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## [FEC Still Refuses To Investigate Alleged \\$84 Million Clinton Campaign Money Laundering Bribes](#)

'It's outrageous that the FEC has sat around and done nothing—especially with such a detailed, comprehensive paper trail handed to them,' lawyer Dan Backer told The Federalist.

 Margot Cleveland

By [Margot Cleveland](#)

Tuesday evening the Committee to Defend the President (CDP) [filed a motion](#) in a D.C. federal court seeking to supplement the complaint it had filed against the Federal Election Committee (FEC) in April 2018. In its original complaint, the CDP alleged that the agency responsible for enforcing campaign-finance law failed to act on an administrative complaint the CDP had filed with the FEC. That complaint charged that, during the 2016 presidential election, Democrats illegally funneled approximately \$84 million through the Hillary Victory Fund to the Democratic National Committee (DNC), which then illegally coordinated with the Hillary Clinton campaign.

To understand the alleged scheme requires familiarity with controlling campaign-finance law and campaign contribution limits. As I [explained](#) at the time CDP sued the FEC last April:

Under federal law, 'an individual donor can contribute \$2,700 to any candidate, \$10,000 to any state party committee, and (during the 2016 cycle) \$33,400 to a national party's main account. These groups can all get together and

take a single check from a donor for the sum of those contribution limits—it's legal because the donor cannot exceed the base limit for any one recipient. And state parties can make unlimited transfer to their national party.'

This legal loophole allows 'bundlers' to [raise](#) large sums of money from wealthy donors—more than \$400,000 at a time—filtering the funds to the national committees. Democrats and Republicans alike [exploit](#) this tactic. But once the money reaches the national committees, other limits apply.

During the 2016 election cycle, Democrats followed this formula, with Clinton, the DNC, and participating state Democratic committees establishing the Hillary Victory Fund (HVF) as a joint fundraising committee to accept contributions from large donors. To comply with the law, the HVF needed to transfer the donations to the specified recipients, whether the Clinton campaign, down-ticket Democrats, the DNC, or state committees.

FEC records the CDP reviewed revealed a problem, however: HVF reported several large contributions as received and on the same day (or occasionally the following day) the DNC recorded receiving the same amount of funds from a state Democratic committee, but the state Democratic committees *never* reported receiving the contribution from the HVF or dispersing the funds to the DNC.

Public statements by former DNC chairwoman Donna Brazile further implicated Hillary Clinton with violating campaign finance laws during the 2016 election. Brazile explained that “[a]s Hillary’s campaign gained momentum, she resolved the party’s debt and put it on a starvation diet. It had become dependent on

her campaign for survival, for which she expected to wield control of its operations.”

Clinton campaign chief financial officer Gary Gensler similarly stated that the Democratic Party was “fully under the control of the Clinton campaign . . . . The campaign had the DNC on life support, giving it money every month to meet its basic expenses, while the campaign was using the party as a fund-raising clearinghouse.”

By controlling the DNC, the campaign contributions made to the national party qualified as donations to the Clinton campaign for purposes of federal campaign finance law, and if properly accounted for, they would exceed the legal contribution limits.

After uncovering evidence of this purported scheme, the CDP filed an administrative complaint with the FEC on December 15, 2017. The CDP asked “the FEC to commence enforcement proceedings against Hillary Clinton, her campaign and its treasurer, the DNC and its treasurer, and the participating state Democratic committees.” Attached to the administrative complaint were nearly 20 pages of Excel spreadsheets summarizing the evidence of the alleged misconduct.

By law, after receiving an administrative complaint, the FEC must notify those accused of wrongdoing of the charges then determine whether there was “reason to believe” a violation of campaign finance law occurred. Following a finding by four FEC commissioners that there is “reason to believe” a violation has occurred, the FEC must then investigate the complaint. Or if the FEC concludes there is no reason to believe a violation occurred, it will dismiss the complaint.

But the FEC did nothing from December 15, 2017 until April 2018, when the CDP sued the FEC seeking a court order directing the agency to rule on the administration complaint it lodged against the DNC, Hillary Clinton, and various state Democratic committees. In response, the FEC filed a motion to dismiss the lawsuit, arguing the CDP lacked standing, meaning it lacked the ability to sue. That motion has been under consideration since last summer.

In last night's filing, the CDP tells the district court that its request to supplement its complaint will not affect the court's consideration of the question of standing. Rather, the CDP merely seeks to update its allegations concerning the FEC's delay, to "allege that, for more than a year, the FEC has completely failed to complete its adjudication of, or even make a 'reason to believe' finding concerning, CDP's Administrative Complaint."

In briefing filed with its motion to supplement the complaint, the CDP stresses that "in determining whether the FEC's delay in addressing the Administrative Complaint is 'unlawful,' one of the most important factors this Court must consider is the length of time it has been pending before the agency." Thus, the CDP argues, "in determining whether the FEC's 'failure to act is contrary to law,' the pertinent time period should now be over one year, rather than four months," and the court should allow it to update the complaint accordingly.

Whether the district court will agree is another matter: The court might well conclude that there is no need to update the complaint merely to state that more time has passed since its filing. It is equally plausible, though, that the court will allow the

supplemental filing as innocuous. The FEC ultimately consent the filing of the supplemental complaint.

These procedural machinations, however, serve solely as a sideshow to the real news: The FEC is not doing its job. That is likely what prompted Dan Backer, the D.C.-based attorney representing the CDP, to push for supplementing the complaint—to expose the FEC’s inexcusable inaction.

“It’s outrageous that the FEC has sat around and done nothing – especially with such a detailed, comprehensive paper trail handed to them,” Backer told The Federalist. “It smacks of the same Deep State culture that shielded April Sand,” he said, in [reference](#) to the former FEC attorney “who played politics on the job,” by among other things “participat[ing] in a Huffington Post Live internet broadcast via webcam from an FEC facility, criticizing the Republican Party and then-presidential candidate Mitt Romney.” But Sand escaped criminal prosecution for violating the Hatch Act when the “Federal Election Commission recycled her hard drive before evidence could be recovered.”

Now for more than a year the FEC has ignored its statutory duty to address the CDP’s administrative complaint that laid out solid evidence that during the 2016 election, Hillary Clinton, the DNC, and the state Democratic parties [illegally laundered nearly \\$84 million](#) in campaign contributions. “But they also don’t want anyone doing the job they refuse to do,” Backer said in reference to the FEC’s motion to dismiss the CPF’s lawsuit.

Further, the FEC’s inaction holds significance far beyond the old news of Clinton’s failed 2016 presidential run: “The 2020 cycle has already started, and top-tier national Democratic contenders are already lining up,” Backer notes, adding that “Mark Elias of

Perkins Coie, who represented both Clinton and the DNC during the 2016 campaign, is signed up with Kamala Harris.”

“If the FEC doesn’t get off its backside and act, or let others do it as the statute envisions, I have no doubt we’ll see multiple candidates repeating this scheme,” Backer warns.

The election-law lawyer is likely correct, although the candidates have likely learned a few tricks since Hillary’s presidential run: make sure the paper trail shows the funds passing through the state Democratic parties’ accounts, and don’t publicly admit that a candidate controls the DNC. Oh, and visit Wisconsin.

*Correction: The original article stated that the FEC had opposed the motion to supplement the complaint. That statement was incorrect: At the time the motion was first drafted, the FEC had not consented to the filing of a supplemental complaint. However, prior to the filing of the final motion, the FEC consented to the filing of a supplemental complaint.*

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Photo [Gage Skidmore / Wikimedia](#)