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THE FEDERAL ELECTION COMMISSION  
Washington, DC 20463

## MEMORANDUM

**TO:** The Commission

**FROM:** Daniel A. Petalas  
Associate General Counsel for Enforcement

**BY:** Peter Blumberg *PLB*  
Assistant General Counsel for Enforcement

Michael A. Columbo *MAC*  
Attorney

**SUBJECT:** MUR 6850 (Jeremy Johnson, et al.)

**RE:** Circulation of Discovery Document – Cache Valley Bank Subpoena — on 48-Hour No Objection Basis

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On November 18, 2014, the Commission found reason to believe that Jeremy Johnson, John Swallow, and Arvin L. Black violated 52 U.S.C. § 30122 by making contributions in the name of another and that Johnson violated 52 U.S.C. § 30116(a) by making an excessive contribution. The Commission previously approved orders to submit written answers, subpoenas to produce documents, and deposition subpoenas for each of these three respondents and orders to answer questions and document requests for each of the suspected conduits, as well as a subpoena for relevant records in the possession of a court-appointed receiver for Jeremy Johnson's assets. Attached is a subpoena for Cache Valley Bank to produce bank records of the now-closed intermediary company, Powder Monkeys, LLC, through which Johnson appears to have routed at least 12 reimbursement payments. We believe the funds were subsequently disbursed directly from this company's account to the conduits.

In recorded interviews with law enforcement, Johnson admitted that he reimbursed approximately \$50,000 in contributions to the Lee Committee through family members, friends, and business associates. A bank statement located in a public court filing during the investigation indicates that Johnson issued 31 checks for \$2,500 in June 2010 at approximately the same time that his family and associates contributed to the Lee Committee. Copies of twelve of those checks indicate that each was sent to accounts at FTPayments, the d/b/a of Powder Monkeys, LLC, which was a company nominally controlled by Johnson associates. That

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company processed payments for online poker games. In an interview with ABC News, Johnson reportedly stated that he reimbursed contributions using “poker accounts in the bank.”

Bank records for Powder Monkeys showing the persons or accounts to whom it disbursed funds may therefore provide documentary evidence of the existence and scope of the scheme and identify the conduits to whom the reimbursement payments were made. Public filings in other proceedings involving civil asset forfeiture of the proceeds of illegal gambling reflect that the funds in Powder Monkey’s accounts were previously maintained by Sunfirst Bank— a bank Johnson partly owned. On November 4, 2011, the Utah Department of Financial Institutions closed Sunfirst Bank and its accounts were acquired by Cache Valley Bank.

Accordingly, we propose to subpoena Cache Valley Bank for the Powder Monkey account records and a proposed subpoena to Cache Valley Bank is enclosed.