



FEDERAL ELECTION COMMISSION
Washington, DC 20463

VIA ELECTRONIC MAIL

keisha@keishacarter.com

June 29, 2022

Keisha Carter
Principal Consultant
Public Service Partners
309 Smokerise Street
Marietta, GA 30067

RE: MUR 7678
Keisha Carter

Dear Ms. Carter:

On January 15, 2020, the Federal Election Commission notified you in your personal capacity of a complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended (“the Act”). A copy of the complaint was forwarded to you at that time.

Upon review of the available information, the Commission, on June 22, 2022, found reason to believe that you in your personal capacity knowingly and willfully violated 52 U.S.C. §§ 30102(c), (h) and 30104(b), provisions of the Act. The Factual and Legal Analysis, which provides the basis for the Commission’s findings, is enclosed for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission’s consideration of this matter. Please submit such materials to the Office of the General Counsel within 15 days of receipt of this notification. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. *See* 52 USC § 30109(a)(4).

Please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. *See* 18 U.S.C. § 1519.

If you are interested in pursuing pre-probable cause conciliation, you should make such a request by letter to the Office of the General Counsel. *See* 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend

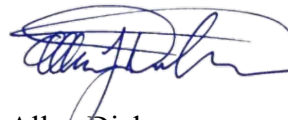
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that pre-probable cause conciliation not be entered into in order to complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after a brief on probable cause has been delivered to you. Requests for extensions of time are not routinely granted. Requests must be made in writing at least five days prior to the due date of the response and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days. Pre-probable cause conciliation, extensions of time, and other enforcement procedures and options are discussed more comprehensively in the Commission's "Guidebook for Complainants and Respondents on the FEC Enforcement Process," which is available on the Commission's website at http://www.fec.gov/em/respondent_guide.pdf.

Please be advised that, although the Commission cannot disclose information regarding an investigation to the public, it may share information on a confidential basis with other law enforcement agencies.¹

This matter will remain confidential in accordance with 52 U.S.C. § 30109(a)(4)(B) and 30109(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 694-1604 or ddillenseger@fec.gov.

On behalf of the Commission,



Allen Dickerson
Chairman

Enclosure
Factual and Legal Analysis

¹ The Commission has the statutory authority to refer knowing and willful violations of the Act to the Department of Justice for potential criminal prosecution, 52 U.S.C. § 30109(a)(5)(C), and to report information regarding violations of law not within its jurisdiction to appropriate law enforcement authorities. *Id.* § 30107(a)(9).

FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: Keisha Carter

MUR 7678

I. INTRODUCTION

John H. Eaves, a 2020 candidate for Georgia's 7th Congressional district, alleges that Keisha Carter, the former Finance Director and former treasurer of his campaign committee, John Eaves for Congress (the "Committee"), set up and used a separate, unauthorized, and undisclosed bank account for Committee receipts and disbursements resulting in various violations of the Act, including reporting and recordkeeping violations and potentially commingling and personal use through embezzlement.¹

Based on available information, the Commission finds reason to believe that Keisha Carter, in her personal capacity, knowingly and willfully violated 52 U.S.C. §§ 30102(c) and (h) and 30104(b) by failing to keep accurate records and file accurate reports of receipts and disbursements on behalf of the Committee.

II. FACTUAL BACKGROUND

This Complaint was filed by then-Georgia Congressional candidate John Eaves alleging the misappropriation of funds from his authorized campaign committee by its then-treasurer, Keisha Carter.²

¹ Eaves lost in the Georgia Democratic Primary Election on June 9, 2020.

² Compl. at 1 (Jan. 13, 2020). Carter's company, Public Service Partners, is registered with the state of Georgia as an LLC. Off. Ga. Sec'y State, Corps. Div., *Public Service Partners, Limited Co.*, BUSINESS SEARCH, <https://ecorp.sos.ga.gov/BusinessSearch/BusinessInformation?businessId=2545846&businessType=DomesticLimitedLiabilityCompany&fromSearch=True> (last visited July 8, 2021). At the time, Carter was operating as Razor Solutions, which was administratively dissolved on August 29, 2019, for its failure to file reports and pay fees. Off. Ga. Sec'y State, Corps. Div., *Razor Solutions Group LLC*, BUSINESS SEARCH, <https://ecorp.sos.ga.gov/BusinessSearch/BusinessInformation?businessId=1820178&businessType=Domestic%20Limited%20Liability%20Company&fromSearch=True> (last visited July 8, 2021).

1 Eaves states that the Committee hired Carter as its Finance Director and treasurer in
2 March 2019, and that on March 10, 2019, Eaves and Carter went together to Wells Fargo Bank
3 to open the Committee’s bank account.³ The Wells Fargo account was disclosed on the
4 Committee’s Statement of Organization as the campaign depository.⁴ Eaves alleges that Carter,
5 unbeknownst to him, also opened and maintained a separate bank account at Ameris Bank, and
6 used that account, instead of the Committee’s Wells Fargo account, to deposit Committee
7 receipts.⁵ Eaves states that he did not have access to the Ameris Bank account.⁶ The Complaint
8 alleges that Carter held another unnamed candidate’s funds in that account, along with the
9 Committee’s funds, and further alleges that Carter may have used funds from the account for her
10 personal use.⁷ Finally, the Complaint alleges that Carter purposely filed false disclosure reports
11 with the Commission.⁸ Eaves states that the Committee terminated its relationship with Carter
12 on November 30, 2019, when Eaves maintains he learned of improprieties committed by Carter.⁹
13 Eaves declares that although Carter previously transferred funds between the Ameris Bank

³ Compl. at 1 (Jan. 13, 2020). *See also* KEISHA CARTER BROWN, <http://www.keishacarterbrown.com/> (last visited July 8, 2021). Carter advertises as a “national fundraising, campaigning, public relations, communications, political strategy & public affairs expert” and on her website states that she has worked on over 70 political campaigns and with 20 non-profit organizations. Carter is also named as treasurer for three other House committees, two in Georgia and one in Tennessee. *See FEC Registered Committees: Filtered Results*, FEC.GOV, https://www.fec.gov/data/committees/?treasurer_name=keisha+Carter (last visited July 8, 2021) (reflecting results for treasurers named “Keisha Carter”).

⁴ John Eaves for Congress, Statement of Organization at 4, (Mar. 8, 2019).

⁵ Compl. at 1.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.* Eaves offers no details on the purported inaccuracies in the Committee’s reporting.

⁹ *Id.*

1 account and the Committee's official Wells Fargo account, she has not returned the remainder of
2 the funds in that account to the Committee, and therefore still holds Committee funds.¹⁰

3 The Complaint also includes part of a report from the Atlanta Police Department
4 summarizing Eaves's allegations and noting that Eaves learned of the additional bank account
5 when he noticed that certain contributions were not deposited into the Committee's bank
6 account.¹¹ The police report noted that Eaves also reported that he received calls from unpaid
7 and late-paid Committee vendors, which caused Eaves to contact Carter. It was then, according
8 to Eaves's statement to the police, that he learned that Carter was depositing funds into and
9 making disbursements from the separate bank account.¹² Although the police report mentions
10 that Eaves presented a string of emails between Eaves and Carter, as well as the bank statements
11 for the Wells Fargo account, Eaves did not include those emails or bank statements with the
12 Complaint.¹³ In his Complaint to the Commission, Eaves maintains that he asked for an
13 accounting from the Ameris Bank account and provides a letter from the Committee's counsel
14 that demands additional information regarding the account, a return of the remainder of the
15 Committee's funds, and an accounting of financial activity from that account.¹⁴

16 The Committee ultimately filed or amended many of its reports in May 2021 but has not
17 amended the reports that were filed while Carter was treasurer. The Committee's most recent

¹⁰ *Id.*

¹¹ Compl., Attach. 1 at 1.

¹² *Id.* at 2.

¹³ *Id.* We have not located a record of criminal charges filed against Carter as a result of Eaves's report to the Atlanta Police Department. The police report noted that the detective planned to contact the Commission for further information as to whether Carter violated any law, but we have not been able to locate a record of any contacts.

¹⁴ Compl., Attach. 2 (Letter from counsel for the Committee dated December 23, 2019).

1 report discloses a negative cash-on-hand balance and contains a statement that “The committee
2 will correct the ending bank balance [s]hortly. This Amendment correct[s] incorrect year to date
3 numbers.”¹⁵

4 In her response to the Complaint, Carter acknowledges that she and Eaves jointly
5 established the Committee’s bank account at Wells Fargo.¹⁶ She states that she understood that
6 debit cards and access information for the account would be sent both to Eaves and to herself.¹⁷
7 However, she maintains that Eaves returned to the bank, changed the account signatories, debit
8 card pins, and mailing address and despite her requests, did not provide information necessary
9 for her to access the account.¹⁸ Carter then states that Eaves “forgot” all login information for
10 the Wells Fargo account, so she needed to open another account to which she had access in order
11 to deposit Committee funds and make disbursements on behalf of the Committee.¹⁹

12 Although Carter does not indicate when Eaves became aware of the second bank account,
13 she states that he did not voice concern about the account “between March 2019 and
14 November 2019.”²⁰ Further, Carter states that Eaves received reimbursements from the second
15 account and knew of payments for campaign expenses made from that account but did not object
16 at that time or question her use of that account.²¹ Carter avers that at no time were Committee

¹⁵ John Eaves for Congress, Amended 2021 April Quarterly Report at 5 (May 7, 2021).

¹⁶ Resp. at 1 (Feb. 26, 2020).

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.* at 2.

1 funds commingled with the funds from any other local, state, or federal committee’s funds.²²
2 Carter also maintains that Eaves approved all reports filed with the Commission.²³ Finally,
3 Carter states that in November 2019, Eaves stated that he wanted to name another person as
4 Committee treasurer, but when she recommended that the new treasurer take online Commission
5 webinars before being granted access to Committee accounts, Eaves sent an email terminating
6 her services.²⁴ Carter asserts that she sent an invoice for her services that totaled more than the
7 Committee’s cash on hand, and that Eaves’s complaint is retaliatory and an effort to harm her
8 reputation.²⁵ Finally, Carter declares that she has received no communications from Eaves or
9 from counsel for the Committee regarding this matter, and did not know of the allegations until
10 she received the notification of the complaint from the Commission.²⁶

11 **III. LEGAL ANALYSIS**

12 **A. Legal Overview**

13 The Federal Election Campaign Act of 1971, as amended (the “Act”), requires a
14 committee, through its treasurer, to keep an accurate account of receipts, disbursements, and
15 cash-on-hand balances.²⁷ Committees, through their treasurers, are then required to use these
16 records to file accurate reports with the Commission.²⁸

22 *Id.*

23 *Id.*

24 *Id.* See John Eaves for Congress, Amended Statement of Organization (Nov. 11, 2019).

25 *Id.*

26 *Id.* But see Compl., Attach 2 (Letter from counsel for the Committee dated December 23, 2019).

27 52 U.S.C. §§ 30102(c), 30104(b); 11 C.F.R. §§ 104.3, 104.14(d).

28 52 U.S.C. § 30104(b)(1), (2), (4)(G), (4)(H)(v), (5), (6)(A), (6)(B)(v).

1 The Act requires that each political committee shall designate its depository institution.²⁹
 2 Each political committee shall maintain at least one checking account and such other accounts as
 3 the committee determines necessary at a depository designated by such committee, and all
 4 receipts received by such committee shall be deposited in such accounts.³⁰ No disbursements
 5 may be made by the committee except by check drawn on this account.³¹ The Act further
 6 requires that a political committee's funds "shall be segregated from, and may not be
 7 commingled with, the personal funds of any individual,"³² and prohibits individuals from
 8 converting contributions to a political committee for personal use.³³

9 A violation of the Act is knowing and willful when the "acts were committed with full
 10 knowledge of all the relevant facts and a recognition that the action is prohibited by law."³⁴ This
 11 does not require proving knowledge of the specific statute or regulation the respondent allegedly
 12 violated.³⁵ Rather, it is sufficient to demonstrate that a respondent "acted voluntarily and was
 13 aware that his conduct was unlawful."³⁶ This awareness may be shown through circumstantial

²⁹ *Id.* § 30102(h).

³⁰ *Id.*

³¹ *Id.*

³² *Id.* § 30102(b)(3).

³³ *Id.* § 30114(b)(1). A contribution or donation shall be considered to be converted to personal use if the contribution or amount is used to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or individual's duties as a holder of federal office. *Id.* § 30114(b)(2).

³⁴ 122 Cong. Rec. 12,197, 12,199 (May 3, 1976).

³⁵ *United States v. Danielczyk*, 917 F. Supp. 2d 573, 578 (E.D. Va. Jan. 9, 2013) (quoting *Bryan v. United States*, 524 U.S. 184, 195 & n.23 (1998) (holding that, to establish a violation is willful, government needs to show only that defendant acted with knowledge that conduct was unlawful, not knowledge of specific statutory provision violated)).

³⁶ *Id.* (citing jury instructions in *United States v. Edwards*, No. 11-61 (M.D.N.C. 2012), *United States v. Acevedo Vila*, No. 08-36 (D.P.R. 2009), *United States v. Fieger*, No. 07-20414 (E.D. Mich. 2008), and *United States v. Alford*, No. 05-69 (N.D. Fla. 2005)).

1 evidence from which the respondent’s unlawful intent reasonably may be inferred.³⁷ For
 2 example, a person’s awareness that an action is prohibited may be inferred from “the [person’s]
 3 elaborate scheme for disguising...political contributions.”³⁸ In prior matters, the Commission
 4 has considered experience with federal political fundraising as indicative of knowledge of the
 5 Act’s prohibitions and limitations when making knowing and willful findings.³⁹

6 **B. The Commission Finds that Keisha Carter, in Her Personal Capacity,**
 7 **Knowingly and Willfully Violated the Recordkeeping and Reporting**
 8 **Requirements of the Act**
 9

10 Under the Commission’s *Statement of Policy Regarding Treasurers Subject to*
 11 *Enforcement Proceedings*, the Commission will pursue “allegations that involve a past or present
 12 treasurer’s violation of obligations that the Act or regulations impose specifically on
 13 treasurers.”⁴⁰ Further, the Commission may name a treasurer in his or her personal capacity
 14 when the available information supports a reasonable inference that “the treasurer had
 15 knowledge that his or her conduct violated a duty imposed by law, or where the treasurer
 16 recklessly failed to fulfill his or her duties under the [A]ct and regulations, or intentionally
 17 deprived himself or herself of facts giving rise to the violations.”⁴¹

³⁷ Cf. *United States v. Hopkins*, 916 F.2d 207, 213 (5th Cir. 1990) (quoting *United States v. Bordelon*, 871 F.2d 491, 494 (5th Cir. 1989)). *Hopkins* involved a conduit contributions scheme, and the issue before the Fifth Circuit concerned the sufficiency of the evidence supporting the defendants’ convictions for conspiracy and false statements under 18 U.S.C. §§ 371 and 1001.

³⁸ *Id.* at 214-15. As the *Hopkins* court noted, “It has long been recognized that ‘efforts at concealment [may] be reasonably explainable only in terms of motivation to evade’ lawful obligations.” *Id.* at 214 (quoting *Ingram v. United States*, 360 U.S. 672, 679 (1959)).

³⁹ Factual and Legal Analysis (“F&LA”) at 9, MUR 7027 (MV Transportation, Inc.) (noting that respondent had “significant experience with federal political fundraising and made federal contributions, which strongly suggests that he was aware of the Act’s basic prohibitions and limitations”).

⁴⁰ Statement of Policy Regarding Treasurers Subject to Enforcement Proceedings, 70 Fed. Reg. 3, 5 n.7 (Jan. 3, 2005).

⁴¹ *Id.* at 5; see also F&LA at 2-3, MUR 6768 (Debra Doherty) (“[A] former treasurer may be named as a respondent in his or her personal capacity when it appears that the treasurer may have violated obligations imposed

1 In this matter, Carter admits that she opened an account at a bank other than the
2 Committee’s named depository and did not disclose that account to the Commission, in violation
3 of 52 U.S.C. § 30102(h)(1).⁴² Carter also admits that she used that account to accept receipts
4 and make disbursements on behalf of the Committee, suggesting that contributions received and
5 placed into the Ameris account were not ultimately forwarded to the Committee’s Wells Fargo
6 account.⁴³

7 Prior Commission action also supports finding reason to believe that Carter violated the
8 Act’s recordkeeping requirements in her individual capacity.⁴⁴ In MUR 6761 (Barfield), the
9 Commission found that a campaign manager who had embezzled funds and falsified records to
10 conceal his embezzlement violated Section 30102(c) by preventing accurate recordkeeping.⁴⁵ As
11 in MUR 6761, Carter’s actions prevented accurate recordkeeping because the Committee lacks
12 access to bank records and other materials to verify financial activity. After a prolonged period
13 of not filing disclosure reports following Carter’s termination, the Committee is now filing and
14 amending reports, but has also noted that further amendments will be necessary to correct the
15 disclosed bank balances, indicating that the Committee continues to lack a full accounting and
16 that ongoing discrepancies exist.⁴⁶ As such, available information suggests that contributions

by the Act or Commission regulations and where the violation was knowing and willful.”); F&LA at 13, MUR 6597 (Kinde Durkee) (stating similar); F&LA at 3, MUR 6539 (Joe Green) (stating similar).

⁴² 52 U.S.C. § 30102(h)(1); 11 C.F.R. § 103.3.

⁴³ Resp. at 2 (“Mr. Eaves received multiple re-imburements, checks written to consultants and his friends of the campaign for services and signed by me without question or issue.”).

⁴⁴ See 52 U.S.C. § 30102(c).

⁴⁵ See, e.g., F&LA at 9, MUR 6761 (Barfield).

⁴⁶ The Committee failed to file its 2019 Year-End and 2020 July Quarterly, October Quarterly and Year-End disclosure reports. The Commission’s Reports Analysis Division sent Requests for Additional Information (“RFAI”) regarding these reports. Although the Committee has begun to file reports and amend reports that it filed shortly after Carter’s termination, it continues to note that further amendments may be needed. See, e.g., John Eaves

1 deposited in the separate “holding” account were not known to the Committee and not included
2 in its disclosure reports.

3 Carter’s response similarly indicates a violation of § 30104(b) as the failure to keep
4 accurate records resulted in filing inaccurate reports with the Commission. As noted, the
5 Committee did not file reports for a prolonged period and when it eventually began to file reports
6 again, has had to note that its reports will still need correction.⁴⁷ In addition, Carter indicates
7 that the Committee owes her for services rendered, but the Committee reports no such debt,
8 indicating that there could be many different omitted transactions. Rather than address her
9 efforts to ensure that the filings were accurate, Carter claims that Eaves was notified of draft and
10 final filings for his approval and did not request amendments.⁴⁸ Carter also contends that Eaves
11 was unfamiliar with campaign finance regulations and the record indicates that accounting data
12 for at least one account used for Committee activity was not provided to Eaves. Accordingly,
13 Carter’s statements that she relied on the approval of an inexperienced candidate who only had
14 partial access to the Committee’s finances as her basis for determining the filings’ accuracy
15 suggests that the filings were inaccurate.

16 Carter’s explanations for her activity are conflicting and support a knowing and willful
17 finding. Her assertion that she had to open a second account because Eaves forgot the login
18 information and PIN for the Committee’s official account lacks credibility and does not excuse
19 Carter from her obligations under the Act, nor does it explain why the second account was at a

for Congress, Amended 2021 April Quarterly Report at 5 (May 7, 2021). The Committee has not yet amended reports that were filed during the time that Carter was treasurer, and it is not known at this time whether those reports will require amendments.

⁴⁷ John Eaves for Congress, Amended 2021 April Quarterly Report at 5 (May 7, 2021).

⁴⁸ *See id.*

1 different bank. Certainly, that information could have been retrieved from the bank, or from the
2 candidate. This explanation also appears to be inconsistent with the one that she provided Eaves.
3 In the Atlanta police report attached to the Complaint, Eaves claims that Carter told him that she
4 establishes “holding” accounts frequently.⁴⁹

5 Carter further admits that when she was asked by the candidate to provide access to the
6 Ameris account that was ostensibly the Committee’s account, she refused to provide access until
7 the new treasurer (Eaves) participated in FEC Webinars.⁵⁰ This is not a sound or credible basis
8 for a terminated treasurer to retain and withhold access to a Committee account. Carter also
9 claims that she has not received communications from Eaves or counsel for the Committee.
10 Carter’s claim that she was unaware that the Committee was seeking access to the Ameris
11 account is inconsistent with her prior admission that she knew that Eaves was seeking access to
12 the account, but that she did not consider him sufficiently familiar with campaign finance
13 regulations to allow him access.⁵¹ These activities, combined with Carter’s conflicting
14 explanations, are all suggestive of an effort to conceal transactions that were made with the
15 Ameris account. Eaves’s allegations gain further credibility since in addition to filing a sworn
16 complaint, he made similar allegations to the Atlanta police and hired a lawyer to pursue Evans.
17 Finally, Carter’s experience with other political campaigns and prior fundraising experience
18 suggests she is aware of her legal obligations and willfully failed to perform those obligations
19 and further supports the Commission finding reason to believe that Carter’s violations were

⁴⁹ Compl., Attach. 1 at 1.

⁵⁰ Resp. at 2.

⁵¹ *See id.*

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1 knowing and willful.⁵² Accordingly, the Commission finds reason to believe that Carter
2 knowingly and willfully violated 52 U.S.C. §§ 30102(c) and (h) and 30104(b) by failing to keep
3 accurate records and file accurate reports of receipts and disbursements on behalf of the
4 Committee.

⁵² See *supra* n. 3 and accompanying text (noting that Carter claims to have worked on over 70 campaigns and is currently the treasurer for four other committees registered with the Commission).

Enclosure