

**BEFORE THE OFFICE OF CAMPAIGN FINANCE
DISTRICT OF COLUMBIA BOARD OF ELECTIONS
FRANK D. REEVES MUNICIPAL BUILDING
2000-14th STREET, N.W., SUITE 433
WASHINGTON, D.C. 20009
(202) 671-0550**

IN THE MATTER OF)
)
Lee Calhoun)
C/O Edward B. MacMahon, Esq.)
2600 Pennsylvania Avenue, NW, Suite 604)
Washington, DC 20037)

DATE: January 8, 2018

DOCKET NO.: FI 2013-013

ORDER

Statement of the Case

This matter came before the Office of Campaign Finance (hereinafter OCF) Office of the General Counsel pursuant to a media report and published court records, alleging that Lee Calhoun committed the following violations of the District of Columbia Campaign Finance Act: (1) made excessive contributions to candidates for public office in violation of D.C. Official Code §1-1163.33(a); (2) made contributions or caused contributions to be made in the name of another person in violation of D.C. Official Code §1-1163.33(e); (3) received reimbursements payments from his employer for political contributions he made in his and his family members names; and (4) provided false contributor information which was included in reports filed with the Office of Campaign Finance.

D.C. Official Code §1-1163.33(a) states that “No person shall make any contribution which, and no person shall receive any contribution from any person which, when aggregated with all other contributions received from that person relating to a campaign for nomination as a candidate or election to public office, including both the primary and general election or special election exceeds:

- (1) In the case of a contribution in support of a candidate for Mayor or for the recall of the Mayor \$2,000;
- (2) In the case of a contribution in support of a candidate for Chairman of the council or for recall of the Chairman of the Council, \$1,500;
- (3) In the case of a contribution in support of a candidate for member of the Council at-large or for the recall of a member of the Council elected at large, \$1,000;
- (4) in the case of a contribution in support of a candidate for member of the State Board of Education elected at-large or for member of the Council elected from a ward or

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for the recall of a member of the State Board of Education elected at-large or for the recall of a member of the Council elected from a ward, \$500;

(5) in the case of a contribution in support of a candidate for member of the State Board of Education elected from an election ward or for the recall of a member of the State Board of Education elected from an election ward or for an official of a political party, \$200; and

(6) in the case of a contribution in support of a candidate for a member of an Advisory Neighborhood Commission \$25.

D.C. Official Code §1-1163.33(e); states in pertinent part that “no person shall make a contribution or cause a contribution to be made in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.”

Summary of Evidence

By Order to Show Cause dated July 18, 2013, OCF ordered Lee Calhoun (hereinafter respondent) to appear at a scheduled hearing on July 25, 2013 and show cause why he should not be found in violation of the D.C. Campaign Finance Act of 2011, as amended by D.C. Official Code §1-1163.04 (3) et seq., and fined accordingly.

In response to the order to Show Cause, Edward MacMahon, Esq. (hereinafter counsel for the respondent) entered his appearance and advised that the respondent had entered a guilty plea and executed a plea agreement with the Office of the U.S. Attorney for the District of Columbia that required his cooperation in an ongoing criminal investigation that office was conducting regarding violations of the Campaign Finance Act. Counsel for the respondent additionally requested that OCF postpone its proceedings until after the respondent fulfilled his obligations under the plea agreement and received his sentence in the criminal case.

On July 8, 2016 the respondent received a sentence of one year probation and a fine of \$2,000 in the criminal case. On August 22, 2016, the Director of the Office of Campaign Finance issued the second Order to Show Cause to the respondent in which he was ordered to appear at a scheduled hearing on September 1, 2016.

Pursuant to the Order to Show Cause issued by the Director of the Office of Campaign Finance, counsel for the respondent submitted a statement in lieu of appearing at the scheduled hearing in which he indicated that the respondent did not make the campaign contributions at issue on his own behest but, was directed to do so and later reimbursed by Mr. Jeffrey Thompson a principal in the firm of Thompson, Cobb and Bazillio where he was employed.

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Following the receipt of respondent's submissions, the Office of Campaign Finance advised counsel that the respondent was required to file a written statement in which he addressed all of the allegations. Counsel was further advised if the respondent was requesting leniency, he would be required to make a vow to abstain from participating in political campaign activity in the District of Columbia in the future.

On November 2, 2016 the respondent through counsel submitted a Declaration in which he conceded that he in fact violated the Campaign Finance Act by making illegal campaign contributions for which he was reimbursed by Mr. Thompson. The respondent additionally stated that he entered a guilty plea to the criminal charges associated with the violations of the Campaign Finance Act that were filed against him by the U.S. Attorney for the District of Columbia in the United States District Court for the District of Columbia. The court's records indicated that the respondent received a sentence of one year probation and was ordered to pay a \$2,000 fine to the United States government to resolve the criminal case.

The respondent stated that he had paid the \$2,000 fine to the United States which was imposed during the criminal proceeding and requested that any fines which could be imposed by OCF be waived based upon the fact that he is currently retired and relies on Social Security benefits as his primary source of income. On February 22, 2017 the respondent provided a copy of his 2015 Federal Income Tax return as verification of his income. Respondent additionally provided a Declaration in which he stated that he would refrain from engaging in any political campaign activity in the District of Columbia in the future. On October 31, 2017 counsel for the respondent submitted a statement that the respondent's financial position has not changed and he has no additional sources of income.

Findings of Fact

Having reviewed the allegations and the record herein, I find that:

1. The respondent is currently a resident of the State of Florida who resided in the State of Maryland when he was employed by a consulting firm in the District of Columbia known as Thompson, Cobb and Bazillio between the years of 2000 and 2012.
2. The firm held fund raisers to raise money for various political candidates seeking elective office in the District of Columbia and elsewhere during the period that the respondent was employed.
3. The respondent used his name and the names of family members to conceal excessive campaign contributions made by an executive in the firm knowing that he would be reimbursed for the contributions directly and indirectly by the executive and the firm.

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4. The activity for which it is alleged that the respondent violated the Campaign Finance Act occurred between 2006 and 2011.

5. In the Statement of Offenses used to reach a plea agreement in the criminal case of U.S. v. Calhoun, Case No. 13-cr-00173(CKK), the respondent conceded that he made \$53,500.00 in Unlawful Corporate Contributions to political committees and PAC's in the District of Columbia between 2006 and 2011.

6. The respondent is no longer employed with Thompson, Cobb and Bazillio and has made no contributions to political campaigns in the District of Columbia since his leaving the firm.

7. The respondent was a member of the network of "**Straw Donors**" who were used by Jeffrey Thompson to exceed the legal campaign contribution limits in violation of the Campaign Finance Act.

8. The respondent submitted a Declaration conceding the allegation and promising to refrain from engaging in campaign politics in the District of Columbia in the future.

9. The respondent has requested suspension of any fines that may be imposed based upon the fact that he is living on a fixed income which consists primarily of his Social Security benefits.

10. The respondent has made a commitment to refrain from engaging in activity related to political campaigns in the District of Columbia in the future which OCF will monitor through the electronic filing system which will flag any contribution from the respondent during each filing period.

Conclusions of Law

Based upon the record provided by OCF, I therefore conclude:

1. Respondent violated D.C. Official Code §1-1163.33(e);
2. The penalty established at D.C. Official Code §1-1163.33(e) and 3DCMR §3711.2(o), for making a contribution in the name of another is a fine of \$2,000.00 for each violation;
3. In accordance with 3DCMR §3711.2(o), the Respondent may be fined a maximum of \$38,000.00 for nineteen (19) violations of D.C. Official Code §1-1163.33(e);
4. For good cause shown pursuant to 3DCMR §3711.7, the Director of the Office of Campaign Finance (Director) may modify, rescind, dismiss or suspend any fine.

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5. The respondents' commitment to refrain from engaging in political campaign activity in the District of Columbia in the future may warrant some favorable consideration.
6. The respondent's failure to adhere to his commitment will be considered a breach of any agreement between him and OCF, which will result in the imposition of maximum penalties.

Recommendation

In view of the foregoing and information included in the record, I hereby recommend that the Director impose a fine of \$38,000.00 and suspend all but \$2,000.00 which is the same amount that was imposed in the respondent's criminal proceeding on the condition that the respondent adhere to his commitment to refrain from engaging in political campaign activity in the District of Columbia in the future. The respondent's failure to adhere to that commitment will result in the imposition of the maximum fine.

01/08/2018
Date

William O. Sanford
William O. Sanford
Hearing Officer

ORDER OF THE DIRECTOR

IT IS ORDERED that the Respondent is hereby fined \$38,000.00 and all but \$2,000.00 of the fine is suspended which is the same amount that was imposed in the respondent's criminal proceeding on the condition that the respondent adhere to his commitment to refrain from engaging in political campaign activity in the District of Columbia in the future.

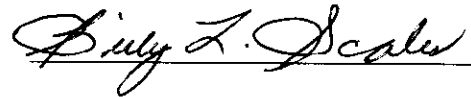
IT IS FURTHER ORDERED that the maximum fine will be imposed against the respondent if he fails to adhere to his commitment to refrain from engaging in political campaign activity in the District of Columbia in the future.

01/08/2018
Date

Cecily D. Collier-Montgomery
Cecily Collier-Montgomery
Director

CERTIFICATE OF SERVICE

This is to certify that I have served a true copy of the foregoing Order on Lee Calhoun by regular mail at 3900 Oaks Clubhouse Drive, Apt 501, Pompano Beach, FL 33069, and Edward B. MacMahon Jr. Esq., by regular mail at 2600 Pennsylvania Avenue, NW, Suite 604, Washington, DC 20037 and by email at ebmjr@macmahon-law.com, on January 8, 2018.



NOTICE

Any party adversely affected by an Order of the Director may: (1) file a Motion for Reconsideration (Motion) with the OCF within five (5) days after receipt of an Order, provided that, relevant evidence was omitted from consideration at the hearing (3DCMR § 3709.13); or (2) obtain review of the Order by filing a request for a **hearing de novo** with the Board of Elections within fifteen (15) days from the date of issuance of an Order. Any fine imposed by the Director, pursuant to § 3711.2 shall become effective on the sixteenth (16th) day following the issuance of a decision or Order: provided that, the Respondent does not requests a **hearing de novo** with the Board of Elections. Fines imposed shall be paid within ten (10) days of the effective date of the issued Order of the Director. Payment should be made by check or money order, payable to: District of Columbia Treasurer and sent to the *Office of Campaign Finance, Frank D. Reeves Municipal Building, 2000 14th Street NW, Suite 433, Washington, DC 20009.*