

February 3, 2023 MAR 15 AM 6:38

Office of General Counsel
Federal Elections Commission
1050 First Street, NE
Washington, DC 20463

MUR # 8122

2023 MAR 15 AM 6:39

OFFICE OF
GENERAL COUNSEL

RE: Complaint against NY3 Congressional Candidate Joshua Lafazan & Request for Investigation into Alleged Straw Donation

Dear Federal Election Commission,

I write to file an official complaint against Joshua Lafazan (Lafazan for Congress, CO0797241). Mr. Lafazan was a candidate for New York’s 3rd Congressional District in 2022; and is again a declared candidate for this same district for 2024. In 2022, the Federal Election Commission (FEC) received a complaint from 3rd Congressional District candidate Robert Zimmerman regarding an alleged straw donation, up to \$100,000, received by Mr. Lafazan. Once Mr. Lafazan lost the Democratic primary, Mr. Zimmerman withdrew the aforementioned complaint “as a gesture of party unity,” according to statements published in Newsday. That said, withdrawal of such complaint should not mean that the FEC turns a blind eye to potential campaign finance violations, especially a straw donation scheme. To ensure that is not the case, I am filing this complaint today and ask that you review this matter – as well as the complaint initially filed by Mr. Zimmerman. Campaign finances in New York’s 3rd Congressional District have drawn national attention with the election of George Santos. A full review of all active candidates in his district is warranted to protect the integrity of our election laws.

Mr. Zimmerman’s initial complaint requested an investigation into whether a personal loan up to \$100,000 from Mr. Lawrence was actually a straw donation that Mr. Lafazan then used to loan \$166,000 of his personal money to his congressional campaign (Lafazan for Congress). For background purposes, during the 2022 elections, Bryan Lawrence and his wife donated a total of \$20,300 to Lafazan’s congressional campaign, the maximum contribution possible. Election law experts say it certainly violates the spirit of law limiting individual donations – or potentially worse – considering FEC records indicate Mr. Lafazan was wealthy enough to funnel \$166,000 of his own money into his campaign coffers. They say he could have easily used that same cash to pay his student loans.

Since Mr. Zimmerman filed the initial straw donation complaint, more information has come to light. Newsday reported on January 20, 2023: “The payments were made to a “Chief Learning Officer” doctoral program at the University of Pennsylvania, according to Neil Reiff, who was counsel for Lafazan’s congressional campaign. Lafazan is on leave

from that program and has one year of classes left. The structure of the loan agreement gave the county legislator five years to start repaying the loan to the couple and he has not paid back any of it yet, according to Reiff. The interest rate of the loan wasn't provided to The Point."

With the newest statements made by Mr. Lafazan's counsel, one could question whether it was a direct payment or transfer (previously described as indirect by Mr. Zimmerman). Since Mr. Lafazan has taken a leave from the program and has not repaid the loan, are the outstanding funds of the Lawrence loan mixed in with Mr. Lafazan's personal funds that were then loaned to Lafazan for Congress? Was the interest rate of the loan not provided to Newsday because the agreement was not bonded by an interest rate? The FEC must review this matter carefully, as any huge campaign contribution or loan made by a candidate to their own campaign must legitimately be their own, personal money.

While this loan is now public, we still do not have answers to any of the following matters:

1. What are the terms of the loan? Mr. Lafazan obtained a loan from a 'friend,' per the New York Post, rather than a bank or Sallie Mae. The fact that he obtained it from a friend is quite relevant, as Mr. Lafazan probably obtained better terms than from Sallie Mae.
 - a. By terms of the loan, I am referring to the following:
 - i. What interest rate does Mr. Lafazan pay?
 - ii. What are the repayment terms?
 - iii. Was there an origination fee for what is more akin to a personal loan (rather than a student loan)?
 - iv. Has he made any payments?
 - v. Is there a promissory note?
 - b. If the terms were in fact better than those of a commercially available loan, Mr. Lafazan obtained an unlawful gift from Mr. Lawrence. If Mr. Lafazan received a below market rate loan of even a percentage point (or fixed terms rather than riskier variable terms), on a loan of \$50,000, that would be \$500. Hunt Lawrence is an investor – he is not a bank in the practice of making personal loans to random people. Mr. Lafazan's counsel has indicated he has not made any repayments. Is interest accruing on the loan? Mr. Lafazan's counsel has said that the loan repayment does not begin for 5 years. Terms better or more lenient than commercial loans is an illegal gift to Mr. Lafazan.
2. The ethics and appearance of this loan are also in question. Mr. Lawrence is not a 'friend' of Mr. Lafazan's, or a rich relative - he is a prominent political donor looking to establish influence. Mr. Lawrence, per public records with the New York State Board of Elections (BOE), has given almost a million dollars to various

political candidates since 2005. These donations include: \$120,000 to Laura Curran, \$40,000 to Todd Kaminsky, \$10,000 to Laura Gillen, \$30,000 to Joshua Lafazan, \$95,000 to Jack Schnirman, \$20,000 to Tom Suozzi, \$45,000 to Andrew Cuomo, as well as other large amounts to various Republican and Democratic candidates from outside Nassau.


I would ask why Mr. Lawrence, a major political donor, would devote substantial resources to someone not in his family's education. Influence? Does he expect Mr. Lafazan to eventually be someone who can do something, or someone who can be a member of the Senate or House of Representatives? Moreover, does Mr. Lawrence, or any entity he invests in, have any business with Nassau County? We simply do not know.

According to the Federal Election Commission, Mr. Lafazan gave his own congressional campaign \$166,000 of his own personal money. Why couldn't Mr. Lafazan have used that money to pay his college tuition? Did this donation, relying on the fungibility of money, simply hand Mr. Lafazan some money that he could spend on his congressional race as a backdoor donation to skirt campaign contribution limits?

Furthermore, this personal loan, or student loan, was given to Mr. Lafazan almost certainly due to his position. While there are exceptions for longstanding friends, those general exemptions do not apply to someone who met Mr. Lafazan through his politics, 'became his friend' and donated money, and has decided to become his patron. Mr. Lafazan is in a governmental position to receive this loan due to his position as a County Legislator and candidate, therefore it is improper.

Again, I formally request that you take official action to investigate these matters which may violate Federal election laws.

Sincerely,



John Tancredi

Plainview, NY 11803



2/6/23

Signed and sworn to before me: