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Lawmaker Criticized for PAC Fees Paid to Wife

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In the past two years, campaign and political action committees controlled by [Rep. John T. Doolittle](#) (R-Calif.) paid ever-larger commissions to his wife's one-person company and spent tens of thousands of dollars on gifts at stores such as Saks Fifth Avenue and Tiffany & Co. and a Ritz-Carlton day spa.

The use of such committees, especially "leadership" PACs, for purposes other than electing politicians to Congress is a common and growing phenomenon, but campaign finance watchdogs say Doolittle has taken it to new heights.

Doolittle's wife, Julie, a professional fundraiser, has collected 15 percent of all contributions to Doolittle's leadership PAC and additional commissions on contributions to his campaign committee -- a total of nearly \$140,000 since 2003, according to Federal Election Commission records.

"I don't know if there's anything comparable," said Fred Wertheimer, president of Democracy 21, a watchdog group that called last month for an investigation of Doolittle by the House ethics committee. "If this is okay, it is a road map for how to convert substantial sums of campaign money to personal use."

The committees have spent money they raised on friends and supporters, recording at least \$40,000 in gifts, flowers, club memberships and stays at romantic inns. Doolittle's Superior California Federal Leadership Fund reported purchasing gifts from Bose Corp. worth \$2,139, while his campaign committee has reimbursed him and his wife for nearly \$5,000 in purchases from Best Buy Co. and a \$1,000 trip to Saks Fifth Avenue in Baltimore. Campaign records do not list the beneficiaries of the gifts and trips financed by the committees.

Doolittle aides said that the congressman has strictly complied with FEC regulations and never personally profited from the expenditures. Julie Doolittle and her company, Sierra Dominion Financial Solutions, are paid a 15 percent commission on donations that she brings in, an arrangement that aides say helps her avoid the claim that she is being paid by her husband's campaign without doing any work.

In addition, the aides said that all of the expenditures by the leadership PAC were for staff members and supporters. John Doolittle's purchases at Saks Fifth Avenue were Christmas ornaments for attendees at a campaign dinner. Thousands of dollars were spent at Best Buy on Christmas gifts for the congressman's campaign and official staff. And nearly \$800 that went to Julie Doolittle to pay the tabs at three romantic inns on California's Mendocino coast was an anniversary gift "to a couple who had volunteered tirelessly on the congressman's campaign for over 10 years," said Richard Robinson, John Doolittle's chief of staff. "The congressman has used his leadership PAC and his campaign committee in a legal, ethical and responsible

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manner, and there is no evidence whatsoever that he has used his committees for personal gain."

Kenneth A. Gross, a campaign finance lawyer at Skadden, Arps, Slate, Meagher and Flom, said "personal use" restrictions that govern campaign committees do not apply to leadership PACs, which lawmakers set up largely to help other candidates fund their campaigns. Because of the lack of regulations, leadership PAC expenditures have regularly generated controversy.

The leadership PAC of [Rep. Richard W. Pombo](#) (R-Calif.) lists \$22,896 in hotel expenditures for donors and \$320 worth of baseball tickets. [Sen. Rick Santorum](#) (R-Pa.) received attention in February when the news media reported leadership PAC expenses at a Starbucks near his Virginia home that totaled \$558 since 2001, as well as payments to Wal-Mart, Burger King bills totaling \$50 and 11 meals at Arby's worth \$118.

"Leadership PACs are the Wild West of campaign money; they are the political slush funds of this decade," said Meredith McGehee, policy director for the nonpartisan Campaign Legal Center.

In Doolittle's case, the gift expenditures from his campaign committee -- for which personal-use restrictions are tighter -- far outstrip the gift expenditures of his leadership PAC. Gift expenditures by Superior California have totaled \$4,857 since 2003, according to FEC documents, while his campaign committee's gift expenses reached about \$40,000, Robinson confirmed. The gift total was \$20,000 if tokens for campaign donors, such as congressional directories and copies of House Speaker J. [Dennis Hastert](#)'s books, are not counted. Robinson said he considers such tokens fundraising expenses.

Still, campaign finance experts and congressional watchdogs deem highly unusual Doolittle's efforts, particularly the arrangement with his wife. Doolittle spokeswoman Laura Blackann said in an e-mail that Julie Doolittle receives her 15 percent commission only on money she is "directly involved in raising."

That would mean Julie Doolittle has raised every dollar that has gone to the Superior California Fund since 2003, according to FEC reports compiled by the watchdog group Taxpayers for Common Sense. During the 2004 campaign cycle, Sierra Dominion received payments from the leadership PAC of \$68,630, exactly 15 percent of the \$457,533 the PAC raised. So far in this campaign cycle, Sierra Dominion has taken in \$69,896, again exactly 15 percent of the \$465,973 raised.

Yet Doolittle's leadership PAC lists payments for fundraising consultations not connected to Sierra Dominion -- one to Brian Jensen, a Doolittle staff member at the time of the payment, and another to a firm called Enburg Consulting of Washington, which received \$3,000 in March.

Doolittle aides said Julie Doolittle was entitled to 15 percent of all money the PAC brought in because those donations were raised at events she helped organize. All told, Julie Doolittle's firm -- run out of the couple's home in Oakton with no phone listing or Web site and no other known employee -- has received commissions totaling \$169,146 since its founding in March 2001, according to FEC records and Taxpayers for Common Sense.

And John Doolittle's committees have been generous with the money they have raised. The campaign committee has reported gifts to volunteers, staff members and supporters totaling \$55,679 since 2001. Flower expenses were \$2,983. Purchases of See's Candies, a California favorite, were \$10,737. Dues for the Capitol Hill Club, the Lincoln Club of Sacramento Valley, the Sutter Club of Sacramento and other membership organizations have totaled \$12,275.

Robinson said that the gift total is somewhat inflated by duplicate expenditures and that the real total is about \$40,000.

The campaign committee has listed John Doolittle as the recipient of \$5,536 for 10 gift expenditures. His wife received payments of \$4,309 for six gifts.

In each of those instances, the Doolittles were being reimbursed for gifts they had financed out of pocket, Robinson said.

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