

1 **FEDERAL ELECTION COMMISSION**

2 **FIRST GENERAL COUNSEL'S REPORT**

3 **MUR 8113**

4 DATE COMPLAINT FILED: Feb. 22, 2023

5 DATE OF NOTIFICATIONS: Feb. 27, 2023

6 DATE OF LAST RESPONSE: May 16, 2023

7 DATE ACTIVATED: Oct. 4, 2023

8
9 EXPIRATION OF SOL: May 15, 2027-
10 Feb. 25, 2028¹

11 ELECTION CYCLE: 2022

12 **COMPLAINANT:** Committee to Defeat the President

13 **RESPONDENTS:** Elissa Slotkin for Congress and Janica
14 Kyriacopoulos in her official capacity as treasurer
15 Elissa Slotkin
16 Jerry Hollister

17 **RELEVANT STATUTES
18 AND REGULATIONS:**

19 52 U.S.C. § 30104(b)

20 52 U.S.C. § 30114(b)(1)

21 52 U.S.C. § 30116(a)(1)(A), (f)

22 11 C.F.R. § 104.13(a)

23 11 C.F.R. § 110.1(b)

24 11 C.F.R. § 110.9

25 11 C.F.R. § 113.1(g)

26 **INTERNAL REPORTS CHECKED:** Disclosure Reports

27 **FEDERAL AGENCIES CHECKED:** None

¹ The statute of limitations ("SOL") reflects that Slotkin and Elissa Slotkin for Congress signed a thirty-day tolling agreement. Tolling Agreement (Apr. 12, 2023). Without tolling, the SOL would expire between April 15, 2027, and January 26, 2028. The earliest SOL date referenced above relates to the date Slotkin first rented the property at issue (April 15, 2022) which represents the first alleged instance that campaign funds were converted to personal use. The second SOL date relates to the last disclosure report that Elissa Slotkin for Congress submitted to the Commission that should have disclosed the alleged in-kind contributions from Hollister (January 26, 2023). Within these dates is a separate SOL date for the alleged excessive contribution from Hollister to Slotkin and Elissa Slotkin for Congress. This alleged violation would have occurred on July 15, 2022, which was when the alleged rental discount would have exceeded campaign contribution limitations combined with Hollister's previous contributions.

1 **I. INTRODUCTION**

2 The Complaint in this matter alleges that 2022 congressional candidate Elissa Slotkin, her
3 principal campaign committee, Elissa Slotkin for Congress and Janica Kyriacopoulos in her
4 official capacity as treasurer (the "Committee"), and property owner Jerry Hollister violated the
5 Federal Election Campaign Act of 1971, as amended (the "Act"), when Slotkin rented a personal
6 residence from Hollister in Lansing, Michigan at a price below market value. Whereas Slotkin
7 reportedly paid \$2,000 per month for seven months, the Complaint asserts that the market value
8 of the residence was \$2,600, a monthly difference of \$600. The Complaint asserts that the price
9 selected by Slotkin and Hollister did not adequately take into account the value of having utilities
10 included and the residence being furnished. The Complaint alleges that the below-market rental
11 price resulted in an in-kind contribution from Hollister to Slotkin that, when combined with his
12 additional contributions to Slotkin, exceeded the individual amount limitation and resulted in
13 Slotkin converting campaign funds to personal use. The Complaint further alleges that the
14 Committee failed to disclose the in-kind contribution.

15 Respondents deny the allegations. They argue that Slotkin rented the property from
16 Hollister and his wife at fair market value and that, before drawing up the lease, the Hollisters
17 searched comparable properties in the area using Zillow.com and found properties ranging from
18 \$1,000 to \$1,750. Because the lease included utilities and basic furnishings, they added \$250 to
19 the higher end of the range and agreed on a monthly rent of \$2,000. Slotkin and the Committee
20 provide additional property comparisons, including properties that are furnished, listed at \$2,000
21 and below. Slotkin and the Committee also take issue with the rent estimates presented in the
22 Complaint, which are based on 2023 prices and do not take into account housing inflation that

1 occurred since the lease was signed in April 2022. Accordingly, they conclude that the
2 Complaint overestimates the fair market rent of the property at issue.

3 As explained below, based on the available information, including Hollister's claim that
4 he reviewed comparable properties before selecting a rental price, the property comparisons in
5 the Response submitted by Slotkin and the Committee, as well as this Office's own review of
6 comparable properties, it appears that Hollister rented the property to Slotkin at a fair market
7 value. Furthermore, it is important to note that the Complaint based its assessment of the rental
8 value on the assumption that the property was fully furnished whereas Hollister's Response
9 states that the property was only partially furnished. Therefore, because it appears that the
10 property was rented at a fair market value, the property rental did not result in an in-kind
11 contribution from Hollister to Slotkin or in the conversion of campaign funds to personal use.
12 Because Hollister does not appear to have made in-kind contributions to the Committee in the
13 form of renting the property to Slotkin at below fair market value, there is no information to
14 indicate that Hollister exceeded campaign contribution limits. Finally, because there was
15 apparently no in-kind contribution in connection with the property rental, there was no additional
16 contribution for the Committee to include on its disclosure reports.

17 Accordingly, we recommend that the Commission find no reason to believe that
18 Hollister, Slotkin, and the Committee violated 52 U.S.C. § 30116(a)(1)(A), (f) and 11 C.F.R.
19 §§ 110.1(b) and 110.9 by making and knowingly accepting an excessive contribution. We
20 further recommend that the Commission find no reason to believe that Slotkin and the
21 Committee violated 52 U.S.C. § 30114(b)(1) and 11 C.F.R. § 113.1(g) by converting campaign
22 funds to personal use. Finally, we recommend that the Commission find no reason to believe

1 that the Committee violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.13(a) by failing to report
2 an in-kind contribution.

3 **II. FACTUAL BACKGROUND**

4 Elissa Slotkin was a 2022 candidate to represent Michigan's Seventh Congressional
5 District.² Elissa Slotkin for Congress is her principal campaign committee.³

6 The Complaint alleges that, to reside within the newly created seventh district during the
7 2022 election cycle, Slotkin rented a property from Jerry Hollister for a rental price below
8 market value.⁴ The Complaint is based on information derived from news articles detailing the
9 lease agreement between Slotkin and Hollister.⁵ The news articles confirm the existence of a
10 seven-month lease between Slotkin and Hollister at a monthly rental price of \$2,000, from April
11 15, 2022, to November 15, 2022.⁶ The Complaint discusses two properties owned by Hollister

² Compl. at 2 (Feb. 22, 2023). Slotkin won her election and is currently a member of the U.S. House of Representatives. *2022 Michigan Election Results*, MICH. SEC'Y OF STATE (Dec. 12, 2022), https://mielections.us/election/results/2022GEN_CENR.html#06007000. Slotkin is now running for the Senate in 2024. Elissa Slotkin Statement of Candidacy (Feb. 27, 2023), <https://docquery.fec.gov/pdf/660/202302279578734660/202302279578734660.pdf>.

³ *Id.*; Elissa Slotkin, Amended Statement of Candidacy (Mar. 8, 2022), <https://docquery.fec.gov/pdf/645/202203089493743645/202203089493743645.pdf>.

⁴ Compl. at 7.

⁵ *Id.* at 6 (citing Melissa Burke, *Slotkin Leasing Lansing Home from Business Executive, Campaign Donor*, DETROIT NEWS (Sept. 23, 2022), <https://www.detroitnews.com/story/news/politics/michigan/2022/09/23/elissa-slotkin-leasing-lansing-home-from-business-executive-campaign-donor-niowave/69511924007/>); Jordyn Hermani, *Slotkin Renting Lansing Condo from Campaign Donor, Business Executive*, MLIVE (Sept. 23, 2022), <https://www.mlive.com/public-interest/2022/09/slotkin-renting-lansing-condo-from-campaign-donor-business-executive.html?outputType=amp>; Brandon Gillespie, *Democrat Elissa Slotkin Moved into Home of Lobbyist, Campaign Donor to Run in New District*, FOX NEWS (Sept. 9, 2022), <https://www.foxnews.com/politics/democrat-elissa-slotkin-moves-home-lobbyist-campaign-donor-new-district>; Ryan King, *Elissa Slotkin Leasing Home from Campaign Donor to Run in Michigan's 7th District: Report*, WASHINGTON EXAMINER (Sept. 23, 2022), <https://www.washingtonexaminer.com/news/1368223/elissa-slotkin-leasing-home-from-campaign-donor-to-run-in-michigans-7th-district-report/>).

⁶ *Id.* Although Jerry Hollister co-owns the property at issue with his wife Kathy Hollister, his wife did not contribute to Slotkin's campaign during the 2022 election cycle. The Complaint makes no allegations against her because "publicly available information only names Jerry Hollister in connection with the lease," and even with a rental discount, she would not have exceeded the limitations under the Act. Compl. at 6 n.4.

1 listed in public records that it speculates could have been Slotkin's rental, but as discussed
 2 below, Respondents clarify that the property at issue was a two-bedroom condo located at
 3 in Lansing, Michigan, which the Complaint refers to as "Residence 2."⁷

4 The Complaint alleges that the property should have been rented to Slotkin for \$2,600 per
 5 month, based in part on an understanding that it was fully furnished, included utilities, and was a
 6 short-term rental of less than a year.⁸ The Complaint arrives at this figure by taking the \$2,000
 7 value that Slotkin and Hollister agreed on and increasing the value by 30% because renting it
 8 fully furnished would result in a "reasonable and moderate rent increase of 30%."⁹ Applying a
 9 30% increase appears to be based on a blog post that described the possible premiums a landlord
 10 could charge if the landlord was renting out a furnished apartment.¹⁰ While the blog post also
 11 includes lower figures, such as 15%, Complainants chose the 30% figure based on a belief that
 12 the property was "fully furnished."¹¹ The property being fully furnished is disputed by
 13 Respondents, however, who claim the property was partially furnished.¹²

⁷ Compl. at 7; Hollister Resp. (Mar. 13, 2023); Elissa Slotkin & Elissa Slotkin for Congress Resp. at 1 (May 16, 2023) [hereinafter Slotkin Resp.]; *Lansing, Michigan 48906*, ZILLOW, https://www.zillow.com/homedetails/Lansing-MI-48906/110924968_zpid/ (last visited Jan. 2, 2024); *Lansing, Michigan 48906*, REALTOR.COM, <https://www.realtor.com/realestateandhomes-detail/M3080895286> (last visited Jan. 2, 2024).

⁸ Compl. at 6-7, 12-13.

⁹ *Id.* at 13 n.30. The Complaint initially arrived at a rent estimate of \$1,875 for an unfurnished property by looking at the property's listing on Zillow, but then chose to use the \$2,000 value because it was the number the Respondents negotiated and "exceeds the median value." *Id.*

¹⁰ Compl. at 12 (citing Chris Lee, *Best Ways to Increase Rent: Furnished Rental Apartments*, LANDLORD GURUS (Sept. 23, 2022), <https://landlordgurus.com/best-ways-to-increase-rent-furnished-rental-apartments/>).

¹¹ *Id.* at 13 n.27. The Complaint's allegation that the property was fully furnished appears to stem from a news article that simply states that the property is "furnished," without specifying how much furnishings were included. *See* Compl. at 6 and 6 n. 7 (citing Melissa Burke, *Slotkin Leasing Lansing Home from Business Executive, Campaign Donor*, DETROIT NEWS (Sept. 23, 2022), <https://www.detroitnews.com/story/news/politics/michigan/2022/09/23/elissa-slotkin-leasing-lansing-home-from-business-executive-campaign-donor-niowave/69511924007/>).

¹² Hollister Resp; Slotkin Resp. at 2. According to a source from the Complaint, a partially furnished property may include "basic furniture and appliances such as a sofa, beds, tables, a fridge, and a stove, but not much

1 Based on the \$2,600 figure, because Slotkin only paid \$2,000 per month, the Complaint
2 alleges that Hollister gave Slotkin a \$600 discount on her rent, resulting, over the course of the
3 seven-month lease, in an in-kind contribution of \$4,200.¹³ Because the primary election was on
4 August 2, 2022, four months of that rental discount, from April through July, would be attributed
5 to the primary election (\$2,400) to the amount Hollister already contributed for Slotkin's primary
6 campaign.¹⁴ At the time of the rental, Hollister had already contributed \$1,050 to the Committee
7 for the primary election and \$100 for the general election during the 2022 election cycle.¹⁵
8 Therefore, according to the Complaint, the alleged rental discount caused Hollister to exceed the
9 individual contribution limit for the primary election (aggregate contribution of \$3,450).¹⁶
10 Moreover, the Complaint alleges that Slotkin violated the Act's personal use prohibition by using
11 the in-kind contribution from Hollister for her personal residence, which is expressly prohibited
12 by the Act.¹⁷ Finally, the Complaint alleges that the Committee violated the Act's reporting
13 requirements because it never reported any in-kind contributions from Hollister in connection

more than that.” Chris Lee, *Best Ways to Increase Rent: Furnished Rental Apartments*, LANDLORD GURUS (Sept. 23, 2022), <https://landlordgurus.com/best-ways-to-increase-rent-furnished-rental-apartments/>. This aligns with the furnishings Hollister provided, such as “a bed, 2 couches, a desk, dining room table/chairs, and basic kitchenware.” Hollister Resp.

¹³ Compl. at 13.

¹⁴ *Id.*

¹⁵ *FEC Individual Contributions: Filtered Results*, FEC.GOV, https://www.fec.gov/data/receipts/individual-contributions/?committee_id=C00650150&contributor_name=jerry+hollister (last visited Jan. 2, 2024).

¹⁶ Adding the total alleged rental discount for those four months ($\$600 \times 4 = \$2,400$) to the \$1,050 that Hollister already donated to Slotkin's campaign for the primary election results in a total contribution of \$3,450, which would have exceeded the limits by \$550. Adding the alleged rental discount for the remaining three months ($\$600 \times 3 = \$1,800$) to the \$100 that Hollister already donated to Slotkin's campaign for the general election would yield a total general election contribution of \$1,900. However, because Hollister had not exceeded the limits for the general election, the Committee could have made a presumptive redesignation of the alleged excessive amount made for the primary election to the general election under these circumstances. See 11 C.F.R. § 110.1(b)(5)(ii)(B).

¹⁷ Compl. at 9-10, 13-14.

1 with the reduced rental costs.¹⁸

2 Hollister states in his Response that, in February 2022, he researched the property values
3 of two-bedroom, two-bath apartments in the area using Zillow.com prior to renting the property
4 to Slotkin and found a range of \$1,000 to \$1,750 for similar properties.¹⁹ Respondents assert
5 that Hollister and Slotkin agreed to a rental price of \$2,000, which was \$250 higher than the
6 highest end properties revealed in the search.²⁰ According to Hollister, the \$250 figure was a
7 means for the parties to account for furnishings and utilities, stating that [s]ince the lease
8 included utilities and some furnishings, we added \$250 to the higher end to make the monthly
9 rent \$2000.”²¹ Hollister does not explain how they arrived at the specific \$250 figure. However,
10 Hollister states that “[a]t no time was there any intention to discount the rental rate . . . [and] by
11 selecting rates at the top of our research, the exact opposite was the case.”²² Hollister then
12 asserts that this research helped inform their “deliberate discussion about determining fair market
13 value.”²³

14 Slotkin and the Committee provide additional information, beyond what Hollister
15 gathered at the time of the lease, to show that the rental price was set at fair market value. First,
16 they provided documentation for a fully furnished three-bedroom condo, located five minutes
17 away from that was being rented out for \$1,900 per month in May of 2023.²⁴

¹⁸ *Id.* at 14.

¹⁹ Hollister Resp.; Slotkin Resp. at 2.

²⁰ Hollister Resp.; Slotkin Resp. at 2.

²¹ Hollister disputes the Complaint's allegation that the property was fully furnished, and instead states that the property came “partially furnished with bare furnishings” that consisted of “a bed, 2 couches, a desk, dining room table/chairs, and basic kitchenware.” Hollister Resp.

²² *Id.*

²³ *Id.*

²⁴ Slotkin Resp. at 2, Ex. D.

1 This property is comparable in size to Slotkin's rental, is nearby, furnished, and is slightly more
 2 affordable.²⁵ Second, they provided documentation for a furnished four-bedroom house, located
 3 ten minutes away from _____ that was being rented out for \$2,000 per month in
 4 May of 2023.²⁶

5 Our Office also conducted research into comparable properties in the Lansing area, which
 6 supports the claim that Slotkin paid a fair market value. First, a fully furnished three-bedroom
 7 house, ten minutes away from _____ is currently listed for \$1,800 per month.²⁷
 8 This rental price also includes utilities.²⁸ Second, another fully furnished three-bedroom house,
 9 only five minutes away from _____ is also listed for \$1,800 per month.²⁹ As with
 10 the previous property, this listing also includes utilities in the rental price.³⁰

11 The Slotkin Response notes that a Zillow rent estimate for _____ from April
 12 2023 showed a rent estimate of \$1,749.³¹ In contrast, the Complaint finds a Zillow rent estimate
 13 for the property from February 2023 of \$1,875.³² However, even if Complainant's estimate of
 14 \$1,875 for an unfurnished rental property is more accurate, Slotkin argues that these 2023 rental
 15 estimates "incorporate[] inflation between April 2022 and February 2023," and, for this reason, a

²⁵ *Id.*

²⁶ *Id.*, Ex. E.

²⁷ *East Lansing, MI 48823*, ZILLOW, https://www.zillow.com/homedetails/-East-Lansing-MI-48823/140876064_zpid/ (last visited Jan. 17, 2024).

²⁸ *Id.*

²⁹ *Lansing Comfort*, FURNISHED FINDER, https://www.furnishedfinder.com/property/445368_1 (last visited Jan. 17, 2024).

³⁰ *Id.*

³¹ Slotkin Resp., Ex. B (screenshot of the Zillow listing for _____ While Respondents provided the Zillow listing, Respondents did not provide a copy of the lease agreement.

³² Compl. at 7.

1 rent estimate “would likely have been substantially lower in April 2022.”³³

2 **III. LEGAL ANALYSIS**

3 The Act and Commission regulations define “contribution” as “any gift, subscription,
4 loan, advance, or deposit of money or anything of value made by any person for the purpose of
5 influencing any election for Federal office.”³⁴ “Anything of value” includes “all in-kind
6 contributions,” such as the “provision of any goods or services without charge or at a charge that
7 is less than the usual and normal charge for such goods or services.”³⁵ If the goods or services
8 are provided at less than the usual and normal charge, the amount of the in-kind contribution is
9 the difference between the usual and normal charge and the amount charged to the political
10 committee.³⁶ These in-kind contributions must comply with contribution limitations established
11 by the Act and Commission regulations.³⁷ The Act provides that each treasurer of a political
12 committee shall file reports of receipts and disbursements in accordance with the provisions of
13 52 U.S.C. § 30104.³⁸

14 Under the Act, a contribution accepted by a candidate may be used by the candidate for
15 otherwise authorized expenditures in connection with the campaign for federal office of the
16 candidate.³⁹ However, a contribution received by a candidate cannot be converted by any person

³³ Slotkin Resp. at 2.

³⁴ 52 U.S.C. § 30101(8)(A)(i); 11 C.F.R. § 100.52(a).

³⁵ 11 C.F.R. § 100.52(d)(1).

³⁶ *Id.*

³⁷ 52 U.S.C. § 30116(a)(1)(A); 11 C.F.R. § 110.1(b). For the 2022 election cycle, individuals were permitted to contribute a maximum of \$2,900 to a candidate or candidate committee per election. Price Index Adjustments for Contribution and Expenditure Limitations and Lobbyist Bundling Disclosure Threshold, 86 Fed. Reg. 7867, 7869 (Feb. 2, 2021).

³⁸ 52 U.S.C. § 30104(a)(1), (b).

³⁹ 52 U.S.C. § 30114(a)(1).

1 for personal use.⁴⁰ “Personal use” means any use of funds in a campaign account of a present or
2 former candidate to fulfill a commitment, obligation, or expense of any person that would exist
3 irrespective of the candidate’s campaign or duties as a federal officeholder.⁴¹ The Act and
4 Commission regulations enumerate certain expenses that are considered *per se* “personal use”
5 and thus prohibited, including mortgage, rent or utility payments.⁴²

6 The Commission has explained in prior matters that, because candidates continue to
7 engage in personal transactions during their candidacy that are beyond the campaign finance
8 matters regulated by the Act, a finding of reason to believe that a candidate’s personal
9 transaction resulted in a contribution to his or her campaign requires specific information
10 demonstrating a nexus between the transactions and the campaign.⁴³ Further, the Commission
11 has advised that “[t]he basis for this determination is the context of the transaction’s surrounding
12 factual circumstances.”⁴⁴

13 In the present matter, Slotkin appears to have rented the property at
14 from Hollister and his wife for its fair market value. This conclusion is based on Hollister’s
15 statement that he reviewed comparable properties prior to renting the property and added \$250 to

⁴⁰ 52 U.S.C. § 30114(b)(1).

⁴¹ *Id.* § 30114(b)(2); 11 C.F.R. § 113.1(g).

⁴² 52 U.S.C. § 30114(b)(2)(A); 11 C.F.R. § 113.1(g)(1)(i)(I).

⁴³ *See, e.g.*, Factual & Legal Analysis (“F&LA”) at 6, MUR 7025 (Mike Lee, *et al.*) (concluding that the sale of property was unrelated to the campaign); F&LA at 5, MUR 6035 (N. Trust Co.) (finding no reason to believe that a home mortgage was related to a political campaign); Statement of Reasons (“SOR”) at 3, Commr’s Mason, Sandstrom, McDonald, Smith, Thomas, & Wold, MUR 5141 (Moran for Congress) (concluding that a loan from a friend to help pay for legal expenses related to a domestic relations matter was not connected to the campaign); SOR at 3, Commr’s Mason, Sandstrom, Smith, & Thomas, MUR 4960 (Hillary Rodham Clinton for U.S. Senate Expl. Comm.) (finding that the cost of a candidate’s move to a new house was not related to a political campaign); *see also* SOR at 2 n.2, Commr’s McDonald, Mason, Sandstrom, Smith, & Thomas, MUR 4944 (PNC Mortgage Corporation) (recognizing “there are a number of issues arising from a candidate’s personal situation . . . that may become campaign issues, but the Commission will not necessarily therefore deem expenses arising from such controversies to be campaign expenses”).

⁴⁴ SOR at 3, Commr’s Mason, Sandstrom, McDonald, Smith, Thomas, & Wold, MUR 5141.

1 the highest end of the range to account for utilities and furnishings; the comparable properties
2 presented in the Response from Slotkin and the Committee, which show that similar properties,
3 including those that were furnished, rented for the same or less than what Slotkin paid Hollister;
4 and this Office's own review of similar properties which were priced similarly to what Slotkin
5 paid Hollister. And, whereas the Complaint argues that Hollister should have added 30% to the
6 standard value of the property because it was furnished, Hollister clarifies that it had only "bare
7 furnishings."⁴⁵ Accordingly, there is no reason to conclude that Hollister made an in-kind
8 contribution to Slotkin, that Slotkin converted campaign funds to personal use, or that the
9 Committee failed to disclose an in-kind contribution.

10 According to Hollister, in February 2022, he and his wife "research[ed] using the
11 property website Zillow.com for other 2 BR 2 Bath apartments in the Lansing/East Lansing area
12 and found apartments ranging from \$1,000 - \$1,750. Since the lease included utilities and some
13 furnishings, we added \$250 to the higher end to make the monthly rent \$2,000."⁴⁶ This appears
14 to have been a reasonable method for determining similar rental values and the decision to base
15 the calculation on the higher end of the range represents a conservative approach. Although
16 Hollister did not provide a rationale in his Response for selecting \$250 to account for the utilities
17 and furnishings,⁴⁷ Slotkin and the Committee provided examples of rental property listings in the
18 Lansing area of comparable size, which suggest that \$2,000 was a reasonable amount to

⁴⁵ By choosing the \$2,000 value as a starting point before increasing the rental estimate by 30%, the Complaint appears to double count the value of the furnishings, whereas Respondents had negotiated the \$2,000 value with the furnishings included in that price. *See* Slotkin Resp. at 4.

⁴⁶ Hollister Resp.

⁴⁷ While Hollister did not provide a rationale, a \$250 add-on to a \$1,750 base rent is a 15% increase, which is a part of the range provided by the sources cited in the Complaint. *See* Compl. at 12 n.26 (citing Chris Lee, *Best Ways to Increase Rent: Furnished Rental Apartments*, LANDLORD GURUS (Sept. 23, 2022), <https://landlordgurus.com/best-ways-to-increase-rent-furnished-rental-apartments/>).

1 charge.⁴⁸ Their Response provides listings of a fully furnished three-bedroom apartment, five
2 minutes away from _____ for \$1,900 per month, alongside a fully furnished four-
3 bedroom apartment, ten minutes away, renting for \$2,000 per month.⁴⁹ Both of these listings are
4 from May 2023 and, given housing inflation in Lansing since Slotkin signed her lease, may even
5 reflect housing values too inflated to compare to a lease signed in April 2022.⁵⁰ In support of the
6 contention that the Complaint's figures may have been overestimated, Respondents provided a
7 housing price index prepared by the U.S. Department of Housing and Urban Development
8 ("HUD") that calculates housing inflation for rental properties in Lansing; according to the
9 index, the fair market rent of an unfurnished two-bedroom unit increased by 13.5% from 2022 to
10 2023, from \$936 to \$1,063.⁵¹ Given housing inflation in Lansing, the fact that the 2023 amounts
11 calculated by HUD and the going rate in the Lansing housing rental market are still less than
12 what Hollister charged Slotkin in 2022, a year prior, is further information supporting the
13 reasonableness of the \$2,000 figure.

14 This Office's research discussed above also supports such a conclusion. The two current
15 rental properties we found offered three bedrooms, were furnished, and included utilities.⁵² Yet,
16 both properties are listed for a lower price than the property that Slotkin rented, both are listed

⁴⁸ Slotkin Resp., Exs. D-E.

⁴⁹ *Id.*

⁵⁰ *Id.*, Ex. A.; *Lansing Housing Market Report*, ROCKET HOMES, <https://www.rockethomes.com/real-estate-trends/mi/lansing> (last visited Jan. 29, 2024) (confirming that the price of a two bedroom home increased by approximately 14% from 2022 to 2023).

⁵¹ *Id.* (attaching "FY 2023 Lansing-Easting Lansing, MI HUD Metro FMR Area FMRS for All Bedroom Sizes").

⁵² _____, *East Lansing, MI 48823*, ZILLOW, https://www.zillow.com/homedetails/-East-Lansing-MI-48823/140876064_zpid/ (last visited Jan. 17, 2024); *Lansing Comfort*, FURNISHED FINDER, https://www.furnishedfinder.com/property/445368_1 (last visited Jan. 17, 2024).

1 for \$1,800 a month while Slotkin paid \$2,000 a month.⁵³ In the past, the Commission has
2 strongly considered research into comparable market rates when dismissing allegations that an
3 entity provided goods and services to a campaign below market value.⁵⁴

4 The available information supports an inference that the condo at _____ was
5 rented to Representative Slotkin at fair market value. Therefore, we recommend that the
6 Commission find no reason to believe that Hollister made, or that Slotkin and the Committee
7 knowingly accepted, an excessive in-kind contribution in the form of reduced rent, in violation of
8 52 U.S.C. § 30116(a)(1)(A) and (f) and 11 C.F.R. §§ 110.1(b) and 110.9. Because the rental cost
9 would not constitute an in-kind contribution from Hollister, we recommend that the Commission
10 also find that there is no reason to believe that Slotkin and the Committee violated 52 U.S.C.
11 § 30114(b)(1) and 11 C.F.R. § 113.1(g) by converting campaign contributions funds to personal
12 use. Without the alleged in-kind contribution, there is no information indicating that any
13 campaign funds were used to pay for Slotkin's personal residence; Respondents deny such use
14 and indeed, the Complaint acknowledges that "campaign funds are not believed to have been
15 withdrawn from the Campaign's bank account to pay for Slotkin's personal residence."⁵⁵
16 Slotkin did not violate the Act's personal use prohibitions by using her own personal funds to

⁵³ *East Lansing, MI 48823*, ZILLOW, https://www.zillow.com/homedetails/East-Lansing-MI-48823/140876064_zpid/ (last visited Jan. 17, 2024); *Lansing Comfort*, FURNISHED FINDER, https://www.furnishedfinder.com/property/445368_1 (last visited Jan. 17, 2024).

⁵⁴ See F&LA at 11, MUR 7025 (Friends of Mike Lee, *et al.*) (finding no reason to believe the allegation that Senator Lee rented the property below market value because Respondent McMillan asserted that he "had [his] real estate agent pull comparable rates" and "negotiated the monthly payment based on those figures"); see also F&LA at 11, MUR 8027 (Schmitt for Senate, *et al.*) (assessing the fair market value of a domain name by comparing the price paid by the committee to publicly available information); F&LA at 9-10, MUR 7628, 7636, & 7992 (Kris Kobach & Kobach for Senate) (using information provided by the committee and publicly available information to determine the fair market value of an email list); First Gen. Counsel's Rpt. at 5 & Cert. ¶1, MUR 5682 (Bachmann for Congress) (finding no reason to believe a prohibited contribution occurred where the respondent provided information that it had consulted with a "reputable list broker" regarding the "proper fair market value" of a mailing list).

⁵⁵ Compl. at 10; Slotkin Resp. at 3.

1 pay for her personal residence, and because the property was rented at fair market value, there
2 was no in-kind contribution going towards her rent.⁵⁶

3 Finally, without any in-kind contributions in connection with the rent, there are no
4 additional contributions from Hollister for the Committee to disclose to the Commission.
5 Accordingly, the Commission should find there is no reason to believe the Committee violated
6 the Act's reporting requirements at 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.13(a).

7 **IV. RECOMMENDATIONS**

- 8 1. Find no reason to believe that Jerry Hollister violated 52 U.S.C. § 30116(a)(1)(A) and
9 11 C.F.R. § 110.1(b) by making excessive contributions to Elissa Slotkin's campaign;
10
- 11 2. Find no reason to believe that Elissa Slotkin and Elissa Slotkin for Congress and
12 Janica Kyriacopoulos in her official capacity as treasurer violated 52 U.S.C.
13 § 30116(f) and 11 C.F.R. § 110.9 by knowingly accepting excessive contributions
14 from Jerry Hollister;
- 15 3. Find no reason to believe that Elissa Slotkin and Elissa Slotkin for Congress and
16 Janica Kyriacopoulos in her official capacity as treasurer violated 52 U.S.C.
17 § 30114(b)(1) and 11 C.F.R. § 113.1(g) by converting campaign funds to personal
18 use;
- 19 4. Find no reason to believe that Elissa Slotkin for Congress and Janica Kyriacopoulos
20 in her official capacity as treasurer violated 52 U.S.C. § 30104(b) and 11 C.F.R.
21 § 104.13(a) by failing to report in-kind contributions;
- 22 5. Approve the attached Factual and Legal Analysis;
- 23 6. Approve the appropriate letters; and

⁵⁶ See F&LA at 11, MUR 7025 (Friends of Mike Lee, *et al.*) (finding that "those transactions appear to have been personal, rather than campaign related. The only apparent suggestion in the Complaint of a connection with Lee's candidacy relates to the fact that McMillan and his wife were contributors to Lee during the 2010 election cycle. However, as stated above, the transactions involved Lee's personal residences, the Committee denied that the transactions involved the campaign or campaign funds, Lee has not subsequently transferred any of his personal funds to the Committee").

