



FEDERAL ELECTION COMMISSION
Washington, D.C. 20463

August 28, 2019

MEMORANDUM

TO: The Commission

FROM: Lisa J. Stevenson
Acting General Counsel

Charles Kitcher
Acting Associate General Counsel

BY: Stephen Gura *SG*
Deputy Associate General Counsel

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Assistant General Counsel

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SUBJECT: MUR 6997 (Americans Socially United, *et al.*)

RE: Circulation of Discovery Documents –
Subpoenas to Twelve Financial Institutions Used by Cary Peterson
Subpoena to the Federal Reserve Bank of New York

The Commission previously found reason to believe that Americans Socially United and Cary Peterson¹ in his official capacity as treasurer (“ASU”) violated 52 U.S.C. §§ 30102(c)(3), 30104(b)(3)(A), and 30124(b)(1) by soliciting and accepting contributions through various websites that fraudulently misrepresented that ASU was acting for or on behalf of former

¹ Peterson also recently faced criminal charges for securities fraud. See First Gen. Counsel’s Rpt. at 3, n. 4, MUR 6997. Peterson’s trial on those charges ended May 23, 2018; he was convicted “for orchestrating a multi-million securities fraud scheme.” See *Microcap Company CEO Convicted of Securities Fraud for Falsely Claiming Millions in Revenue From Contracts with Foreign Countries*, DOJ Press Release (May 24, 2018), <https://www.justice.gov/usao-nj/pr/microcap-company-ceo-convicted-securities-fraud-falsely-claiming-millions-revenue>. On December 20, 2018, Peterson was sentenced to 52 months in federal prison and ordered to pay \$250,167 in restitution.

1 presidential candidate Bernie Sanders.² The Commission authorized the use of compulsory
2 process in the investigation,³ and it previously approved subpoenas to banks (Bank of Guam, U.S.
3 Bank N.A., and First Bank), payment processing vendors used by the website at issue (Authorize.net,
4 First Data, and Square, Inc.), and a website domain company (Namesilo, LLC), as recommended by
5 OGC in a memorandum dated August 15, 2018.⁴ The subpoenas were issued and OGC received
6 help from the Audit Division to analyze the banking and payment processing records.
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8 Analysis of the records revealed that only a portion of the receipts that Respondents
9 reported to the Commission were deposited into the accounts for which we received records. To
10 identify other bank accounts through which Respondents may have routed the receipts, we
11 requested access to information gathered by
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20 We are seeking records regarding these accounts to complete the record and identify
21 reported receipts that not accounted for in the previously obtained bank records, including a
22 reported \$40,000 contribution from actor Daniel Craig. In addition,
23 we are also seeking Federal Reserve records of any wire transfers Peterson made during the
24 time that ASU was actively soliciting and receiving funds. We believe that the information
25 sought is necessary to determine the scope of the violations, including: (1) the number and
26 amount of contributions that ASU accepted; (2) the number and amount of contribution refunds;
27 (3) whether any funds were used for disbursements to support Sanders's candidacy; (4) what
28 funds accepted by ASU, if any, remain in Peterson's accounts; and (5) whether ASU's disclosure
29 report filed with the Commission accurately reflected the money it actually received.
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² Certification ¶¶ 1, 3 (April 25, 2018). On May 8, 2018, the Commission notified ASU and Peterson of the Commission's findings. *See* Ltr. from Caroline C. Hunter, Chair, FEC, to Cary L. Peterson (May 8, 2018) (attaching Factual and Legal Analysis). To date, neither ASU nor Peterson have submitted a response to the notification.

³ Certification ¶ 3 (April 25, 2018).

⁴ Certification (Aug. 20, 2018).

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1 In sum, we attach for approval on a 48-hour no-objection basis (1) a template Subpoena
2 to Produce Documents and Order to Submit Written Answers to be directed to the twelve banks
3 and brokerage services⁷ identified during the investigation; and (2) a Subpoena to
4 Produce Documents and Order to Submit Written Answers directed to the Federal Reserve Bank
5 of New York.

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7 Because these subpoenas seek information regarding Peterson's personal bank accounts,
8 we intend to take the appropriate steps to comply with the requirements of the Right to Financial
9 Privacy Act in connection with this subpoena.

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11 Accordingly, we request that the Commission approve the attached subpoenas.
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⁷ These additional financial institutions include: Charles Schwab, USAA Federal Savings Bank, Wells Fargo, Zions Bank, Alpine Securities, BNP Paribas, Canter Fitzgerald, City Global, E*TRADE Securities LLC, Fidelity Brokerage Services LLC, TD Ameritrade, UBS, and Vanguard.