



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C.

December 30, 2024

**VIA UPS-SIGNATURE REQUESTED**

Matthew G. Rascon

[REDACTED]

Santee, CA 92071

[REDACTED]

RE: MUR 8005  
Stephen Houlahan for Congress, *et al.*

Dear Mr. Rascon:

This is in reference to the Complaints you filed with the Federal Election Commission (the "Commission") on May 31, 2022, and October 2, 2023, concerning Stephen Houlahan for Congress and Steven J. Stelman in his official capacity as treasurer (the "Committee"), Stephen Houlahan, and Stephen Houlahan for Santee Mayor 2020. After considering the circumstances of this matter, the Commission determined to dismiss this matter and voted to close the file, effective December 30, 2024. The EPS Dismissal Report, which more fully explains the Commission's findings is enclosed.

Documents related to the case will be placed on the public record today. *See* Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016).

The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action within 60 days of the dismissal, which became effective today. *See* 52 U.S.C. § 30109(a)(8).

If you have any questions, please contact Jacob McCall, the attorney assigned to this matter, at (202) 694-1650 or [jmccall@fec.gov](mailto:jmccall@fec.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "A.B.R.", with a stylized flourish at the end.

Anne B. Robinson  
Assistant General Counsel

Enclosure  
EPS Dismissal Report

**BEFORE THE FEDERAL ELECTION COMMISSION**

**ENFORCEMENT PRIORITY SYSTEM**

**DISMISSAL REPORT**

**MUR:** 8005

**Respondents:** Stephen Houlahan for Congress and  
Steven J. Stelman in his official  
capacity as treasurer  
Stephen W. Houlahan  
Stephen Houlahan for Santee Mayor  
2020

**Complaint Receipt Date:** May 31, 2022

**Supplement Receipt Date:** Oct. 2, 2023

**Response Dates:** June 21, 2022, Sept. 21, 2023, Oct. 2, 2023, Oct. 23, 2023

██████████

**Alleged Statutory and  
Regulatory Violations:**

52 U.S.C. §§ 30102(e)(1), 30103(b), (c), 30104(b),  
30114(b), 30120(a)(1), 30125(e)(1)(A)  
11 C.F.R. §§ 101.1(a), 102.1(a), 102.2(a), 102.12(a),  
104.3(a), 110.3(d), 110.11(a), (b), 113.1(g), 300.60,  
300.61

The Complaint alleges that Stephen W. Houlahan, a 2022 and 2024 congressional candidate and 2020 state candidate, and his political committees — Stephen Houlahan for Congress and Steven J. Stelman in his official capacity as treasurer (the “Federal Committee”) and Stephen Houlahan for Santee Mayor 2020 (the “Mayoral Committee”) — violated the Federal Election Campaign Act of 1971, as amended (the “Act”), by failing to include proper disclaimers in public communications and websites (the Federal Committee’s disclosure reports indicate that it spent approximately \$13,073.41 on these items), failing to timely amend Houlahan’s 2022 Statement of Candidacy and Statement of Organization to reflect a change in congressional districts, failing to timely file his 2024 Statement of Candidacy, listing the wrong district on disclosure reports, providing inaccurate information on a Statement of Organization by listing the email address of a third-party compliance company under contact information, failing

1 to report contributions and expenditures relating to a fundraiser for a legal defense fund that  
 2 raised \$5,995 and in-kind contribution totaling approximately \$10,000 for legal fees, diverting  
 3 \$972.55 from the Mayoral Committee to the Federal Committee, and converting campaign funds  
 4 to personal use in connection with \$1,676.14 in hotel accommodations outside of Houlahan's  
 5 district.<sup>1</sup>

6 The Federal Committee admits in its Response that it failed to include disclaimers on its  
 7 public communications but asserts that it updated its Linktree page and campaign website to  
 8 include disclaimers and removed and recalled printed communications to add stickers with the  
 9 required disclaimer.<sup>2</sup> In addition, the Response also acknowledges that it failed to timely amend  
 10 its Statement of Organization for the 2022 election cycle "due to an oversight," and failed to  
 11 correct the district number on its disclosure reports also due to an oversight caused by not  
 12 updating this information in its FEC File software which the Federal Committee corrected in  
 13 later disclosure reports.<sup>3</sup>

14 The Federal Committee denies that it accepted improper contributions, or that it failed to  
 15 report certain contributions.<sup>4</sup> The Federal Committee also denies the allegation that it accepted

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<sup>1</sup> Compl. at 1-3 (May 31, 2022); Supp. Compl. at 3-4 (Oct. 2, 2023); *FEC Disbursements: Filtered Results*, FEC.GOV, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00764027](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00764027) (last visited Oct. 15, 2024) (reflecting the Committee's disbursements prior to the May 31, 2022 Complaint). Houlahan was a first-time federal candidate during the 2022 election cycle and lost the general election for California's 48th Congressional District. Stephen W. Houlahan, Amended Statement of Candidacy at 1 (June 18, 2022), <https://docquery.fec.gov/pdf/055/202206189515030055/202206189515030055.pdf>; CAL. SEC'Y OF STATE, STATEMENT OF THE VOTE NOVEMBER 8, 2022 GENERAL ELECTION 58 (Dec. 16, 2022), <https://elections.cdn.sos.ca.gov/sov/2022-general/sov/complete.pdf>.

<sup>2</sup> Stephen Houlahan for Congress Resp. at 1, 3-6 (June 21, 2022) ("Federal Committee Resp.") (stating that Houlahan paid for the stickers with his personal funds); Stephen Houlahan for Congress Supp. Resp. at 1 (Oct. 23, 2023) ("Federal Committee Supp. Resp.>").

<sup>3</sup> Federal Committee Resp. at 1; Federal Committee Supp. Resp. at 1; Stephen Houlahan for Congress, Amended 2023 October Quarterly Report at 1 (Oct. 19, 2023), <https://docquery.fec.gov/pdf/218/202310199598521218/202310199598521218.pdf>.

<sup>4</sup> Federal Committee Resp. at 1.

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1 impermissible funds from Houlahan’s mayoral campaign and argues that the \$972.55 transfer  
2 was “made up of entirely permissible funds.”<sup>5</sup> Finally, the Federal Committee denies the  
3 allegation that the Committee converted campaign funds to personal use, arguing that the hotel  
4 accommodations related to a candidate event held by the state party.<sup>6</sup>

5       Based on its experience and expertise, the Commission has established an Enforcement  
6 Priority System using formal, pre-determined scoring criteria to allocate agency resources and  
7 assess whether particular matters warrant further administrative enforcement proceedings. These  
8 criteria include (1) the gravity of the alleged violation, taking into account both the type of  
9 activity and the amount in violation; (2) the apparent impact the alleged violation may have had  
10 on the electoral process; (3) the complexity of the legal issues raised in the matter; and (4) recent  
11 trends in potential violations and other developments in the law. This matter is rated as low  
12 priority for Commission action after application of these pre-established criteria. Given that low  
13 rating, the apparent low dollar amount at issue, and the unlikelihood that voters would have been  
14 confused as to whether the Committee paid for the communications at issue that contained partial  
15 disclaimers or other identifying information, we recommend that the Commission dismiss the  
16 Complaint, consistent with the Commission’s prosecutorial discretion to determine the proper  
17 ordering of its priorities and use of agency resources.<sup>7</sup> We also recommend that the Commission  
18 close the file as to all Respondents effective 30 days after the date the certification of this vote is

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<sup>5</sup> Federal Committee Resp. at 2.

<sup>6</sup> *Id.* at 1; Federal Committee Supp. Resp. at 2.

<sup>7</sup> *Heckler v. Chaney*, 470 U.S. 821, 831-32 (1985).

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signed (or on the next business day after the 30th day, if the 30th day falls on a weekend or holiday) and send the appropriate letters.

November 15, 2024

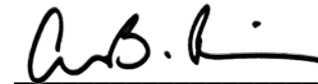
Date

Lisa J. Stevenson  
Acting General Counsel

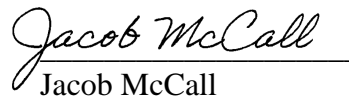
BY:



Claudio J. Pavia  
Deputy Associate General Counsel



Anne Robinson  
Assistant General Counsel



Jacob McCall  
Attorney