STATEMENT OF REASONS
OF VICE CHAIR ELLEN L. WEINTRAUB

It is illegal to funnel a contribution through another person or entity to evade the reporting requirements of the Federal Election Campaign Act.1 The current matters, like many similar ones before them, involve allegations that individuals did exactly that by using LLCs as straw donors to make six-figure contributions to Super PACs.

Despite longstanding and well-established law banning contributions in the name of another, my Republican colleagues have repeatedly insisted that — prior to a statement they issued in April 2016 — it would have been “unfair” to expect respondents to have known, post-
Citizens United, that corporate LLCs cannot be used as conduits.2

---

1 52 U.S.C. § 30122.

As I’ve consistently pointed out, the irony in my colleagues’ view is that their own years-long foot-dragging caused any alleged lack of post-
The current matters, however, present a new challenge to my colleagues’ knee-jerk refusal to enforce the law. In these matters, the available records indicate that the LLCs purportedly used to funnel money to Super PACs were “disregarded entities” for tax purposes. Under Commission regulations, contributions from LLCs that are disregarded entities are not considered corporate contributions, but partnership contributions. There should be no confusion that the law prohibits individuals from using such entities to make contributions in the name of another. Nothing in *Citizens United*’s holding on corporations altered that inconvenient fact. Yet the Republican commissioners again blocked the Commission from making any findings or undertaking any investigation.

These two matters are just the latest examples of allegations of someone using an LLC as a straw donor and facing no repercussions. I voted to find reason to believe that the law had been violated and to investigate the allegations. My Republican colleagues, unsurprisingly, did not. I look forward to learning their newest reason for continuing to obstruct enforcement of the law.

---

3 See First Gen. Counsel’s Report (“FGCR”) at 4 in MUR 6969 (MMWP12 LLC, *et al.*); FGCR at 12 in MURs 7031 & 7034 (Children of Israel, *et al.*).

4 See 11 C.F.R. § 110.1(g)(2) (an LLC that “does not elect treatment as either a partnership or a corporation . . . shall be considered a contribution from a partnership”). Contributions by an LLC that is a disregarded entity and does not have a single natural-person must be attributed to both the entity and each of its partners. *Id.; see also id.* at § 110.1(e). LLCs that are not treated as a corporation and have a single natural person member shall be attributed only to the single member. *Id.* § 110.1(g)(4).

Whether a committee properly attributes a contribution does not resolve a potential Section 30122 violation. One could, I suppose, argue that any straw donor case is “just” a case of misattribution. But who gets identified as the donor on the recipient committee’s reports goes to the heart of the FEC’s disclosure mission. If the true source of the money is obscured, the public is left in the dark.