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BEFORE THE
FEDERAL ELECTION COMMISSION

2015 AUG 12 PM 2:56

Julian Dmitri Burger

Wilmington, CA 90744-1910

Complainant,

v.

Isadore Hall III
3700 Wilshire Boulevard
Suite 1050-B
Los Angeles, California 90010

Respondent.

OFFICE OF GENERAL
COUNSEL

MUR # 6957

SENSITIVE

2015 AUG 13 PM 2:36

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COMMISSION

COMPLAINT

Complainant files this complaint under 52 U.S.C. § 30109(a)(1) against Isadore Hall III for violating the Federal Election Campaign Act of 1971, as amended ("the Act") and Federal Election Commission regulations, as described below. In a troubling continuation of his apparently cozy relationship with big tobacco, the gambling industry, and other corporate interests,¹ any entity controlled by Mr. Hall has illegally raised corporate contributions from an alcohol company in violation of Federal law.

A. FACTS

Isadore Hall III is a current California state senator and also a candidate for the House of Representatives in California's 44th congressional district.² Mr. Hall filed a statement of

¹ Nick Green, *Will Isadore Hall run away from field in 35th Senate District election?*, Daily Breeze, Dec. 7, 2014, available at <http://www.dailybreeze.com/government-and-politics/20141207/will-isadore-hall-run-away-from-field-in-35th-senate-district-election>.

² Patrick McGreevy, *Isadore Hall Wins Special Election for State Senate Seat*, Los Angeles Times, Dec. 9, 2014, available at <http://www.latimes.com/local/political/la-me-pc-isadore-hall-state-senate-seat-20141209-story.html>; Laurel Rosenhall, *Isadore Hall to Run for Congress*, The Sacramento Bee, Feb. 18, 2015, available at <http://www.sacbee.com/news/politics-government/capitol-alert/article10603493.html>.

candidacy with the FEC for the 2016 election on February 24, 2015.³ He also filed a statement of candidacy for the same office for the 2018 election on April 21, 2015.⁴

Mr. Hall controls a California Ballot Measure Committee named the "Inspiration and Hope for California Ballot Measure Committee Controlled by Senator Isadore Hall" (the "State Committee").⁵ The State Committee does not support a specific ballot measure but explores issues related to budget.⁶ On its first quarter Recipient Committee Campaign Statement, the State Committee reported receiving a \$4,100 contribution on March 2, 2015 from Anheuser Busch Companies, a corporate entity.⁷

B. LEGAL ARGUMENT

In order to prevent our elected officials from undue influence, Federal law prohibits a federal candidate from soliciting, receiving, directing, transferring, or spending "funds in connection with any election other than an election for Federal office or disburs[ing] funds in connection with such an election unless the funds" are subject to the Act's limitations and source restrictions.⁸ Such funds may not be "in excess of the amounts permitted with respect to contributions to candidates or political committees" under the Act and may not be "from sources prohibited by [the] Act from making contributions in connection with an election for Federal office."⁹ For example, any contributions from corporations are specifically prohibited.¹⁰ In order to ensure that candidates cannot evade the requirements of Federal law by raising and

³ Statement of Candidacy, FEC Form 2, <http://docquery.fec.gov/pdf/939/15950831939/15950831939.pdf> (last accessed July 30, 2015).

⁴ Statement of Candidacy, FEC Form 2, <http://docquery.fec.gov/pdf/423/15970675423/15970675423.pdf> (last accessed July 30, 2015).

⁵ Recipient Committee Campaign Statement at 1, <http://cal-access.ss.ca.gov/PDFGen/pdfgen.prg?filingid=1963640&amendid=0> (last accessed Aug. 4, 2015).

⁶ *Id.* at 2.

⁷ *Id.* at 4.

⁸ 52 U.S.C. § 30125(e)(1)(B).

⁹ *Id.* § 30125(e)(1)(B)(i)-(ii).

¹⁰ *Id.* § 30118(a).

spending funds through outside organizations, the prohibition on federal candidates soliciting, receiving, directing, transferring, or spending funds outside the federal limitations and source restrictions applies not only to a candidate's federal campaign committee, but also to any entity directly or indirectly established, financed, maintained, or controlled by or acting on behalf of the candidate.¹¹ With the exception of candidates' actual state or local campaign committees,¹² the Federal restrictions apply to other state political committees, even if those entities may otherwise accept federally prohibited contributions under state law.¹³ The FEC has specifically opined that "all activities of a ballot measure committee established, financed, maintained or controlled by a Federal candidate...are in connection with any election other than an election for Federal office" and accordingly must only accept funds permissible under the Federal limits and source restrictions.¹⁴ A ballot measure committee established, financed, maintained or controlled by a Federal candidate cannot accept corporate contributions.¹⁵

Mr. Hall filed his statement of candidacy with the FEC on February 24, 2015. Upon doing so, he, and any entity directly or indirectly established, financed, maintained, or controlled by him or on his behalf, is prohibited from soliciting or receiving corporate contributions in connection with any election other than an election for Federal office. As its name aptly indicates, "Inspiration and Hope for California Ballot Measure Committee Controlled by Senator Isadore Hall" is a state ballot measure committee controlled by Mr. Hall. The State Committee was legally prohibited from accepting corporate contributions as of as of the date Mr. Hall became a candidate, but it did exactly that. On March 2, 2015, the State Committee received a \$4,100 corporate contribution from Anheuser Busch Companies in violation of the corporate

¹¹ *Id.* § 30125(e)(1).

¹² *Id.* §.30125(e)(2).

¹³ See *id.*; see also FEC Adv. Op. 2005-2; FEC Adv. Op. 2003-12.

¹⁴ FEC Adv. Op. 2003-12 (internal quotation marks omitted).

¹⁵ *Id.*; 52 U.S.C. § 30125(e)(1).

contribution ban for entities controlled by federal candidates. Since that time, the State Committee has also accepted contributions from Port PAC USA and Viejas Tribal Government, which may also be in violation of the law if those contributions do not comply with the Federal requirements.¹⁶

C. REQUESTED ACTION

As shown, Mr. Hall violated the Act when a state ballot committee that he established solicited and accepted a corporate contribution after he became a federal candidate. We respectfully request that the Commission investigate these violations and that Respondent be enjoined from further violations and fined the maximum amount permitted by law.

Sincerely,

 8/6/2015

SUBSCRIBED AND SWORN to before me this ____ day of August, 2015.

Notary Public

My Commission Expires:

¹⁶ Recipient Committee Campaign Statement at 4, <http://cal-access.ss.ca.gov/PDFGen/pdfgen.prg?filingid=1978129&amendid=0> (last accessed Aug. 4, 2015).

California Jurat Certificate

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles } S.S.

Subscribed and sworn to (or affirmed) before me on this 10 day of August
2015, by Julian D. Burger and

Name of Signer (1)

_____, proved to me on the basis of

Name of Signer (2)
satisfactory evidence to be the person(s) who appeared before me.

Sara Cottingham
Signature of Notary Public



For other required information (Notary Name, Commission No. etc.)

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this jurat to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The certificate is attached to a document titled/for the purpose of

complaint

containing 4 pages, and dated 8/6/15

Additional Information
Method of Affiant Identification
Proved to me on the basis of satisfactory evidence: <input type="radio"/> form(s) of identification <input type="radio"/> credible witness(es)
Notarial event is detailed in notary journal on: Page # _____ Entry # _____
Notary contact: _____
Other
<input type="checkbox"/> Affiant(s) Thumbprint(s) <input type="checkbox"/> Describe: _____