

**FEDERAL ELECTION COMMISSION**

**FIRST GENERAL COUNSEL'S REPORT**

**MUR: 8024**

DATES COMPLAINT FILED:<sup>1</sup> July 8, 2022  
July 22, 2022<sup>2</sup>  
September 1, 2022  
December 1, 2022

DATES OF NOTIFICATION: July 14, 2022  
September 7, 2022  
December 8, 2022

DATE OF LAST RESPONSE: March 7, 2023

DATE ACTIVATED: July 20, 2023

## ELECTION CYCLE: 2022

EXPIRATION OF SOL: January 14, 2027  
June 8, 2027

**COMPLAINANT:** Patricia Davis

**RESPONDENTS:** GrassoforCongress6 and Christen Korzyniewski  
in her official capacity as treasurer  
Gary A. Grasso  
Antonia “Antonella” Rovito  
Filippo “Gigi” Rovito, Jr.  
Gina T. Cademartori  
Virginia A. Moya-DeLeon  
Terese Dimaria  
Branko Palikuca

<b>RELEVANT STATUTES AND REGULATIONS:</b>	52 U.S.C. § 30101(8)(A)(i), (26) 52 U.S.C. § 30116(a)(1)(A), (f) 52 U.S.C. § 30118(a) 52 U.S.C. § 30122 11 C.F.R. § 100.33(a), (b) 11 C.F.R. § 100.52(d)(1) 11 C.F.R. § 104.3 11 C.F.R. § 110.1(b)(1) 11 C.F.R. § 110.4(b)(1)(i), (ii), (i)
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<sup>1</sup> The Complaint was filed on July 8, 2022, and supplements were filed on July 22, September 1 and December 1, 2022. Complainant styled the second and third supplements as Supplement #2 and Supplement #3.

<sup>2</sup> The first Complaint Supplement submits documents Complainant obtained from the Illinois State Board of Elections in response to a state Freedom of Information Act request for records pertaining to state campaign finance violations not under the Commission's jurisdiction.

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1 11 C.F.R. § 110.9  
2 11 C.F.R. § 110.10  
3 11 C.F.R. § 114.2(b), (d), (e)

4  
5 **INTERNAL REPORTS CHECKED:** Disclosure Reports

6  
7 **FEDERAL AGENCIES CHECKED:** None

8  
9 **I. INTRODUCTION**

10 The Complaint and supplements to the Complaint allege that restaurant owner Filippo  
11 “Gigi” Rovito, Jr., made contributions in the names of three restaurant employees, Gina  
12 Cademartori, Terese Dimaria, and Virginia Moya-Deleon, and in the name of Rovito’s wife,  
13 Antonia “Antonella” Rovito, to Gary A. Grasso and GrassoforCongress6 and Christen  
14 Korzyniewski in her official capacity as treasurer (the “Committee”),<sup>3</sup> the principal campaign  
15 committee for Gary Grasso, a 2022 congressional candidate in Illinois. The Complaint bases this  
16 allegation on the fact that the contributions were made on the same date, in the same \$2,900  
17 amount (the legal maximum), that the individuals’ employment indicates they could not have  
18 made the contributions with their own funds, and that Filippo Rovito had previously supported  
19 Grasso’s state and local political campaigns and was friends with Grasso. The Complaint further  
20 alleges that the Committee misreported the occupation and employer information for Terese  
21 Dimaria, one of the restaurant employee contributors.<sup>4</sup> The Complaint also alleges that the  
22 Committee accepted but did not report in-kind contributions in the form of use of space, food,  
23 and beverages for fundraisers held in Rovito’s restaurant, Capri Ristorante, and Topaz Café, a  
24 restaurant owned by Branko Palikuca.<sup>5</sup> Further, based on Grasso’s financial disclosure reports

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<sup>3</sup> Compl. at 1-2 (July 8, 2022); Supp. Compl. #2 (Sept. 1, 2022); Supp. Compl. #3 (Dec. 1, 2022).

<sup>4</sup> Compl. at 1-2; Supp. Compl. #3.

<sup>5</sup> Compl., Part. 2.

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1 filed with the Clerk of the U.S. House of Representatives, the Complaint alleges that Grasso  
 2 likely did not have the personal funds to loan his campaign \$250,000, which the Committee  
 3 disclosed in reports filed with the Commission.<sup>6</sup>

4 In response, the Committee states that the Committee had no reason to believe that the  
 5 alleged contributions in the name of another were not from the named individual sources.<sup>7</sup>

6 Further, the Committee acknowledges that it inadvertently misreported the occupation and  
 7 employee information for Dimaria's contribution, but the Committee has since amended the  
 8 entry to include the correct information.<sup>8</sup> Grasso states in his Response that the misreporting  
 9 was due to a "clerical error."<sup>9</sup> The Committee also asserts that there was no in-kind contribution  
 10 made or received via the fundraisers at Capri Ristorante and Topaz Café because no food or  
 11 drink was provided by the restaurants or other individuals.<sup>10</sup> Branko Palikuca, owner of Topaz  
 12 Café, states in his Response that the fundraising event at that location was canceled due to poor  
 13 response and that a few guests showed up and purchased their own drinks.<sup>11</sup> Neither the  
 14 Committee nor Grasso responded to the allegations in the Complaint relating to the \$250,000  
 15 candidate loan to the Committee. Filippo Rovito, Antonia Rovito, Gina Cademartori, Terese  
 16 Dimaria, and Virginia Moya-Deleon did not respond to the Complaint.<sup>12</sup>

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<sup>6</sup> Compl., Part 3. The Complaint makes additional allegations that Grasso failed to accurately and timely file his financial disclosure report with the Clerk of the U.S. House of Representatives. Compl., Part 3; Supp. Compl. #2. The Complaint alleges that the financial disclosure report was untimely filed and was incomplete — it did not disclose assets, unearned income, social security income, and other retirement income. These allegations implicate matters outside the Commission's jurisdiction. *See* 52 U.S.C. § 30106(b)(1).

<sup>7</sup> GrassoforCongress6 Resp. at 1 and Exs. (July 30, 2022).

<sup>8</sup> *Id.*

<sup>9</sup> Gary A. Grasso Resp. (Mar. 7, 2023).

<sup>10</sup> GrassoforCongress6 Resp. at 1.

<sup>11</sup> Branko Palikuca Resp. (Aug. 10, 2022).

<sup>12</sup> This Office tried to contact the non-responsive respondents via telephone calls and text messages to confirm whether they had received the Complaint and whether they intended to file a response. Filippo Rovito

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1           Accordingly, based on the available information, we recommend that the Commission:

2           (1) find reason to believe that Filippo “Gigi” Rovito, Jr., violated 52 U.S.C. §§ 30116(a)(1)(A)  
 3           and 30122 and 11 C.F.R. §§ 110.1(b)(1) and 110.4(b)(1)(i) by making excessive contributions in  
 4           the names of three employees and his wife; (2) take no action at this time with respect to the  
 5           allegations that Gina T. Cademartori, Virginia Moya-DeLeon, Terese Dimaria, and Antonia  
 6           “Antonella” Rovito violated 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b)(1)(ii) by knowingly  
 7           allowing their names to be used to make contributions in the name of another; (3) take no action  
 8           at this time with respect to the allegation that Gary A. Grasso and GrassoforCongress6 and  
 9           Christen Korzyniewski in her official capacity as treasurer violated 52 U.S.C. §§ 30116(f) and  
 10          30122 and 11 C.F.R. §§ 110.9 and 110.4(b)(1)(iv) by knowingly accepting excessive  
 11          contributions made in the name of others; (4) dismiss as a matter of prosecutorial discretion the  
 12          allegation regarding the misreporting of the occupation and employer of a contributor by  
 13          GrassoforCongress6 and Christen Korzyniewski in her official capacity as treasurer, in violation  
 14          of 52 U.S.C. § 30104(b)(3)(A) and 11 C.F.R. § 104.3(a)(4);<sup>13</sup> (5) dismiss as a matter of  
 15          prosecutorial discretion the allegations that Filippo “Gigi” Rovito, Jr., and Branko Palikuca  
 16          consented to the making of prohibited corporate in-kind contributions to the Committee in  
 17          connection with fundraisers at Capri Ristorante and Topaz Café, in violation of 52 U.S.C.  
 18          § 30118(a) and 11 C.F.R. § 114.2(e);<sup>14</sup> (6) dismiss as a matter of prosecutorial discretion the

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asked in response to our inquiry whether it was in reference to checks, said he didn't know anything about it and that he would have to speak with his wife; he never called back. Cademartori did not respond to messages. Dimaria told us that she had moved over a year ago and had not received any correspondence from us. We re-sent the notification letters to her new address, but she has not responded to date. Moya-DeLeon stated that she would not respond.

<sup>13</sup>           *Heckler v. Chaney*, 470 U.S. 821, 831-32 (1985).

<sup>14</sup>           *Id.*

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1 allegation that Gary A. Grasso and GrassoforCongress6 and Christen Korzyniewski in her  
 2 official capacity as treasurer knowingly accepted prohibited corporate in-kind contributions in  
 3 connection with fundraisers at Capri Ristorante and Topaz Café, in violation of 52 U.S.C.  
 4 § 30118(a) and 11 C.F.R. § 114.2(d);<sup>15</sup> (7) dismiss as a matter of prosecutorial discretion the  
 5 allegation that GrassoforCongress6 and Christen Korzyniewski in her official capacity as  
 6 treasurer failed to report in-kind contributions in violation of 52 U.S.C. § 30104(b) and 11 C.F.R.  
 7 § 104.3(a)(3);<sup>16</sup> (8) dismiss as a matter of prosecutorial discretion the allegations that Gary A.  
 8 Grasso or GrassoforCongress6 and Christen Korzyniewski in her official capacity as treasurer  
 9 violated the Act in connection with the funds loaned to the Committee by Grasso;<sup>17</sup> and (9) close  
 10 the file as to Branko Palikuca. We propose to investigate to determine whether Rovito made  
 11 contributions in the names of the four individuals as alleged.

## 12 II. FACTUAL BACKGROUND

13 Gary A. Grasso was a candidate seeking election to the U.S. House of Representatives to  
 14 represent Illinois's 6th Congressional district.<sup>18</sup> Grasso designated GrassoforCongress6 as his  
 15 principal campaign committee; Christen Korzyniewski is the treasurer.<sup>19</sup> Grasso lost the June  
 16 2022 primary election.<sup>20</sup> The Committee disclosed \$635,117.00 in receipts and \$632,622.05 in  
 17 disbursements during the 2022 pre-primary period.<sup>21</sup>

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<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> Gary A. Grasso, Statement of Candidacy (Jan. 4, 2022).

<sup>19</sup> GrassoforCongress6, Statement of Org. (Jan. 4, 2022) (Amend. May 10, 2022).

<sup>20</sup> See 2022 Primary Election Results, Illinois State Board of Elections,

<https://elections.il.gov/ElectionOperations/ElectionVoteTotals.aspx?ID=63a1ZoIunYs%3d&OfficeType=LpWf6lpbWOfBN3kEuxRi3A%3d%3d> (last visited June 27, 2024).

<sup>21</sup> GrassoforCongress6, Amended 2022 July Quarterly Report at 3, 4 (Nov. 17, 2022).

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1        The Complaint alleges that Filippo Rovito, president and director of 5 Brothers, Inc., who  
 2        operates multiple restaurants<sup>22</sup> and is purportedly a friend of Grasso,<sup>23</sup> illegally made \$2,900  
 3        contributions to the Committee in the names of three employees, all identified as managers of the  
 4        restaurants in the Committee's disclosure reports — Gina T. Cademartori, manager of 5  
 5        Brothers, Inc.; Virginia A. Moya-DeLeon, manager of Capri on the Go; and Terese Dimaria,  
 6        manager of Capri Banquets whose employer was initially misreported as Metro Strategies  
 7        Group.<sup>24</sup> The Complaint also alleges that Rovito contributed \$2,900 in the name of his wife,  
 8        Antonia Rovito, a manager at Capri Ristorante.<sup>25</sup> The Complaint bases its allegations on the fact  
 9        that all alleged conduits work for restaurants owned or operated by Rovito, all the contributions  
 10       were made to the Committee on the same day, and that the Complainant believes it is unlikely  
 11       that these employees could afford to make \$2,900 contributions from their own funds.<sup>26</sup> These  
 12       employees had not previously or since made itemized contributions to federal or Illinois state  
 13       political committees. Further, the Complaint alleges that the Committee misreported the  
 14       occupation and employer information for Dimaria on its disclosure reports filed with the  
 15       Commission.<sup>27</sup>

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<sup>22</sup>        5 Brothers, Inc., is incorporated in Illinois and is the corporate name for a group of restaurants under the assumed corporate names of Capri Ristorante and Capri by Gigi, among others. Business Entity Search, Illinois Secretary of State, <https://apps.ilsos.gov/businessentitysearch/businessentitysearch> (last visited June 5, 2024).

<sup>23</sup>        The Complaint asserts that Rovito and Grasso “are close friends and confidants” and that Rovito has made contributions to Grasso’s mayoral races and a statewide race but “suspiciously” made no direct contribution to Grasso’s federal campaign. Compl. at 1.

<sup>24</sup>        Compl. at 1; GrassoforCongress6, 2022 April Quarterly Report at 9, 14, 28, 36 (Apr. 15, 2022).

<sup>25</sup>        Compl. at 1.

<sup>26</sup>        *Id.*

<sup>27</sup>        *Id.* at 2.

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1           The Committee responded that it had no reason to believe that the funds were from any  
 2           other source and attached copies of the personal checks used to make the contributions.<sup>28</sup> Rovito  
 3           and the alleged conduits did not respond to the allegations pertaining to reimbursed  
 4           contributions. The Committee also acknowledged that it inadvertently misreported Dimaria's  
 5           information, stating that it accidentally used the employer information from an individual below  
 6           Dimaria on the Committee's internal spreadsheet.<sup>29</sup> The Committee included the spreadsheet  
 7           with its response and amended its report to correct the error.<sup>30</sup>

8           The Complaint also alleges that the Committee accepted, but failed to report, in-kind  
 9           contributions in the form of food and beverages in connection with fundraisers held at Rovito's  
 10           restaurant, Capri Ristorante, and Topaz Café, a restaurant owned by Branko Palikuca.<sup>31</sup> The  
 11           Committee responds that the fundraisers were held in the bar areas of the restaurants and that no  
 12           food or beverages were provided. Instead, according to the Committee, a few individuals  
 13           dropped off contributions and any food or drink was paid for by the individual contributors.<sup>32</sup>  
 14           Palikuca responded that "the event was cancelled due to poor response" and that "a few guests  
 15           showed up and purchased their own drinks."<sup>33</sup>

16           Finally, the Complaint alleges that, based on Grasso's financial disclosures as the Mayor  
 17           of Burr Ridge, IL, and based on his U.S. House Financial Disclosure Report, he would not be

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<sup>28</sup>           GrassoforCongress6 Resp. at 1 and Ex. A.

<sup>29</sup>           *Id.* at 1 and Ex. B.

<sup>30</sup>           *Id.* See GrassoforCongress6, Amended 2022 April Quarterly Report at 14 (Aug. 22, 2022).

<sup>31</sup>           Compl., Part 2 at 20-21. The Complaint attached the invitations to the fundraisers. *Id.* at 23-24. Illinois state records indicate that Palikuca is the owner and manager of Topaz Café, a limited liability company registered in Illinois, <https://apps.ilsos.gov/businessentitysearch/businessentitysearch> (last visited June 27, 2024).

<sup>32</sup>           GrassoforCongress6 Resp. at 1.

<sup>33</sup>           Branko Palikuca Resp. Palikuca, who was notified and responded under the name Branko Palikuca, made a \$2,000 contribution to GrassoforCongress6 on March 9, 2022, under the name Branislav Palikuca. GrassoforCongrees6, Amended 2022 April Quarterly Report at 30 (Aug. 22, 2022).

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1 able to afford to loan his campaign \$250,000.<sup>34</sup> Grasso and the Committee did not address the  
 2 allegations relating to the loans in their Responses.<sup>35</sup>

3 **III. LEGAL ANALYSIS**

4 **A. The Commission Should Find Reason to Believe that Filippo Rovito Made  
 5 Excessive Contributions in the Name of Another**

6 The Act and Commission regulations provide that no person shall make a contribution in  
 7 the name of another person, knowingly permit his or her name to be used to effect such a  
 8 contribution, or knowingly accept such a contribution.<sup>36</sup> The Commission has included in its  
 9 regulations illustrations of activities that constitute making a contribution in the name of another:

- 10 (i) Giving money or anything of value, all or part of which was provided to the  
 11 contributor by another person (the true contributor) without disclosing the  
 12 source of money or the thing of value to the recipient candidate or committee  
 13 at the time the contribution is made; or
- 14 (ii) Making a contribution of money or anything of value and attributing as the  
 15 source of the money or thing of value another person when in fact the  
 16 contributor is the source.<sup>37</sup>

17  
 18 The requirement that a contribution be made in the name of its true contributor promotes  
 19 Congress's objective of ensuring the complete and accurate disclosure by candidates and  
 20 committees of the political contributions they receive.<sup>38</sup> Courts therefore have uniformly  
 21 rejected the assertion that "only the person who actually transmits funds . . . makes the

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<sup>34</sup> Compl., Part 3; Compl. Suppl. #2. GrassoforCongress6, 2022 April Quarterly Report, Schedule C Loans at 53 (Apr. 15, 2022) (\$100,000 loan to Committee from Grasso) and 2022 July Quarterly Report, Schedule C Loans at 17 (July 15, 2022) (\$150,000 loan to Committee from Grasso); *see also* MUR 8024 Compl.; Compl. Suppl. #3 (containing information regarding the employment status of one of the alleged conduits).

<sup>35</sup> GrassoforCongress6 Resp.; Gary A. Grasso Resp.

<sup>36</sup> 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b)(1)(i), (ii), (iv).

<sup>37</sup> 11 C.F.R. § 110.4(b)(2)(i)–(ii).

<sup>38</sup> *United States v. O'Donnell*, 608 F.3d 546, 553 (9th Cir. 2010) ("[T]he congressional purpose behind [§ 30122] — to ensure the *complete and accurate disclosure* of the contributors who finance federal elections — is plain." (emphasis added)); *Mariani v. United States*, 212 F.3d 761, 775-76 (3d Cir. 2000) (rejecting constitutional challenge to § 30122 in light of compelling governmental interest in disclosure).

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1 contribution,”<sup>39</sup> recognizing that “it is implausible that Congress, in seeking to promote  
 2 transparency, would have understood the relevant contributor to be [an] intermediary who  
 3 merely transmitted the campaign gift.”<sup>40</sup> Consequently, both the Act and the Commission’s  
 4 implementing regulations provide that a person who furnishes another with funds for the purpose  
 5 of contributing to a candidate or committee “makes” the resulting contribution.<sup>41</sup> This is true  
 6 whether funds are advanced to another person to make a contribution in that person’s name or  
 7 promised as reimbursement of a solicited contribution.<sup>42</sup>

8           Because the concern of the law is reporting the true contributor from which a contribution  
 9 to a candidate or committee originates, regardless of the mechanism by which the funds are  
 10 transmitted, the Commission will examine the structure of the transaction itself and the  
 11 arrangement between the parties to determine who in fact “made” a given contribution.

12           No person shall make contributions to any candidate or authorized committee with  
 13 respect to any election which, in the aggregate, exceed the Act’s contribution limit, which was

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<sup>39</sup>           *United States v. Boender*, 649 F.3d 650, 660 (7th Cir. 2011).

<sup>40</sup>           *O'Donnell*, 608 F.3d at 554; *see also Citizens United v. FEC*, 558 U.S. 310, 371 (2010) (“The First Amendment protects political speech; and disclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.”); *Doe v. Reed*, 561 U.S. 186, 199 (2010) (“Public disclosure also promotes transparency and accountability in the electoral process to an extent other measures cannot.”).

<sup>41</sup>           See *Boender*, 649 F.3d at 660 (holding that to determine who made a contribution “we consider the giver to be the *source* of the gift, not any intermediary who simply conveys the gift from the donor to the donee” (emphasis added)); *O'Donnell*, 608 F.3d at 550 (“To identify the individual who has made the contribution, we must look past the intermediary’s essentially ministerial role to the substance of the transaction.”); *Goland v. United States*, 903 F.2d 1247, 1251 (9th Cir. 1990) (“The Act prohibits the use of ‘conduits’ to circumvent [the Act’s reporting and recordkeeping] restrictions . . . .”).

<sup>42</sup>           *O'Donnell*, 608 F.3d at 555 (“We therefore hold that § [30122] unambiguously applies to a defendant who solicits others to donate to a candidate for federal office in their own names and either advances the money or promises to — and does — reimburse them for the gifts.”). Moreover, the “key issue . . . is the *source* of the funds” and, therefore, the legal status of the funds when conveyed from a conduit to the ultimate recipient is “irrelevant to a determination of who ‘made’ the contribution for the purposes of § [30122].” *United States v. Whittemore*, 776 F.3d 1074, 1080 (9th Cir. 2015) (emphasis in original).

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1 \$2,900, during the 2022 election cycle.<sup>43</sup> Further, the Act provides that no political committee  
 2 shall knowingly accept any contribution that exceeds this limit.<sup>44</sup>

3         The Complaint in this matter alleges that Rovito, the owner of the Capri restaurants, was  
 4 the true contributor of contributions made by three restaurant employees and his wife, who could  
 5 not on their own afford to contribute \$2,900 to a political candidate.<sup>45</sup> If Rovito reimbursed his  
 6 restaurant employees and his wife for their contributions, or advanced the funds for the  
 7 contributions, these actions violated the Act by making contributions in the name of another and  
 8 making excessive contributions to the Committee.

9         The Commission has previously found that patterns of clustered giving, as in this case,  
 10 are indicative of conduit contribution arrangements, especially where there is no specific denial  
 11 from the alleged contributor or conduits, as in this case. In MUR 7102 (Keefe, Keefe, and  
 12 Unsell, P.C. (“KKU”), *et al.*), the Commission determined that clustered giving was indicative of  
 13 conduit contribution arrangements when all contributors contributed the maximum amount  
 14 despite being lower paid administrative staff.<sup>46</sup> The Response filed by KKU and its three named  
 15 partners in the matter did not directly deny that KKU reimbursed its employees’ contributions;

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<sup>43</sup> 52 U.S.C. § 30116(a)(1)(A); 11 C.F.R. § 110.1(b)(1).

<sup>44</sup> 52 U.S.C. § 30116(f); *see also* 11 C.F.R. § 110.9 (“No candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of 11 CFR part 110.”).

<sup>45</sup> Compl. at 1; Capri appears to be part of a group of three restaurants in Burr Ridge, IL. *See* <https://www.capribygigi.com/capri-ristorante-of-burr-ridge-2/> (last visited June 27, 2024).

<sup>46</sup> *See* Factual & Legal Analysis (“F&LA”) at 5-7, MUR 7102 (KKU, *et al.*). The MUR 7102 Complaint alleged that making the contributions would cause “financial hardship” to the contributors. The contributors in MUR 7102 appear to be subordinate employees. *Id.* at 2-3. *See also* MURs 7005 & 7056 (Adam H. Victor, *et al.*) (use of subordinate employees as conduits); MUR 6465 (Fiesta Bowl, *et al.*) (use of subordinate employees and spouses as conduits); MUR 6234 (Cenac, *et al.*) (same); MUR 7472 (Barletta, *et al.*) (same).

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1 instead, KKU argued that the Complaint was speculative.<sup>47</sup> The Commission ultimately  
 2 conciliated these violations.<sup>48</sup>

3 The Commission has made reason to believe findings and pursued clustered employee  
 4 contributions in other matters. In MUR 5305 (Herrera for Congress, *et al.*), the Commission  
 5 made reason to believe findings where Commission noted that contributions from colleagues at a  
 6 design firm were clustered on four specific dates, and over half of the total contributions from  
 7 firm employees occurred on the same date.<sup>49</sup> In MUR 5818 (Fieger, Fieger, Kenney & Johnson,  
 8 P.C.), the Commission made reason to believe findings where 36 of 46 contributors from the  
 9 same law firm contributed on one of three dates.<sup>50</sup>

10 Here, the contributions reported as having been made by Rovito's wife and employees  
 11 closely fit the pattern of the MURs described above. Each contribution was for the same dollar  
 12 amount, the then-maximum, and made on the same date to the same candidate; none of the  
 13 identified contributors has previously or since made any itemized contributions to any other  
 14 federal committees or to Illinois state committees.<sup>51</sup> While it is true that each of the alleged  
 15 conduits in this case held the title of manager, and thus likely held higher-level positions than

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<sup>47</sup> See F&LA at 3, MUR 7102 (KKU, *et al.*).

<sup>48</sup> Conciliation Agreement, MUR 7102 (KKU, *et al.*).

<sup>49</sup> See F&LA at 2, (Rhodes Design and Development), MUR 5305 (Herrera for Congress, *et al.*) (finding reason to believe where employees holding a wide range of positions all made the maximum contribution allowed under the Act in clusters of several dates, and respondents did not contest the allegations and expressed a willingness to conciliate, thereby confirming that such a pattern indicated a conduit contribution scheme).

<sup>50</sup> See F&LA at 3-4, MUR 5818 (Fieger, Fieger, Kenney & Johnson, P.C.) (finding reason to believe in part where the record showed "a large number of maximum contributions made on the same days by individuals associated with the Firm, many of whom had never previously contributed to any Federal campaign," members of the firm denied the allegations but the firm itself did not confirm, deny, or make any substantive representation as to the allegations, and, *inter alia*, a news article reported a former employee's claim that the firm had reimbursed him for contributions).

<sup>51</sup> See F&LA at 9, 11, MURs 7005 & 7056 (Adam H. Victor, *et al.*) (evidence as to the alleged conduits (lack of contribution histories) supported finding reason to believe as to the true contributor that allegedly *made* contributions in the name of other persons)).

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1 other restaurant employees, the fact that these individuals were managers by itself is insufficient  
 2 to rebut the other circumstances indicative of straw donations. And although the alleged amount  
 3 in violation is not as great in this matter as in others — \$11,600 in contributions with four  
 4 alleged conduits, as compared to \$18,900 across seven conduit contributions in KKU<sup>52</sup> — given  
 5 the seriousness of the unanswered allegations, this matter warrants a reason to believe finding  
 6 and an investigation. The Commission has previously proceeded against an alleged conduit  
 7 scheme with a lower amount in violation. In MUR 5927 (Joseph A. Solomon), the Commission  
 8 found reason to believe where an insurance CEO reimbursed with personal funds three conduits  
 9 for \$1,000 contributions each.<sup>53</sup>

10 By contrast, the Commission has dismissed or found no reason to believe as to  
 11 allegations of contributions in the name of another in other matters where allegations of  
 12 reimbursed contributions are based on circumstantial information and where respondents  
 13 specifically denied the allegations.<sup>54</sup>

14 Accordingly, we recommend that the Commission find reason to believe that Filippo  
 15 “Gigi” Rovito, Jr., violated 52 U.S.C. §§ 30116(a)(1)(A) and 30122 and 11 C.F.R.

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<sup>52</sup> GC Br. at 2-3, 5-6, MUR 7102 (KKU, *et al.*); Certification (“Cert.”) ¶ 1 (Jan. 15, 2021), MUR 7102 (finding probable cause to believe that respondents made contributions in the name of another in the amount of \$18,900).

<sup>53</sup> See Cert. ¶ 2 (Dec. 3, 2008), Pre-MUR 443 and MUR 5927 (Joseph A. Solomon).

<sup>54</sup> See, e.g., F&LA at 2, MUR 7893 (William Wachtel, *et al.*) (no reason to believe where Complaint provided circumstantial information, not firsthand knowledge, that the contributions were reimbursed and respondents provided multiple sworn affidavits specifically denying the allegations); F&LA at 4, MUR 7091 (Friends of Patrick Murphy) (finding no reason to believe where contributions of family members and associates were clustered but not supported by any additional information that the contributions were not made with personal funds and contributors asserted they made contributions directly, individually and within contribution limits); see also MURs 7793 & 7801 (Louis DeJoy, *et al.*) (Commission dismissed as matter of prosecutorial discretion allegations of contributions made in the name of another where Respondents denied the allegations, submitted sworn statements, and asserted that the clustered contributions were the result of successful fundraising events).

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<sup>55</sup> §§ 110.1(b)(1) and 110.4(b)(1)(i) by making excessive contributions in the names of others.

2 Consistent with the Commission's usual practice, we also recommend that the Commission take  
3 no action at this time as to the alleged conduits pending an investigation.<sup>56</sup>

4 The Complaint also alleges that Grasso and the Committee violated the Act by knowingly  
5 accepting contributions in the names of others and knowingly accepting an excessive  
6 contribution from Rovito.<sup>57</sup> The Complaint did not provide, and we are not aware of,  
7 information regarding the Committee’s knowledge of the source of the contributions apart from  
8 the Committee’s general denial, and Grasso did not address the allegation. In light of the  
9 proposed investigation into whether the contributions were made in the names of others, we  
10 recommend that the Commission take no action at this time as to allegations that Grasso and the  
11 Committee knowingly accepted contributions in the names of others and knowingly accepted an  
12 excessive contribution.

**B. The Commission Should Dismiss as a Matter of Prosecutorial Discretion the Allegation that the Committee Failed to Accurately Report Contributor Information**

16 The treasurer of a political committee shall accurately report the identification of each  
17 person who makes an aggregate contribution in excess of \$200 within a calendar year (or  
18 election cycle, in the case of an authorized committee) along with the date and amount of any

55 The Act further addresses knowing and willful violations of the law, which occur when one has knowledge that he/she is violating the law. *See* 52 U.S.C. § 30109(a)(5)(B) and 30109(d); *Federal Election Commission v. John Dramesi for Congress Committee*, 640 F. Supp. 985, 987 (D. N.J. 1986). The available record is insufficient to determine if any of the Respondents acted with such knowledge, so we do not recommend that the Commission make any knowing and willful findings at this time. If such information becomes available during the proposed investigation, we will make appropriate recommendations.

<sup>56</sup> See, e.g., MUR 7102 (KKU, *et al.*) (Commission took no action at the time as to administrative employees, the candidate and candidate committee pending an investigation); MUR 5955 (Valdez) (Commission took no action at the time as to conduit respondents pending an investigation); MUR 5504 (Karoly) (same).

57 Compl. at 1; Supp. Compl. #3 at 1.

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1 such contribution.<sup>58</sup> The term “identification,” in the case of an individual, refers to that  
 2 person’s name, address, occupation, and employer.<sup>59</sup>

3 The Complaint alleges that the Committee misreported contributor Terese Dimaria’s  
 4 occupation and employer information. In its Response, the Committee treasurer asserts that the  
 5 misreporting was inadvertent and provided Committee documents and an internal spreadsheet  
 6 listing the correct occupation and employer for Dimaria and the incorrect occupation and  
 7 employer of a different contributor two lines down.<sup>60</sup> Similarly, the candidate responded that the  
 8 misreporting was due to a “clerical error” caused “by misreading an excel spreadsheet line  
 9 item.”<sup>61</sup> The Committee subsequently filed an amended disclosure report correcting Dimaria’s  
 10 occupation and employer as a manager at Capri Banquets.<sup>62</sup> Under the circumstances, including  
 11 that the Committee misreported the employer of a single contributor and provided an explanation  
 12 about how the mistake was made, we recommend that the Commission dismiss as a matter of  
 13 prosecutorial discretion the allegation that the Committee violated 52 U.S.C. § 30104(b)(3)(A)  
 14 and 11 C.F.R. § 104.3(a)(4) by failing to accurately report contributor information.<sup>63</sup>

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<sup>58</sup> 52 U.S.C. § 30104(b)(3)(A); 11 C.F.R. § 104.3(a)(4)(i).

<sup>59</sup> 52 U.S.C. § 30101(13)(A); 11 C.F.R. § 100.12.

<sup>60</sup> GrassoforCongress6 Resp. at 1, Ex. B.

<sup>61</sup> Grasso Resp. at 1.

<sup>62</sup> GrassoforCongress6, Amended 2022 April Quarterly Report at 14 (Aug. 22, 2022).

<sup>63</sup> *Heckler*, 470 U.S. at 831.

1                   **C. The Commission Should Dismiss as a Matter of Prosecutorial Discretion the**  
2                   **Allegations that Filippo Rovito and Branko Palikuca Consented to the**  
3                   **Making of, and Grasso and the Committee Knowingly Accepted, Unreported**  
4                   **Prohibited In-Kind Contributions in Connection with Fundraisers at Capri**  
5                   **Ristorante and Topaz Café**

6

7                   A “contribution” includes “any gift, subscription, loan, advance, or deposit of money or

8                   anything of value” made by any person for the purpose of influencing any election for Federal

9                   office.<sup>64</sup> The phrase “anything of value” includes in-kind contributions, defined as the provision

10                  of any goods or services without charge or at a charge that is less than the usual and normal

11                  charge for such goods and services.<sup>65</sup> The Act prohibits corporations from contributing to a

12                  federal candidate or candidate’s committee, and further prohibits any officer of a corporation

13                  from consenting to any such contribution by the corporation, and any candidate or candidate’s

14                  committee from knowingly accepting such a contribution.<sup>66</sup>

15                  The Complaint alleges that the Committee accepted but failed to report in-kind

16                  contributions in the form of food and beverages provided in fundraisers held at Rovito’s

17                  restaurant, Capri Ristorante, and Topaz Café, a restaurant owned by Branko Palikuca.<sup>67</sup> The

18                  Committee responds that the fundraisers were held in the bar areas of the restaurants and that no

19                  food or beverages were provided. The Committee asserts that a few individuals dropped off

20                  contributions and any food or drink was paid for by the individual contributors.<sup>68</sup> Palikuca also

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<sup>64</sup> 52 U.S.C. § 30101(8)(A)(i).

<sup>65</sup> 11 C.F.R. § 100.52(d)(1).

<sup>66</sup> 52 U.S.C. § 30118(a); 11 C.F.R. § 114.2(b), (d), (e).

<sup>67</sup> Compl. at 25, 27, 29.

<sup>68</sup> GrassoforCongress6 Resp. at 1.

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1 responded that “the event was cancelled due to poor response” and that “a few guests showed up  
 2 and purchased their own drinks.”<sup>69</sup>

3 The Complaint included copies of the event invitations but no information regarding the  
 4 events as they occurred. The Committee and Palikuca assert that the events were poorly  
 5 attended, and both state that food and beverages were not provided by the restaurants.

6 Accordingly, the available information does not warrant a reason to believe finding regarding  
 7 this allegation.

8 We therefore recommend that the Commission dismiss as a matter of prosecutorial  
 9 discretion the allegations that: (1) Filippo “Gigi” Rovito, Jr., consented to the making of  
 10 prohibited corporate in-kind contributions in violation of 52 U.S.C. § 30118(a) and 11 C.F.R.  
 11 § 114.2(e); (2) Branko Palikuca, owner of Topaz Café,<sup>70</sup> consented to the making of prohibited  
 12 corporate in-kind contributions to the Committee, in violation of 52 U.S.C. § 30118(a) and  
 13 11 C.F.R. § 114.2(e); (3) Grasso and the Committee knowingly accepted prohibited corporate in-  
 14 kind contributions in violation of 52 U.S.C. § 30118(a) and 11 C.F.R. § 114.2(d); and (4) that the  
 15 Committee failed to report such contributions in violation of 52 U.S.C. § 30104(b) and 11 C.F.R.  
 16 § 104.3(a)(3).<sup>71</sup>

17

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<sup>69</sup> Branko Palikuca Resp.

<sup>70</sup> Given Topaz’s status as an LLC, Palikuca would only have potential section 30118(a) consenting liability if the LLC files with the IRS as a corporation. *See* 11 C.F.R. § 110.1(g)(3). We have no information as to whether Topaz Café, LLC, elects to be treated as a corporation or a partnership for tax purposes.

<sup>71</sup> *Heckler*, 470 U.S. at 831.

1                   **D. The Commission Should Dismiss as a Matter of Prosecutorial Discretion the**  
 2                   **Allegation that Grasso and the Committee Violated the Act in Connection**  
 3                   **with Grasso's Loans to the Committee**

4                   The Act and Commission regulations prohibit any person from making a contribution to  
 5                   an authorized committee in connection with an election that exceeded \$2,900 during the 2022  
 6                   election cycle.<sup>72</sup> Further, the Act and Commission regulations prohibit candidates or political  
 7                   committees from knowingly accepting any contribution or making any expenditure on behalf of  
 8                   a candidate in violation of any limitations or prohibitions of the Act.<sup>73</sup>

9                   Federal candidates, however, may make unlimited contributions from their own "personal  
 10                  funds" to their authorized campaign committees.<sup>74</sup> The Act and Commission regulations provide  
 11                  that "personal funds" include (a) amounts derived from any asset that, under applicable State  
 12                  law, at the time the individual became a candidate, the candidate had legal right of access to or  
 13                  control over, and with respect to which the candidate had legal and rightful title or an equitable  
 14                  interest; and (b) income received during the current election cycle of the candidate, including a  
 15                  salary and other earned income from bona fide employment; dividends and proceeds from the  
 16                  sale of the candidate's stocks or other investments; and gifts of a personal nature that had been  
 17                  customarily received by the candidate prior to the beginning of the election cycle.<sup>75</sup>

18                  The Committee disclosed two loans totaling \$250,000 from Grasso: a \$100,000 loan on  
 19                  April 15, 2022, and a \$150,000 loan on July 15, 2022.<sup>76</sup> The Complaint alleges that, based on

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<sup>72</sup> 52 U.S.C. § 30116(a)(1)(A); 11 C.F.R. § 110.1(b)(1).

<sup>73</sup> 52 U.S.C. § 30116(f); 11 C.F.R. § 110.9.

<sup>74</sup> 11 C.F.R. § 110.10.

<sup>75</sup> 52 U.S.C. § 30101(26); 11 C.F.R. § 100.33(a), (b).

<sup>76</sup> GrassoforCongress6, 2022 April Quarterly Report, Schedule C Loans at 53 (Apr. 15, 2022) (\$100,000 loan to Committee from Grasso) and 2022 July Quarterly Report, Schedule C Loans at 17 (July 15, 2022) (\$150,000 loan to Committee from Grasso).

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1 Grasso's financial disclosures as the Mayor of Burr Ridge, IL, and based on his U.S. House  
 2 Financial Disclosure Report ("House Disclosure"), he would not be able to afford to loan his  
 3 campaign \$250,000.<sup>77</sup> Neither Grasso nor the Committee address this allegation.

4 Grasso's House Disclosure, filed on June 15, 2022, does not disclose any assets or  
 5 "unearned" income under Schedule A, and discloses an annual salary of \$300,000 under  
 6 Schedule C (Earned Income), a "Revolving Line of Credit for law firm" in the range of \$100,001  
 7 to \$250,000 under Schedule D (Liabilities), and other compensation of \$500 per month (\$6,000  
 8 annually) as mayor of Village of Burr Ridge, IL (Schedule J).<sup>78</sup> The available information is  
 9 compatible with Grasso's ability to afford loaning \$250,000 to the Committee, although the  
 10 House Disclosure appears not to be comprehensive and thus may not include otherwise available  
 11 assets which might also cover a loan of that magnitude.<sup>79</sup> The Complaint does not allege a  
 12 specific violation or point to potential alternative sources of the loan, and further offers no  
 13 specific information regarding Grasso's inability to afford a loan to his committee.<sup>80</sup>

14 Unlike in MUR 6824 (Eugene Yu for Congress), where the Commission investigated  
 15 allegations that Yu did not have the funds to loan to his Committee where he loaned his  
 16 committee nearly \$800,000 and his Senate and House Financial Disclosure Statements did not  
 17 suggest he had sufficient liquid assets because the big-dollar assets disclosed appeared to be

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<sup>77</sup> Compl., Part 3; Compl. Suppl. #2.

<sup>78</sup> Compl., Part 3.

<sup>79</sup> In his Statement of Economic Interests filed with the DuPage County Clerk on May 5, 2022, Grasso stated that he received social security income in excess of \$7,500. Compl. Part 3. The House Disclosure filing instructions, however, do not require disclosure of financial interests in or income derived from federal retirement systems. *See* U.S. House of Representatives, Committee on Ethics, Instruction Guide, Financial Disclosure Statements and Periodic Transaction Reports, Calendar Year 2021, <https://ethics.house.gov/sites/ethics.house.gov/files/documents/FINAL%202021%20FD%20Instructions.pdf> (last visited July 30, 2024).

<sup>80</sup> The Committee has not repaid the loans to date. GrassoforCongress6, 2024 July Quarterly Report at 2, 5-6 (July 9, 2024).

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1 either worthless (stocks) or owned (or at least co-owned) by spouse and other relatives (real  
 2 estate),<sup>81</sup> the allegation in this matter appears to be speculative, based on incomplete reports filed  
 3 with the U.S. House of Representatives, and there does not appear to be other information to  
 4 suggest that Grasso was not the source of the funds. In addition, compared to Yu, Grasso's  
 5 disclosed annual salary exceeds the amount of his loans to his Committee.<sup>82</sup> While loaning an  
 6 amount nearly as large as his annual salary — which was most likely greater than Grasso's take  
 7 home pay, raises questions as to the source of Grasso's loans to his Committee — in the absence  
 8 of more specific allegations we do not believe this allegation warrants further use of the  
 9 Commission's resources in comparison to the section 30122 allegations. Accordingly, we  
 10 recommend that the Commission dismiss as a matter of prosecutorial discretion the allegations  
 11 that Grasso and the Committee violated the Act in connection with Grasso's loans to his  
 12 committee.<sup>83</sup>

#### 13 **IV. PROPOSED INVESTIGATION**

14 We recommend the Commission authorize an investigation, and this Office intends to  
 15 circulate an Investigative Plan pursuant to Directive 74 following the receipt of a response to the  
 16 Reason to Believe letter or if it appears no response will be made to determine the source of the  
 17 contributions from the four alleged conduits.<sup>84</sup> We anticipate that our investigation will initially

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81 See F&LA at 7-9, MUR 6824 (Eugene Yu for Congress).

82 Compl., Part 3, (Gary A. Grasso, Financial Disclosure Report, June 15, 2022).

83 *Heckler*, 470 U.S. at 831.

84 Under Directive 74, Investigations Conducted by the Office of General Counsel; Enforcement Investigative Plans (the "Directive"), "[n]o investigation may be conducted by OGC except as directed in a [Commission-approved] Investigative Plan." Directive 74, Investigations Conducted by the Office of General Counsel; Enforcement Investigative Plans (Nov. 1, 2023), [https://www.fec.gov/resources/cms-content/documents/directive\\_74.pdf](https://www.fec.gov/resources/cms-content/documents/directive_74.pdf). The Directive also provides that the Investigative Plan must be submitted to the Commission for approval within two weeks "[f]ollowing notification to respondents of the Commission's

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1 seek to obtain information from Rovito, such as financial records, including bank statements,  
2 regarding payments to the alleged conduits, including bonus payments and those outside of the  
3 course of regular salary disbursements. Should Rovito prove unresponsive or if his response is  
4 not comprehensive, we may also recommend seeking subpoenas for bank records covering the  
5 time period in which the contributions were made. Finally, we could also seek deposition  
6 discovery from Rovito and/or the alleged conduits, but we would plan to exhaust other avenues  
7 of discovery first.

8 **V. RECOMMENDATIONS**

9 1. Find reason to believe that Filippo "Gigi" Rovito, Jr., violated 52 U.S.C.  
10 §§ 30116(a)(1)(A) and 30122 and 11 C.F.R. §§ 110.1(b)(1) and 110.4(b)(1)(i) by  
11 making excessive contributions in the names of others;

12 2. Take no action at this time with respect to the allegations that Gina T.  
13 Cademartori, Virginia A. Moya-DeLeon, Terese Dimaria, and Antonia  
14 "Antonella" Rovito violated 52 U.S.C. § 30122 and 11 C.F.R. §110.4(b)(1)(ii) by  
15 knowingly allowing their names to be used to make contributions in the name of  
16 another;

17 3. Take no action at this time with respect to the allegation that Gary A. Grasso and  
18 GrassoforCongress6 and Christen Korzyniewski in her official capacity as  
19 treasurer violated 52 U.S.C. §§ 30116(f) and 30122, and 11 C.F.R. §§ 110.9 and  
20 110.4(b)(1)(iv) by knowingly accepting excessive contributions made in the name  
21 of others;

22 4. Dismiss the allegation regarding the misreporting of the occupation and employer  
23 of a contributor by GrassoforCongress6 and Christen Korzyniewski in her official  
24 capacity as treasurer in violation of 52 U.S.C. § 30104(b)(3)(A) and 11 C.F.R.  
25 § 104.3(a)(4);

26 5. Dismiss the allegations that Branko Palikuca and Filippo "Gigi" Rovito, Jr.,  
27 consented to the making of prohibited corporate in-kind contributions to the  
28 Committee in connection with fundraisers at Capri Ristorante and Topaz Café, in  
29 violation of 52 U.S.C. § 30118(a) and 11 C.F.R. § 114.2(e);

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[reason to believe] finding, and receipt of their response." *Id.* The Office of General Counsel intends to submit its investigative plan within two weeks following notification and responses, if any, from the identified respondents.

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6. Dismiss the allegation that Gary A. Grasso and GrassoforCongress6 and Christen Korzyniewski in her official capacity as treasurer knowingly accepted prohibited corporate in-kind contributions in connection with fundraisers at Capri Ristorante and Topaz Café, in violation of 52 U.S.C. § 30118(a) and 11 C.F.R. § 114.2(d);
7. Dismiss the allegation that GrassoforCongress6 and Christen Korzyniewski in her official capacity as treasurer failed to report in-kind contributions in violation of 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3(a)(3);
8. Dismiss the allegations that Gary A. Grasso or GrassoforCongress6 and Christen Korzyniewski in her official capacity as treasurer, violated the Act in connection with the funds loaned to the Committee by Gary A. Grasso;
9. Close the file as to Branko Palikuca;
10. Authorize an investigation;
11. Approve the attached Factual and Legal Analyses; and
12. Approve the appropriate letters.

Lisa J. Stevenson  
Acting General Counsel

July 31, 2024  
Date

Charles Kitcher  
Charles Kitcher  
Associate General Counsel  
for Enforcement

Mark Allen  
Mark Allen  
Assistant General Counsel

Dominique Dillenseger  
Dominique Dillenseger  
Attorney

**Attachments:**

1. Factual and Legal Analysis, Filippo Rovito
2. [REDACTED]
3. Factual and Legal Analysis, Branko Palikuća

45

THIS PROPOSED DRAFT WAS VOTED ON BUT  
NOT APPROVED BY THE COMMISSION.

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

**RESPONDENT:** Filippo "Gigi" Rovito, Jr. **MUR:** 8024

## I. INTRODUCTION

8 The Complaint and supplements to the Complaint allege that restaurant owner Filippo  
9 “Gigi” Rovito, Jr., made contributions in the names of three restaurant employees, Gina  
10 Cademartori, Terese Dimaria, and Virginia Moya-Deleon, and in the name of Rovito’s wife,  
11 Antonia “Antonella” Rovito, to Gary A. Grasso and Grasso for Congress<sup>6</sup> and Christen  
12 Korzyniewski in her official capacity as treasurer (the “Committee”),<sup>1</sup> the principal campaign  
13 committee for Gary Grasso, a 2022 congressional candidate in Illinois. The Complaint bases this  
14 allegation on the fact that the contributions were made on the same date, in the same \$2,900  
15 amount (the legal maximum), that the individuals’ employment indicates they could not have  
16 made the contributions with their own funds, and that Filippo Rovito had previously supported  
17 Grasso’s state and local political campaigns and was friends with Grasso. The Complaint also  
18 alleges that the Committee accepted prohibited corporate in-kind contributions in the form of use  
19 of space, food, and beverages for a fundraiser held in Rovito’s restaurant, Capri Ristorante.  
20 Filippo Rovito did not respond to the Complaint.

21       Based on the available information, the Commission: (1) finds reason to believe that  
22       Filippo “Gigi” Rovito, Jr., violated 52 U.S.C. §§ 30116(a)(1)(A) and 30122 and 11 C.F.R.  
23       §§ 110.1(b)(1) and 110.4(b)(1)(i) by making excessive contributions in the names of three  
24       employees and his wife and (2) dismisses as a matter of prosecutorial discretion the allegation  
25       that Filippo “Gigi” Rovito, Jr., consented to the making of prohibited corporate in-kind

<sup>1</sup> Compl. at 1-2 (July 8, 2022); Supp. Compl. #2 (Sept. 1, 2022); Supp. Compl. #3 (Dec. 1, 2022).

1 contributions to the Committee in connection with fundraisers at Capri Ristorante in violation of  
 2 52 U.S.C. § 30118(a) and 11 C.F.R. § 114.2(e).

3 **II. FACTUAL BACKGROUND**

4 Gary A. Grasso was a candidate seeking election to the U.S. House of Representatives to  
 5 represent Illinois's 6th Congressional district.<sup>2</sup> Grasso designated GrassoforCongress6 as his  
 6 principal campaign committee; Christen Korzyniewski is the treasurer.<sup>3</sup>

7 The Complaint alleges that Filippo Rovito, president and director of 5 Brothers, Inc., who  
 8 operates multiple restaurants<sup>4</sup> and is purportedly a friend of Grasso,<sup>5</sup> illegally made \$2,900  
 9 contributions to the Committee in the names of three employees, all identified as managers of the  
 10 restaurants in the Committee's disclosure reports — Gina T. Cademartori, manager of 5  
 11 Brothers, Inc.; Virginia A. Moya-DeLeon, manager of Capri on the Go; and Terese Dimaria,  
 12 manager of Capri Banquets whose employer was initially misreported as Metro Strategies  
 13 Group.<sup>6</sup> The Complaint also alleges that Rovito contributed \$2,900 in the name of his wife,  
 14 Antonia Rovito, a manager at Capri Ristorante.<sup>7</sup> The Complaint bases its allegations on the fact  
 15 that all alleged conduits work for restaurants owned or operated by Rovito, all the contributions  
 16 were made to the Committee on the same day, and that the Complainant believes it is unlikely

<sup>2</sup> Gary A. Grasso, Statement of Candidacy (Jan. 4, 2022).

<sup>3</sup> GrassoforCongress6, Statement of Org. (Jan. 4, 2022) (Amend. May 10, 2022).

<sup>4</sup> 5 Brothers, Inc., is incorporated in Illinois and is the corporate name for a group of restaurants under the assumed corporate names of Capri Ristorante and Capri by Gigi, among others. Business Entity Search, Illinois Secretary of State, <https://apps.ilsos.gov/businessentitysearch/businessentitysearch> (last visited June 5, 2024).

<sup>5</sup> The Complaint asserts that Rovito and Grasso "are close friends and confidants" and that Rovito has made contributions to Grasso's mayoral races and a statewide race but "suspiciously" made no direct contribution to Grasso's federal campaign. Compl. at 1.

<sup>6</sup> Compl. at 1; GrassoforCongress6, 2022 April Quarterly Report at 9, 14, 28, 36 (Apr. 15, 2022).

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

MUR 8024 (Filippo Rovito)  
Factual and Legal Analysis  
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THIS PROPOSED DRAFT WAS VOTED ON BUT  
NOT APPROVED BY THE COMMISSION.

1 that these employees could afford to make \$2,900 contributions from their own funds.<sup>8</sup> These  
2 employees had not previously or since made itemized contributions to federal or Illinois state  
3 political committees.

4 The Complaint also alleges that the Committee accepted prohibited corporate in-kind  
5 contributions in the form of food and beverages in connection with fundraisers held at Rovito's  
6 restaurant, Capri Ristorante. The available information indicates that the fundraiser was held in  
7 the bar areas of the restaurants and that no food or beverages were provided. Rovito did not  
8 respond to this allegation.

### 9      III.     LEGAL ANALYSIS

**A. The Commission Finds Reason to Believe that Filippo Rovito Made Excessive Contributions in the Name of Another**

12 The Act and Commission regulations provide that no person shall make a contribution in  
13 the name of another person, knowingly permit his or her name to be used to effect such a  
14 contribution, or knowingly accept such a contribution.<sup>9</sup> The Commission has included in its  
15 regulations illustrations of activities that constitute making a contribution in the name of another:

- (i) Giving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made; or
- (ii) Making a contribution of money or anything of value and attributing as the source of the money or thing of value another person when in fact the contributor is the source.<sup>10</sup>

24 The requirement that a contribution be made in the name of its true contributor promotes  
25 Congress's objective of ensuring the complete and accurate disclosure by candidates and

8 *Id.*

<sup>9</sup> 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b)(1)(i), (ii), (iv).

10 11 C.F.R. § 110.4(b)(2)(i)–(ii).

1       committees of the political contributions they receive.<sup>11</sup> Courts therefore have uniformly  
 2       rejected the assertion that “only the person who actually transmits funds . . . makes the  
 3       contribution,”<sup>12</sup> recognizing that “it is implausible that Congress, in seeking to promote  
 4       transparency, would have understood the relevant contributor to be [an] intermediary who  
 5       merely transmitted the campaign gift.”<sup>13</sup> Consequently, both the Act and the Commission’s  
 6       implementing regulations provide that a person who furnishes another with funds for the purpose  
 7       of contributing to a candidate or committee “makes” the resulting contribution.<sup>14</sup> This is true  
 8       whether funds are advanced to another person to make a contribution in that person’s name or  
 9       promised as reimbursement of a solicited contribution.<sup>15</sup>

10           Because the concern of the law is reporting the true contributor from which a contribution  
 11       to a candidate or committee originates, regardless of the mechanism by which the funds are

<sup>11</sup>       *United States v. O'Donnell*, 608 F.3d 546, 553 (9th Cir. 2010) (“[T]he congressional purpose behind [§ 30122] — to ensure the *complete and accurate disclosure* of the contributors who finance federal elections — is plain.” (emphasis added)); *Mariani v. United States*, 212 F.3d 761, 775-76 (3d Cir. 2000) (rejecting constitutional challenge to § 30122 in light of compelling governmental interest in disclosure).

<sup>12</sup>       *United States v. Boender*, 649 F.3d 650, 660 (7th Cir. 2011).

<sup>13</sup>       *O'Donnell*, 608 F.3d at 554; *see also Citizens United v. FEC*, 558 U.S. 310, 371 (2010) (“The First Amendment protects political speech; and disclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.”); *Doe v. Reed*, 561 U.S. 186, 199 (2010) (“Public disclosure also promotes transparency and accountability in the electoral process to an extent other measures cannot.”).

<sup>14</sup>       *See Boender*, 649 F.3d at 660 (holding that to determine who made a contribution “we consider the giver to be the *source* of the gift, not any intermediary who simply conveys the gift from the donor to the donee” (emphasis added)); *O'Donnell*, 608 F.3d at 550 (“To identify the individual who has made the contribution, we must look past the intermediary’s essentially ministerial role to the substance of the transaction.”); *Goland v. United States*, 903 F.2d 1247, 1251 (9th Cir. 1990) (“The Act prohibits the use of ‘conduits’ to circumvent [the Act’s reporting and recordkeeping] restrictions . . . .”).

<sup>15</sup>       *O'Donnell*, 608 F.3d at 555 (“We therefore hold that § [30122] unambiguously applies to a defendant who solicits others to donate to a candidate for federal office in their own names and either advances the money or promises to — and does — reimburse them for the gifts.”). Moreover, the “key issue . . . is the *source* of the funds” and, therefore, the legal status of the funds when conveyed from a conduit to the ultimate recipient is “irrelevant to a determination of who ‘made’ the contribution for the purposes of § [30122].” *United States v. Whittemore*, 776 F.3d 1074, 1080 (9th Cir. 2015) (emphasis in original).

1 transmitted, the Commission will examine the structure of the transaction itself and the  
 2 arrangement between the parties to determine who in fact “made” a given contribution.

3 No person shall make contributions to any candidate or authorized committee with  
 4 respect to any election which, in the aggregate, exceed the Act’s contribution limit, which was  
 5 \$2,900, during the 2022 election cycle.<sup>16</sup> Further, the Act provides that no political committee  
 6 shall knowingly accept any contribution that exceeds this limit.<sup>17</sup>

7 The Complaint in this matter alleges that Rovito, the owner of the Capri restaurants, was  
 8 the true contributor of contributions made by three restaurant employees and his wife, who could  
 9 not on their own afford to contribute \$2,900 to a political candidate.<sup>18</sup> If Rovito reimbursed his  
 10 restaurant employees and his wife for their contributions, or advanced the funds for the  
 11 contributions, these actions violated the Act by making contributions in the name of another and  
 12 making excessive contributions to the Committee.

13 The Commission has previously found that patterns of clustered giving, as in this case,  
 14 are indicative of conduit contribution arrangements, especially where there is no specific denial  
 15 from the alleged contributor or conduits, as in this case. In MUR 7102 (Keefe, Keefe, and  
 16 Unsell, P.C. (“KKU”), *et al.*), the Commission determined that clustered giving was indicative of  
 17 conduit contribution arrangements when all contributors contributed the maximum amount  
 18 despite being lower paid administrative staff.<sup>19</sup> The Response filed by KKU and its three named

<sup>16</sup> 52 U.S.C. § 30116(a)(1)(A); 11 C.F.R. § 110.1(b)(1).

<sup>17</sup> 52 U.S.C. § 30116(f); *see also* 11 C.F.R. § 110.9 (“No candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of 11 CFR part 110.”).

<sup>18</sup> Compl. at 1; Capri appears to be part of a group of three restaurants in Burr Ridge, IL. *See* <https://www.capribygigi.com/capri-ristorante-of-burr-ridge-2/> (last visited June 5, 2024).

<sup>19</sup> *See* Factual & Legal Analysis (“F&LA”) at 5-7, MUR 7102 (KKU, *et al.*). The MUR 7102 Complaint alleged that making the contributions would cause “financial hardship” to the contributors. The contributors in MUR 7102 appear to be subordinate employees. *Id.* at 2-3. *See also* MURs 7005 & 7056 (Adam H. Victor, *et al.*)

1 partners in the matter did not directly deny that KKU reimbursed its employees' contributions;  
 2 instead, KKU argued that the Complaint was speculative.<sup>20</sup> The Commission ultimately  
 3 conciliated these violations.<sup>21</sup>

4 The Commission has made reason to believe findings and pursued clustered employee  
 5 contributions in other matters. In MUR 5305 (Herrera for Congress, *et al.*), the Commission  
 6 made reason to believe findings where Commission noted that contributions from colleagues at a  
 7 design firm were clustered on four specific dates, and over half of the total contributions from  
 8 firm employees occurred on the same date.<sup>22</sup> In MUR 5818 (Fieger, Fieger, Kenney & Johnson,  
 9 P.C.), the Commission made reason to believe findings where 36 of 46 contributors from the  
 10 same law firm contributed on one of three dates.<sup>23</sup>

11 Here, the contributions reported as having been made by employees and Rovito's wife  
 12 and closely fit the pattern of the MURs described above. Each contribution was for the same  
 13 dollar amount, the then-maximum, and made on the same date to the same candidate; none of the  
 14 identified contributors has previously or since made any itemized contributions to any other

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(use of subordinate employees as conduits); MUR 6465 (Fiesta Bowl, *et al.*) (use of subordinate employees and spouses as conduits); MUR 6234 (Cenac, *et al.*) (same); MUR 7472 (Barletta, *et al.*) (same).

<sup>20</sup> See F&LA at 3, MUR 7102 (KKU, *et al.*).

<sup>21</sup> Conciliation Agreement, MUR 7102 (KKU, *et al.*).

<sup>22</sup> See F&LA at 2, (Rhodes Design and Development), MUR 5305 (Herrera for Congress, *et al.*) (finding reason to believe where employees holding a wide range of positions all made the maximum contribution allowed under the Act in clusters of several dates, and respondents did not contest the allegations and expressed a willingness to conciliate, thereby confirming that such a pattern indicated a conduit contribution scheme).

<sup>23</sup> See F&LA at 3-4, MUR 5818 (Fieger, Fieger, Kenney & Johnson, P.C.) (finding reason to believe in part where the record showed "a large number of maximum contributions made on the same days by individuals associated with the Firm, many of whom had never previously contributed to any Federal campaign," members of the firm denied the allegations but the firm itself did not confirm, deny, or make any substantive representation as to the allegations, and, *inter alia*, a news article reported a former employee's claim that the firm had reimbursed him for contributions).

1 federal committees or to Illinois state committees.<sup>24</sup> While it is true that each of the alleged  
 2 conduits in this case held the title of manager, and thus likely held higher-level positions than  
 3 other restaurant employees, the fact that these individuals were managers by itself is insufficient  
 4 to rebut the other circumstances indicative of straw donations. And although the alleged amount  
 5 in violation is not as great in this matter as in others — \$11,600 in contributions with four  
 6 alleged conduits, as compared to \$18,900 across seven conduit contributions in KKU<sup>25</sup> — given  
 7 the seriousness of the unanswered allegations, this matter warrants a reason to believe finding  
 8 and an investigation. The Commission has previously proceeded against an alleged conduit  
 9 scheme with a lower amount in violation. In MUR 5927 (Joseph A. Solomon), the Commission  
 10 found reason to believe where an insurance CEO reimbursed with personal funds three conduits  
 11 for \$1,000 contributions each.<sup>26</sup>

12 By contrast, the Commission has dismissed or found no reason to believe as to  
 13 allegations of contributions in the name of another in other matters where allegations of  
 14 reimbursed contributions are based on circumstantial information and where respondents  
 15 specifically denied the allegations.<sup>27</sup>

<sup>24</sup> See F&LA at 9, 11, MURs 7005 & 7056 (Adam H. Victor, *et al.*) (evidence as to the alleged conduits (lack of contribution histories) supported finding reason to believe as to the true contributor that allegedly *made* contributions in the name of other persons)).

<sup>25</sup> GC Br. at 2-3, 5-6, MUR 7102 (KKU, *et al.*); Certification (“Cert.”) ¶ 1 (Jan. 15, 2021), MUR 7102 (finding probable cause to believe that respondents made contributions in the name of another in the amount of \$18,900).

<sup>26</sup> See Cert. ¶ 2 (Dec. 3, 2008), Pre-MUR 443 and MUR 5927 (Joseph A. Solomon).

<sup>27</sup> See, *e.g.*, F&LA at 2, MUR 7893 (William Wachtel, *et al.*) (no reason to believe where Complaint provided circumstantial information, not firsthand knowledge, that the contributions were reimbursed and respondents provided multiple sworn affidavits specifically denying the allegations); F&LA at 4, MUR 7091 (Friends of Patrick Murphy) (finding no reason to believe where contributions of family members and associates were clustered but not supported by any additional information that the contributions were not made with personal funds and contributors asserted they made contributions directly, individually and within contribution limits); *see also* MURs 7793 & 7801 (Louis DeJoy, *et al.*) (Commission dismissed as matter of prosecutorial discretion allegations of contributions made in the name of another where Respondents denied the allegations, submitted sworn statements, and asserted that the clustered contributions were the result of successful fundraising events).

1           Accordingly, the Commission finds reason to believe that Filippo “Gigi” Rovito, Jr.,  
 2   violated 52 U.S.C. §§ 30116(a)(1)(A) and 30122 and 11 C.F.R. §§ 110.1(b)(1) and 110.4(b)(1)(i)  
 3   by making excessive contributions in the names of others.

4           **B. The Commission Dismisses the Allegations that Filippo Rovito Consented to  
 5           the Making of Prohibited Corporate In-Kind Contributions in Connection  
 6           with a Fundraiser at Capri Ristorante**

7           A “contribution” includes “any gift, subscription, loan, advance, or deposit of money or  
 8           anything of value” made by any person for the purpose of influencing any election for Federal  
 9           office.<sup>28</sup> The phrase “anything of value” includes in-kind contributions, defined as the provision  
 10          of any goods or services without charge or at a charge that is less than the usual and normal  
 11          charge for such goods and services.<sup>29</sup> The Act prohibits corporations from contributing to a  
 12          federal candidate or candidate’s committee, and further prohibits any officer of a corporation  
 13          from consenting to any such contribution by the corporation, and any candidate or candidate’s  
 14          committee from knowingly accepting such a contribution.<sup>30</sup>

16           The Complaint alleges that the Committee accepted but failed to report in-kind  
 17          contributions in the form of food and beverages provided at a fundraiser held at Rovito’s  
 18          restaurant, Capri Ristorante.<sup>31</sup> The available information indicates that the fundraisers were held  
 19          in the bar areas of the restaurants; no food or beverages were provided.

<sup>28</sup>       52 U.S.C. § 30101(8)(A)(i).

<sup>29</sup>       11 C.F.R. § 100.52(d)(1).

<sup>30</sup>       52 U.S.C. § 30118(a); 11 C.F.R. § 114.2(b), (d), (e).

<sup>31</sup>       Compl. at 25, 27, 29.

1        The Complaint included a copy of the event invitation but no information regarding the  
2    event as it occurred. Accordingly, the available information does not warrant a reason to believe  
3    finding regarding this allegation.

4        Therefore the Commission dismisses as a matter of prosecutorial discretion the  
5    allegations that: (1) Filippo “Gigi” Rovito, Jr., consented to the making of prohibited in-kind  
6    corporate contributions in violation of 52 U.S.C. § 30118(a) and 11 C.F.R. § 114.2(e).

THIS PROPOSED DRAFT WAS VOTED ON BUT  
NOT APPROVED BY THE COMMISSION.

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

**RESPONDENT:** Branko Palikuća **MUR:** 8024

## I. INTRODUCTION

8        The Complaint and supplements to the Complaint allege that GrassoforCongress6 and  
9        Christen Korzyniewski in her official capacity as treasurer (the “Committee”),<sup>1</sup> the principal  
10      campaign committee for Gary Grasso, a 2022 congressional candidate in Illinois, accepted  
11      prohibited corporate in-kind contributions in the form of use of space, food, and beverages for a  
12      fundraiser held at Topaz Café, a restaurant owned by Branko Palikuca.<sup>2</sup>

13           In response, Branko Palikuca states that the fundraising event at that location was  
14           canceled due to poor response and that a few guests showed up and purchased their own drinks.<sup>3</sup>  
15           Based on the available information, the Commission dismisses as a matter of prosecutorial  
16           discretion the allegation that Branko Palikuca consented to the making of prohibited in-kind  
17           corporate contributions to the Committee in connection with fundraisers at Topaz Café in  
18           violation of 52 U.S.C. § 30118(a) and 11 C.F.R. § 114.2(e).<sup>4</sup>

## 19 II. FACTUAL BACKGROUND

20 Gary A. Grasso was a candidate seeking election to the U.S. House of Representatives to  
21 represent Illinois's 6th Congressional district.<sup>5</sup> Grasso designated GrassoforCongress6 as his

<sup>1</sup> Compl. at 1-2 (July 8, 2022); Supp. Compl. #2 (Sept. 1, 2022); Supp. Compl. #3 (Dec. 1, 2022).

2 Compl., Part. 2.

<sup>3</sup> Branko Palikuća Resp. (Aug. 10, 2022).

4

<sup>5</sup> Gary A. Grasso, Statement of Candidacy (Jan. 4, 2022).

1 principal campaign committee; Christen Korzyniewski is the treasurer.<sup>6</sup> Grasso lost the June  
 2 2022 primary election.<sup>7</sup> The Committee disclosed \$635,117.00 in receipts and \$632,622.05 in  
 3 disbursements during the 2022 pre-primary period.<sup>8</sup>

4 The Complaint also alleges that the Committee accepted, but failed to report, in-kind  
 5 contributions in the form of food and beverages in connection with fundraisers held at Topaz  
 6 Café, a restaurant owned by Branko Palikuca.<sup>9</sup> Palikuca responded that “the event was cancelled  
 7 due to poor response” and that “a few guests showed up and purchased their own drinks.”<sup>10</sup>

8 **III. LEGAL ANALYSIS**

9 A “contribution” includes “any gift, subscription, loan, advance, or deposit of money or  
 10 anything of value” made by any person for the purpose of influencing any election for Federal  
 11 office.<sup>11</sup> The phrase “anything of value” includes in-kind contributions, defined as the provision  
 12 of any goods or services without charge or at a charge that is less than the usual and normal  
 13 charge for such goods and services.<sup>12</sup> The Act prohibits corporations from contributing to a  
 14 federal candidate or candidate’s committee, and further prohibits any officer of a corporation

<sup>6</sup> GrassoforCongress6, Statement of Org. (Jan. 4, 2022) (Amend. May 10, 2022).

<sup>7</sup> See 2022 Primary Election Results, Illinois State Board of Elections,  
<https://elections.il.gov/ElectionOperations/ElectionVoteTotals.aspx?ID=63a1ZoIunYs%3d&OfficeType=LpWf6lpbWOfBN3kEuxRi3A%3d%3d> (last visited June 27, 2024).

<sup>8</sup> GrassoforCongress6, Amended 2022 July Quarterly Report at 3, 4 (Nov. 17, 2022).

<sup>9</sup> Compl. Part 2 at 20-21. The Complaint attached the invitations to the fundraisers. *Id.* at 23-24. Illinois state records indicate that Palikuca is the owner and manager of Topaz Café, a limited liability company registered in Illinois, <https://apps.ilsos.gov/businessentitysearch/businessentitysearch> (last visited June 27, 2024).

<sup>10</sup> Branko Palikuca Resp. Palikuca, who was notified and responded under the name Branko Palikuca, made a \$2,000 contribution to GrassoforCongress6 on March 9, 2022, under the name Branislav Palikuca. GrassoforCongress6, Amended 2022 April Quarterly Report (Aug. 22, 2022).

<sup>11</sup> 52 U.S.C. § 30101(8)(A)(i).

<sup>12</sup> 11 C.F.R. § 100.52(d)(1).

1 from consenting to any such contribution by the corporation, and any candidate or candidate's  
 2 committee from knowingly accepting such a contribution.<sup>13</sup>

3       The Complaint alleges that the Committee accepted but failed to report in-kind  
 4 contributions in the form of food and beverages provided in fundraisers held at Topaz Café, a  
 5 restaurant owned by Branko Palikuca.<sup>14</sup> Palikuca responded that "the event was cancelled due to  
 6 poor response" and that "a few guests showed up and purchased their own drinks."<sup>15</sup>

7       The Complaint included copies of the event invitations but no information regarding the  
 8 events as they occurred. Palikuca asserts that the events were poorly attended, and that food and  
 9 beverages were not provided by the restaurants. Accordingly, the available information does not  
 10 warrant a reason to believe finding regarding this allegation. Therefore the Commission  
 11 dismisses as a matter of prosecutorial discretion the allegation that Branko Palikuca, owner of  
 12 Topaz Café,<sup>16</sup> consented to the making of prohibited corporate in-kind contributions to the  
 13 Committee in violation of 52 U.S.C. § 30118(a) and 11 C.F.R. § 114.2(e).

<sup>13</sup>       52 U.S.C. § 30118(a); 11 C.F.R. § 114.2(b), (d), (e).

<sup>14</sup>       Compl. at 25, 27, 29.

<sup>15</sup>       Branko Palikuca Resp.

<sup>16</sup>       Given Topaz's status as an LLC, Palikuca would only have potential section 30118(a) consenting liability if the LLC files with the IRS as a corporation. *See* 11 C.F.R. § 110.1(g)(3). We have no information as to whether Topaz Café, LLC, elects to be treated as a corporation or a partnership for tax purposes.