



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )  
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Julio Gonzalez for Congress, *et al.* ) MUR 7461  
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**STATEMENT OF REASONS OF CHAIR ELLEN L. WEINTRAUB**

Julio Gonzalez, a candidate for the 2018 Republican primary election in Florida’s 17<sup>th</sup> Congressional District, loaned his campaign \$150,000, money that he did not appear to have. The complaint posited that the money came from a loan made by the candidate’s father-in-law, Winston Arabitg. The Federal Election Commission’s Office of General Counsel (“OGC”) speculated that the source could have been a combination of Gonzalez’s personal funds, supplemented by commercial loans. But when a candidate borrows money to fund his campaign, either from an individual or a bank, the source of that loan must be disclosed to the public. Here, it was not.

The Complaint alleged that Arabitg made an excessive contribution to Gonzalez, in violation of Section 30116(f) and 30116(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended (“the Act”).<sup>1</sup> According to the Complaint, a \$317,000 loan made by Arabitg to Gonzalez was the actual source of funds for the \$150,000 loan that Gonzalez made to his Committee.<sup>2</sup> These allegations relied on two financial disclosure statements submitted to the Florida Commission on Ethics and a 2018 financial disclosure statement filed with the U.S. House of Representatives as evidence that Gonzalez did not have sufficient liquid assets to loan \$150,000 to his Committee.<sup>3</sup>

While the OGC concluded that the \$317,000 loan from Arabitg did not appear to have been used in connection with the campaign, the Commission never received a satisfactory explanation as to where the money for the \$150,000 loan *did* come from.<sup>4</sup> Arabitg submitted detailed financial information; Gonzalez did not. His lawyers asserted that the campaign loan “came from the personal funds of the candidate,” but did not provide further explanation.<sup>5</sup> The OGC hypothesized that Gonzalez might have had sufficient funds by using the proceeds of certain commercial loans he


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<sup>1</sup> Compl. at 1 (Aug. 7, 2018).  
<sup>2</sup> *Id.*  
<sup>3</sup> *Id.*; First Gen. Counsel’s Rpt. at 5-12.  
<sup>4</sup> First Gen. Counsel’s Rpt. at 9-10.  
<sup>5</sup> Gonzalez Resp. at 2 (Sept. 28, 2018).

had obtained.<sup>6</sup> If so, the campaign should have reported the lending institution as a source of the loan, not merely the candidate.<sup>7</sup>

\$150,000 is not an insignificant amount of money. It is possible there is an explanation for the loan that does not involve a reporting violation, but it has not been provided to the Commission. A targeted investigation could have uncovered the source of the money, determined whether the candidate violated the law, and ensured that the public record was correct and complete, all without expending an inordinate amount of Commission resources. It was our job to follow the money and find out where it came from. But as in so many cases, the Commission split on a motion to do so, and thus we were blocked from doing our job.<sup>8</sup>

August 1, 2019  
Date

  
Ellen L. Weintraub  
Chair

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<sup>6</sup> First Gen. Counsel's Rpt. at 10.

<sup>7</sup> 52 U.S.C. § 30104 (b)(3)(E); 11 C.F.R. § 104.3(d)(4).

<sup>8</sup> Commissioner Walther and I voted to find reason to believe that Julio Gonzalez for Congress violated 52 U.S.C. § 30104(b)(3) and 11 C.F.R. § 104.3(a) and (d) by failing to properly report the source of a loan he made to his principal campaign committee; Vice Chairman Petersen and Commissioner Hunter dissented and voted to dismiss the allegations. As a result, we lacked the requisite four votes to take Commission action and closed the file. Certification at 1, MUR 7461 (Julio Gonzalez for Congress, *et al.*) (June 20, 2019).