

June 26, 2023

Omar Ashmawy
Staff Director and Chief Counsel
Office of Congressional Ethics
U.S. House of Representatives
P.O. Box 895
Washington, D.C. 20515

Re: Request for Investigation Regarding Representative Nick LaLota’s Failing to File Timely Financial Disclosure Reports

Dear Mr. Ashmawy:

I am writing to request that the Office of Congressional Ethics (“OCE”) immediately investigate Representative Nick LaLota, who is in violation of the Ethics in Government Act (the “Act”) by failing to file complete financial disclosure reports as required by law. The Act was designed to “preserve and promote the integrity of public officials and institutions.”¹ Representative LaLota repeatedly disregards those important objectives by failing to provide complete information on his financial disclosure report. I respectfully request that you investigate this matter to determine the extent of these violations and take appropriate action as soon as possible.

I. Factual Background

Representative Nick LaLota announced his candidacy for U.S. Representative from New York’s 1st Congressional District on February 21, 2022.² On that same day, the Representative’s principal campaign committee, LaLota for Congress, received more than \$5,000 in contributions in support of his candidacy.³ He filed his candidate financial disclosure report on July 19, 2022.⁴

II. Legal Background and Analysis

Federal candidates and officeholders are required by the Ethics in Government Act to file financial disclosure reports.⁵ Among other requirements, the Act requires filers to report their – and their spouse’s – assets if those assets had a value in excess of \$1,000 at the close of the reporting period or generated unearned income in excess of \$200 during the reporting period.⁶

¹ Ethics in Government Act, Pub. L. No. 95-521, 92 Stat. 1824, 1824 (1978).

² See Nick LaLota for Congress, Statement of Organization (Feb. 21, 2022), available at <https://docquery.fec.gov/cgi-bin/forms/C00806018/1571306/>.

³ See LaLota for Congress, 2022 April Quarterly Report, (filed Apr. 15, 2022), <https://docquery.fec.gov/pdf/264/202204159496706264/202204159496706264.pdf>.

⁴ Clerk of the House of Representatives, Nick LaLota Financial Disclosure Report, July 19, 2022, https://disclosures-clerk.house.gov/public_disc/financial-pdfs/2022/10047996.pdf.

⁵ 5 U.S.C.A. §§ 13103(c), (f); see also U.S. House of Representatives Committee on Ethics, Instruction Guide – Financial Disclosure Statements and Periodic Transaction Reports at 2 (2023), available at <https://ethics.house.gov/sites/ethics.house.gov/files/documents/Updated%20Final%20Combined%202023%20Instruction%20Guide.pdf> (hereinafter “House Ethics Instruction Guide”).

⁶ *Id.*

Reportable assets include underlying assets in brokerage accounts, IRAs, 401(k) plans, other non-federal retirement accounts, and ownership interests in privately held companies.⁷ The Act requires filers to disclose the name and value of these assets as well as the type and amount of income they generate.⁸ For an ownership interest in a privately-held company that is actively engaged in a trade or business, a filer must provide the name of the business, a brief description of the nature of its activities, and its geographic location on Schedule A.⁹ For retirement account holdings, a filer must list each asset held in the account (that meet the Act’s reporting thresholds) and each holding’s value at the end of the reporting period.¹⁰ Similarly, filers must disclose all underlying holdings and transactions in investment accounts that meet the value and/or unearned income thresholds.¹¹

In addition, candidates must disclose any clients for whom they personally performed services that generated fees in excess of \$5,000 during the two preceding calendar years through the date of filing, if the candidate had an ownership interest in the entity that received the client’s fees.¹² In identifying the clients, the filer must provide the name and location of the individual or company for whom services were performed as well as describe the nature of the services generating compensation.¹³ The law does permit filers to not disclose the identity of their clients for several reasons.¹⁴ If any of these reasons apply, it must be indicated on Schedule J that “certain confidential clients are not reported” and a specific reason for the nondisclosure must be listed.¹⁵

a. Representative Nick LaLota failed to disclose his and his spouse’s assets, including his limited liability company, 495 Consulting Group, and their retirement assets.

First, on Representative LaLota’s candidate financial disclosure report, he noted on Schedule E that he was the owner of 495 Consulting Group, LLC.¹⁶ 495 Consulting Group registered in the state of New York as a domestic limited liability company in Suffolk County on September 10, 2013,¹⁷ and remains currently active, though its statement status is “past due”.¹⁸ As a Trustee for Amityville, New York, LaLota’s bio stated in 2022 that presently, “He also owns his own

⁷ See U.S. House of Representatives Committee on Ethics, Instruction Guide - Financial Disclosure Statements and Periodic Transaction Reports at 14 (2023), <https://ethics.house.gov/sites/ethics.house.gov/files/documents/Updated%20Final%20Combined%202023%20Instruction%20Guide.pdf> [hereinafter the “House Financial Disclosure Instruction Guide”].

⁸ House Financial Disclosure Instruction Guide at 14.

⁹ House Financial Disclosure Instruction Guide at 21.

¹⁰ House Financial Disclosure Instruction Guide at 16.

¹¹ *Id.*

¹² House Financial Disclosure Instruction Guide at 39.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ Clerk of the House of Representatives, Nick LaLota Financial Disclosure Report, July 19, 2022, [10047996.pdf](https://ethics.house.gov/sites/ethics.house.gov/files/documents/Updated%20Final%20Combined%202023%20Instruction%20Guide.pdf) ([house.gov](https://ethics.house.gov)).

¹⁷ N.Y. Dep’t of State Div. of Corp., 495 Consulting Group LLC, <https://apps.dos.ny.gov/publicInquiry/EntityDisplay>.

¹⁸ *Id.*

consulting company[.]”¹⁹ However, Representative LaLota did not list the company as an asset on Schedule A.²⁰

Second, while Representative LaLota listed his spouse’s Brighthouse 403(b) account and TD Ameritrade individual retirement account (“IRA”) as single line items on his report’s Schedule A,²¹ he failed to disclose any of the accounts’ underlying holdings. The 403(b) account is reported to have a value of \$50,000 to \$100,000 and the IRA account is valued at \$1,001 to \$15,000. As noted above, the Act requires filers to disclose the actual assets held within a retirement account; it is not sufficient to just disclose the aggregate value of the portfolio or account.²² By failing to disclose the specific holdings of the 403(b) account and the underlying holdings of the IRA, the public has no way of knowing the full extent of the Representative’s financial interests or assessing any potential conflict of interest.

Similarly, Representative LaLota failed to disclose complete information regarding his Suffolk County Deferred Compensation Plan. T. Rowe Price lists a variety of options individuals can choose from when building their investment portfolios, including different forms of income (bond, international bond, and stable value) and equity (domestic, international, sector/specialty, hybrid, and global).²³ Representative LaLota did not specify which T. Rowe Price funds are held within his compensation plan or the value of each fund at the end of the reporting period. As a result, the report again lacks the crucial information the Act requires to be disclosed included for this type of account.

b. Representative LaLota failed to disclose the clients of his consulting firm, 495 Consulting Group, LLC.

Although Representative LaLota identified himself as the owner of 495 Consulting Group, LLC on his candidate financial disclosure report, he did not disclose any of the firm’s clients. As a Trustee for Amityville, New York, LaLota’s bio stated in 2022 that presently, “He also owns his own consulting company and advises clients on strategic communications and marketing.”²⁴ As he wrote, he personally provided services for clients, if that generated more than \$5,000 in 2020, 2021, or 2022, he should have identified those clients on his report (or indicated that the identity of such clients is confidential).

III. Request for Action

¹⁹ See Amityville, New York website, archived by Archive.org on August 4, 2022, <https://web.archive.org/web/20220804092016/https://amityville.com/nick-lalota/>.

²⁰ House Financial Disclosure Instruction Guide at 21. He also did not disclose any earned income from the company on Schedule C, or any of its clients as a source of compensation in excess of \$5,000 on Schedule J.

²¹ Clerk of the House of Representatives, Nick LaLota Financial Disclosure Report, July 19, 2022, https://disclosures-clerk.house.gov/public_disc/financial-pdfs/2021/30014906.pdf.

²² House Financial Disclosure Instruction Guide at 16.

²³ See Suffolk County, New York Deferred Compensation Plan, available at <https://www.troweprice.com/content/dam/troweplan/pdfs/suffolk/2023/sc-enrollment-brochure.pdf>.

²⁴ See Amityville, New York website, archived by Archive.org on August 4, 2022, <https://web.archive.org/web/20220804092016/https://amityville.com/nick-lalota/>.

The omissions of information regarding Representative LaLota's and his spouse's assets and his client base are highly concerning, as it obscures sources of revenue the Representative had during the 2022 cycle. Accordingly, we ask that you immediately investigate Representative LaLota for his failure to file a complete financial disclosure report for his congressional candidacy in 2022. The Representative's disregard for his financial disclosure obligations is not only a violation of federal law but it also shields the public from critical information about his financial interests—information that voters should have had before his election to Congress and that his district constituents should have as he represents them in Congress.

In order to safeguard the integrity of federal ethics laws, I respectfully request that you immediately undertake a full investigation of this matter and promptly take all other steps needed to seek appropriate penalties and corrective action.

I understand that 18 U.S.C. § 1001 applies to the information I am providing. To the best of my knowledge and ability, all evidence submitted was not obtained in violation of any law, rule, or regulation.

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Amanda E. Bogden". The signature is written in a cursive, flowing style.

Amanda Bogden
Chief Operating Officer
End Citizens United

CC: The Honorable Cheryl L. Johnson
Clerk of the U.S. House of Representatives