthly meeting, the Executive Committee elected Pace as its treasurer, based on his recent political activities in college and in the community and his paid employment with lieutenant governor candidate Jay Hughes.<sup>2</sup>

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<sup>1</sup> See <https://www.fec.gov/data/committee/C00532788/>.

<sup>2</sup> The Committee provided information about the embezzlement in attachments to its Amended 2019 Mid-Year Report. See <https://docquery.fec.gov/pdf/101/201911040300301101/201911040300301101.pdf>.

Information available to the Commission indicates that Pace advised the Committee at its February 2019 monthly meeting that the Committee was not required to file disclosure reports with the Commission. At the Committee's March 2019 meeting, Pace announced that he had cancer and would be missing future meetings because he would be receiving treatment in Texas. He told the Committee that he wanted to remain treasurer as long as possible to distract him from his illness. Committee members' attention shifted to organizing to help Pace. Members brought him meals and he provided updates on his treatment through spring and early summer. Pace appeared bald at this time, a change from his previous appearance.

At some point after assuming treasurer duties in early 2019, Pace had the Committee's bank account statements forwarded to himself. He also obtained a debit card for the account, something the Committee never had before, without telling anyone. Starting April 3, 2019, Pace wrote five checks to himself and to his solely owned LLC from the Committee's account, made 15 personal purchases with the bank debit card, and twice withdrew cash from the Committee's bank account using an ATM. Less than one month later, the Committee's account started becoming overdrawn, and on May 2, Pace made his last debit card purchase. The account was charged \$288 in overdraft and insufficient funds fees before being shut down. In total, Pace spent \$14,523.87 of the Committee's funds without authorization:

<b>DATE</b>	<b>PAYEE</b>	<b>AMOUNT</b>
4/3/19	Advanced Analytics LLC <sup>3</sup>	\$2,000
4/3/19	Cash	\$2,000
4/5/19	Cash	\$4,000
4/9/19	Cash	\$3,500
4/12/19	Cash	\$2,000
4/18/19	Domino's	\$20
4/19/19	ATM withdrawal	\$400
4/19/19	Landshark	\$33.68

<sup>3</sup> Advanced Analytics LLC is a sole proprietorship registered to Pace.

DATE	PAYEE	AMOUNT
4/19/19	Kiiroo.com	\$149
4/22/19	Insomnia Cookies	\$28.50
4/24/19	ATM withdrawal	\$80
4/24/19	City of Oxford	\$1.25
4/24/19	Domino's	\$30
4/24/19	Facebook	\$35.31
4/25/19	City of Oxford	\$1.25
4/25/19	Facebook	\$9.02
4/25/19	Queensboro Indus	\$146.33
4/26/19	Facebook	\$35
5/1/19	Apple iTunes	\$16.04
5/1/19	Apple iTunes	\$16.04
5/2/19	Apple iTunes	\$10.69
5/2/19	Apple iTunes	\$11.76

Pace was not authorized to make these charges and none of the charges were for Committee purposes.

Although the Committee had no funds by early spring, Pace continued to check in with Executive Committee members through early summer to update them about his illness and treatment, and they continued to provide meals to him.

Upon discovering the embezzlement, the Executive Committee scheduled an emergency meeting for August 13, 2019. At that meeting, the Committee removed Pace as treasurer, reinstated a temporary treasurer, authorized an internal audit, and directed that Pace be reported to the police for embezzlement.<sup>4</sup> On August 14, 2019, a police report against Pace was filed with the City of Oxford Police Department.<sup>5</sup>

<sup>4</sup> Attachment, Amended 2019 Mid-Year Report at 4 (minutes from Aug. 13, 2019, Executive Committee meeting).

<sup>5</sup> *Id.* at 2.

The Reports Analysis Division (“RAD”) of the Commission contacted the Committee on August 26 because it had not filed a 2019 Mid-Year Report.<sup>6</sup> The Committee filed its 2019 Mid-Year Report on September 9.<sup>7</sup> The report, however, failed to include supporting disbursement schedules, and RAD sent a Request For Additional Information (“RFAI”) on October 9.<sup>8</sup> The Committee filed an amended report on October 30.<sup>9</sup> The Committee provided RAD with some details of the embezzlement in its communications.<sup>10</sup> Pace was notified of the Referral on June 17, 2020, but he did not respond.

Pace was arrested October 4, 2019, in Fulton, Georgia, and returned to Mississippi. He was indicted but failed to appear at his arraignment.

### III. LEGAL ANALYSIS

The Act and Commission regulations require that all funds of a political committee must be “segregated from and may not be commingled with the personal funds of any individual.”<sup>11</sup> The Commission has found reason to believe that writing Committee checks to oneself constitutes commingling.<sup>12</sup> Also, each treasurer is required to keep an accurate account of and disclose, among other things, its receipts, disbursements, and cash-on-hand balances.<sup>13</sup>

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<sup>6</sup> Referral 20L-11 at 1.

<sup>7</sup> *Id.* at 2.

<sup>8</sup> *See* RFAI, <https://docquery.fec.gov/pdf/721/201910090300048721/201910090300048721.pdf>.

<sup>9</sup> *See* 2019 Amended Mid-Year Report, <https://docquery.fec.gov/pdf/101/201911040300301101/201911040300301101.pdf>.

<sup>10</sup> Referral at 2-3.

<sup>11</sup> 52 U.S.C. § 30102(b)(3) and 11 C.F.R. § 102.15.

<sup>12</sup> *See* Factual & Legal Analysis at 7, MUR 7225 (Wu) (respondent treasurer commingled committee and personal funds when he wrote checks to himself and to his businesses); Factual & Legal Analysis at 4, MUR 7132 (Pitts) (same).

<sup>13</sup> 52 U.S.C. §§ 30102(c), 30104(a), (b).

The Act prescribes additional monetary penalties for violations that are knowing and willful.<sup>14</sup> A violation of the Act is knowing and willful if the “acts were committed with full knowledge of all the relevant facts and a recognition that the action is prohibited by law.”<sup>15</sup> This does not require proving knowledge of the specific statute or regulation the respondent allegedly violated.<sup>16</sup> Rather, it is sufficient to demonstrate that a respondent “acted voluntarily and was aware that his conduct was unlawful.”<sup>17</sup> This awareness may be shown through circumstantial evidence from which the respondent’s unlawful intent reasonably may be inferred.<sup>18</sup>

The Commission finds reason to believe that Pace has violated the Act’s commingling statute. Pace brazenly used the Committee’s funds for his personal benefit. He carried out his embezzlement by writing four Committee checks to himself and one to Advanced Analytics LLC, his sole proprietorship, using up \$13,500, the majority of the Committee’s funds in nine days.<sup>19</sup>

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<sup>14</sup> *Id.* §§ 30109(a)(5)(B), 30109(d).

<sup>15</sup> 122 Cong. Rec. 12,197, 12,199 (May 3, 1976).

<sup>16</sup> *United States v. Danielczyk*, 917 F. Supp. 2d 573, 578 (E.D. Va. Jan. 9, 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)).

<sup>17</sup> *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)).

<sup>18</sup> *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.

<sup>19</sup> He further spent \$1,023.87 of the Committee’s funds by using a debit card to pay for a variety of personal items including food and parking and to make ATM withdrawals; however, the personal use prohibitions do not apply to the Committee’s funds. *See* 52 U.S.C. § 30114; 11 C.F.R. § 113.1(g). Thus, the debit card purchases Pace made with the Committee’s funds are not included in Pace’s violation.

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1           The available information clearly shows that Pace knowingly embezzled the Committee's  
2 funds and hid the theft with lies and deceptions intended to generate sympathy from his victims.  
3 As treasurer, he also knowingly misled the Committee concerning its FEC disclosure obligations,  
4 failed to file the 2109 Mid-Year Report, and failed to accurately keep an account of the  
5 Committee's disbursements. These actions helped him to avoid detection, and in combination  
6 with his evasion of law enforcement, evidence knowledge of his guilt.

7           The information supports a knowing and willful finding as to Pace. Therefore, the  
8 Commission finds reason to believe that Hunter Davis Pace knowingly and willfully violated  
9 52 U.S.C. §§ 30102(b)(3) and 30104(b), and 11 C.F.R. §§ 102.15, 104.3, and 104.14(d) by  
10 commingling Committee funds with personal funds, failing to keep complete Committee  
11 financial records, and failing to file accurate disclosure reports.