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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

REPORT

Review No. 19-5449

The Board of the Office of Congressional Ethics (hereafter “the Board”), by a vote of no less than four members, on September 13, 2019, adopted the following report and ordered it to be transmitted to the Committee on Ethics of the United States House of Representatives (hereafter “the Committee”).

SUBJECT: Representative Lori Trahan

NATURE OF THE ALLEGED VIOLATION: Rep. Lori Trahan’s campaign committee, Lori Trahan for Congress Committee, may have accepted excessive contributions reported as personal loans and contributions from the candidate, that may not have been sourced from Rep. Trahan’s personal funds. If Rep. Trahan’s campaign committee accepted personal loans and contributions that exceeded campaign contribution limits, then Rep. Trahan may have violated federal law, House rules, and standards of conduct.

Rep. Trahan may have omitted required information from her congressional candidate financial disclosure reports and Federal Election Commission (“FEC”) campaign committee reports. If Rep. Trahan failed to disclose required information in her congressional candidate financial disclosure reports or FEC campaign committee filings, then she may have violated House rules, standards of conduct, and federal law.

RECOMMENDATION: The Board recommends that the Committee further review the above allegation because there is substantial reason to believe that Rep. Trahan’s campaign committee accepted personal loans and contributions that exceeded campaign contribution limits.

The Board recommends that the Committee further review the above allegation because there is substantial reason to believe that Rep. Trahan failed to disclose required information in her congressional candidate financial disclosure reports or FEC campaign committee filings.

VOTES IN THE AFFIRMATIVE: 5

VOTES IN THE NEGATIVE: 0

ABSTENTIONS: 1

MEMBER OF THE BOARD OR STAFF DESIGNATED TO PRESENT THIS REPORT TO THE COMMITTEE: Omar S. Ashmawy, Staff Director & Chief Counsel.

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

FINDINGS OF FACT AND CITATIONS TO LAW

TABLE OF CONTENTS

I. INTRODUCTION 3

 A. Summary of Allegations..... 3

 B. Jurisdiction Statement 3

 C. Procedural History..... 4

 D. Summary of Investigative Activity 5

II. REP. TRAHAN MAY HAVE ACCEPTED IMPERMISSIBLE CAMPAIGN CONTRIBUTIONS AND THEN IMPROPERLY REPORTED THEM 5

 A. Applicable Law, Rules, and Standards of Conduct..... 5

 B. Rep. Trahan’s Spouse Deposited Funds Into a Joint Checking Account Throughout 2018 Which Rep. Trahan Used to Make \$300,000 in “Personal Loans” to Her Campaign Committee 8

 C. The Campaign Committee’s Reporting of the Loans..... 15

III. CONCLUSION 16

IV. INFORMATION THE OCE WAS UNABLE TO OBTAIN AND RECOMMENDATIONS FOR THE ISSUANCE OF SUBPOENAS 16

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

FINDINGS OF FACT AND CITATIONS TO LAW

Review No. 19-5449

On September 13, 2019, the Board of the Office of Congressional Ethics (hereafter “the Board”) adopted the following findings of fact and accompanying citations to law, regulations, rules and standards of conduct (*in italics*). The Board notes that these findings do not constitute a determination of whether or not a violation actually occurred.

I. INTRODUCTION

A. Summary of Allegations

1. Rep. Lori Trahan’s campaign committee, Lori Trahan for Congress Committee (the “campaign committee”), may have accepted excessive contributions reported as personal loans and contributions from the candidate, that may not have been sourced from Rep. Trahan’s personal funds. If Rep. Trahan’s campaign committee accepted personal loans and contributions that exceeded campaign contribution limits, then Rep. Trahan may have violated federal law, House rules, and standards of conduct.
2. Rep. Trahan may have omitted required information from her congressional candidate financial disclosure reports and Federal Election Commission (“FEC”) campaign committee reports. If Rep. Trahan failed to disclose required information in her congressional candidate financial disclosure reports or FEC campaign committee filings, then she may have violated House rules, standards of conduct, and federal law.
3. The Board recommends that the Committee further review the above allegation because there is substantial reason to believe that Rep. Trahan’s campaign committee accepted personal loans and contributions that exceeded campaign contribution limits.
4. The Board recommends that the Committee further review the above allegation because there is substantial reason to believe that Rep. Trahan failed to disclose required information in her congressional candidate financial disclosure reports or FEC campaign committee filings.

B. Jurisdiction Statement

5. The allegations that were the subject of this review concern Rep. Lori Trahan, a Member of the United States House of Representatives from the 3rd District of Massachusetts. The Resolution the United States House of Representatives adopted creating the Office of Congressional Ethics (“OCE”) directs that, “[n]o review shall be undertaken ... by the [B]oard of any alleged violation that occurred before the date of adoption of this resolution.”¹ The House adopted this Resolution on March 11, 2008. Because the conduct under review

¹ H. Res. 895 of the 110th Congress § 1(e) (2008) (as amended) (hereafter “the Resolution”).

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

occurred after March 11, 2008, review by the Board is in accordance with the Resolution. Because some of the conduct at issue occurred as a part of a successful campaign for election to the United States House of Representatives, review by the Board is in accordance with the Resolution and House precedent.²

C. Procedural History

6. The OCE received a written request for preliminary review in this matter signed by at least two members of the Board on May 10, 2019. The preliminary review commenced on May 11, 2019.³ The preliminary review was scheduled to end on June 9, 2019.
7. On May 14, 2019, the OCE notified Rep. Trahan of the initiation of the preliminary review, provided her with a statement of the nature of the review, notified her of her right to be represented by counsel in this matter, and notified her that invoking her right to counsel would not be held negatively against her.
8. At least three members of the Board voted to initiate a second-phase review in this matter on June 9, 2019. The second-phase review commenced on June 10, 2019.⁴ The second-phase review was scheduled to end on July 24, 2019.
9. On June 10, 2019, the OCE notified Rep. Trahan of the initiation of the second-phase review in this matter, and again notified her of her right to be represented by counsel in this matter, and that invoking that right would not be held negatively against her.
10. The Board voted to extend the second-phase review by an additional period of fourteen days on July 12, 2019. The additional period ended on August 7, 2019.
11. The Board voted to refer the matter to the Committee on Ethics for further review and adopted these findings on September 13, 2019.
12. The report and its findings in this matter were transmitted to the Committee on Ethics on September 18, 2019.

² See e.g., *In the Matter of Allegations Relating to Representative Ruben Kihuen*, H.R. REP. NO. 115-1041, at 5, n. 24 (2d Sess. 2018) (“[T]he Committee has repeatedly noted it has jurisdiction over ‘misconduct relating to a successful campaign for election to the House’”).

³ A preliminary review is “requested” in writing by members of the Board of the OCE. The request for a preliminary review is received by the OCE on a date certain. According to the Resolution, the timeframe for conducting a preliminary review is 30 days from the date of receipt of the Board’s request.

⁴ According to the Resolution, the Board must vote (as opposed to make a written authorization) on whether to conduct a second-phase review in a matter before the expiration of the 30-day preliminary review. If the Board votes for a second-phase, the second-phase commences the day after the preliminary review ends.

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

D. Summary of Investigative Activity

13. The OCE requested documentary and/or testimonial information from the following sources:

- (1) Rep. Trahan;
- (2) The Lori Trahan for Congress Committee;
- (3) David Trahan;
- (4) Enterprise Bancorp, Inc.;
- (5) Bank of America; and
- (6) Washington Savings Bank.

14. The following individuals and entities refused to cooperate with the OCE's review:

- (1) Rep. Trahan;
- (2) Lori Trahan for Congress; and
- (3) David Trahan.

II. REP. TRAHAN MAY HAVE ACCEPTED IMPERMISSIBLE CAMPAIGN CONTRIBUTIONS AND THEN IMPROPERLY REPORTED THEM

A. Applicable Law, Rules, and Standards of Conduct

15. Federal Law

52 U.S.C. § 30116(a)(1) states, “. . . no person shall make contributions— (A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$2,000”⁵

52 U.S.C. § 30104 (b)(3)(A) states that “each report under this section shall disclose – the identification of each – person (other than a political committee) who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year (or election cycle, in the case of an authorized committee of a candidate for Federal office), or in any lesser amount if the reporting committee should so elect, together with the date and amount of any such contribution”

52 U.S.C. § 30109(d) states that “[a]ny person who knowingly and willfully commits a violation of any provision of this Act which involves the making, receiving, or reporting of any contribution, donation, or expenditure-

- (i) aggregating \$25,000 or more during a calendar year shall be fined under title 18, or imprisoned for not more than 5 years, or both; or*
- (ii) aggregating \$2,000 or more (but less than \$25,000) during a calendar year shall be fined under such title, or imprisoned for not more than 1 year, or both.*

⁵ Limits are increased each year according to federal law. 52 U.S.C. § 30116(c). *See infra*, footnote 9.

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

18 U.S.C. § 1519 states that “[w]hoever knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States or any case filed under title 11, or in relation to or contemplation of any such matter or case, shall be fined under this title, imprisoned not more than 20 years, or both.”

16. FEC Regulations

11 C.F.R. § 110.10 states, “candidates for Federal office may make unlimited expenditures from personal funds as defined in 11 CFR 100.33.”

11 C.F.R. § 100.33 states, “Personal funds of a candidate means the sum of all of the following:

Assets. Amounts derived from any asset that, under applicable State law, at the time the individual became a candidate, the candidate had legal right of access to or control over, and with respect to which the candidate had -

- (1) Legal and rightful title; or*
- (2) An equitable interest . . .*

Income. Income received during the current election cycle, of the candidate, including:

- (1) A salary and other earned income that the candidate earns from bona fide employment;*
- (2) Income from the candidate's stocks or other investments including interest, dividends, or proceeds from the sale or liquidation of such stocks or investments . . .*

Jointly owned assets. Amounts derived from a portion of assets that are owned jointly by the candidate and the candidate's spouse as follows:

- (1) The portion of assets that is equal to the candidate's share of the asset under the instrument of conveyance or ownership; provided, however,*
- (2) If no specific share is indicated by an instrument of conveyance or ownership, the value of one-half of the property.”⁶*

11 C.F.R. § 110.1(b) states, “[n]o person shall make contributions to any candidate, his or her authorized political committees or agents with respect to any election for Federal office

⁶ See *In the Matter of Jim Huffman for Senate*, Conciliation Agreement, MUR 6417 (FEC Dec. 19, 2011) (imposing a civil penalty on a campaign committee when the candidate’s spouse transferred funds from her trust account to a joint bank account with the candidate, which were then impermissibly designated as personal loans from the candidate to the campaign committee. The candidate and his spouse also improperly reported the source of the reported personal loans and did not file a Schedule C-1 with the FEC.).

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

that, in the aggregate, exceed \$2,000.”⁷ This limit applies to family members, including spouses.⁸

The 2018 limit on individual contributions to a candidate committee was \$2,700 per individual, per election.⁹

11 C.F.R. § 104.3 (a)(3)(vii) states that reports shall include:

“(A) All loans to the committee, except loans made, guaranteed, or endorsed by a candidate to his or her authorized committee;

(B) Loans made, guaranteed, or endorsed by a candidate to his or her authorized committee including loans derived from a bank loan to the candidate or from an advance on a candidate's brokerage account, credit card, home equity line of credit, or other lines of credit described in 11 CFR 100.83 and 100.143; and

(C) Total loans”

11 C.F.R. § 104.3 (d)(4) states that, “[w]hen a candidate obtains a bank loan or loan of money derived from an advance on the candidate's brokerage account, credit card, home equity line of credit, or other line of credit described in 11 CFR 100.83 and 100.143 for use in connection with the candidate's campaign, the candidate's principal campaign committee shall disclose in the report covering the period when the loan was obtained, the following information on Schedule C-1 or C-P-1:

(i) The date, amount, and interest rate of the loan, advance, or line of credit;

(ii) The name and address of the lending institution; and

(iii) The types and value of collateral or other sources of repayment that secure the loan, advance, or line of credit, if any.”

11 C.F.R. § 100.83(b) states that “[e]ach endorser, guarantor, or co-signer shall be deemed to have contributed that portion of the total amount of the loan derived from an advance on a candidate's brokerage account, credit card, home equity line of credit, or other line of credit available to the candidate, for which he or she agreed to be liable in a written agreement”

⁷ This limit applies to each election the candidate participates in (*e.g.*, primary, general, run-off, etc.) and is adjusted for inflation every two years. *See* 11 C.F.R. § 110.1(b).

⁸ The FEC Campaign Guide states, “Contributions from members of the candidate’s family are subject to the same limits that apply to any other individual. For example, a candidate’s parent or spouse may not contribute more than \$2,700, per election, to the candidate.” FEC Campaign Guide for Congressional Candidates and Committees (June 2014) at 28. The FEC Campaign Guide further states, “A candidate may also use, as personal funds, his or her portion of assets owned jointly with a spouse (for example, a checking account or jointly owned stock). If the candidate’s financial interest in an asset is not specified, then the candidate’s share is deemed to be half the value.” *Id.* at 29.

⁹ FEC Contribution Limits Chart 2017-2018 Election Cycle, available at <https://transition.fec.gov/pages/brochures/contriblimitschart.htm>.

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

17. House Ethics Manual

The House Ethics Manual states that “a Member or employee must take reasonable steps to ensure that any outside organization over which he or she exercises control – including the individual’s own authorized campaign committee or, for example, a ‘leadership PAC’ – operates in compliance with applicable law.”¹⁰

The House Ethics Manual further states that “[w]hile [the Federal Election Campaign Act (“FECA”)] and other statutes on campaign activity are not rules of the House, Members and employees must also bear in mind that the House Rules require that they conduct themselves ‘at all times in a manner that shall reflect creditably on the House’ (House Rule 23, clause 1). In addition, the Code of Ethics for Government Service, which applies to House Members and staff, provides in ¶ 2 that government officials should ‘[u]phold the Constitution, laws and legal regulations of the United States and of all governments therein and never be a party to their evasion.’ Accordingly, in violating FECA or another provision of statutory law, a Member or employee may also violate these provisions of the House rules and standards of conduct.”¹¹

B. Rep. Trahan’s Spouse Deposited Funds Into a Joint Checking Account Throughout 2018 Which Rep. Trahan Used to Make \$300,000 in “Personal Loans” to Her Campaign Committee

18. On three occasions in 2018, Rep. Trahan may have loaned money to her campaign committee that originated from her husband’s personal funds. While these loans do not appear to have originated from Rep. Trahan’s personal funds, the campaign committee repeatedly reported them as personal loans. Additionally, Rep. Trahan’s campaign committee appears to have intentionally misreported the dates on which two of the loans were received.
19. Rep. Trahan made the loans to her campaign committee using checks from a joint checking account she shared with her husband, David Trahan (the “joint checking account”). On two occasions, Rep. Trahan dated the checks on the last day of the FEC quarter – the date when her campaign committee reported how much money it had on hand, and reported them to the FEC as personal loans obtained on that date. However, on those two occasions,¹² the joint checking account had insufficient funds to cover the amounts. Shortly after the date appearing on the checks, David Trahan then transferred money to the joint checking account, several days into a new FEC reporting period.
20. David Trahan made the transfers from his personal or business accounts, either through a check written to himself or through an internal bank transfer. Once David Trahan’s personal funds were placed in the joint checking account, the campaign committee then deposited the earlier dated check from Rep. Trahan.

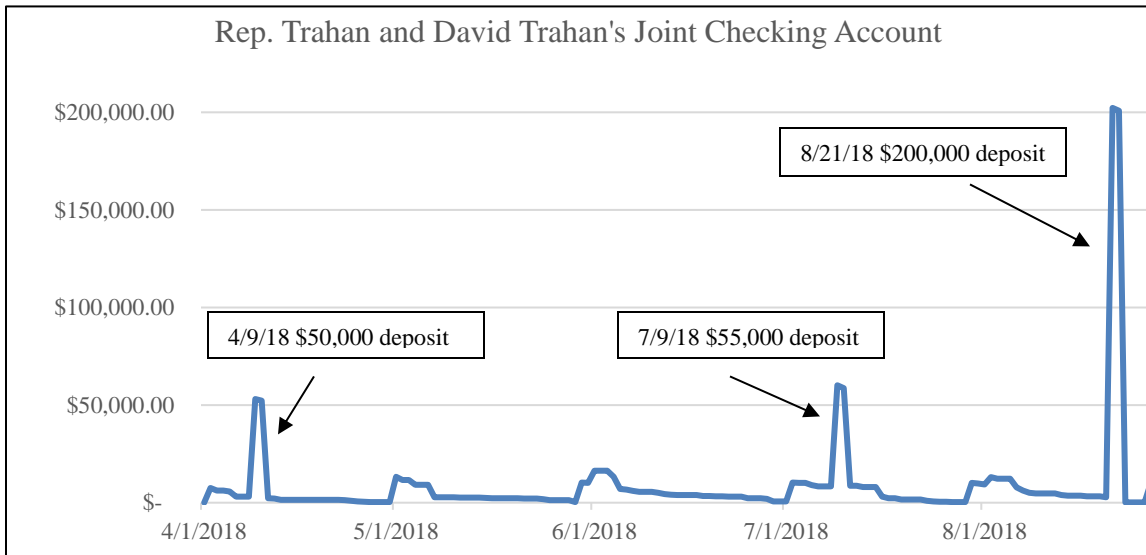
¹⁰ House Ethics Manual (2008) at 123.

¹¹ *Id.* at 122 (footnote omitted).

¹² In August 2018, the funds from David Trahan came in to the joint checking account the day before Rep. Trahan signed the check to her campaign committee. See *infra*, paragraph 32.

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

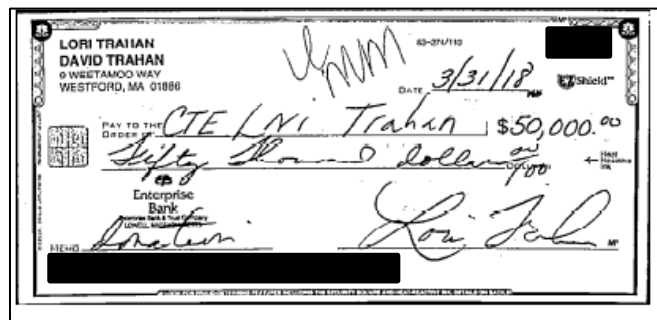
- 21. Rep. Trahan and David Trahan did not cooperate with the OCE's review. Because of this lack of cooperation, the OCE could not determine whether there were any additional underlying circumstances for the money transfers.
- 22. The graph below shows the joint checking account balance during the timeframe of the three personal loans disclosed by Rep. Trahan. During this time, three large deposits were made to the joint checking account. Funds were then sent to the campaign committee. As described below, David Trahan's personal funds supplied the cash for each of these deposits.



- 23. Rep. Trahan also made an additional loan to the campaign committee using funds from a revolving line of credit, secured by a home owned by both Rep. Trahan and David Trahan. Although David Trahan paid off the cash withdrawal made on the account with his personal funds, Rep. Trahan had access to half of the maximum draw amount.

i. March 31, 2018 Reported Loan of \$50,000 to the Campaign Committee

- 24. On March 31, 2018, Rep. Trahan wrote a check from the joint checking account to her campaign committee for \$50,000.¹³ On this date, the joint checking account only had a balance of \$55.¹⁴



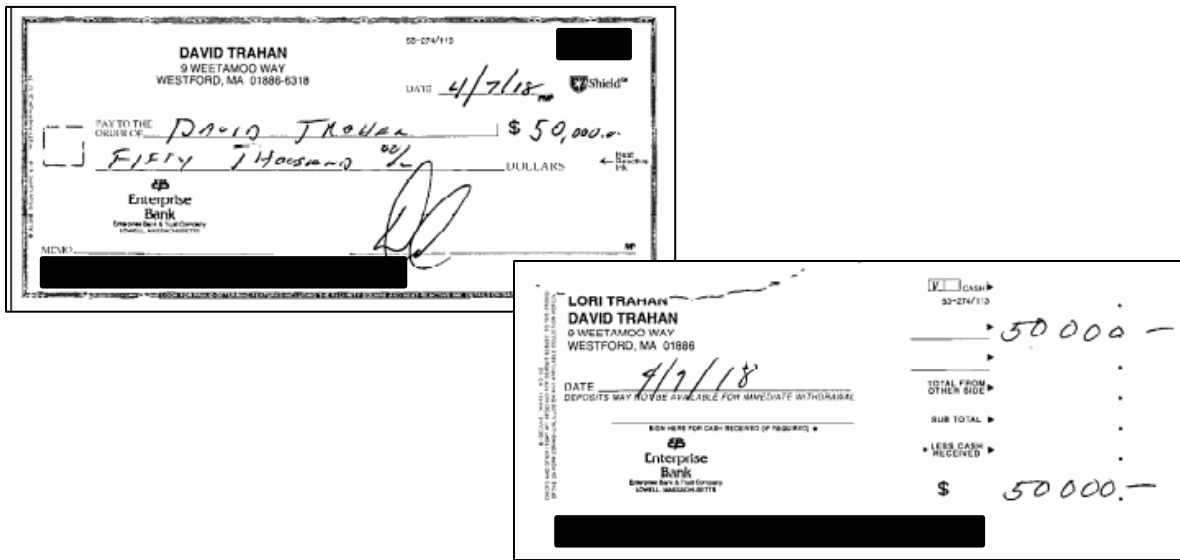
¹³ Joint Checking Account Debits (Exhibit 1 at 19-5449_002).

¹⁴ Joint Checking Account Statement (Exhibit 2 at 19-5449_004).

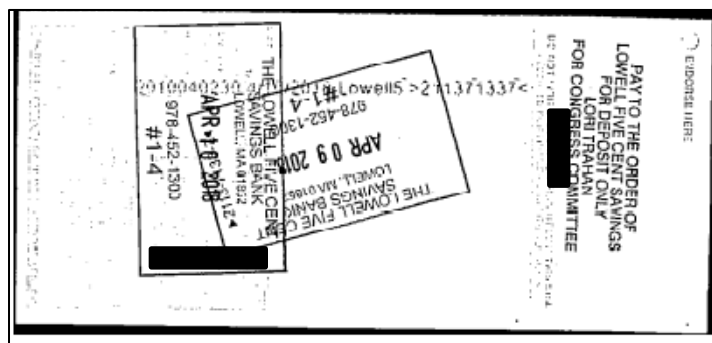
CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

- 25. The campaign committee disclosed, in its FEC Quarterly Report, the \$50,000 as a personal loan from Rep. Trahan obtained on March 31, 2018.¹⁵ However, on that date, the joint checking account had insufficient funds to cover the amount.
- 26. As shown below, on April 7, 2018, about a week after Rep. Trahan wrote the check above, David Trahan wrote a check to himself for \$50,000 from his personal bank account.¹⁶ The same amount was deposited into the joint checking account on April 9, 2018.¹⁷



- 27. The same day, and nine days after the campaign committee reported receipt of the loan, on April 9, 2018, Rep. Trahan’s campaign committee deposited the \$50,000 check when the joint checking account had enough funds.¹⁸ The documents obtained by the OCE establish that Rep. Trahan and her campaign committee may have intentionally misreported the date on which the March 31, 2018 loan was obtained because the joint checking account had insufficient funds at the time.



¹⁵ Lori Trahan for Congress Committee, Amended April 2018 Quarterly Report of Receipts and Disbursements, filed Aug. 7, 2018 at 102.

¹⁶ Joint Checking Account Credits (Exhibit 3 at 19-5449_006).

¹⁷ *Id.*

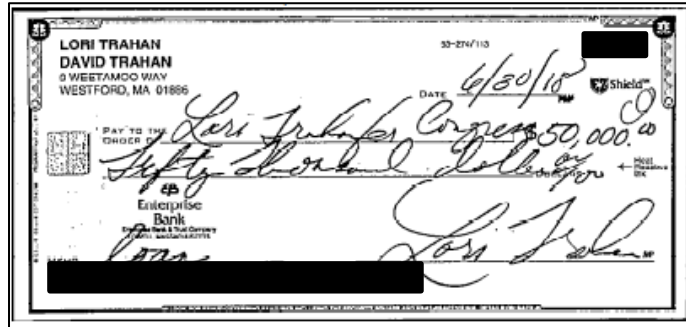
¹⁸ Joint Checking Account Debits (Exhibit 1 at 19-5449_002). The check also shows an April 10, 2018 receipt stamp from the campaign committee’s bank.

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

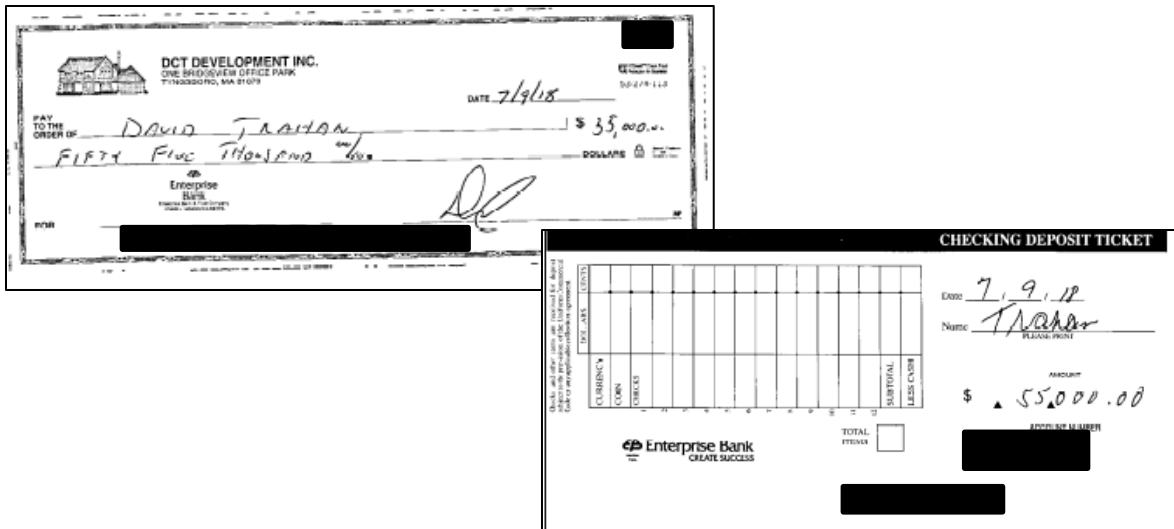
ii. June 30, 2018 Reported Loan of \$50,000 to the Campaign Committee

28. On June 30, 2018, Rep. Trahan wrote a check from the joint checking account to her campaign committee for \$50,000.¹⁹ On this date, the joint checking account only had a balance of \$625.59.²⁰



29. The campaign committee disclosed, in its FEC Quarterly Report, the \$50,000 as a personal loan from Rep. Trahan obtained on June 30, 2018.²¹ However, on that date, the joint checking account had insufficient funds to cover the amount.

30. As shown below, on July 9, 2018, about nine days after Rep. Trahan wrote the check above, David Trahan wrote another check to himself for \$55,000, from DCT Development, Inc., one of his business accounts.²² The same amount was deposited into the joint checking account on the same day.²³



¹⁹ Joint Checking Account Debits (Exhibit 4 at 19-5449_008).

²⁰ Joint Checking Account Statement (Exhibit 5 at 19-5449_010).

²¹ Lori Trahan for Congress Committee, July 2018 Quarterly Report of Receipts and Disbursements, filed Jul. 15, 2018 at 235.

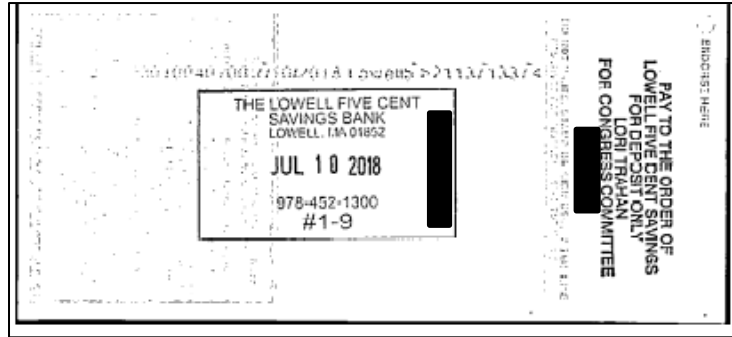
²² Joint Checking Account Credits (Exhibit 6 at 19-5449_012).

²³ *Id.*

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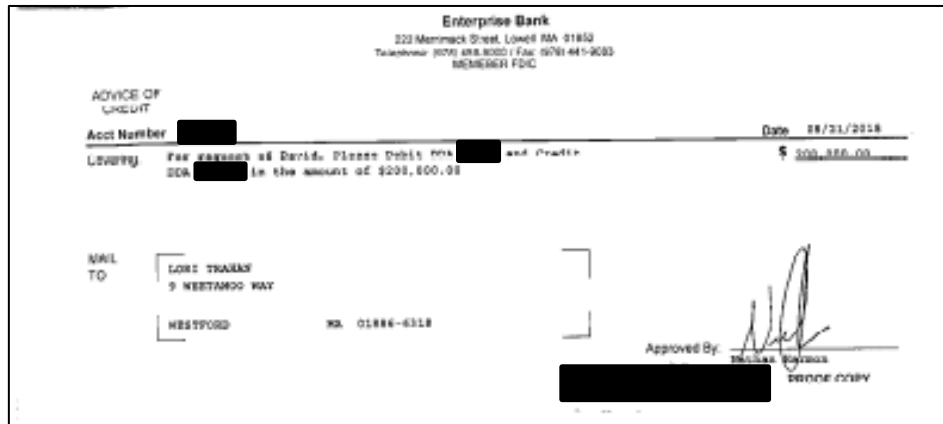
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31. The next day, and ten days after the campaign committee reported receipt of the loan, on July 10, 2018, Rep. Trahan’s campaign committee deposited a \$50,000 check when the joint checking account had enough funds.²⁴ The documents obtained by the OCE establish that Rep. Trahan and her campaign committee may have intentionally misreported the date on which the June 30, 2018 loan was obtained because the joint checking account had insufficient funds at the time.



iii. August 22, 2018 Reported Loan of \$200,000 to the Campaign Committee

32. On August 20, 2018, the joint checking account had a balance of \$2,769.54.²⁵ The next day, on August 21, 2018, David Trahan initiated an internal bank transfer of \$200,000, transferring money from his personal bank account into the joint checking account.²⁶ A note on the transfer document states “[p]er request of David, Please Debit DDA [David Trahan personal account number] and Credit DDA [joint checking account number] in the amount of \$200,000.00.”²⁷



²⁴ Joint Checking Account Debits (Exhibit 4 at 19-5449_008).

²⁵ Joint Checking Account Statement (Exhibit 7 at 19-5449_014).

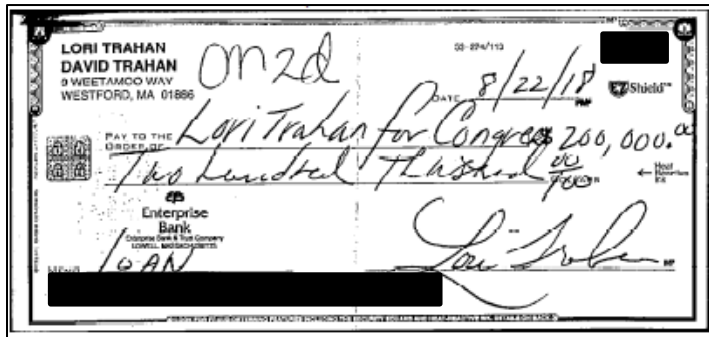
²⁶ Joint Checking Account Credits (Exhibit 8 at 19-5449_016).

²⁷ *Id.*

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

33. The next day, on August 22, 2018, Rep. Trahan wrote a check from the joint checking account to her campaign committee for \$200,000.²⁸



34. The campaign committee disclosed, in its FEC Quarterly Report, the \$200,000 as a personal loan obtained on August 22, 2018.²⁹ On August 22, 2018, Rep. Trahan’s campaign committee deposited the check.³⁰

35. According to FEC reports, to date, the campaign committee has repaid \$50,000 of the original \$200,000.³¹

36. As explained above, Rep. Trahan’s campaign committee reported the \$300,000 in contributions as personal loans from Rep. Trahan when they appear to have been funds derived from David Trahan’s personal accounts. Consistent with FEC guidance, spousal funds are subject to contribution limits. The process of transferring these funds from David Trahan’s accounts to a joint account did not transform these funds into Rep. Trahan’s assets, or even jointly owned assets.

37. The Board notes that in 2018, Rep. Trahan publicly disclosed \$274,535 in personal income from Concire, LLC, a consulting business.³² However, even though Rep. Trahan disclosed this income, and stated publicly that she possessed enough personal income to cover the loans made to the campaign committee,³³ the OCE found that David Trahan’s funds were the true source of the loans.

²⁸ Joint Checking Account Debits (Exhibit 9 at 19-5449_018).

²⁹ Lori Trahan for Congress Committee, First Amended October 2018 Quarterly Report of Receipts and Disbursements, filed Dec. 6, 2018 at 102, 158.

³⁰ Joint Checking Account Debits (Exhibit 9 at 19-5449_018).

³¹ Lori Trahan for Congress Committee, July 2019 Quarterly Report of Receipts and Disbursements, filed Jul. 15, 2019 at 236.

³² Rep. Trahan’s 2018 House Financial Disclosure Report, filed May 15, 2019. Rep. Trahan provided the OCE with two IRS form 1040 Schedule Cs for 2017 and 2018, showing profits from Concire, LLC. With no further cooperation or explanation, the OCE could not determine why Rep. Trahan’s purported personal income from Concire did not contribute to the loans made to her campaign committee.

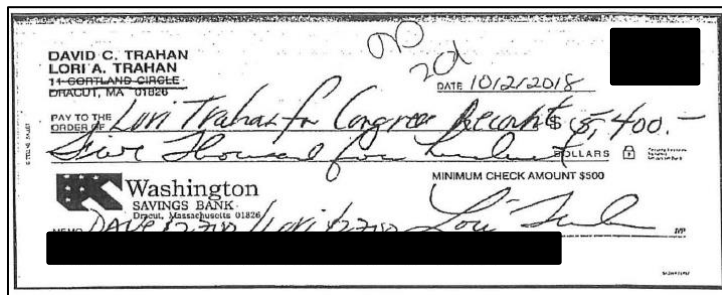
³³ Rep. Trahan’s accountant also stated publicly that Rep. Trahan’s net personal income from Concire, LLC was “\$361,088.43” and “\$265,360.48 (preliminary)” in 2017 and 2018, respectively. See Letter from Catherine M. Colman to Rep. Trahan, dated Mar. 4, 2019, <https://www.documentcloud.org/documents/5758429-Trahan-Income-1.html#document/p1> (last accessed Sept. 18, 2019).

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

iv. September 4, 2018 Reported Loan of \$71,000 to the Campaign Committee

38. Using their jointly owned house as collateral, on October 15, 2010, Rep. Trahan and her husband opened a “revolving credit mortgage,” for which they are jointly liable.³⁴ This revolving credit line from Washington Savings Bank had a maximum draw of \$200,000.³⁵
39. On September 4, 2018, Rep. Trahan wrote her campaign committee a check for \$71,000 from the revolving line of credit.³⁶ The check included the Memo note “loan.”³⁷ The campaign committee disclosed, in its FEC reports, a \$71,000 personal loan obtained on September 4, 2018.³⁸
40. On October 3, 2018, the Trahans drew \$76,400 from the revolving line of credit account.³⁹ The OCE could not determine why Rep. Trahan dated the September 4, 2018 check nearly one month before the October 3, 2018 withdrawal of funds, however, on October 2, 2018, the campaign committee deposited the September 4, 2018 check noted above.⁴⁰
41. The remaining \$5,400 was contributed to the campaign committee via check from the revolving line of credit, dated October 2, 2018.⁴¹ The check’s memo line states: “Dave \$2700 / Lori \$2700” – indicating their proportional contributions.⁴² FEC reports show that this contribution was made in connection with an election recount.⁴³



³⁴ Revolving Credit and Agreement Notice (Exhibit 10 at 19-5449_020).

³⁵ *Id.*

³⁶ Sept. 4, 2018 Check from Washington Savings Bank line of credit to the Lori Trahan Congress Committee (Exhibit 11 at 19-5449_022).

³⁷ *Id.*

³⁸ Lori Trahan for Congress Committee, First Amended October 2018 Quarterly Report of Receipts and Disbursements, filed Dec. 6, 2018 at 102, 158.

³⁹ Washington Savings Bank Transaction Ledger (Exhibit 12 at 19-5449_024).

⁴⁰ Sept. 4, 2018 Check from Washington Savings Bank line of credit to the Lori Trahan Congress Committee (Exhibit 11 at 19-5449_022).

⁴¹ Oct. 2, 2018 Check from Washington Savings Bank line of credit to the Lori Trahan Congress Committee (Exhibit 13 at 19-5449_026).

⁴² *Id.*

⁴³ Lori Trahan for Congress Committee, Second Amended Pre-general 2018 Quarterly Report of Receipts and Disbursements, filed Dec. 15, 2018 at 124. Contributions to “recount funds” are not “contributions” and are not aggregated with contributions to the candidate for the general election. *See* FEC, Recounts and Contested Elections, available at <https://www.fec.gov/help-candidates-and-committees/candidate-taking-receipts/recounts-and-contested-elections/>.

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

42. On October 11, 2018, David Trahan paid back the \$76,400 plus interest (\$76,486.34 total) to Washington Savings Bank from his personal bank account.⁴⁴ On November 20, 2018, the campaign committee paid back the loan to Rep. Trahan who deposited the check into the joint checking account on December 3, 2018.⁴⁵
43. Rep. Trahan had a joint interest in the property and the revolving line of credit used to fund the loan, and therefore could draw up to \$100,000 as her personal funds, half of the maximum draw. However, the Board notes that David Trahan paid off the loan using his personal funds.
44. In addition to the October 2, 2018 recount contribution described above,⁴⁶ FEC reports show that David Trahan made two more contributions to the campaign committee, on back-to-back days in 2017. On September 29, 2017, David Trahan contributed \$2,700 to the campaign committee for the primary election.⁴⁷ The next day, September 30, 2017, David Trahan contributed another \$2,700 for the general election.⁴⁸ The Board notes that the Trahans demonstrated an awareness of the FEC contribution limits during the 2017-2018 election cycle.⁴⁹
45. The maximum contribution limit for the 2017-2018 election cycle was \$5,400. By September 2017, David Trahan had already met the individual contribution limit.⁵⁰ The \$300,000 in “personal loans” reported by the campaign committee but sourced from David Trahan’s personal funds, exceeded federal campaign contribution limits.

C. The Campaign Committee’s Reporting of the Loans

46. In FEC reports, Rep. Trahan reported the loans to her campaign committee as personal loans originating from her own personal funds to comport with federal law. However, as discussed above, Rep. Trahan’s spouse, David Trahan, was the source of the \$300,000 contributed to her campaign committee throughout 2018, in excess of federal contribution limits.
47. With regard to the \$71,000 revolving line of credit, Rep. Trahan first reported this as a personal loan from the candidate without mentioning that it was a revolving line of credit derived from an advance on her joint Washington Saving Bank loan.⁵¹ In that FEC Quarterly Report, Rep. Trahan listed no interest rate or lending institution, and provided no explanation

⁴⁴ David Trahan Personal Account Debits (Exhibit 14 at 19-5449_028); Washington Savings Bank Transaction Ledger (Exhibit 12 at 19-5449_024).

⁴⁵ Joint Checking Account Credits (Exhibit 15 at 19-5449_030).

⁴⁶ Lori Trahan for Congress Committee, Pre-General Report of Receipts and Disbursements, filed Dec. 15, 2018 at 124.

⁴⁷ Lori Trahan for Congress Committee, October 2017 Quarterly Report of Receipts and Disbursements, filed Sept. 30, 2017 at 32.

⁴⁸ *Id.* at 27.

⁴⁹ The campaign committee also reported multiple “in-kind” contributions in 2018. These contributions may have also originated from the joint checking account and paid for via David Trahan’s personal funds.

⁵⁰ The Oct. 2, 2018 contribution from David Trahan is not aggregated with his Sept. 2017 contributions.

⁵¹ Lori Trahan for Congress Committee, October 2018 Quarterly Report of Receipts and Disbursements, filed Oct. 15, 2018 at 100, 155.

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended of the source of the money.⁵² The details of the loan remained unchanged through a first amendment of the FEC October Quarterly Report filed on December 6, 2018.⁵³

48. On the second amendment to the FEC October Quarterly Report, filed on December 15, 2018, Rep. Trahan completed Schedule C-1 and disclosed that the \$71,000 originated from Washington Savings Bank with a 5.25% APR.⁵⁴ However, Rep. Trahan specifically indicated that no other parties were secondarily liable for the loan, when in fact she held the loan with David Trahan using jointly held real estate as collateral.⁵⁵

III. CONCLUSION

49. For the reasons stated above, the Board recommends that the Committee further review the above allegations because there is substantial reason to believe that Rep. Trahan's campaign committee accepted personal loans and contributions that exceeded campaign contribution limits.
50. Further, the Board recommends that the Committee further review the above allegations because there is substantial reason to believe that Rep. Trahan failed to disclose required information in her congressional candidate financial disclosure reports or FEC candidate committee filings.

IV. INFORMATION THE OCE WAS UNABLE TO OBTAIN AND RECOMMENDATIONS FOR THE ISSUANCE OF SUBPOENAS

51. The following witnesses and entities did not cooperate with the OCE's review. The OCE recommends that the Committee issue subpoenas to the following witnesses and entities:
- (1) Rep. Trahan;
 - (2) Lori Trahan for Congress; and
 - (3) David Trahan.

⁵² *Id.*

⁵³ Lori Trahan for Congress Committee, First Amended October 2018 Quarterly Report of Receipts and Disbursements, filed Dec. 6, 2018 at 155.

⁵⁴ Lori Trahan for Congress Committee, Second Amended October 2018 Quarterly Report of Receipts and Disbursements, filed Dec. 15, 2018 at 160.

⁵⁵ *Id.*