

FEDERAL ELECTION COMMISSION
FIRST GENERAL COUNSEL'S REPORT

PRE-MUR 669

DATE RECEIVED: 08/16/2023

DATE OF NOTIFICATION: 08/22/2023

DATE LAST SUPPLEMENTAL SUBMISSION
RECEIVED: 09/03/2024

DATE ACTIVATED: 07/19/2024


EXPIRATION OF SOL:
Earliest: 2/29/2024¹

Latest: 08/21/2028

ELECTION CYCLES: 2020, 2022, 2024

SOURCE:*Sua Sponte* Submission**RESPONDENTS:**

Calspan Corporation

David Meier

Peter D. Sauer

**RELEVANT STATUTES
AND REGULATIONS:**

52 U.S.C. § 30122

52 U.S.C. § 30118(a)

52 U.S.C. § 30119(a)

11 C.F.R. § 110.4(b)(1)(i), (ii)

11 C.F.R. § 114.2(d)-(f)

11 C.F.R. § 115.2(a)

INTERNAL REPORTS CHECKED:

FEC Disclosure Reports

FEDERAL AGENCIES CHECKED:

None

¹ Calspan Corporation, David Meier, and Peter Sauer have provided two separate tolling agreements that collectively extend the earliest statute of limitations for the \$500 contribution made by Sauer to February 29, 2025. The remaining contributions will remain viable with the earliest statute of limitations expiration date of September 6, 2027, and the latest expiration, August 22, 2028. *See* Calspan Corporation Tolling Agreement (Aug. 27, 2024), Pre-MUR 669 (Calspan, *et al.*); David Meier Tolling Agreement, Pre-MUR 669 (Calspan, *et al.*); Peter Sauer Tolling Agreement (Sept. 3, 2024), Pre-MUR 669 (Calspan, *et al.*); Calspan Corporation Tolling Agreement #2 (Dec. 3, 2024), Pre-MUR 669 (Calspan *et al.*); David Meier Tolling Agreement #2 (Nov. 30, 2024), Pre-MUR 669 (Calspan *et al.*); Peter Sauer Tolling Agreement #2 (Dec. 4, 2024), Pre-MUR 669 (Calspan *et al.*).

1 **I. INTRODUCTION**

2 This matter arises from a *sua sponte* Submission and Joint *sua sponte* Supplemental
3 Submissions from Calspan Corporation (“Calspan”), a federal government contractor, and two of
4 its executives, former Chief Executive Officer, Peter Sauer (“Sauer”), and former Calspan ASE
5 President, David Meier (“Meier”), reporting that they used Calspan funds to reimburse Sauer,
6 Meier, and five other executives for \$14,900 in federal contributions at various times between
7 2019 and 2023.² Sauer, who claims to have been unaware that such reimbursements were
8 illegal, caused Calspan to reimburse him for a single \$500 federal contribution he made in 2019.³
9 Later, in 2022 and 2023, Sauer and Meier caused Calspan to reimburse themselves, and five
10 other Calspan executives, for an additional \$14,400 in federal contributions.⁴ Following its
11 acquisition of Calspan in May 2023, its new owner, TransDigm, became aware that Calspan had
12 illegally reimbursed prior federal contribution reimbursements, and initiated an internal review
13 which led to this *sua sponte* submission.⁵

² Calspan *Sua Sponte* Submission (“Submission”) at 1 (Aug. 16, 2023), Pre-MUR 669 (Calspan, *et al.*). Calspan provided a copy of the results of its internal investigation as part of the initial Submission. *See* Submission, Exhibit A (also referred to as “Invest. Rpt.”). Meier and Sauer did not join the initial Submission. Submission at 1. However, both individuals later notified the Office of General Counsel (“OGC”) of their intent to join the Submission through supplemental submissions. *See* Calspan Supp. Submission (“Supp. Submission”) (March 11, 2024) (also referred to as “Meier Decl.”), Pre-MUR 669 (Calspan, *et al.*) (supplemental submission, which also included a declaration from Joseph Kassel, Vice-President of Finance, (“Kassel Decl.”) who had knowledge of the process for issuing the reimbursements); Calspan Supp. Submission #2 (“Supp. Submission #2”) (Apr. 30, 2024), Pre-MUR 669 (Calspan, *et al.*) (providing a designation of counsel form for Sauer); Calspan Supp. Submission #3 (Supp. Submission #3” or “Sauer Decl.”) (June 10, 2024), Pre-MUR 669 (Calspan, *et al.*). The Respondents also provided supplemental submissions as a means of completing the record. *See* Calspan Supp. Submission #4 (“Supp. Submission #4”) (Sept. 3, 2024), Pre-MUR 669 (Calspan, *et al.*) (providing additional information regarding reimbursed contributions and Calspan’s federal contractor information); Calspan Supp. Submission (“Supp. Submission #5” or “Amended Meier Decl.”), Pre-MUR 669 (Calspan, *et al.*) (amending the Meier declaration to correct a typographical error); Calspan Supp. Submission (“Supp. Submission #6”) (Sept. 9, 2024), Pre-MUR 669 (Calspan) (providing additional information regarding a request for a declaration or affidavit from Cornerstone).

³ Submission at 1.

⁴ *Id.*

⁵ *Id.*

1 Based on the information in the Submission and its supplements, we recommend that the
2 Commission: (1) open a Matter Under Review; (2) find reason to believe that Calspan
3 Corporation violated 52 U.S.C. §§ 30122, 30118(a), 30119(a); and 11 C.F.R. §§ 110.4(b)(1)(i),
4 114.2(d), and 115.2(a) by making prohibited corporate contributions in the names of others while
5 holding active federal contracts; (3) find reason to believe that Peter Sauer violated 52 U.S.C.
6 § 30122, and 11 C.F.R. § 110.4(b)(1)(ii) by knowingly permitting his name to be used to make
7 contributions in the name of another; and violated 52 U.S.C. § 30118(a) and 11 C.F.R. § 114.2(e)
8 by consenting to the making of prohibited corporate contributions; (4) find reason to believe that
9 David Meier violated 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b)(1)(ii) by knowingly
10 permitting his name to be used to make contributions in the name of another; and violated
11 52 U.S.C. § 30118(a) and 11 C.F.R. § 114.2(e) by consenting to the making of prohibited
12 corporate contributions; and (5) authorize pre-probable cause conciliation and approve a joint
13 conciliation agreement for Calspan, Sauer, and Meier.

II. **FACTUAL BACKGROUND**

14 **A. Calspan**

15 Calspan, headquartered in Buffalo, New York, provides engineered testing and
16 technology development services and systems for the aerospace and defense industries.⁶
17 Between 2019 and 2023, Calspan held multiple active government contracts.⁷ Sauer served as
18 the CEO of Calspan until August 18, 2023, when he left the company.⁸ In 2022, Calspan
19 acquired Aero Systems Engineering (“ASE”), a company headquartered in St. Paul, Minnesota

⁶ Invest. Rpt. at 1.

⁷ Supp. Submission #5.

⁸ Sauer Decl. ¶ 1.

1 that became known as Calspan ASE.⁹ Meier was the President of ASE at the time of the
2 acquisition by Calspan and remained in that position at Calspan ASE until mid-2024 when he
3 left the company.¹⁰

4 **B. Federal Contributions Reimbursed by Calspan**

5 In 2019, Sauer arranged for Calspan to reimburse him for a \$500 contribution to Jacobs
6 for Congress via a bonus that included additional funds to cover applicable taxes.¹¹ Sauer, in his
7 declaration, states that this method of reimbursement was consistent with how Calspan
8 reimbursed executives for charitable contributions.¹² Sauer further states that, at the time, he did
9 not know it was illegal to be reimbursed for a federal campaign contribution nor did he seek
10 legal counsel beforehand.¹³

11 In January 2022, Calspan states that it retained a consultant to lobby the federal
12 government that advised that Calspan executives should develop relationships with policymakers
13 by making contributions to candidates for federal office.¹⁴ According to Sauer, Meier suggested
14 to him that Calspan should support Congresswoman Betty McCollum's re-election since Calspan

⁹ *Id.* Calspan ASE was maintained as a separate division of Calspan under the Calspan ASE name. Sauer Decl. ¶ 8.

¹⁰ Meier Tolling Agreement (stating that Meier is no longer employed by Calspan as of 2024); Sauer Decl. ¶ 1.

¹¹ Invest. Rpt. at 4; Sauer Decl. ¶ 6; Kassel Decl. ¶ 1 (stating that the 2019 contribution was reimbursed on September 22, 2019).

¹² Sauer Decl. ¶ 6.

¹³ Submission at 6; Sauer Decl. ¶ 11. Calspan provided a copy of an invitation to a fundraising event for the McCollum for Congress committee that contains the following language in relevant part: "contributions must be from personal, not corporate accounts." Supp. Submission, Attach. In addition, it provided a copy of an invitation to a fundraising event for the Wicker for Senate committee that contains the following language in relevant part: "contributions from corporations, foreign nationals (non-green card holders), labor unions, and federal government contractors are prohibited." *Id.*

¹⁴ Submission at 4-5; see also Lobbying registration of Cornerstone Government Affairs on behalf of Calspan Aero Systems Engineering, Inc. (Jan. 6, 2022), obtained from the Clerk of the House of Representatives Legislative Research Center, <https://lda.senate.gov/filings/public/filing/684f82da-1dd0-4f6f-91e1-e2cc141bc37b/print/>.

1 ASE was located in McCollum's district.¹⁵ While Sauer states that he could not recall who
2 brought up the idea of reimbursement, Meier contends that Sauer told him that the contributions
3 could be reimbursed by Calspan.¹⁶ Meier, with the approval of Sauer, thereafter solicited
4 contributions from five other Calspan ASE executives: Michael D. Blakeslee, Kristal Gillespie,
5 David J. Myren, Allen T. Rivers and Gregory Swanson.¹⁷ These contributions were reimbursed
6 by Calspan.¹⁸ Sauer and Meier later made additional contributions to Wicker for Senate that
7 were also reimbursed by Calspan.¹⁹

8 The following is a chart reflecting the 2019-2023 reimbursed contributions:²⁰

¹⁵ Sauer Decl. ¶ 8.

¹⁶ Meier Decl. ¶ 6.

¹⁷ Invest. Rpt. at 5; Meier Decl. ¶ 7; Sauer Decl. ¶ 8.

¹⁸ Meier Decl. ¶ 7; Submission at 5; *see also* Kassel Decl. ¶ 1 (stating that the post-2019 contributions were reimbursed by Calspan on March 30, 2022, June 3, 2022, August 26, 2022, October 11, 2022, and February 13, 2023).

¹⁹ Submission at 4; Invest. Rpt. at 5; *see also* Submission, Attach. (copy of an invitation to Wicker for Senate fundraiser). The Submission also states that Calspan reimbursed a contribution of \$1,000 made by Sauer to the gubernatorial campaign of New York State Governor Kathy Hochul in July 2021. Submission at 4. The reimbursement process used for that New York State contribution is identical to the one used for the reimbursed federal contributions discussed above. *Id.* Calspan notes that it is exploring options with the state of New York. *Id.* Since the reimbursed contribution was for a state instead of a federal committee, the Commission would not have jurisdiction over this particular contribution.

²⁰ Our review of the Commission's contribution database revealed two additional \$500 contributions made on March 10, 2023, and May 25, 2023, by Meier to the McCollum Committee, that were not reflected in the Submission. *See* McCollum for Congress, 2023 April Quarterly Report at 24 (Apr. 19, 2023), <https://docquery.fec.gov/pdf/751/202304199581048751/202304199581048751.pdf>; McCollum for Congress, 2023 July Quarterly Report at 30 (July 15, 2023), <https://docquery.fec.gov/pdf/563/202307159583154563/202307159583154563.pdf>. In addition, Swanson and Rivers each made a \$50.00 contribution to McCollum for Congress on September 12 and 14, 2022, respectively, that were not reflected in the Submission. *See* McCollum for Congress, Amended 2022 October Quarterly Report at 104 (Jan. 11, 2023), <https://docquery.fec.gov/pdf/641/202301119574674641/202301119574674641.pdf>. Calspan has responded that its records indicate that none of these additional contributions were reimbursed. *See* Supp. Submission #4. We have no information to suggest otherwise.

Date	Contributor	Recipient Committee	Amount
09/22/2019	Peter Sauer	Jacobs for Congress	\$500
03/30/2022	David Meier	McCollum for Congress	\$1,000
06/03/2022	David Meier	McCollum for Congress	\$1,900
06/03/2022	Peter Sauer	McCollum for Congress	\$2,900
06/03/2022	Michael Blakeslee	McCollum for Congress	\$1,000
06/03/2022	Kristal Gillespie	McCollum for Congress	\$1,100
06/03/2022	David Myren	McCollum for Congress	\$1,000
06/03/2022	Allen Rivers	McCollum for Congress	\$1,000
06/03/2022	Gregory Swanson	McCollum for Congress	\$1,100
08/26/2022	David Meier	McCollum for Congress	\$900
10/11/2022	David Meier	McCollum for Congress	\$500
02/13/2023	David Meier	Wicker for Senate	\$1,000
02/13/2023	Peter Sauer	Wicker for Senate	\$1,000
TOTAL CONTRIBUTION AMOUNT			\$14,900

1 Calspan processed the reimbursements based on Sauer's direction to reimburse the
 2 federal contributions through discretionary bonus payments as "other compensation" and treated
 3 as non-salary compensation.²¹ As a result of this direction, the reimbursements were subject to
 4 tax withholding, and reimbursement amounts were "grossed up," so that the after-tax amount
 5 would match the contribution amount for which the employee was being reimbursed.²²

6 **C. Discovery of the Reimbursed Contributions and Internal**
 7 **Investigation**

8 On May 8, 2023, TransDigm completed its acquisition of Calspan.²³ On June 26, 2023,
 9 Meier and Sauer participated in a telephone call with Armani Vadiee, Vice President, Global
 10 Public Sector, TransDigm, to discuss Calspan's government relations-related activities.²⁴

²¹ Invest. Rpt. at 6. In addition, Kassel, Vice-President of Finance, states that he was aware of Sauer's approval of the reimbursements via grossed up bonuses and the subsequent contribution reimbursements. Kassel Decl. ¶¶ 4-5, 7. Kassel also states that Calspan, at the that time, did not have a regular practice of reimbursing employees for expenses in the form of grossed-up bonuses. *Id.* ¶ 6.

²² Invest. Rpt. at 6.

²³ Submission at 1; Invest. Rpt. at 1.

²⁴ *Id.* at 2.

1 According to Calspan, during the call, Sauer mentioned that Calspan, prior to the acquisition, had
2 previously reimbursed its employees for contributions made by those employees to federal
3 candidates.²⁵ Vadiee reportedly informed Meier and Sauer that the reimbursed contributions are
4 unlawful and that there should be no future contribution reimbursements.²⁶ Thereafter, Calspan
5 retained outside counsel to conduct an internal investigation to determine whether Calspan
6 violated campaign finance laws by reimbursing employees for political contributions.²⁷

7 All of the conduits including Blakeslee, Gillespie, Myren, Rivers, and Swanson
8 participated in Calspan's internal investigation.²⁸ In their interviews, each confirmed that they
9 were reimbursed by Calspan for their contributions to the McCollum Committee.²⁹ Moreover,
10 the Submission states that none of the conduits or executives involved in the processing of the
11 reimbursed contributions indicated that they understood that such reimbursements were
12 prohibited.³⁰ The record presently contains no information suggesting that any of the recipient
13 committees were aware that Calspan reimbursed the contributions made in the name of its
14 employees.

15 On August 11, 2023, counsel completed its investigation and submitted its report (the
16 "Investigation Report") on potential FEC violations to Calspan and TransDigm.³¹ The *sua*
17 *sponte* submission summarized the Investigation Report and noted that all conduits and other

²⁵ *Id.*

²⁶ *Id.*

²⁷ Invest. Rpt. at 2.

²⁸ *Id.*

²⁹ *Id.* at 6.

³⁰ Submission at 5.

³¹ *Id.*

1 associated Calspan parties fully cooperated with the investigation.³² The Investigation Report
2 concluded that, by reimbursing the seven Calspan executives for their federal contributions with
3 corporate funds, Calspan potentially violated multiple sections of the Act.³³

4 The Submission, relying on the Investigation Report, contends that the violations were
5 not knowing and willful.³⁴ The Submission points to the fact that Sauer – who reportedly
6 voluntarily disclosed information about the prior reimbursements to TransDigm and cooperated
7 fully during the internal investigation – had mistakenly believed that the reimbursement of
8 political contributions was allowed.³⁵ Moreover, the Investigation Report provided by Calspan
9 states that neither Meier nor any of the other Calspan employees involved in making or
10 processing the reimbursed contributions, indicated that they understood that such
11 reimbursements were prohibited.³⁶

12 Sauer states in his declaration that he was not a regular political contributor and was not
13 aware of the laws and regulations governing political contributions.³⁷ According to his
14 declaration, Sauer, in 2019, attended a fundraiser for Congressman Chris Jacobs' re-election
15 campaign and contributed \$500.³⁸ Sauer claims that he authorized reimbursement for his 2019

³² *Id.* at 5.

³³ Invest. Rpt. at 2. Calspan's counsel reportedly conducted various interviews of the executives who made the contributions as well as other executives in the Finance Department who were involved in the processing of the reimbursements. *Id.* at 5. Counsel also reportedly reviewed numerous documents and records in the possession of Calspan that related to the subject of the investigation including certain reimbursement requests and other financial records collected by TransDigm; relevant electronic records, including electronic mail, using keywords and similar filters designed to identify potentially relevant materials; and Commission database of federal political contributions identified as having been made by the relevant Calspan employees. *Id.*

³⁴ Submission at 5; Invest. Rpt. at 8.

³⁵ Submission at 5; Invest. Rpt. at 9.

³⁶ Invest. Rpt. at 9.

³⁷ *Id.*

³⁸ *Id.* ¶ 6.

1 contribution to the Jacobs Committee under the mistaken belief that a political contribution could
2 be reimbursed in the same manner as he authorized the reimbursement of previous charitable
3 donations using Calspan's funds.³⁹ Although Sauer provided a declaration in connection with
4 this Submission, stating that Calspan would from time to time reimburse out-of-pocket expenses,
5 including charitable donations using a gross-up method,⁴⁰ Calspan's Vice-President of Finance,
6 who received Sauer's reimbursement instructions, stated that Calspan did not have a common
7 practice of reimbursing employees for out-of-pocket expenses using a "grossed up" bonus
8 method.⁴¹

9 Sauer states in his declaration that he agreed with Meier's suggestion that Calspan solicit
10 Calspan ASE executives to make contributions in support of Congressman McCollum's
11 campaign.⁴² Sauer further states in his declaration that although he could not recall who first
12 made the suggestion to reimburse the contributions, he ultimately instructed Meier to have those
13 individuals request reimbursement from Calspan.⁴³ Sauer emphasizes in his declaration that his
14 actions were based on his lack of experience with political contributions and the mistaken belief
15 that the reimbursement of contribution was permissible.⁴⁴ According to Sauer, he did not seek

³⁹ Sauer Decl. ¶¶ 4, 6. Sauer states that he also sought and approved reimbursement for a \$1,000 contribution made in 2021 to the campaign committee of New York Governor Kathy Hochul based on the same mistaken belief that doing so was consistent with Calspan's reimbursement of charitable donations. *Id.*

⁴⁰ Sauer Decl. ¶ 4.

⁴¹ Kassel Decl. ¶ 4.

⁴² Sauer Decl. ¶ 8.

⁴³ Sauer Decl. ¶ 8. Meier's declaration does not include the information included in Sauer's declaration that it was Meier's suggestion to solicit the Calspan ASE executives to make the contributions. *See* Meier Decl., generally; Amended Meier Decl., generally. However, the Investigation Report notes that Meier, when interviewed, stated that he and Sauer discussed, in Spring 2022, making contributions to support Congresswoman McCollum. Invest. Rpt. at 5.

⁴⁴ Sauer Decl. ¶ 5.

1 advice of counsel at that time or afterwards regarding the lawfulness of the corporate
2 contribution reimbursements.⁴⁵

3 Meier, in his declaration, maintains that he made a \$1,000 contribution in March 2022 to
4 McCollum for Congress with no expectation of reimbursement; and that he only sought and
5 accepted a retroactive reimbursement of his March 2022 contribution and subsequent
6 contributions made in 2022 and 2023, after Sauer, his then-immediate supervisor, advised that
7 Calspan could reimburse political contributions.⁴⁶ Meier's declaration similarly states that he,
8 acting on Sauer's direction and representations, solicited contributions from other Calspan ASE
9 executives and advised those contributors that Calspan would reimburse their contributions.⁴⁷

10 **D. Remedial Efforts**

11 The Submission states that, as recommended by counsel in the Investigation Report,
12 Calspan self-reported to the Commission; adopted a new political activities policy; revised
13 Calspan's reimbursement processes; and retained experienced campaign finance counsel to
14 advise it on these issues on an ongoing basis.⁴⁸ In addition, the initial Submission states that
15 Meier, Sauer and Gillespie each repaid Calspan for their reimbursed contributions totaling
16 \$9,200.⁴⁹ In a supplement to its Submission, Calspan confirmed that Blakeslee, Myren and
17 Rivers have also repaid Calspan for their reimbursed contributions totaling \$4,100.⁵⁰ To date,

⁴⁵ *Id.* ¶ 6.

⁴⁶ Meier Decl. ¶¶ 5-6. Meier also states that Sauer informed him that he had been previously reimbursed for his contributions and that such reimbursements were permissible. Invest. Rpt. at 5.

⁴⁷ Meier Decl. ¶ 7. The Investigation Report similarly states that Meier, at the request of Sauer, solicited five other Calspan employees to contribute to McCollum for Congress, the campaign committee of Congresswoman McCollum. *Id.*

⁴⁸ Submission at 6-7.

⁴⁹ *Id.* at 6.

⁵⁰ Supp. Submission #5.

1 Swanson is the only conduit who has not repaid Calspan for his reimbursement of \$1,000.⁵¹ It
2 does not appear that Calspan has contacted any of the campaign committee seeking refunds or
3 that any refunds have been made by the relevant committees.

4 III. LEGAL ANALYSIS

5 A. The Commission Should Find that There is Reason to Believe that Calspan 6 Violated the Act by Making Prohibited Corporate Contributions in the Name 7 of Another and that Sauer and Meier Violated the Act by Consenting to the 8 Making Prohibited Corporate Contributions and Knowingly Permitting 9 Their Names to Be Used to Effect Such Contributions

10
11 The Act and Commission regulations prohibit a corporation from making a contribution
12 to a federal committee (other than an independent-expenditure-only committee) and further
13 prohibit any person from making a contribution in the name of another person.⁵² The term
14 “person” for purposes of the Act and Commission regulations includes corporations.⁵³ Further,
15 the Act prohibits an officer or director of a corporation from consenting to the making of a
16 corporate contribution.⁵⁴ A person also may not knowingly permit one’s name to be used to
17 effect the making of a contribution in the name of another.⁵⁵

⁵¹ *Id.*

⁵² *See* 52 U.S.C. §§ 30118(a) and 30122; *see also United States v. O’Donnell*, 608 F.3d 546, 550 (9th Cir. 2010) (concluding that the plain language of section 30122 [formerly section 441f] encompasses straw donor contributions whether accomplished through the advancement or reimbursement of funds).

⁵³ *Id.* § 30101(11); 11 C.F.R. § 100.10.

⁵⁴ *Id.* § 30118(a), 11 C.F.R. § 114.2(e).

⁵⁵ 11 C.F.R. § 110.4(b)(1)(i).

1 A principal is liable vicariously for the acts of its agent committed within the scope of
2 agency.⁵⁶ In prior enforcement actions, the Commission has, on that basis, found reason to
3 believe that companies have violated the Act as a result of the conduct of their officers or
4 employees such as: when a corporate/company officer makes contributions and encourages
5 company employees/executives to make similar contributions with the assurance of
6 reimbursement and later authorizes reimbursement of those contributions with company funds;⁵⁷
7 or when an owner of several corporations requests that subordinate employees and their spouses
8 make federal contributions with the assurance of reimbursement with corporate funds.⁵⁸

9 The Submission admits that Sauer, as then CEO, caused Calspan, a corporation, to use
10 corporate funds to reimburse \$14,900 in federal contributions made by himself and six other
11 Calspan executives during the 2020 – 2024 election cycles.⁵⁹ First, Sauer sought and received
12 reimbursement for a federal contribution he made in 2019 and thereafter encouraged Meier, as
13 then-President of Calspan ASE, to make similar contributions as well as to encourage other
14 Calspan executives to make federal contributions.⁶⁰ Further, Sauer, in his capacity as then-CEO,

⁵⁶ RESTATEMENT (THIRD) OF AGENCY § 7.07; *see also United States v. Sun-Diamond Growers of Cal.*, 138 F.3d 961 (D.C. Cir. 1998) (affirming criminal convictions against Sun-Diamond in connection with a corporate contribution reimbursement scheme where officer hid the scheme from others in corporation but acted to benefit the corporation).

⁵⁷ *See* Factual and Legal Analysis (“F&LA”) at 13, MUR 8092 (Provenance) (finding reason to believe that Provenance, a limited liability company, violated 52 U.S.C. §§ 30122 and 30116(a) based on the actions of its then-CEO).

⁵⁸ *See* F&LA at 6, MUR 7472 (Barletta) (finding reason to believe that corporate entities violated 52 U.S.C. § 30118(a) based on the actions of its owner and corporate officer); *see also* F&LA at 17-19, MUR 6922 (ACPAC) (finding reason to believe that ACA, a corporate entity, violated 52 U.S.C. §§ 30118 and 30122 based on the actions of its vice-president and assistant treasurer of its PAC); F&LA at 7, MUR 6515 (PFFW) (finding reason to believe that a labor union knowingly and willfully violated 52 U.S.C. §§ 30118 and 30122 based on the actions of its executive board members); F&LA, MUR 6143 (Galen Capital) (finding reason to believe that Galen Capital, a corporate entity, knowingly and willfully violated 52 U.S.C. §§ 30118 and 30122 based on the activities of its Chair and CEO).

⁵⁹ *See* Submission at 1; Invest. Rpt. at 1; Sauer Decl. ¶ 8.

⁶⁰ Submission at 2; Invest. Rpt. at 5; Sauer Decl. ¶ 8.

1 instructed other executives to seek reimbursement and ultimately approved the reimbursements
2 with corporate funds.⁶¹ Sauer then approved the reimbursements for contributions made by
3 those conduit with corporate funds.⁶² Accordingly Sauer, in his official capacity as CEO, caused
4 and consented to Calspan using its corporate funds to unlawfully reimburse federal
5 contributions.⁶³

6 Meier was the President of ASE prior to its acquisition by Calspan in 2020.⁶⁴ After the
7 acquisition, ASE became known as Calspan ASE and Meier retained his title and position of at
8 Calspan ASE.⁶⁵ Meier allowed his name to be used to make contributions in the name of
9 another, and in his capacity as a corporate officer, solicited other Calspan ASE executives for
10 contributions that would be reimbursed with corporate funds.⁶⁶ Although Meier was acting on
11 Sauer's instructions, he was also significantly involved in selecting the specific candidates being
12 supported with Calspan funds.⁶⁷ In sum, Meier, in his capacity as a Calspan officer, used his
13 name to make prohibited reimbursed contributions and also consented to Calspan's use of
14 corporate funds to reimburse prohibited federal contributions.

⁶¹ Submission at 2; Invest. Rpt. at 5; Sauer Decl. ¶ 8.

⁶² Submission at 5; Kassel Decl. ¶ 7.

⁶³ See F&LA at 13, MUR 8092 (Provenance) (finding Provenance, a limited liability company, liable for the actions of its agent, then-CEO, in authorizing another corporate officer to solicit corporate executives to make federal contributions with the assurance of reimbursement with corporate funds).

⁶⁴ Sauer Decl. ¶ 8; Calspan Aero Systems Engineering, Inc. Asset Profile, <https://www.preqin.com/data/profile/asset/calspan-aero-systems-engineering-inc-/41972> (additional background information on Meier role in ASE prior to ASE's acquisition by Calspan and afterwards) (last accessed on December 17, 2024).

⁶⁵ *Id.*

⁶⁶ Meier Decl. ¶¶ 6-7.

⁶⁷ Invest. Rpt. at 4-5; Meier Decl. ¶ 6; Sauer Decl. ¶ 8.

1 Therefore, Calspan is vicariously liable for the acts of its corporate officers who were
2 acting within their authority in creating the reimbursement scheme, soliciting contributions from
3 other Calspan ASE executives and authorizing reimbursements of contributions with prohibited
4 corporate funds.

5 Accordingly, we recommend that the Commission find reason to believe that Calspan
6 made prohibited corporate contributions in the name of another in violation of 52 U.S.C.
7 §§ 30122 and 30118(a) and 11 C.F.R. §§ 110.4(b)(1)(i) and 114.2(d); and find reason to believe
8 that Sauer and Meier, as corporate officers, consented to the making of prohibited contributions⁶⁸
9 and allowed their names to be used to make contributions in the name of another in violation of
10 52 U.S.C. § 30122 and § 30118(a) and 11 C.F.R. §§ 110.4(b)(1)(ii) and 114.2(e).⁶⁹

11 **B. The Commission Should Find Reason to Believe that Calspan**
12 **Also Violated the Act by Making Prohibited Federal Contractor**
13 **Contributions**

14 The Act and the Commission's regulations prohibit contributions to political committees
15 by any person who enters into a contract with the United States or its departments or agencies for
16 "furnishing any material, supplies, or equipment," if payment on such contract "is to be made in

⁶⁸ OGC has made and the Commission has approved similar reason-to-believe findings for corporate officers who played a significant role in a corporate reimbursement scheme. *See, e.g.*, First GCR at 18-19, MUR 7248 (formerly Pre-MUR 581) (CTCA); Amended Cert. ¶ 2.d (May 9, 2017), MUR 7248 (CTCA) (approval of reason-to-believe recommendations as to two corporate officers who knowingly acted as conduits in the reimbursement scheme, either initiated, directed, solicited, or approved the fundraising activities and accompanying contribution reimbursements.)

⁶⁹ The Submission notes that Calspan potentially violated the prohibition on corporate facilitation by Meier's solicitation of Calspan executives for contributions, collection of contribution checks from those executives, and delivery of the contribution checks to Cornerstone who transmitted the checks to the McCollum Committee. Submission at 6; Invest. Rpt. at 5. Corporations, including officers, directors, or other representatives acting as agents of corporations, are prohibited from using corporate resources to facilitate the making of contributions to federal political committees other than through the corporation's separate segregated fund. 11 C.F.R. § 114.2(f). The Commission, however, generally does not pursue such violations absent the expenditure of significant resources. Accordingly, we make no recommendation on this potential violation.

1 whole or in part from funds appropriated by Congress.”⁷⁰ Such contributions are barred for the
2 period between (1) the earlier of commencement of negotiations or when requests for proposal
3 are sent out, and (2) the later of the completion of performance on or termination of negotiations
4 for the contract.⁷¹ The prohibition covers contributions to any political party, political
5 committee, federal candidate, or “any person for any political purpose or use.”⁷² The Act also
6 bars any person from knowingly soliciting a contribution from a federal contractor during the
7 prohibited period.⁷³

8 The Submission, Supplemental Submission, and Investigation Report admit to Calspan’s
9 government contractor status during the relevant time period.⁷⁴ In addition, the Supplemental
10 Submission again confirmed Calspan’s government contractor status at the time of the
11 contributions and reimbursements and provided a list of its three largest active contract between
12 2019 and 2023.⁷⁵ Accordingly, we recommend that the Commission find reason to believe that
13 Calspan violated 52 U.S.C. § 30119(a) and 11 C.F.R. § 115.2(a) by making \$14,900 in
14 contributions while holding active federal contracts.⁷⁶

⁷⁰ 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.2(a).

⁷¹ 11 C.F.R. § 115.1(b).

⁷² *Id.* § 115.2(a).

⁷³ 52 U.S.C. § 30119(a)(2); 11 C.F.R. § 115.2(c).

⁷⁴ Submission at 5; Invest. Rpt. at 7; Suppl. Submission #4.

⁷⁵ Submission at 1, 5-6; Invest. Rpt. at 7; Suppl. Submission #3 (providing information on three of Calspan’s largest government contracts between 2019 and 2023 - U.S. Department of Army - \$39.8 million; U.S. Department of Air Force - \$24.3 million; U.S. Department of Navy - \$12.8 million).

⁷⁶ See F&LA at 11-12, MUR 7690 (Society of Young Women Scientists) (finding reason to believe as to the Section 30122 and 30119 violations) [REDACTED]

1 In the absence of any information suggesting that any of the recipient committees
 2 knowingly solicited a government contractor, we recommend that the Commission take no action
 3 at this time as to the recipient committees.⁷⁷

4 **C. Under the Circumstances, the Commission Should Not Make**
 5 **Knowing and Willful Findings in this Matter**
 6

7 The Act prescribes additional monetary penalties for violations that are knowing and
 8 willful.⁷⁸ A violation of the Act is knowing and willful if the “acts were committed with full
 9 knowledge of all the relevant facts and a recognition that the action is prohibited by law.”⁷⁹ This
 10 does not require proving knowledge of the specific statute or regulation the respondent allegedly
 11 violated.⁸⁰ Instead, it is sufficient to demonstrate that a respondent “acted voluntarily and was
 12 aware that his conduct was unlawful.”⁸¹ This may be shown by circumstantial evidence from
 13 which the respondents’ unlawful intent reasonably may be inferred.⁸² For example, a person’s

⁷⁷ See, e.g., Cert. ¶ 3 (Jan. 12, 2024), MUR 8080 (Pericle) (taking no action at this time with respect to recipient committee where there was no information to suggest that the committee knowingly solicited the contribution); Cert. ¶ 2.b (Jan. 14, 2022), MUR 7887 (Hamilton Company) (same); Amended Cert. ¶ 3 (Jan. 12, 2022), MUR 7886 (Astellas Pharma) (same); Cert. ¶ 2 (Aug. 20, 2019), MUR 7568 (Alpha Marine) (same); see also First GCR at 9, MUR 8080 (Pericle) (recommending that the Commission take no action at this time with respect to recipient committee; First GCR at 11, MUR 7887 (Hamilton Company) (same); First GCR at 15, MUR 7886 (Astellas Pharma) (same); First GCR at 5, MUR 7568 (Alpha Marine) (same).

⁷⁸ 52 U.S.C. § 30109(a)(5)(B), (d).

⁷⁹ 122 Cong. Rec. 12,197, 12,199 (May 3, 1976).

⁸⁰ *United States v. Danielczyk*, 917 F. Supp. 2d 573, 579 (E.D. Va. 2013) (quoting *Bryan v. United States*, 524 U.S. 184, 195 & n.23 (1998) (holding that, to establish a violation is willful, government needs to show only that defendant acted with knowledge that conduct was unlawful, not knowledge of specific statutory provision violated)).

⁸¹ *Id.* (citing jury instructions in *United States v. Edwards*, No. 11-61 (M.D.N.C. 2012), *United States v. Acevedo Vila*, No. 108-36 (D.P.R. 2009), *United States v. Feiger*, No. 07-20414 (E.D. Mich. 2008), and *United States v. Alford*, No. 05-69 (N.D. Fla. 2005)).

⁸² *Cf. United States v. Hopkins*, 916 F.2d 207, 213 (5th Cir. 1990) (quoting *United States v. Bordelon*, 871 F.2d 491, 494 (5th Cir. 1989)). *Hopkins* involved a conduit contribution scheme, and the issue before the Fifth Circuit concerned the sufficiency of the evidence supporting the defendants’ convictions for conspiracy and false statements under 18 U.S.C. §§ 371 and 1001.

1 awareness that an action is prohibited may be inferred from “the elaborate scheme for disguising
2 . . . political contributions.”⁸³

3 In this case, there is no direct evidence to establish that Calspan or any of the conduits
4 knew that the corporate reimbursements were unlawful at the time they were made. The
5 information provided indicates that Sauer and Meier both agreed to make contributions to
6 various federal candidates and that Meier would solicit other executives to make the
7 contributions with the understanding that Sauer would approve reimbursements for himself,
8 Meier and other conduits.⁸⁴ Sauer states that he was not a regular contributor to political
9 campaigns and that he was unaware of the prohibition on corporate contribution reimbursements
10 at the time and assumed that Calspan could reimburse contributions in the same manner as it had
11 reimbursed occasional charitable contributions.⁸⁵ Meier similarly claims to be an infrequent
12 political contributor and to have been unaware of the prohibition on corporate contribution
13 reimbursements.⁸⁶ He states that he made contributions and solicited the other conduits to make
14 similar contributions and seek and receive reimbursements at Sauer’s request and in reliance on
15 Sauer’s representations that the contributions could be reimbursed by Calspan.⁸⁷

16 The Commission’s contribution database confirms that neither Sauer nor Meier have a
17 history of making regular federal political contributions prior to 2019 or since 2023.⁸⁸ In

⁸³ *Hopkins*, 916 F.2d. at 214-15. As the *Hopkins* court noted, “It has long been recognized that ‘efforts at concealment [may] be reasonably explainable only in terms of motivation to evade’ lawful obligations.” *Id.* at 214 (quoting *Ingram v. United States*, 360 U.S. 672, 679 (1959)).

⁸⁴ Invest. Rpt. at 5; Sauer Decl. ¶¶ 8-10; Meier Decl. ¶¶ 6-7.

⁸⁵ Sauer Decl. ¶¶ 5, 11, 13.

⁸⁶ Meier Decl. ¶¶ 4, 6-7.

⁸⁷ *Id.* ¶ 7. In addition, there is no available information to suggest that the other conduits were aware of the prohibition on corporate contribution reimbursements but rather complied with Meier’s request that they make the contributions and seek reimbursement from Calspan.

⁸⁸ *See* Contribution Database, generally.

1 addition, although the McCollum and Wicker Committee invitations contain language advising
2 potential contributors that no corporate or federal contractor contributions could be accepted, it is
3 not clear from the information provided that the conduits understood this language to mean that
4 their contributions made with personal funds could not be reimbursed with corporate or federal
5 contractor funds.⁸⁹

6 Further, there is no direct evidence to establish that any of the respondents sought to
7 falsify or conceal the reimbursements. According to Calspan, the reimbursements were recorded
8 in its financial system as “other compensation” and processed as bonuses because there was no
9 other way to submit them as expenses in its expense reimbursement system, and not to conceal
10 their purpose.⁹⁰ Lastly, the Submission, including the declaration from Sauer, states that Sauer
11 voluntarily disclosed Calspan’s previous practice of reimbursing employees for political
12 contributions to the Vice-President of Transdigm.⁹¹ This too suggests a lack of concealment.

13 Further, even if the facts might support an investigation into whether the violations were
14 knowing and willful, the Commission may nonetheless “[r]efrain from making a formal finding
15 that a violation was knowing and willful” as a matter of policy,⁹² particularly when a respondent
16 has made a full *sua sponte* submission, cooperated extensively, brought substantial information
17 to the attention of the Commission, and voluntarily incorporated remedial and compliance

⁸⁹ See Submission, Attach. (copies of McCollum and Wicker Committees fundraising invitations).

⁹⁰ Invest. Rpt. at 5. The Report also notes that Calspan Finance staff who processed the reimbursements state that the reimbursements were processed in this manner based on instructions from Sauer. *Id.* at 2, 6; see also Kassel Decl. ¶ 7.

⁹¹ Invest. Rpt. at 2.

⁹² *Policy Regarding Self-Reporting of Campaign Finance Violations*, 72 Fed. Reg. 16695, 16,696 (Apr. 5, 2007) (“*Sua Sponte* Policy”).

1 measures.⁹³ Given the Submission and Supplemental Submissions, and the statements from
2 Sauer and Meier attesting to their lack of knowledge of the prohibition on corporate/federal
3 contractor contribution reimbursements, the available information does not indicate that the
4 violations were knowing and willful. Accordingly, we do not recommend that the Commission
5 find that the violations of 52 U.S.C. §§ 30122, 30118(a), and 30119(a) were knowing and
6 willful, or conduct additional fact-finding because the respondents disclosed the violations,
7 cooperated in completing the *sua sponte* Submission, and implemented the necessary remedial
8 and compliance measures.⁹⁴

9 **D. The Commission Should Take No Action as to the Other Conduits**

10 The Commission does not typically pursue lower-level employees or spouses who serve
11 as conduits and who did not play a significant role in carrying out the reimbursement scheme.⁹⁵
12 The Submission states that additional conduits, Michael D. Blakeslee, Kristal Gillespie, David J.
13 Myren, Allen T. Rivers and Gregory Swanson, who, in interviews, admitted to being solicited for
14 contributions by Meier and instructed to seek and receive reimbursement from Calspan.⁹⁶
15

⁹³ F&LA at 13-14, MUR 6889 (Nat'l Air Transp. Ass'n).

⁹⁴ OGC has made similar recommendations in previous matters. *See e.g.*, First GCR. at 21-22, MUR 8092 (Provenance) (recommending non-knowing and willful findings as to corporate entity and CEO); First GCR at 9-10, MUR 7472 (Barletta) (same); First GCR at 22, MUR 6889 (Nat'l Air Transp. Ass'n) (recommending non-knowing and willful findings as to corporate entity and PAC).

⁹⁵ In past matters, the Commission has typically declined to pursue individual conduits who did not play some significant role in carrying out the conduit scheme. In more recent matters, it has done so by declining to take action against such individuals at the RTB stage. *See* Cert. ¶ 4-5 (Nov. 15, 2022), MUR 8092 (Provenance) (taking no action against the conduits whose contributions were reimbursed with Provenance funds); Cert. ¶ 8 (Aug. 7, 2018), MUR 7472 (Vincent Barletta) (taking no action against the conduits whose contributions were reimbursed with corporate funds); Cert. ¶ 3.g (Oct. 21, 2014), MUR 6889 (NATA PAC) (taking no action against the conduits whose contributions to SSF were reimbursed with corporate funds); Cert. ¶ 7 (Dec. 7, 2011), MUR 6465 (Fiesta Bowl) (taking no action at this time against the “subordinate employees” and “employee spouses” who were not actively involved in the scheme and were acting under the direction of corporate officers); Cert. ¶ 1-5 (Feb. 27, 2015), MUR 6765 (Gary Husk) (closing the file as to the subordinate employees and employee spouses involved in Fiesta Bowl matter).

⁹⁶ Invest. Rpt. at 2-3.

1 Although these conduits occupied executive roles in the company, they were still
2 subordinate to Sauer and Meier, and state that they made the contributions based on the
3 encouragement of Sauer and Meier and in reliance on assurances made by Meier with no
4 knowledge that it was unlawful to receive reimbursement of the contributions.⁹⁷ Thus, we
5 recommend the Commission take no action and close the file as to these named conduits.

6 **E. The Commission Should Take No Action as to the Recipient Committees**

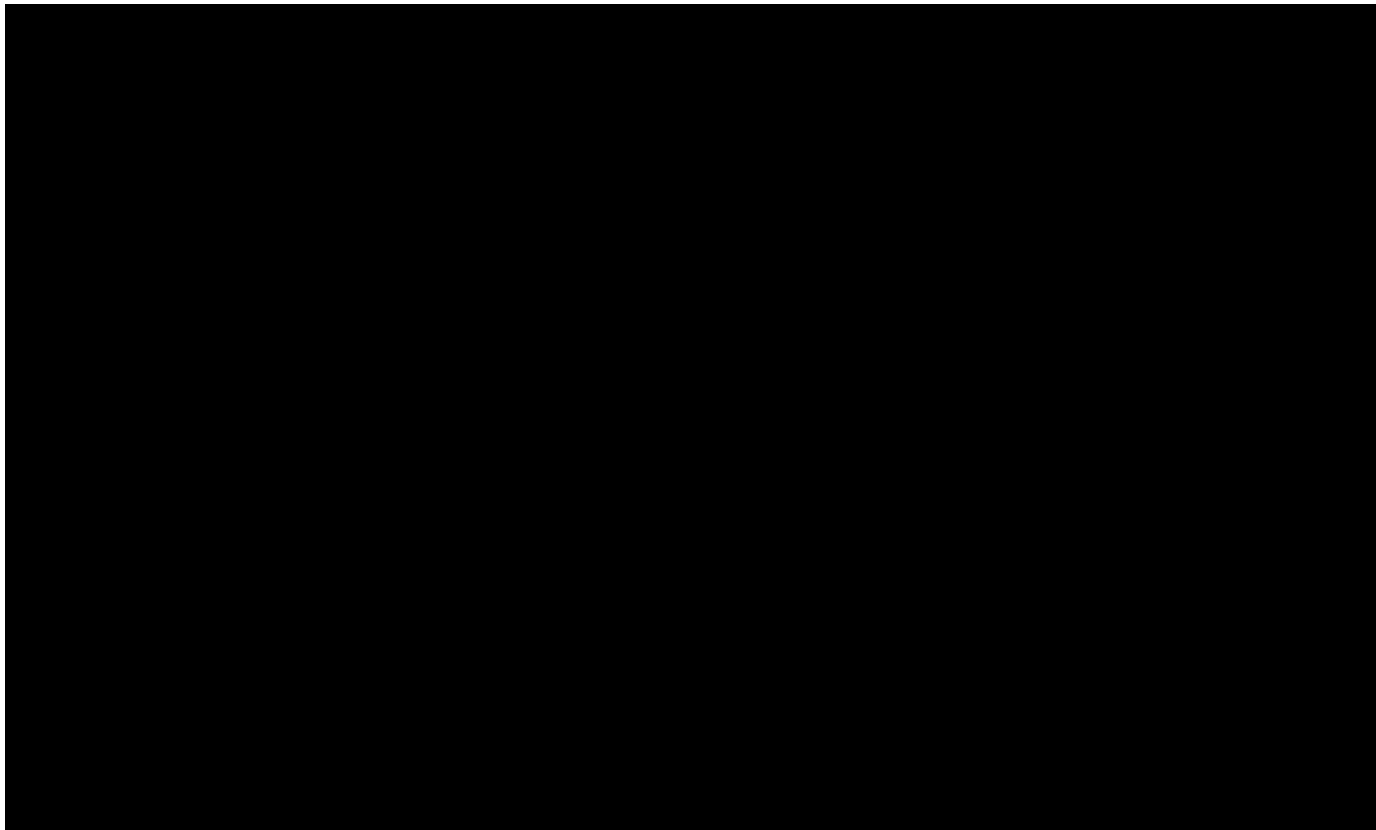
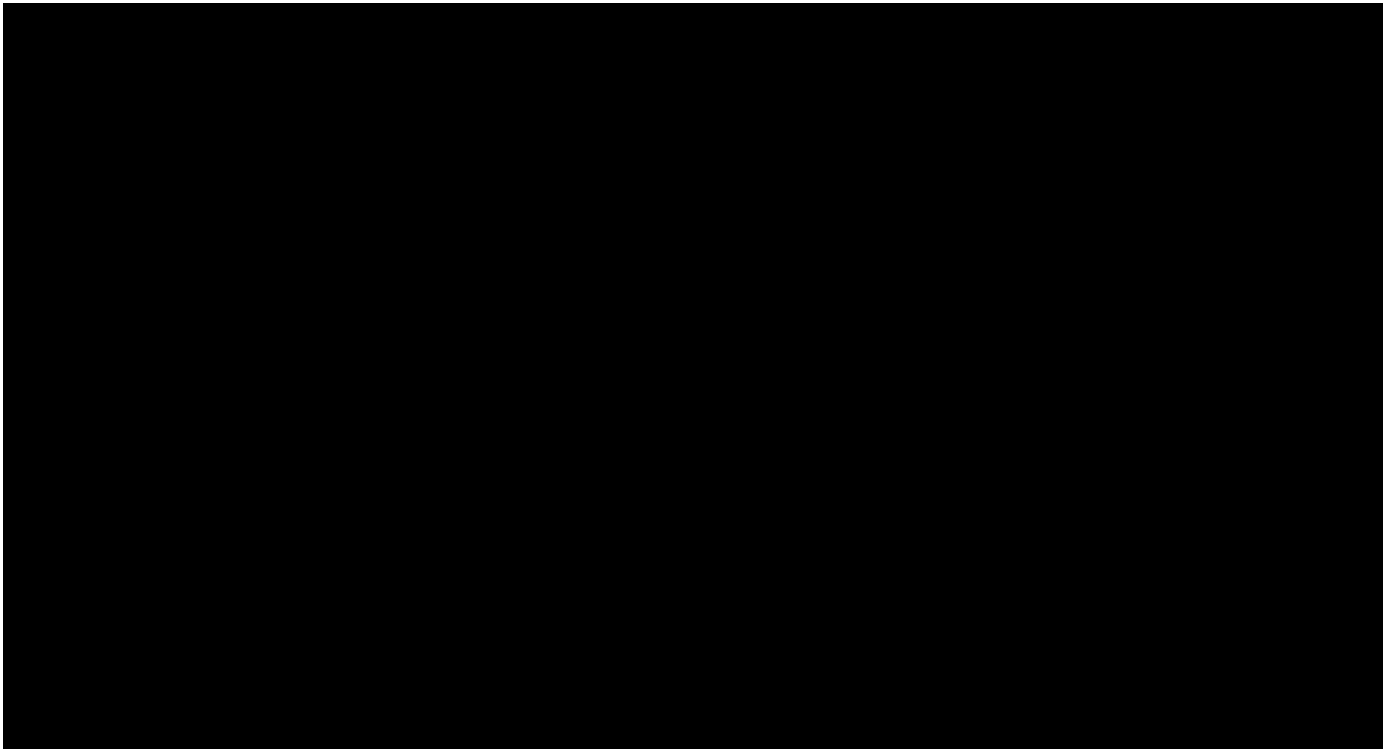
7 We have identified no information indicating that the recipient committees accepted the
8 contributions knowing that they were prohibited under Sections 30122, 30119(a) and 30118(a).
9 Therefore, we recommend that the Commission take no action as to the recipient committees,
10 other than to recommend that Calspan notify the relevant committees that the contributions were
11 illegal and they need to refund the reimbursed contributions.⁹⁸

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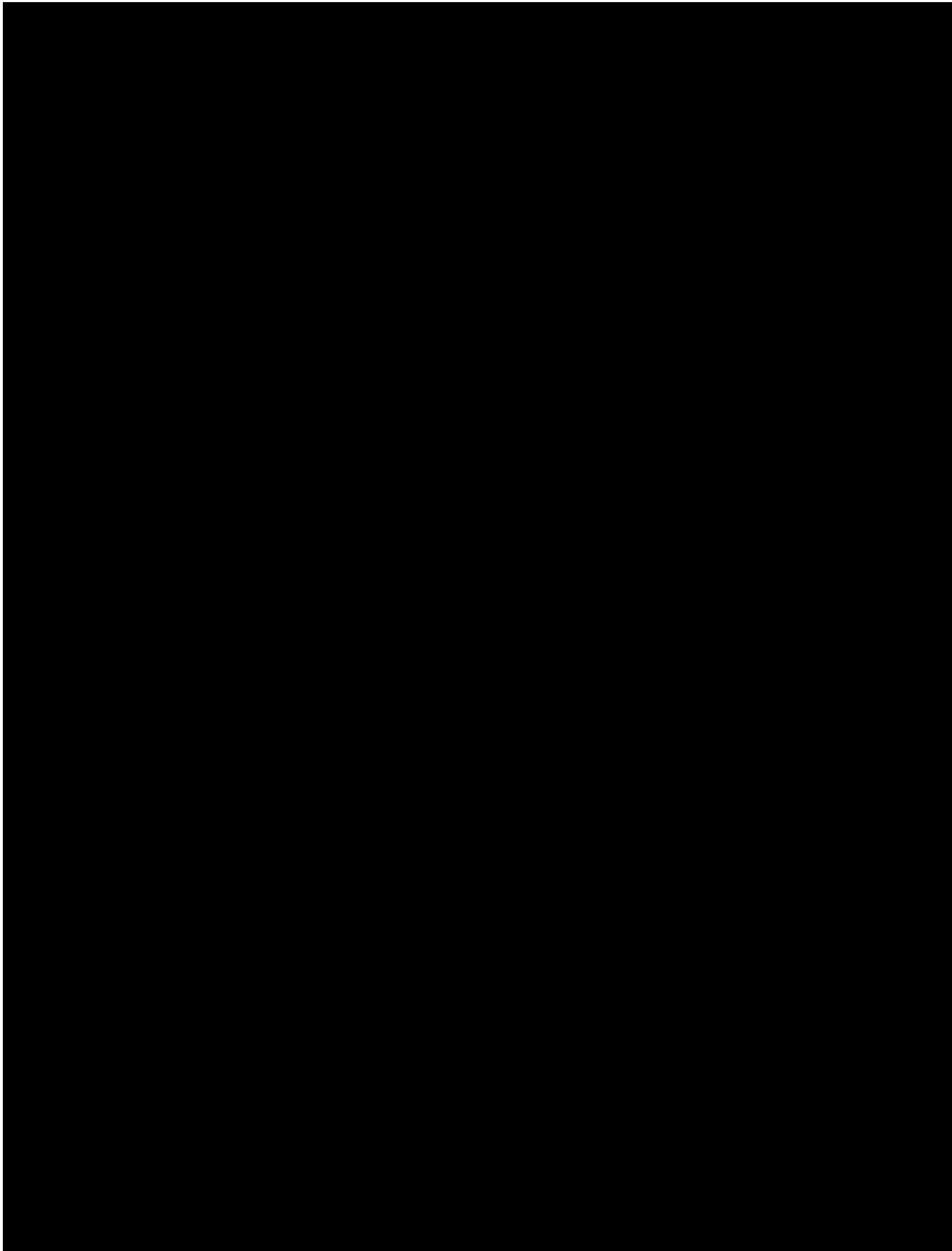
⁹⁷ *Id.* at 5.

⁹⁸ This recommendation is consistent with recommendations made in similar enforcement matters. *See, e.g.* First GCR at 24, MUR 8092 (Provenance); First GCR at 18, MUR 7958 (Watkins); First GCR at 10, MUR 7472 (Barletta).

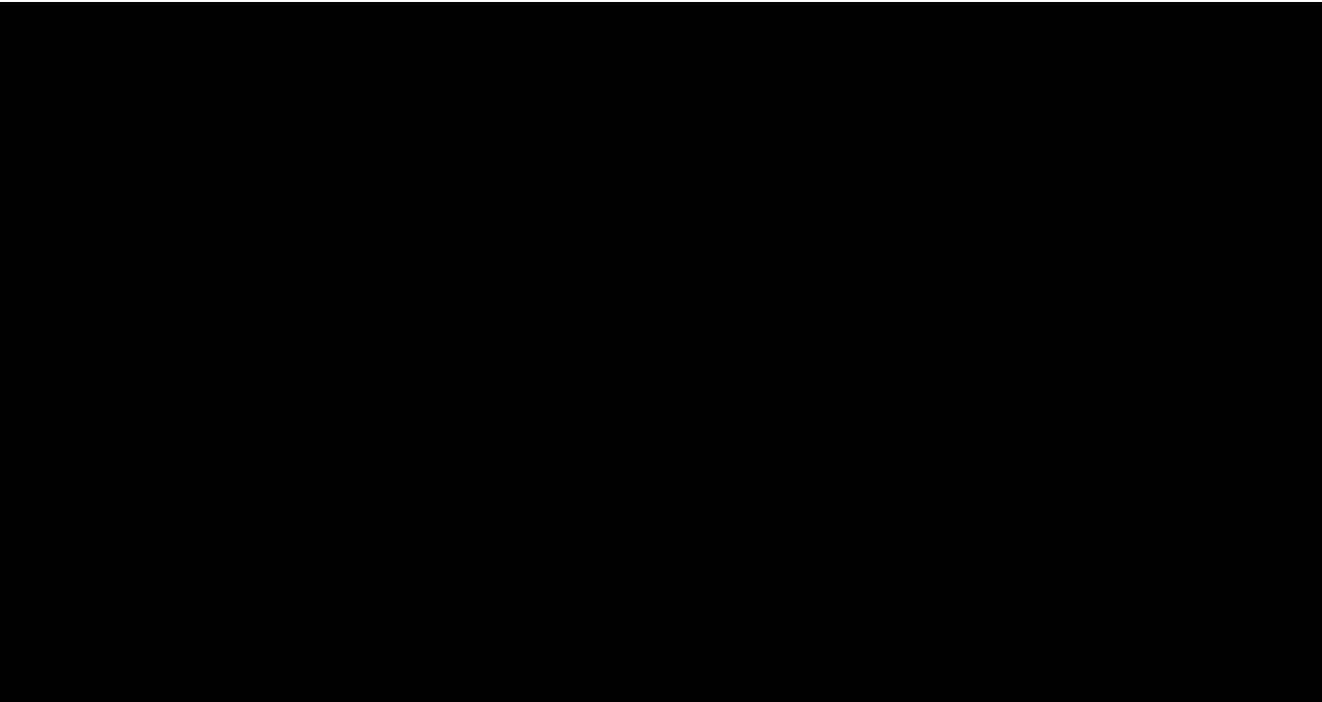
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V. RECOMMENDATIONS

1. Open a Matter Under Review;
2. Find reason to believe that Calspan Corporation violated 52 U.S.C. §§ 30122, 30118(a) and 30119(a); and 11 C.F.R. §§ 110.4(b)(1)(i), 114.2(d) and 115.2(a) by making prohibited government contractor and prohibited corporate contributions in the name of another;
3. Find reason to believe that Peter Sauer violated 52 U.S.C. § 30122 and 30118(a); and 11 C.F.R. § 110.4(b)(1)(ii) and 114.2(e) by permitting his name to be used to make contributions in the name of another; and by consenting to the use corporate funds to make contributions in the name of another;
4. Find reason to believe that David Meier violated 52 U.S.C. § 30122 and 30118(a); and 11 C.F.R. §§ 110.4(b)(1)(ii) and 114.2(e) by permitting his name to be used to make contributions in the name of another; and by consenting to the use corporate funds to make contributions in the name of another;
5. Take no action and close the file as to Michael D. Blakeslee, Kristal Gillespie, David Myren, Allen T. Rivers, and Gregory Swanson;
6. Take no action and close the file as to Jacobs for Congress and Kevin Broghamer in his official capacity as treasurer, McCollum for Congress Mary Pat Lee in her official capacity as treasurer and Wicker for Senate and Paul Breazeale in his official capacity as treasurer;

- 1 7. Approve pre-probable cause conciliation with Calspan Corporation, Peter Sauer
- 2 and David Meier;
- 3
- 4 8. Approve the attached Factual and Legal Analysis;
- 5
- 6 9. Approve the attached Conciliation Agreement; and
- 7
- 8 10. Approve the appropriate letters.
- 9

Lisa Stevenson
Acting General Counsel

12/20/2024

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11
12
13 Date

Adrienne C. Baranowicz
Adrienne Baranowicz
Deputy Associate General Counsel
for Enforcement

Mark Shonkwiler

20
21 Mark D. Shonkwiler
22 Assistant General Counsel

Kimberly Hart/ms

23
24 Kimberly D. Hart
25 Attorney

