

**FEDERAL ELECTION COMMISSION**  
**FIRST GENERAL COUNSEL’S REPORT**

**MUR 7996**

DATE COMPLAINT FILED: May 6, 2022  
 DATE OF NOTIFICATIONS: May 12, 2022  
 DATE OF LAST RESPONSE: June 3, 2022  
 DATE ACTIVATED: August 16, 2022

**EXPIRATION OF SOL:**

January 5, 2027 – June 28, 2027

ELECTION CYCLE: 2022

**COMPLAINANT:**

Terrance Whitehead

**RESPONDENTS:**

Pat Dowell for Congress and Mattie Lacy in her  
 official capacity as treasurer  
 Citizens for Pat Dowell  
 Patricia Dowell

**RELEVANT STATUTES AND  
REGULATIONS:**

52 U.S.C. § 30104(b)  
 52 U.S.C. § 30125(e)(1)(A)  
 11 C.F.R. § 104.3(a), (b)  
 11 C.F.R. § 110.3(d)  
 11 C.F.R. § 300.61

**INTERNAL REPORTS CHECKED:**

Disclosure Reports

**FEDERAL AGENCIES CHECKED:**

None

**I. INTRODUCTION**

The Complaint alleges that Patricia Dowell, a candidate for Illinois’s First Congressional District in the 2022 primary election and former Illinois state candidate, used nonfederal funds from her state committee, Citizens for Pat Dowell (the “State Committee”), to pay the expenses of her federal committee, Pat Dowell for Congress and Mattie Lacy in her official capacity as treasurer (the “Federal Committee”), in violation of the Federal Election Campaign Act of 1971, as amended (the “Act”). Dowell denies the allegations, asserting that her committees’ shared

1 accountant inadvertently reported some of the Federal Committee's disbursements on the State  
2 Committee's disclosure report, and that the State Committee filed an amended disclosure report  
3 correcting the errors.

4         The State Committee's amended report, however, still discloses expenses that appear to  
5 be related to the Federal Committee. Even after amending the report to fix the apparent error by  
6 the shared accountant, the State Committee reported \$281,539.60 in disbursements after Dowell  
7 suspended her state campaign and after she declared her federal candidacy. It appears that  
8 \$68,762.47 of those disbursements were made on behalf of the Federal Committee including:  
9 (1) disbursements to the shared accountant while the Federal committee did not make any such  
10 payments; (2) disbursements for rent while the Federal Committee did not make any such  
11 payments during the same period; (3) disbursements to four vendors that were paid by both the  
12 State and Federal Committees where the State Committee continued paying the vendor after  
13 Dowell suspended her state campaign; and (4) disbursements for election day workers for an  
14 election in which Dowell was only a candidate in a federal race and not a state race. The  
15 \$68,762.47 in disbursements were made with federally impermissible funds and were not subject  
16 to the Act's reporting provisions.

17         Additionally, the Federal Committee appears to have failed to disclose certain  
18 disbursements. Based on the explanation proffered in the Response, any transaction that was  
19 disclosed on the original State Committee 2022 April Quarterly Report and not disclosed on the  
20 amended report was a Federal Committee disbursement. However, there are \$20,628.87 in  
21 disbursements that were disclosed on the original State Committee report but not on the amended  
22 report and not disclosed on the Federal Committee's disclosure reports covering the same period.

Therefore, we recommend that the Commission find reason to believe that Dowell, the State Committee, and the Federal Committee violated 52 U.S.C. § 30125(e)(1)(A) and 11 C.F.R. §§ 110.3(d) and 300.61 by spending and receiving funds in connection with a federal election not subject to the limitations, prohibitions and reporting requirements of the Act. We further recommend that the Commission find reason to believe that the Federal Committee violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3(a) and (b) by failing to report in-kind contributions and disbursements. Finally, we recommend that the Commission enter into pre-probable cause conciliation with Respondents.

## II. FACTUAL BACKGROUND

Patricia Dowell is a Chicago Alderman of the 3rd Ward,<sup>1</sup> and a former candidate for Illinois Secretary of State and for Congress from Illinois's First Congressional District.<sup>2</sup> On April 7, 2021, Dowell announced her campaign for Illinois Secretary of State and subsequently formed a State campaign committee for that race — Citizens for Pat Dowell.<sup>3</sup> On January 5, 2022, Dowell announced she was suspending her campaign for Illinois Secretary of State and instead was running for U.S. Congress.<sup>4</sup> Pat Dowell for Congress is Dowell's principal campaign committee and Mattie Lacy is the treasurer.<sup>5</sup> Dowell lost the June 28, 2022, congressional primary election.<sup>6</sup>

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<sup>1</sup> Alderman Dowell's Biography, CITY OF CHICAGO, [www.chicago.gov/city/en/about/wards/03/alderman\\_dowell\\_sbiography.html](http://www.chicago.gov/city/en/about/wards/03/alderman_dowell_sbiography.html) (last visited Dec. 9, 2022).

<sup>2</sup> Resp. at 1 (June 3, 2022).

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*; Patricia Dowell, Statement of Candidacy (Jan. 6, 2022).

<sup>5</sup> Pat Dowell for Congress, Statement of Organization (Jan. 6, 2022).

<sup>6</sup> 2022 General Primary Election Results, ILLINOIS STATE BOARD OF ELECTIONS, <https://elections.il.gov/ElectionOperations/ElectionVoteTotals.aspx?T=637980584556772869> (last visited Dec. 9, 2022).

The Complaint alleges that the State Committee disclosed a significant number of disbursements on its 2022 April Quarterly Report that appear to have been for the federal election, such as rent, advertising, salaries and other expenses “purchased well after [Dowell] suspended her [Secretary of State] campaign and launched a federal campaign.”<sup>7</sup> The Complaint lists over 120 of these disbursements totaling \$169,024.06.<sup>8</sup> The Complaint states that the Federal Committee’s 2022 April Quarterly Report “shows few or no similar expenses, continuing to reinforce” the allegation that the State Committee made disbursements for Dowell’s congressional campaign.<sup>9</sup> The Complaint alleges, and the Federal Committee’s 2022 April Quarterly Report filed on April 15, 2022, shows, there are no disbursements for postage, transportation, voter file, NGP VAN, Inc., G-suite, rent, printing, utilities, telephone, and office supplies.<sup>10</sup> However, these expenses do appear on the State Committee’s disclosure report for the same period, which is after Dowell had suspended her campaign for Secretary of State and had begun her campaign for Congress.

Dowell filed a response denying that she “use[d] nonfederal political funds to pay for routine campaign expenditures for [her] Congressional campaign through March 31, 2022.”<sup>11</sup>

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<sup>7</sup> Compl. at 1-2.

<sup>8</sup> *Id.* at 2-7. The Complaint states that while some of these expenses, such as consulting fees, could be reasonably explained as outstanding expenses from Dowell’s Secretary of State race, “others are inarguably not[.]” *Id.* at 2.

<sup>9</sup> Compl. at 7.

<sup>10</sup> *Id.*; Pat Dowell for Congress, 2022 April Quarterly Report at 2, 182-94 (Apr. 15, 2022). The Federal Committee filed an amended April Quarterly Report on April 16, 2022, disclosing \$84,833.64 in disbursements, adding a single \$425 expense that did not originally appear on the State Committee’s disclosure report. Pat Dowell for Congress, Amended 2022 April Quarterly Report at 189 (disclosing \$425 payment to Walter Freeman for a campaign banner).

<sup>11</sup> Resp. at 1. The Response appears to be from Dowell individually, as it states, “I announced my campaign,” “I announced that I was suspending my race,” and so forth. *Id.* The Response is also signed by “Mattie Lacy[,], Treasurer.” *Id.* at 2. Lacy is the treasurer of the Federal Committee. Neither the State Committee nor the Federal Committee filed a response.

Dowell included a signed affidavit from DeAnna Grant, the accountant employed by both the Federal and State Committees, stating that when she filed the State Committee's 2022 April Quarterly Report on April 13, 2022, she "inadvertently filed bank activity for Pat Dowell for Congress."<sup>12</sup> Grant further states that the error was brought to her attention two days after she filed the State Committee report and that "[t]he matter was corrected immediately on that same day."<sup>13</sup> Grant filed the amended report on April 15, 2022, and the Complaint was filed three weeks later on May 6, 2022.

Even after the State Committee amended its April Quarterly Report to apparently fix the misreporting of Federal Committee expenditures on the State Committee report, the amended state report still discloses disbursements that appear to be for the benefit of the Federal Committee as alleged in the Complaint.<sup>14</sup> After the April Quarterly Report coverage period ending on March 31, 2022, the State Committee continued to make disbursements to the same vendors whose work is alleged in the Complaint to be for the benefit of the Federal Committee, for consulting, advertising, accounting services, and rent.<sup>15</sup> The State Committee's July Quarterly Report disclosed disbursements for accounting services to Grant Financial Services, the firm of DeAnna Grant, and for rent to Matanky Realty Group; the Federal Committee did not

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<sup>12</sup> *Id.*, DeAnna Grant Aff. ¶ 5. Although styled as an affidavit, it is not sworn to. Grant's signature appears underneath the affidavit next to the signatures of Dowell and Lacy.

<sup>13</sup> *Id.*, DeAnna Grant Aff. ¶ 6.

<sup>14</sup> The State Committee Amended 2022 April Quarterly Report disclosed a total of \$281,539.60 in disbursements, \$194,575 of which were refunds to State Committee contributors. Therefore, the State Committee otherwise spent \$86,964.60 while the Federal Committee spent \$84,408.64 during the same three-month period.

<sup>15</sup> See Citizens for Pat Dowell, D-2 Quarterly Report at 4, 9, 11, 15, 17, ILLINOIS STATE BOARD OF ELECTIONS (July 15, 2022), <https://www.elections.il.gov/CampaignDisclosure/ItemizedExpenditures.aspx?FiledDocID=ATyeWRNKUO%2bwuPbw5wXl%2fA%3d%3d&ExpenditureType=7PO3RGHF2W%2fsyStv1naW9vd6PLmRT8u2mEDnPt%2bcsAk%3d&T=637974612790435357> ("State Committee July Quarterly Report").

disclose any payments for either purpose or to either vendor.<sup>16</sup> The State Committee also made disbursements for 66 election day workers on June 28, 2022 — the date of the Congressional primary election in Illinois, on which Dowell was only a candidate for the Congressional seat, as she had withdrawn from the Secretary of State race.<sup>17</sup> In addition, the State Committee disclosed \$20,628.87 in disbursements on its original 2022 April Quarterly Report but not on the amended report, presumably, according to Dowell's Response, because they were in fact misreported disbursements made by the Federal Committee. However, as enumerated in the chart below, these \$20,628.87 in disbursements were never disclosed by the Federal Committee.

Vendor	Date	Purpose	Amount
CABC	3/10/22	Donation – year	\$4,000.00
Catering by David	3/31/22	Food	\$1,295.00
Democratic Party of Illinois	2/26/22	Computer-software	\$2,000.00
Dunkin Donuts	2/14/22	Food	\$44.39
Dunkin Donuts	3/28/22	Food	\$62.10
Dunkin Donuts	3/15/22	food	\$165.91
Dyer, Major Clear Sandra	3/28/22	Cleaning	\$750.00
EF Design Group	2/16/22	Printing	\$3,425.00
Equality IL Institute	2/03/22	Donation	\$1,000.00
Sharon Jones	3/02/22	Pastoral outreach services	\$1,000.00
L2 Lounge	2/16/22	Meals	\$5,960.78
Pearl's Place	3/03/22	Food	\$212.40
Petterinos	3/25/22	Food	\$186.44 <sup>18</sup>
QR Code	Multiple	QR barcode generator	\$197.65 <sup>19</sup>
Target	3/30/22	Office supplies	\$97.88 <sup>20</sup>

<sup>16</sup> State Committee July Quarterly Report at 11, 15.

<sup>17</sup> *Id.* at 4-25. The next election for the Alderman office is in February 2023. *Quick Reference Guide 2023 Municipal, Alderperson & District Council Elections*, CHICAGO BOARD OF ELECTION COMMISSIONERS, <https://app.chicagoelections.com/Documents/general/M2023%20Quick%20Reference%20Guide.pdf> (last visited Dec. 9, 2022).

<sup>18</sup> Because this disbursement is under \$200, the Federal Committee did not need to itemize it and it is not included in the \$20,628.87. 52 U.S.C. § 30104(b)(5)(A).

<sup>19</sup> Because this disbursement is under \$200, the Federal Committee did not need to itemize it and it is not included in the \$20,628.87. 52 U.S.C. § 30104(b)(5)(A).

<sup>20</sup> The Federal Committee made more than \$200 in disbursements to Target in the aggregate so it should have been itemized. See *FEC Filtered Results*, FEC.gov [https://www.fec.gov/data/disbursements/?data\\_type](https://www.fec.gov/data/disbursements/?data_type)

Uber	Multiple	Transportation	\$713.29
Total Not Reported on Federal Committee Reports			\$20,628.87

### III. LEGAL ANALYSIS

#### A. The Commission Should Find Reason to Believe that Respondents Violated the Soft Money Prohibitions

The Act places certain amount limitations and source prohibitions on contributions to federal candidates and their committees.<sup>21</sup> The Act prohibits federal candidates, federal officeholders, their agents, and entities established, financed, maintained, or controlled (“EFMC’d”) by federal candidates<sup>22</sup> from soliciting, receiving, directing, transferring, spending, or disbursing funds in connection with a federal election unless the funds are subject to the limitations, prohibitions, and reporting requirements of the Act.<sup>23</sup> Federal candidates are prohibited from transferring funds from their state campaign committees to their federal committees.<sup>24</sup> The Commission has explained that this prohibition is intended to prevent a federal committee’s indirect use of impermissible funds in federal elections.<sup>25</sup> The prohibition on transferring funds applies broadly and includes payment by the state committee for services to the federal committee.<sup>26</sup>

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[=processed&committee\\_id=C00799650&recipient\\_name=target](#) (showing disbursements to Target) (last visited Dec. 9, 2022); 52 U.S.C. § 30104(b)(5)(A).

<sup>21</sup> See 52 U.S.C. §§ 30116(a) (contribution limits), 30118(a) (prohibition on corporate and labor organization contributions to candidates).

<sup>22</sup> The Commission has concluded that a federal candidate’s state committee is an entity EFMC’d by the federal candidate. Advisory Opinion 2007-26 at 4 (Schock); Advisory Opinion 2006-38 at 4 (Casey State Committee).

<sup>23</sup> 52 U.S.C. § 30125(e)(1)(A).

<sup>24</sup> 11 C.F.R. § 110.3(d).

<sup>25</sup> Explanation and Justification, Transfers of Funds from State to Federal Campaigns, 58 Fed. Reg. 3474, 3475 (Jan. 8, 1993).

<sup>26</sup> See *id.* at 3475.

1                   1.       The State Committee Appears to Have Paid Expenses of the Federal  
 2                               Committee

3                           a.       Grant Financial Services

4                   The State Committee's amended reports show \$9,102.13 in disbursements to Grant  
 5   Financial Services, the firm of DeAnna Grant, accountant for both the State and Federal  
 6   Committees,<sup>27</sup> during the first six months of 2022.<sup>28</sup> The Federal Committee did not report any  
 7   disbursements to Grant; therefore, it appears that a portion — a reasonable estimate is one-half of  
 8   these disbursements, or \$4,551.07 — was to the benefit of the Federal Committee.<sup>29</sup>

9                           b.       Rent Payments

10                  The State Committee's amended reports show \$7,983 in disbursements for rent to the  
 11   Matanky Realty Group from November 2021 through June 2022.<sup>30</sup> The monthly payments  
 12   appear to be \$887 per month.<sup>31</sup> The Federal Committee did not disclose any rent payments for a  
 13   campaign office or headquarters. Therefore, it appears that the State Committee paid \$887 per  
 14   month in rent on behalf of the Federal Committee from February to June for a total of \$5,322.

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<sup>27</sup>       See Resp. at 2, DeAnna Grant Aff. ¶¶ 2-4.

<sup>28</sup>       See State Committee 2022 July Quarterly Report at 11; State Committee Amended 2022 April Quarterly Report at 15.

<sup>29</sup>       FEC Filtered Results, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=grant&recipient\\_name=grants](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=grant&recipient_name=grants) (last visited Dec. 9, 2022) (showing no disbursements to Grant's Financial Services). We do not know the actual division, but both Committees filed April Quarterly and July Quarterly Reports. We propose using a 50% federal share in the proposed civil penalty calculation, *infra*, subject to change if the Committees provide additional information.

<sup>30</sup>       State Committee 2022 July Quarterly Report at 15 and State Committee Amended 2022 April Quarterly Report at 21.

<sup>31</sup>       This number was determined by dividing the total payments by the number of months the purpose descriptor identified the payments were for. *Id.*



c. Vendors to Both Committees

There are four vendors that were paid by both the State and Federal Committees where the State Committee continued paying the vendor after Dowell suspended her Secretary of State campaign.

**1833 Group.** The State Committee's amended reports show three disbursements to 1833 Group for a total of \$15,141.60 for "consulting" in January, April, and May 2022.<sup>32</sup> The Federal Committee made disbursements to 1833 Group of similar amounts, totaling \$17,338.04, in March, May, and June 2022 for "fundraising" and "fundraising consulting."<sup>33</sup> According to its website, 1833 Group provides campaign management, compliance, and fundraising services.<sup>34</sup> The State Committee did not make any disbursements to this vendor prior to January 2022, and it seems unlikely the State Committee would need such services in April and May 2022, months after Dowell's withdrawal from the Secretary of State race. Therefore, there is a basis to conclude that the State Committee payments of \$10,141.60 to 1833 Group after January 2022 were for the benefit of the Federal Committee.<sup>35</sup>

**NGP VAN.** The State Committee made six disbursements to NGP VAN, Inc., in March, April, May, and June of 2022 for "software" for a total of \$8,502.<sup>36</sup> The Federal Committee

<sup>32</sup> See Compl. at 2, 4; State Committee Amended 2022 April Quarterly Report at 6; State Committee 2022 July Quarterly Report at 4.

<sup>33</sup> *FEC Filtered Results*, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=1833&two\\_year\\_transaction\\_period=2022](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=1833&two_year_transaction_period=2022) (last visited Dec. 9, 2022) (showing disbursements to 1833 Group).

<sup>34</sup> *Our Services*, 1833 GROUP, <https://1833group.com/our-services-revised/> (last visited Dec. 9, 2022).

<sup>35</sup> State Committee 2022 July Quarterly Report at 4.

<sup>36</sup> See Compl. at 4-5; State Committee Amended 2022 April Quarterly Report at 22; State Committee 2022 July Quarterly Report at 17.

made one disbursement in May 2022 for \$3,585 also for “software.”<sup>37</sup> NGP VAN provides digital and marketing services related to fundraising, communications, and online contributions.<sup>38</sup> Given that the State Committee was not involved in an active campaign during the time it made disbursements to NGP VAN, there is a basis to conclude that the State Committee payments to NGP VAN were for the benefit of the Federal Committee.

**EF Design Group.** The State Committee made one disbursement to EF Design Group on March 28, 2022, for “printing” for \$5,969.10,<sup>39</sup> and a second disbursement on May 5, 2022 for “advertising” for \$11,887.50.<sup>40</sup> Two weeks later, the Federal Committee made a disbursement to EF Design Group for \$13,100 for “printing.”<sup>41</sup> Based on the timing and nature of these disbursements, there is a basis to conclude this was for the benefit of the Federal Committee.

**Goshen Impact Services.** The State Committee made disbursements to Goshen Impact Services of \$5,000 on April 4, 2022, and \$1,969.20 on April 11, 2022, for “political petitions and field operations.”<sup>42</sup> A third disbursement was made on June 16, 2022, for “consulting” for \$7,100.<sup>43</sup> Between February 2022 and June 2022, the Federal Committee made eight disbursements to Goshen Impact Services totaling \$21,739 for “field-payroll,” “field work” and

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<sup>37</sup> *FEC Filtered Results*, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=ngp+van&two\\_year\\_transaction\\_period=2022](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=ngp+van&two_year_transaction_period=2022) (last visited Dec. 9, 2022) (showing one disbursement to NGP VAN).

<sup>38</sup> *Product*, NGP VAN, <https://www.ngpvan.com/get-elected/> (last visited Dec. 9, 2022)

<sup>39</sup> Compl. at 6; State Committee Amended 2022 April Quarterly Report at 12.

<sup>40</sup> State Committee 2022 July Quarterly Report at 9.

<sup>41</sup> *FEC Filtered Results*, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=ef+design&two\\_year\\_transaction\\_period=2022](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=ef+design&two_year_transaction_period=2022) (last visited Dec. 9, 2022) (showing one disbursement to EF Design).

<sup>42</sup> State Committee 2022 July Quarterly Report at 11.

<sup>43</sup> *Id.*

“payroll.”<sup>44</sup> Based on the timing and nature of these disbursements, there is a basis to conclude these were for the benefit of the Federal Committee.<sup>45</sup>

d. Election Day Workers

The State Committee disclosed payments to 66 election day workers on June 28, 2022 — the day of the Congressional primary election.<sup>46</sup> Each of the workers was paid either \$160 or \$225.<sup>47</sup> The Federal Committee also paid six people either \$160 or \$225 on June 28, 2022 for “field.”<sup>48</sup> Since Dowell was only on the ballot for the federal election and her Alderman seat is not up for reelection until 2023, any election day workers working for her would have been for her Congressional race. Therefore, the \$8,320 the State Committee paid towards election workers appears to have been to the benefit of the Federal Committee.

e. Summary of State Committee Payments of Federal Committee Expense

Vendor	Amount
Grant Financial Services	\$4,551.07
Matanky Realty Group	\$5,322.00
1833 Group	\$10,141.60
NGP VAN, Inc.	\$8,502.00
EF Design	\$17,856.60
Goshen Impact Services	\$14,069.20
Election Day Workers	\$8,320.00
	<b>Total: \$68,762.47</b>

<sup>44</sup> *FEC Filtered Results*, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=goshen&two\\_year\\_transaction\\_period=2022](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=goshen&two_year_transaction_period=2022) (last visited Dec. 9, 2022) (showing eight disbursements to Goshen Impact Services).

<sup>45</sup> If Respondents provide information during the recommended pre-probable cause conciliation that specific disbursements to Goshen and the other vendors were in fact for valid State Committee purposes, we will adjust the Conciliation Agreement and penalty accordingly. *See infra* note 62.

<sup>46</sup> *See* State Committee 2022 July Quarterly Report at 4-25.

<sup>47</sup> *Id.*

<sup>48</sup> *FEC Filtered Results*, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&disbursement\\_descripti on=field](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&disbursement_descripti on=field) (last visited Dec. 9, 2022) (showing disbursements on June 28 for \$160 and \$225).

2. State Committee Payments Well After Dowell Discontinued her Secretary of State Campaign Cannot be Explained by Repaying Debts Incurred During That Campaign

The State Committee did not report any outstanding debts or obligations on any of its three quarterly reports covering October 2021 through June 2022. Therefore, the timing of the State Committee payments well after Dowell discontinued her Secretary of State campaign cannot be explained by repaying debts incurred during that campaign. Due to the timing and the lack of any disclosed debt, it is reasonable to conclude that all of the disbursements made by the State Committee discussed above, totaling \$68,762.47, were made for expenses incurred during or shortly before each respective reporting period.<sup>49</sup>

3. The State Committee's Payments Appear to Violate the Soft Money Prohibition

As a matter of law, the State Committee was EFMC'd by Dowell.<sup>50</sup> Here, the State Committee received contributions permissible under Illinois law<sup>51</sup> that are either in excess of the Act's limitations or from prohibited sources and thus these funds are not federally permissible.<sup>52</sup> Between July 1, 2021, and June 30, 2022, the State Committee received \$130,251 in corporate

<sup>49</sup> See Citizens for Dowell Quarterly Report covering October 1 - December 31, 2021, ILLINOIS STATE BOARD OF ELECTIONS, <https://www.elections.il.gov/CampaignDisclosure/D2Quarterly.aspx?id=UxuhifCsFwHv8iQDmRRsvw%3d%3d&T=637975499985716480> (Jan. 13, 2022) (showing no outstanding debts); State Committee Amended 2022 April Quarterly Report (showing no outstanding debts); State Committee 2022 July Quarterly Report (showing no outstanding debts).

<sup>50</sup> See *supra* note 24.

<sup>51</sup> *Contributions Per Election Cycle*, STATE BOARD OF ELECTIONS, STATE OF ILLINOIS, <https://www.elections.il.gov/downloads/campaigndisclosure/pdf/contributionssummary.pdf> (Jan. 1, 2021) (permitting contributions from corporations, labor organizations, and associations and permitting contributions of \$6,000 from individuals).

<sup>52</sup> See 52 U.S.C. § 30125(e)(1)(A); accord 11 C.F.R. §§ 110.3(d), 300.61.

1 contributions.<sup>53</sup> Nor are the State Committee funds subject to the Act's reporting requirements.<sup>54</sup>

2 Therefore, any disbursements made by the State Committee for expenses of the Federal  
3 Committee are impermissible under the Act's provision requiring that only funds raised under  
4 the limits, prohibitions, and reporting requirements of the Act be used in federal elections.

5 Based on the available information, the \$68,762.47 in State Committee disbursements  
6 described above appear to be made for expenses incurred by the Federal Committee and were  
7 made with federally impermissible funds not subject to the Act's reporting provisions.<sup>55</sup> We  
8 therefore recommend the Commission find that Dowell, the State Committee, and the Federal  
9 Committee violated 52 U.S.C. § 30125(e)(1)(A) and 11 C.F.R. §§ 110.3(d) and 300.61.

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<sup>53</sup> See Citizens for Dowell Quarterly Reports from July 1, 2021 – June 30, 2022, ILLINOIS STATE BOARD OF ELECTIONS, <https://www.elections.il.gov/CampaignDisclosure/CommitteeDetail.aspx?ID=9YWggXnTa05vzj1XbMuCSg%3d%3d&T=637975365653449299>.

<sup>54</sup> 52 U.S.C. § 30125(e)(1)(A); *accord* 11 C.F.R. § 300.61.

<sup>55</sup> See, e.g., Conciliation Agreement ¶ V.1, MUR 7076 (Richard Tisei/Tisei Congressional Committee) (finding that federal committee received non-federal funds when state committee paid for work performed for candidate's federal testing the waters activity); Factual & Legal Analysis ("F&LA") at 4, MUR 6267 (Jonathan Paton for Senate) (finding reason to believe when state committee spent \$7,566 for the federal campaign); Conciliation Agreement at 3-4, MUR 4974 (Friends of Tiberi) (finding state committee to have violated the Act for a series of direct and indirect transfers to the federal committee totaling \$7,922.59); F&LA at 6, MUR 5480 (Levetan for Congress) (finding reason to believe when the state committee paid \$10,672.50 for polling for the federal campaign in violation of the Act and since the applicable state law permitted corporate contributions it is possible that a portion of the state funds used to pay for the federal campaign expenses was from prohibited sources); F&LA at 5, MUR 6257 (Callahan) (finding reason to believe when state committee spent \$9,932 for federal testing the waters expenses); F&LA at 3, MUR 6219 (Kuhl for Congress) (finding reason to believe that federal candidate committee accepted prohibited in-kind contributions from his state committee where state committee paid for expenses that should have been made by the federal committee and state law permitted contributions to state committees in excess of the federal limits and contributions from corporations, and none of the state campaign funds at issue were subject to the Act's reporting requirements); F&LA at 5-6, MUR 5278 (Gingrey For Congress) (same); F&LA at 6-7, MUR 5426 (Dale Schultz for Congress) (finding reason to believe respondents violated the Act's soft money provision when the state committee incurred \$20,000 in expenses for the federal campaign since none of the state campaign funds at issue were subject to the Act's reporting provisions).

**B. The Commission Should Find Reason To Believe the Federal Committee Violated Reporting Provisions**

The treasurer of a political committee is required to file reports of receipts and disbursements.<sup>56</sup> Among other requirements, the reports of receipts and disbursements must specifically identify the cash-on-hand balance at the beginning of the reporting period, the total amount of receipts, and the total amount of disbursements, including the name and address of each person to whom an expenditure exceeding \$200 is made, along with the date, amount, and purpose of the particular expenditure.<sup>57</sup>

**1. The Federal Committee Appears to Have Failed to Disclose In-Kind Contributions**

The Federal Committee appears to have failed to report the in-kind contributions for the federal expenses incurred by the State Committee summarized above. We therefore recommend that the Commission find reason to believe that the Federal Committee failed to report \$68,762.47 of in-kind contributions from the State Committee in violation of 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3(a).<sup>58</sup>

**2. The Federal Committee Appears to Have Failed to Report Certain Expenditures**

The Response states that the Committees' accountant mistakenly reported the Federal Committee's disbursements on the State Committee's 2022 April Quarterly Report and then filed an amended corrective state report.<sup>59</sup> It appears, then, that any transaction that was disclosed on

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<sup>56</sup> 52 U.S.C. § 30104(a), (b); 11 C.F.R. § 104.3(a), (b).

<sup>57</sup> 52 U.S.C. § 30104(b)(1), (2), (4), (5), (6)(B); 11 C.F.R. § 104.3(a), (b); 11 C.F.R. § 104.14.

<sup>58</sup> See Conciliation Agreement ¶ V.2, 3, MUR 7076 (Richard Tisei/Tisei Congressional Committee) (finding that the federal committee did not disclose the receipt of an in-kind contribution by the state committee in violation of the reporting requirements of the Act); F&LA at 5-6, MUR 5480 (Levetan for Congress) (same); F&LA at 8, MUR 5278 (Gingrey For Congress) (same).

<sup>59</sup> Resp. at 2.

the original report and not reported on the amended state report would be a federal disbursement. However, there are \$20,628.87<sup>60</sup> in disbursements that were disclosed on the original State Committee report but not on the amended report and not disclosed on the Federal Committee's disclosure reports as identified on the table above in part II.<sup>61</sup>

Therefore, we recommend that the Commission find reason to believe that the Federal Committee failed to report \$20,628.87 in disbursements on disclosure reports with the Commission in violation of 52 U.S.C. § 30104(b) and 11 C.F.R § 104.3(b).

<sup>60</sup> The \$20,628.87 figure was derived using the table above minus the two disbursements under \$200 that did not require itemization. *See supra* at page 6-7 and notes 18 and 19.

<sup>61</sup> *Compare* State Committee Amended April Report *with* Citizens for Pat Dowell, Original D-2 Quarterly Report, ILLINOIS STATE BOARD OF ELECTIONS (Apr. 13, 2022), <https://www.elections.il.gov/CampaignDisclosure/ItemizedExpenditures.aspx?FiledDocID=CmqIw%2fY75EdhYv3GaO9Q8Q%3d%3d&ExpenditureType=7PO3RGHF2W%2fsyStv1naW9vd6PLmRT8u2mEDnPt%2bcsAk%3d&T=637974631043427615> *with* FEC Filtered Results, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650) (last visited Dec. 9, 2022) (showing no disbursements around the dates the original State Committee disclosure report used for disbursements to CABC, Catering by David, Democratic Party of Illinois, Dunkin Donuts, Dyer Major Clear Sandra, Ef Design Group, Equality IL, Sharon Jones, L2 Lounge, Pearl's Place, Sandra Dyer, Target and Uber.)

1     **V.     RECOMMENDATIONS**

- 2           1.     Find reason to believe that Patricia Dowell, Pat Dowell for Congress and Mattie  
3                   Lacy in her official capacity as treasurer, and Citizens for Pat Dowell violated  
4                   52 U.S.C. § 30125(e)(1)(A) and 11 C.F.R. §§ 110.3(d) and 300.61 by spending  
5                   and receiving State Committee funds not subject to the limitations, prohibitions  
6                   and reporting requirements of the Act in connection with a federal election;  
7  
8           2.     Find reason to believe that Pat Dowell for Congress and Mattie Lacy in her  
9                   official capacity as treasurer violated 52 U.S.C. § 30104(b) and 11 C.F.R.  
10                  § 104.3(a) by failing to report in-kind contributions;  
11



3. Find reason to believe that Pat Dowell for Congress and Mattie Lacy in her official capacity as treasurer violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3(b) by failing to report disbursements;
4. Enter into conciliation with Patricia Dowell, Pat Dowell for Congress and Mattie Lacy in her official capacity as treasurer, and Citizens for Pat Dowell prior to a finding of probable cause to believe;
5. Approve the attached Conciliation Agreement;
6. Approve the attached Factual and Legal Analysis; and
7. Approve the appropriate letters.

Lisa J. Stevenson  
 Acting General Counsel

Charles Kitcher  
 Associate General Counsel  
 For Enforcement

December 13, 2022

Date



Claudio J. Pavia  
 Deputy Associate General Counsel for Enforcement



Mark Allen  
 Assistant General Counsel



Richard L. Weiss  
 Attorney

Attachments:

1. Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION****FACTUAL AND LEGAL ANALYSIS**

**RESPONDENTS:** Pat Dowell for Congress and Mattie Lacy **MUR: 7996**  
in her official capacity as treasurer  
Citizens for Pat Dowell  
Patricia Dowell

**I. INTRODUCTION**

The Complaint alleges that Patricia Dowell, a candidate for Illinois's First Congressional District in the 2022 primary election and former Illinois state candidate, used nonfederal funds from her state committee, Citizens for Pat Dowell (the "State Committee"), to pay the expenses of her federal committee, Pat Dowell for Congress and Mattie Lacy in her official capacity as treasurer (the "Federal Committee"), in violation of the Federal Election Campaign Act of 1971, as amended (the "Act"). Dowell denies the allegations, asserting that her committees' shared accountant inadvertently reported some of the Federal Committee's disbursements on the State Committee's disclosure report, and that the State Committee filed an amended disclosure report correcting the errors.

The State Committee's amended report, however, still discloses expenses that appear to be related to the Federal Committee. Even after amending the report to fix the apparent error by the shared accountant, the State Committee reported \$281,539.60 in disbursements after Dowell suspended her state campaign and after she declared her federal candidacy. It appears that \$68,762.47 of those disbursements were made on behalf of the Federal Committee including: (1) disbursements to the shared accountant while the Federal committee did not make any such payments; (2) disbursements for rent while the Federal Committee did not make any such payments during the same period; (3) disbursements to four vendors that were paid by both the State and Federal Committees where the State Committee continued paying the vendor after

Dowell suspended her state campaign; and (4) disbursements for election day workers for an election in which Dowell was only a candidate in a federal race and not a state race. The \$68,762.47 in disbursements were made with federally impermissible funds and were not subject to the Act's reporting provisions.

Additionally, the Federal Committee appears to have failed to disclose certain disbursements. Based on the explanation proffered in the Response, any transaction that was disclosed on the original State Committee 2022 April Quarterly Report and not disclosed on the amended report was a Federal Committee disbursement. However, there are \$20,628.87 in disbursements that were disclosed on the original State Committee report but not on the amended report and not disclosed on the Federal Committee's disclosure reports covering the same period.

Therefore, the Commission finds reason to believe that Dowell, the State Committee, and the Federal Committee violated 52 U.S.C. § 30125(e)(1)(A) and 11 C.F.R. §§ 110.3(d) and 300.61 by spending and receiving funds in connection with a federal election not subject to the limitations, prohibitions and reporting requirements of the Act. The Commission further finds reason to believe that the Federal Committee violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3(a) and (b) by failing to report in-kind contributions and disbursements.

## **II. FACTUAL BACKGROUND**

Patricia Dowell is a Chicago Alderman of the 3rd Ward,<sup>1</sup> and a former candidate for Illinois Secretary of State and for Congress from Illinois's First Congressional District.<sup>2</sup> On April 7, 2021, Dowell announced her campaign for Illinois Secretary of State and subsequently

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<sup>1</sup> Alderman Dowell's Biography, CITY OF CHICAGO, [www.chicago.gov/city/en/about/wards/03/alderman\\_dowell\\_sbiography.html](http://www.chicago.gov/city/en/about/wards/03/alderman_dowell_sbiography.html) (last visited Dec. 9, 2022).

<sup>2</sup> Resp. at 1 (June 3, 2022).

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1 formed a State campaign committee for that race — Citizens for Pat Dowell.<sup>3</sup> On January 5,  
2 2022, Dowell announced she was suspending her campaign for Illinois Secretary of State and  
3 instead was running for U.S. Congress.<sup>4</sup> Pat Dowell for Congress is Dowell’s principal  
4 campaign committee and Mattie Lacy is the treasurer.<sup>5</sup> Dowell lost the June 28, 2022,  
5 congressional primary election.<sup>6</sup>

6 The Complaint alleges that the State Committee disclosed a significant number of  
7 disbursements on its 2022 April Quarterly Report that appear to have been for the federal  
8 election, such as rent, advertising, salaries and other expenses “purchased well after [Dowell]  
9 suspended her [Secretary of State] campaign and launched a federal campaign.”<sup>7</sup> The Complaint  
10 lists over 120 of these disbursements totaling \$169,024.06.<sup>8</sup> The Complaint states that the  
11 Federal Committee’s 2022 April Quarterly Report “shows few or no similar expenses,  
12 continuing to reinforce” the allegation that the State Committee made disbursements for  
13 Dowell’s congressional campaign.<sup>9</sup> The Complaint alleges, and the Federal Committee’s 2022  
14 April Quarterly Report filed on April 15, 2022, shows, there are no disbursements for postage,  
15 transportation, voter file, NGP VAN, Inc., G-suite, rent, printing, utilities, telephone, and office

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<sup>3</sup> *Id.*

<sup>4</sup> *Id.*; Patricia Dowell, Statement of Candidacy (Jan. 6, 2022).

<sup>5</sup> Pat Dowell for Congress, Statement of Organization (Jan. 6, 2022).

<sup>6</sup> *2022 General Primary Election Results*, ILLINOIS STATE BOARD OF ELECTIONS,  
<https://elections.il.gov/ElectionOperations/ElectionVoteTotals.aspx?T=637980584556772869> (last visited  
Dec. 9, 2022).

<sup>7</sup> Compl. at 1-2.

<sup>8</sup> *Id.* at 2-7. The Complaint states that while some of these expenses, such as consulting fees, could be  
reasonably explained as outstanding expenses from Dowell’s Secretary of State race, “others are inarguably not[.]”  
*Id.* at 2.

<sup>9</sup> Compl. at 7.

supplies.<sup>10</sup> However, these expenses do appear on the State Committee’s disclosure report for the same period, which is after Dowell had suspended her campaign for Secretary of State and had begun her campaign for Congress.

Dowell filed a response denying that she “use[d] nonfederal political funds to pay for routine campaign expenditures for [her] Congressional campaign through March 31, 2022.”<sup>11</sup> Dowell included a signed affidavit from DeAnna Grant, the accountant employed by both the Federal and State Committees, stating that when she filed the State Committee’s 2022 April Quarterly Report on April 13, 2022, she “inadvertently filed bank activity for Pat Dowell for Congress.”<sup>12</sup> Grant further states that the error was brought to her attention two days after she filed the State Committee report and that “[t]he matter was corrected immediately on that same day.”<sup>13</sup> Grant filed the amended report on April 15, 2022, and the Complaint was filed three weeks later on May 6, 2022.

Even after the State Committee amended its April Quarterly Report to apparently fix the misreporting of Federal Committee expenditures on the State Committee report, the amended state report still discloses disbursements that appear to be for the benefit of the Federal

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<sup>10</sup> *Id.*; Pat Dowell for Congress, 2022 April Quarterly Report at 2, 182-94 (Apr. 15, 2022). The Federal Committee filed an amended April Quarterly Report on April 16, 2022, disclosing \$84,833.64 in disbursements, adding a single \$425 expense that did not originally appear on the State Committee’s disclosure report. Pat Dowell for Congress, Amended 2022 April Quarterly Report at 189 (disclosing \$425 payment to Walter Freeman for a campaign banner).

<sup>11</sup> Resp. at 1. The Response appears to be from Dowell individually, as it states, “I announced my campaign,” “I announced that I was suspending my race,” and so forth. *Id.* The Response is also signed by “Mattie Lacy[,] Treasurer.” *Id.* at 2. Lacy is the treasurer of the Federal Committee. Neither the State Committee nor the Federal Committee filed a response.

<sup>12</sup> *Id.*, DeAnna Grant Aff. ¶ 5. Although styled as an affidavit, it is not sworn to. Grant’s signature appears underneath the affidavit next to the signatures of Dowell and Lacy.

<sup>13</sup> *Id.*, DeAnna Grant Aff. ¶ 6.

Committee as alleged in the Complaint.<sup>14</sup> After the April Quarterly Report coverage period ending on March 31, 2022, the State Committee continued to make disbursements to the same vendors whose work is alleged in the Complaint to be for the benefit of the Federal Committee, for consulting, advertising, accounting services, and rent.<sup>15</sup> The State Committee's July Quarterly Report disclosed disbursements for accounting services to Grant Financial Services, the firm of DeAnna Grant, and for rent to Matanky Realty Group; the Federal Committee did not disclose any payments for either purpose or to either vendor.<sup>16</sup> The State Committee also made disbursements for 66 election day workers on June 28, 2022 — the date of the Congressional primary election in Illinois, on which Dowell was only a candidate for the Congressional seat, as she had withdrawn from the Secretary of State race.<sup>17</sup> In addition, the State Committee disclosed \$20,628.87 in disbursements on its original 2022 April Quarterly Report but not on the amended report, presumably, according to Dowell's Response, because they were in fact misreported disbursements made by the Federal Committee. However, as enumerated in the chart below, these \$20,628.87 in disbursements were never disclosed by the Federal Committee.

<sup>14</sup> The State Committee Amended 2022 April Quarterly Report disclosed a total of \$281,539.60 in disbursements, \$194,575 of which were refunds to State Committee contributors. Therefore, the State Committee otherwise spent \$86,964.60 while the Federal Committee spent \$84,408.64 during the same three-month period.

<sup>15</sup> See Citizens for Pat Dowell, D-2 Quarterly Report at 4, 9, 11, 15, 17, ILLINOIS STATE BOARD OF ELECTIONS (July 15, 2022), <https://www.elections.il.gov/CampaignDisclosure/ItemizedExpenditures.aspx?FiledDocID=ATyeWRNKUO%2bwuPbw5wXI%2fA%3d%3d&ExpenditureType=7PO3RGHF2W%2fsyStvlnaW9vd6PLmRT8u2mEDnPt%2bcsAk%3d&T=637974612790435357> ("State Committee July Quarterly Report").

<sup>16</sup> State Committee July Quarterly Report at 11, 15.

<sup>17</sup> *Id.* at 4-25. The next election for the Alderman office is in February 2023. *Quick Reference Guide 2023 Municipal, Alderperson & District Council Elections*, CHICAGO BOARD OF ELECTION COMMISSIONERS, <https://app.chicagoelections.com/Documents/general/M2023%20Quick%20Reference%20Guide.pdf> (last visited Dec. 9, 2022).

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<b>Vendor</b>	<b>Date</b>	<b>Purpose</b>	<b>Amount</b>
CABC	3/10/22	Donation – year	\$4,000.00
Catering by David	3/31/22	Food	\$1,295.00
Democratic Party of Illinois	2/26/22	Computer-software	\$2,000.00
Dunkin Donuts	2/14/22	Food	\$44.39
Dunkin Donuts	3/28/22	Food	\$62.10
Dunkin Donuts	3/15/22	food	\$165.91
Dyer, Major Clear Sandra	3/28/22	Cleaning	\$750.00
EF Design Group	2/16/22	Printing	\$3,425.00
Equality IL Institute	2/03/22	Donation	\$1,000.00
Sharon Jones	3/02/22	Pastoral outreach services	\$1,000.00
L2 Lounge	2/16/22	Meals	\$5,960.78
Pearl's Place	3/03/22	Food	\$212.40
Petterinos	3/25/22	Food	\$186.44 <sup>18</sup>
QR Code	Multiple	QR barcode generator	\$197.65 <sup>19</sup>
Target	3/30/22	Office supplies	\$97.88 <sup>20</sup>
Uber	Multiple	Transportation	\$713.29
Total Not Reported on Federal Committee Reports			\$20,628.87

### III. LEGAL ANALYSIS

#### A. The Commission Finds Reason to Believe that Respondents Violated the Soft Money Prohibitions

The Act places certain amount limitations and source prohibitions on contributions to federal candidates and their committees.<sup>21</sup> The Act prohibits federal candidates, federal officeholders, their agents, and entities established, financed, maintained, or controlled

<sup>18</sup> Because this disbursement is under \$200, the Federal Committee did not need to itemize it and it is not included in the \$20,628.87. 52 U.S.C. § 30104(b)(5)(A).

<sup>19</sup> Because this disbursement is under \$200, the Federal Committee did not need to itemize it and it is not included in the \$20,628.87. 52 U.S.C. § 30104(b)(5)(A).

<sup>20</sup> The Federal Committee made more than \$200 in disbursements to Target in the aggregate so it should have been itemized. See *FEC Filtered Results*, FEC.gov [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=target](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=target) (showing disbursements to Target) (last visited Dec. 9, 2022); 52 U.S.C. § 30104(b)(5)(A).

<sup>21</sup> See 52 U.S.C. §§ 30116(a) (contribution limits), 30118(a) (prohibition on corporate and labor organization contributions to candidates).

(“EFMC’d”) by federal candidates<sup>22</sup> from soliciting, receiving, directing, transferring, spending, or disbursing funds in connection with a federal election unless the funds are subject to the limitations, prohibitions, and reporting requirements of the Act.<sup>23</sup> Federal candidates are prohibited from transferring funds from their state campaign committees to their federal committees.<sup>24</sup> The Commission has explained that this prohibition is intended to prevent a federal committee’s indirect use of impermissible funds in federal elections.<sup>25</sup> The prohibition on transferring funds applies broadly and includes payment by the state committee for services to the federal committee.<sup>26</sup>

1. The State Committee Appears to Have Paid Expenses of the Federal Committee

a. Grant Financial Services

The State Committee’s amended reports show \$9,102.13 in disbursements to Grant Financial Services, the firm of DeAnna Grant, accountant for both the State and Federal Committees,<sup>27</sup> during the first six months of 2022.<sup>28</sup> The Federal Committee did not report any

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<sup>22</sup> The Commission has concluded that a federal candidate’s state committee is an entity EFMC’d by the federal candidate. Advisory Opinion 2007-26 at 4 (Schock); Advisory Opinion 2006-38 at 4 (Casey State Committee).

<sup>23</sup> 52 U.S.C. § 30125(e)(1)(A).

<sup>24</sup> 11 C.F.R. § 110.3(d).

<sup>25</sup> Explanation and Justification, Transfers of Funds from State to Federal Campaigns, 58 Fed. Reg. 3474, 3475 (Jan. 8, 1993).

<sup>26</sup> *See id.* at 3475.

<sup>27</sup> *See Resp.* at 2, DeAnna Grant Aff. ¶¶ 2-4.

<sup>28</sup> *See* State Committee 2022 July Quarterly Report at 11; State Committee Amended 2022 April Quarterly Report at 15.



disbursements to Grant; therefore, it appears that a portion — a reasonable estimate is one-half of these disbursements, or \$4,551.07 — was to the benefit of the Federal Committee.<sup>29</sup>

b. Rent Payments

The State Committee’s amended reports show \$7,983 in disbursements for rent to the Matanky Realty Group from November 2021 through June 2022.<sup>30</sup> The monthly payments appear to be \$887 per month.<sup>31</sup> The Federal Committee did not disclose any rent payments for a campaign office or headquarters. Therefore, it appears that the State Committee paid \$887 per month in rent on behalf of the Federal Committee from February to June for a total of \$5,322.

c. Vendors to Both Committees

There are four vendors that were paid by both the State and Federal Committees where the State Committee continued paying the vendor after Dowell suspended her Secretary of State campaign.

**1833 Group.** The State Committee’s amended reports show three disbursements to 1833 Group for a total of \$15,141.60 for “consulting” in January, April, and May 2022.<sup>32</sup> The Federal Committee made disbursements to 1833 Group of similar amounts, totaling \$17,338.04, in March, May, and June 2022 for “fundraising” and “fundraising consulting.”<sup>33</sup> According to its

<sup>29</sup> *FEC Filtered Results*, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=grant&recipient\\_name=grants](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=grant&recipient_name=grants) (last visited Dec. 9, 2022) (showing no disbursements to Grant’s Financial Services).

<sup>30</sup> State Committee 2022 July Quarterly Report at 15 and State Committee Amended 2022 April Quarterly Report at 21.

<sup>31</sup> This number was determined by dividing the total payments by the number of months the purpose descriptor identified the payments were for. *Id.*

<sup>32</sup> *See* Compl. at 2, 4; State Committee Amended 2022 April Quarterly Report at 6; State Committee 2022 July Quarterly Report at 4.

<sup>33</sup> *FEC Filtered Results*, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=1833&two\\_year\\_transaction\\_period=2022](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=1833&two_year_transaction_period=2022) (last visited Dec. 9, 2022) (showing disbursements to 1833 Group).

website, 1833 Group provides campaign management, compliance, and fundraising services.<sup>34</sup> The State Committee did not make any disbursements to this vendor prior to January 2022, and it seems unlikely the State Committee would need such services in April and May 2022, months after Dowell's withdrawal from the Secretary of State race. Therefore, there is a basis to conclude that the State Committee payments of \$10,141.60 to 1833 Group after January 2022 were for the benefit of the Federal Committee.<sup>35</sup>

**NGP VAN.** The State Committee made six disbursements to NGP VAN, Inc., in March, April, May, and June of 2022 for "software" for a total of \$8,502.<sup>36</sup> The Federal Committee made one disbursement in May 2022 for \$3,585 also for "software."<sup>37</sup> NGP VAN provides digital and marketing services related to fundraising, communications, and online contributions.<sup>38</sup> Given that the State Committee was not involved in an active campaign during the time it made disbursements to NGP VAN, there is a basis to conclude that the State Committee payments to NGP VAN were for the benefit of the Federal Committee.

**EF Design Group.** The State Committee made one disbursement to EF Design Group on March 28, 2022, for "printing" for \$5,969.10,<sup>39</sup> and a second disbursement on May 5, 2022, for "advertising" for \$11,887.50.<sup>40</sup> Two weeks later, the Federal Committee made a

<sup>34</sup> *Our Services*, 1833 GROUP, <https://1833group.com/our-services-revised/> (last visited Dec. 9, 2022).

<sup>35</sup> State Committee 2022 July Quarterly Report at 4.

<sup>36</sup> *See* Compl. at 4-5; State Committee Amended 2022 April Quarterly Report at 22; State Committee 2022 July Quarterly Report at 17.

<sup>37</sup> *FEC Filtered Results*, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=ngp+van&two\\_year\\_transaction\\_period=2022](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=ngp+van&two_year_transaction_period=2022) (last visited Dec. 9, 2022) (showing one disbursement to NGP VAN).

<sup>38</sup> *Product*, NGP VAN, <https://www.ngpvan.com/get-elected/> (last visited Dec. 9, 2022)

<sup>39</sup> Compl. at 6; State Committee Amended 2022 April Quarterly Report at 12.

<sup>40</sup> State Committee 2022 July Quarterly Report at 9.

disbursement to EF Design Group for \$13,100 for “printing.”<sup>41</sup> Based on the timing and nature of these disbursements, there is a basis to conclude this was for the benefit of the Federal Committee.

**Goshen Impact Services.** The State Committee made disbursements to Goshen Impact Services of \$5,000 on April 4, 2022, and \$1,969.20 on April 11, 2022, for “political petitions and field operations.”<sup>42</sup> A third disbursement was made on June 16, 2022, for “consulting” for \$7,100.<sup>43</sup> Between February 2022 and June 2022, the Federal Committee made eight disbursements to Goshen Impact Services totaling \$21,739 for “field-payroll,” “field work” and “payroll.”<sup>44</sup> Based on the timing and nature of these disbursements, there is a basis to conclude these were for the benefit of the Federal Committee.

d. Election Day Workers

The State Committee disclosed payments to 66 election day workers on June 28, 2022 — the day of the Congressional primary election.<sup>45</sup> Each of the workers was paid either \$160 or \$225.<sup>46</sup> The Federal Committee also paid six people either \$160 or \$225 on June 28, 2022 for “field.”<sup>47</sup> Since Dowell was only on the ballot for the federal election and her Alderman seat is

<sup>41</sup> *FEC Filtered Results*, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=ef+design&two\\_year\\_transaction\\_period=2022](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=ef+design&two_year_transaction_period=2022) (last visited Dec. 9, 2022) (showing one disbursement to EF Design).

<sup>42</sup> State Committee 2022 July Quarterly Report at 11.

<sup>43</sup> *Id.*

<sup>44</sup> *FEC Filtered Results*, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=goshen&two\\_year\\_transaction\\_period=2022](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=goshen&two_year_transaction_period=2022) (last visited Dec. 9, 2022) (showing eight disbursements to Goshen Impact Services).

<sup>45</sup> *See* State Committee 2022 July Quarterly Report at 4-25.

<sup>46</sup> *Id.*

<sup>47</sup> *FEC Filtered Results*, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&disbursement\\_description=field](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&disbursement_description=field) (last visited Dec. 9, 2022) (showing disbursements on June 28 for \$160 and \$225).

not up for reelection until 2023, any election day workers working for her would have been for her Congressional race. Therefore, the \$8,320 the State Committee paid towards election workers appears to have been to the benefit of the Federal Committee.

e. Summary of State Committee Payments of Federal Committee Expense

Vendor	Amount
Grant Financial Services	\$4,551.07
Matanky Realty Group	\$5,322.00
1833 Group	\$10,141.60
NGP VAN, Inc.	\$8,502.00
EF Design	\$17,856.60
Goshen Impact Services	\$14,069.20
Election Day Workers	\$8,320.00
	<b>Total: \$68,762.47</b>

2. State Committee Payments Well After Dowell Discontinued her Secretary of State Campaign Cannot be Explained by Repaying Debts Incurred During That Campaign

The State Committee did not report any outstanding debts or obligations on any of its three quarterly reports covering October 2021 through June 2022. Therefore, the timing of the State Committee payments well after Dowell discontinued her Secretary of State campaign cannot be explained by repaying debts incurred during that campaign. Due to the timing and the lack of any disclosed debt, it is reasonable to conclude that all of the disbursements made by the State Committee discussed above, totaling \$68,762.47, were made for expenses incurred during or shortly before each respective reporting period.<sup>48</sup>

<sup>48</sup> See Citizens for Dowell Quarterly Report covering October 1 - December 31, 2021, ILLINOIS STATE BOARD OF ELECTIONS, <https://www.elections.il.gov/CampaignDisclosure/D2Quarterly.aspx?id=UxuhifCsFwHv8iQDmRRsvw%3d%3d&T=637975499985716480> (Jan. 13, 2022) (showing no outstanding debts), State Committee Amended 2022 April Quarterly Report (showing no outstanding debts); State Committee 2022 July Quarterly Report (showing no outstanding debts).

3. The State Committee's Payments Appear to Violate the Soft Money Prohibition

As a matter of law, the State Committee was EFMC'd by Dowell.<sup>49</sup> Here, the State Committee received contributions permissible under Illinois law<sup>50</sup> that are either in excess of the Act's limitations or from prohibited sources and thus these funds are not federally permissible.<sup>51</sup> Between July 1, 2021, and June 30, 2022, the State Committee received \$130,251 in corporate contributions.<sup>52</sup> Nor are the State Committee funds subject to the Act's reporting requirements.<sup>53</sup> Therefore, any disbursements made by the State Committee for expenses of the Federal Committee are impermissible under the Act's provision requiring that only funds raised under the limits, prohibitions, and reporting requirements of the Act be used in federal elections.

Based on the available information, the \$68,762.47 in State Committee disbursements described above appear to be made for expenses incurred by the Federal Committee and were made with federally impermissible funds not subject to the Act's reporting provisions.<sup>54</sup>

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<sup>49</sup> See *supra* note 24.

<sup>50</sup> *Contributions Per Election Cycle*, STATE BOARD OF ELECTIONS, STATE OF ILLINOIS, <https://www.elections.il.gov/downloads/campaigndisclosure/pdf/contributionssummary.pdf> (Jan. 1, 2021) (permitting contributions from corporations, labor organizations, and associations and permitting contributions of \$6,000 from individuals).

<sup>51</sup> See 52 U.S.C. § 30125(e)(1)(A); *accord* 11 C.F.R. §§ 110.3(d), 300.61.

<sup>52</sup> See Citizens for Dowell Quarterly Reports from July 1, 2021 – June 30, 2022, ILLINOIS STATE BOARD OF ELECTIONS, <https://www.elections.il.gov/CampaignDisclosure/CommitteeDetail.aspx?ID=9YWggXnTa05vzj1XbMuCSg%3d%3d&T=637975365653449299>.

<sup>53</sup> 52 U.S.C. § 30125(e)(1)(A); *accord* 11 C.F.R. § 300.61.

<sup>54</sup> See, e.g., Conciliation Agreement ¶ V.1, MUR 7076 (Richard Tisei/Tisei Congressional Committee) (finding that federal committee received non-federal funds when state committee paid for work performed for candidate's federal testing the waters activity); Factual & Legal Analysis ("F&LA") at 4, MUR 6267 (Jonathan Paton for Senate) (finding reason to believe when state committee spent \$7,566 for the federal campaign); Conciliation Agreement at 3-4, MUR 4974 (Friends of Tiberi) (finding state committee to have violated the Act for a series of direct and indirect transfers to the federal committee totaling \$7,922.59); F&LA at 6, MUR 5480 (Levetan for Congress) (finding reason to believe when the state committee paid \$10,672.50 for polling for the federal campaign in violation of the Act and since the applicable state law permitted corporate contributions it is possible that a portion of the state funds used to pay for the federal campaign expenses was from prohibited sources); F&LA at 5, MUR 6257 (Callahan) (finding reason to believe when state committee spent \$9,932 for federal testing the waters expenses); F&LA at 3, MUR 6219 (Kuhl for Congress) (finding reason to believe that

Therefore, the Commission finds that Dowell, the State Committee, and the Federal Committee violated 52 U.S.C. § 30125(e)(1)(A) and 11 C.F.R. §§ 110.3(d) and 300.61.

**B. The Commission Finds Reason To Believe the Federal Committee Violated Reporting Provisions**

The treasurer of a political committee is required to file reports of receipts and disbursements.<sup>55</sup> Among other requirements, the reports of receipts and disbursements must specifically identify the cash-on-hand balance at the beginning of the reporting period, the total amount of receipts, and the total amount of disbursements, including the name and address of each person to whom an expenditure exceeding \$200 is made, along with the date, amount, and purpose of the particular expenditure.<sup>56</sup>

**1. The Federal Committee Appears to Have Failed to Disclose In-Kind Contributions**

The Federal Committee appears to have failed to report the in-kind contributions for the federal expenses incurred by the State Committee summarized above. Therefore, the Commission finds reason to believe that the Federal Committee failed to report \$68,762.47 of in-kind contributions from the State Committee in violation of 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3(a).<sup>57</sup>

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federal candidate committee accepted prohibited in-kind contributions from his state committee where state committee paid for expenses that should have been made by the federal committee and state law permitted contributions to state committees in excess of the federal limits and contributions from corporations, and none of the state campaign funds at issue were subject to the Act's reporting requirements); F&LA at 5-6, MUR 5278 (Gingrey For Congress) (same); F&LA at 6-7, MUR 5426 (Dale Schultz for Congress) (finding reason to believe respondents violated the Act's soft money provision when the state committee incurred \$20,000 in expenses for the federal campaign since none of the state campaign funds at issue were subject to the Act's reporting provisions).

<sup>55</sup> 52 U.S.C. § 30104(a), (b); 11 C.F.R. § 104.3(a), (b).

<sup>56</sup> 52 U.S.C. § 30104(b)(1), (2), (4), (5), (6)(B); 11 C.F.R. § 104.3(a), (b); 11 C.F.R. § 104.14.

<sup>57</sup> See Conciliation Agreement ¶ V.2, 3, MUR 7076 (Richard Tisei/Tisei Congressional Committee) (finding that the federal committee did not disclose the receipt of an in-kind contribution by the state committee in violation of the reporting requirements of the Act); F&LA at 5-6, MUR 5480 (Levetan for Congress) (same); F&LA at 8, MUR 5278 (Gingrey For Congress) (same).

2. The Federal Committee Appears to Have Failed to Report Certain Expenditures

The Response states that the Committees' accountant mistakenly reported the Federal Committee's disbursements on the State Committee's 2022 April Quarterly Report and then filed an amended corrective state report.<sup>58</sup> It appears, then, that any transaction that was disclosed on the original report and not reported on the amended state report would be a federal disbursement. However, there are \$20,628.87<sup>59</sup> in disbursements that were disclosed on the original State Committee report but not on the amended report and not disclosed on the Federal Committee's disclosure reports as identified on the table above in part II.<sup>60</sup>

Therefore, the Commission finds reason to believe that the Federal Committee failed to report \$20,628.87 in disbursements on disclosure reports with the Commission in violation of 52 U.S.C. § 30104(b) and 11 C.F.R § 104.3(b).

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<sup>58</sup> Resp. at 2.

<sup>59</sup> The \$20,628.87 figure was derived using the table above minus the two disbursements under \$200 that did not require itemization. *See supra* at page 6 and notes 18 and 19.

<sup>60</sup> Compare State Committee Amended April Report with Citizens for Pat Dowell, Original D-2 Quarterly Report, ILLINOIS STATE BOARD OF ELECTIONS (Apr. 13, 2022), <https://www.elections.il.gov/CampaignDisclosure/ItemizedExpenditures.aspx?FiledDocID=CmqIw%2fY75EdhYv3GaO9Q8Q%3d%3d&ExpenditureType=7PO3RGHF2W%2fsyStv1naW9vd6PLmRT8u2mEDnPt%2bcsAk%3d&T=637974631043427615> with FEC Filtered Results, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650) (last visited Dec. 9, 2022) (showing no disbursements around the dates the original State Committee disclosure report used for disbursements to CABC, Catering by David, Democratic Party of Illinois, Dunkin Donuts, Dyer Major Clear Sandra, Ef Design Group, Equality IL, Sharon Jones, L2 Lounge, Pearl's Place, Sandra Dyer, Target and Uber.)

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**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENTS:** Pat Dowell for Congress and Mattie Lacy **MUR: 7996**  
in her official capacity as treasurer  
Citizens for Pat Dowell  
Patricia Dowell

**I. INTRODUCTION**

The Complaint alleges that Patricia Dowell, a candidate for Illinois's First Congressional District in the 2022 primary election and former Illinois state candidate, used nonfederal funds from her state committee, Citizens for Pat Dowell (the "State Committee"), to pay the expenses of her federal committee, Pat Dowell for Congress and Mattie Lacy in her official capacity as treasurer (the "Federal Committee"), in violation of the Federal Election Campaign Act of 1971, as amended (the "Act"). Dowell denies the allegations, asserting that her committees' shared accountant inadvertently reported some of the Federal Committee's disbursements on the State Committee's disclosure report, and that the State Committee filed an amended disclosure report correcting the errors.

The State Committee's amended report, however, still discloses expenses that appear to be related to the Federal Committee. Even after amending the report to fix the apparent error by the shared accountant, the State Committee reported \$281,539.60 in disbursements after Dowell suspended her state campaign and after she declared her federal candidacy. It appears that \$58,817.73 of those disbursements were made on behalf of the Federal Committee including: (1) disbursements to the shared accountant while the Federal committee did not make any such payments; (2) disbursements for rent while the Federal Committee did not make any such payments during the same period; ; and (3) disbursements for election day workers for an election in which Dowell was only a candidate in a federal race and not a state race. The \$



58,817.73 in disbursements were made with federally impermissible funds and were not subject to the Act's reporting provisions.

Additionally, the Federal Committee appears to have failed to disclose certain disbursements. Based on the explanation proffered in the Response, any transaction that was disclosed on the original State Committee 2022 April Quarterly Report and not disclosed on the amended report was a Federal Committee disbursement. However, there are \$20,628.87 in disbursements that were disclosed on the original State Committee report but not on the amended report and not disclosed on the Federal Committee's disclosure reports covering the same period.

Therefore, the Commission finds reason to believe that Dowell, the State Committee, and the Federal Committee violated 52 U.S.C. § 30125(e)(1)(A) and 11 C.F.R. §§ 110.3(d) and 300.61 by spending and receiving funds in connection with a federal election not subject to the limitations, prohibitions and reporting requirements of the Act. The Commission further finds reason to believe that the Federal Committee violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3(a) and (b) by failing to report in-kind contributions and disbursements.

## II. FACTUAL BACKGROUND

Patricia Dowell is a Chicago Alderman of the 3rd Ward,<sup>1</sup> and a former candidate for Illinois Secretary of State and for Congress from Illinois's First Congressional District.<sup>2</sup> On April 7, 2021, Dowell announced her campaign for Illinois Secretary of State and subsequently formed a State campaign committee for that race — Citizens for Pat Dowell.<sup>3</sup> On January 5, 2022, Dowell announced she was suspending her campaign for Illinois Secretary of State and

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<sup>1</sup> *Alderman Dowell's Biography*, CITY OF CHICAGO, [www.chicago.gov/city/en/about/wards/03/alderman\\_dowell\\_sbiography.html](http://www.chicago.gov/city/en/about/wards/03/alderman_dowell_sbiography.html) (last visited Dec. 9, 2022).

<sup>2</sup> Resp. at 1 (June 3, 2022).

<sup>3</sup> *Id.*

1 instead was running for U.S. Congress.<sup>4</sup> Pat Dowell for Congress is Dowell's principal  
 2 campaign committee and Mattie Lacy is the treasurer.<sup>5</sup> Dowell lost the June 28, 2022,  
 3 congressional primary election.<sup>6</sup>

4 The Complaint alleges that the State Committee disclosed a significant number of  
 5 disbursements on its 2022 April Quarterly Report that appear to have been for the federal  
 6 election, such as rent, advertising, salaries and other expenses "purchased well after [Dowell]  
 7 suspended her [Secretary of State] campaign and launched a federal campaign."<sup>7</sup> The Complaint  
 8 lists over 120 of these disbursements totaling \$169,024.06.<sup>8</sup> The Complaint states that the  
 9 Federal Committee's 2022 April Quarterly Report "shows few or no similar expenses,  
 10 continuing to reinforce" the allegation that the State Committee made disbursements for  
 11 Dowell's congressional campaign.<sup>9</sup> The Complaint alleges, and the Federal Committee's 2022  
 12 April Quarterly Report filed on April 15, 2022, shows, there are no disbursements for postage,  
 13 transportation, voter file, NGP VAN, Inc., G-suite, rent, printing, utilities, telephone, and office  
 14 supplies.<sup>10</sup> However, these expenses do appear on the State Committee's disclosure report for

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<sup>4</sup> *Id.*; Patricia Dowell, Statement of Candidacy (Jan. 6, 2022).

<sup>5</sup> Pat Dowell for Congress, Statement of Organization (Jan. 6, 2022).

<sup>6</sup> *2022 General Primary Election Results*, ILLINOIS STATE BOARD OF ELECTIONS,  
<https://elections.il.gov/ElectionOperations/ElectionVoteTotals.aspx?T=637980584556772869> (last visited  
 Dec. 9, 2022).

<sup>7</sup> Compl. at 1-2.

<sup>8</sup> *Id.* at 2-7.

<sup>9</sup> *Id.* at 7.

<sup>10</sup> *Id.*; Pat Dowell for Congress, 2022 April Quarterly Report at 2, 182-94 (Apr. 15, 2022). The Federal Committee filed an amended April Quarterly Report on April 16, 2022, disclosing \$84,833.64 in disbursements, adding a single \$425 expense that did not originally appear on the State Committee's disclosure report. Pat Dowell for Congress, Amended 2022 April Quarterly Report at 189 (disclosing \$425 payment to Walter Freeman for a campaign banner).

1 the same period, which is after Dowell had suspended her campaign for Secretary of State and  
2 had begun her campaign for Congress.

3 Dowell filed a response denying that she “use[d] nonfederal political funds to pay for  
4 routine campaign expenditures for [her] Congressional campaign through March 31, 2022.”<sup>11</sup>  
5 Dowell included a signed affidavit from DeAnna Grant, the accountant employed by both the  
6 Federal and State Committees, stating that when she filed the State Committee’s 2022 April  
7 Quarterly Report on April 13, 2022, she “inadvertently filed bank activity for Pat Dowell for  
8 Congress.”<sup>12</sup> Grant further states that the error was brought to her attention two days after she  
9 filed the State Committee report and that “[t]he matter was corrected immediately on that same  
10 day.”<sup>13</sup> Grant filed the amended report on April 15, 2022, and the Complaint was filed three  
11 weeks later on May 6, 2022.

12 Even after the State Committee amended its April Quarterly Report to apparently fix the  
13 misreporting of Federal Committee expenditures on the State Committee report, the amended  
14 state report still discloses disbursements that appear to be for the benefit of the Federal  
15 Committee as alleged in the Complaint.<sup>14</sup> After the April Quarterly Report coverage period  
16 ending on March 31, 2022, the State Committee continued to make disbursements to the same  
17 vendors whose work is alleged in the Complaint to be for the benefit of the Federal Committee,

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<sup>11</sup> Resp. at 1. The Response appears to be from Dowell individually, as it states, “I announced my campaign,” “I announced that I was suspending my race,” and so forth. *Id.* The Response is also signed by “Mattie Lacy[,] Treasurer.” *Id.* at 2. Lacy is the treasurer of the Federal Committee. Neither the State Committee nor the Federal Committee filed a response.

<sup>12</sup> *Id.*, DeAnna Grant Aff. ¶ 5. Although styled as an affidavit, it is not sworn to. Grant’s signature appears underneath the affidavit next to the signatures of Dowell and Lacy.

<sup>13</sup> *Id.*, DeAnna Grant Aff. ¶ 6.

<sup>14</sup> The State Committee Amended 2022 April Quarterly Report disclosed a total of \$281,539.60 in disbursements, \$194,575 of which were refunds to State Committee contributors, leaving \$86,964.60 in State Committee disbursements. By comparison, the Federal Committee spent \$84,408.64 during the same three-month period.

1 for consulting, advertising, accounting services and rent.<sup>15</sup> The State Committee's July  
 2 Quarterly Report disclosed disbursements for accounting services to Grant Financial Services,  
 3 the firm of DeAnna Grant, and for rent to Matanky Realty Group; the Federal Committee did not  
 4 disclose any payments for either purpose or to either vendor.<sup>16</sup> The State Committee also made  
 5 disbursements for 66 election day workers on June 28, 2022 — the date of the Congressional  
 6 primary election in Illinois, on which Dowell was only a candidate for the Congressional seat, as  
 7 she had withdrawn from the Secretary of State race.<sup>17</sup> In addition, the State Committee disclosed  
 8 \$20,628.87 in disbursements on its original 2022 April Quarterly Report but not on the amended  
 9 report, presumably, according to Dowell's Response, because they were in fact misreported  
 10 disbursements made by the Federal Committee. However, as enumerated in the chart below,  
 11 these \$20,628.87 in disbursements were never disclosed by the Federal Committee.

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<sup>15</sup> See Citizens for Pat Dowell, D-2 Quarterly Report at 4, 9, 11, 15, 17, ILLINOIS STATE BOARD OF ELECTIONS (July 15, 2022), <https://www.elections.il.gov/CampaignDisclosure/ItemizedExpenditures.aspx?FiledDocID=ATyeWRNKUO%2bwuPbw5wXl%2fA%3d%3d&ExpenditureType=7PO3RGHF2W%2fsyStvlnaW9vd6PLmRT8u2mEDnPt%2bcsAk%3d&T=637974612790435357> ("State Committee July Quarterly Report").

<sup>16</sup> State Committee July Quarterly Report at 11, 15.

<sup>17</sup> *Id.* at 4-25. The next election for the Alderman office was in February 2023. *Quick Reference Guide 2023 Municipal, Alderperson & District Council Elections*, CHICAGO BOARD OF ELECTION COMMISSIONERS, <https://app.chicagoelections.com/Documents/general/M2023%20Quick%20Reference%20Guide.pdf> (last visited Dec. 9, 2022).

<b>Vendor</b>	<b>Date</b>	<b>Purpose</b>	<b>Amount</b>
CABC	3/10/22	Donation – year	\$4,000.00
Catering by David	3/31/22	Food	\$1,295.00
Democratic Party of Illinois	2/26/22	Computer-software	\$2,000.00
Dunkin Donuts	2/14/22	Food	\$44.39
Dunkin Donuts	3/28/22	Food	\$62.10
Dunkin Donuts	3/15/22	food	\$165.91
Dyer, Major Clear Sandra	3/28/22	Cleaning	\$750.00
EF Design Group	2/16/22	Printing	\$3,425.00
Equality IL Institute	2/03/22	Donation	\$1,000.00
Sharon Jones	3/02/22	Pastoral outreach services	\$1,000.00
L2 Lounge	2/16/22	Meals	\$5,960.78
Pearl's Place	3/03/22	Food	\$212.40
Petterinos	3/25/22	Food	\$186.44 <sup>18</sup>
QR Code	Multiple	QR barcode generator	\$197.65 <sup>19</sup>
Target	3/30/22	Office supplies	\$97.88 <sup>20</sup>
Uber	Multiple	Transportation	\$713.29
Total Not Reported on Federal Committee Reports			\$20,628.87

### III. LEGAL ANALYSIS

#### A. The Commission Finds Reason to Believe that Respondents Violated the Soft Money Prohibitions

The Act places certain amount limitations and source prohibitions on contributions to federal candidates and their committees.<sup>21</sup> The Act prohibits federal candidates, federal officeholders, their agents, and entities established, financed, maintained, or controlled

<sup>18</sup> Because this disbursement is under \$200, the Federal Committee did not need to itemize it and it is not included in the \$20,628.87. 52 U.S.C. § 30104(b)(5)(A).

<sup>19</sup> Because this disbursement is under \$200, the Federal Committee did not need to itemize it and it is not included in the \$20,628.87. 52 U.S.C. § 30104(b)(5)(A).

<sup>20</sup> The Federal Committee made more than \$200 in disbursements to Target in the aggregate so it should have been itemized. See *FEC Filtered Results*, FEC.gov [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=target](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=target) (showing disbursements to Target) (last visited Dec. 9, 2022); 52 U.S.C. § 30104(b)(5)(A).

<sup>21</sup> See 52 U.S.C. §§ 30116(a) (contribution limits), 30118(a) (prohibition on corporate and labor organization contributions to candidates).

(“EFMC’d”) by federal candidates<sup>22</sup> from soliciting, receiving, directing, transferring, spending, or disbursing funds in connection with a federal election unless the funds are subject to the limitations, prohibitions, and reporting requirements of the Act.<sup>23</sup> Federal candidates are prohibited from transferring funds from their state campaign committees to their federal committees.<sup>24</sup> The Commission has explained that this prohibition is intended to prevent a federal committee’s indirect use of impermissible funds in federal elections.<sup>25</sup> The prohibition on transferring funds includes payment by the state committee for services to the federal committee.<sup>26</sup>

1. The State Committee Appears to Have Paid Expenses of the Federal Committee

a. Grant Financial Services

The State Committee’s amended reports show \$9,102.13 in disbursements to Grant Financial Services, the firm of DeAnna Grant, accountant for both the State and Federal Committees,<sup>27</sup> during the first six months of 2022.<sup>28</sup> In her affidavit, Grant states that she was employed by the Federal Committee beginning in January 2022 and does not claim to have worked as a volunteer.<sup>29</sup> Yet the Federal Committee did not report any disbursements to Grant

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<sup>22</sup> The Commission has concluded that a federal candidate’s state committee is an entity EFMC’d by the federal candidate. Advisory Opinion 2007-26 at 4 (Schock); Advisory Opinion 2006-38 at 4 (Casey State Committee).

<sup>23</sup> 52 U.S.C. § 30125(e)(1)(A).

<sup>24</sup> 11 C.F.R. § 110.3(d).

<sup>25</sup> Explanation and Justification, Transfers of Funds from State to Federal Campaigns, 58 Fed. Reg. 3474, 3475 (Jan. 8, 1993).

<sup>26</sup> *See id.* at 3475.

<sup>27</sup> *See Resp.* at 2, DeAnna Grant Aff. ¶¶ 2-4.

<sup>28</sup> *See* State Committee 2022 July Quarterly Report at 11; State Committee Amended 2022 April Quarterly Report at 15.

<sup>29</sup> *Resp.*, DeAnna Grant Aff. ¶ 3.

Financial Services. Therefore, it appears that a portion of the State Committee's disbursements—a reasonable estimate is one-half of these disbursements, or \$4,551.07—was to the benefit of the Federal Committee.<sup>30</sup>

b. Rent Payments

The State Committee's amended reports show \$7,983 in disbursements for rent to the Matanky Realty Group from November 2021 through June 2022.<sup>31</sup> The monthly payments appear to be \$887 per month.<sup>32</sup> According to their filings, the State Committee and the Federal Committee share the same mailing address,<sup>33</sup> suggesting that the two committees made use of the same space. But the Federal Committee did not disclose any rent payments for a campaign office or headquarters. Therefore, it appears that the State Committee paid \$887 per month in rent on behalf of both committees from February to June for a total of \$5,322, and a portion—a reasonable estimate is one-half of these disbursements, or \$2,661—was to the benefit of the Federal Committee.

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<sup>30</sup> *FEC Filtered Results*, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=grant&recipient\\_name=grants](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=grant&recipient_name=grants) (last visited Dec. 9, 2022) (showing no disbursements to Grant's Financial Services).

<sup>31</sup> State Committee 2022 July Quarterly Report at 15 and State Committee Amended 2022 April Quarterly Report at 21.

<sup>32</sup> This number was determined by dividing the total payments by the number of months the purpose descriptor identified the payments were for. *Id.*

<sup>33</sup> *Compare* Amended Statement of Organization, Pat Dowell for Congress (Jan. 21, 2022), with Committee Details, Citizens for Pat Dowell, available at <https://www.elections.il.gov/campaigndisclosure/CommitteeDetail.aspx?ID=9YWggXnTa05vzj1XbMuCSg%3d%3d> (last visited June 9, 2023).

1                                   c.       Vendors to Both Committees

2                                   There are four vendors that were paid by both the State and Federal Committees  
3 where the State Committee continued paying the vendor after Dowell suspended her Secretary of  
4 State campaign.

5                                   **1833 Group.** The State Committee's amended reports show three  
6 disbursements to 1833 Group for a total of \$15,141.60 for "consulting" in  
7 January, April, and May 2022.<sup>34</sup> The Federal Committee made disbursements to  
8 1833 Group of similar amounts, totaling \$17,338.04, in March, May, and June  
9 2022 for "fundraising" and "fundraising consulting."<sup>35</sup> According to its website,  
10 1833 Group provides campaign management, compliance, and fundraising  
11 services.<sup>36</sup> The State Committee did not make any disbursements to this vendor  
12 prior to January 2022, and it seems unlikely the State Committee would need such  
13 services in April and May 2022, months after Dowell's withdrawal from the  
14 Secretary of State race. Therefore, there is a basis to conclude that the State

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<sup>34</sup> See Compl. at 2, 4; State Committee Amended 2022 April Quarterly Report at 6; State Committee 2022 July Quarterly Report at 4.

<sup>35</sup> FEC Filtered Results, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=1833&two\\_year\\_transaction\\_period=2022](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=1833&two_year_transaction_period=2022) (last visited Dec. 9, 2022) (showing disbursements to 1833 Group).

<sup>36</sup> Our Services, 1833 GROUP, <https://1833group.com/our-services-revised/> (last visited Dec. 9, 2022).



Committee payments of \$10,141.60 to 1833 Group after January 2022 were for the benefit of the Federal Committee.<sup>37</sup>

**EF Design Group.** The State Committee made one disbursement to EF Design Group on March 28, 2022, for “printing” for \$5,969.10,<sup>38</sup> and a second disbursement on May 5, 2022, for “advertising” for \$11,887.50.<sup>39</sup> Two weeks later, the Federal Committee made a disbursement to EF Design Group for \$13,100 for “printing.”<sup>40</sup> Based on the timing and nature of these disbursements, there is a basis to conclude this was for the benefit of the Federal Committee.

**Goshen Impact Services.** The State Committee made disbursements to Goshen Impact Services of \$5,000 on April 4, 2022, and \$1,969.20 on April 11, 2022, for “political petitions and field operations.” A third disbursement was made on June 16, 2022, for “consulting” for \$7,100.<sup>41</sup> Based on the timing and nature of the disbursements, there is a basis to conclude these were for the benefit of the Federal Committee.

**Sylwia Designs.** The State Committee made a disbursement to “Sylwia Designs” on May 2, 2022, for “Public Relations” in the amount of \$1,218.26.<sup>42</sup>

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<sup>37</sup> State Committee 2022 July Quarterly Report at 4.

<sup>38</sup> FEC Filtered Results, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=ngp+van&two\\_year\\_transaction\\_period=2022](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=ngp+van&two_year_transaction_period=2022) (last visited Dec. 9, 2022) (showing one disbursement to NGP VAN).

<sup>39</sup> State Committee 2022 July Quarterly Report at 9.

<sup>40</sup> FEC Filtered Results, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&recipient\\_name=ef+design&two\\_year\\_transaction\\_period=2022](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&recipient_name=ef+design&two_year_transaction_period=2022) (last visited Dec. 9, 2022) (showing one disbursement to EF Design).

<sup>41</sup> State Committee 2022 July Quarterly Report at 11.

<sup>42</sup> *See id.* at 22.

Based on the timing and nature of this disbursement, there is a basis to conclude it was for the benefit of the Federal Committee.

d. Election Day Workers

The State Committee disclosed payments to 66 election day workers on June 28, 2022 — the day of the Congressional primary election.<sup>43</sup> Each of the workers was paid either \$160 or \$225.<sup>44</sup> The Federal Committee also paid six people either \$160 or \$225 on June 28, 2022 for “field.”<sup>45</sup> Since Dowell was only on the ballot for the federal election and her Alderman seat is not up for reelection until 2023, any election day workers working for her would have been for her Congressional race. Therefore, the \$8,320 the State Committee paid towards election workers appears to have been to the benefit of the Federal Committee.

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<sup>43</sup> See State Committee 2022 July Quarterly Report at 4-25.

<sup>44</sup> *Id.*

<sup>45</sup> *FEC Filtered Results*, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650&disbursement\\_description=field](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650&disbursement_description=field) (last visited Dec. 9, 2022) (showing disbursements on June 28 for \$160 and \$225).

e. Summary of State Committee Payments of Federal Committee  
Expense

<b>Vendor</b>	<b>Amount</b>
Grant Financial Services	\$4,551.07
Matanky Realty Group	\$2,661.00
1833 Group	\$10,141.60
EF Design	\$17,856.60
Goshen Impact Services	\$14,069.20
Sylwia Designs	\$1,218.26
Election Day Workers	\$8,320.00
	<b>Total:</b>
	<b>\$58,817.73</b>

2. State Committee Payments Well After Dowell Discontinued her Secretary of State Campaign Cannot be Explained by Repaying Debts Incurred During That Campaign

The State Committee did not report any outstanding debts or obligations on any of its three quarterly reports covering October 2021 through June 2022. Therefore, the timing of the State Committee payments well after Dowell discontinued her Secretary of State campaign cannot be explained by repaying debts incurred during that campaign. Due to the timing and the lack of any disclosed debt, it is reasonable to conclude that all of the disbursements made by the State Committee discussed above, totaling \$58,817.73, were made for expenses incurred during or shortly before each respective reporting period.<sup>46</sup>

<sup>46</sup> See Citizens for Dowell Quarterly Report covering October 1 - December 31, 2021, ILLINOIS STATE BOARD OF ELECTIONS, <https://www.elections.il.gov/CampaignDisclosure/D2Quarterly.aspx?id=UxuhifCsFwHv8iQDmRRsvw%3d%3d&T=637975499985716480> (Jan. 13, 2022) (showing no outstanding debts), State Committee Amended 2022 April Quarterly Report (showing no outstanding debts); State Committee 2022 July Quarterly Report (showing no outstanding debts).

3. The State Committee's Payments Appear to Violate the Soft Money Prohibition

As a matter of law, the State Committee was EFMC'd by Dowell.<sup>47</sup> Here, the State Committee received contributions permissible under Illinois law<sup>48</sup> that are either in excess of the Act's limitations or from prohibited sources and thus these funds are not federally permissible.<sup>49</sup> Between July 1, 2021, and June 30, 2022, the State Committee received \$130,251 in corporate contributions.<sup>50</sup> Nor are the State Committee funds subject to the Act's reporting requirements.<sup>51</sup> Therefore, any disbursements made by the State Committee for expenses of the Federal Committee are impermissible under the Act's provision requiring that only funds raised under the limits, prohibitions, and reporting requirements of the Act be used in federal elections.

Based on the available information, the \$58,817.73 in State Committee disbursements described above appear to be made for expenses incurred by the Federal Committee and were made with federally impermissible funds not subject to the Act's reporting provisions.

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<sup>47</sup> See *supra* note 24.

<sup>48</sup> *Contributions Per Election Cycle*, STATE BOARD OF ELECTIONS, STATE OF ILLINOIS, <https://www.elections.il.gov/downloads/campaigndisclosure/pdf/contributionssummary.pdf> (Jan. 1, 2021) (permitting contributions from corporations, labor organizations, and associations and permitting contributions of \$6,000 from individuals).

<sup>49</sup> See 52 U.S.C. § 30125(e)(1)(A); accord 11 C.F.R. §§ 110.3(d), 300.61.

<sup>50</sup> See Citizens for Dowell Quarterly Reports from July 1, 2021 – June 30, 2022, ILLINOIS STATE BOARD OF ELECTIONS, <https://www.elections.il.gov/CampaignDisclosure/CommitteeDetail.aspx?ID=9YWggXnTa05vzj1XbMuCSg%3d%3d&T=637975365653449299>.

<sup>51</sup> 52 U.S.C. § 30125(e)(1)(A); accord 11 C.F.R. § 300.61.

Therefore, the Commission finds that Dowell, the State Committee, and the Federal Committee violated 52 U.S.C. § 30125(e)(1)(A) and 11 C.F.R. §§ 110.3(d) and 300.61.

**B. The Commission Finds Reason To Believe the Federal Committee Violated Reporting Provisions**

The treasurer of a political committee is required to file reports of receipts and disbursements.<sup>52</sup> Among other requirements, the reports of receipts and disbursements must specifically identify the cash-on-hand balance at the beginning of the reporting period, the total amount of receipts, and the total amount of disbursements, including the name and address of each person to whom an expenditure exceeding \$200 is made, along with the date, amount, and purpose of the particular expenditure.<sup>53</sup>

1. The Federal Committee Appears to Have Failed to Disclose In-Kind Contributions

The Federal Committee appears to have failed to report the in-kind contributions for the federal expenses incurred by the State Committee summarized above. Therefore, the Commission finds reason to believe that the Federal Committee failed to report \$58,817.73 of in-kind contributions from the State Committee in violation of 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3(a).

2. The Federal Committee Appears to Have Failed to Report Certain Expenditures

The Response states that the Committees' accountant mistakenly reported the Federal Committee's disbursements on the State Committee's 2022 April Quarterly Report and then filed

<sup>52</sup> 52 U.S.C. § 30104(a), (b); 11 C.F.R. § 104.3(a), (b).

<sup>53</sup> 52 U.S.C. § 30104(b)(1), (2), (4), (5), (6)(B); 11 C.F.R. § 104.3(a), (b); 11 C.F.R. § 104.14.

1 an amended corrective state report.<sup>54</sup> It appears, then, that any transaction that was disclosed on  
 2 the original report and not reported on the amended state report would be a federal disbursement.  
 3 However, there are \$20,628.87<sup>55</sup> in disbursements that were disclosed on the original State  
 4 Committee report but not on the amended report and not disclosed on the Federal Committee's  
 5 disclosure reports as identified on the table above in part II.<sup>56</sup>

6 Therefore, the Commission finds reason to believe that the Federal Committee failed to  
 7 report \$20,628.87 in disbursements on disclosure reports with the Commission in violation of  
 8 52 U.S.C. § 30104(b) and 11 C.F.R § 104.3(b).

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<sup>54</sup> Resp. at 2.

<sup>55</sup> The \$20,628.87 figure was derived using the table above minus the two disbursements under \$200 that did not require itemization. *See supra* at page 6 and notes 18 and 19.

<sup>56</sup> Compare State Committee Amended April Report with Citizens for Pat Dowell, Original D-2 Quarterly Report, ILLINOIS STATE BOARD OF ELECTIONS (Apr. 13, 2022), <https://www.elections.il.gov/CampaignDisclosure/ItemizedExpenditures.aspx?FiledDocID=CmqIw%2fY75EdhYv3GaO9Q8Q%3d%3d&ExpenditureType=7PO3RGHF2W%2fsyStv1naW9vd6PLmRT8u2mEDnPt%2bcsAk%3d&T=637974631043427615> with FEC Filtered Results, FEC.gov, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00799650](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00799650) (last visited Dec. 9, 2022) (showing no disbursements around the dates the original State Committee disclosure report used for disbursements to CABC, Catering by David, Democratic Party of Illinois, Dunkin Donuts, Dyer Major Clear Sandra, Ef Design Group, Equality IL, Sharon Jones, L2 Lounge, Pearl's Place, Sandra Dyer, Target and Uber.)