



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

June 17, 2024

VIA ELECTRONIC & CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dr. John H. Eaves, Treasurer
John Eaves for Congress
5051 Peachtree Corners Circle
Peachtree Corners, GA 30092
john@eavesforcongress.com

RE: MUR 7678
John Eaves for Congress and
John Eaves in his official
capacity as treasurer

Dear Dr. Eaves:

This is in reference to the complaint you filed with the Federal Election Commission on January 13, 2020, concerning Keisha Carter. Subsequently, on December 3, 2020, you were notified that John Eaves for Congress and you in your official capacity as treasurer were being notified as respondents in this matter. The Commission on June 22, 2022, found reason to believe that Keisha Carter 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. The Commission also voted to take no action at this time as to whether John Eaves for Congress and you in your official capacity as treasurer 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. After conducting an investigation in this matter, on January 23, 2024, the Commission found that there was probable cause to believe that Keisha Carter in her personal capacity knowingly and willfully violated 52 U.S.C. § 30102(h)(1) and 11 C.F.R. § 103.3, by failing to deposit receipts in or make disbursements from an account at a properly designated campaign depository, and knowingly and willfully violated 52 U.S.C. § 30102(b)(3) and 11 C.F.R. § 102.15, by failing to keep campaign funds segregated from the personal funds of any individual, provisions of the Federal Election Campaign Act of 1971, as amended (the "Act"), and Commission regulations. On May 16, 2024, the Commission voted to accept a conciliation agreement signed by Keisha Carter. On the same date, the Commission also took no further action as to allegations that Keisha Carter 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 and dismissed allegations that Ms. Carter converted campaign funds

MUR 7678 (John Eaves for Congress, *et al.*)

Letter to Dr. Eaves

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to personal use in violation of 52 U.S.C. § 30114(b)(1). Accordingly, on May 16, 2024, the Commission voted to close the file in this matter, effective today.

Documents related to the case will be placed on the public record today. *See* Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). A copy of the conciliation agreement and the relevant Factual and Legal Analyses are enclosed for your information.

The Act allows a complainant to seek judicial review of the Commission's dismissal of part of this action. *See* 52 U.S.C. § 30109(a)(8). If you have any questions, please contact, Dominique Dillenseger, the attorney assigned to this matter at (202) 694-1650 or ddillenseger@fec.gov.

Sincerely,



Aaron Rabinowitz
Assistant General Counsel

Enclosures

1. Factual and Legal Analysis (6-22-2022)
2. Factual and Legal Analysis (5-16-2024)
3. Conciliation Agreement

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.*

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).

FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS****RESPONDENT:** Keisha Carter**MUR 7678****I. INTRODUCTION**

This matter stems from allegations that Keisha Carter, the former Finance Director and former treasurer of, John Eaves for Congress and John Eaves in his official capacity as treasurer (the “Committee”), set up and used a separate, unauthorized, and undisclosed bank account for Committee receipts and disbursements, which resulted in various violations of the Act, including the potential commingling of Committee funds with Carter’s personal funds.¹

Based on the Complaint and available information, the Commission previously found 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. After receiving notice of this finding, Carter submitted a response, denying that she violated any provisions of the Act in connection with this matter.²

As set forth below, based on information available to the Commission, the Commission now finds reason to believe that Keisha Carter in her personal capacity knowingly and willfully violated 52 U.S.C. § 30102(h)(1) and 11 C.F.R. § 103.3 by failing to deposit receipts into, and make disbursements for the Committee from, a properly designated campaign depository account and knowingly and willfully violated 52 U.S.C. § 30102(b)(3) and 11 C.F.R. § 102.15 by commingling campaign funds with personal funds.

¹ Compl. at 1 (Jan. 13, 2020).

² RTB Resp. (Nov. 14, 2022).

1 **II. FACTUAL BACKGROUND**

2

3 Congressional candidate John H. Eaves filed a Complaint alleging that Keisha Carter, the
4 former finance director and former treasurer of Eaves' authorized committee, John Eaves for
5 Congress,³ set up and used a separate, unauthorized, and undisclosed bank account for
6 Committee receipts and disbursements.⁴ The Complaint also included an Offense Report from
7 the Atlanta Police Department documenting Eaves' allegations.⁵ Carter filed a response,
8 denying the allegations in the Complaint.⁶

9 On June 22, 2022, the Commission found reason to believe that Keisha Carter, in her
10 personal capacity, knowingly and willfully violated 52 U.S.C. §§ 30102(c) and (h) and 30104(b)
11 by failing to keep accurate records and file accurate reports of receipts and disbursements on
12 behalf of the Committee.⁷ The Reason to Believe letter was emailed to Carter on June 29, 2022.
13 Carter did not initially respond to the notification, but after the Office of General Counsel made
14 multiple attempts to contact her, she submitted a response contending that she did not engage in
15 reporting violations.

16 Subsequent information obtained by the Commission included Wells Fargo bank records
17 from the Committee's campaign account that was opened by Eaves when Carter became
18 treasurer, Wells Fargo bank records from Carter's business, Public Service Partners, and Anedot
19 credit card processing records. This information indicates that, during the approximately nine
20 months from March 2019 through November 2019, that Carter was the Committee's treasurer,

³ John Eaves is the current treasurer of the Committee. Committee, Statement of Organization (Mar. 11, 2020).

⁴ Compl. at 1 (Jan. 13, 2020).

⁵ *Id.* at 4-5 (including Atlanta Police Department Offense Report).

⁶ Resp. (Feb. 26, 2020).

⁷ Certification, MUR 7678 (Keisha Carter) (June 22, 2022).

1 tens of thousands of dollars of contributions to John Eaves for Congress were deposited into
2 Carter’s business account. This account appears to have also received funds from non-federal
3 campaigns and from other sources. The same account paid for campaign expenses but also was
4 used to pay for Carter’s personal expenses, such as rent and credit card bills.

5 Analysis of the bank and credit card processing records show that both the Committee’s
6 and Public Service Partners’ bank accounts were used for campaign deposits and disbursements.
7 The Committee’s campaign depository reflects deposits of contribution checks and few
8 disbursements. The records of the Public Service Partners account reflects that it received all of
9 the contributions to the Eaves campaign processed through Anedot during the period that Carter
10 acted as treasurer, deposits of contributions for other (non-federal) campaigns, deposits from
11 unknown sources, transfers to and from the Public Service Partners account to other accounts,
12 business-related expenses to various vendors, disbursements for Eaves campaign expenses, and
13 disbursements for what appear to be personal expenses, *e.g.*, food, overseas travel, lodgings, gas,
14 entertainment (*e.g.*, Netflix), and beauty supplies.

15 **A. Carter’s Response**

16 After receiving notice of the Commission’s finding of reason to believe, Carter filed a
17 response with the Commission on November 14, 2022, denying the allegations.⁸ In her
18 responses to the Complaint and RTB notification and from other information provided by Carter,
19 Carter claimed that Eaves was at all times aware of and did not object to any of her activities on
20 behalf of the Committee.⁹ She represented that Eaves without her knowledge changed “account
21 signatures, Debit card pins, [and] online and mailing information,” for the Committee’s existing

⁸ RTB Resp. (Nov. 14, 2022).

⁹ Resp. at 1; RTB Resp. at 4.

1 depository account; that he “refused or forgot” to provide her the information to access the
2 account; and that she had to open another account to deposit and disburse campaign funds.¹⁰ She
3 denied the allegations that the account was unauthorized or undisclosed, though she said she
4 could not recall the name of the account she had been using, and she denied that she commingled
5 or converted any campaign funds to personal use.¹¹ Carter also admitted that she neglected to
6 update the Committee’s filings to disclose the new account. Carter further represented that she
7 has worked with federal, state and local campaigns and that her firm has internal procedures in
8 place for recordkeeping and filing.

9 **B. Analysis of Financial Records**

10 A review of the information obtained — including Wells Fargo bank statements for the
11 Committee and Carter’s Public Service Partners business account, the Anedot credit card
12 processing information, and the Committee’s disclosure reports for the period March 2019
13 through December 2019 — confirm that both the campaign depository account and the Public
14 Service Partners bank accounts were used for campaign deposits and disbursements as well as
15 personal purposes.

16 Carter deposited credit card contributions for the Committee totaling \$97,214 into the
17 Public Service Partners account, made transfers totaling at least \$3,463 from the Public Service
18 Partners account to the Committee account — although the purpose of many payments from the
19 account cannot be identified — and made at least 11 disbursements totaling \$6,494 that appeared
20 to relate to the Committee — although, again, many other disbursements from the account may
21 have been for Committee purposes. The account also included deposits of contributions for

¹⁰ Resp. at 1.

¹¹ *Id.* at 2.

1 other (non-federal) campaigns, deposits from unknown sources, transfers to and from the Public
2 Service Partners account to other accounts, business-related expenses to various vendors, and
3 disbursements for what appear to be personal expenses, *e.g.*, food, overseas travel, lodgings, gas,
4 entertainment (*e.g.*, Netflix), and beauty supplies. Finally, as previously discussed, Carter
5 deposited credit card contributions for the Committee totaling \$97,214 into the Public Service
6 Partners account and made two transfers totaling \$3,463 from the Public Service Partners
7 account to the Committee account.

8 **III. LEGAL ANALYSIS**

9 **A. Campaign Committees and Their Treasurers Must Establish and Maintain** 10 **One or More Depository Accounts and May Not Commingle Campaign Funds** 11 **and Personal Funds**

12 The Act requires that every political committee designate as its campaign depository one
13 or more state banks, federally chartered depository institutions, or depository institutions in
14 which the accounts are insured by the Federal Deposit Insurance Corporation or the National
15 Credit Union Administration.¹² Each political committee shall maintain at least one checking or
16 transaction account at one of its depositories, and all receipts received by the committee shall be
17 deposited in such accounts.¹³ All disbursements (except petty cash) must be drawn on such
18 accounts.¹⁴ Commission regulations further provide that all deposits shall be made within ten
19 days of the treasurer's receipt.¹⁵ The Act and Commission regulations require that all campaign

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

¹³ *Id.*

¹⁴ *Id.*

¹⁵ 11 C.F.R. § 103.3(a).

1 funds be “segregated from, and may not be commingled with, the personal funds of any
 2 individual.”¹⁶

3 **B. The Commission Finds Reason to Believe that Keisha Carter in Her**
 4 **Personal Capacity Knowingly and Willfully Failed to Deposit Receipts**
 5 **into, and Make Disbursements from, an Account at a Designated**
 6 **Depository Institution and Knowingly and Willfully Commingled**
 7 **Campaign Funds with Personal Funds**

8 Under the Commission’s *Statement of Policy Regarding Treasurers Subject to*
 9 *Enforcement Proceedings*, a current or former treasurer may be named as a respondent in his or
 10 her personal capacity where the available information demonstrates that the treasurer “knowingly
 11 and willfully violated an obligation that the Act or regulations specifically impose on a treasurer
 12 or where a treasurer recklessly failed to fulfill duties imposed by law, or where the treasurer has
 13 intentionally deprived himself or herself of operative facts giving rise to the violation.”¹⁷ A
 14 violation of the Act is knowing and willful when the “acts were committed with full knowledge
 15 of all the relevant facts and a recognition that the action is prohibited by law.”¹⁸ This does not
 16 require proving knowledge of the specific statute or regulation the respondent allegedly
 17 violated.¹⁹ Rather, it is sufficient to demonstrate that a respondent “acted voluntarily and was
 18 aware that his conduct was unlawful.”²⁰ This awareness may be shown through circumstantial

¹⁶ 52 U.S.C. § 30102(b)(3); *see also* 11 C.F.R. § 102.15.

¹⁷ Statement of Policy Regarding Treasurers Subject to Enforcement Proceedings, 70 Fed. Reg. 3, 4 (Jan. 3, 2005).

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

¹⁹ *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)).

²⁰ *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.²¹ 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."²² 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.²³

6 Information obtained by the Commission, including Committee and Public Service
7 Partners bank records and Anedot credit card processing data establish that Carter deposited
8 \$97,145 in Eaves Campaign receipts into her own business account during the approximately
9 nine months that she acted as the Committee's treasurer. The Public Service Partners account
10 also reflects disbursements totaling at least \$6,494.27 for the Committee – where the description
11 of the disbursement in the bank records makes clear that the payment was for Eaves campaign
12 activity – but the exact amount of campaign disbursements is difficult to identify because the
13 purpose of most of the \$357,542 in payments out of the account during the relevant time cannot
14 be identified.

15 The bank statements of the Committee account show that it continued to operate while
16 Carter was treasurer and that contribution checks were deposited into it. Further, contribution
17 checks deposited into the Committee account were reported on Committee disclosure reports

²¹ 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.

²² *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)).

²³ Factual and Legal Analysis ("F&LA") at 9, MUR 7027 (R. Carter Pate) (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").

1 filed by Carter, indicating that she continued to have access to that account despite her claim that
2 she had no access to the account.

3 These bank records establish that Carter used an account other than the Committee's
4 account at its named depository. Those same bank statements confirm that contributions for the
5 Committee were deposited into Carter's business account, which also contained deposits from
6 other sources and was used for payments for personal expenses, resulting in a commingling of
7 Committee funds with personal funds in violation of 52 U.S.C. § 30102(b)(3) and 11 C.F.R.
8 § 102.15.

9 Carter also has apparently provided false information in her responses. Her assertion that
10 she had to open a "new" account under the Committee name after Eaves locked her out of the
11 campaign account is inconsistent with the fact that the Committee account remained open at least
12 through the end of 2019, and that she disclosed contributions deposited into that account on
13 Committee disclosure reports. Moreover, the type of account into which the Anedot
14 contributions were deposited was not a new account opened under the Committee name, as she
15 claimed, but her own business account under the name Public Service Partners, which appears to
16 be a long-established account, containing deposits from other sources and disbursements for non-
17 Committee expenses. Her conflicting explanations are all suggestive of an effort to conceal the
18 commingling of campaign funds that appears to have occurred.

19 Carter, as an experienced compliance specialist, would know the rules regarding the
20 establishment of a depository account and the prohibitions against commingling.²⁴ Moreover,

²⁴ Carter is Principal Consultant for Public Service Partners, Limited Co. *See* <https://www.publicservicepartners.com/>. Carter represents that she has "a lot of experience with Federal, State, and local campaigns" has worked in the field "for 18 years" and has "knowledge of FEC policy." RTB Resp. at 4, 5. *See also* KEISHA CARTER BROWN, <http://www.keishacarterbrown.com> (last visited July 18, 2023). 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.

1 Carter has repeatedly represented that at no time were Committee funds commingled with the
2 funds from any other local, state, or federal committee's funds,²⁵ establishing that she is aware of
3 the unlawfulness of her activities.

4 Accordingly, the Commission finds reason to believe that Carter in her personal capacity
5 knowingly and willfully violated 52 U.S.C. § 30102(h)(1) and 11 C.F.R. § 103.3 by failing to
6 deposit receipts into, and make disbursements for the Committee from, a properly designated
7 campaign depository account and knowingly and willfully violated 52 U.S.C. § 30102(b)(3) and
8 11 C.F.R. § 102.15 by commingling campaign funds with personal funds.

Id. Carter is also named as treasurer for three other House committees and a Hybrid PAC. *See FEC Registered Committees: Filtered Results*, FEC.GOV, https://www.fec.gov/data/committees/?treasurer_name=keisha+Carter (last visited July 18, 2023) (reflecting results for treasurers named "Keisha Carter").

²⁵ Resp. at 2.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 7678
Keisha Carter)	
)	

CONCILIATION AGREEMENT

This matter was generated by a complaint filed with the Federal Election Commission. The Commission found probable cause to believe that Keisha Carter (“Respondent”) in her personal capacity knowingly and willfully violated 52 U.S.C. 30102(h)(1) and 11 C.F.R. § 103.3 by failing to deposit receipts in or make disbursements from an account at a properly designated campaign depository and knowingly and willfully violated 52 U.S.C. § 30102(b)(3) and 11 C.F.R. § 102.15 by failing to keep campaign funds segregated from the personal funds of any individual in violation of the Federal Election Campaign Act of 1971, as amended (the “Act”), and Commission regulations.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 52 U.S.C. § 30109(a)(4)(A)(i), do hereby agree as follows:

- I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding.
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondent enters voluntarily into this Agreement with the Commission.
- IV. The pertinent facts and law in this matter are as follows:

1. Respondent is the former treasurer of John Eaves for Congress (the “Committee”), the authorized committee of John H. Eaves, a 2020 candidate for Georgia’s 7th Congressional district. Respondent was treasurer of the Committee from March 8, 2019, through November 21, 2019.

2. During the relevant period, the Committee maintained one campaign depository at Wells Fargo.

3. Respondent’s company, Public Service Partners, Limited Co., is registered with the state of Georgia as an LLC. During the relevant period, Respondent maintained a Wells Fargo Business Choice Checking account for Public Service Partners.

4. Respondent deposited \$97,145 in Eaves campaign receipts into the Public Service Partners account during the period in which Respondent was treasurer for the Committee — March 2019 through November 2019. The Public Service Partners account also reflects disbursements totaling at least \$6,494.27 for the Committee during the same period. During this same period, the Public Service Partners account also contained multiple deposits from other sources, transfers between the Public Service Partners account and the Committee’s campaign depository account, transactions related to other political entities, and business-related expenses to vendors. The Public Service Partners account also reflects disbursements for personal expenses of Respondent, such as rent and credit card bills, during this same period.

5. The Act requires that every political committee designate as its campaign depository one or more state banks, federally chartered depository institutions, or depository institutions in which the accounts are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration. 52 U.S.C. § 30102(h)(1); 11 C.F.R. § 103.3. Each political committee shall maintain at least one checking or transaction account at one of its

depositories, and all receipts received by the committee shall be deposited in such accounts. 52 U.S.C. § 30102(h)(1); 11 C.F.R. § 103.3. All disbursements (except petty cash) must be drawn on such accounts. 52 U.S.C. § 30102(h)(1); 11 C.F.R. § 103.3. Commission regulations further provide that all deposits shall be made within ten days of the treasurer's receipt. 11 C.F.R. § 103.3(a). The Act requires that all campaign funds be "segregated from, and may not be commingled with, the personal funds of any individual." 52 U.S.C. § 30102(b)(3); *see also* 11 C.F.R. § 102.15.

6. The Commission is specifically empowered with authority to find that a violation is "knowing and willful." 52 U.S.C. § 30109(a)(5)(B). This standard does not require proving knowledge of the specific statute or regulation the respondent allegedly violated. *United States v. Danielczyk*, 917 F. Supp. 2d 573, 578 (E.D. Va. Jan. 9, 2013) (citing *Bryan v. United States*, 524 U.S. 184, 195 & note 23 (1998)). Rather, it is sufficient to demonstrate that a respondent "acted voluntarily and was aware that his conduct was unlawful." *Id.* In prior matters, the Commission has considered experience with federal political fundraising as indicative of knowledge of the Act's prohibitions and limitations when making knowing and willful findings. Factual and Legal Analysis ("F&LA") at 9, MUR 7027 (R. Carter Pate).

7. By depositing Committee funds into the Public Service Partners bank account and making payments from that account on behalf of the Committee, Respondent used an account other than the Committee's account at its named depository for Committee receipts and disbursements. Further, Respondent deposited contributions for the Committee into Respondent's business account, which also contained deposits from other sources and which Respondent used for payments for personal expenses, resulting in the commingling of Committee funds with personal funds. Respondent, who represents herself to be an experienced

MUR 7678 (Keisha Carter)
Conciliation Agreement
Page 4 of 6

compliance specialist, would know the rules regarding the establishment of a depository account and the prohibitions against commingling.

V. Respondent in her personal capacity knowingly and willfully violated 52 U.S.C. § 30102(h)(1) and 11 C.F.R. § 103.3 by failing to deposit receipts in or make disbursements from an account at a properly designated campaign depository and knowingly and willfully violated 52 U.S.C. § 30102(b)(3) and 11 C.F.R. § 102.15 by failing to keep campaign funds segregated from the personal funds of any individual.

VI. Respondent will take the following actions:

1. Respondent will pay to the Commission a civil penalty of Fifty Thousand Dollars (\$50,000), pursuant to 52 U.S.C. § 30109(a)(5)(B), such penalty to be paid as follows:

a). One initial payment of One Thousand Three Hundred and Eighty Eight Dollars and Eighty Nine Cents (\$1,388.89) is due within six months of this agreement;

b). Thereafter, the remaining Forty-Eight Thousand Six Hundred and Eleven Dollars and Eleven Cents (\$48,611.11) shall be paid within the following thirty five months, in monthly installments of One Thousand Three Hundred and Eighty Eight Dollars and Eighty Nine Cents (\$1,388.89) each;

c). Each such installment shall be paid on the first day of the month in which it becomes due;

d). In the event that any installment payment is not received by the Commission by the fifth day of the month in which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the Respondent. Failure by the Commission to accelerate the payments

with regard to any overdue installment shall not be construed as a waiver of its right to do so with regard to future overdue installments.

2. Respondent, Keisha Carter, through the submission of financial documentation to the Commission and additional representations, has indicated that although financial hardship prevents her from paying the full civil penalty to the Commission, she is able to pay a substantially reduced civil penalty of Fifty Thousand Dollars (\$50,000). The Commission regards these submissions and representations as material representations. Due to Respondent's financial condition, the Commission agrees to depart from the civil penalty that it would normally seek for the violation at issue, and the Commission agrees that the reduced civil penalty of Fifty Thousand Dollars (\$50,000) should be due. If evidence is uncovered indicating that Respondent's financial condition is not as stated, a remaining civil penalty of One Hundred and Forty-Four Thousand dollars (\$144,000) shall be immediately due, pursuant to 52 U.S.C. § 30109(a)(5)(B).

3. Respondent will cease and desist from violating 52 U.S.C. §§ 30102(h)(1) and 30102(b)(3) and 11 C.F.R. §§ 103.3 and 102.15.

VII. The Commission, on request of anyone filing a complaint under 52 U.S.C. § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this Agreement. If the Commission believes that this Agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This Agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

IX. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written Agreement shall be enforceable.

FOR THE COMMISSION:


Lisa J. Stevenson
Acting General Counsel

BY: Charles Kitcher
Charles Kitcher
Associate General Counsel for Enforcement

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Charles Kitcher
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6/10/24
Date

FOR THE RESPONDENT:


Keisha Carter
Respondent

4/23/24
Date

Notary Public: *Lesley Anne Walton*

