



**FEDERAL ELECTION COMMISSION**

Washington, D.C. 20463

**MEMORANDUM**

**TO:** The Commission

**FROM:** Lisa J. Stevenson  
Acting General Counsel

Charles Kitcher  
Acting Associate General Counsel for Enforcement

**BY:** Peter G. Blumberg *PGB*  
Acting Deputy Associate General Counsel for Enforcement

Mark Allen *MA*  
Assistant General Counsel

**SUBJECT:** MUR 6800 (Ron Paul 2012 Presidential Campaign Committee, Inc., *et al.*)  
Recommendation to Close the File

This matter involves an in-kind corporate contribution and reporting violations arising from payments to then-Iowa state senator Kent Sorenson to switch his support from Michele Bachmann to Ron Paul leading up to the 2012 Republican Party Iowa presidential caucus. The Commission found reason to believe that the Ron Paul 2012 Presidential Campaign Committee, Inc. (“Committee”)<sup>1</sup> knowingly and willfully violated 52 U.S.C. §§ 30118 and 30104(b)(5) by accepting and failing to properly report the payments to Sorenson and that Designer Goldsmiths, Inc. (“DGI”), the source of a \$25,000 check provided to Sorenson, and Dimitri Kesari, an officer and director of DGI and an official of the Committee, knowingly and willfully violated 52 U.S.C. § 30118 by making and consenting to the contribution.<sup>2</sup> Sorenson, Kesari, Ron Paul campaign chairman Jesse Benton, and Ron Paul campaign manager John Tate were criminally prosecuted for their participation in the scheme to conceal payments to Sorenson for his services to benefit the Committee.<sup>3</sup>

<sup>1</sup> The Committee was Ron Paul’s authorized committee during his 2012 presidential campaign. *See* Ron Paul 2012 Presidential Campaign Committee, Inc., Amended Statement of Organization (May 13, 2011).

<sup>2</sup> *See* Second Amended Certification ¶ 1.a.-e., MUR 6800 (Ron Paul 2012 Presidential Campaign Committee, Inc.) (July 19, 2016). The Commission took no action as to Sorenson and later closed the file as to him. *See id.* ¶ 1.f; Amended Certification ¶ 4, MUR 6800 (Ron Paul 2012 Presidential Campaign Committee, Inc.) (Mar. 21, 2019).

<sup>3</sup> *See* Second General Counsel’s Report at 2, MUR 6800 (Ron Paul 2012 Presidential Campaign

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The Commission entered into pre-probable cause conciliation with the Committee and with DGI.<sup>4</sup> For several reasons we now recommend closing the file in this matter. Conciliation efforts with the Committee and with DGI were not promising, and it did not appear to be an efficient use of the Commission's resources to proceed to the probable cause stage, particularly when the Commission lost its quorum in September 2019. Nor has it appeared worth the use of additional Commission resources to proceed to the probable cause stage with the reestablishment of the Commission quorum in late 2020. Three Committee officials – Kesari, Benton, and Tate – were criminally prosecuted for the activity in this matter. In addition, the Committee is defunct and the candidate, Ron Paul, is 85 years old and has not run for office since 2012.<sup>6</sup> The Commission's Factual and Legal Analyses will stand on the public record as the Commission's assessment of Respondents' liability at the reason to believe stage.<sup>7</sup>

## RECOMMENDATIONS:

1. Close the file.
2. Approve the appropriate letters.

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Committee, Inc.) ("Second GCR"). Sorenson pleaded guilty to causing the filing of false disclosure reports with the Commission and obstructing a federal investigation. The other criminal defendants were convicted at trial. *See id.* Benton and Tate are not respondents in this matter. Both were pardoned by President Donald J. Trump on December 23, 2020. *See* <https://trumpwhitehouse.archives.gov/briefings-statements/statement-press-secretary-regarding-executive-grants-clemency-122320/>.

<sup>4</sup> *See* Amended Certification ¶¶ 1-2, MUR 6800 (Ron Paul 2012 Presidential Campaign Committee, Inc.) (Mar. 21, 2019). The Commission closed the file as to Kesari. *See id.* Respondents agreed to toll the statute of limitations for the duration of the conciliation process. *See* Designer Goldsmiths, Inc., Ninth Consent to Extend Time to Institute a Civil Law Enforcement Suit (Nov. 29, 2017); Ron Paul 2012 Presidential Campaign Committee, Inc., Seventh Consent to Extend Time to Institute a Civil Law Enforcement Suit (Sept. 18, 2017) (available in VBM). Respondents also tolled in connection with their requested extensions until after the criminal appeals had concluded to respond to the Commission's reason to believe findings because they asserted that certain information needed for their responses was under seal. *See* Second GCR at 2-3. With the tolling agreements, the SOL for DGI expires in November 2021 and for the Committee the earliest SOL expires in November 2021 and the latest in June 2022.

<sup>6</sup> The Committee disclosed zero cash-on-hand in its most recent report to the Commission. *See* Ron Paul 2012 Presidential Campaign Committee, Inc. 2021 April Quarterly Report (Apr. 1, 2021).

<sup>7</sup> The convictions of Kesari, Benton, and Tate were affirmed by the United States Court of Appeals for the Eighth Circuit on May 11, 2018, after the Commission's reason to believe findings as to Kesari, DGI and the Committee. *See United States v. Jesse Benton, John Tate, and Dimitrios Kesari*, 890 F.3d 697 (8th Cir. 2018).