

FEBRUARY 28, 2022 4:47 PM

OFFICE OF GENERAL COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

CAMPAIGN LEGAL CENTER
1101 14th Street NW, Suite 400
Washington, DC 20005
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ROGER G. WIEAND
1101 14th Street NW, Suite 400
Washington, DC 20005

v. MUR No. **7965**

IHO ARAISE LLC
933 Hermosa Way
Menlo Park, CA, 94025

JOHN DOE, JANE DOE, or any other
person(s) who made contributions to
Saving Arizona PAC in the name of
Iho Araise LLC

COMPLAINT

1. “Iho Araise LLC” was created in Delaware in August 2021, and just months later, gave \$50,000 to Saving Arizona PAC. There is no record of Iho Araise LLC having generated any business or investment income over its short existence. The entity has no apparent website, social media account, or other online presence. The available evidence therefore suggests that funds were transferred to the newly created LLC for the specific purpose of facilitating the \$50,000 contribution from one or more unknown contributors to Saving Arizona PAC. Thus, there is reason to believe that unknown contributors (John Doe, Jane Doe, or other person(s)) violated the straw donor ban by making \$50,000 in contributions to Saving Arizona PAC in the name of “Iho Araise LLC” rather than in their own names.

2. This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) and is based on information and belief that Iho Araise LLC and any person(s) who created, operated, and made contributions to or in the name of Iho Araise LLC (John Doe, Jane Doe, and other persons) have violated the Federal Election Campaign Act (“FECA”), 52 U.S.C. § 30101, *et seq.* “If the Commission, upon receiving a complaint . . . has reason to believe that a person has committed, or is about to commit, a violation of [the FECA] . . . [t]he Commission *shall make an investigation* of such alleged violation . . .” 52 U.S.C. § 30109(a)(2) (emphasis added); *see also* 11 C.F.R. § 111.4(a).

FACTS

3. On August 13, 2021, “Iho Araise LLC” was organized in Delaware as a domestic limited liability company, with The Corporation Trust Company listed as its registered agent, and its address listed as 1209 Orange Street, Wilmington, DE, 19801.¹
4. A few months later, on December 30, 2021, Saving Arizona PAC received a \$50,000 contribution from “Iho Araise LLC,” and listed the contributor’s address as a single-family residential home, 933 Hermosa Way, Menlo Park, CA, 94025.²

¹ See Iho Araise LLC, Entity Details, Delaware Department of State: Division of Corporations (attached as Exhibit A).

² See Saving Arizona Pac, 2021 Year-End Report, FEC Form 3X at 7 (filed Jan. 31, 2022), <https://docquery.fec.gov/pdf/559/202201319485759559/202201319485759559.pdf>; *see* 933 Hermosa Way, Menlo Park, CA, 94025, Realtor.com, https://www.realtor.com/realestateandhomes-detail/933-Hermosa-Way_Menlo-Park_CA_94025_M23490-18902 (last visited Feb. 14, 2022).

5. There is no record of an “Iho Araise LLC” registered anywhere in California.³ According to OpenCorporates, the only “Iho Araise LLC” in the United States is the entity incorporated in Delaware on August 13, 2021.⁴
6. Aside from the Delaware corporate records cited above, there is no publicly available information about Iho Araise LLC. Iho Araise LLC does not appear to have a discernible public footprint:
 - a. Searches on Google for “Iho Araise” yield just two results: a Bizapedia.com page reproducing the entity’s Delaware registration information, and an Opensecrets.org page listing the LLC’s \$50,000 contribution to Saving Arizona PAC.⁵
 - b. Iho Araise LLC does not appear to have a website, Facebook, Instagram, or Twitter page.
 - c. There is no record of Iho Araise LLC in searches with the Better Business Bureau,⁶ Bloomberg's company profile search,⁷ EDGAR,⁸ the U.S. Patent &

³ See California Secretary of State, Business Search, <https://businesssearch.sos.ca.gov/> (last visited Feb. 3, 2022).

⁴ OpenCorporates, Search results for “Iho Araise LLC” in the United States, <https://opencorporates.com/companies/country/us?q=iho+araise&utf8=%E2%9C%93> (last visited Feb. 3, 2022).

⁵ Google.com, Search results for “Iho Araise”; Iho Araise LLC, <https://www.bizapedia.com/de/iho-araise-llc.html> (last visited Feb. 24, 2022); Corporate Contributions to Outside Groups (filter results for “Iho Araise”), <https://www.opensecrets.org/outside-spending/corporate-contributions> (last visited Feb 24, 2022).

⁶ See Better Business Bureau, Search Businesses and Charities, <https://www.bbb.org/search/> (last visited Feb. 3, 2022).

⁷ See Bloomberg, Company Search, <https://www.bloomberg.com/> (last visited Feb. 3, 2022).

⁸ U.S. Securities and Exchange Commission, EDGAR, <https://www.sec.gov/edgar/search/> (last visited Feb. 3, 2022).

Trademark Office's Trademark Electronic Search System,⁹ the California Department of Consumer Affairs,¹⁰ the Delaware Division of Professional Regulation License Look-Up,¹¹ the Menlo Park Chamber of Commerce,¹² or the Delaware State Chamber of Commerce Business Directory.¹³

SUMMARY OF THE LAW

7. FECA provides that “[n]o person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution and no person shall knowingly accept a contribution made by one person in the name of another person.” 52 U.S.C. § 30122.
8. The Commission regulation implementing the statutory prohibition on “contributions in the name of another” provides the following examples of “contributions in the name of another”:
 - a. “Giving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made.” 11 C.F.R. § 110.4(b)(2)(i).

⁹ See U.S. Patent & Trademark Office, Search Trademark Database, <https://www.uspto.gov/trademarks/search> (last visited Feb. 3, 2022).

¹⁰ See Department of Consumer Affairs, DCA License Search, <https://search.dca.ca.gov/> (last visited Feb. 3, 2022).

¹¹ See Delaware Division of Professional Regulation, License Look-Up, https://delpros.delaware.gov/OH_VerifyLicense (last visited Feb. 3, 2022).

¹² See Menlo Park Chamber of Commerce, Business Directory Search, <http://business.menloparkchamber.com/list/> (last visited Feb. 3, 2022).

¹³ See Delaware State Chamber of Commerce Business Directory, <https://web.dscc.com/search> (last visited Feb. 3, 2022).

- b. “Making a contribution of money or anything of value and attributing as the source of the money or thing of value another person when in fact the contributor is the source.” 11 C.F.R. § 110.4(b)(2)(ii).
9. The requirement that a contribution be made in the name of its true source promotes Congress’s objective of ensuring the complete and accurate disclosure by candidates and committees of the political contributions they receive,¹⁴ which ensures complainant Campaign Legal Center has access to the information to which it is legally entitled and which it relies upon to carry out its organizational mission. Such disclosure also ensures that the public and individual complainant Wieand have the information necessary to evaluate candidates for office and cast an informed vote. “[T]he public has an interest in knowing who is speaking about a candidate shortly before an election,” and such “transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.” *Citizens United v. FEC*, 558 U.S. 310, 369-71 (2010); *see also* Abby K. Wood, *Campaign Finance Disclosure*, 14 Ann. Rev. L. & Soc. Sci. 11, 19 (2018) (“Voters use heuristics, or informational shortcuts, to help them make the vote choice most aligned with their priorities without requiring encyclopedic knowledge . . . on every issue.”); Elizabeth Garrett & Daniel A. Smith, *Veiled Political Actors and Campaign Disclosure Laws in Direct Democracy*, 4 Election L.J. 295, 296 (2005) (finding that knowing the sources of election messaging is a “particularly credible” informational cue for voters).

¹⁴ *United States v. O’Donnell*, 608 F.3d 546, 553 (9th Cir. 2010) (“[T]he congressional purpose behind [Section 30122]—to ensure the complete and accurate disclosure of the contributors who finance federal elections—is plain.”); *Mariani v. United States*, 212 F.3d 761, 775 (3d Cir. 2000) (rejecting constitutional challenge to section 30122 in light of the compelling governmental interest in disclosure).

10. On April 1, 2016, then-Chairman Petersen and then-Commissioners Hunter and Goodman “provide[d] clear public guidance on the appropriate standard that we will apply in future matters” pertaining to allegations that an LLC was used to facilitate a contribution in the name of another. Statement of Reasons of Chairman Matthew S. Petersen and Commissioners Caroline C. Hunter and Lee E. Goodman at 2, MURs 6485, 6487, 6488, 6711, 6930 (Apr. 1, 2016), <https://www.fec.gov/files/legal/murs/6487/16044391129.pdf>. The Commissioners advised that “the proper focus in these matters is whether the funds used to make a contribution were intentionally funneled through a closely held corporation or corporate LLC for the purpose of making a contribution that evades the Act’s reporting requirements, making the individual, not the corporation or corporate LLC, the true source of the funds.” *Id.*; *see also id.* at 12. The relevant factors that these Commissioners indicated they would consider included whether:

... there is evidence indicating that the corporate entity did not have income from assets, investment earnings, business revenues, or bona fide capital investments, or was created and operated for the sole purpose of making political contributions. These facts would suggest the corporate entity is a straw donor and not the true source of the contribution.

Id. at 12.

11. Straw donor contributions like those alleged here are serious violations of federal campaign finance law that have led to criminal indictments and convictions in recent years.¹⁵ As explained in one such indictment, the straw donor ban works in tandem with

¹⁵ See Colin Moynihan, *Lev Parnas, Ex-Giuliani Ally, Is Convicted of Campaign Finance Charges*, N.Y. Times (Oct. 22, 2021), <https://www.nytimes.com/2021/10/22/nyregion/lev-parnas-guilty-giuliani.html>; Dep’t of Justice, *Former Government Contractor Executives Indicted for Unlawful Campaign Contributions* (Feb. 10, 2022),

other campaign finance laws to protect the integrity of our electoral system and to ensure that all candidates, campaign committees, federal regulators, and the public are informed of the true sources of money spent to influence federal elections.¹⁶

CAUSE OF ACTION

I. IHO ARAISE LLC, AND JOHN DOE, JANE DOE, OR ANY OTHER PERSONS WHO CONTRIBUTED TO SAVING ARIZONA PAC IN THE NAME OF IHO ARAISE LLC, VIOLATED 52 U.S.C. § 30122

12. Iho Araise LLC has no recorded business activities, and it has no website, social media account, or meaningful search engine presence.¹⁷ The evidence thus suggests that it neither conducted any business nor had sufficient income from assets, investment earnings, business revenues, or bona fide capital investments to cover \$50,000 in contributions to Saving Arizona PAC, without an infusion of funds provided for that specific purpose. The temporal proximity between Iho Araise LLC's formation and the \$50,000 contribution to Saving Arizona PAC, viewed in the context of the LLC's overall activities, strongly suggests that Iho Araise LLC received funds for the specific purpose

<https://www.justice.gov/opa/pr/former-government-contractor-executives-indicted-unlawful-campaign-contributions>; Dep't of Justice, *Lev Parnas and Igor Fruman Charged with Conspiring to Violate Straw and Foreign Donor Bans* (Oct. 10, 2019), <https://www.justice.gov/usao-sdny/pr/lev-parnas-and-igor-fruman-charged-conspiring-violate-straw-and-foreign-donor-bans>; Dep't of Justice, *Entertainer/Businessman and Malaysian Financier Indicted for Conspiring to Make and Conceal Foreign and Conduit Contributions During 2021 U.S. Presidential Election* (May 10, 2019), <https://www.justice.gov/opa/pr/entertainerbusinessman-and-malaysian-financier-indicted-conspiring-make-and-conceal-foreign>.

¹⁶ Grand Jury Indictment, *United States v. Lev Parnas, et al.*, Cr. No. 19-725 (S.D.N.Y. Oct. 10, 2019), <https://www.justice.gov/usao-sdny/press-release/file/1208281/download>.

¹⁷ See *supra* ¶ 6.

of making this contribution: Iho Araise LLC was formed on August 13, 2021, then made a \$50,000 contribution on December 30, 2021.¹⁸

13. The evidence detailed above thus provides reason to believe that Iho Araise LLC violated 52 U.S.C. § 30122 by “[g]iving money . . . , all or part of which was provided to” the entity by another person (*i.e.*, the true contributor(s)) without disclosing the true source of money at the time of making the contribution to Saving Arizona PAC. *See* 11 C.F.R. § 110.4(b)(2)(i).
14. The evidence also provides reason to believe that the person(s) who created, operated, and/or contributed to Iho Araise LLC (John Doe, Jane Doe, or other person(s)) violated 52 U.S.C. § 30122 by “[m]aking a contribution of money . . . and attributing as the source of the money . . . another person [namely, Iho Araise LLC] when in fact [the person(s) who created, operated and/or contributed to Iho Araise LLC was] the source.” *See* 11 C.F.R. § 110.4(b)(2)(ii).
15. The evidence also provides reason to believe that Iho Araise LLC has violated 52 U.S.C. § 30122 by “knowingly permit[ting its] name to be used to effect such a contribution.” 52 U.S.C. § 30122.

PRAYER FOR RELIEF

16. Wherefore, the Commission should find reason to believe that Iho Araise LLC and any person(s) who created, operated, and made contributions to or in the name of this entity

¹⁸ *See* sources cited *supra* ¶¶ 3-4. Although Saving Arizona PAC reported the contribution as having come from a California residential address, the only Iho Araise LLC in the United States is the entity incorporated in Delaware. *See* sources cited *supra* ¶ 5. Therefore, the only reasonable inference is that the contribution came from the Delaware-based entity created on August 13, 2021.

(John Doe, Jane Doe, and other persons) have violated 52 U.S.C. § 30101 *et seq.*, and conduct an immediate investigation under 52 U.S.C. § 30109(a)(2).

17. Further, the Commission should seek appropriate sanctions for any and all violations, including civil penalties sufficient to deter future violations and an injunction prohibiting the respondents from any and all violations in the future, and should seek such additional remedies as are necessary and appropriate to ensure compliance with FECA.

Respectfully submitted,

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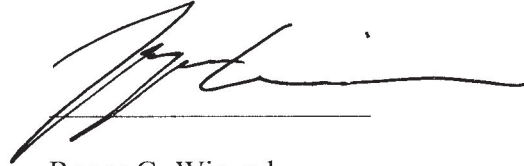
February 28, 2022

VERIFICATION

The complainants listed below hereby verify that the statements made in the attached Complaint are, upon their information and belief, true.

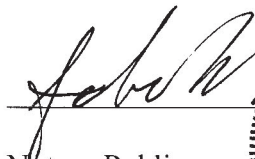
Sworn pursuant to 18 U.S.C. § 1001.

For Complainant Roger G. Wieand

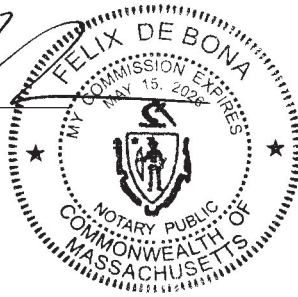


Roger G. Wieand

Sworn to and subscribed before me this 28 day of February 2022.



Notary Public



VERIFICATION

The complainants listed below hereby verify that the statements made in the attached Complaint are, upon their information and belief, true.

Sworn pursuant to 18 U.S.C. § 1001.

For Complainant Campaign Legal Center



Erin Chlopak

Sworn to and subscribed before me this 28 day of February 2022.



Notary Public David Kim

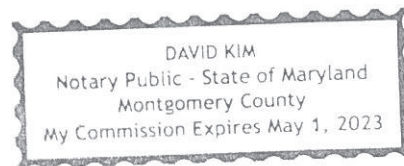


EXHIBIT A

Department of State: Division of Corporations

[Allowable Characters](#)

HOME

Entity Details

THIS IS NOT A STATEMENT OF GOOD STANDING

File Number: **6163639** Incorporation Date / **8/13/2021**
Formation Date: (mm/dd/yyyy)

Entity Name: **IHO ARAISE LLC**

Entity Kind: **Limited Liability Company** Entity Type: **General**

Residency: **Domestic** State: **DELAWARE**

REGISTERED AGENT INFORMATION

Name: **THE CORPORATION TRUST COMPANY**

Address: **CORPORATION TRUST CENTER 1209 ORANGE ST**

City: **WILMINGTON** County: **New Castle**

State: **DE** Postal Code: **19801**

Phone: **302-658-7581**

Additional Information is available for a fee. You can retrieve Status for a fee of \$10.00 or more detailed information including current franchise tax assessment, current filing history and more for a fee of \$20.00.

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