



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

BEFORE THE FEDERAL ELECTION COMMISSION

**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

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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



Allen J. Dickerson
Commissioner

September 30, 2024

Date

September 30, 2024

Date