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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

) MUR 6566

Lisa Wilson-Foley for Congress, *et al.*)

SECOND GENERAL COUNSEL'S REPORT

I. ACTIONS RECOMMENDED

We recommend that the Commission: (1) Find reason to believe that Lisa Wilson-Foley for Congress and Lisa Wilson-Foley in her official capacity as treasurer¹ knowingly and willfully violated 52 U.S.C. §§ 30116(f) and 30104(b)² (formerly 2 U.S.C. §§ 441a(f) and 434(b)); (2) Approve the attached Factual and Legal Analysis for Lisa Wilson-Foley for Congress and Lisa Wilson-Foley in her official capacity as treasurer; and (3) Take no action at this time as to Apple Health Care, Inc., or John Rowland.

II. INTRODUCTION

This matter concerns an allegation that Lisa Wilson-Foley for Congress (the "Committee") received in-kind contributions from a family business in violation of the Act. According to the Complaint, Apple Health Care, Inc., ("Apple Health") whose president is Wilson-Foley's husband Brian Foley, paid John Rowland, a former Governor of Connecticut, as a "consultant" while he performed campaign work for the Committee, constituting an impermissible corporate contribution to the Committee that the Committee failed to disclose.³

¹ Lisa Wilson-Foley is now treasurer of Lisa Wilson-Foley for Congress. See Amended Statement of Organization (Apr. 14, 2014).

² On September 1, 2014, the Federal Election Campaign Act of 1971, as amended (the "Act"), was transferred from Title 2 to new Title 52 of the United States Code.

³ The Complaint, Responses, and background facts are described in the First General Counsel's Report we circulated to the Commission on December 13, 2013. See FGCR at 1-10. The Committee did not directly deny that Rowland was paid by Apple Health to work for the Committee, asserting instead that the only factual allegations in the Complaint concern the permissible volunteer activity of an individual who is employed by another entity. *Id.*

1 The allegation in this matter has also been the subject of a criminal investigation
2 conducted by the U.S. Attorney's Office for the District of Connecticut. After we circulated a
3 First General Counsel's Report with reason to believe recommendations,⁴

4
5 On February 25, 2014, the Commission determined to hold
6 MUR 6566 in abeyance for a period of six months,⁶ and in September 2014 renewed that
7 abeyance for another six months

8
9 During the period in which the Commission held this matter in abeyance, on March 31,
10 2014, Lisa Wilson-Foley and Brian Foley each entered a guilty plea to a single misdemeanor
11 count of conspiracy to violate 2 U.S.C. §§ 441a(a)(1)(A), 441a(f), and 437g(d)(1)(A)(ii), in
12 violation of 18 U.S.C. § 371, in connection with Brian Foley's payments to Rowland for work
13 on Lisa Wilson-Foley's 2012 campaign. Brian Foley was sentenced on January 9, 2015, to three

at 7; Committee Resp. at 1-3 (July 10, 2012). The FGCR contained recommendations as to the Committee, Apple Health, and Rowland. Lisa Wilson-Foley and Brian Foley are not respondents in MUR 6566 at this time.

⁴ The FGCR addressed the allegations in both MURs 6566 and 6604. MUR 6604 included the same allegation as MUR 6566, as well as an allegation that Rowland and CBS Radio made an impermissible corporate contribution to the Committee in the form of Rowland's radio show on which he criticized one of Wilson-Foley's opponents. The Commission severed the overlapping allegation from MUR 6604 and merged it into MUR 6566, and found no reason to believe Respondents violated the Act in connection with the radio show allegation. See Certification ¶¶ 1-2, MURs 6566, 6604 (Lisa Wilson-Foley for Congress, *et al.*) (Feb. 28, 2014).

⁶ See Certification ¶ 3, MURs 6566, 6604 (Lisa Wilson-Foley for Congress, *et al.*) (Feb. 28, 2014).

⁷ Memorandum to the Commission, MUR 6566 (Sept. 2, 2014); Certification, MUR 6566 (Sept. 8, 2014). Previously, on July 23, 2013, the Commission failed by a 2-3 vote to agree to hold MURs 6566 and 6604 in abeyance

See Memorandum to the Commission, MURs 6604, 6566 (Feb. 6, 2013); Commission Cert., MURs 6566, 6604 (July 26, 2013).

1 months in a halfway house, three years of probation, and a \$30,000 fine.⁹ Lisa Wilson-Foley
2 was sentenced on March 24, 2015, to five months in prison, one year of probation and a \$20,000
3 fine.¹⁰ John Rowland was tried and found guilty on September 19, 2014 of aiding and abetting
4 violations of 2 U.S.C. §§ 441a(a)(1)(A) and 441a(f) and for violating 18 U.S.C. §§ 1519
5 (falsification of records), 371 (conspiracy), and 1001 (false statements).¹¹ On March 18, 2015,
6 he was sentenced to thirty months in prison.¹²

7 On the basis of the available information, we renew the recommendation set forth in the
8 First General Counsel's Report that the Commission find reason to believe that the Committee
9 failed to disclose contributions in the form of payments to Rowland for working on Wilson-
10 Foley's campaign.¹³ The information now indicates that the Committee accepted excessive
11 contributions from Brian Foley rather than corporate contributions from Apple Health.¹⁴ The
12 information developed in the criminal prosecutions, moreover, suggests that these violations
13 were knowing and willful. Pending our review of materials from the criminal prosecutions, we
14 recommend that the Commission take no action at this time as to respondents Apple Health Care,

⁹ See Sentencing, *United States v. Brian Foley*, Crim. No. 3:14CR-65 (D. Conn. Jan. 9, 2015).

¹⁰ See Sentencing, *United States v. Lisa Wilson-Foley*, Crim. No. 3:14CR-65 (D. Conn. Mar. 24, 2015).

¹¹ See Jury Verdict, *United States v. Rowland*, Crim. No. 3:14CR-79 (D. Conn. Sept. 19, 2014).

¹² See Sentencing, *United States v. Rowland*, Crim. No. 3:14CR-79 (D. Conn. Mar. 18, 2015). On March 30, 2015, Rowland filed a notice of appeal. See Notice of Appeal, *United States v. Rowland*, Crim. No. 3:14CR-79 (D. Conn. Mar. 30, 2015).

¹³ See FGCR at 11-19; 52 U.S.C. § 30104(b) (formerly 2 U.S.C. § 434(b)).

¹⁴ See 52 U.S.C. §§ 30116(f) and 30118(a) (formerly 2 U.S.C. §§ 441a(f) and 441b(a)). The FGCR analyzed the available information that suggested that the Committee accepted a corporate contribution from Apple Health, see FGCR at 11-19, and therefore recommended that the Commission find reason to believe that the Committee violated 2 U.S.C. § 441b(a). According to the guilty pleas, Brian Foley personally paid Rowland for working on Lisa Wilson-Foley's 2012 campaign.

Inc., and John Rowland.¹⁵

III. FACTUAL AND LEGAL ANALYSIS

A. The Committee Knowingly and Willfully Accepted and Failed to Disclose Excessive Contributions

The sworn admissions accompanying the guilty pleas of Lisa Wilson-Foley and Brian Foley plainly show that the Committee received in-kind contributions in the form of Brian Foley's payments to John Rowland for campaign work totaling \$35,000 that the Committee never disclosed. As Lisa Wilson-Foley stipulated in her Plea Agreement:

In calendar year 2011, [Rowland]¹⁷ was paid approximately \$15,000 for services rendered to the Campaign. In calendar year 2012, [Rowland] was paid approximately \$20,000 for services rendered to the Campaign. These payments originated with [Brian] Foley and constituted contributions to the Campaign Committee. As [Lisa Wilson-Foley] knew, those contributions were not reported to the FEC, in violation of federal campaign finance laws.¹⁸

The Act and Commission regulations require political committees to report all contributions received, whether monetary or in-kind, during a given reporting period.¹⁹ "Contribution" under the Act and Commission regulations includes the payment by any person of compensation for the personal services of another person rendered to a political committee

¹⁵ Previously, we recommended that the Commission find reason to believe that Apple Health violated 2 U.S.C. § 441b(a) and no reason to believe that Rowland violated 2 U.S.C. § 441b(a). *See* FGCR at 19-20, 25.

¹⁷ Rowland is referred to as "Co-Conspirator 1" in the filings that accompany Wilson-Foley's guilty plea.

¹⁸ Stipulation of Offense Conduct, *United States v. Wilson-Foley*, 3:14-CR-65 (Mar. 31, 2014) ("Lisa Wilson-Foley Stipulation").

¹⁹ 52 U.S.C. § 30104(b) (formerly 2 U.S.C. § 434(b)); 11 C.F.R. § 104.3.

1 without charge for any purpose.²⁰ During the 2012 election cycle, the Act prohibited any person
2 from making contributions to any candidate and the candidate's authorized political committee
3 with respect to any election for Federal office which, in the aggregate, exceeded \$2,500.²¹ In
4 addition, the Act prohibits any candidate or political committee from knowingly accepting any
5 contribution or making any expenditure in violation of the provisions of section 30116 (formerly
6 section 441a).²² And any candidate who receives a contribution does so as an agent of the
7 candidate's authorized committee.²³

8 The Committee, through the candidate Lisa Wilson-Foley, knowingly received a \$35,000
9 in-kind contribution from Brian Foley that the Committee did not disclose.²⁴ Foley had already
10 contributed the maximum to the Committee for the 2012 election cycle, so the entire amount of
11 the in-kind contribution is excessive.²⁵ Accordingly, there is reason to believe that the
12 Committee violated 52 U.S.C. §§ 30106(f) and 30104(b) (formerly 2 U.S.C. §§ 441a(f) and
13 434(b)).

14 There is also reason to believe that the Committee's violations were knowing and willful.
15 A violation of the Act is knowing and willful if the "acts were committed with full knowledge of

²⁰ 52 U.S.C. § 30101(8)(A)(ii) (formerly 2 U.S.C. § 431(8)(A)(ii)); 11 C.F.R. §§ 100.52(d), 100.54.

²¹ 52 U.S.C. § 30116(a)(1)(A) (formerly 2 U.S.C. § 441(a)(1)(A)). Contribution limits also apply to a candidate's family members. *See Buckley v. Valeo*, 424 U.S. 1, 51 n.57, 53 n.59 (1976) (upholding the constitutionality of contribution limits as to family members, reasoning that, "[a]lthough the risk of improper influence is somewhat diminished in the case of large contributions from immediate family members, we cannot say that the danger is sufficiently reduced to bar Congress from subjecting family members to the same limitations as nonfamily contributors").

²² 52 U.S.C. § 30116(f) (formerly 2 U.S.C. § 441a(f)).

²³ *Id.* § 30102(e)(2) (formerly 2 U.S.C. § 432(e)(2)).

²⁴ To date, the Committee has not amended its reports to disclose the contribution.

²⁵ Brian Foley contributed \$2,500 to the Committee for the 2012 convention and \$2,500 to the Committee for the 2012 primary election. *See* 2011 July Quarterly Report at 21.

1 all the relevant facts and a recognition that the action is prohibited by law.”²⁶ Lisa Wilson-Foley
2 has admitted to conspiring to accept excessive in-kind contributions from Brian Foley with the
3 intention that the purpose of the contribution — to pay Rowland for campaign work — would
4 not be disclosed. As Lisa Wilson-Foley stipulated in her Plea Agreement:

5 . . . The defendant [Wilson-Foley] knew that federal law imposed
6 restrictions on contributions to federal campaigns, including a \$2,500 limit
7 on any contribution by any individual during each election, i.e.,
8 convention, primary and general elections. The defendant also knew that
9 the Campaign Committee was required by law to file periodic reports with
10 the FEC detailing, among other things, contributions made to her
11 campaign and expenditures made on the campaign's behalf. In these
12 reports, the Campaign Committee was required to identify each person
13 who, during the relevant reporting period, contributed more than \$200 to
14 the committee, together with the date and the amount of any such
15 contribution. The defendant knew that one of the purposes of these
16 reporting requirements was to make available to the voting public
17 information concerning the source of contributions to the Campaign and
18 the nature of the Campaign's expenditures.

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21
22 The defendant wanted [Rowland] to work for her congressional campaign.
23 However, the defendant knew and believed that, if [Rowland] was hired in
24 a significant role by her Campaign and paid through the Campaign
25 Committee for that work, the media and the voting public would become
26 aware of [Rowland's] official association with her Campaign. The
27 defendant knew and believed that disclosure of [Rowland's] paid role in
28 the Campaign would result in substantial negative publicity for her
29 candidacy because [Rowland] had previously been convicted of a felony
30 offense. In order to retain [Rowland's] services for the Campaign while
31 reducing the risk that his paid Campaign role would be disclosed to the
32 public, the defendant, [Brian] Foley, [Rowland] and others agreed that
33 [Rowland] would be paid by [Brian] Foley to work on the Campaign.²⁷
34

²⁶ 122 Cong. Rec. H3778 (daily ed. May 3, 1976) (statement of Rep. Hays), *reprinted in* FEC, LEGIS. HISTORY OF FED. ELECTION CAMPAIGN ACT AMENDS. OF 1976, at 1078 (1977).

²⁷ Lisa Wilson-Foley Stipulation.

1 Accordingly, the Committee, through the candidate, Lisa Wilson-Foley,²⁸ was aware of the Act's
2 contribution limits and disclosure requirements and affirmatively sought to accept the excessive
3 contributions while not disclosing them. We therefore recommend that the Commission find
4 reason to believe that the Committee knowingly and willfully violated 52 U.S.C. §§ 30116(f) and
5 30104(b) (formerly 2 U.S.C. §§ 441a(f) and 434(b)) by receiving excessive contributions and
6 failing to disclose the contributions on reports filed with the Commission.²⁹

7 **B. The Commission Should Take No Action at this Time as to Other**
8 **Respondents Pending Further Administrative Fact Finding**
9

10 Pending our further review of materials from the criminal prosecution and trial, we
11 recommend that the Commission take no action at this time as to respondents Apple Health Care,
12 Inc., or John Rowland. And we make no recommendations at this time as to other persons who
13 may have been involved in the relevant conduct, such as Lisa Wilson-Foley or Brian Foley.³⁰

14 **IV. PROPOSED INVESTIGATION**
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19

²⁸ See 52 U.S.C. § 30102(e)(2) (formerly 2 U.S.C. § 432(e)(2)).

²⁹ The available information does not suggest that the Committee treasurers at the time of the activity, Dave Audibert (who signed the 2011 Year End Report) and William M. Kolo (who signed the 2012 April Quarterly Report), were aware of or participated in the unreported excessive contributions. Thus, we do not make any recommendations as to these former treasurers in their personal capacity. See Statement of Policy Regarding Treasurers Subject to Enforcement Proceedings, 70 Fed. Reg. 3, 5 (Jan. 3, 2005) (a former treasurer may be named as a respondent in his or her personal capacity when it appears that the treasurer may have violated obligations imposed by the Act or Commission regulations and where the violation was knowing and willful).

³⁰ We anticipate that the statute of limitations concerning the transactions at issue here will begin to run on October 1, 2016.

Although we will seek any necessary factual discovery through voluntary means, we recommend that the Commission approve compulsory process, as necessary.

V. RECOMMENDATIONS

1. Find reason to believe that Lisa Wilson-Foley for Congress and Lisa Wilson-Foley in her official capacity as treasurer knowingly and willfully violated 52 U.S.C. §§ 30116(f) and 30104(b) (formerly 2 U.S.C. §§ 441a(f) and 434(b)).
2. Approve the attached Factual and Legal Analysis for Lisa Wilson-Foley for Congress and Lisa Wilson-Foley in her official capacity as treasurer.
3. Take no action at this time as to Apple Health Care, Inc., or John Rowland.
4. Approve compulsory process, as necessary.
5. Approve the appropriate letter.

Date

4/16/15


Daniel A. Petalas

Associate General Counsel for Enforcement


Peter G. Blumberg

Assistant General Counsel


Mark Allen

Acting Assistant General Counsel

Attachment:

Factual and Legal Analysis for Lisa Wilson-Foley for Congress

1 **BEFORE THE FEDERAL ELECTION COMMISSION**

2
3 **RESPONDENTS:** Lisa Wilson-Foley for Congress
4 and Lisa Wilson-Foley in her official MUR 6566
5 capacity as treasurer
6

7 **FACTUAL AND LEGAL ANALYSIS**

8
9 **I. INTRODUCTION**

10 This matter was generated by a Complaint filed with the Federal Election
11 Commission by Mike Clark and Mike Clark for Congress, alleging violations of the
12 Federal Election Campaign Act of 1971, as amended (the "Act"), by Respondents.

13 **II. FACTUAL AND LEGAL ANALYSIS**

14 **A. Background**

15 The Complaint alleges that Lisa Wilson-Foley for Congress (the "Committee")
16 received in-kind contributions from Wilson-Foley's family business in violation of the
17 Act.¹ Specifically, the Complaint alleges that Apple Health Care, Inc. ("Apple Health")
18 — whose president, Brian Foley, is Wilson-Foley's spouse — paid John Rowland, a
19 former governor of Connecticut, as a "consultant" while he provided campaign work for
20 the Committee, suggesting that those payments were in fact payments for services
21 Rowland provided the campaign.²

22 The Complaint posits that Apple Health's payments to Rowland may have
23 constituted unreported corporate contributions from Apple Health to the Committee,
24 relying on a series of press reports that suggest Rowland's consulting arrangement with

¹ The Committee is the principal campaign committee of Lisa Wilson-Foley, a candidate for the U.S. House of Representatives in the Fifth Congressional District of Connecticut in 2012. Wilson-Foley lost the August 14, 2012, primary election.

² Compl. at 2 (May 1, 2012).

1 Apple Health was a cover, and that Rowland was in fact being paid as a result of his work
2 for the Committee.³ In support of that inference, those press reports recite allegations
3 that Rowland previously offered campaign consulting services to Mark Greenberg, a
4 candidate in 2010 and 2012 in the Fifth Congressional District of Connecticut and
5 Wilson-Foley's opponent in 2012, under a similar arrangement — where Greenberg's
6 nonprofit animal shelter would pay Rowland for campaign-related services rather than
7 Greenberg's campaign directly.⁴

8 The Committee argues in response that the Complaint fails to state a claim as to
9 the allegations because (i) they are factually insufficient in that they rely on hearsay and
10 third-party media sources;⁵ (ii) they do not specifically state that Apple Health paid
11 Rowland for work he provided the Committee or that Rowland used Apple Health
12 resources to benefit the Committee;⁶ and (iii) the relevant law expressly provides that an
13 individual does not make a contribution to a committee of services provided voluntarily
14 and without compensation, even if employed by another entity at the time.⁷

15 Concerning Apple Health's payments to Rowland, the Committee does not deny
16 that Rowland engaged in a paid consulting relationship with Apple Health while

³ *Id.* at 1-2. The Complaint asserts that it is premised on information in media sources and other information generally available to the public, including statements made by the Wilson-Foley campaign itself, attaching three press articles in support. *Id.*, Attach.

⁴ *Id.* at 2.

⁵ Committee Resp. at 2 (July 10, 2012).

⁶ *Id.* at 4.

⁷ *Id.* at 3. The Committee responded similarly to the Complaint in MUR 6604, which attached a copy of the Complaint filed in MUR 6566. *See* Compl., Attach. 1, MUR 6604 (July 2, 2012); Committee Resp., MUR 6604 (Aug. 29, 2012). On February 25, 2014, the Commission severed from MUR 6604 the allegations that the Committee received a contribution from Apple Health in the form of consultant payments to Rowland and merged those allegations into MUR 6566.

1 providing political campaign services to the Committee.⁸ Instead, the Committee denies
2 that the Complaints allege a violation of the Act, asserting that the only factual
3 allegations in the Complaints concern permissible volunteer activity of an individual who
4 is employed by another entity.⁹ The Committee contends that there is no express factual
5 allegation in the Complaint that Apple Health paid Rowland to work for the Wilson-
6 Foley campaign or that Rowland “was volunteering his time when he was supposed to be
7 working for Apple [Health].”¹⁰ The Committee also asserts that Rowland’s alleged offer
8 to Greenberg in the 2010 cycle has nothing to do with Respondents in the current
9 matter.¹¹ The Committee does not directly deny that Rowland was paid by Apple Health
10 to work for the Committee.

11 The allegations in this matter have also been the subject of a criminal
12 investigation conducted by the U.S. Attorney’s Office for the District of Connecticut. On
13 March 31, 2014, Lisa Wilson-Foley and Brian Foley each entered a guilty plea to a single
14 misdemeanor count of conspiracy to violate 2 U.S.C. §§ 441a(a)(1)(A); 441a(f), and
15 437g(d)(1)(A)(ii), in violation of 18 U.S.C. § 371, in connection with Brian Foley’s
16 payments to Rowland for work on Lisa Wilson-Foley’s 2012 campaign. Brian Foley was
17 sentenced on January 9, 2015, to three months in a halfway house, three years of
18 probation, and a \$30,000 fine.¹² Lisa Wilson-Foley was sentenced on March 24, 2015, to

⁸ See Committee Resp. at 1-4.

⁹ *Id.* at 1-3.

¹⁰ *Id.* at 4.

¹¹ *Id.* at 2.

¹² See Sentencing, *United States v. Brian Foley*, Crim. No. 3:14CR-65 (D. Conn. Jan. 9, 2015).

1 five months in prison, one year of probation and a \$20,000 fine.¹³ John Rowland was
2 tried and found guilty on September 19, 2014 of aiding and abetting violations of
3 2 U.S.C. §§ 441a(a)(1)(A) and 441a(f) and for violating 18 U.S.C. §§ 1519 (falsification
4 of records), 371 (conspiracy), and 1001 (false statements).¹⁴ On March 18, 2015, he was
5 sentenced to thirty months in prison.¹⁵

6 On the basis of the available information, the Commission finds reason to believe
7 that the Committee failed to disclose contributions in the form of payments to Rowland
8 for working on Wilson-Foley's campaign.¹⁶ The information now indicates that the
9 Committee accepted excessive contributions from Brian Foley rather than corporate
10 contributions from Apple Health.¹⁷ The information developed in the criminal
11 prosecutions, moreover, suggests that these violations were knowing and willful.

12 **B. The Committee Knowingly and Willfully Accepted and Failed to**
13 **Disclose Excessive Contributions**
14

15 The sworn admissions accompanying the guilty pleas of Lisa Wilson-Foley and
16 Brian Foley plainly show that the Committee received in-kind contributions in the form

¹³ See Sentencing, *United States v. Lisa Wilson-Foley*, Crim. No. 3:14CR-65 (D. Conn. Mar. 24, 2015).

¹⁴ See Jury Verdict, *United States v. Rowland*, Crim. No. 3:14CR-79 (D. Conn. Sept. 19, 2014).

¹⁵ See Sentencing, *United States v. Rowland*, Crim. No. 3:14CR-79 (D. Conn. Mar. 18, 2015). On March 30, 2015, Rowland filed a notice of appeal. See Notice of Appeal, *United States v. Rowland*, Crim. No. 3:14CR-79 (D. Conn. Mar. 30, 2015).

¹⁶ See 52 U.S.C. § 30104(b) (formerly 2 U.S.C. § 434(b)). On September 1, 2014, the Act was transferred from Title 2 to new Title 52 of the United States Code.

¹⁷ See 52 U.S.C. §§ 30116(f) and 30118(a) (formerly 2 U.S.C. §§ 441a(f) and 441b(a)). According to the guilty pleas, Brian Foley personally paid Rowland for working on Lisa Wilson-Foley's 2012 campaign.

1 of Brian Foley's payments to John Rowland for campaign work totaling \$35,000 that the
2 Committee never disclosed. As Lisa Wilson-Foley stipulated in her Plea Agreement:

3 In calendar year 2011, [Rowland]¹⁸ was paid approximately \$15,000 for
4 services rendered to the Campaign. In calendar year 2012, [Rowland] was
5 paid approximately \$20,000 for services rendered to the Campaign. These
6 payments originated with [Brian] Foley and constituted contributions to
7 the Campaign Committee. As [Lisa Wilson-Foley] knew, those
8 contributions were not reported to the FEC, in violation of federal
9 campaign finance laws.¹⁹

10
11 The Act and Commission regulations require political committees to report all
12 contributions received, whether monetary or in-kind, during a given reporting period.²⁰
13 "Contribution" under the Act and Commission regulations includes the payment by any
14 person of compensation for the personal services of another person rendered to a political
15 committee without charge for any purpose.²¹ During the 2012 election cycle, the Act
16 prohibited any person from making contributions to any candidate and the candidate's
17 authorized political committee with respect to any election for Federal office which, in
18 the aggregate, exceeded \$2,500.²² In addition, the Act prohibits any candidate or political
19 committee from knowingly accepting any contribution or making any expenditure in

¹⁸ Rowland is referred to as "Co-Conspirator 1" in the filings that accompany Wilson-Foley's guilty plea.

¹⁹ Stipulation of Offense Conduct, *United States v. Wilson-Foley*, 3:14-CR-65 (Mar. 31, 2014) ("Lisa Wilson-Foley Stipulation").

²⁰ 52 U.S.C. § 30104(b) (formerly 2 U.S.C. § 434(b)); 11 C.F.R. § 104.3.

²¹ 52 U.S.C. § 30101(8)(A)(ii) (formerly 2 U.S.C. § 431(8)(A)(ii)); 11 C.F.R. §§ 100.52(d), 100.54.

²² 52 U.S.C. § 30116(a)(1)(A) (formerly 2 U.S.C. § 441(a)(1)(A)). Contribution limits also apply to a candidate's family members. See *Buckley v. Valeo*, 424 U.S. 1, 51 n.57, 53 n.59 (1976) (upholding the constitutionality of contribution limits as to family members, reasoning that, "[a]lthough the risk of improper influence is somewhat diminished in the case of large contributions from immediate family members, we cannot say that the danger is sufficiently reduced to bar Congress from subjecting family members to the same limitations as nonfamily contributors").

1 violation of the provisions of section 30116 (formerly section 441a).²³ And any
2 candidate who receives a contribution does so as an agent of the candidate's authorized
3 committee.²⁴

4 The Committee, through the candidate Lisa Wilson-Foley, knowingly received a
5 \$35,000 in-kind contribution from Brian Foley that the Committee did not disclose.²⁵
6 Foley had already contributed the maximum to the Committee for the 2012 election
7 cycle, so the entire amount of the in-kind contribution is excessive.²⁶ Accordingly, there
8 is reason to believe that the Committee violated 52 U.S.C. §§ 30106(f) and 30104(b)
9 (formerly 2 U.S.C. §§ 441a(f) and 434(b)).

10 There is also reason to believe that the Committee's violations were knowing and
11 willful. A violation of the Act is knowing and willful if the "acts were committed with
12 full knowledge of all the relevant facts and a recognition that the action is prohibited by
13 law."²⁷ Lisa Wilson-Foley has admitted to conspiring to accept excessive in-kind
14 contributions from Brian Foley with the intention that the purpose of the contribution —
15 to pay Rowland for campaign work — would not be disclosed. As Lisa Wilson-Foley
16 stipulated in her Plea Agreement:

17 . . . The defendant [Wilson-Foley] knew that federal law imposed
18 restrictions on contributions to federal campaigns, including a \$2,500 limit

²³ 52 U.S.C. § 30116(f) (formerly 2 U.S.C. § 441a(f)).

²⁴ *Id.* § 30102(e)(2) (formerly 2 U.S.C. § 432(e)(2)).

²⁵ To date, the Committee has not amended its reports to disclose the contribution.

²⁶ Brian Foley contributed \$2,500 to the Committee for the 2012 convention and \$2,500 to the Committee for the 2012 primary election. *See* 2011 July Quarterly Report at 21.

²⁷ 122 Cong. Rec. H3778 (daily ed. May 3, 1976) (statement of Rep. Hays), *reprinted in* FEC, LEGIS. HISTORY OF FED. ELECTION CAMPAIGN ACT AMENDS. OF 1976, at 1078 (1977).

1 on any contribution by any individual during each election, i.e.,
2 convention, primary and general elections. The defendant also knew that
3 the Campaign Committee was required by law to file periodic reports with
4 the FEC detailing, among other things, contributions made to her
5 campaign and expenditures made on the campaign's behalf. In these
6 reports, the Campaign Committee was required to identify each person
7 who, during the relevant reporting period, contributed more than \$200 to
8 the committee, together with the date and the amount of any such
9 contribution. The defendant knew that one of the purposes of these
10 reporting requirements was to make available to the voting public
11 information concerning the source of contributions to the Campaign and
12 the nature of the Campaign's expenditures.

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14

15
16 The defendant wanted [Rowland] to work for her congressional campaign.
17 However, the defendant knew and believed that, if [Rowland] was hired in
18 a significant role by her Campaign and paid through the Campaign
19 Committee for that work, the media and the voting public would become
20 aware of [Rowland's] official association with her Campaign. The
21 defendant knew and believed that disclosure of [Rowland's] paid role in
22 the Campaign would result in substantial negative publicity for her
23 candidacy because [Rowland] had previously been convicted of a felony
24 offense. In order to retain [Rowland's] services for the Campaign while
25 reducing the risk that his paid Campaign role would be disclosed to the
26 public, the defendant, [Brian] Foley, [Rowland] and others agreed that
27 [Rowland] would be paid by [Brian] Foley to work on the Campaign.²⁸

28
29 Accordingly, the Committee, through the candidate, Lisa Wilson-Foley,²⁹ was aware of
30 the Act's contribution limits and disclosure requirements and affirmatively sought to
31 accept the excessive contributions while not disclosing them. The Commission therefore
32 finds reason to believe that the Committee knowingly and willfully violated 52 U.S.C.
33 §§ 30116(f) and 30104(b) (formerly 2 U.S.C. §§ 441a(f) and 434(b)) by receiving
34 excessive contributions and failing to disclose the contributions on reports filed with the
35 Commission.

²⁸ Lisa Wilson-Foley Stipulation.

²⁹ See 52 U.S.C. § 30102(e)(2) (formerly 2 U.S.C. § 432(e)(2)).