



Ohio Elections Commission

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December 16, 2021

Ohio Elections Commission Advisory Opinion 2021ELC-04

SYLLABUS: Uses of a peer-to-peer payment system is acceptable and appropriate under Ohio's campaign finance laws. To comply with the provisions of R.C. §3517.10(D)(3) however, such a peer-to-peer payment system account, exemplified as a Venmo account, must be an account set up specifically for the campaign committee and must be separate from any personal account of a possible beneficiary of the campaign fund.

To: Opinion Issued *sua sponte*.

The commission has been presented with a situation that requires a response. The essential question for the Commission is as follows:

Can a campaign committee utilize a Venmo account, one example of a peer-to-peer payment system, and, if so, how must it be established?

The Ohio Elections Commission has been apprised of situations that may become more prevalent as additional means of receiving contributions continues to develop and so the Commission has determined that it is important to provide further guidance.

As stated recently in Commission Advisory Opinion 2021ELC-03, some campaign finance laws have been in place for over 100 years. Through this time, certain standards and expectations for contributions to campaign committees have been generally accepted. One, that a campaign committee will have one account into which contributions will be deposited. Secondly, as also stated in statute, that all campaign funds will be maintained in an account separate and distinct from any personal account of any beneficiary of the campaign committee.

As advances in the financial arena have continued to develop, and as campaigns desire to make the receipt of contributions from contributors ever easier for the contributor to make and the campaign committee to receive, more mechanisms are being utilized to allow for this process. Among those mechanisms are peer-to-peer payment systems, the most popular of which is known as Venmo.

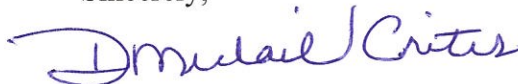
Venmo is an 'App', an application used on a cellular phone or other similar electronic device, that is owned by PayPal and enables the relatively easy electronic transfer of funds from one person's account to the account of another Venmo user. The identification of both the sender and the recipient of the funds is easily discernable, which is critical for the identification of campaign contributions.

The reason for the issuance of this advisory opinion, though, is that the Commission has been apprised that some campaign committees have been using a personal Venmo account of the candidate (or, for that matter, any acceptable peer-to-peer payment system) to initially receive contributions before transferring those contributions to the campaign's bank account. This type of receipt and transfer is not acceptable under Ohio's campaign finance laws. A separate campaign Venmo account for the campaign committee, distinct from an individual's Venmo account, is required.

Ohio Revised Code §3517.10(D)(3) states that a campaign committee shall deposit all monetary contributions received by the committee into an account separate from a personal or business account of the candidate or treasurer of the campaign committee. Allowing contributions to be first directed into the personal Venmo account of a beneficiary of the campaign committee before moving those funds into a separate campaign account is a direct violation of this provision. Even if the funds are able to be transferred in quick succession into the campaign's account, the fact that the initial deposit is made into a personal account cannot be permitted.

Accordingly, it is the opinion of the Ohio Elections Commission, and you are so advised, that use of a peer-to-peer payment system is acceptable and appropriate under Ohio's campaign finance laws. To comply with the provisions of R.C. §3517.10(D)(3) however, such a peer-to-peer payment system account, exemplified as a Venmo account, must be an account set up specifically for the campaign committee and must be separate from any personal account of a possible beneficiary of the campaign fund.

Sincerely,



D. Michael Crites
Chair