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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463**SENSITIVE****MEMORANDUM**

March 8, 2022

TO: The Commission

THROUGH: Alec Palmer *AP*
Staff Director

FROM: Patricia C. Orrock *PCO*
Chief Compliance Officer

Krista J. Roche *KJR*
Director, ADR Office

Joshua A. Rebollozo *JAR*
Assistant Director, ADR Office

SUBJECT: Recommendation to Dismiss
ADR 1049 & 1050 – Stephany Rose Spaulding; Stephany
Rose for Congress and Jason D. Christensen, Treasurer
(C00649038)

The Commission assigned MUR 7361 and MUR 7424 to the ADR Office (ADRO) on October 13, 2021, and the ADRO designated the matters as ADR 1049 and ADR 1050, respectively. The ADR Office recommends the Commission exercise prosecutorial discretion and dismiss the matters. *Heckler v. Chaney* 470 U.S. 821 (1985). We include a summary and discussion of the matters for your information.

Summary and Analysis of Case: On April 10, 2018, Betty A. Field filed a Complaint alleging that Stephany Rose Spaulding, Stephany Rose for Congress, and Jason D. Christensen, Treasurer (Respondents or the Committee) “laundered monies from a church in Illinois through her personal bank account, then disbursed it to family members and friends to donate back to her campaign.” On July 10, 2018, Chandra Wilkins filed a separate Complaint alleging that Respondents received \$12,000 from a church, cashed the check, and deposited the funds into the Committee's bank account in individual amounts under the itemization threshold to avoid disclosing donor information. In addition, the Complaint filed on July 10, 2018, further alleges that Respondents failed to disclose \$30,000 in loans. To support these contentions, the Complaints provide a news article stating campaign staffers quit this campaign based on a suspicion of potential campaign

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finance violations and a disagreement with “fundraising practices on ethical grounds,” and screenshots of text messages with the candidate.

In a response filed on April 26, 2018, Respondents included an affidavit from the candidate stating that neither she nor her family received money from a church in Illinois that was ultimately passed through to Stephany Rose for Congress. An affidavit from the Treasurer, Jason D. Christensen, states he was aware of no facts to support the allegations within the Complaint and that all campaign contributions have been properly and completely disclosed with the FEC. Further, affidavits from both the candidate’s mother and father state their contributions were made using their own funds and were not made using funds from another.

Additionally, in a response filed on August 29, 2018, Respondents denied the allegations in the Complaint filed on July 10, 2018, and further contended that FEC reports filed by the campaign reflected all Committee activity and that there were no additional receipts or expenditures in its bank account aside from the activity of the Committee. An additional affidavit was filed on behalf of the candidate further refuting the allegations in the Complaint.

In a third affidavit, signed on February 11, 2022, Spaulding states she and her campaign never received any loans, nor did they receive funds directly from a church or religious institution. Additionally, Spaulding denies the allegation of co-mingled funds and states the Committee maintained a separate bank account. Spaulding also states no funds were distributed to any individuals that were unreported on the Committee’s FEC reports and states they did not direct any individuals or entities to contribute to the campaign with funds they provided. During discussions with ADRO, Respondents stated that the candidate’s text message statement regarding \$30,000 that the candidate was allegedly “on the hook for,” as described in the Complaint in MUR 7424, related to the candidate’s sense of personal responsibility to her working-class donors rather than the acceptance of a loan.

While processing this matter, Respondents provided the ADRO with access to financial documents and an updated affidavit denying the claims in both Complaints. Given the circumstances presented above, we recommend that the Commission exercise prosecutorial discretion and dismiss the matter. *Heckler v. Chaney* 470 U.S. 821 (1985).

RECOMMENDATIONS:

1. Dismiss ADR 1049 (MUR 7361) and ADR 1050 (MUR 7424).
2. Approve the appropriate letters.