

From: CITIZENS FOR ETHICS IN WASHINGTON (aka, CREW)

At: <https://www.citizensforethics.org/legal-action/legal-complaints/fec-must-investigate-apparent-trump-campaign-cover-up-of-settlements/>

FEC must investigate apparent Trump campaign cover-up of settlements

May 10, 2024

The Federal Election Commission must investigate whether Donald Trump’s campaign illegally attempted to hide settlement payments by routing the payments through third parties, according to a complaint filed today by Citizens for Responsibility and Ethics in Washington. The allegations of wrongdoing stem from former Trump campaign employee AJ Delgado’s sworn declaration in her pending lawsuit against Trump and his campaign over her claims of pregnancy discrimination.

Delgado’s declaration stated that in 2017, a lawyer representing Make America Great Again PAC—which was converted from Trump’s 2016 presidential campaign committee—offered to serve as a passthrough for a settlement payment to her—a scheme that would allow the PAC to evade federal campaign finance law’s requirement that political committees report the recipients and purposes of their disbursements. When Delgado’s lawyer allegedly objected to the proposal because it would break the law, the Trump campaign’s lawyer replied that it would not be a problem, and that “[w]hat we would do is the Campaign pays me and then I cut a check to you guys.” Delgado went on to declare that “I have information and reason-to-believe” that payments made to the campaign lawyer’s firm and another entity were to pay settlements of, and legal services related to, complaints of gender discrimination, pregnancy discrimination, and sexual harassment.

“The allegations made in AJ Delgado’s declaration paint a deeply troubling picture of potentially illegal activity carried out by Donald Trump’s campaign,” said CREW President Noah Bookbinder. “The FEC must conduct an investigation to determine the validity of these claims and establish the degree to which any wrongdoing occurred.”

Donald Trump previously admitted to using pass-through payments to disguise the true purpose of payments. Notably, Trump reimbursed Michael Cohen, his former lawyer, for payments made to “catch and kill” a story concerning Trump’s alleged extra-marital relations. The Federal Election Campaign Act requires political committees to provide detailed and truthful information about who they are paying and why they are paying them, even if they would reveal facts embarrassing to the campaign.

“The American people need to know what campaigns are spending money for, and schemes to hide that information undercut Americans’ faith in our political system. Donald Trump’s own admission of using pass-through payments to hide their purpose and protect his political prospects makes it even more important that the FEC investigate,” said Bookbinder. “No candidate or campaign is above the law, not even Trump.”

<p>THE COMPLAINT:</p> <p style="text-align: center;">FEDERAL ELECTION COMMISSION In the matter of: Make America Great Again PAC MUR _____ (f/k/a) Donald J. Trump for President, Inc. COMPLAINT</p> <ol style="list-style-type: none">1. Citizens for Responsibility and Ethics in Washington (“CREW”) brings this complaint before the Federal Election Commission (“FEC” or “Commission”) seeking an immediate investigation and enforcement action against Make America Great Again PAC, formerly the principal campaign committee for Donald J. Trump’s 2020 and 2016 campaigns and operating as Donald J. Trump for President, Inc., for direct and serious violations of the Federal Election Campaign Act (“FECA”).2. Federal law requires that political committees accurately report the recipients and purposes of disbursements of their funds. In violation of this law, Make America Great Again PAC falsely attributed payments to conduits utilized solely to prevent disclosure of the true recipient and purpose of its disbursements. In particular example, a recent sworn statement indicates Respondent unlawfully hid the source of funds used to pay settlements and related
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expenses to plaintiffs alleging, for example, pregnancy discrimination, by falsely reporting on statements filed with the FEC that conduit entities were the ultimate recipient of the funds.

3. A former employee of the Respondent, then-named Donald J. Trump for President, Inc., recently confirmed the offer to utilize such a scheme to evade reporting, in a declaration made under oath in connection with her pregnancy discrimination lawsuit. See Decl. of Arlene J. Delgado, *Delgado v. Donald J. Trump for President, Inc.*, No. 19-cv-11764 (AT) (KHP) (S.D.N.Y. May 8, 2024) (attached as Ex. A). In the declaration, the former employee states she was told in 2017 by a lawyer for the campaign that the payment to her would not be public, despite the requirement for political committees like Respondent to report the recipient and purposes of their payments. Rather, she asserts, the campaign's lawyer offered that "the payment would be routed through a middleman," specifically the lawyer or his firm, "to hide the fact that the Campaign had settled, from the public and the FEC." Id. The lawyer's firm is reportedly the recipient of about \$4.5 million in payments from Respondent, the most recent of which is a \$2.5 million payment made on January 13, 2021. The former employee further alleges that payments made to the lawyer's firm and another entity were to pay settlements of, and legal services related to, complaints of gender discrimination, pregnancy discrimination, and sexual harassment. Id. Recent news reporting also raises concerns about payments to a compliance firm for "reimbursements" for legal expenses. See Roger Sollenberger, *Trump's New Legal Bills Are Hiding an \$8 Million Mystery*, *Daily Beast* (Apr. 24, 2024), <https://www.thedailybeast.com/trumps-new-legal-bills-are-hiding-an-dollar8-million-mystery>.
4. The use of pass-throughs to hide the true purpose of payments is not unfamiliar to Mr. Trump and his businesses. For example, Mr. Trump reimbursed Michael Cohen, his former lawyer, for payments made to "catch and kill" a story concerning Mr. Trump's alleged extra-marital relations. Brett Neely & Domenico Montanaro, *Trump Admits To Authorizing Stormy Daniels Payoff, Denies Sexual Encounter*, NPR (May 2, 2018), <https://www.npr.org/2018/05/02/607943366/giuliani-says-trump-did-know-about-stormy-daniels-payment>. Mr. Trump confirmed payments routed through attorneys could be marked "legal expenses" even if they were reimbursements for expenses paid to third parties. Former President Trump Speaks Ahead of Day 13 of Hush Money Trial in New York, CSPAN (May, 2024), <https://www.c-span.org/video/?535453-1/president-trump-speaks-ahead-day-13-hush-money-trial-york>.
5. Regardless of what Mr. Trump may have experienced in the business world, federal law does not permit a political committee to report any expense routed through an attorney or any other intermediary as a payment to the intermediary for "legal expenses" or otherwise. Rather, federal law requires political committees provide detailed and truthful information about who they are paying and why they are paying them, even if doing so would reveal facts embarrassing to the campaign such as the settlement of legal claims.

Complainants

6. Complainant CREW is a non-profit corporation, organized under section 501(c)(3) of the Internal Revenue Code. CREW is committed to protecting the right of citizens to be informed about the activities of government officials, to ensuring the integrity of government officials, protecting our political system from corruption, and reducing the influence of money in politics. CREW is dedicated to empowering voters to have an influential voice in government decisions and in the governmental decision-making process. CREW uses a combination of research, litigation, and advocacy to advance its mission.

[the remaining pages of this COMPLAINT are not shown, to provide article brevity. See the full COMPLAINT at: <https://www.citizensforethics.org/wp-content/uploads/2024/05/TrumpDelgadoComplaint5.10.24Final.pdf>]