FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

October 4, 2024

By First Class Mail
Filippo "Gigi" Rovito, Jr.
[redacted]
Burr Ridge, IL 60527

RE: MUR 8024

Dear Mr. Rovito:

On July 14, September 7, and December 8, 2022, the Federal Election Commission (the "Commission") notified you of a complaint and supplemental complaints, alleging violations of the Federal Election Campaign Act of 1971, as amended. Copies of the complaint and supplemental complaints were forwarded to you at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on August 29, 2024, was equally divided on whether to: (1) find reason to believe that you 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) by making excessive contributions in the names of others; and (2) dismiss the allegations that you consented to the making of prohibited corporate in-kind contributions to the Committee in connection with fundraisers at Capri Ristorante in violation of 52 U.S.C. § 30118(a) and 11 C.F.R. § 114.2(e). The Commission voted to close its file in this matter effective October 4, 2024. Any applicable Statements of Reasons available at the time of this letter's transmittal are 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).

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 694-1650 or ddillenseger@fec.gov.

Sincerely,

Mark Allen by DD

Mark Allen
Assistant General Counsel

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 8024
GrassoforCongress6, *et al.*	)	

STATEMENT OF REASONS OF
CHAIRMAN SEAN J. COOKSEY AND COMMISSIONER ALLEN J. DICKERSON

In this matter, the Commission declined to find reason to believe that Respondent Fillipo Rovito, Jr. made excessive campaign contributions in the name of another in violation of the Federal Election Campaign Act of 1971, as amended (the "Act), and Commission regulations. Likewise, the Commission declined to authorize a proposed investigation by the Office of the General Counsel ("OGC") to gather additional information regarding the alleged scheme to make conduit contributions. Rather than launching a resource-intensive investigation to pursue speculative allegations about a "straw donor" scheme involving a total of $11,600 in contributions, we voted to dismiss the Complaint and close the case file.[1] This statement sets out our reasons for doing so.

The Complaint principally alleged that Filippo Rovito, who owns and operates several restaurants in Illinois, used his wife and three of his employees as conduits to make excessive contributions to the principal campaign committee of Gary A. Grasso, a candidate for Illinois's 6th Congressional District in 2022.[2] As evidence for the alleged conduit contributions, the Complaint focused on the fact that Rovito's wife and the three employees were all managers at restaurants operated by Rovito, and that each of them contributed $2,900—the legal limit on contributions to a federal candidate during the 2022 cycle—to Grasso on the same day.[3] The Complaint inferred that, given their employment in the service industry, these four individuals could not "afford to give the individual maximum donation" on their own account, and instead

---

1 Certification (Aug. 29, 2024), MUR 8024 (GrassoforCongress6, *et al.*).

2 Complaint (July 8, 2022), MUR 8024 (GrassoforCongress6, *et al.*). In addition, the Complaint alleged that Grasso's campaign did not accurately report contributor information; that Grasso's committee failed to report in-kind contributions in the form of food and beverages provided by Rovito and another restaurant's owner during campaign fundraisers at their establishments; and that, based on Gary Grasso's public financial filings, he was not likely the real source of $250,000 in loans he disclosed making to his campaign. *Id.* OGC recommended that the Commission dismiss each of these allegations as an exercise of prosecutorial discretion. First General Counsel's Report at 13–19 (July 31, 2024), MUR 8024 (GrassoforCongress6, *et al.*).

3 Complaint at 1 (July 8, 2022) MUR 8024 (GrassoforCongress6, *et al.*).

claimed that "the donations actually came from the restaurant's owner/operator," Filippo Rovito, who had previously given contributions to Grasso's campaigns for state and local office.[4] The Complaint provided no other evidence to substantiate the alleged conduit contributions, and Rovito and his wife and employees did not submit a response to the Commission.

Despite the limited and mostly circumstantial evidence presented by the Complaint, OGC concluded that "this matter warrants a reason to believe finding [against Rovito] and an investigation" to gather more information from Rovito and other Respondents about the alleged conduit contributions, including "financial records, including bank statements, regarding payments to the alleged conduits, including bonus payments and those outside of the course of regular salary disbursements."[5] Furthermore, OGC recommended that the Commission take no action until the conclusion of its proposed investigation with respect to the allegations that Rovito's wife and three employees, as well as Gary Grasso and GrassoforCongress6, had knowingly participated in the straw-donor scheme.[6]

The First General Counsel's Report noted that "patterns of clustered giving, as in this case, are indicative of conduit contribution arrangements, especially where there is no specific denial from the alleged contributor or conduits, as in this case."[7] But, compared to other conduit contribution cases where the Commission has found reason to believe, the "cluster" here was small: only four of Rovito's employees (one of whom was also his wife) contributed to Grasso's campaign committee, for a total sum of only $11,600.[8] By contrast, MUR 5818 (Fieger, Fieger, Kenney & Johnson, P.C.) concerned a conduit scheme ultimately involving more than $130,000 in contributions made by 66 individuals, and in MUR 5305 (Herrera for Congress, *et al.*), the Commission found reason to believe that fourteen employees of a construction firm, and some of those employees' spouses, were reimbursed for $37,000 in campaign contributions they made to two federal candidates' campaigns.[9] Although Rovito's wife and employees made their contributions to Grasso on the same date, "the making of multiple contributions on the same day is not a sufficient basis in and of itself to establish reason to believe."[10] Indeed, the fact that four employees of the same business all gave their contributions on the same day does not clearly buttress the plausibility of the Complaint's theory, as straw donors will sometimes disburse

4 *Id.*

5 First General Counsel's Report at 12, 20 (July 31, 2024), MUR 8024 (GrassoforCongress6, *et al.*)

6 *Id.* at 13.

7 *Id.* at 10.

8 *Id.* at 12.

9 Conciliation Agreement (Oct. 20, 2009), MUR 5818 (Fieger, Fieger, Kenney, Johnson & Giroux, P.C.); Factual and Legal Analysis at 1–3 (Mar. 2, 2005), MUR 5305 (Bravo, Inc., *et al.*). *See also* Certification (Jan. 12, 2021), MUR 7102 (Keefe, Keefe, & Unsell, P.C., *et al.*) (finding probable cause to believe that law firm made contributions in the name of another totaling $18,900 through seven employees); Factual and Legal Analysis at 3 (Jan. 12, 2012), MUR 6465 (Fiesta Bowl) (finding reason to believe organization reimbursed federal contributions totaling $30,400).

10 Factual and Legal Analysis at 4 n.2 (Sept. 26, 2006), MUR 5818 (Fieger, Fieger, Kenney & Johnson, P.C.).

contributions across a period of time, rather than contributing all at once, to avoid arousing suspicion.[11]

In recommending the Commission find reason to believe, OGC seemed to accept, at least implicitly, the Complaint's unfounded assertion that workers in the service industry, including managers, could not possibly "afford" to make a $2,900 campaign contribution.[12] Although Rovito and his employees did not furnish a response to the Complaint to rebut the speculation about their income, the Complaint itself offered no evidence that the Respondents did not independently possess the funds to each contribute $2,900 to the Grasso campaign. Nor are we convinced that their lack of a prior history of making contributions to political campaigns indicates a conduit scheme. With no information about these individuals' actual earnings or wages, "we cannot allow mere conjecture … to serve as a basis to launch an investigation, simply because the conjecture is met by less than the most explicit denial." [13]

Finally, even if some additional information corroborated the existence of a straw donor scheme, we would remain disinclined to find reason to believe and investigate the allegations, considering the small amount in violation here: $11,600. At the same time, the investigation proposed by OGC likely would have necessitated significant agency resources and staff time to obtain the relevant financial records from Rovito and the other Respondents, particularly if the Commission had to seek subpoenas or deposition discovery.[14] Meanwhile, any public interest in the Commission continuing to pursue these allegations at this time is minimal; Gary Grasso ended his congressional campaign over two years ago, after losing in Illinois's June 2022 Republican primary.[15]

* * *

For these reasons, we could not support OGC's recommendations, and instead we voted to dismiss the Complaint and close the file.

---

[11] *See, e.g.*, Factual and Legal Analysis at 4–8 (Jan. 12, 2012), MUR 6465 (Fiesta Bowl) (describing multi-year scheme to reimburse federal contributions).

[12] *See* Complaint at 1 (July 8, 2022), MUR 8024 (GrassoforCongress6, *et al.*); *see also* First General Counsel's Report at 11–12 (July 31, 2024), MUR 8024 (GrassoforCongress6, *et al.*) ("While it is true that each of the alleged conduits in this case held the title of manager, and thus likely held higher-level positions than other restaurant employees, the fact that these individuals were managers by itself is insufficient to rebut the other circumstances indicative of straw donations.").

[13] Statement of Reasons of Chairman Daryl R. Wold and Commissioners David M. Mason and Scott E. Thomas at 2 (July 20, 2000) MUR 4850 (Deloitte and Touche, LLP, *et al.*).

[14] *See* First General Counsel's Report at 19–20 (July 31, 2024), MUR 8024 (GrassoforCongress6, *et al.*).

[15] *Id.* at 5.

Sean J. Cooksey
Chairman

September 30, 2024
Date

Allen J. Dickerson
Commissioner

September 30, 2024
Date

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
GrassoforCongress6, *et al*.	)	MUR 8024
	)	

STATEMENT OF REASONS OF VICE CHAIR ELLEN L. WEINTRAUB

This matter raised questions about the source of funds that were donated to a congressional campaign committee, GrassoforCongress6, including whether certain contributions were made in the name of another,[1] as well as the source of $250,000 that the candidate, Gary A. Grasso, loaned to his campaign[2]—an amount nearly equal to his annual salary.[3] The Complaint alleges that based on the income and assets disclosed on his personal Financial Disclosure Report, Mr. Grasso did not appear to have sufficient funds to provide the loans.[4] In the absence of any response refuting this charge, I believe these allegations merited a narrow investigation.

Federal candidates are permitted to give or loan their campaigns an unlimited amount of money from their own personal funds.[5] All political committees are required to file periodic disclosure reports with the Commission which accurately report all contributions received and disbursements made.[6] Candidate loans are reported on Form 3.[7] If the funds derive from a loan or line of credit taken out by the candidate, the name of the lender and the terms of the loan must be disclosed.[8] This ensures that the public is informed as to whom the candidate is indebted and

[1] *See* Compl., MUR 8024 (GrassoforCongress6, *et al*.).
[2] *See* First Gen. Counsel's Rpt. at 3, 8 n.34, MUR 8024 (GrassoforCongress6, *et al*.) (July 31, 2024).
[3] *See* First Gen. Counsel's Rpt. at 19.
[4] Compl. at 26.
[5] *See Buckley v. Valeo*, 424 U.S. 1, 54 (1976); 52 U.S.C. § 30101(26) (personal funds); 11 C.F.R. § 100.33 (defining personal funds of a candidate); 11 C.F.R. § 110.10 (expenditures by federal candidates). *See also Using the personal funds of the candidate*, FED. ELECTION COMM'N, https://www.fec.gov/help-candidates-and-committees/candidate-taking-receipts/using-personal-funds-candidate/ (personal funds of a candidate include: "[a]ssets which the candidate has a legal right of access to or control over, and which he or she has legal title to or an equitable interest in, at the time of candidacy; [i]ncome from employment; [d]ividends and interest from, and proceeds from sale or liquidation of, stocks and other investments; [i]ncome from trusts, if established before the election cycle; [i]ncome from trusts established by bequests (even after candidacy); [b]equests to the candidate; [p]ersonal gifts that had been customarily received by the candidate prior to the beginning of the election cycle; and [p]roceeds from lotteries and similar games of chance.").
[6] 52 U.S.C. § 30104; 11 C.F.R. § 104.3.
[7] *See* FEC Form 3*; How to Report: Candidate personal funds loans*, FED. ELECTION COMM'N, https://www.fec.gov/help-candidates-and-committees/filing-reports/candidate-personal-funds-loans/.
[8] *See* 11 C.F.R. § 104.3(a), (d) (reporting debts and obligations); *see also* 11 C.F.R. § 100.82(b) (reporting bank loans).

that the candidate is not receiving an in-kind contribution in the form of more generous terms than those usually and customarily afforded.[9]

GrassoforCongress6 disclosed two loans totaling $250,000 from Mr. Grasso: a $100,000 loan on April 15, 2022, and a $150,000 loan on July 15, 2022.[10] In Mr. Grasso's U.S. House Financial Disclosure Report filed on June 15, 2022, he did not disclose any assets or unearned income, but did disclose an annual salary of $300,000. Moreover, his House Financial Disclosure Report included a "Revolving Line of Credit for law firm" in the range of $100,001 to $250,000, and other compensation of $500 per month ($6,000 annually) as mayor of Village of Burr Ridge, IL.[11] When Mr. Grasso submitted this Report, he certified that it was "true, complete, and correct, to the best of [his] knowledge and belief."[12]

Based on that Report, it is at best unclear whether Mr. Grasso had the personal resources to loan his campaign $250,000. He did not report any bank accounts or other liquid assets, and his gross annual income—from which he likely pays for food, rent, and taxes—barely exceeds the loan amount. To assume that the report was actually incomplete despite the certification is simply speculation. Notably, Respondents did submit responses to the Commission that addressed other allegations raised in the Complaint but were silent as to this issue.[13] Not everyone has a quarter of a million dollars in liquid assets available to loan to a political campaign. If the funds derived from a bank loan or from drawing on Mr. Grasso's law firm's line of credit, there would have been, at a minimum, a reporting violation under the Federal Election Campaign Act, as amended (the "Act"). Based on the information before the Commission—the Complaint, the Responses, the Committee's disclosure reports under the Act, and the candidate's Financial Disclosure Report filed with the House of Representatives—the Commission had reason to believe that the law was violated.[14] Determining whether Mr. Grasso's loans to his campaign committee totaling a quarter of a million dollars complied with the Act and Commission regulations was worthy of our time and the limited resources that would have been necessary to conduct the requisite investigation.[15]

---

[9] A loan from a commercial bank to a candidate is exempt from the definition of contributions if the loan is made in accordance with applicable law and in the ordinary course of business. 52 U.S.C. § 30101(8)(B)(vii); 11 C.F.R. § 100.82(a).

[10] *See* GrassoforCongress6, 2022 April Quarterly Report, Schedule C Loans at 53 (Apr. 15, 2022) ($100,000 loan to Committee from Mr. Grasso) and 2022 July Quarterly Report, Schedule C Loans at 17 (July 15, 2022) ($150,000 loan to Committee from Mr. Grasso).

[11] First Gen. Counsel's Rpt. at 17-18; Clerk of the House of Representatives, Financial Disclosure Report, Gary Grasso (June 15, 2022), https://disclosures-clerk.house.gov/public_disc/financial-pdfs/2022/10044440.pdf.

[12] Clerk of the House of Representatives, Financial Disclosure Report, Gary Grasso (June 15, 2022), https://disclosures-clerk.house.gov/public_disc/financial-pdfs/2022/10044440.pdf.

[13] First Gen. Counsel's Rpt. at 8 (citing GrassoforCongress6 Resp.; Gary A. Grasso Resp.).

[14] The "reason to believe" finding is the threshold determination that the Commission must make to initiate an enforcement action. 52 U.S.C. § 30109(a)(2). "The Commission will find 'reason to believe' where the available evidence in the Matter is at least sufficient to warrant conducting an investigation, and where the seriousness of the alleged violation warrants either further investigation or immediate conciliation." Statement of Policy Regarding Commission Action in Matters at the Initial State in the Enforcement Process, 89 Fed. Reg. 19729, 19730 (Mar. 20, 2024). As one court observed: "'[T]he reason-to-believe' standard sets a 'low bar.'" *Common Cause Georgia v. F.E.C.* (No. 22-cv-3067) (D.D.C.) (Sept. 29, 2023) *quoting* Campaign Legal Ctr., 2022 WL 17496220 at 8.

[15] Similarly, s*ee* Stmt. of Reasons of Chair Ellen L. Weintraub at 2 (MUR 7461) (Julio Gonzalez for Congress, *et al.*) (Aug. 1, 2019), https://www.fec.gov/files/legal/murs/7461/7461_1.pdf.

In addition to the allegations related to the candidate loans, the Complaint alleges that restaurant owner Filippo "Gigi" Rovito, Jr. made contributions in the names of three of his employees, and in the name of his wife, to Gary A. Grasso and GrassoforCongress6.[16] The Act and Commission regulations provide that no person shall make a contribution in the name of another person, knowingly permit his name to be used to effect such a contribution, or knowingly accept such a contribution.[17] A person who reimburses another with funds for the purpose of contributing to a candidate or committee is the true source of the contribution and must be disclosed as such.[18]

The Office of General Counsel ("OGC") evaluated the circumstances surrounding the alleged conduit contributions in this case.[19] There was no specific denial from the alleged contributors or conduit.[20] The contributions were in the same dollar amounts, the then-maximum contribution amount, and were made on the same date.[21] In addition, the three restaurant employees and Mr. Rovito's wife had not previously nor since made any itemized contributions to any other federal committees or to Illinois state committees.[22] Based on this information, OGC recommended finding reason to believe that Filippo "Gigi" Rovito, Jr. made contributions in the names of others and recommended initiating an investigation into this issue.[23] Contributions in the name of another are among the most serious violations of the Act.

With respect to both of the allegations described above, it is entirely possible that there is an explanation that would have provided the Commission with sufficient information to warrant a dismissal. Unfortunately, the respondents here provided no such explanation. It is unclear whether Mr. Grasso and his Committee complied with the law and rules that the Commission is charged with enforcing. A targeted investigation could have resolved these issues.

Ellen L. Weintraub
Date

10/4/2024
Ellen L. Weintraub
Vice Chair

[16] Compl. at 1.
[17] 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b)(1)(i), (ii), (iv).
[18] First Gen. Counsel's Rpt. at 9.
[19] *Id*. at 8-13.
[20] *Id*. at 10.
[21] *Id*. at 11.
[22] *Id*.
[23] *Id*. at 12-13, 20-21.