



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

June 19, 2019

**MEMORANDUM**

TO: The Commission

FROM: Lisa J. Stevenson  
Acting General Counsel

Charles Kitcher  
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for Enforcement

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Acting Deputy Associate General Counsel

BY: Mark Shonkwiler *MS*  
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SUBJECT: MUR 6828 (Cal Voters for Honest Government)

RE: Circulation of Discovery Documents

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On March 26, 2019, the Commission found reason to believe that Cal Voters for Honest Government and Johnny Diaz in his official capacity as treasurer ("Cal Voters" or "Committee") failed to include proper disclaimers on a website and billboards that supported congressional candidate Joe Baca and fraudulently solicited funds in violation of 52 U.S.C. §§ 30120 and 30124(b).<sup>1</sup> The Commission also authorized compulsory process for an investigation.

Attached for the Commission's approval on a 48-hour no objection basis are four Subpoenas to Produce Documents and Orders to Submit Written Answers directed to the Bank of the West and three individuals who each had an apparent role with the Committee and connections to the contributors listed on the Committee's disclosure reports filed with the Commission.

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<sup>1</sup> See Certification ¶ 2.a (Mar. 29, 2019).

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 2 On April 18, 2019, the Commission issued subpoenas in MUR 6828 to the Respondents  
 3 and six vendors, including billboard vendors, a payment processing vendor, and Bank of the  
 4 West, which held Cal Voters' bank account.<sup>2</sup> From the bank's response we learned that only  
 5 \$5,100 of the \$175,000 in contributions reported on the Committee's disclosure reports were  
 6 ever deposited in the designated committee account.<sup>3</sup> Further, the records produced by the  
 7 billboard vendors show that the Cal Voters ads supporting Baca's candidacy were paid for by  
 8 Golden State Consultants, not Cal Voters.

9  
 10 Through witness interviews with the committee treasurer and the vendor who created the  
 11 committee website (Tony Inocentes of Chemeria Consulting), we learned that Richard Mayer, a  
 12 principal of Golden State Consultants, contracted with the Committee's vendors on behalf of the  
 13 Committee and issued payments to vendors. Mayer, who agreed to an interview, verified these  
 14 facts to us but has failed to provide us with details or copies of relevant bank records. Mr. Mayer  
 15 represented that Golden State Consultants was closed and no longer exists. The documents  
 16 produced by the billboard vendors include contracts signed by Mayer and payments issued by  
 17 checks drawn on a Golden State Consultants bank account. In light of that activity, it is likely  
 18 that Mayer received contributions made to Cal Voters and deposited them into a separate bank  
 19 account. The Committee treasurer explained to us that he completed the Cal Voters' reports filed  
 20 with the Commission based solely on information that Mayer provided to him on a spreadsheet,  
 21 and not based on a review of any bank statements.<sup>4</sup>

22  
 23 Because it appears that Cal Voters utilized an additional bank account, we propose  
 24 sending another subpoena to the bank seeking records for Golden State Consultants and its  
 25 related businesses in order to ascertain the full scope of Cal Voters' possible fraudulent  
 26 misrepresentation violations.<sup>5</sup> Thus far, the Committee treasurer has been cooperative in  
 27 providing us with information and documentation in his possession, and we have obtained 90

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<sup>2</sup> See Certification (Apr. 18, 2019).

<sup>3</sup> The bank records show only two deposits into the committee's account. A \$5,100 contribution from Golden State Consultants, and a \$500 contribution from Del Mar Auto Center Inc. The latter included the statement "Donation Joe Baca Campaign" on the memo line of the check. That contribution was not disclosed in the Committee's reports filed with the Commission. The \$5,100 contribution was disclosed on reports as contribution from "Suncor, Inc."

<sup>4</sup> The spreadsheet, which Diaz provided to us, lists the names of vendors and the amounts of payments and deposits that appear to match up with the amounts disclosed on the Committee's FEC reports. The spreadsheet only uses the generic term "Deposit" for those entries, however, without specifying the names of contributors. Diaz states that when he completed the Committee's disclosure reports he had to ask Mayer for the name of the contributors. The top of the spreadsheet lists "Suncor Hesperia, LLC" as a title.

<sup>5</sup> The Committee's use of a different bank account than the one designated on its Statement of Organization raises the possibility that it may have violated the recordkeeping, reporting, and commingling provisions of the Act. Review of the Golden State Consultant bank account for the relevant time period may also reveal additional contributions that may have been intended for the Joe Baca campaign. We will make additional recommendations as appropriate once we review the records. Mayer ran at least four different businesses, which are identified on the bank subpoena. Cal Voters' disclosure reports list payments made to two of those businesses, Golden State Consultants and R&M and Associates, but as discussed *infra*, a third business known as Golden State Contractors, also appears to be implicated.

1 days of tolling from him.<sup>6</sup> We plan to seek additional tolling in order to complete the  
 2 investigation. In light of Mayer's apparent role with issuing payments for Cal Voters, and possibly  
 3 accepting contributions on its behalf, we also propose a subpoena directed to Mayer.  
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5 We are also seeking subpoenas for two individuals (Robert Yang and Claudia Kano) who  
 6 are related to the two companies, Yanrob Medical Inc. ("Yanrob"), and Suncor, Inc. ("Suncor"),  
 7 that were the only contributors disclosed on Cal Voters' reports with the Commission. Together,  
 8 Yanrob and Suncor reportedly contributed \$175,000, but none of those contributions appear in  
 9 the Committee's bank records. Both companies are owned by Yang. Kano is his assistant. We  
 10 learned through publicly available information that Yang, Kano, Yanrob and Sunco were  
 11 defendants in an SEC civil enforcement action relating to allegations of defrauding Chinese  
 12 investors seeking to obtain U.S. visas through an EB-5 federal program.<sup>7</sup> Publicly available SEC  
 13 documents reveal that Yanrob made payments to Golden State Contractors on dates and in  
 14 amounts that appear to match up with the contributions disclosed on the Committee's report.<sup>8</sup>  
 15 The subpoenas directed to Yang and Kano seek details concerning payments they made to  
 16 benefit Cal Voters in order to ascertain the total amount of the violations. They also seek  
 17 additional information concerning who may have been responsible for the website at issue in this  
 18 matter.<sup>9</sup>  
 19

20 We are attempting to reach out to Yang and Kano to try to obtain the information  
 21 informally, but in light of their prior legal troubles, subpoenas appear necessary to ensure their  
 22 response. Similarly, Mayer claims that he does not have any bank records relating to Cal Voters.  
 23 Therefore, we propose the attached subpoenas to obtain the records directly from the bank and  
 24 additional documentation from Mayer.  
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<sup>6</sup> See Tolling Agreements signed by Johnny Diaz, Jr. (May 16, 2019 and June 13, 2019). In addition to the spreadsheet, Diaz also provided us with a copy of a letter he received from a disgruntled citizen complaining about two sets of mailers, along with copies of the relevant mailers. The letter was directed to Joe Baca.

<sup>7</sup> See *SEC v. Robert Yang, et al.*, Case No. 5:15-cv-02387-SVW, Complaint (Nov. 19, 2015) and Final Judgment (C.D. CA. Jan. 8, 2019) (outlining defendants' scheme to defraud investors).

<sup>8</sup> Additionally, the spreadsheet of reportable transactions that we obtained from the Committee treasurer, but which apparently was created by Mayer, lists "Suncor Hesperia, LLC" as a title at the top, further showing a potential connection between the entities.

<sup>9</sup> Based on information provided by the website vendor, it appears that Kano may have been the individual who hired him to create the Cal Voters website and social media accounts. The vendor has agreed to review his records to confirm additional details concerning his work for Cal Voters.