



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Florida Country, *et al.*) MUR 7766
)

**STATEMENT OF REASONS OF VICE CHAIR ALLEN DICKERSON AND
COMMISSIONERS SEAN J. COOKSEY AND JAMES E. "TREY" TRAINOR, III**

In this matter, we voted to approve the Office of General Counsel's recommendation to dismiss the allegations that Florida Country and Noreen Fenner in her official capacity as Treasurer, Queensgate Homes, Inc., Vensota Properties, Inc., and Fausto Palombo violated 52 U.S.C. § 30121, subject to our proposed Factual and Legal Analysis.

For the purposes of 52 U.S.C. § 30109(a)(8), we attach our proposed Factual and Legal Analysis in this matter.

A handwritten signature in blue ink, appearing to read "Allen Dickerson".

Allen Dickerson
Vice Chair

December 3, 2021

Date

A handwritten signature in blue ink, appearing to read "Sean J. Cooksey".

Sean J. Cooksey
Commissioner

December 3, 2021

Date

A handwritten signature in blue ink, appearing to read "J.E. Trainor, III".

James E. "Trey" Trainor, III
Commissioner

December 3, 2021

Date

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Florida Country and MUR 7766
Eric Robinson in his official capacity as Treasurer;
Queensgate Homes, Inc.;
Vensota Properties, Inc.;
Fausto Palombo

The Complaint alleges that Queensgate Homes, Inc. (“Queensgate”), a Canadian company, made a \$2,500 contribution to Florida Country, a non-federal political committee registered with the state of Florida, in violation of the Federal Election Campaign Act of 1971, as amended (the “Act”). In support of its allegation, the Complaint cites Florida Country’s filings with the Florida Department of State where it disclosed the April 21, 2020, contribution and listed a Canadian address for Queensgate.

Florida Country denies that it violated the Act and states that, prior to depositing the contribution, it had confirmed the contribution was made by a Queensgate affiliate, Vensota Properties, Inc. (“Vensota”), which is a Florida domestic corporation. Florida Country further states it amended its filing with the Florida Secretary of State to list the correct contributor and that the earlier filing was inaccurate due to a clerical error. Florida Country refunded the contribution on November 17, 2020.

Queensgate states that the \$2,500 contribution was sourced from funds deposited in a segregated account provided by Vensota and that Queensgate was not the source of the funds. Respondents also state that the decision to make the contribution was made by permanent residents of the United States, and not by foreign nationals.

Based on the available information regarding the source of the funds and the identity of the persons who made the decision to make a contribution, the Commission dismisses the

allegations that the Respondents violated the Act by making or receiving prohibited foreign national contributions and closes the file.

I. FACTUAL BACKGROUND

Florida Country is a state political committee that registered with Florida on February 14, 2020.¹ In its campaign finance filings with the Florida Department of State, Florida Country reported accepting a \$2,500 contribution on April 21, 2020, from Queensgate and listed an Ontario, Canada address in the contributor identification portion of the relevant form.² Subsequent to the filing of the complaint, Florida Country amended its campaign finance filings to list the contribution as being from “Queensgate Homes Inc – Vensota P” with a Florida address.³ Florida Country states that it verified that Vensota was a Florida corporation prior to depositing the check and that, when preparing its initial campaign finance report, the Vensota Properties portion of the name was left off in error.⁴ The contribution check itself was drawn on an account at Canadian Imperial Bank of Commerce in North York, Ontario, and the address of

¹ Florida Country PAC Campaign Documents, *available at* <https://dos.elections.myflorida.com/campaign-docs/?account=75001> (list visited June 14, 2021).

² Compl. at 1, Ex. 3 (July 28, 2020).

³ Compl. Supp. at 1, Ex. 4 (Aug. 18, 2020); Second Compl. Supp. at 1 (Feb. 5, 2021). Complainant alleges that the amended address is a rented mailbox at a UPS store. Compl. Supp. at 1.

The Complainant also filed a complaint with the Florida Elections Commission, which appears to be focused on allegations that Florida Country amended its finance disclosure report in an attempt to “obscure the donation” from Queensgate. Second Compl. Supp. at Ex. A. The Florida Elections Commission concluded that “it appears that the contribution was indeed from Vensota, not Queensgate.” *Id.* In his second supplement to the Complaint, Complainant requested to withdraw his complaint given the Florida Election Commission determination. Second Compl. Supp. at 1.

⁴ Florida Country Resp. at 1, Ex. 2.

the accountholder (Queensgate Homes Inc. (Vensota Properties)) listed a Woodbridge, Ontario address.⁵ Florida Country refunded the contribution on November 17, 2020.⁶

Vensota is a Florida corporation that owns vacant land in Sarasota County, Florida.⁷ In its filings with the Florida Secretary of State, Vensota identified two Directors: Fausto Palombo, for whom a Canadian address is listed, and Fabian Bianchi, for whom a Florida address is listed.⁸ Although Queensgate appears to issue checks on behalf of Vensota, Queensgate asserts that it only administers the bank account and is not responsible for the payment of Vensota-related expenses.⁹

In a sworn affidavit, Vensota Director Bianchi, who appears to be a Florida resident, stated that the contribution was “derived entirely from funds generated by Vensota Properties, Inc.’s (‘Vensota’) Operations in the United States” and that the funds were not given, loaned, or reimbursed by Queensgate.¹⁰ The affidavit further stated that the decision to contribute \$2,500 to Florida Country was “made by individuals who are permanent residents of the United States” and that Queensgate “did not direct, dictate, control or directly or indirectly participate in the decision making process.”¹¹

⁵ *Id.* at Ex. 2.

⁶ Contributions Query for Florida Country, Florida Department of State Division of Elections, *available at* <https://dos.elections.myflorida.com/cgi-bin/contrib.exe> (last visited June 14, 2021); *see also* Queensgate Homes Supp. Resp. at 1.

⁷ Queensgate Homes Resp. at 1.

⁸ Florida Secretary of State, Division of Corporations, Vensota Properties, Inc. Entity Details, *available at* <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=VENSOTAPROPERTIES%20P100000954810&aggregateId=domp-p10000095481-bfd97283-5d18-43dd-af5d-4af86e203df3&searchTerm=vensota%20properties&listNameOrder=VENSOTAPROPERTIES%20P100000954810> (last visited June 14, 2021).

⁹ Queensgate Homes Resp. at 1-2.

¹⁰ Queensgate Homes Supp. Resp., Bianchi Aff. at 1.

¹¹ *Id.*

II. LEGAL ANALYSIS

The Act and Commission regulations prohibit a foreign national from directly or indirectly making a contribution or donation of money or other thing of value in connection with a federal, state, or local election.¹² A “foreign national” is an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, as well as a “foreign principal” as defined at 22 U.S.C. § 611(b), which, in turn, includes a “partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country.”¹³ The Act further prohibits persons from soliciting, accepting, or receiving a contribution or donation from a foreign national.¹⁴

Commission regulations implementing the Act’s foreign national prohibition provide that “[a] foreign national shall not direct, dictate, control, or directly or indirectly participate in the decision-making process of any person, such as a corporation ... with regard to such person’s Federal or non-Federal election-related activities, such as decisions concerning the making of contributions[.]”¹⁵ Where permitted by state law, a U.S. subsidiary or affiliate of a foreign national corporation may donate funds for state and local elections if (1) the donations derive entirely from the domestic subsidiary’s own funds, and (2) all decisions concerning the donations, except those setting overall budget amounts, are made by individuals who are U.S. citizens or permanent residents.¹⁶ With regards to the source of funds, the Commission has

¹² 52 U.S.C. § 30121(a)(1); 11 C.F.R. § 110.20(b)-(c).

¹³ 52 U.S.C. § 30121(b); 22 U.S.C. § 611(b)(3); *see also* 11 C.F.R. § 110.20(a)(3).

¹⁴ 52 U.S.C. § 30121(a)(2).

¹⁵ 11 C.F.R. § 110.20(i).

¹⁶ *See* Factual & Legal Analysis at 5-6 (Beverly Hills Residents and Businesses to Preserve Our City), MUR 7141; Factual & Legal Analysis at 4-5 (American Pacific International Capital, Inc., *et al.*), MUR 7122; Factual & Legal Analysis at 4-5 (Sam Page, *et al.*), MUR 6099; Advisory Opinion 2009-14 (Mercedes-Benz US/Sterling) at 3; Contributions, Limitations, and Prohibitions, 67 Fed. Reg. Fed. Reg. 69,928, 69,943-44 (Nov. 19, 2002)

noted that “a domestic corporation is not permitted to make such contributions when the source of funds is a foreign national, because this essentially permits the foreign national to make contributions indirectly when it could not do so directly.”¹⁷

The Complaint alleges that Florida Country accepted a foreign national contribution from Queensgate based on Florida Country’s campaign finance filings with the Florida Department of State indicating that it was a Canadian company. Respondents assert that the funds came from Vensota, which is registered as a Florida corporation, and that Vensota’s name was left off Florida Country’s campaign finance report in error.¹⁸

The Commission dismisses this matter. Vensota is a domestic corporation that is eligible to make non-federal contributions to entities such as Florida Country. Further, Respondents assert in a sworn affidavit that the contribution decision was made by a permanent resident of the United States, rather than a foreign national, and that funds relating to Vensota’s domestic operations funded the contribution. The Commission has no information available that suggests that Vensota was being used as a conduit for a foreign national contribution. Further, the Florida Elections Commission concluded that “it appears that the contribution was indeed from Vensota, not Queensgate,” and the Complainant has requested to withdraw the Complaint.¹⁹ Given the overall record, the Commission dismisses the Complaint.

(Explanation and Justification (“E&J”)) (explaining that the statutory term “indirectly” does not cover U.S. subsidiaries of foreign corporations).

¹⁷ Factual & Legal Analysis at 4-5 (Sam Page, *et al.*), MUR 6099.

¹⁸ Florida Country Resp. at 1; Queensgate Homes Resp. at 1; Queensgate Homes Supp. Resp. at 1.

¹⁹ Second Compl. Supp. at 1, Ex. A.