

**BEFORE THE
FEDERAL ELECTION COMMISSION**

In the matter of:

Terence Richard McAuliffe, aka Terry McAuliffe
Terry for Virginia (Campaign Committee)
Virginia State Senator Lillie Louise Lucas, Treasurer
Lyca Tel, LLC
Allirajah Subaskaran

MUR_____

**COMPLAINT FOR VIOLATING 52 U.S.C. 30121 PROHIBITING FOREIGN
CAMPAIGN CONTRIBUTIONS**

INTRODUCTION

The **NATIONAL LEGAL AND POLICY CENTER** (“NLPC”), the complainant herein, through its undersigned counsel, hereby files this complaint against respondents Terence Richard McAuliffe, aka Terry McAuliffe, Terry for Virginia, and its Treasurer Virginia State Senator Lillie Louise Lucas (herein collectively “McAuliffe”) for possible violations of 52 U.S.C. 30121 by accepting an aggregate of \$350,000 in campaign contributions for his Virginia Governor’s 2021 race from a foreign national and/or foreign principal, Allirajah Subaskaran and Lyca Tel, LLC (“Lyca Tel”), and against Lyca Tel and /or Subaskaran for making those contributions.

NLPC calls upon the FEC to find it has “reason to believe” a violation has occurred and to promptly investigate this complaint, including the issuance of subpoenas. If a violation is found to have been committed, the FEC should assess appropriate sanctions, including ordering the return of the \$350,000 donation.

COMPLAINANT

NLPC is a national nonprofit organization based in Falls Church, VA, dedicated to promoting ethics in government. To that end, NLPC’s Government Integrity Project has filed numerous ethics complaints against government officials and candidates with the Federal Election Commission, Congressional Ethics Committees, the IRS, and the Department of Justice.¹

RESPONDENTS

Terry McAuliffe is the Democratic candidate for the Governor of Virginia in the General Election scheduled for November 2, 2021.

Terry for Governor is McAuliffe’s principal campaign committee, registration CC-20-00332.

¹ <https://www.nlpc.org/government-integrity-project/>

Virginia State Senator Lillie Louise Lucas is the Treasurer of his campaign committee

Their common address is:

PO Box 31408

Alexandria VA, 22310

Lyca Tel, LLC, has an address at 570 Broad St Newark, NJ 07102, but as alleged herein, is essentially a shell company of a U.K company owned and controlled by respondent Sri Lankan-born British national **Allirajah Subaskaran** who uses that same address.

ALLEGATIONS

On or about July 15, 2021, McAuliffe received \$100,000 from Lyca Tel and another \$250,000 on or about July 15, 2021, for a total of \$350,000 in campaign contributions.² While Virginia law has no limits on the amounts an individual or corporation can give a candidate for state office, Federal law prohibits donations from foreign nationals to campaigns at the federal, state, and local levels.

52 U.S.C. 30121 provides:

(a) Prohibition

It shall be unlawful for—

(1) a foreign national, directly **or indirectly**, to make—

(A) a contribution or donation of money or other thing of value, or to make an express or implied promise to make a contribution or donation, in connection with a Federal, State, or local election;

(B) a contribution or donation to a committee of a political party; or

(C) an expenditure, independent expenditure, or disbursement for an electioneering communication (within the meaning of section 30104(f)(3) of this title); or

(2) a person to solicit, accept, or receive a contribution or donation described in subparagraph (A) or (B) of paragraph (1) from a foreign national.

(b) “Foreign national” defined

As used in this section, the term “foreign national” means—

(1) a **foreign principal**, as such term is defined by section 611(b) of title 22, except that the term “foreign national” shall not include any individual who is a citizen of the United States; or

(2) an individual who is not a citizen of the United States or a national of the United States (as defined in section 1101(a)(22) of title 8) and who is not lawfully admitted for permanent residence, as defined by section 1101(a)(20) of title 8.

(Emphasis added).

22 U.S.C. 611(b) provides in pertinent part:

(b) The term “**foreign principal**” includes—

² https://www.vpap.org/donors/398908-lycatel-llc/?start_year=all&end_year=all

(3) 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

On information and belief, NLPC alleges that the \$350,000 contribution from Lyca Tel to McAuliffe was an “indirect” and thus illegal contribution from a foreign national and/or foreign principal.

A. Lyca Tel Is A Foreign Principal And Allirajah Subaskaran Is A Foreign National Who Owns And Controls Lyca Tel

As reported in a recent news article in the *Washington Free Beacon* regarding the \$350,000 contribution:

LycaTel, a discount calling card provider, boasts a complicated web of offshore businesses and has been the subject of tax-fraud and money-laundering allegations overseas. The company is owned by Sri Lankan-born British national Allirajah Subaskaran, who holds 99 percent of the company's shares through his London-based company, WWW Holding Company Ltd., according to U.K. corporate records reviewed by the Washington Free Beacon. In a Federal Communications Commission filing in August, Subaskaran describes himself as "a natural person and Citizen of the United Kingdom" and lists his U.S. business office as the same address and phone number as LycaTel.”³

LycaTel's contribution is one of the largest received by McAuliffe's gubernatorial campaign this election cycle. Ethics experts say the donation raises foreign-influence red flags. It's also reigniting questions about McAuliffe's previous foreign-donor controversies. The FBI in 2016 reportedly opened an investigation into a \$120,000 donation McAuliffe received from a company owned by Wang Wenliang, a Chinese citizen and U.S. green card holder who served as a delegate to China's parliament.

Subaskaran, through his WWW Holding Company and other entities, owns a globe-spanning web of companies in the technology, media, and gaming sectors, many of them with the word

³ Alana Goodman, *Terry McAuliffe Campaign Took \$350K From US-Based Company Owned by British National: Donation could run afoul of federal law that prohibits taking money from foreign nationals*, Washington Free Beacon (Sept. 30, 2021) <https://freebeacon.com/democrats/terry-mcauliffe-campaign-took-350k-from-us-based-company-owned-by-british-national/> See also <https://www.corporationwiki.com/New-Jersey/Newark/lyca-tel-llc-2095761.aspx>

"Lyca" in the names. The Lyca network is so complicated that its accounting firm, KPMG, acknowledged in a corporate filing that it was unable to account for \$134 million on the balance sheet due to the "complex nature of the related party structure the company operates within," according to the Guardian.

"The Lyca group has also come under scrutiny for its financial activities overseas. LycaMobile is one of the largest donors to the United Kingdom's Conservative Party but has clashed with British authorities over allegations of unpaid taxes. French authorities in 2016 raided LycaMobile's Paris headquarters and arrested "19 people suspected of being involved in a money-laundering system implicating Lycamobile and Lycamobile Services," according to a statement from French prosecutors.

"LycaTel's operations in the United States have come under scrutiny as well. The Federal Communications Commission in 2011 fined the company \$5 million for "deceptively marketing prepaid calling cards" to largely immigrant buyers. The company reportedly claimed the low-cost cards could be used to make "hundreds of minutes of calls" overseas, but buyers were only able to use "a fraction of those minutes for calls, because LycaTel applies a variety of fees and surcharges that quickly deplete the card," said the FCC.

B. FEC Law and Regulations Prohibit Foreign Contributions

As previously noted, foreign campaign contributions are illegal if they are made directly or **indirectly** by a foreign national or principal. 52 U.S.C. 30121. The FEC's Advisory Opinion 2006-15 clarifies the law with respect to domestic subsidiaries of foreign national:

[I]n order for a domestic subsidiary of a foreign national to make donations or disbursements in connection with a State or local election, the donations or disbursements may not be derived from the foreign national's funds and no foreign national may have any decision-making authority concerning the making of donations or disbursements.

AO 2006-15 (May 29, 2006). On information and belief, NLPC submits that there is reason to believe that Lyca Tel's \$350,000 was derived from the "foreign national's funds," namely, Lyca Tel's parent or holding company in the UK and/or that Allirajah Subaskaran, as the owner of Lyca Tel and its holding company, had "decision-making authority concerning the making of donations or disbursements."

The use of foreign contributions in U.S. elections is particularly troubling precisely because of the difficulty of tracing their source. As former FEC Chairman Ellen L. Weintraub testified before Congress in 2019:

One key task is keeping foreign money out of our elections. Federal campaign finance law already prohibits foreign nationals from making contributions to political campaigns, but hidden money from foreign sources represents a significant vulnerability for American democracy.

From September 2016 to April 2019, the number of matters before the Commission that include alleged violations of the foreign-national contribution ban increased from fourteen to forty. There were thirty-two matters open as of April 1, 2019. The Commission has committed to prioritizing enforcement matters that allege violations of the foreign national prohibition, and the division responsible for prosecuting these enforcement actions currently takes a number of steps to fast-track these cases.⁴

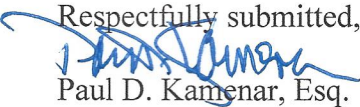
Unfortunately, the parties involved in this transaction have not provided any further information regarding the making and the receipt of the \$350,000. As the Free Beacon article noted:

LycaTel did not respond to emailed questions. When reached by phone on Thursday, LycaTel's general counsel said the company had no comment and was "waiting to hear back from management as to what they want to disclose and what they don't." A lawyer for Subaskaran did not respond to a request for comment. McAuliffe's campaign did not respond to a request for comment.

CONCLUSION

While the respondents can duck a reporter's questions, only the FEC can compel them to respond to this Complaint by finding "reason to believe" a violation has occurred, and to fully investigate this matter by issuing subpoenas for documents and testimony to determine whether "probable cause" exists that a violation of 52 U.S.C. 30210 has occurred.

Respectfully submitted,


Paul D. Kamenar, Esq.
1629 K Street, N.W.
Suite 300
Washington, D.C. 20006
301-257-9435
paul.kamenar@gmail.com
Counsel for NLPC

VERIFICATION

Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury that the above statements are true and correct to the best of my knowledge and belief.


Paul D. Kamenar, Esq.

⁴ https://www.fec.gov/resources/cms-content/documents/Ellen_L._Weintraub__Written_Testimony_for_05-22-19_HOGR.pdf