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FEDERAL ELECTION  
COMMISSION

2011 JUN 30 PM 4: 20

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 6412  
Blumenthal for Senate and Judith )  
Zamore, in her official capacity as )  
treasurer; Richard Blumenthal; Cynthia )  
Blumenthal )

CERTIFICATION

I, Shelley E. Garr, recording secretary for the Federal Election Commission executive session on June 28, 2011, do hereby certify that the Commission decided by a vote of 6-0, on an amended pre-meeting tally, to take the following actions in MUR 6412:

1. Find no reason to believe that Richard Blumenthal violated 2 U.S.C. § 441f and 11 C.F.R. § 110.4(b)(iii) by knowingly helping or assisting, or allowing his name to be used, in the making of a contribution in the name of another.
2. Find no reason to believe that Cynthia Blumenthal violated 2 U.S.C. §§ 441a(a)(1)(A), 441f, and 11 C.F.R. § 110.4(b)(1)(i) by making an excessive contribution or by making a contribution in the name of another.
3. Find no reason to believe that Richard Blumenthal, Blumenthal for Senate and Judith Zamore, in her official capacity as treasurer, violated 2 U.S.C. § 441a(f), 441f, and 11 C.F.R. § 110.4(b)(1)(iv) by knowingly accepting an excessive contribution or a contribution in the name of another.
4. Approve the Factual and Legal Analysis as recommended in the First General Counsel's Report dated April 21, 2011.

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5. Approve the appropriate letters.
6. Close the file.

Commissioners Bauerly, Hunter, McGahn II, Petersen, Weintraub, and Walther voted affirmatively for the decision.

Attest:

June 30, 2011  
Date

Shelley E. Galt  
Shelley E. Galt  
Deputy Secretary of the Commission

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**JUL 01 2011**

**VIA FAX (860-826-2742) and CERTIFIED MAIL**

Christopher C. Healy, Chairman  
Connecticut Republican Party  
321 Ellis Street  
Bldg. 17, Unit 501  
New Britain, CT 06051

RE: MUR 6412  
Richard Blumenthal  
Blumenthal for Senate and  
Judith Zamore, in her official  
capacity as treasurer  
Cynthia Blumenthal

Dear Mr. Healy:

On June 28, 2011, the Federal Election Commission reviewed the allegations in your complaint dated October 27, 2010, and found that on the basis of the information provided in your complaint, and information provided by the respondents, there is no reason to believe that Richard Blumenthal violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), and 11 C.F.R. § 110.4(b)(iii) of the Commission's regulations; that Cynthia Blumenthal violated 2 U.S.C. §§ 441a(a)(1)(A), 441f, and 11 C.F.R. § 110.4(b)(1)(i); and that Blumenthal for Senate and Judith Zamore, in her official capacity as treasurer, violated 2 U.S.C. §§ 441a(f), 441f, and 11 C.F.R. § 110.4(b)(1)(iv). Accordingly, on June 28, 2011, the Commission closed the file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009). The Factual and Legal Analyses, which more fully explain the Commission's findings are enclosed.

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Christopher C. Healy  
MUR 6412  
Page 2

The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. *See* 2 U.S.C. § 437g(a)(8).

Sincerely,

Christopher Hughey  
Acting General Counsel



BY: Mark D. Shonkwiler  
Assistant General Counsel

Enclosure  
Factual and Legal Analyses

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1 **FEDERAL ELECTION COMMISSION**  
2  
3 **FACTUAL AND LEGAL ANALYSIS**  
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6 MUR 6412  
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8 **RESPONDENT:** Cynthia Blumenthal  
9

10 **I. INTRODUCTION**  
11

12 This matter was generated by a complaint filed by the Connecticut Republican  
13 Party and Christopher C. Healy, Chairman. See 2 U.S.C. § 437(g)(a)(1). This matter  
14 involves allegations that Senator Richard Blumenthal ("Senator Blumenthal") did not  
15 have the personal funds necessary to make the approximately \$2.5 million in candidate  
16 loans reported by his principal campaign committee, Blumenthal for Senate and Ellen  
17 Camhi, in her official capacity as treasurer ("Committee"), because the amount of the  
18 loans exceeded the amount of personal funds he previously disclosed in his Personal  
19 Financial Disclosure Report ("PFD Report") filed with the Secretary of the Senate.<sup>1</sup>

20 The complaint alleges that the funds used to make the candidate loans actually  
21 came from funds belonging to Senator Blumenthal's wife, Cynthia Blumenthal ("Mrs.  
22 Blumenthal"), in violation of the Federal Election Campaign Act of 1971, as amended  
23 ("Act"). Complaint at 3. Specifically, the complaint alleges that Mrs. Blumenthal  
24 violated 2 U.S.C. §§ 441a(a)(1)(A) and 441f by making an excessive contribution or by  
25 making a contribution in the name of another.

26 Respondents state that Senator Blumenthal had sufficient personal funds to make  
27 the loans. Respondents explain that Senator Blumenthal withdrew funds from accounts

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<sup>1</sup> Senator Blumenthal made a total of approximately \$2.5 million (\$500,000 + \$1,750,000 + \$262,882 = \$2,512,882) in loans to his campaign committee on September 30, October 7, and October 22, 2010, respectively. The third loan was made after the date of the complaint.

1 listed on the PFD Report, and also sold his interest in a number of pre-candidacy personal  
2 assets, including his personal residence, an asset which was not required to be listed on  
3 the PFD Report. Respondents further explain that the proceeds from the sale of Senator  
4 Blumenthal's interest in the personal residence were not included on the PFD Report,  
5 because the sale took place five months after the PFD Report filing date.

6 For the reasons discussed below, the Commission found no reason to believe that  
7 Cynthia Blumenthal violated 2 U.S.C. §§ 441a(a)(1)(A) and 441f, and 11 C.F.R.  
8 § 110.4(b)(1)(ii) by making an excessive contribution to the Committee, or by making a  
9 contribution in the name of another;

10 **II. FACTUAL AND LEGAL ANALYSIS**

11 **A. Factual Background**

12 Richard Blumenthal was a Senate candidate for the state of Connecticut during  
13 the 2010 election cycle and his principal campaign committee is Blumenthal for Senate  
14 and Ellen Camhi, in her official capacity as treasurer. Cynthia Blumenthal is Richard  
15 Blumenthal's spouse.

16 On March 4, 2010, Cynthia Blumenthal made maximum contributions to her  
17 husband's campaign with two \$2,400 contributions to the Committee, one designated for  
18 the primary election and the other designated for the general election. Complaint at 1 and  
19 Exhibit 1; *see also* 2 U.S.C. § 441a(a)(1)(A).

20 On April 19, 2010, Senator Blumenthal filed his PFD Report which indicated that,  
21 as of that date, Senator Blumenthal's personal assets, excluding those belonging to his  
22 wife, totaled between \$559,000 and \$1,360,000. Complaint at 1 and Exhibit 2. In  
23 addition, the PFD Report stated that Senator Blumenthal's share of joint assets with his

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MUR 6412 (Blumenthal)  
Factual and Legal Analysis  
for Cynthia Blumenthal

1 wife ranged from \$83,000 and \$207,500, and his total assets ranged from \$682,000 and  
2 \$1,567,000. *Id.*; *see also* Exhibit 3.

3 Senator Blumenthal and his wife also jointly owned a house in Greenwich,  
4 Connecticut (“the Greenwich Property”) that served as their personal residence. As his  
5 personal residence held or maintained purely for recreational or vacation purposes, the  
6 Greenwich Property was not required to be listed on Senator Blumenthal’s PFD Report  
7 filed on April 12, 2010. *See* <http://ethics.senate.gov/downloads/pdf/files/fdinstruct10.pdf>.  
8 On June 23, 2010, the property was appraised by a state-certified appraiser as having a  
9 value between \$4,000,000 and \$4,018,600. Joint Response at 2 and Exhibit A.

10 On September 8, 2010, Senator Blumenthal sold his 50% interest in the  
11 Greenwich Property to Mrs. Blumenthal for \$1,607,994.13, which, based on the  
12 appraisal, is equal to the fair market value of a 50% interest in a \$4,000,000 property,  
13 encumbered by a \$784,011.75 mortgage. *See* Joint Response, Exhibit B (Bill of Sale and  
14 Indemnification Agreement).<sup>2</sup> Senator Blumenthal did not have any obligation to amend  
15 his PFD Report after the sale of the residence. *See*  
16 <http://ethics.senate.gov/downloads/pdf/files/fdinstruct10.pdf>.

17 The Committee subsequently reported that Senator Blumenthal made three  
18 candidate loans, totaling approximately \$2.5 million, to his campaign. Specifically, on  
19 September 30, 2010, Senator Blumenthal loaned his campaign \$500,000 from his

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<sup>2</sup> The Bill of Sale indicates that the Greenwich Property is held pursuant to the Abigail and John Trust (“Trust”) which was created under a trust agreement on November 7, 1994, between the Senator and Mrs. Blumenthal as “grantors” and Thomas N. Keltner, Jr. as “trustee.” The publicly available tax records indicate that the Greenwich Property was originally purchased on February 16, 1995, and that the trustee is listed as the owner of the property. Senator and Mrs. Blumenthal are the current beneficiaries of the income and principal of the Trust. The Bill of Sale further indicates that Senator Blumenthal sold to Mrs. Blumenthal “all of his right, title and interest in and to the income and the principal (the Beneficial Interest) of the Trust” for \$1,607,994.13.

1 personal funds; on October 7, 2010, he loaned his campaign an additional \$1,750,000;  
2 and as of the filing of the complaint, Senator Blumenthal had reported loaning his  
3 campaign a total of \$2.25 million. Complaint at 2 and Exhibits 4 and 5. In addition, on  
4 October 22, 2010, Senator Blumenthal made a third loan to the Committee in the amount  
5 of \$262,882. This final loan was not mentioned in the complaint. Joint Response at 1.

6 **B. Legal Analysis**

7 The Act provides that no person may make, and no candidate, officer, or  
8 employee of a political committee shall knowingly accept, any contribution in violation  
9 of the provisions of section 441a. 2 U.S.C. § 441a. During the 2010 election cycle, the  
10 individual contribution limit was \$2,400. A contribution is defined as “a gift,  
11 subscription, loan (except for a loan made in accordance with 11 C.F.R. § 100.72 and  
12 100.73), advance, or deposit of money or anything of value made by any person for the  
13 purpose of influencing any election for Federal office.” 11 C.F.R. § 100.52(a). A loan  
14 that exceeds the contribution limitations of 2 U.S.C. § 441a and 11 C.F.R. Part 100 is  
15 unlawful whether or not it is repaid. 11 C.F.R. § 100.52(b)(1).

16 Commission regulations provide that “candidates for Federal office may make  
17 unlimited expenditures from personal funds.” 11 C.F.R. § 110.10. The regulations  
18 define “personal assets” as “[a]mounts derived from any asset that, under applicable State  
19 law, at the time the individual becomes a candidate, the candidate had legal right of  
20 access to or control over, and with respect to which the candidate had (1) legal and  
21 rightful title; or (2) an equitable interest.” 11 C.F.R. § 100.33(a). The personal share of  
22 jointly owned assets is defined by Commission regulations as “[a]mounts derived from a  
23 portion of assets that are owned jointly by the candidate and the candidate’s spouse ...

1 [i]f no specific share is indicated by an instrument of conveyance or ownership, the value  
2 of one-half of the property." 11 C.F.R. § 100.33(c).

3 The Commission has previously concluded that "[n]o contribution ... would occur  
4 where a candidate sells property that he or she owned prior to becoming a candidate at  
5 the property's normal and usual market price *regardless of whether or not the purchaser*  
6 *is a family member* or prohibited from making a campaign contribution." See Advisory  
7 Opinion 1984-60 (Mulloy) (*emphasis added*) (permitting a candidate to use funds  
8 received from selling a one-fourth interest in property to family to retire campaign debts).  
9 The Commission has also stated that it would "view an appraisal by an expert using  
10 acceptable appraisal methods as prima facie evidence of the property's usual and normal  
11 market price." See AO 1984-60 (Mulloy) at note 5; *see also* MUR 5421 (Kerry for  
12 President), Factual and Legal Analysis at p. 6 (Commission treated an appraisal by state-  
13 certified appraiser as "prima facie evidence of fair market value" of the property).

14 The Act also prohibits a person from making a contribution in the name of  
15 another person, knowingly permitting his name to be used to effect such a contribution,  
16 or knowingly accepting a contribution made by one person in the name of another.  
17 2 U.S.C. § 441f. The Commission's regulations also prohibit a person from knowingly  
18 permitting his or her name to be used in making a contribution in the name of another; or  
19 knowingly helping or assisting any person in making a contribution in the name of  
20 another. 11 C.F.R. § 110.4(b)(1)(ii) and (iii).

21 The available information indicates that the funds used by Senator Blumenthal to  
22 make three loans to his Committee, totaling approximately \$2.5 million, originated from  
23 his own personal funds, including the assets previously disclosed on the PFD Report and

**MUR 6412 (Blumenthal)  
Factual and Legal Analysis  
for Cynthia Blumenthal**

1 the \$1,607,994.13 in proceeds from the sale of his 50% interest in the pre-candidacy  
2 residence to his wife. The state-certified appraisal obtained by Senator and Mrs.  
3 Blumenthal on June 23, 2010, indicates that the Greenwich Property was appraised at  
4 between \$4,000,000 and \$4,018,600. Joint Response at 2 and Exhibit A. As indicated  
5 previously, the Senator had a 50% beneficial interest in the Greenwich Property that  
6 could be sold to his wife and the proceeds used to make the candidate loans at issue. On  
7 September 8, 2010, Senator Blumenthal sold his interest in the Greenwich Property to  
8 Mrs. Blumenthal for \$1,607,994.13, which appears to represent the fair market value of a  
9 50% interest in a \$4 million property, encumbered by a \$784,011.75 mortgage. See Joint  
10 Response at 3 and Exhibit B. Due to the timing of the filing of the PFD Report and the  
11 sale of the interest in the Greenwich Property, Senator Blumenthal could not have  
12 disclosed the sale proceeds as income on his PFD Report. The sum of the personal funds  
13 Senator Blumenthal reported on the PFD and the proceeds he received from the sale of  
14 the personal residence is more than the \$2.5 million in candidate loans reported by the  
15 Committee.

16 Based on the foregoing, it appears that Senator Blumenthal had sufficient personal  
17 funds from which to make the approximately \$2.5 million in candidate loans that were  
18 reported by the Committee. Accordingly, the Commission found no reason to believe  
19 that Cynthia Blumenthal violated 2 U.S.C. §§ 441a(a)(1)(A) and 441f, and 11 C.F.R.  
20 § 110.4(b)(1)(i) by making an excessive contribution to the Committee or by making a  
21 contribution in the name of another.

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

MUR 6412

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RESPONDENTS: Blumenthal for Senate and Judith Zamore,  
in her official capacity as treasurer<sup>1</sup>

Richard Blumenthal

**I. INTRODUCTION**

This matter was generated by a complaint filed by the Connecticut Republican Party and Christopher C. Healy, Chairman. *See* 2 U.S.C. § 437(g)(a)(1). This matter involves allegations that Senator Richard Blumenthal ("Senator Blumenthal") did not have the personal funds necessary to make the approximately \$2.5 million in candidate loans reported by his principal campaign committee, Blumenthal for Senate and Judith Zamore, in her official capacity as treasurer ("Committee"), because the amount of the loans exceeded the amount of personal funds he previously disclosed in his Personal Financial Disclosure Report ("PFD Report") filed with the Secretary of the Senate.<sup>2</sup>

The complaint alleges that the funds used to make the candidate loans actually came from funds belonging to Senator Blumenthal's wife, Cynthia Blumenthal ("Mrs. Blumenthal"), in violation of the Federal Election Campaign Act of 1971, as amended ("Act"). Complaint at 3. Specifically, the complaint alleges that 1) Mrs. Blumenthal violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution; 2) Mr.

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<sup>1</sup> At the time of the filing of the complaint, the Committee's treasurer was listed as Ellen Camhi. However, an Amended Statement of Organization was filed on April 15, 2011 listing Judith Zamore as the current treasurer.

<sup>2</sup> Senator Blumenthal made a total of approximately \$2.5 million (\$500,000 + \$1,750,000 + \$262,882 = \$2,512,882) in loans to his campaign committee on September 30, October 7, and October 22, 2010, respectively. The third loan was made after the date of the complaint.

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**MUR 6412 (Blumenthal)  
Factual and Legal Analysis  
for Senator Blumenthal and Committee**

1 Blumenthal violated 2 U.S.C. § 441f by making a contribution in the name of another;  
2 and 3) the Committee violated 18 U.S.C. § 1001, by knowingly filing false disclosure  
3 reports with the Federal Election Commission ("FEC" or "the Commission").<sup>3</sup> Although  
4 not specifically alleged, the complaint also can be read to assert that Senator Blumenthal  
5 and the Committee violated 2 U.S.C. §§ 441a(f) and 441f by accepting excessive  
6 contributions and contributions made in the name of another.

7 Respondents state that Senator Blumenthal had sufficient personal funds to make  
8 the loans. Respondents explain that Senator Blumenthal withdrew funds from accounts  
9 listed on the PFD Report, and also sold his interest in a number of pre-candidacy personal  
10 assets, including his personal residence, an asset which was not required to be listed on  
11 the PFD Report. Respondents further explain that the proceeds from the sale of Senator  
12 Blumenthal's interest in the personal residence were not included on the PFD Report,  
13 because the sale took place five months after the PFD Report filing date.

14 For the reasons discussed below, the Commission 1) found no reason to believe  
15 that Richard Blumenthal violated 2 U.S.C. § 441f and 11 C.F.R. § 110.4(b)(iii) by  
16 knowingly helping or assisting, by allowing his name to be used, in the making of a  
17 contribution in the name of another; and 2) found no reason to believe that Richard  
18 Blumenthal or the Committee violated 2 U.S.C. §§ 441a(f) and 441f, and 11 C.F.R.

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<sup>3</sup> Complainant alleges that, if Senator Blumenthal and his Committee knew that his "personal" loans partially consisted of Mrs. Blumenthal's personal funds, and yet disclosed the funds as being solely those of Senator Blumenthal on the Committee's reports, then Senator Blumenthal and the Committee may have violated federal criminal law, 18 U.S.C. § 1001, by knowingly filing false reports with the Commission. Complaint at 4. Allegations regarding potential criminal violation of 18 U.S.C. § 1001 are not within the Commission's jurisdiction and, therefore, this report does not contain an analysis of this allegation.

1 § 110.4(b)(1)(iv) by knowingly accepting an excessive contribution or a contribution  
2 made in the name of another.

3 **II. FACTUAL AND LEGAL ANALYSIS**

4 **A. Factual Background**

5 Richard Blumenthal was a Senate candidate for the state of Connecticut during  
6 the 2010 election cycle and his principal campaign committee is Blumenthal for Senate  
7 and Ellen Camhi, in her official capacity as treasurer. Cynthia Blumenthal is Richard  
8 Blumenthal's spouse.

9 On March 4, 2010, Cynthia Blumenthal made maximum contributions to her  
10 husband's campaign with two \$2,400 contributions to the Committee, one designated for  
11 the primary election and the other designated for the general election. Complaint at 1 and  
12 Exhibit 1; *see also* 2 U.S.C. § 441a(a)(1)(A).

13 On April 19, 2010, Senator Blumenthal filed his PFD Report which indicated that,  
14 as of that date, Senator Blumenthal's personal assets, excluding those belonging to his  
15 wife, totaled between \$559,000 and \$1,360,000. Complaint at 1 and Exhibit 2. In  
16 addition, the PFD Report stated that Senator Blumenthal's share of joint assets with his  
17 wife ranged from \$83,000 and \$207,500, and his total assets ranged from \$682,000 and  
18 \$1,567,000. *Id.*; *see also* Exhibit 3.

19 Senator Blumenthal and his wife also jointly owned a house in Greenwich,  
20 Connecticut ("the Greenwich Property") that served as their personal residence. As his  
21 personal residence held or maintained purely for recreational or vacation purposes, the  
22 Greenwich Property was not required to be listed on Senator Blumenthal's PFD Report  
23 filed on April 12, 2010. *See* <http://ethics.senate.gov/downloads/pdf/files/fdinstruct10.pdf>.

1 On June 23, 2010, the property was appraised by a state-certified appraiser as having a  
2 value between \$4,000,000 and \$4,018,600. Joint Response at 2 and Exhibit A.

3 On September 8, 2010, Senator Blumenthal sold his 50% interest in the  
4 Greenwich Property to Mrs. Blumenthal for \$1,607,994.13, which, based on the  
5 appraisal, is equal to the fair market value of a 50% interest in a \$4,000,000 property,  
6 encumbered by a \$784,011.75 mortgage. See Joint Response, Exhibit B (Bill of Sale and  
7 Indemnification Agreement).<sup>4</sup> Senator Blumenthal did not have any obligation to amend  
8 his PFD Report after the sale of the residence. See  
9 <http://ethics.senate.gov/downloads/pdf/files/fdinstruct10.pdf>.

10 The Committee subsequently reported that Senator Blumenthal made three  
11 candidate loans, totaling approximately \$2.5 million, to his campaign. Specifically, on  
12 September 30, 2010, Senator Blumenthal loaned his campaign \$500,000 from his  
13 personal funds; on October 7, 2010, he loaned his campaign an additional \$1,750,000;  
14 and as of the filing of the complaint, Senator Blumenthal had reported loaning his  
15 campaign a total of \$2.25 million. Complaint at 2 and Exhibits 4 and 5. In addition, on  
16 October 22, 2010, Senator Blumenthal made a third loan to the Committee in the amount  
17 of \$262,882. This final loan was not mentioned in the complaint. Joint Response at 1.

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<sup>4</sup> The Bill of Sale indicates that the Greenwich Property is held pursuant to the Abigail and John Trust ("Trust") which was created under a trust agreement on November 7, 1994, between Senator and Mrs. Blumenthal as "grantors" and Thomas N. Keltner, Jr. as "trustee." The publicly available tax records indicate that the Greenwich Property was originally purchased on February 16, 1995, and that the trustee is listed as the owner of the property. Senator and Mrs. Blumenthal are the current beneficiaries of the income and principal of the Trust. The Bill of Sale further indicates that Senator Blumenthal sold to Mrs. Blumenthal "all of his right, title and interest in and to the income and the principal (the Beneficial Interest) of the Trust" for \$1,607,994.13.

1           **B.     Legal Analysis**

2           The Act provides that no person may make, and no candidate, officer, or  
3 employee of a political committee shall knowingly accept, any contribution in violation  
4 of the provisions of section 441a. 2 U.S.C. § 441a. During the 2010 election cycle, the  
5 individual contribution limit was \$2,400. A contribution is defined as “a gift,  
6 subscription, loan (except for a loan made in accordance with 11 C.F.R. § 100.72 and  
7 100.73), advance, or deposit of money or anything of value made by any person for the  
8 purpose of influencing any election for Federal office.” 11 C.F.R. § 100.52(a). A loan  
9 that exceeds the contribution limitations of 2 U.S.C. § 441a and 11 C.F.R. Part 100 is  
10 unlawful whether or not it is repaid. 11 C.F.R. § 100.52(b)(1).

11           Commission regulations provide that “candidates for Federal office may make  
12 unlimited expenditures from personal funds.” 11 C.F.R. § 110.10. The regulations  
13 define “personal assets” as “[a]mounts derived from any asset that, under applicable State  
14 law, at the time the individual becomes a candidate, the candidate had legal right of  
15 access to or control over, and with respect to which the candidate had (1) legal and  
16 rightful title; or (2) an equitable interest.” 11 C.F.R. § 100.33(a). The personal share of  
17 jointly owned assets is defined by Commission regulations as “[a]mounts derived from a  
18 portion of assets that are owned jointly by the candidate and the candidate’s spouse ...  
19 [i]f no specific share is indicated by an instrument of conveyance or ownership, the value  
20 of one-half of the property.” 11 C.F.R. § 100.33(c).

21           The Commission has previously concluded that “[n]o contribution ... would occur  
22 where a candidate sells property that he or she owned prior to becoming a candidate at  
23 the property’s normal and usual market price *regardless of whether or not the purchaser*

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1 *is a family member* or prohibited from making a campaign contribution.” See Advisory  
2 Opinion 1984-60 (Mulloy) (emphasis added) (permitting a candidate to use funds  
3 received from selling a one-fourth interest in property to family to retire campaign debts).  
4 The Commission has also stated that it would “view an appraisal by an expert using  
5 acceptable appraisal methods as prima facie evidence of the property’s usual and normal  
6 market price.” See AO 1984-60 (Mulloy) at note 5; see also MUR 5421 (Kerry for  
7 President), Factual and Legal Analysis at p. 6 (Commission treated an appraisal by  
8 state-certified appraiser as “prima facie evidence of fair market value” of the property).

9 The Act also prohibits a person from making a contribution in the name of  
10 another person, knowingly permitting his name to be used to effect such a contribution,  
11 or knowingly accepting a contribution made by one person in the name of another.  
12 2 U.S.C. § 441f. The Commission’s regulations also prohibit a person from knowingly  
13 permitting his or her name to be used in making a contribution in the name of another or  
14 knowingly helping or assisting any person in making a contribution in the name of  
15 another. 11 C.F.R. § 110.4(b)(1)(ii) and (iii).

16 The available information indicates that the funds used by Senator Blumenthal to  
17 make three loans to his Committee, totaling approximately \$2.5 million, originated from  
18 his own personal funds, including the assets previously disclosed on the PFD Report and  
19 the \$1,607,994.13 in proceeds from the sale of his 50% interest in the pre-candidacy  
20 residence to his wife. The state-certified appraisal obtained by Senator and Mrs.  
21 Blumenthal on June 23, 2010, indicates that the Greenwich Property was appraised at  
22 between \$4,000,000 and \$4,018,600. Joint Response at 2 and Exhibit A. As indicated  
23 previously, the Senator had a 50% beneficial interest in the Greenwich Property that

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Factual and Legal Analysis  
for Senator Blumenthal and Committee**

1 could be sold to his wife and the proceeds used to make the candidate loans at issue. On  
2 September 8, 2010, Senator Blumenthal sold his interest in the Greenwich Property to  
3 Mrs. Blumenthal for \$1,607,994.13, which appears to represent the fair market value of a  
4 50% interest in a \$4 million property, encumbered by a \$784,011.75 mortgage. See Joint  
5 Response at 3 and Exhibit B. Due to the timing of the filing of the PFD Report and the  
6 sale of the interest in the Greenwich Property, Senator Blumenthal could not have  
7 disclosed the sale proceeds as income on his PFD Report. The sum of the personal funds  
8 Senator Blumenthal reported on the PFD and the proceeds he received from the sale of  
9 the personal residence is more than the \$2.5 million in candidate loans reported by the  
10 Committee.

11 Based on the foregoing, it appears that Senator Blumenthal had sufficient personal  
12 funds from which to make the approximately \$2.5 million in candidate loans that were  
13 reported by the Committee. Accordingly, the Commission 1) found no reason to believe  
14 that Richard Blumenthal violated 2 U.S.C. § 441f and 11 C.F.R. § 110.4(b)(1)(iii) by  
15 knowingly helping or assisting, or allowing his name to be used, in the making of a  
16 contribution in the name of another; and 2) found no reason to believe that Richard  
17 Blumenthal, and Blumenthal for Senate and Judith Zamore, in her official capacity as  
18 treasurer, violated 2 U.S.C. §§ 441a(f) and 441f, and 11 C.F.R. § 110.4(b)(1)(iv) by  
19 knowingly accepting either an excessive contribution or a contribution in the name of  
20 another.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**JUL 01 2011**

**VIA FAX (202-654-6211) and FIRST CLASS MAIL**

Marc E. Elias, Esq.  
Perkins Coie  
700 Thirteenth Street, NW  
Suite 600  
Washington, DC 20005

**RE: MUR 6412  
Richard Blumenthal  
Cynthia Blumenthal  
Blumenthal for Senate and  
Judith Zamore, in her official capacity as  
treasurer**

**Dear Mr. Elias:**

On November 4, 2010, the Federal Election Commission notified your clients, Richard Blumenthal, Cynthia Blumenthal, and Blumenthal for Senate and Ellen Camhi, in her official capacity as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On June 28, 2011, the Commission found, on the basis of the information in the complaint, and information provided by your clients, that there is no reason to believe that Richard Blumenthal violated 2 U.S.C. § 441f, a provision of the Act, and 11 C.F.R. § 110.4(b)(iii) of the Commission's regulations; that Cynthia Blumenthal violated 2 U.S.C. §§ 441a(a)(1)(A), 441f, and 11 C.F.R. § 110.4(b)(1)(i); and that Blumenthal for Senate and Judith Zamore, in her official capacity as treasurer, violated 2 U.S.C. §§ 441a(f), 441f, and 11 C.F.R. § 110.4(b)(1)(iv). Accordingly, the Commission closed its file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009). The Factual and Legal Analyses, which explain the Commission's findings, are enclosed for your information.

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Marc E. Elias, Esq.  
MUR 6412  
Page 2

If you have any questions, please contact Kimberly D. Hart, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Shonkwiler", with a long horizontal flourish extending to the right.

Mark D. Shonkwiler  
Assistant General Counsel

Enclosure  
Factual and Legal Analyses

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

MUR 6412

RESPONDENT: Cynthia Blumenthal

**I. INTRODUCTION**

This matter was generated by a complaint filed by the Connecticut Republican Party and Christopher C. Healy, Chairman. See 2 U.S.C. § 437(g)(a)(1). This matter involves allegations that Senator Richard Blumenthal ("Senator Blumenthal") did not have the personal funds necessary to make the approximately \$2.5 million in candidate loans reported by his principal campaign committee, Blumenthal for Senate and Ellen Camhi, in her official capacity as treasurer ("Committee"), because the amount of the loans exceeded the amount of personal funds he previously disclosed in his Personal Financial Disclosure Report ("PFD Report") filed with the Secretary of the Senate.<sup>1</sup>

The complaint alleges that the funds used to make the candidate loans actually came from funds belonging to Senator Blumenthal's wife, Cynthia Blumenthal ("Mrs. Blumenthal"), in violation of the Federal Election Campaign Act of 1971, as amended ("Act"). Complaint at 3. Specifically, the complaint alleges that Mrs. Blumenthal violated 2 U.S.C. §§ 441a(a)(1)(A) and 441f by making an excessive contribution or by making a contribution in the name of another.

Respondents state that Senator Blumenthal had sufficient personal funds to make the loans. Respondents explain that Senator Blumenthal withdrew funds from accounts

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<sup>1</sup> Senator Blumenthal made a total of approximately \$2.5 million (\$500,000 + \$1,750,000 + \$262,882 = \$2,512,882) in loans to his campaign committee on September 30, October 7, and October 22, 2010, respectively. The third loan was made after the date of the complaint.

1 listed on the PFD Report, and also sold his interest in a number of pre-candidacy personal  
2 assets, including his personal residence, an asset which was not required to be listed on  
3 the PFD Report. Respondents further explain that the proceeds from the sale of Senator  
4 Blumenthal's interest in the personal residence were not included on the PFD Report,  
5 because the sale took place five months after the PFD Report filing date.

6 For the reasons discussed below, the Commission found no reason to believe that  
7 Cynthia Blumenthal violated 2 U.S.C. §§ 441a(a)(1)(A) and 441f, and 11 C.F.R.  
8 § 110.4(b)(1)(ii) by making an excessive contribution to the Committee, or by making a  
9 contribution in the name of another;

10 **II. FACTUAL AND LEGAL ANALYSIS**

11 **A. Factual Background**

12 Richard Blumenthal was a Senate candidate for the state of Connecticut during  
13 the 2010 election cycle and his principal campaign committee is Blumenthal for Senate  
14 and Ellen Camhi, in her official capacity as treasurer. Cynthia Blumenthal is Richard  
15 Blumenthal's spouse.

16 On March 4, 2010, Cynthia Blumenthal made maximum contributions to her  
17 husband's campaign with two \$2,400 contributions to the Committee, one designated for  
18 the primary election and the other designated for the general election. Complaint at 1 and  
19 Exhibit 1; *see also* 2 U.S.C. § 441a(a)(1)(A).

20 On April 19, 2010, Senator Blumenthal filed his PFD Report which indicated that,  
21 as of that date, Senator Blumenthal's personal assets, excluding those belonging to his  
22 wife, totaled between \$559,000 and \$1,360,000. Complaint at 1 and Exhibit 2. In  
23 addition, the PFD Report stated that Senator Blumenthal's share of joint assets with his

1 wife ranged from \$83,000 and \$207,500, and his total assets ranged from \$682,000 and  
2 \$1,567,000. *Id.*; *see also* Exhibit 3.

3 Senator Blumenthal and his wife also jointly owned a house in Greenwich,  
4 Connecticut (“the Greenwich Property”) that served as their personal residence. As his  
5 personal residence held or maintained purely for recreational or vacation purposes, the  
6 Greenwich Property was not required to be listed on Senator Blumenthal’s PFD Report  
7 filed on April 12, 2010. *See* <http://ethics.senate.gov/downloads/pdf/files/fdinstruct10.pdf>.  
8 On June 23, 2010, the property was appraised by a state-certified appraiser as having a  
9 value between \$4,000,000 and \$4,018,600. Joint Response at 2 and Exhibit A.

10 On September 8, 2010, Senator Blumenthal sold his 50% interest in the  
11 Greenwich Property to Mrs. Blumenthal for \$1,607,994.13, which, based on the  
12 appraisal, is equal to the fair market value of a 50% interest in a \$4,000,000 property,  
13 encumbered by a \$784,011.75 mortgage. *See* Joint Response, Exhibit B (Bill of Sale and  
14 Indemnification Agreement).<sup>2</sup> Senator Blumenthal did not have any obligation to amend  
15 his PFD Report after the sale of the residence. *See*  
16 <http://ethics.senate.gov/downloads/pdf/files/fdinstruct10.pdf>.

17 The Committee subsequently reported that Senator Blumenthal made three  
18 candidate loans, totaling approximately \$2.5 million, to his campaign. Specifically, on  
19 September 30, 2010, Senator Blumenthal loaned his campaign \$500,000 from his

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<sup>2</sup> The Bill of Sale indicates that the Greenwich Property is held pursuant to the Abigail and John Trust (“Trust”) which was created under a trust agreement on November 7, 1994, between the Senator and Mrs. Blumenthal as “grantors” and Thomas N. Keltner, Jr. as “trustee.” The publicly available tax records indicate that the Greenwich Property was originally purchased on February 16, 1995, and that the trustee is listed as the owner of the property. Senator and Mrs. Blumenthal are the current beneficiaries of the income and principal of the Trust. The Bill of Sale further indicates that Senator Blumenthal sold to Mrs. Blumenthal “all of his right, title and interest in and to the income and the principal (the Beneficial Interest) of the Trust” for \$1,607,994.13.

1 personal funds; on October 7, 2010, he loaned his campaign an additional \$1,750,000;  
2 and as of the filing of the complaint, Senator Blumenthal had reported loaning his  
3 campaign a total of \$2.25 million. Complaint at 2 and Exhibits 4 and 5. In addition, on  
4 October 22, 2010, Senator Blumenthal made a third loan to the Committee in the amount  
5 of \$262,882. This final loan was not mentioned in the complaint. Joint Response at 1.

6 **B. Legal Analysis**

7 The Act provides that no person may make, and no candidate, officer, or  
8 employee of a political committee shall knowingly accept, any contribution in violation  
9 of the provisions of section 441a. 2 U.S.C. § 441a. During the 2010 election cycle, the  
10 individual contribution limit was \$2,400. A contribution is defined as “a gift,  
11 subscription, loan (except for a loan made in accordance with 11 C.F.R. § 100.72 and  
12 100.73), advance, or deposit of money or anything of value made by any person for the  
13 purpose of influencing any election for Federal office.” 11 C.F.R. § 100.52(a). A loan  
14 that exceeds the contribution limitations of 2 U.S.C. § 441a and 11 C.F.R. Part 100 is  
15 unlawful whether or not it is repaid. 11 C.F.R. § 100.52(b)(1).

16 Commission regulations provide that “candidates for Federal office may make  
17 unlimited expenditures from personal funds.” 11 C.F.R. § 110.10. The regulations  
18 define “personal assets” as “[a]mounts derived from any asset that, under applicable State  
19 law, at the time the individual becomes a candidate, the candidate had legal right of  
20 access to or control over, and with respect to which the candidate had (1) legal and  
21 rightful title; or (2) an equitable interest.” 11 C.F.R. § 100.33(a). The personal share of  
22 jointly owned assets is defined by Commission regulations as “[a]mounts derived from a  
23 portion of assets that are owned jointly by the candidate and the candidate’s spouse ...

MUR 6412 (Blumenthal)  
Factual and Legal Analysis  
for Cynthia Blumenthal

1 [i]f no specific share is indicated by an instrument of conveyance or ownership, the value  
2 of one-half of the property." 11 C.F.R. § 100.33(c).

3 The Commission has previously concluded that "[n]o contribution ... would occur  
4 where a candidate sells property that he or she owned prior to becoming a candidate at  
5 the property's normal and usual market price *regardless of whether or not the purchaser*  
6 *is a family member* or prohibited from making a campaign contribution." See Advisory  
7 Opinion 1984-60 (Mulloy) (emphasis added) (permitting a candidate to use funds  
8 received from selling a one-fourth interest in property to family to retire campaign debts).  
9 The Commission has also stated that it would "view an appraisal by an expert using  
10 acceptable appraisal methods as prima facie evidence of the property's usual and normal  
11 market price." See AO 1984-60 (Mulloy) at note 5; see also MUR 5421 (Kerry for  
12 President), Factual and Legal Analysis at p. 6 (Commission treated an appraisal by state-  
13 certified appraiser as "prima facie evidence of fair market value" of the property).

14 The Act also prohibits a person from making a contribution in the name of  
15 another person, knowingly permitting his name to be used to effect such a contribution,  
16 or knowingly accepting a contribution made by one person in the name of another.  
17 2 U.S.C. § 441f. The Commission's regulations also prohibit a person from knowingly  
18 permitting his or her name to be used in making a contribution in the name of another; or  
19 knowingly helping or assisting any person in making a contribution in the name of  
20 another. 11 C.F.R. § 110.4(b)(1)(ii) and (iii).

21 The available information indicates that the funds used by Senator Blumenthal to  
22 make three loans to his Committee, totaling approximately \$2.5 million, originated from  
23 his own personal funds, including the assets previously disclosed on the PFD Report and

MUR 6412 (Blumenthal)  
Factual and Legal Analysis  
for Cynthia Blumenthal

1 the \$1,607,994.13 in proceeds from the sale of his 50% interest in the pre-candidacy  
2 residence to his wife. The state-certified appraisal obtained by Senator and Mrs.  
3 Blumenthal on June 23, 2010, indicates that the Greenwich Property was appraised at  
4 between \$4,000,000 and \$4,018,600. Joint Response at 2 and Exhibit A. As indicated  
5 previously, the Senator had a 50% beneficial interest in the Greenwich Property that  
6 could be sold to his wife and the proceeds used to make the candidate loans at issue. On  
7 September 8, 2010, Senator Blumenthal sold his interest in the Greenwich Property to  
8 Mrs. Blumenthal for \$1,607,994.13, which appears to represent the fair market value of a  
9 50% interest in a \$4 million property, encumbered by a \$784,011.75 mortgage. *See Joint*  
10 *Response at 3 and Exhibit B.* Due to the timing of the filing of the PFD Report and the  
11 sale of the interest in the Greenwich Property, Senator Blumenthal could not have  
12 disclosed the sale proceeds as income on his PFD Report. The sum of the personal funds  
13 Senator Blumenthal reported on the PFD and the proceeds he received from the sale of  
14 the personal residence is more than the \$2.5 million in candidate loans reported by the  
15 Committee.

16 Based on the foregoing, it appears that Senator Blumenthal had sufficient personal  
17 funds from which to make the approximately \$2.5 million in candidate loans that were  
18 reported by the Committee. Accordingly, the Commission found no reason to believe  
19 that Cynthia Blumenthal violated 2 U.S.C. §§ 441a(a)(1)(A) and 441f, and 11 C.F.R.  
20 § 110.4(b)(1)(i) by making an excessive contribution to the Committee or by making a  
21 contribution in the name of another.

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1 **FEDERAL ELECTION COMMISSION**

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3 **FACTUAL AND LEGAL ANALYSIS**

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6 MUR 6412

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8 **RESPONDENTS:**

9 Blumenthal for Senate and Judith Zamore,  
10 in her official capacity as treasurer<sup>1</sup>

11 Richard Blumenthal

12  
13 **I. INTRODUCTION**

14  
15 This matter was generated by a complaint filed by the Connecticut Republican  
16 Party and Christopher C. Healy, Chairman. See 2 U.S.C. § 437(g)(a)(1). This matter  
17 involves allegations that Senator Richard Blumenthal ("Senator Blumenthal") did not  
18 have the personal funds necessary to make the approximately \$2.5 million in candidate  
19 loans reported by his principal campaign committee, Blumenthal for Senate and Judith  
20 Zamore, in her official capacity as treasurer ("Committee"), because the amount of the  
21 loans exceeded the amount of personal funds he previously disclosed in his Personal  
22 Financial Disclosure Report ("PFD Report") filed with the Secretary of the Senate.<sup>2</sup>

23 The complaint alleges that the funds used to make the candidate loans actually  
24 came from funds belonging to Senator Blumenthal's wife, Cynthia Blumenthal ("Mrs.  
25 Blumenthal"), in violation of the Federal Election Campaign Act of 1971, as amended  
26 ("Act"). Complaint at 3. Specifically, the complaint alleges that 1) Mrs. Blumenthal  
27 violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution; 2) Mr.

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<sup>1</sup> At the time of the filing of the complaint, the Committee's treasurer was listed as Ellen Camhi. However, an Amended Statement of Organization was filed on April 15, 2011 listing Judith Zamore as the current treasurer.

<sup>2</sup> Senator Blumenthal made a total of approximately \$2.5 million (\$500,000 + \$1,750,000 + \$262,882 = \$2,512,882) in loans to his campaign committee on September 30, October 7, and October 22, 2010, respectively. The third loan was made after the date of the complaint.

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**MUR 6412 (Blumenthal)  
Factual and Legal Analysis  
for Senator Blumenthal and Committee**

1 Blumenthal violated 2 U.S.C. § 441f by making a contribution in the name of another;  
2 and 3) the Committee violated 18 U.S.C. § 1001, by knowingly filing false disclosure  
3 reports with the Federal Election Commission ("FEC" or "the Commission").<sup>3</sup> Although  
4 not specifically alleged, the complaint also can be read to assert that Senator Blumenthal  
5 and the Committee violated 2 U.S.C. §§ 441a(f) and 441f by accepting excessive  
6 contributions and contributions made in the name of another.

7 Respondents state that Senator Blumenthal had sufficient personal funds to make  
8 the loans. Respondents explain that Senator Blumenthal withdrew funds from accounts  
9 listed on the PFD Report, and also sold his interest in a number of pre-candidacy personal  
10 assets, including his personal residence, an asset which was not required to be listed on  
11 the PFD Report. Respondents further explain that the proceeds from the sale of Senator  
12 Blumenthal's interest in the personal residence were not included on the PFD Report,  
13 because the sale took place five months after the PFD Report filing date.

14 For the reasons discussed below, the Commission 1) found no reason to believe  
15 that Richard Blumenthal violated 2 U.S.C. § 441f and 11 C.F.R. § 110.4(b)(iii) by  
16 knowingly helping or assisting, by allowing his name to be used, in the making of a  
17 contribution in the name of another; and 2) found no reason to believe that Richard  
18 Blumenthal or the Committee violated 2 U.S.C. §§ 441a(f) and 441f, and 11 C.F.R.

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<sup>3</sup> Complainant alleges that, if Senator Blumenthal and his Committee knew that his "personal" loans partially consisted of Mrs. Blumenthal's personal funds, and yet disclosed the funds as being solely those of Senator Blumenthal on the Committee's reports, then Senator Blumenthal and the Committee may have violated federal criminal law, 18 U.S.C. § 1001, by knowingly filing false reports with the Commission. Complaint at 4. Allegations regarding potential criminal violation of 18 U.S.C. § 1001 are not within the Commission's jurisdiction and, therefore, this report does not contain an analysis of this allegation.

1 § 110.4(b)(1)(iv) by knowingly accepting an excessive contribution or a contribution  
2 made in the name of another.

3 **II. FACTUAL AND LEGAL ANALYSIS**

4 **A. Factual Background**

5 Richard Blumenthal was a Senate candidate for the state of Connecticut during  
6 the 2010 election cycle and his principal campaign committee is Blumenthal for Senate  
7 and Ellen Camhi, in her official capacity as treasurer. Cynthia Blumenthal is Richard  
8 Blumenthal's spouse.

9 On March 4, 2010, Cynthia Blumenthal made maximum contributions to her  
10 husband's campaign with two \$2,400 contributions to the Committee, one designated for  
11 the primary election and the other designated for the general election. Complaint at 1 and  
12 Exhibit 1; *see also* 2 U.S.C. § 441a(a)(1)(A).

13 On April 19, 2010, Senator Blumenthal filed his PFD Report which indicated that,  
14 as of that date, Senator Blumenthal's personal assets, excluding those belonging to his  
15 wife, totaled between \$559,000 and \$1,360,000. Complaint at 1 and Exhibit 2. In  
16 addition, the PFD Report stated that Senator Blumenthal's share of joint assets with his  
17 wife ranged from \$83,000 and \$207,500, and his total assets ranged from \$682,000 and  
18 \$1,567,000. *Id.*; *see also* Exhibit 3.

19 Senator Blumenthal and his wife also jointly owned a house in Greenwich,  
20 Connecticut ("the Greenwich Property") that served as their personal residence. As his  
21 personal residence held or maintained purely for recreational or vacation purposes, the  
22 Greenwich Property was not required to be listed on Senator Blumenthal's PFD Report  
23 filed on April 12, 2010. *See* <http://ethics.senate.gov/downloads/pdf/files/fdinstruct10.pdf>.

MUR 6412 (Blumenthal)  
Factual and Legal Analysis  
for Senator Blumenthal and Committee

1 On June 23, 2010, the property was appraised by a state-certified appraiser as having a  
2 value between \$4,000,000 and \$4,018,600. Joint Response at 2 and Exhibit A.

3 On September 8, 2010, Senator Blumenthal sold his 50% interest in the  
4 Greenwich Property to Mrs. Blumenthal for \$1,607,994.13, which, based on the  
5 appraisal, is equal to the fair market value of a 50% interest in a \$4,000,000 property,  
6 encumbered by a \$784,011.75 mortgage. See Joint Response, Exhibit B (Bill of Sale and  
7 Indemnification Agreement).<sup>4</sup> Senator Blumenthal did not have any obligation to amend  
8 his PFD Report after the sale of the residence. See  
9 <http://ethics.senate.gov/downloads/pdf/files/fdinstruct10.pdf>.

10 The Committee subsequently reported that Senator Blumenthal made three  
11 candidate loans, totaling approximately \$2.5 million, to his campaign. Specifically, on  
12 September 30, 2010, Senator Blumenthal loaned his campaign \$500,000 from his  
13 personal funds; on October 7, 2010, he loaned his campaign an additional \$1,750,000;  
14 and as of the filing of the complaint, Senator Blumenthal had reported loaning his  
15 campaign a total of \$2.25 million. Complaint at 2 and Exhibits 4 and 5. In addition, on  
16 October 22, 2010, Senator Blumenthal made a third loan to the Committee in the amount  
17 of \$262,882. This final loan was not mentioned in the complaint. Joint Response at 1.

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<sup>4</sup> The Bill of Sale indicates that the Greenwich Property is held pursuant to the Abigail and John Trust ("Trust") which was created under a trust agreement on November 7, 1994, between Senator and Mrs. Blumenthal as "grantors" and Thomas N. Keltner, Jr. as "trustee." The publicly available tax records indicate that the Greenwich Property was originally purchased on February 16, 1995, and that the trustee is listed as the owner of the property. Senator and Mrs. Blumenthal are the current beneficiaries of the income and principal of the Trust. The Bill of Sale further indicates that Senator Blumenthal sold to Mrs. Blumenthal "all of his right, title and interest in and to the income and the principal (the Beneficial Interest) of the Trust" for \$1,607,994.13.

1           **B.     Legal Analysis**

2           The Act provides that no person may make, and no candidate, officer, or  
3 employee of a political committee shall knowingly accept, any contribution in violation  
4 of the provisions of section 441a. 2 U.S.C. § 441a. During the 2010 election cycle, the  
5 individual contribution limit was \$2,400. A contribution is defined as “a gift,  
6 subscription, loan (except for a loan made in accordance with 11 C.F.R. § 100.72 and  
7 100.73), advance, or deposit of money or anything of value made by any person for the  
8 purpose of influencing any election for Federal office.” 11 C.F.R. § 100.52(a). A loan  
9 that exceeds the contribution limitations of 2 U.S.C. § 441a and 11 C.F.R. Part 100 is  
10 unlawful whether or not it is repaid. 11 C.F.R. § 100.52(b)(1).

11           Commission regulations provide that “candidates for Federal office may make  
12 unlimited expenditures from personal funds.” 11 C.F.R. § 110.10. The regulations  
13 define “personal assets” as “[a]mounts derived from any asset that, under applicable State  
14 law, at the time the individual becomes a candidate, the candidate had legal right of  
15 access to or control over, and with respect to which the candidate had (1) legal and  
16 rightful title; or (2) an equitable interest.” 11 C.F.R. § 100.33(a). The personal share of  
17 jointly owned assets is defined by Commission regulations as “[a]mounts derived from a  
18 portion of assets that are owned jointly by the candidate and the candidate’s spouse ...  
19 [i]f no specific share is indicated by an instrument of conveyance or ownership, the value  
20 of one-half of the property.” 11 C.F.R. § 100.33(c).

21           The Commission has previously concluded that “[n]o contribution ... would occur  
22 where a candidate sells property that he or she owned prior to becoming a candidate at  
23 the property’s normal and usual market price *regardless of whether or not the purchaser*

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MUR 6412 (Blumenthal)  
Factual and Legal Analysis  
for Senator Blumenthal and Committee

1 *is a family member* or prohibited from making a campaign contribution.” *See* Advisory  
2 Opinion 1984-60 (Mulloy) (emphasis added) (permitting a candidate to use funds  
3 received from selling a one-fourth interest in property to family to retire campaign debts).  
4 The Commission has also stated that it would “view an appraisal by an expert using  
5 acceptable appraisal methods as prima facie evidence of the property’s usual and normal  
6 market price.” *See* AO 1984-60 (Mulloy) at note 5; *see also* MUR 5421 (Kerry for  
7 President), Factual and Legal Analysis at p. 6 (Commission treated an appraisal by  
8 state-certified appraiser as “prima facie evidence of fair market value” of the property).

9 The Act also prohibits a person from making a contribution in the name of  
10 another person, knowingly permitting his name to be used to effect such a contribution,  
11 or knowingly accepting a contribution made by one person in the name of another.  
12 2 U.S.C. § 441f. The Commission’s regulations also prohibit a person from knowingly  
13 permitting his or her name to be used in making a contribution in the name of another or  
14 knowingly helping or assisting any person in making a contribution in the name of  
15 another. 11 C.F.R. § 110.4(b)(1)(ii) and (iii).

16 The available information indicates that the funds used by Senator Blumenthal to  
17 make three loans to his Committee, totaling approximately \$2.5 million, originated from  
18 his own personal funds, including the assets previously disclosed on the PFD Report and  
19 the \$1,607,994.13 in proceeds from the sale of his 50% interest in the pre-candidacy  
20 residence to his wife. The state-certified appraisal obtained by Senator and Mrs.  
21 Blumenthal on June 23, 2010, indicates that the Greenwich Property was appraised at  
22 between \$4,000,000 and \$4,018,600. Joint Response at 2 and Exhibit A. As indicated  
23 previously, the Senator had a 50% beneficial interest in the Greenwich Property that

**MUR 6412 (Blumenthal)  
Factual and Legal Analysis  
for Senator Blumenthal and Committee**

1 could be sold to his wife and the proceeds used to make the candidate loans at issue. On  
2 September 8, 2010, Senator Blumenthal sold his interest in the Greenwich Property to  
3 Mrs. Blumenthal for \$1,607,994.13, which appears to represent the fair market value of a  
4 50% interest in a \$4 million property, encumbered by a \$784,011.75 mortgage. *See Joint*  
5 *Response at 3 and Exhibit B.* Due to the timing of the filing of the PFD Report and the  
6 sale of the interest in the Greenwich Property, Senator Blumenthal could not have  
7 disclosed the sale proceeds as income on his PFD Report. The sum of the personal funds  
8 Senator Blumenthal reported on the PFD and the proceeds he received from the sale of  
9 the personal residence is more than the \$2.5 million in candidate loans reported by the  
10 Committee.

11 Based on the foregoing, it appears that Senator Blumenthal had sufficient personal  
12 funds from which to make the approximately \$2.5 million in candidate loans that were  
13 reported by the Committee. Accordingly, the Commission 1) found no reason to believe  
14 that Richard Blumenthal violated 2 U.S.C. § 441f and 11 C.F.R. § 110.4(b)(1)(iii) by  
15 knowingly helping or assisting, or allowing his name to be used, in the making of a  
16 contribution in the name of another; and 2) found no reason to believe that Richard  
17 Blumenthal, and Blumenthal for Senate and Judith Zamore, in her official capacity as  
18 treasurer, violated 2 U.S.C. §§ 441a(f) and 441f, and 11 C.F.R. § 110.4(b)(1)(iv) by  
19 knowingly accepting either an excessive contribution or a contribution in the name of  
20 another.

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