

The Hon. Kevin R. Steele
District Attorney, Montgomery County
County Courthouse, 4th Floor
P.O. Box 311
Norristown, PA 19404-0311

re: Mr. Jeffrey Yass, Mr. Matt Brouillette and their associated political committees.

Dear District Attorney Steele:

On behalf of PA Spotlight, an accountability and investigative organization dedicated to fighting for all Pennsylvanians, I am filing this complaint to urge you to employ your prosecutorial authority under Section 1642 of the Election Code (25 P.S. § 3260b) to investigate Mr. Jeffrey Yass's political contribution activity and the activity of his associated political committees. This section of the law states: "[T]he district attorney of any county in which a violation occurred has concurrent powers and responsibilities with the Attorney General over such violations."¹

Mr. Yass, a resident of Haverford, Pennsylvania², who is the co-founder of the Susquehanna International Group, which is headquartered in Bala Cynwyd, Pennsylvania³, appears to have been involved in at least two potential campaign finance violations:

1. Mr. Yass may be illegally using Students First PAC as a conduit, or a pass-through entity, to contribute money to two related organizations, the Children's Choice Fund and the Commonwealth Leaders Fund.
2. Students First PAC appears to have illegally misreported \$8,500,000 of Mr. Yass's funds as an expenditure to the United States Postal Service, when in fact it was a contribution to Children's Choice Fund.

For years, Mr. Yass has used a political action committee, Students First PAC, as an apparent pass-through entity for his personal contributions. Once the money lands in Students First PAC, nearly identical amounts of money appear to be contributed to either Commonwealth Children's Choice Fund or Commonwealth Leaders Fund, two political action committees that are related to each other. Mr. Yass is possibly attempting to obscure the funds in an effort to keep himself a step removed from the money. Simply put, he looks to be using Student First PAC as a conduit for passing money through to the aforementioned shell entities. Pennsylvania law is clear in prohibiting these actions:

"It shall be unlawful for any person to make any contribution with funds designated or given to him for the purpose by any other person, firm or corporation. Each person making a contribution shall do so only in his own name."⁴

The easiest way to understand Mr. Yass' alleged scheme is to look at the following charts. The first chart tracks, via Department of State campaign finance records from 2018 to present, how

¹ [Act of 1937, P.L. 320 § 1642\(c\).](#)

² Max Bennett, *Haverford Resident Makes Forbes Billionaire List*, Patch (Apr 27, 2021, 11:38 AM), <https://patch.com/pennsylvania/haverford/haverford-resident-makes-forbes-billionaire-list>.

³ Joseph N. DiStefano, *Bala Cynwyd billionaire Jeff Yass feels betrayed*, The Philadelphia Inquirer (Jan 19, 2021), <https://www.inquirer.com/news/yass-susquehanna-trump-hawley-toomey-contributions-20210119.html>.

⁴ Section 1634(a) of the Pennsylvania Election Code, 25 P.S. § 3254(a).

Mr. Yass's money frequently moves very quickly from his pockets to Students First PAC, then in near-identical amounts and frequently with no other Students First funders, to one of two political action committees, Commonwealth Children's Choice Fund or Commonwealth Leaders Fund:

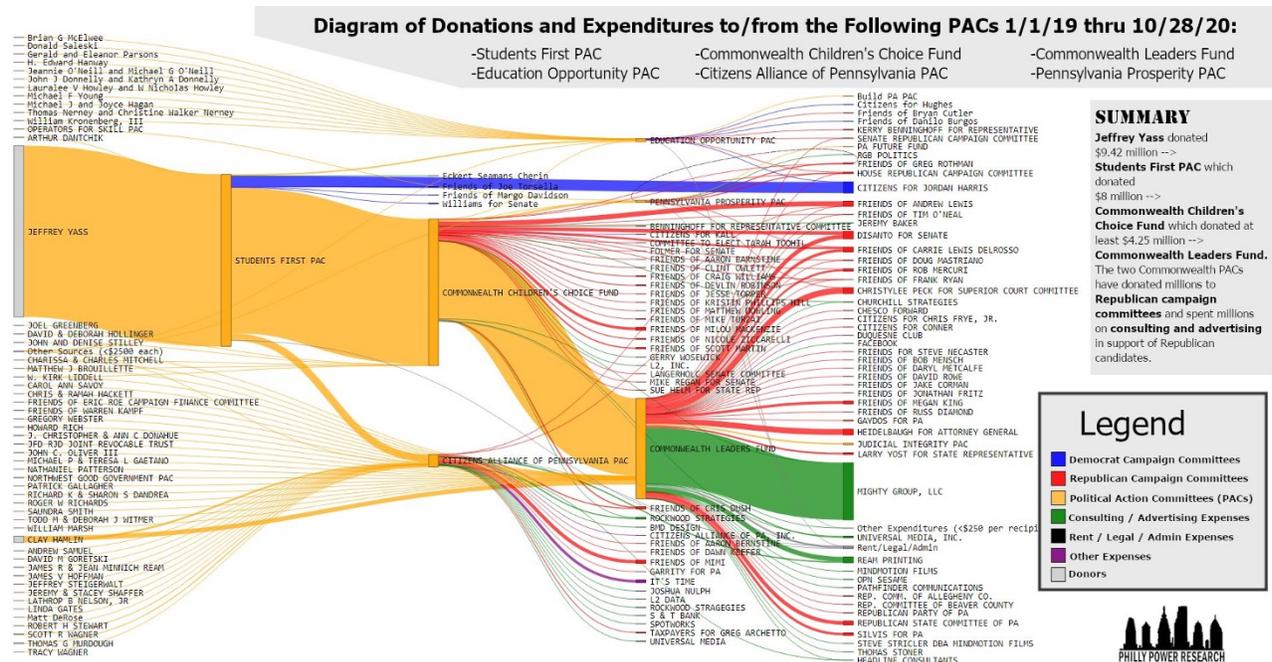
Year	Date of Yass Contribution to Students First PAC	Amount	Date Students First PAC donated to Brouillette-run Entity	Name of Second Entity	Amount
2021	1/20/2021	\$1,500,000	1/26/2021	Commonwealth Children's Choice Fund	\$2,000,000
2020	11/18/2020	\$9,000,000	11/19/2020	Commonwealth Children's Choice Fund	\$8,500,000 ⁵
	9/25/2020	\$2,150,000	9/29/2020	Commonwealth Children's Choice Fund	\$2,000,000
	8/6/2020	\$650,000	6/9/2020	Commonwealth Children's Choice Fund	\$1,000,000
	6/1/2020	\$850,000			
2019	11/20/2019	\$4,500,000	12/17/2019	Commonwealth Children's Choice Fund	\$4,000,000
	7/16/2019	\$1,250,000	8/6/2019	Commonwealth Children's Choice Fund	\$1,000,000
	2/12/2019	\$15,000	8/6/2019	Commonwealth Children's Choice Fund	\$1,000,000
2018	9/11/2018	\$800,000		Commonwealth Leaders Fund	\$750,000
			9/21/2018		

⁵ This contribution is listed on Students First PAC's campaign finance report as a \$8,500,000 payment to the United States Postal Service, but on the corresponding Commonwealth Children's Choice Fund report it is listed as a contribution from Students First PAC to Commonwealth Children's Choice Fund on that. More on this below.

7/12/2018	\$750,000	9/13/2018	Commonwealth Leaders Fund	\$750,000
6/14/2018	\$1,500,000	7/24/2018	Commonwealth Leaders Fund	\$1,000,000
2/9/2018	\$20,000	7/24/2018	Commonwealth Leaders Fund	\$1,000,000

As you can see from the chart above, once Mr. Yass contributes to Students First PAC, the money then goes to a *second* political action committee, either Commonwealth Children's Choice Fund or Commonwealth Leaders Fund, each of which is controlled by Mr. Matt Brouillette. Mr. Brouillette simultaneously serves as Chairman of Commonwealth Children's Choice Fund and Treasurer of Commonwealth Leaders Fund. During a recent interview, Mr. Brouillette stated he had a signed agreement with Students First PAC stating he can spend its donations to the PACs however he sees fit.⁶

The chart below from Philly Power Research, which of necessity is a bit complex, demonstrates exactly how the Students First PAC/Yass's contributions/Brouillette-controlled PAC relationship operates— money flowing from Yass to Students First, then to one of the two Brouillette PACs, then to candidates. (This chart only covers 2019-20):



⁶ Chris Brennan, *Heather Heidelbaugh needs big money to beat Josh Shapiro. Pat Toomey's allies are spending it*, The Philadelphia Inquirer (Aug. 22, 2020), <https://www.inquirer.com/politics/pennsylvania/pat-toomey-josh-shapiro-heather-heidelbaugh-pa-attorney-general-20200826.html>.

Mr. Yass is the single largest funder of Students First PAC since its inception in 2010 totaling an astounding \$25.6 million or 81 percent of the total amount of contributions. In recent years, he has nearly become Students First PAC's exclusive funder totaling 99.7 percent of the nearly \$23 million it has raised since 2018.

Additionally, there appear to be reporting irregularities by Students First PAC and Mr. Brouillette. Specifically, according to Students First PAC's campaign finance report filed for the reporting period ranging from October 20, 2020 to November 23, 2020, Mr. Yass contributed \$9,000,000.00 to Students First PAC on November 18, 2020. In that same report, on the same day, Students First PAC also reported an expenditure of \$8,500,000.00 to the United States Postal Service.⁷

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**PART D
ALL OTHER CONTRIBUTIONS
OVER \$250.00**

**Use this Part to itemize all other contributions with an aggregate value of over \$250.00 in the reporting period.
(Exclude contributions from political committees reported in Part C.)**

Name of Filing Committee or Candidate STUDENTS FIRST PAC				Reporting Period From: 10/20/2020 To: 11/23/2020			
Full Name of Contributor Jeffrey Yass				MO	DAY	YEAR	AMOUNT \$ 9,000,000.00
Mailing Address 401 City Ave				11	18	2020	
City	State	Zip Code (Plus 4)					
Bala Cynwyd	PA	19004					
Employer Name Self Employed				Occupation Self Employed			
Employer Mailing Address/Principal Place of Business 401 city ave			City Bala Cynwyd	State PA	Zip Code (Plus 4) 19004		
Enter Grand Total of Part C on Schedule I, Detailed Summary Page, Section 3.							PAGE TOTAL \$ 9,000,000.00

⁷ Katie Meyer, *Jeff Yass, the richest man in Pa., is single handedly keeping school choice PACs flush*, WHYY (May 12, 2021), <https://whyy.org/articles/jeff-yass-the-richest-man-in-pa-is-single-handedly-keeping-school-choice-pacs-flush/>.

STATEMENT OF EXPENDITURES

Name of Filing Committee or Candidate STUDENTS FIRST PAC				Reporting Period From 10/20/2020 To: 11/23/2020			
				DATE			AMOUNT
To Whom Paid U.S. Postal Service				MO	DAY	YEAR	
Mailing Address 1 Union Ave				11	17	2020	\$ 96.25
City Bala Cynwyd	State PA	Zip Code (Plus 4) 19004	Description of Expenditure Legal Advertisement				
To Whom Paid U.S. Postal Service				MO	DAY	YEAR	
Mailing Address 1 Union Ave				11	18	2020	\$ 8,500,000.00
City Bala Cynwyd	State PA	Zip Code (Plus 4) 19004	Description of Expenditure Contribution				
To Whom Paid U.S. Postal Service				MO	DAY	YEAR	
Mailing Address 1 Union Ave				10	22	2020	\$ 13.90
City Bala Cynwyd	State PA	Zip Code (Plus 4) 19004	Description of Expenditure Certified Mailing				
Enter Grand Total of Expenditures on Page 1, Report Cover Page, Item D.							PAGE TOTAL \$ 8,500,110.15

Children’s Choice Fund, however, reported receiving an \$8,500,000.00 contribution from Students First PAC one day later on November 19, 2020. Both things cannot be true.

**PART C
Contributions Received From Political Committees
OVER \$250.00**

Use this Part to itemize only contributions received from Political committees with an aggregate value from Over \$250.00 in the reporting period.

Name of Filing Committee or Candidate COMMONWEALTH CHILDREN’S CHOICE FUND				Reporting Period From: 10/20/2020 To: 11/23/2020			
				DATE			AMOUNT
Full Name of Contributing Committee STUDENT’S FIRST PAC				MO	DAY	YEAR	
Mailing Address PO BOX 416				11	19	2020	\$ 8,500,000.00
City WYNNEWOOD	State PA	Zip Code (Plus 4) 19096					
Enter Grand Total of Part C on Schedule I, Detailed Summary Page, Section 3.							PAGE TOTAL \$ 8,500,000.00

This appears to be either a convenient and glaring error that remains unremedied as of the date of this complaint or an overt effort by Students First PAC to obscure the contribution of Mr. Yass’s funds to Children’s Choice Fund by misreporting it as an expenditure to the United States Postal Service. This too is worthy of an investigation based on Pennsylvania law requiring truthful, accurate disclosures of all expenditures made by a political action committee.⁸

The amount of money Mr. Yass contributes in Pennsylvania generally is astronomical, and the money he specifically contributes to Students First PAC is apparently part of an effort to obscure those contributions. What Mr. Yass, and Students First PAC with Mr. Yass’s funds, is allegedly doing appears to be illegal, and Mr. Brouillette may be abetting this conduct. An investigation is necessary, especially given the amounts of money involved and the public interest in full disclosure of the true source of funds spent on Pennsylvania elections.

⁸ 25 P.S. § 3246(b)(4) and (j); 25 P.S. § 3249(b); 25 P.S. § 3550.

Sincerely,

Eric Rosso
PA Spotlight
Executive Director