



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

June 17, 2024

VIA EMAIL ONLY

jeanninelelake@gmail.com

Michelle Harding, Treasurer
Lake for Indiana
5300 N County Road
Muncie, IN 47304

RE: MUR 8076
Lake for Indiana, *et al.*

Dear Ms. Harding:

On October 13, 2022, the Federal Election Commission notified Lake for Indiana and you, in your official capacity as treasurer (“Lake for Indiana”), of a Complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, the Commission, on May 14, 2024, voted to dismiss the allegations that Lake for Indiana violated: 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3(a) by failing to accurately report all contributions; 52 U.S.C. § 30102(h)(1) and 11 C.F.R. § 103.2 by failing to comply with campaign depository requirements; 52 U.S.C. § 30114(b)(1) and 11 C.F.R. § 113.1(g) by converting campaign funds to personal use; 52 U.S.C. § 30102(b)(3) and 11 C.F.R. § 102.15 by commingling personal funds and campaign funds; and 52 U.S.C. § 30104(a) and 11 C.F.R. § 104.5 by failing to file timely and periodic disclosure reports with the Commission. Accordingly, the Commission voted to close the file, effective June 17, 2024.

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). Any applicable Factual and Legal Analysis or Statements of Reasons available at the time of this letter’s transmittal are enclosed.

If you have any questions, please contact Jacob McCall, the attorney assigned to this matter, at (202) 694-1650 or jmccall@fec.gov.

Sincerely,

Ana J. Peña-Wallace

Ana J. Peña-Wallace
Assistant General Counsel

Enclosure

FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS**

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6 RESPONDENTS: Lake for Congress and Constance MUR 8076
7 Saylease Prater-Baker in her
8 official capacity as treasurer
9 Lake for Indiana and Michelle Harding
10 in her official capacity as treasurer
11 Jeannine Lake
12

I. INTRODUCTION

14 This matter arises from a Complaint alleging that Jeannine Lake and her authorized
15 campaign committees, Lake for Indiana and Michelle Harding in her official capacity as
16 treasurer (“Lake for Indiana”) and Lake for Congress and Constance Saylease Prater-Baker in
17 her official capacity as treasurer (“Lake for Congress”), violated the Federal Election Campaign
18 Act of 1971, as amended (the “Act”), when they failed to report contributions, failed to comply
19 with campaign depository requirements, commingled campaign funds, and converted campaign
20 funds to personal use. The Complaint also includes information, in the form of screenshots of
21 emails, indicating that Lake for Indiana and Lake for Congress repeatedly failed to properly and
22 timely file disclosure reports with the Commission.

23 Lake denies the allegations and states that the Complainant, a vendor that had previously
24 done work for her campaign, has a personal dispute with Lake because their relationship
25 deteriorated over the course of Lake’s 2022 campaign. Lake contends that this matter is a direct
26 result of that dispute, and the allegations have no merit.

27 As discussed in further detail below, because the allegations are largely unsubstantiated,
28 the Commission dismisses the allegations that Lake for Indiana failed to accurately report all
29 contributions and to comply with campaign depository requirements in violation of 52 U.S.C.
30 §§ 30104(b), 30102(h)(1) and 11 C.F.R. §§ 104.3(a) and 103.2. Further, the Commission

1 dismisses the allegations that Lake and Lake for Indiana commingled personal funds and
2 campaign funds, and converted campaign funds to personal use, in violation of 52 U.S.C.
3 §§ 30102(b)(3) and 30114(b)(1) and 11 C.F.R. §§ 102.15 and 113.1(g). Finally, the Commission
4 dismisses the allegations that Lake for Indiana and Lake for Congress violated 52 U.S.C.
5 § 30104(a) and 11 C.F.R. § 104.5 by failing to file timely periodic disclosure reports with the
6 Commission.

7 **II. FACTUAL BACKGROUND**

8 Jeannine Lake was a candidate to represent Indiana's Fifth Congressional District in
9 2022.¹ Lake for Indiana was her principal campaign committee during the 2022 election cycle.²
10 Lake for Congress was her principal campaign committee during the 2018 and 2020 election
11 cycles.³ Both committees have terminated.⁴

12 The Complainant in this matter is Janay Barnes, co-owner of Bloossum, a digital
13 marketing agency that formerly worked with Lake for Indiana.⁵ The Complaint alleges that Lake

¹ Jeannine Lake, Amended Statement of Candidacy (Mar. 11, 2022), <https://docquery.fec.gov/pdf/678/202203119493771678/202203119493771678.pdf>.

² Lake for Indiana, Amended Statement of Organization (Apr. 5, 2022), <https://docquery.fec.gov/pdf/636/202204059495944636/202204059495944636.pdf>.

³ Lake for Congress, Amended Statement of Organization (May 10, 2018), <https://docquery.fec.gov/pdf/533/201805109112011533/201805109112011533.pdf>.

⁴ The Complaint incorrectly identified Lake for Congress, rather than Lake for Indiana, as the candidate's current committee and Lake for Indiana was not notified until February 24, 2023. Lake for Indiana Notif. Letter at 1 (Feb. 24, 2023). Lake for Congress was administratively terminated on February 15, 2022, prior to the filing of this Complaint. Lake for Congress, 2022 Termination Approval Letter (Feb. 15, 2022), <https://docquery.fec.gov/pdf/476/202202150300133476/202202150300133476.pdf>. Lake for Indiana later terminated on November 29, 2023. Lake for Indiana, 2023 Termination Approval Letter (Nov. 29, 2023), <https://docquery.fec.gov/pdf/247/202311290300197247/202311290300197247.pdf>.

⁵ Bloossum has re-branded as "Midwest Political Group," but does highlight Lake's 2022 campaign on its website. MIDWEST POLITICAL GROUP, <https://www.midwestpolitical.org/project> (last visited Apr. 23, 2024). Lake for Indiana disclosed a \$1,200 disbursement to Jencelyn King-Witzel, co-owner of Bloossum, on June 14, 2022, for "campaign work." *FEC Individual Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00808550&recipient_name=Witzel&two_year_transaction

1 violated the Act by underreporting campaign contributions, failing to comply with campaign
 2 depository requirements, commingling funds, and converting campaign funds to personal use.⁶

3 The Complaint alleges that Lake’s committee underreported its contributions, noting that
 4 Lake raised “thousands of dollars in checks and cash” during fundraising events, but told her
 5 staff that she “only raised \$500 at those events.”⁷ The Complaint also alleges that Lake’s
 6 committee underreported the total amount of contributions received through ActBlue.⁸
 7 According to the Complaint, Bloossum staff “was able to confirm that the checks [from ActBlue]
 8 had indeed been issued,” yet Lake claimed that “she had not received any ActBlue funds.”⁹

9 The Complaint further alleges that Lake and her committee violated the Act by failing to
 10 comply with bank depository requirements and for commingling personal funds and campaign
 11 funds.¹⁰ While the Complaint presents no facts that specifically point to a potential violation of
 12 bank depository requirements, it does allege that Lake did not properly record contributions and
 13 improperly used campaign funds, claiming that “thousands of donations were unreported.”¹¹

14 Finally, the Complaint alleges that Lake converted campaign funds to personal use by
 15 using campaign funds for travel expenses that were unrelated to the campaign, and for making

[period=2022](#) (last visited Apr. 23, 2024) (reflecting disbursements to King-Witzel during the 2022 election cycle). In the past, Bloossum provided services to Alan Darnowsky for Congress, a candidate for Ohio’s Second District in 2022; additionally, Bloossum co-owner King-Witzel, appears to have worked for other federal political committees, dating back to 2012. *FEC Individual Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&recipient_name=Bloossum&recipient_name=jencelyn+king-witzel (last visited Apr. 23, 2024) (reflecting all reported disbursements to Bloossum or King-Witzel).

⁶ Compl. at 2-3 (Oct. 6, 2022).

⁷ *Id.* at 3.

⁸ *Id.* at 2.

⁹ *Id.*

¹⁰ *Id.* at 4.

¹¹ *Id.* at 3.

1 large purchases at a Dollar General for items unrelated to the campaign.¹²

2 The Complaint contends that Lake admitted fault for these alleged violations in
3 conversations between Lake and Bloossum staff during the 2022 campaign. For example, the
4 Complaint states that, during a dispute over campaign literature, Lake admitted to Jencelyn
5 King-Witzel, co-owner of Bloossum, that she was “using personal funds and campaign funds
6 interchangeably.”¹³ The Complaint further alleges that Lake said “she used campaign funds for
7 travel expenses that were not all campaign related.”¹⁴

8 In her Response, Lake denies the allegations, contending that the Complaint was filed
9 because her campaign’s relationship with Bloossum deteriorated, which caused people at the
10 agency to “want to retaliate.”¹⁵ According to Lake, this dispute began when Lake refused to
11 delegate the campaign’s finances to Bloossum.¹⁶ Lake contends that she eventually fired
12 Bloossum for “insubordination.”¹⁷ Lake further claims that the Complaint bases its allegations
13 on “second-hand opinions” that are “100% without merit.”¹⁸

¹² Compl. at 2-3. The Complaint generally alleges that purchases from Dollar General were unauthorized and includes a screenshot of an email referencing a text conversation between Lake and a volunteer discussing those disbursements. *Id.* at 10. Copies of those texts were not provided, however, and the Complaint does not identify specific purchases from Dollar General that allegedly constituted personal use.

¹³ *Id.* at 2.

¹⁴ *Id.*

¹⁵ Resp. at 1.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

1 Lake for Indiana has not filed reports with the Commission since January 31, 2023, and
2 Lake for Congress has not filed reports since December 4, 2020.¹⁹ The Reports Analysis
3 Division (“RAD”) sent Lake for Indiana non-filer notices and Requests for Additional
4 Information (“RFAIs”) regarding its unfiled 2023 April Quarterly and July Quarterly Reports.²⁰
5 In October 2023, Lake for Indiana filed for termination, which was approved in November of
6 that year.²¹ During the 2022 election cycle, RAD sent Lake for Congress non-filer notices and
7 RFAIs for its 2021 April Quarterly, July Quarterly and October Quarterly Reports.²² In
8 response, Lake for Congress filed Miscellaneous Text Submissions stating that it had not

¹⁹ *Lake for Indiana: Committee Filings 2021-2022*, FEC.GOV, <https://www.fec.gov/data/committee/C00808550/?tab=filings&cycle=2022> (last visited Apr. 23, 2024); *Lake for Congress: Committee Filings 2019-2020*, FEC.GOV, <https://www.fec.gov/data/committee/C00678557/?tab=filings&cycle=2020> (last visited Apr. 23, 2024).

²⁰ *Lake for Indiana: Committee Filings 2023-2024*, FEC.GOV, <https://www.fec.gov/data/committee/C00808550/?tab=filings> (last visited Apr. 23, 2024).

²¹ Lake for Indiana, 2023 Termination Report (Oct. 23, 2023), <https://docquery.fec.gov/pdf/486/202310230300453486/202310230300453486.pdf>; Lake for Indiana, 2023 Termination Approval Letter (Nov. 29, 2023), <https://docquery.fec.gov/pdf/247/202311290300197247/202311290300197247.pdf>.

²² Lake for Congress had previous matters before the Commission for failing to file disclosure reports. These matters are MUR 7778 (Lake for Congress) (involving the failure to file timely disclosure reports, among other violations, during the 2020 election cycle), AF 3570 (regarding failing to file 2018 30 Day Post-General Report), AF 3696 (regarding failing to file 2018 Year-End Report), AF 3891 (regarding failing to file 2020 July Quarterly Report), and AF 4161 (regarding failing to file 2020 Year-End Report), and have all been resolved at this time.

1 accepted any donations in 2021.²³ Lake for Congress was administratively terminated in early
2 2022.²⁴

3 **III. LEGAL ANALYSIS**

4 The Act and Commission regulations require committee treasurers to file reports of
5 receipts and disbursements in accordance with the provisions of 52 U.S.C. § 30104.²⁵ To
6 comply with this requirement, political committees must disclose the amount of cash on hand at
7 the beginning of the reporting period, and the total amount of receipts and disbursements for the
8 reporting period.²⁶ Additionally, political committees must file reports of receipts and
9 disbursements according to the schedules prescribed in the Act and Commission regulations.²⁷
10 Authorized committees of individuals running for House or Senate are required to file quarterly
11 reports with the FEC, which are due on April 15, July 15 and October 15, as well as a year-end
12 report due on January 31 of the following year.²⁸ Furthermore, Committees have an ongoing
13 obligation to file reports until they terminate with the Commission.²⁹

14 The Act and Commission regulations also require political committees to designate one

²³ Lake for Congress, Miscellaneous Text Submission (Nov. 17, 2021), <https://docquery.fec.gov/pdf/247/202111179468566247/202111179468566247.pdf>; Lake for Congress, Miscellaneous Text Submission (Nov. 18, 2021), <https://docquery.fec.gov/pdf/241/202111189468580241/202111189468580241.pdf>.

²⁴ Lake for Congress, 2022 Termination Approval Letter (Feb. 15, 2022), <https://docquery.fec.gov/pdf/476/202202150300133476/202202150300133476.pdf>.

²⁵ 52 U.S.C. § 30104(a)(1); *see also* 11 C.F.R. § 104.3(a), (b).

²⁶ 52 U.S.C. § 30104(b)(1), (2), (4); 11 C.F.R. § 104.3(a), (b).

²⁷ 52 U.S.C. § 30104(a); 11 C.F.R. § 104.5.

²⁸ 52 U.S.C. § 30104(a); 11 C.F.R. § 104.5. Authorized committees must also file pre- and post-election reports during the candidate's election. 11 C.F.R. § 104.5(a)(2)(i), (ii).

²⁹ *See* 52 U.S.C. § 30103(d)(1); 11 C.F.R. § 102.3(a)(1); *see also* Advisory Opinion 1977-47 at 1 (Clifford P. Hansen) (“Under the Act and Commission regulations, a political committee is a continuing organization until specific action is taken to terminate the registration of, or disband, the committee.”).

1 or more State banks, federally chartered depository institutions, or depository institutions or
2 accounts which are insured by the Federal Deposit Insurance Corporation or the National Credit
3 Union Administration as its campaign depository or depositories.³⁰ All campaign receipts must
4 be deposited, and disbursements (except petty cash) must be drawn on such accounts.³¹
5 Moreover, all campaign funds must be “segregated from, and may not be commingled with, the
6 personal funds of any individual.”³²

7 Under the Act, campaign funds “shall not be converted by any person to personal use,”
8 and the Act defines personal use as using funds “to fulfill any commitment, obligation, or
9 expense of a person that would exist irrespective of the candidate’s election campaign or
10 individual’s duties as a holder of Federal office.”³³ The Act and Commission regulations further
11 enumerate certain types of disbursements that are *per se* personal use.³⁴ These include, but are
12 not limited to, purchase of household food items or supplies; mortgage, rent, or utility payments
13 for any part of a personal residence of the candidate; admission to a sporting event or other form
14 of entertainment unless part of a specific campaign or officeholder activity; and dues, fees, or
15 gratuities at a recreational facility unless they are part of the costs of a specific fundraising
16 event.³⁵ For all other disbursements, the regulation provides that the Commission shall
17 determine on a case-by-case basis, whether a given disbursement is personal use by applying the

³⁰ 52 U.S.C. § 30102(h)(1); 11 C.F.R. § 103.2.

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

³² 52 U.S.C. § 30102(b)(3); 11 C.F.R. § 102.15.

³³ 52 U.S.C. § 30114(b)(1); 11 C.F.R. § 113.1(g).

³⁴ 52 U.S.C. § 30114(b)(2); 11 C.F.R. § 113.1(g)(1).

³⁵ 52 U.S.C. § 30114(b)(2); 11 C.F.R. § 113.1(g)(1).

1 “irrespective test” formulated in the statute.³⁶ Meals, travel, and vehicle expenses are examples
2 of disbursements that may be determined to be personal use after applying the irrespective test.³⁷

3 Here, there is insufficient information to reasonably infer that most of the violations
4 alleged in the Complaint occurred. First, the extent of the alleged underreporting of
5 contributions is unclear. While the Complaint alleges that Lake for Indiana underreported
6 contributions from fundraising events and from ActBlue, it also acknowledges that Lake reported
7 having issues with receiving checks from ActBlue.³⁸ According to the Complaint, Lake for
8 Indiana received \$9,733.22 from ActBlue from January 2022 to June 2022.³⁹ But by mid-
9 September 2022, which, according to the Complaint, was around the time Lake reportedly
10 contacted ActBlue about the unreceived contributions, Lake for Indiana reported receiving more
11 than \$10,000 in ActBlue contributions, so it is possible there was simply a delay in the campaign
12 receiving the contributions identified by the Complaint.⁴⁰ Although the Complaint alleges that
13 fundraising at campaign events was mostly conducted via cash or checks, or through Venmo and
14 Cash App, neither the Complaint nor the Response identify any specific transactions to indicate
15 that receipts received through any of those methods were unreported or underreported.⁴¹

16 Similarly, there is no available information substantiating the allegation that Lake for

³⁶ 11 C.F.R. § 113.1(g)(1)(ii).

³⁷ *Id.*

³⁸ Compl. at 2-3.

³⁹ *Id.* at 8.

⁴⁰ *Id.*; Lake for Indiana, October Quarterly Report, Sched. A at 10-20 (Oct. 15, 2022), <https://docquery.fec.gov/pdf/448/202210159537295448/202210159537295448.pdf>. The Complaint states that Lake complained in mid-September 2022 that her campaign was not receiving ActBlue contributions, suggesting the possibility that Lake for Indiana waited until it received the funds from ActBlue before reporting the contribution on its reports. *See* Compl. at 2.

⁴¹ *See id.* at 3; Resp. at 1.

1 Indiana failed to maintain a campaign depository account. Lake for Indiana designated a bank as
2 its campaign depository on its Statement of Organization.⁴² The Complaint provides no facts
3 indicating that Lake for Indiana failed to use its depository. While the Complaint speculates that
4 Lake was taking contributions for her personal use, in particular from contributions received
5 through Venmo and Cash App, it fails to provide information to support this allegation.⁴³

6 Similarly, the Complaint’s allegation that Lake used campaign funds for personal travel
7 and a large purchase at Dollar General, both for personal use and purportedly totaling \$3,500, is
8 unsupported.⁴⁴ Lake for Indiana did report disbursements for travel and disbursements to Dollar
9 General, but provided permissible justifications for the expenditures; specifically, the Lake for
10 Indiana reported one \$420.36 disbursement for “travel” on August 22, 2022, and one
11 disbursement to Dollar General for “supplies” for \$3,500.00 on May 25, 2022.⁴⁵ Lake generally
12 denies the allegation that the disbursements were for personal use, stating that the
13 “accusations . . . are 100% without merit” and that the Complaint contains only “tirades about
14 [her] spending habits” by Bloossum staff.⁴⁶ Without additional facts regarding the nature of the
15 potential personal use, the Complaint does not appear to raise a reasonable inference that the
16 disbursements were for personal use.

⁴² Lake for Indiana, Amended Statement of Organization at 4 (Apr. 5, 2022), <https://docquery.fec.gov/pdf/636/202204059495944636/202204059495944636.pdf> (designating Financial Center First Credit Union as its depository).

⁴³ Compl. at 3.

⁴⁴ *Id.* at 2.

⁴⁵ *FEC Individual Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00808550&two_year_transaction_period=2022&disbursement_description=supplies&disbursement_description=travel (last visited Apr. 23, 2024) (reflecting all disbursements by Lake for Indiana for “supplies” or “travel”).

⁴⁶ Resp. at 1.

1 Additionally, while the Complaint alleges that Lake “admitted to using personal funds
2 and campaign funds interchangeably,” it provides no details of the alleged conduct, and Lake
3 denies making the admission.⁴⁷ Without more information, there is not enough information to
4 raise a reasonable inference that Lake commingled campaign funds with personal funds.

5 However, the available information does indicate that both Lake for Congress and Lake
6 for Indiana failed to comply with their reporting obligations under 52 U.S.C. § 30104(a) and
7 11 C.F.R. § 104.5. Both committees failed to file multiple disclosure reports with the
8 Commission: Lake for Congress failed to file three reports in 2021 and Lake for Indiana failed
9 to file two reports in 2023.⁴⁸ Although there may have not been any new receipts or
10 disbursements for the committees to report,⁴⁹ their obligation to file timely disclosure reports
11 continued until they were permitted to terminate by the Commission.⁵⁰ The Complaint
12 substantiates this ongoing violation with a screenshot of an email conversation between
13 Blossum and Capitol Compliance Associates noting that Lake for Indiana had not filed “several
14 quarterly finance reports,” that Lake had not filed a new statement of candidacy, and that it had
15 received several unanswered RFAs.⁵¹ Indeed, the failure to file disclosure reports has been a
16 repeated issue with Lake’s prior campaigns in the 2018 and 2020 election cycles.⁵² However,

⁴⁷ Compl. at 2; Resp. at 1.

⁴⁸ *Supra* notes 20, 22 (discussing the committees’ unfiled reports).

⁴⁹ Miscellaneous Text Submission at 1 (Nov. 17, 2021),
<https://docquery.fec.gov/pdf/247/202111179468566247/202111179468566247.pdf> (“My campaign ended
November 2020. I AM NOT ACCEPTING DONATIONS UNTIL JANUARY 2022 FOR THE MAY 2022
PRIMARY SHOULD I DECIDE TO RUN AGAIN IN THE 5TH CONGRESSIONAL DISTRICT.”).

⁵⁰ *See* 52 U.S.C. § 30103(d)(1); 11 C.F.R. § 102.3(a)(1).

⁵¹ Compl. at 9.

⁵² *Supra* note 22.

1 because the committees have terminated, and the committees appear to have had no activity
2 during the time period in which they failed to file reports, the Commission dismisses these
3 allegations as a matter of prosecutorial discretion.⁵³

4 Based on the insufficient information to substantiate each of the foregoing alleged
5 violations, the Commission dismisses the allegation that Lake for Indiana violated 52 U.S.C.
6 §§ 30104(b), 30102(h)(1) and 11 C.F.R. §§ 104.3(a) and 103.2 by failing to accurately report all
7 contributions and failing to comply with campaign depository requirements and dismisses the
8 allegation that Lake and Lake for Indiana violated 52 U.S.C. §§ 30114(b)(1) and 30102(b)(3)
9 and 11 C.F.R. §§ 113.1(g) and 102.15 by converting campaign funds to personal use and
10 commingling personal funds and campaign funds. However, although it appears the committees'
11 failed to file numerous disclosure reports, because both committees have terminated, and it
12 appears that the committees had no receipt or disbursement activity to report in those disclosures,
13 the Commission exercises its prosecutorial discretion to dismiss the committees' apparent
14 violations of 52 U.S.C. § 30104(a) and 11 C.F.R. § 104.5.⁵⁴

⁵³ *See Heckler v. Chaney*, 470 U.S. 821 (1985).

⁵⁴ *Id.*