

1                                   **BEFORE THE FEDERAL ELECTION COMMISSION**

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In the Matter of	)	
	)	MURs 7011 and 7092
HC4President and Kyle Prall	)	
in his official capacity as treasurer	)	
Socially Responsible Government and	)	
Grace Rogers in her official capacity	)	
as treasurer	)	
Kyle Prall	)	

14                                   **SECOND GENERAL COUNSEL’S REPORT**

15                   **I.       ACTIONS RECOMMENDED**

16                   We recommend that the Commission: (1) take no further action against HC4President  
17 and Kyle Prall in his official capacity as treasurer (“HC4P”) except for issuing a letter of  
18 admonishment; (2) take no further action against Socially Responsible Government and Grace  
19 Rogers in her official capacity as treasurer (“SRG”) except for issuing a letter of admonishment;  
20 (3) take no further action against Kyle Prall in his personal capacity except for issuing a letter of  
21 admonishment; (4) instruct the Reports Analysis Division (“RAD”) to administratively terminate  
22 HC4P and SRG as federal political committees; and (5) close the matter and send the appropriate  
23 letters.

24                   **II.       BACKGROUND**

25                   On April 24, 2018, the Commission found reason to believe that HC4P, SRG, and Kyle  
26 Prall in his personal capacity violated 52 U.S.C. § 30124(b) based on information that indicated  
27 that the HC4P and SRG websites, which Prall controlled, were designed to mislead visitors into  
28 believing that HC4P represented Hillary Clinton’s authorized presidential campaign and that  
29 SRG represented Bernie Sanders’s authorized presidential campaign.<sup>1</sup> The Commission

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<sup>1</sup> See Certification, MURs 7011 and 7092 (Apr. 25, 2018).

1 authorized the use of compulsory process to obtain further facts regarding HC4P and SRG,

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4 On January 15, 2019, a federal grand jury indicted Prall on three counts of mail fraud

5 (18 U.S.C. § 1341), three counts of wire fraud (18 U.S.C. § 1343), eight counts of money

6 laundering (18 U.S.C. §§ 1956-57), three counts of false statements on filings with the

7 Commission (18 U.S.C. § 1001(a)(2)), and three counts of falsifying Commission reports

8 (18 U.S.C. § 1519), in connection with the activities of three political committees that he formed

9 in 2016.<sup>3</sup> On May 9, 2019, Prall pled guilty to one count of mail fraud, admitting that he

10 “knowingly devised and intended to devise” “to obtain money by means of material false and

11 fraudulent pretenses, representations, and promises” by soliciting “contributions from the public

12 for multiple political committees.”<sup>4</sup> He admitted that he made representations on the Committee

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<sup>3</sup> See Indictment, *U.S. v. Kyle Gerald Prall* No. A: 19-CR-013 (W. Dist. Tex. Jan. 15, 2019) (“Indictment”) (including criminal charges against Prall in connection with HC4P, SRG, and Make America Great (f/k/a Trump Victory)). Prall’s activities involving a fourth committee, Cruz Into President, were also considered during his sentencing proceedings. See Government Sentencing Memorandum at 4, *U.S. v. Kyle Gerald Prall* No. A: 19-CR-013 (W. Dist. Tex. Oct. 18, 2019) (“Gov’t Sentencing Memorandum”). The Commission does not have any pending enforcement matters against Make America Great or Cruz Into President, and they were administratively terminated in 2017 and 2019. See <https://docquery.fec.gov/pdf/359/201905160300040359/201905160300040359.pdf> and <https://docquery.fec.gov/pdf/484/201712010300181484/201712010300181484.pdf>. Prall also served as treasurer for three other committees that were not named in the criminal case but were administratively terminated in 2017 and 2018: Feingold Victory Committee, Progressive Mission and Progress Ohio. See <https://docquery.fec.gov/pdf/482/201712010300181482/201712010300181482.pdf>, <https://docquery.fec.gov/pdf/704/201804060300002704/201804060300002704.pdf>, and <https://docquery.fec.gov/pdf/672/201804060300002672/201804060300002672.pdf>.

<sup>4</sup> See Plea Agreement at 4, *U.S. v. Kyle Gerald Prall* No. A: 19-CR-013 (W. D. TX Apr. 28, 2019) (“Plea Agreement”); Findings of Fact and Recommendation and Order, *U.S. v. Kyle Gerald Prall*, No. A: 19-CR-013 (W. Dist. Tex. May 9, 2019 and Sept. 16, 2019).

1 websites that the donated funds would be used to support the intended candidate, but in fact,  
2 many of the funds were transferred to Prall through sham LLCs or were used for expenses  
3 intended to generate additional contributions.<sup>5</sup> Prall was sentenced on November 26, 2019, to  
4 thirty-six months in prison, followed by three years of supervised release, and ordered to pay  
5 \$546,118.14 in restitution and forfeit \$205,496.68 in proceeds he personally obtained from the  
6 offense, which will be credited to the restitution amount owed.<sup>6</sup>

7 As discussed below, confirms the  
8 Commission's reason to believe findings regarding violations of the Federal Election Campaign  
9 Act of 1971, as amended (the "Act"). Prall's criminal conviction and sentence have resulted in  
10 the cessation of the illegal activity, a requirement that he provide restitution to HC4P and SRG  
11 donors, and a lengthy prison sentence. Under these specific circumstances, we recommend that  
12 the Commission take no further action in connection with these matters, other than to issue  
13 letters of admonishment and administratively terminate HC4P and SRG as federal political  
14 committees.

### 15 **III. RESULTS OF INVESTIGATION**

16 The purpose of the investigation was to determine whether HC4P and SRG had  
17 fraudulently misrepresented themselves as acting on behalf of federal candidates.  
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<sup>5</sup> Plea Agreement at 4.

<sup>6</sup> Order of Money Judgment and Judgement and Commitment Order, *U.S. v. Kyle Gerald Prall*, No. A: 19-CR-013 (W. Dist. Tex. Oct. 29, 2019 and Nov. 26, 2019).

1 This evidence supports the  
2 Commission's reason to believe findings that HC4P, SRG, and Prall violated 52 U.S.C.  
3 § 30124(b). The information also reveals that Prall caused HC4P and SRG to file false reports  
4 with the Commission, in violation of 52 U.S.C. § 30104(b).

5 **A. The Scheme to Mislead Donors**

6 Between December 2015 and August 2017, Prall operated federal political committees  
7 for the purpose of soliciting contributions from potential donors seeking to support four  
8 Presidential candidates in the 2016 election cycle: Hillary Clinton, Bernie Sanders, Donald  
9 Trump, and Ted Cruz. Prall organized four entities to operate as political committees,  
10 purportedly in support of each named candidate: HC4P, SRG (f/k/a Feel Bern),<sup>8</sup> Make America  
11 Great (f/k/a Trump Victory),<sup>9</sup> and Cruz Into President.<sup>10</sup> Prall registered each committee with  
12 the Commission and filed regular disclosure reports; he also contracted with vendors to create

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<sup>8</sup> Statement of Organization, Feel Bern (Dec. 28, 2015). The Committee changed its name to Socially Responsible Government after receiving a Request for Additional Information ("RFAI") from RAD advising that its name could not include the name of a candidate. RFAI (Jan. 31, 2016); Statement of Organization, Socially Responsible Government (Mar. 7, 2016).

<sup>9</sup> Statement of Organization, Trump Victory (Mar. 23, 2016). The Committee changed its name to Make America Great after RAD advised that its name could not include the name of a candidate. RFAI (May 12, 2016); Statement of Organization, Make America Great (May 24, 2016). There were two Committees registered with the Commission using the name "Make America Great." The Committee discussed in this report is registered with the following Committee ID number: C00612903.

<sup>10</sup> See Indictment at 2; Gov't Sentencing Memorandum at 2-4. Prall established Cruz Into President in March 2016, but the Committee was not active and likely never had a website since Senator Ted Cruz suspended his presidential campaign by May of that year. Statement of Organization, Cruz Into President (Mar. 15, 2016); Katie Glueck and Shane Goldmacher, *Ted Cruz Drops Out of Presidential Race* (May 3, 2016), <https://www.politico.com/story/2016/05/ted-cruz-drops-out-of-presidential-race-222763>. The Committee's reports filed with the Commission never disclosed any receipts or disbursements. RAD also advised this Committee that its name could not include the name of a candidate but the Committee never changed its name. RFAI (May 17, 2016).

1 and operate websites and to provide accounting, legal, and payment processing services. Three  
2 of the Committees operated their own websites that appeared similar to the candidates' official  
3 campaign sites, and solicited and collected funds through these sites.<sup>12</sup> Together, the  
4 Committees collected \$548,428 in contributions.

5 Although they presented themselves as political committees, the Committees operated as  
6 for-profit entities.<sup>13</sup> Johan Garcia, one of Prall's former business partners and a website  
7 developer, recalled Prall pitching him "another business venture to start a small company geared  
8 toward politics;" "Prall said the revenue would be small but it had growth potential." Based on  
9 his research into the performance of PACs, Garcia informed Prall that the venture would produce  
10 a good return on investment, and Garcia's impression was that Prall "was interested in profit."<sup>15</sup>  
11 SRG treasurer Grace Rogers stated that she never asked Prall why he was establishing PACs for  
12 so many candidates but believed that Prall viewed the Committees "as money making  
13 businesses." David Hummel, a software administrator providing services to the Committees,

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<sup>12</sup> Indictment at 5-6, 8, 10; Factual and Legal Analyses for SRG and HC4P, MURs 7011 and 7092 (describing HC4P and SRG's websites). In a similar fashion, the Make America Great website was also designed to appear like the authorized campaign site and mislead potential contributors, including by mimicking the official campaign slogan. *See* Indictment at 10;

<sup>13</sup> Plea Agreement at 4.

<sup>15</sup> *Id.*

1 also noted that “Prall’s business model was to make a profit and a certain portion of the funds  
2 were going to pay for the business’ overhead.”

3 Prall retained the services of numerous vendors to create websites, maintain hyperlinks,  
4 and deliver content for each of his Committee websites. Hummel recalls Prall emailing him  
5 specific instructions about “the look and feel of the websites” to “make the user comfortable to  
6 donate.” SRG’s and HC4P’s websites, [www.feelbern.org](http://www.feelbern.org) and [www.hc4president.org](http://www.hc4president.org), which  
7 were designed to look similar to the actual websites of Sanders and Clinton, solicited donations  
8 by falsely claiming contributions would be used to charter and fuel buses to transport voters to  
9 the polls, train volunteers, and help voters obtain appropriate identification.<sup>20</sup> The Make  
10 America Great site, [www.trumpvictory.org](http://www.trumpvictory.org), falsely claimed that it consisted of a group of  
11 volunteers organizing events and that the Committee would “donate the maximum allowed legal  
12 limits directly to Donald Trump and other organization[sic] and nonprofits” supporting the  
13 Trump campaign.<sup>21</sup> But neither Hummel nor other Committee staff  
14 recalled any such activities: no charter buses, no volunteer training, no phone banks, and no  
15 events held ostensibly in support of any candidates.

16 Other vendors were used to “maximize donations to the PACs:” the Committees placed  
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<sup>20</sup> Plea Agreement at 4-5.

<sup>21</sup> *Id.*

1 advertisements on Facebook, Google, Bing, Yahoo, Gemini, and Tabula intended to direct  
2 visitors to the websites; Mail Chimp was used to send out email newsletters to drive traffic back  
3 to the websites; and Garcia worked on online marketing, using code and analytics to ensure that  
4 the Committee websites appeared higher within search engine results and to direct users back to  
5 the sites while surfing the web.

## 6 **B. Committee Receipts and Disbursements**

7 The Committee websites collected \$548,428 from more than 400 individual donors, but  
8 less than \$5,100 was used for political causes: HC4P collected over \$73,000 in contributions but  
9 used less than \$1,100 for political causes, SRG collected over \$300,000 but used less than \$4,000  
10 for political causes, and Make America Great raised over \$165,000 but made no disbursements to  
11 support a candidate.<sup>24</sup> The Committees made over \$200,000 in disbursements to benefit Prall.<sup>25</sup>

12 A review of the Committee's reports filed with the Commission, however, would not on  
13 their face show the reality behind the contributions or reveal the true nature of the disbursements.  
14 Visitors to the HC4P, SRG, and Make America Great sites believed their contributions would be  
15 used to benefit their chosen candidate, and some believed that by making a contribution through  
16 each of the sites they were contributing directly to that candidate.

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<sup>24</sup> Gov't Sentencing Memorandum at 2; Indictment at 6, 9, and 11. *See also* Plea Agreement at 5-6 (admitting to these figures).

<sup>25</sup> Gov't Sentencing Memorandum at 1.

1           Likewise, the Committees' reports fail to show the true purpose of their disbursements.  
2 \$205,465 of the Committees' payments were made to sham LLCs that Prall established in  
3 January 2016: DMF Marketing Solutions, NHT Productions, and Apex Marketing.<sup>27</sup> Prall  
4 opened separate bank accounts in the names of each LLC and used them as pass-throughs to  
5 obtain Committee funds by making transfers from each account to his personal accounts or by  
6 writing checks to himself.<sup>28</sup> HC4P, SRG, and Make America Great listed false purposes on their  
7 FEC reports for these LLC transfers. For example, disbursements to Apex, NHT, and DMF were  
8 described as, "marketing/advertising expense," "advertising and promotion," "professional fees,"  
9 and "online marketing expense."<sup>29</sup>

10           Additionally, Prall used the SRG and HC4P debit cards to pay for personal expenses,  
11 such as travel, hotel, and meal and entertainment expenses, and also paid himself a salary of  
12 \$46,153.<sup>30</sup> Prall's personal use expenses were falsely reported as "meals and entertainment,"  
13 travel expenses related to Committee business, and in one case, a cash withdrawal was reported

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<sup>27</sup> SRG transferred \$49,361.33 to NHT and \$41,405.81 to DMF; HC4P transferred \$34,543.77 to NHT and \$7,753.88 to DMF; and Make America Great transferred \$72,431.89 to Apex. *See* Indictment 2-3, 6-9, 11.

<sup>28</sup> Indictment at 12-13; Plea Agreement at 4-6. Prall established the LLCs "to serve as anonymous shells to launder funds from the political committees and to distribute them to Prall." Indictment at 2-3.

<sup>29</sup> *See, e.g.*, 2016 April Quarterly Rpt. at 59, 106-107, 2016 July Quarterly Rpt. at 41-42, 81, and 2016 October Quarterly Rpt. at 7, 9-10, SRG; 2016 July Quarterly Rpt. at 23, 31-32, 2016 Post-General Rpt. at 12, and 2016 Year-End Rpt. at 6, HC4P; 2016 July Quarterly Rpt. at 21, 2016 October Quarterly Rpt. at 32, 2016 Post-General Rpt. at 9, and 2016 Year-End Rpt. at 6, Make America Great.

<sup>30</sup> Indictment at 7-11 (listing travel expenses for Miami Beach and Jacksonville, Florida, Austin and Dallas, Texas and Belize, including airfare and hotel expenses, meal payments, Hookah, alcohol and bottle service, "club dances performed by entertainers," room service, minibar charges, a deep-tissue massage, and a pet-cleaning fee); Gov't Sentencing Memorandum at 3 (noting Prall's salary payments made through SRG).



1 as a payment for Google Adwords.<sup>31</sup> Prall instructed Rogers to make these entries, and also  
2 provided a pseudonym he used, Jacob Collins, as the name of a purported payee.<sup>32</sup>

3 The Committees did not make any payments for transportation to voting facilities,  
4 chartering buses, fuel, or training volunteers, as claimed on their websites.<sup>33</sup> Only 1% of the  
5 Committee funds were used toward political activity, and, in addition to the payments to Prall,  
6 the remaining amount was used to pay vendors tasked with directing traffic to the Committee  
7 websites and generating additional contributions.<sup>34</sup> For example, the Committees paid \$120,000  
8 for online marketing services, \$80,000 for Google and Facebook ads all for “online advertising  
9 and marketing of the websites,” and over \$25,000 to payment processing vendors.<sup>35</sup>

### 10 **C. Fraudulent Misrepresentation and Reporting Violations**

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12 The Act provides that no person shall fraudulently misrepresent the person as speaking,  
13 writing, or otherwise acting for, or on behalf of, any candidate or agent thereof for the purpose of  
14 soliciting contributions or donations.<sup>36</sup> Further, the Act provides that no person shall willfully

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<sup>31</sup> Indictment at 8, 10, and 11.

<sup>32</sup> Indictment at 8, 10-11.

<sup>33</sup> Indictment at 6 and 9; Gov't Sentencing Memorandum at 5 (noting that Prall “diverted almost half of the contributions to his own pocket” and “[t]he other half were used to create, maintain, and advertise the websites to attract additional contributions”).

<sup>34</sup> Indictment at 6, 9, and 11. SRG disclosed three political contributions on its disclosure reports: \$500 to Bernie Sanders made through Act Blue, \$500 to voterriders.org and \$1,000 to the DNC. HC4P disclosed a \$750 contribution to Hillary for America. The Committees' bank records revealed additional contributions, mostly through ActBlue, but disclosure reports for each of the recipient committees show that the contributions had actually been made in Prall's name.

<sup>35</sup> Gov't Sentencing Memorandum at 5.

<sup>36</sup> 52 U.S.C. § 30124(b)(1); *see also* 11 C.F.R. § 110.16(b)(1).

1 and knowingly participate in or conspire to participate in any plan or scheme to engage in such  
2 behavior.<sup>37</sup>

3 Respondents violated 52 U.S.C. § 30124(b) by operating websites that misrepresented  
4 themselves as acting on behalf of federal candidates. The evidence  
5 establishes that Prall created HC4P, SRG, Make America Great, and Cruz Into  
6 President with the intent to deceive potential contributors. Garcia, Rogers, and Hummel  
7 separately stated that Prall treated the Committees as profit-making ventures, and Hummel  
8 confirmed that Prall wanted the look and feel of the websites to make visitors comfortable with  
9 making contributions.

10 The record also shows that contributors were indeed deceived by the sites.<sup>38</sup> A number of  
11 donors explained that they found the websites after searching for how to donate to their desired  
12 candidates and the sites appeared “legitimate” to them.<sup>39</sup> The fraudulent nature of the websites is  
13 further supported by Prall’s actions during the scheme’s life: he sought to ensure that his name  
14 was not associated with all of the Committees by using different treasurers for each; he arranged  
15 for payments intended for his personal benefit to be made through transfers made to LLCs that he  
16 controlled rather than made directly to him; and instead of using the contributions collected to  
17 support political causes or to pay for the initiatives listed on the Committee sites, a large portion

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<sup>37</sup> 52 U.S.C. § 30124(b)(2); *see also* 11 C.F.R. § 110.16(b)(2).

<sup>38</sup> In examining fraudulent misrepresentation violations, information that contributors were in fact misled, while not dispositive, is persuasive evidence that a respondent had an intent to deceive. *See* Factual and Legal Analysis for Californians for Change at 9, MUR 5951 (explaining that “[u]nlike common law fraudulent misrepresentation, section [30124] gives rise to no tort action” and “therefore, proof of justifiable reliance and damages is not necessary”); *see also* Certification (Aug. 3, 2011) and Gen. Counsel’s Brief at 17-18, MUR 5951 (Californians for Change) (finding probable cause to believe Respondents violated [section 30124] in part because multiple members of the public were in fact misled and contributed money under the belief it would be contributed to then-Senator Barack Obama).

<sup>39</sup> *Supra* note 26.

1 of the funds was used to direct more traffic to each of the websites to generate additional  
2 contributions.<sup>40</sup> Therefore, the evidence supports the Commission's findings that Prall in his  
3 personal capacity, HC4P and Prall in his official capacity as treasurer, and SRG and Grace  
4 Rogers in her official capacity as treasurer, violated 52 U.S.C. § 30124(b).<sup>41</sup>

5 Similarly, the evidence shows that Prall caused HC4P and SRG to file inaccurate reports  
6 with the Commission.<sup>42</sup> Prall used HC4P and SRG's debit cards to pay for personal expenses  
7 but instructed Rogers to list "meals and entertainment" and "travel expenses" as purpose entries  
8 on the Committees' reports, in violation of 52 U.S. C. § 30104(b).<sup>43</sup> The purpose entries for the  
9 payments made to the LLCs were also false.

#### 10 **IV. DISPOSITION**

11 In some past matters where Respondents have been criminally prosecuted, the  
12 Commission has nevertheless engaged in pre-probable cause conciliation as part of the civil

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<sup>40</sup> See Gov't Sentencing Memorandum at 6.

<sup>41</sup> Based on his guilty plea establishing an apparent intent to deceive, Prall's actions are consistent with knowing and willful violations of the Act. A violation of the Act is knowing and willful when the respondent acts "with full knowledge of all the relevant facts and a recognition that the action is prohibited by law." 122 Cong. Rec. 12197, 12199 (daily ed. May 3, 1976) (defining phrase "knowing and willful"). This standard does not require proving knowledge of the specific statute or regulation the respondent allegedly violated. See *United States v. Danielczyk*, 917 F. Supp. 2d 573, 579 (E.D. Va. 2013). Rather, it is sufficient to demonstrate that a respondent "acted voluntarily and was aware that his conduct was unlawful," which may be shown through circumstantial evidence, such as a "defendant's elaborate scheme for disguising" their actions, or other "facts and circumstances from which the jury reasonably could infer [the defendant] knew [their] conduct was unauthorized and illegal." *Id.*; *United States v. Hopkins*, 916 F.2d 207, 213-15 (5th Cir. 1990) (internal quotation marks omitted).

<sup>42</sup> Under the Act, a committee, through its treasurer, is required to keep an accurate account of and disclose its receipts, disbursements, and cash-on-hand balances. See 52 U.S.C. § 30104(b)(1), (2), (4), (5), (6). Committees are required to file reports with the Commission through their treasurers disclosing, among other things, the name and address of each person to whom an expenditure exceeding \$200 is made together with the date, amount, and purpose of the expenditure. See *Id.* § 30104(b)(6)(B).

<sup>43</sup> Indictment at 8, 10.

1 enforcement process.<sup>44</sup> However, under some circumstances, it may not be a prudent use of  
2 Commission resources to continue to pursue an enforcement matter, particularly where the  
3 criminal prosecution involved the same underlying facts as the enforcement case.<sup>45</sup>

4 Here, Prall did not plead guilty to a violation of the Act but was criminally prosecuted for  
5 his fraudulent conduct in connection with HC4P and SRG. His plea agreement set forth details  
6 of his scheme to defraud contributors through the use of federally registered political committees,  
7 and included admissions to soliciting contributions for these committees through websites based  
8 on misrepresentations.<sup>46</sup> He admitted to filing Statements of Organization for each of the  
9 Committees in an effort to perpetuate the fraud.<sup>47</sup> Prall's criminal prosecution also provided the  
10 public with information about his fraudulent behavior and the damage it caused to the political  
11 process.<sup>48</sup> Prall "not only stole hundreds of thousands of dollars from his victims, perhaps more  
12 importantly, he stole their efforts to participate in the political process."<sup>49</sup> Indeed, Prall's actions  
13 "contribut[e] to public mistrust in the political fundraising process," and at least one victim stated  
14 that he would "never donate to a political candidate again."<sup>50</sup> Some contributors interviewed

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<sup>44</sup> See, e.g., MUR 7225 (Jack Wu); MUR 7132 (Michael David Pitts); MUR 6597 (Kinde Durkee); MUR 6475 (Andrew McCrosson); MUR 6179 (Christopher Ward); MUR 5971 (Jennifer Adams); MURs 5721/5772 (Kenneth Phelps); and MUR 5610 (Earl Allen Haywood).

<sup>45</sup> See, e.g., Certification ¶ 1 (Dec. 4, 2018) and Factual and Legal Analysis at 9-10, MUR 6793 (Steve Stockman for Senate, *et al.*) (dismissing matter as to respondent who pled guilty to mail fraud, wire fraud and money laundering in criminal prosecution that involved underlying facts that directly related to the enforcement matter).

<sup>46</sup> See Plea Agreement at 4- 6.

<sup>47</sup> *Id.* at 6.

<sup>48</sup> Gov't Sentencing Memorandum at 12-13 (also noting that Prall is "the first scam-PAC offender to be federally indicted"); Plea Agreement at 4.

<sup>49</sup> Gov't Sentencing Memorandum at 2.

<sup>50</sup> *Id.* at 13.

1 noted that had they known their donations would be going toward operating expenditures and not  
2 to support the candidate, they would never have contributed.

3 Prall was sentenced to serve three years in prison, will be under supervised release for an  
4 additional three years, and is required to pay \$546,118.14 in restitution.<sup>52</sup> Similarly, both HC4P  
5 and SRG are reporting negative cash-on-hand balances on their most recent reports filed with the  
6 Commission.<sup>53</sup> Given these particular facts and circumstances, we recommend that the  
7 Commission take no further action as to all Respondents. We also recommend that the  
8 Commission issue admonishment letters to Prall, HC4P, and SRG.<sup>54</sup> In addition, we recommend  
9 that the Commission instruct RAD to administratively terminate HC4P and SRG, which are still  
10 active committees.<sup>55</sup>

## 11 **V. RECOMMENDATIONS**

- 12 1. Take no further action against HC4President and Kyle Prall in his official capacity as  
13 treasurer, Socially Responsible Government and Grace Rogers in her official  
14 capacity as treasurer, and Kyle Prall in his personal capacity, and issue  
15 admonishment letters.
- 16 2. Instruct the Reports Analysis Division to administratively terminate HC4President  
17 and Socially Responsible Government.
- 18 3. Approve the appropriate letters.
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<sup>52</sup> See Judgment at 2-3, 6 (Prall was due to begin his prison sentence after January 1, 2020).

<sup>53</sup> See 2018 Year-End Reports for SRG and HC4P (listing cash-on-hand balances of -\$5,304.45 and -\$858.73, respectively).

<sup>54</sup> See, e.g., Certification ¶ 3 (Dec. 9, 2016) and Closing Ltrs. to Babulal Bera (Dec. 13, 2016 and Jan. 4, 2017), MUR 7072 (Commission closed the matter and admonished Bera for violations of the Act after he pleaded guilty in federal court).

<sup>55</sup> As stated *supra* note 3, RAD has administratively terminated Cruz Into President and Make America Great.

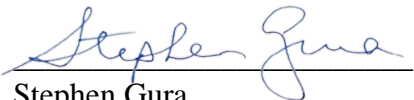
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4. Close the files.

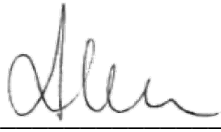
Lisa J. Stevenson  
Acting General Counsel

Charles Kitcher  
Acting Associate General Counsel for  
Enforcement

4.15.20  
Date

BY:   
Stephen Gura  
Deputy Associate General Counsel for  
Enforcement

  
Mark Shonkwiler  
Assistant General Counsel

  
Ana J. Peña-Wallace  
Attorney

- Attachments:  
1- Indictment  
2- Plea Agreement  
3- Judgment

FILED

JAN 15 2019

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION

CLERK, U.S. DISTRICT COURT  
WESTERN DISTRICT OF TEXAS  
BY \_\_\_\_\_ DEPUTY

UNITED STATES OF AMERICA,

v.

KYLE GERALD PRALL,  
a/k/a "Jacob Collins,"  
a/k/a "John Holloway,"

Defendant.

Criminal No. **A 19 CR 013 RP**

Counts One—Three: 18 U.S.C. §  
1341 (Mail Fraud)

Counts Four—Six: 18 U.S.C. §  
1343 (Wire Fraud)

Counts Seven—Twelve: 18 U.S.C.  
§ 1956 (Money Laundering)

Counts Thirteen—Fourteen: 18  
U.S.C. § 1957 (Money Laundering)

Counts Fifteen, Seventeen,  
Nineteen: 18 U.S.C. § 1001(a)(2)  
(False Statements)

Counts Sixteen, Eighteen, Twenty:  
18 U.S.C. § 1519 (Falsification of  
Federal Records)

INDICTMENT

The Grand Jury charges:

**BACKGROUND ALLEGATIONS**

1. At all times material to this indictment:
2. Defendant KYLE GERALD PRALL was a resident of Austin, Texas, in the  
e Western District of Texas.
3. Person A worked for PRALL as a digital marketer.
4. Person B worked for PRALL as a bookkeeper.
5. The Federal Election Commission ("FEC") was an agency of the United States

Government responsible for regulating, among other things, political committees formed to

support candidates for federal, elected office through fundraising and expenditures.

6. During the 2016 election cycle for the Office of the President of the United States, political committees were required to report to the FEC all contributions and expenditures of \$200 or more. Reports of contributions of \$200 or more were required to include the amount of the contribution, the date of receipt, the donor's full name and address, and the donor's occupation and employer. Reports of expenditures of \$200 or more were required to include the amount of the expenditure, the date of payment, the name and address of the payee, and the purpose of the disbursement.

7. On or about December 30, 2015, PRALL registered the political committee "Feel Bern" with the FEC for the stated purpose of supporting Presidential Candidate A's candidacy for President of the United States. The name of the committee was later changed to "Socially Responsible Government," although the website associated with the committee continued to use "Feel Bern."

8. On or about January 19, 2016, PRALL registered the political committee "HC4President" with the FEC. PRALL registered HC4President for the stated purpose of supporting Presidential Candidate B's candidacy for President of the United States.

9. On or about March 25, 2016, PRALL registered the political committee "Trump Victory" with the FEC. PRALL registered Trump Victory for the stated purpose of supporting Presidential Candidate C's candidacy for President of the United States. The name of the committee was later changed to "Make America Great."

10. After registering each political committee, PRALL opened or caused to be opened a corresponding bank account for each committee at Financial Institution A.

11. PRALL opened LLCs and corresponding bank accounts at Financial Institutions B



and C to serve as anonymous shells to launder funds from the political committees and to distribute them to PRALL. PRALL used a preexisting Limited Liability Company ("LLC") and bank account at Financial Institution B to operate Feel Bern initially and later used the account as a final layer to further launder money raised by the political committees and transfer it to PRALL's personal accounts. Most of the bank accounts were closed shortly after the end of the 2016 election cycle. The LLCs and accounts are reflected below:

Entity	Formed or Modified	Bank Account Opened	Bank Account Closed
LRQ d/b/a/ Feel the Bern ("LRQ")	December 2015	November 2015, Financial Institution B	--
DMF Marketing Solutions ("DMF")	January 2016	February 2016, Financial Institution C	December 2016
NHT Productions ("NHT")	January 2016	January 2016, Financial Institution B	February 2017
Apex Marketing ("Apex")	June 2016	June 2016, Financial Institution B	August 2017

### THE SCHEME TO DEFRAUD

12. Beginning in December 2015 and continuing until no later than August 2017, in the Western District of Texas and elsewhere, the defendant, PRALL, did knowingly devise and intend to devise a scheme and artifice to defraud and to obtain money by means of material false and fraudulent pretenses, representations, and promises; specifically, PRALL solicited contributions from the general public for multiple political committees, including Feel Bern, HC4President, and Trump Victory, based on misrepresentations, including but not limited to, that the money contributed by donors would be used to support candidates for the Office of the President of the United States by: (1) paying for transportation for voters to the polls; (2) paying for training for volunteers to make phone calls and canvass neighborhoods to support the respective candidates; (3) paying to help voters obtain appropriate identification documents; and (4) making contributions

directly to Presidential Candidate C and to other organizations supporting his campaign, when in reality PRALL did not intend to, and did not, use the contributions for any of these purposes and instead transferred much of the money to himself through sham LLC accounts and used the other funds to generate additional contributions to his fraudulent political committees.

#### **PURPOSES OF THE SCHEME**

13. It was a purpose of the scheme for the defendant, PRALL, to enrich himself by obtaining contributions under false pretenses from supporters of candidates for the Office of the President of the United States during the 2016 election cycle.

14. It was a purpose of the scheme for the defendant, PRALL, to conceal from the public, his donors, and the FEC the fact that he was regularly transferring funds from his political committees to bank accounts that he controlled for his personal enrichment.

15. It was a purpose of the scheme for the defendant, PRALL, to conceal from the public, his donors, and the FEC that he was spending money contributed to his political committees directly from the political committee bank accounts on personal expenses unrelated to the candidates or the 2016 presidential election.

#### **MANNER AND MEANS**

16. The manner and means by which the defendant, PRALL, and others carried out the scheme included, but were not limited to, the following:

17. Beginning in December 2015, PRALL began registering political committees with the FEC for the stated purpose of soliciting contributions and making expenditures in support of candidates for the Office of the President of the United States.

18. Beginning in January 2016, PRALL established LLCs and opened bank accounts in the names of the LLCs to receive transfers from the political committees to allow PRALL to

transfer political committee money to himself without being subject to FEC reporting requirements and public scrutiny.

19. Beginning no later than January 2016, PRALL: (1) set up websites soliciting contributions for his political committees based on misrepresentations as to how the money would be spent; (2) advertised the existence of his political committees online, including through internet search engines and social networking sites; and (3) posted content on his political committee websites to make them appear legitimate.

20. Beginning in January 2016, PRALL transferred contributions from the political committee accounts to LLC bank accounts that he controlled. PRALL then transferred funds to his personal checking and savings accounts for his personal use, concealing from the FEC, the public, and the contributors to his political committees that he was taking a large portion of the contributions for his personal enrichment.

21. Beginning no later than February 2016, PRALL spent money directly from the political committee accounts on purely personal expenditures. PRALL concealed the true nature of many of these expenditures by reporting them to the FEC as legitimate expenses when they were purely personal in nature and unrelated to the political committees.

#### **ACTS IN FURTHERANCE OF THE SCHEME**

##### **Feel Bern**

###### **A. Solicitations**

22. On or about December 30, 2015, PRALL caused to be filed an FEC Form 1 Statement of Organization registering "Feel Bern" as a political committee to support Presidential Candidate A. On March 7, 2016, PRALL caused to be filed an FEC Form 1 Statement of Organization changing the name of the political committee to "Socially Responsible Government."

23. No later than January 2016, PRALL designed and launched a website at [www.feelbern.org](http://www.feelbern.org), identifying the host organization as the Feel Bern Committee to Elect Presidential Candidate A. PRALL solicited donations through the website and falsely claimed: "We are volunteers helping [Presidential Candidate A] win the US Presidential election and usher in a new government for the people by helping raise awareness with voters." PRALL also falsely represented: "The donations will be used primarily to charter buses for transportation to voting polls . . . . This money will go directly to chartering buses and paying for fuel to transport voters to Presidential election polls."

24. Between December 2015 and July 2016, PRALL raised over \$300,000 in contributions to Feel Bern. Despite PRALL's representations, of this \$300,000, PRALL paid no expenses for transportation, chartering buses, or fuel. PRALL donated less than \$4,000 to political causes.

#### **B. Stealing the Contributions**

25. Between February 2, 2016, and January 12, 2017, on or about the dates listed below, PRALL transferred a total of \$49,361.33 from Feel Bern to the NHT account and \$41,405.81 to the DMF account, both of which he controlled, as set forth below:

Transfers to NHT	
Date	Amount
2/23/2016	\$9,575.00
5/4/2016	\$7,690.00
5/26/2016	\$5,674.33
7/26/2016	\$4,563.34
8/8/2016	\$9,653.09
8/11/2016	\$9,463.98
8/15/2016	\$2,741.59
<b>Total</b>	<b>\$49,361.33</b>

Transfers to DMF	
Date	Amount
3/4/2016	\$8,570.00
4/5/2016	\$8,345.00
5/4/2016	\$5,670.00
5/26/2016	\$4,566.87
6/2/2016	\$5,689.98
8/8/2016	\$8,563.96
<b>Total</b>	<b>\$41,405.81</b>

26. In addition, between January and June 2016, PRALL paid himself a salary of approximately \$46,153.80.

27. Additionally, PRALL used the debit card for the political committee's bank account at Financial Institution A to pay for the following personal expenditures:

- a. \$1,167.64 for a two-night stay at The Palms Hotel & Spa in Miami Beach, Florida on February 25, 2016;
- b. \$3,101.92 at the E11VEN nightclub in Miami, Florida for food, Hookah, alcohol and bottle service, and \$1,470 for "club dances performed by entertainers" on February 26, 2016;
- c. \$1,073.31 for a three-night stay at the Omni Barton Creek Resort in Austin, Texas on March 14, 2016; and
- d. \$728.47 for room service and minibar charges, a deep-tissue massage, and a pet-cleaning fee, during a three-night stay at the Omni Barton Creek Resort in Austin, Texas on March 18, 2016.

### **C. False Statements to the FEC**

28. On or about April 14, 2016, PRALL, under the pseudonym, "Jacob Collins," for the purpose of reporting expenditures to the FEC, falsely informed the treasurer of Feel Bern, Person B, that the following were legitimate political committee expenditures for "meals & entertainment": (1) \$3,101.92 spent in Miami, Florida, on February 26, 2016, at the E11EVEN nightclub in Miami for hookah, food, alcohol, and bottle service, and \$1,470 for "club dances performed by entertainers," all paid for between the hours of 1:44 a.m. and 5:18 a.m.; and (2) \$710.79 for a deep-tissue massage, pet-cleaning fee, room service, and mini-bar charges during his stay at the Omni Barton Creek Resort in Austin, Texas, from March 14-17, 2016. PRALL falsely categorized these expenditures knowing that they had been entirely personal in nature and knowing that they would be falsely reported to the FEC.

### **HC4President**

#### **A. Solicitations**

29. On or about January 19, 2016, PRALL caused to be filed an FEC Form 1 Statement of Organization registering "HC4President" as a political committee to support Presidential Candidate B.

30. No later than April 2016, PRALL designed and launched a website at [www.hcforpresident.org](http://www.hcforpresident.org), identifying the host organization as the Committee to Elect [Presidential Candidate B]. PRALL solicited donations through the website and falsely claimed: "We are volunteers helping [Presidential Candidate B] win the US Presidential election and usher in a new government for the people by helping raise awareness with voters." PRALL also falsely represented: "Your contribution goes directly toward paying for training volunteers to knock on doors, make phone calls and spread the word about [Presidential Candidate B]'s movement. It

also helps pay for our initiatives to help voters obtain the appropriate ID and transportation to voting facilities.”

31. Between January 2016 and November 2016, PRALL raised over \$73,000 in contributions to HC4President. Despite PRALL’s representations, of this \$73,000, PRALL paid no expenses for training volunteers, helping voters obtain identification, or arranging or providing transportation to voting facilities. PRALL donated less than \$1,100 to political causes.

#### **B. Stealing the Contributions**

32. Between April 29, 2016, and December 5, 2016, on or about the dates listed below, PRALL transferred a total of \$34,543.77 from HC4President to the NHT account and \$7,753.88 to the DMF account, both of which he controlled, as set forth below:

<b>Transfers to NHT</b>	
Date	Amount
4/29/2016	\$7,564.00
6/24/2016	\$6,742.30
11/8/2016	\$9,784.50
11/14/2016	\$4,356.45
12/5/2016	\$6,096.52
<b>Total</b>	<b>\$34,543.77</b>

<b>Transfers to DMF</b>	
Date	Amount
4/29/2016	\$3,221.00
8/8/2016	\$4,532.88
<b>Total</b>	<b>\$7,753.88</b>

33. Additionally, PRALL used the debit card for the political committee’s bank account at Financial Institution A to pay for the following personal expenditures:

- a. \$952.40 for roundtrip airfare for PRALL and his girlfriend to Jacksonville, Florida on April 25, 2016;
- b. \$460.36 for room service, drinks at the lobby bar, and dinner at the Omni Hotel in Dallas, Texas on May 5, 2016; and

c. \$812.43 for roundtrip airfare to Belize on June 29, 2016.

### **C. False Statements to the FEC**

34. On or about June 29, 2016, PRALL, for the purpose of reporting expenditures to the FEC, falsely informed the bookkeeper of HC4President, Person B, that the following were legitimate political committee expenditures for "travel expenses": \$460.36 spent in Dallas, Texas, on May 3, 2016, for room service, drinks at the lobby bar, and dinner at the hotel restaurant. PRALL falsely categorized these expenditures knowing that they had been entirely personal in nature and knowing that they would be falsely reported to the FEC.

### **Trump Victory**

#### **A. Solicitations**

35. On or about March 22, 2016, PRALL caused to be filed an FEC Form 1 Statement of Organization registering "Trump Victory" as a political committee to support Presidential Candidate C. On May 24, 2016, PRALL caused to be filed an FEC Form 1 Statement of Organization changing the name of the political committee to "Make America Great."

36. No later than June 2016, PRALL designed or caused to be designed and launched or caused to be launched a website at [www.trumpvictory.org](http://www.trumpvictory.org), identifying the host organization as the Committee to Elect [Presidential Candidate C]. PRALL solicited donations through the website and falsely claimed: "We are a group of volunteers from all walks of life who are looking for a real change in leadership and we believe [Presidential Candidate C] can deliver." PRALL also falsely represented: "We also donate the maximum allowed legal limits directly to [Presidential Candidate C] and other organization and nonprofits that are supporting [Presidential Candidate C]'s campaign for President."

37. Between March 2016 and November 2016, PRALL raised over \$165,000 in



contributions to Trump Victory. Despite PRALL's representations, of this \$165,000, PRALL made no donations to Presidential Candidate C or other organizations or nonprofits supporting Presidential Candidate C.

### **B. Stealing the Contributions**

38. Between June 29, 2016, and December 5, 2016, on or about the dates listed below, PRALL transferred a total of \$72,431.89 from Trump Victory to the Apex account, which he controlled, as set forth below:

<b>Transfers to Apex</b>	
<b>Date</b>	<b>Amount</b>
6/29/2016	\$8,577.50
7/25/2016	\$9,889.67
8/2/2016	\$7,567.73
8/8/2016	\$8,423.78
11/8/2016	\$9,954.22
11/9/2016	\$9,354.33
11/10/2016	\$8,787.89
12/5/2016	\$9,876.77
<b>Total</b>	<b>\$72,431.89</b>

39. Additionally, Prall used the debit card for the political committee's bank account at Financial Institution A to withdraw \$103 from the ATM at Bernie's Beach House bar and restaurant in Port Aransas, Texas on October 11, 2016.

### **C. False Statements to the FEC**

40. On or about October 26, 2016, PRALL, for the purpose of reporting PAC expenditures to the FEC, falsely informed the bookkeeper of Trump Victory, Person B, that a \$103 cash withdrawal at Bernie's Beach House bar and restaurant in Port Aransas, Texas on October 11, 2016, was for Google AdWords. PRALL falsely categorized this expenditure knowing that it

had been entirely personal in nature and knowing that it would be falsely reported to the FEC.

**Transfers to PRALL's Personal Accounts**

41. After moving funds from the political committee accounts to his LLC accounts, PRALL withdrew or transferred nearly all of the money to his personal accounts, either directly or through the LRQ account.

42. On or about the dates listed below, PRALL transferred funds or wrote checks to himself from DMF and NHT and deposited the checks into his personal checking and savings accounts:

DMF	
Date	Amount
3/29/2016	\$7,000.00
4/28/2016	\$4,000.00
4/28/2016	\$4,000.00
5/5/2016	\$4,000.00
7/5/2016	\$5,000.00
7/5/2016	\$5,000.00
<b>Total</b>	<b>\$29,000.00</b>

NHT	
Date	Amount
3/28/2016	\$5,000.00
5/3/2016	\$4,000.00
5/3/2016	\$4,000.00
6/27/2016	\$5,000.00
6/27/2016	\$5,000.00
<b>Total</b>	<b>\$23,000.00</b>

43. Additionally, on or about the dates listed below, PRALL made the following transfers from the Apex, DMF, and NHT accounts into the LRQ account:

Date	From	To	Amount
8/18/2016	Apex Marketing	LRQ	\$12,693.35
8/24/2016	DMF Marketing	LRQ	\$9,823.33
8/24/2016	NHT Productions	LRQ	\$14,678.90
12/13/2016	NHT Productions	LRQ	\$44,879.15
12/13/2016	Apex Marketing	LRQ	\$55,000.00
12/13/2016	DMF Marketing	LRQ	\$5,803.48
3/23/2017	Apex Marketing	LRQ	\$4,841.57
<b>TOTAL:</b>			<b>\$147,719.78</b>

44. Beginning in January 2017, on or about the dates listed below, PRALL wrote a check to himself from LRQ in the amount of \$130,000 and deposited it into his personal checking account and transferred \$20,000 from the LRQ account to a business checking account that he controlled:

<b>Transfers from LRQ</b>		
Date	Amount	Account
1/12/2017	\$130,000.00	Personal Checking
3/7/2017	\$10,000.00	Business Checking
3/15/2017	\$4,000.00	Business Checking
3/27/2017	\$3,000.00	Business Checking
3/29/2017	\$3,000.00	Business Checking
<b>Total</b>	<b>\$150,000.00</b>	

45. On or about January 17, 2017, PRALL transferred \$100,000 from his personal checking account to his personal savings account.

**COUNTS ONE THROUGH THREE**

**18 U.S.C. § 1341**

**(Mail Fraud)**

46. Paragraphs one through forty-five are incorporated and realleged as if fully set forth herein.

47. On or about the dates set forth below, in the Western District of Texas and elsewhere, the defendant, PRALL, for the purpose of executing and attempting to execute the above-described scheme and artifice to defraud, and to obtain money and property by means of material false and fraudulent pretenses, representations, and promises, knowingly and intentionally deposited, caused to be deposited, and aided and abetted the deposit of, the following matter and thing to be sent and delivered by the United States Postal Service and other private and commercial interstate carriers:

Count	Date	Mailed From	Mailed To	Description
1	12/28/2015	Kingsland, Texas	Washington D.C.	FEC Form 1, Statement of Organization, Feel Bern
2	01/18/2016	Austin, Texas	Washington D.C.	FEC Form 1, Statement of Organization, HC4President
3	03/23/2016	Austin, Texas	Washington D.C.	FEC Form 1, Statement of Organization, Trump Victory

All in violation of 18 U.S.C. § 1341.

**COUNTS FOUR THROUGH SIX**

**18 U.S.C. § 1343**

**(Wire Fraud)**

48. Paragraphs one through forty-five are incorporated and realleged as if fully set forth herein.

49. On or about the dates set forth below, in the Western District of Texas and elsewhere, the defendant, PRALL, for the purpose of executing and attempting to execute the above-described scheme and artifice to defraud, and to obtain money and property by means of material false and fraudulent pretenses, representations, and promises, knowingly and intentionally transmitted, caused to be transmitted, and aided and abetted the transmission of, writings, signs, signals, pictures, and sounds, by means of wire communication in interstate commerce for the following transactions:

Count	Date	Description
4	04/09/2016	\$500 contribution to Feel Bern
5	06/21/2016	\$2,700 contribution to HC4President
6	09/21/2016	\$500 contribution to Trump Victory

All in violation of 18 U.S.C. § 1343.

**COUNTS SEVEN THROUGH TWELVE**  
**18 U.S.C. § 1956**  
**(Money Laundering)**

50. Paragraphs one through forty-five are incorporated and realleged as if fully set forth herein.

51. On or about the dates listed below, in the Western District of Texas and elsewhere, the defendant, PRALL, knowing that the property involved in the financial transactions listed below represented the proceeds of some form of unlawful activity, knowingly and intentionally conducted and caused to be conducted the financial transactions designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, which was mail and wire fraud in violation of Title 18, United States Code, Sections 1341 and 1343, and each transaction affecting interstate commerce, in that the defendant transferred funds from various financial institutions to the shell LLC accounts listed below:

<u>Count</u>	<u>Date</u>	<u>Financial Transaction</u>	<u>Amount</u>
7	8/9/2016	Transfer from Feel Bern, Acct # XXXX8383 at Financial Institution A to DMF, Acct # XXXX4497 at Financial Institution B.	\$8,563.96
8	11/9/2016	Transfer from HC4President, Acct # XXXX8715 at Financial Institution A to NHT, Acct # XXXX7553 at Financial Institution C.	\$9,784.50
9	11/9/2016	Transfer from Trump Victory, Acct # XXXX6718 at Financial Institution A to Apex, Acct # XXXX6095 at Financial Institution C.	\$9,954.22

10	8/18/2016	Transfer from Apex, Acct # XXXX6095 at Financial Institution C to LRQ, Acct # XXXX0825 at Financial Institution C for "Marketing Services."	\$12,693.35
11	8/24/2016	Transfer from DMF, Acct # XXXX4497 at Financial Institution B to LRQ, Acct # XXXX0825 at Financial Institution C for "Online Marketing Consulting."	\$9,823.33
12	8/24/2016	Transfer from NHT, Acct # XXXX7553 at Financial Institution C to LRQ, Acct # XXXX0825 at Financial Institution C for "Marketing Services."	\$14,678.90

All in violation of 18 U.S.C. § 1956.

**COUNTS THIRTEEN AND FOURTEEN**  
**18 U.S.C. § 1957**  
**(Money Laundering)**

52. Paragraphs one through forty-five are incorporated and realleged as if fully set forth herein.

53. On or about the following dates, in the Western District of Texas and elsewhere, the defendant, PRALL, did knowingly and intentionally engage in a monetary transaction in criminally derived property of a value greater than \$10,000.00 which was derived from specified unlawful activity, that is, mail and wire fraud, in violation of Title 18, United States Code, Sections 1341 and 1343, to wit, on or about the dates alleged below, PRALL transferred funds from the LRQ account to his personal checking account and transferred funds from his personal checking account to his personal savings account in the amounts set forth below:

<u>Count</u>	<u>Date</u>	<u>Monetary Transaction</u>	<u>Amount</u>
13	1/12/2017	Transfer from LRQ, Acct # XXXX0825 at Financial Institution C to PRALL's checking account, Acct # XXXX3835 at Financial Institution C.	\$130,000.00
14	1/17/2017	Transfer from PRALL's checking account, Acct # XXXX3835 at Financial Institution C to PRALL's savings account, Acct # XXXX6650 at Financial Institution C.	\$100,000.00

All in violation of 18 U.S.C. § 1957.

**COUNT FIFTEEN**  
**18 U.S.C. § 1001(a)(2)**  
**(False Statements)**

54. Paragraphs one through forty-five are incorporated and realleged as if fully set forth herein.

55. On or about April 14, 2016, in the Western District of Texas and elsewhere, the defendant, PRALL, knowingly and willfully, caused the submission of a material false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the executive branch of the government of the United States, to wit; causing the Feel Bern political committee to falsely record in a report to the Federal Election Commission dated April 15, 2016, \$3,101.92 in expenditures at E11EVEN night club in Miami, Florida, as meals and entertainment expenses of the committee, and \$710.79 in expenditures at the Omni Barton Creek Resort in Austin, Texas, as travel expenses of the committee, when in fact the expenditures were purely personal in nature and unrelated to the committee.

All in violation of 18 U.S.C. § 1001(a)(2).

**COUNT SIXTEEN**  
**18 U.S.C. § 1519**  
**(Causing False Records)**

56. Paragraphs one through forty-five are incorporated and realleged as if fully set forth

herein.

57. On or about April 14, 2016, in the Western District of Texas and elsewhere, the defendant, PRALL, with the intent to impede, obstruct, and influence, and in relation to and contemplation of, the investigation and proper administration of matters within the jurisdiction of departments and agencies of the United States, knowingly concealed, covered up, falsified, and made a false entry in a record, document, and tangible object, to wit, causing the Feel Bern political committee to falsely record in a report to the Federal Election Commission dated April 15, 2016, \$3,101.92 in expenditures at E11EVEN night club in Miami, Florida, as meals and entertainment expenses of the committee, and \$710.79 in expenditures at the Omni Barton Creek Resort in Austin, Texas, as travel expenses of the committee, when in fact the expenditures were purely personal in nature and unrelated to the committee, which falsification the defendant well knew and contemplated was related to the proper administration of the Feel Bern committee's required disclosures under the Election Act by the Federal Election Commission.

All in violation of 18 U.S.C. § 1519.

**COUNT SEVENTEEN**  
**18 U.S.C. § 1001(a)(2)**  
**(False Statements)**

58. Paragraphs one through forty-five are incorporated and realleged as if fully set forth herein.

59. On or about June 29, 2016, in the Western District of Texas and elsewhere, the defendant, PRALL, knowingly and willfully, caused the submission of a material false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the executive branch of the government of the United States, to wit, causing the HC4President political committee to falsely record in a report to the Federal Election Committee dated July 15, 2016,



\$460.36 in expenditures at the Omni Hotel in Dallas, Texas, as travel expenses of the committee, when in fact the expenditure was purely personal in nature and unrelated to the committee.

All in violation of 18 U.S.C. § 1001(a)(2).

**COUNT EIGHTEEN**  
**18 U.S.C. § 1519**  
**(Causing False Records)**

60. Paragraphs one through forty-five are incorporated and realleged as if fully set forth herein.

61. On or about June 29, 2016, in the Western District of Texas and elsewhere, the defendant, PRALL, with the intent to impede, obstruct, and influence, and in relation to and contemplation of, the investigation and proper administration of matters within the jurisdiction of departments and agencies of the United States, knowingly concealed, covered up, falsified, and made a false entry in a record, document, and tangible object, to wit, causing the HC4President political committee to falsely record in a report to the Federal Election Committee dated July 15, 2016, \$460.36 in expenditures at the Omni Hotel in Dallas, Texas, as travel expenses of the committee, when in fact the expenditure was purely personal in nature and unrelated to the committee, which falsification the defendant well knew and contemplated was related to the proper administration of the HC4President committee's required disclosures under the Election Act by the Federal Election Committee.

All in violation of 18 U.S.C. § 1519.

**COUNT NINETEEN**  
**18 U.S.C. § 1001(a)(2)**  
**(False Statements)**

62. Paragraphs one through forty-five are incorporated and realleged as if fully set forth herein.

63. On or about October 26, 2016, in the Western District of Texas and elsewhere, the defendant, PRALL, knowingly and willfully, caused the submission of a material false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the executive branch of the government of the United States, to wit, causing the Trump Victory political committee to falsely record in a report to the Federal Election Committee dated November 8, 2016, a \$103 cash withdrawal, as advertising and promotions expenses of the committee, when in fact the expenditure was purely personal in nature and unrelated to the committee.

All in violation of 18 U.S.C. § 1001(a)(2).

**COUNT TWENTY**  
**18 U.S.C. § 1519**  
**(Causing False Records)**

64. Paragraphs one through forty-five are incorporated and realleged as if fully set forth herein.

65. On or about October 26, 2016, in the Western District of Texas and elsewhere, the defendant, PRALL, with the intent to impede, obstruct, and influence, and in relation to and contemplation of, the investigation and proper administration of matters within the jurisdiction of departments and agencies of the United States, knowingly concealed, covered up, falsified, and made a false entry in a record, document, and tangible object, to wit, causing the Trump Victory political committee to falsely record in a report to the Federal Election Committee dated November 8, 2016, a \$103 cash withdrawal, as advertising and promotions expenses of the committee, when in fact the expenditure was purely personal in nature and unrelated to the committee, which falsification the defendant well knew and contemplated was related to the proper administration of the Trump Victory committee's required disclosures under the Election Act by the Federal Election Committee.

All in violation of 18 U.S.C. § 1519.

**NOTICE OF FORFEITURE**  
**(28 U.S.C. § 2461(c); 18 U.S.C. § 981(a)(1)(C))**

66. Pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C), the United States gives notice to the defendant, PRALL, that in the event of his conviction of any of the offenses charged in Counts One through Six of this Indictment, all property, real or personal, which represents or is traceable to the gross receipts obtained, directly or indirectly, from such offense, is subject to forfeiture.

**NOTICE OF FORFEITURE**  
**(18 U.S.C. § 982(a)(1))**

67. Pursuant to Title 18, United States Code, Section 982(a)(1), the United States gives notice to the defendant, PRALL, that upon conviction of any of offenses charged in Counts Six through Fourteen, all property, real or personal, involved in money laundering offenses or traceable to such property, is subject to forfeiture.

**Money Judgment**

68. Defendant is notified that upon conviction, a money judgment may be imposed equal to the total value of the property subject to forfeiture.

**Substitute Assets**

69. Defendant is notified that in the event that property subject to forfeiture, as a result of any act or omission of the defendant,

- (A) cannot be located upon the exercise of due diligence;
- (B) has been transferred or sold to, or deposited with, a third party;
- (C) has been placed beyond the jurisdiction of the court;
- (D) has been substantially diminished in value; or

(E) has been commingled with other property that cannot be divided without difficulty;

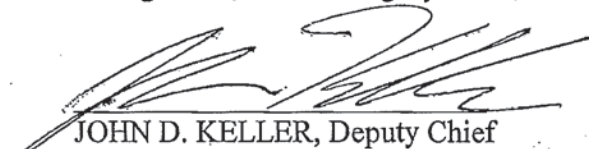
the United States will seek to forfeit any other property of the defendant up to the total value of the property subject to forfeiture pursuant to Title 21, United States Code, Section 853(p), as incorporated by reference in Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 982(b)(1).

A TRUE BILL

ORIGINAL SIGNATURE  
REDACTED PURSUANT TO  
E-GOVERNMENT ACT OF 2002

1/15/19  
TE

ANNALOU TIROL  
Acting Chief, Public Integrity Section



JOHN D. KELLER, Deputy Chief  
JAMES C. MANN, Trial Attorney

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION

UNITED STATES OF AMERICA,

§  
§  
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§

Crim. No. A:19-CR-013 RP

v.

KYLE GERALD PRALL,  
a/k/a "Jacob Collins,"  
a/k/a "John Holloway,"

Defendant.

PLEA AGREEMENT

The United States of America, by and through the undersigned attorneys for the Public Integrity Section, Criminal Division, United States Department of Justice (the "government") and the defendant, Kyle Gerald Prall, personally and by and through the defendant's attorney, Jason B. Freeman, enter into the following Plea Agreement pursuant to Rule 11(c)(1) of the Federal Rules of Criminal Procedure:

**1. Defendant's Agreement to Plead Guilty**

The defendant agrees to plead guilty to Count One of the Indictment, which charges the defendant with mail fraud in violation of 18 U.S.C. § 1341. The defendant understands that Count One has the following essential elements, each of which the government would be required to prove beyond a reasonable doubt at trial:

- a. First, the defendant knowingly devised or intended to devise a scheme to defraud;
- b. Second, the scheme to defraud employed false material representations;
- c. Third, the defendant mailed something or caused something to be sent through the United States Postal Service or a private or commercial interstate carrier for the purpose of executing such scheme or attempting to do so; and
- d. Fourth, the defendant acted with a specific intent to defraud.

**2. Penalties**

The offense to which the defendant is pleading guilty, mail fraud in violation of 18 U.S.C. § 1341, subjects the defendant to the following possible penalties:

Maximum possible prison term: 20 years without parole

Mandatory minimum prison term: None

Maximum term of supervised release:	Three years
Maximum fine:	The greatest of \$250,000; or twice the pecuniary gain to the defendant; or twice the pecuniary loss to the victims
Mandatory monetary assessment:	\$100
Amount of Restitution:	To be determined by the Court, and as set forth in "Defendant's Financial Obligations" below
Forfeiture	To be determined by the Court, and as set forth in "Defendant's Financial Obligations" below

No term of imprisonment will provide for parole.

### 3. Sentencing Matters

**a. Court to Determine Sentence:** The defendant understands that the Court will decide the defendant's sentence. The Court will determine the sentence in accordance with 18 U.S.C. § 3553(a), after considering the application of the Sentencing Guidelines. The Sentencing Guidelines are advisory and not binding, but the Court must consider them. Any prediction or estimate of the probable sentencing range or ultimate sentence, whether from the government, the defendant's attorney, or the U.S. Probation Office, is not a promise, is not binding, and is not an inducement for the defendant's guilty plea or waivers. The defendant will not be permitted to withdraw the defendant's guilty plea if the sentence imposed differs from the sentence the defendant expected or hoped for.

**b. Reservation of Sentencing Rights:** Both the government and the defendant reserve the rights to: (1) inform the U.S. Probation Office and the Court of all information relevant to determining the sentence; (2) dispute facts relevant to sentencing; (3) seek resolution of disputed facts or factors in conference with opposing counsel and the U.S. Probation Office; (4) address the Court at sentencing (consistent with promises by the government concerning recommended findings and punishment); and (5) ask the Court to vary from the applicable Sentencing Guidelines range based upon the factors to be considered in imposing a sentence pursuant to 18 U.S.C. § 3553(a). The parties agree that neither a downward nor an upward departure from the Sentencing Guidelines range is warranted. Accordingly, neither party will seek such a departure or seek any adjustment not set forth herein. Nor will either party suggest that the Court consider such a departure or adjustment.

**c. Non-Binding Stipulation Regarding Sentencing Guidelines:** For purposes of determining the defendant's offense level under the Sentencing Guidelines, the parties agree and stipulate to the following:

(1) Base Offense Level (§ 2B1.1(a)(1)):	7
(2) Specific Offense Characteristics:	
Loss greater than \$150,000 (§ 2B1.1(b)(1)(F))	+10

10 or more victims (§ 2B1.1(b)(2)(A)(i))	+2
Sophisticated means (§ 2B1.1(b)(10)(C))	+2

The government may also seek the application of an additional Specific Offense Characteristic, which the defendant may dispute:

(1) Misrepresentation re political organization (§ 2B1.1(b)(9)(A)) +2

Pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, this stipulation does not bind the Court, which may find that the applicable Sentencing Guidelines are different.

**d. Acceptance of Responsibility:** The government will not oppose a two-level downward adjustment for acceptance of responsibility under Section 3E1.1 of the Sentencing Guidelines, so long as the defendant, prior to sentencing, refrains from engaging in any conduct that may demonstrate a lack of acceptance of responsibility, including, but not limited to: violating any condition of release, engaging in obstruction of justice, and/or providing false or misleading statements or information to the Court, U.S. Probation Office, U.S. Pretrial Services, the Public Integrity Section, or any law enforcement entity. Additionally, if the defendant has accepted responsibility as described, and the defendant's offense level is 16 or greater, the government agrees that an additional one-level reduction would be appropriate, pursuant to Section 3E1.1(b) of the Sentencing Guidelines, because the defendant has assisted authorities by providing timely notice of the defendant's intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the Court to allocate its resources efficiently.

**e. Non-Binding Recommendation Regarding Sentence:**

(1) Except as provided in paragraph (3) below, the government will recommend at sentencing a term of imprisonment within the Sentencing Guidelines range of imprisonment determined by the Court.

(2) Pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, the government's recommendation does not bind the Court. In other words, the Court may impose a term of imprisonment greater than any term of imprisonment that the government recommends.

(3) If the government concludes that the defendant, either by action or by inaction, has failed to comply with one or more of his obligations under this Plea Agreement, the government will not be bound by paragraph (1) above and will have complete discretion to recommend any term of imprisonment regardless of whether the government alleges or the Court finds that the defendant has breached this Plea Agreement.

**4. Factual Basis for the Guilty Plea**

The defendant agrees and stipulates that the government's evidence at trial would have established the following facts beyond a reasonable doubt, that these facts are true and correct, and that these facts satisfy all of the legal elements of the offense to which the defendant will plead guilty:

Beginning in or about December 2015 and continuing until in or about August 2017, in the Western District of Texas and elsewhere, the defendant knowingly devised and intended to devise a scheme and artifice to defraud and to obtain money by means of material false and fraudulent pretenses, representations, and promises. Specifically, the defendant solicited contributions from the general public for multiple political committees, including Feel Bern, HC4President, and Trump Victory, based on misrepresentations, including but not limited to, that the money contributed by donors would be used to support candidates for the Office of the President of the United States by: (1) paying for transportation for voters to the polls (from the Feel Bern committee); (2) paying for training for volunteers to make phone calls and canvass neighborhoods to support the respective candidates (from the HC4President Committee); (3) paying to help voters obtain appropriate identification documents (from the HC4President Committee); and (4) making contributions directly to one of the candidates and to other organizations supporting his campaign (from the Trump Victory Committee), when in reality, the defendant did not intend to, and did not, use the contributions for these purposes and instead transferred much of the money to himself through sham LLC accounts and used the other funds to generate additional contributions to his fraudulent political committees.

The object and purpose of the scheme was for the defendant to enrich himself by obtaining contributions under false pretenses from supporters of candidates for the Office of the President of the United States during the 2016 election cycle.

Beginning in December 2015, the defendant began registering political committees—including Feel Bern, HC4President, and Trump Victory—with the FEC for the stated purpose of soliciting contributions and making expenditures in support of candidates for the Office of the President of the United States. Beginning in January 2016, the defendant established LLCs—including DMF Marketing Solutions, NHT Productions, and Apex Marketing—and opened bank accounts in the names of the LLCs to receive transfers from the political committees to allow the defendant to transfer political committee money to himself without being subject to public scrutiny.

The defendant set up websites soliciting contributions for his political committees based on misrepresentations as to how the money would be spent; advertised the existence of his political committees online, including through internet search engines and social networking sites; and posted content on his political committee websites.

Specifically, the defendant designed and launched a website at [www.feelbern.org](http://www.feelbern.org), identifying the host organization as the Feel Bern Committee to Elect Presidential Candidate A. The defendant solicited donations through the website and falsely claimed: “We are volunteers helping [Presidential Candidate A] win the US Presidential election and usher in a new government for the people



by helping raise awareness with voters.” The defendant also falsely represented: “The donations will be used primarily to charter buses for transportation to voting polls . . . . This money will go directly to chartering buses and paying for fuel to transport voters to Presidential election polls.” Between December 2015 and July 2016, the defendant raised contributions to Feel Bern. Despite representations on the website, the defendant paid no expenses for transportation, chartering buses, or fuel. The defendant donated less than \$4,000 to political causes. Instead, the defendant transferred a total of \$49,361.33 from Feel Bern to the NHT Productions bank account and \$41,405.81 to the DMF Marketing Solutions bank account, both of which he controlled. The defendant also used the debit card for the Feel Bern bank account to pay for hotel stays in Miami Beach, Florida, and Austin, Texas, and to pay for food, Hookah, alcohol and bottle service, “club dances performed by entertainers,” room service, minibar charges, a deep-tissue massage, and a pet-cleaning fee.

Additionally, the defendant designed and launched a website at [www.hcforpresident.org](http://www.hcforpresident.org), identifying the host organization as the Committee to Elect [Presidential Candidate B]. The defendant solicited donations through the website and falsely claimed: “We are volunteers helping [Presidential Candidate B] win the US Presidential election and usher in a new government for the people by helping raise awareness with voters.” The defendant also falsely represented: “Your contribution goes directly toward paying for training volunteers to knock on doors, make phone calls and spread the word about [Presidential Candidate B]’s movement. It also helps pay for our initiatives to help voters obtain the appropriate ID and transportation to voting facilities.” Between January 2016 and November 2016, the defendant raised contributions to HC4President. Despite representations on the website, the defendant paid no expenses for training volunteers, helping voters obtain identification, or arranging or providing transportation to voting facilities. The defendant donated less than \$1,100 to political causes. Instead, the defendant transferred a total of \$34,543.77 from HC4President to the NHT Productions bank account and \$7,753.88 to the DMF Marketing Solutions bank account, both of which he controlled. The defendant also used the debit card for the HC4President bank account to pay for travel to Jacksonville, Florida, and Belize, as well as room service, drinks, and dinner at a hotel in Dallas, Texas.

Finally, the defendant designed and launched a website at [www.trumpvictory.org](http://www.trumpvictory.org), identifying the host organization as the Committee to Elect [Presidential Candidate C]. The defendant solicited donations through the website and falsely claimed: “We are a group of volunteers from all walks of life who are looking for a real change in leadership and we believe [Presidential Candidate C] can deliver.” The defendant also falsely represented: “We also donate the maximum allowed legal limits directly to [Presidential Candidate C] and other organization and nonprofits that are supporting [Presidential Candidate C]’s campaign for President.” Between March 2016 and November 2016, the defendant raised contributions to Trump Victory. Despite representations on the website, the defendant made no donations to Presidential Candidate C or other organizations or

nonprofits supporting Presidential Candidate C. Instead, the defendant transferred a total of \$72,431.89 from Trump Victory to the Apex Marketing bank account, which he controlled. The defendant also used the debit card for the Trump Victory bank account to withdraw cash at a bar and restaurant in Port Aransas, Texas.

For the purpose of executing and attempting to execute the above-described scheme and artifice to defraud, and to obtain money and property by means of material false and fraudulent pretenses, representations, and promises, the defendant knowingly and intentionally deposited, caused to be deposited, and aided and abetted the deposit of, the FEC Form 1, Statement of Organization, for Feel Bern, HC4President, and Trump Victory, to be sent and delivered by the United States Postal Service and other private and commercial interstate carriers. Specifically, on December 28, 2015, the defendant sent the FEC Form 1 for Feel Bern via U.S. Mail from Kingsland, Texas to the FEC in Washington, D.C. to cause the registration of the Feel Bern committee. Additionally, on January 18, 2016, the defendant sent the FEC Form 1 for HC4President via UPS from Austin, Texas to the FEC in Washington, D.C. to cause the registration of the HC4President committee. Finally, on March 23, 2016, the defendant sent the FEC Form 1 for Trump Victory via U.S. Mail from Austin, Texas to the FEC in Washington, D.C. to cause the registration of the Trump Victory committee.

#### 5. Government's Agreement

In exchange for the defendant's agreement to plead guilty, the defendant's agreement to waive the rights listed in this Plea Agreement, and any other agreements by the defendant in this Plea Agreement, the Public Integrity Section agrees to the following:

a. **Motion to Dismiss:** After the Court sentences the defendant, the government will move to dismiss any remaining charges in the Indictment against the defendant.

b. **Forebear Filing Charges:** The government will not institute additional criminal charges against the defendant based on the facts set forth in this Plea Agreement under the heading "Factual Basis for the Guilty Plea."

#### 6. Defendant's Waiver of Rights

a. **Advice of Trial Rights:** The defendant understands that the defendant has the following rights:

- (1) The right to plead not guilty, or having already so pleaded, to persist in that plea;
- (2) The right to a trial by jury;

(3) The rights at trial to confront and cross-examine adverse witnesses; to be protected from compelled self-incrimination (the right to remain silent); to testify and present evidence; and to compel the attendance of witnesses; and

(4) The right to be represented by counsel—and, if necessary, to have the Court appoint counsel at public expense—at trial and at every other stage of the proceeding.

**b. Waiver of Rights:** The defendant understands that, by pleading guilty, the defendant waives and gives up the foregoing rights, except the right to be represented by counsel—and, if necessary, to have the Court appoint counsel at public expense—at every stage of the proceeding other than trial. In addition, the Court may require the defendant to answer truthfully questions about the offense, and the defendant may be prosecuted if the defendant knowingly makes false statements or gives false answers.

**c. Waiver of Additional Rights:** In addition to giving up the rights described above, the defendant agrees to give up and waive the following:

(1) **Pretrial Motions:** The defendant understands that the defendant could raise a number of issues and challenges by pretrial motion, including motions to suppress evidence and to dismiss the charges against the defendant. By entering into this Plea Agreement and pleading guilty, the defendant agrees to give up any and all claims the defendant has made or might have made by pretrial motion, and agrees to the dismissal of any motions that currently are pending.

(2) **Discovery:** The defendant agrees to give up and waive any claims the defendant may have now or may acquire later to any information possessed by the prosecution team that might be subject to disclosure under discovery rules, including the Federal Rules of Criminal Procedure, the *Jencks* Act, local court rules, and Court orders, including information that might be considered exculpatory or impeaching under *Brady v. Maryland* and *Giglio v. United States*.

(3) **Appeal:** The defendant knowingly and voluntarily waives and gives up the right to appeal the defendant's conviction or sentence on any ground, including but not limited to any challenges to the determination of any period of confinement, monetary penalty or obligation, term of supervision, and conditions thereof. This waiver includes any appeal right conferred by 18 U.S.C. § 3742, except in a case in which the sentence imposed by the Court is greater than the maximum sentence authorized by statute. Moreover, the defendant waives the right to challenge the sentence imposed, even though the defendant knows the Court has not yet decided what the sentence will be. In sum, the defendant understands that the defendant cannot challenge the sentence imposed by the Court, even if it differs from any sentencing range or estimate made by the defendant's attorney, the government, or the U.S. Probation Office. Realizing the uncertainty of the sentence that the defendant will ultimately receive, the defendant knowingly and voluntarily waives the right to appeal the sentence. The defendant does so in exchange for the concessions made by the government in this Plea Agreement, except as otherwise provided herein.

(4) **Collateral Attack:** The defendant also waives and gives up the right to challenge the defendant's conviction or sentence in a post-conviction collateral challenge, including but not limited to a proceeding pursuant to 28 U.S.C. §§ 2241 and 2255; except that the

defendant does not waive the right to challenge the defendant's sentence based on ineffective assistance of counsel or prosecutorial misconduct. If the defendant makes a claim of ineffective assistance of counsel, the defendant will, by making that claim, waive any right the defendant may have to the attorney/client privilege arising from counsel's representation of the defendant.

(5) **Attorney's Fees:** The defendant hereby stipulates and agrees that the defendant is not entitled to and shall not seek from the United States any attorney's fees the defendant has incurred or will incur in connection with this prosecution.

(6) **Statute of Limitations:** Should any conviction following the defendant's plea of guilty pursuant to this Plea Agreement be vacated for any reason, then any prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Plea Agreement (including any counts that the government has agreed not to prosecute or to dismiss at sentencing pursuant to this Plea Agreement) may be commenced or reinstated against the defendant, notwithstanding the expiration of the statute of limitations between the signing of this Plea Agreement and the commencement or reinstatement of such prosecution. It is the defendant's intent in entering this Plea Agreement to waive all defenses based on the statute of limitations with respect to any prosecution that is not time-barred on the date that this Plea Agreement is signed.

## 7. Defendant's Financial Obligations

a. **Restitution:** The defendant agrees to the entry of an order requiring the defendant to pay restitution in the full amount of the losses incurred by any victim of the offense of conviction and any loss attributable to any relevant conduct. Specifically, the defendant agrees to pay restitution in the amount of \$548,428.

b. **Forfeiture:** The defendant agrees to the entry of an order of forfeiture requiring the defendant to forfeit \$205,496.68 in proceeds obtained directly from the offense.

c. **Cooperation in Financial Obligations:** The defendant will cooperate with the government as follows:

(1) The defendant will make a good faith effort to pay any fine, forfeiture, or restitution ordered by the Court.

(2) Before or after sentencing, the defendant will provide, upon request by the Court, the government, or the U.S. Probation Office, in whatever form requested, accurate and complete financial information, and will submit sworn statements and give depositions under oath concerning all assets and the defendant's ability to pay.

(3) The defendant will surrender and release any assets, money, or other property, whether or not derived from the commission of crimes, as well as any information about assets, money, or other property, in order to satisfy any fine, forfeiture or restitution order entered by the Court. This includes signing any waivers, consents, or releases required by third parties.

(4) The defendant will identify any transfer of assets made for the purpose of evading or defeating financial obligations, and refrain from making any such transfers.

(5) If required to pay restitution, the defendant will immediately commence the sale of any properties the defendant owns and apply the proceeds of those sales to any order of restitution. The defendant will take any and all reasonable actions requested by the government to facilitate payment of restitution.

#### **8. Collateral Consequences**

The defendant understands that, in addition to the punishments described above, the defendant's guilty plea and conviction may have other or "collateral" consequences. These consequences may adversely affect such things as the defendant's right to possess firearms and right to vote. The defendant has discussed with the defendant's attorney the punishments and other consequences of pleading guilty, understands that not all of the consequences can be predicted or foreseen, and still wants to plead guilty in this case.

#### **9. Breach of Agreement**

If the defendant violates or breaches any of the terms of the Plea Agreement, the government will be released from its obligations under this Plea Agreement and in its sole discretion may do any or all of the following:

- a. Move to set aside the defendant's guilty plea and proceed on charges previously filed and any additional charges;
- b. Use against the defendant any statements or information the defendant provided at sentencing or in any prosecution;
- c. Seek additional charges based on false statements, perjury, obstruction of justice, or any other criminal acts committed by the defendant; and/or
- d. Seek to revoke or modify conditions of release.

The defendant's breach of this Plea Agreement will not entitle him to withdraw his guilty plea once he has entered it. If the defendant withdraws from this Plea Agreement, however, the government will be able to use the Factual Basis for the Guilty Plea against the defendant. Specifically, the government will be allowed to use the Factual Basis for the Guilty Plea as evidence in the government's case-in-chief at the defendant's trial, among other uses. The defendant agrees to, acknowledges, and adopts the facts set out in the Factual Basis for the Guilty Plea as true and accurate, and the defendant hereby stipulates and agrees that the Factual Basis for the Guilty Plea is admissible as evidence to prove the facts stated therein.

#### **10. Voluntariness**

In entering into this Plea Agreement, agreeing to plead guilty, and waiving the rights set forth above, the defendant understands and affirms the following:

a. The defendant has discussed with the defendant's attorney the charges, the possible punishments upon conviction, the evidence and any defenses to the charges, and the benefits and risks of going to trial.

b. The defendant has a right to plead not guilty, and by entering into this Plea Agreement and pleading guilty, the defendant is waiving or giving up a number of important rights, described above.

c. The defendant has had sufficient time to discuss the case with the defendant's attorney, and is satisfied with the advice given by counsel.

d. The defendant's good judgment and ability to understand this Plea Agreement and its consequences are not impaired or diminished due to the use of alcohol, drugs, or medications, or the effect of any physical, mental, or emotional illness, disease, or injury. The defendant understands the significance of the proceedings and the importance of the decision to plead guilty and waive rights.

e. The defendant enters this Plea Agreement and decision to plead guilty voluntarily, and not on account of force, threats, promises or inducements, apart from the promises and inducements set forth in this Plea Agreement.

f. The defendant agrees to plead guilty because the defendant is guilty of the offense charged.

## 11. Entire Agreement

This Plea Agreement constitutes the entire agreement between the defendant and the Public Integrity Section, and is binding only upon those parties. The parties have not made any other promises or inducements, or entered into any other agreements. The Court may accept or reject this Plea Agreement, and may wait to decide whether to accept or reject this Plea Agreement until it has reviewed the presentence report. If the Court accepts the Plea Agreement, but declines to follow any sentencing recommendations or stipulations that the government may make, the defendant will have no right to withdraw the defendant's guilty plea.

ANNALOU TIROL  
Acting Chief, Public Integrity Section

By: 

JOHN D. KELLER, Deputy Chief  
JAMES C. MANN, Trial Attorney


Defendant's Signature: I, Kyle Gerald Prall, have carefully read and reviewed the foregoing Plea Agreement in its entirety. After giving careful and mature consideration to the making of this Plea Agreement, thoroughly discussing the Plea Agreement with my attorney, and fully understanding my rights with respect to the pending criminal charges, and in reliance upon my own judgment

and the advice of my attorney, I freely and voluntarily agree to the specific terms and conditions of the Plea Agreement. I admit that all of the facts contained in the Factual Basis for Guilty Plea are true and correct, and that I am guilty of the offense to which I am pleading guilty. Moreover, I am satisfied with my attorney's representation of me in this matter, with the advice my attorney has provided to me, and that my attorney has rendered effective assistance.

  
\_\_\_\_\_  
KYLE GERALD PRALL  
Defendant

4/28/19  
\_\_\_\_\_  
Date

Defense Counsel Signature: I am counsel for the defendant, Kyle Gerald Prall, in this case. I have fully explained to the defendant all of the defendant's rights with respect to the pending criminal charges. I have carefully reviewed this Plea Agreement in its entirety with the defendant and provided the defendant with my best professional advice. In my opinion, the defendant's decision to enter into this Plea Agreement is made freely, voluntarily, and with full knowledge of its obligations and consequences.

  
\_\_\_\_\_  
JASON B. FREEMAN  
Attorney for Defendant

4/28/19  
\_\_\_\_\_  
Date

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION

UNITED STATES OF AMERICA

Case Number: 1:19-CR-00013(1)- RP  
USM Number: 23795-480

v.

KYLE GERALD PRALL

AKA: Jacob Collins  
AKA: John Holloway  
AKA: Kyle Prail

Defendant.

**JUDGMENT IN A CRIMINAL CASE**  
**(For Offenses Committed On or After November 1, 1987)**

The defendant, KYLE GERALD PRALL, was represented by Jason Brent Freeman.

The defendant pled guilty to Count One of the Indictment on May 9, 2019. Accordingly, the defendant is adjudged guilty of such Count(s), involving the following offense(s):

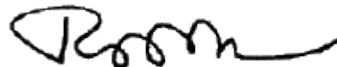
<u>Title &amp; Section</u>	<u>Nature of Offense</u>	<u>Offense Ended</u>	<u>Count</u>
18U.S.C. § 1341	Mail Fraud	12/28/2015	1

As pronounced on October 29, 2019, the defendant is sentenced as provided in pages 2 through 6 of this Judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

It is further ordered that the defendant shall notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the Court and United States Attorney of material changes in economic circumstances.

On Motion of the United States, the Court dismissed the remaining counts as to this defendant.

Signed this 26<sup>th</sup> day of November, 2019.



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ROBERT PITMAN  
United States District Judge



## IMPRISONMENT

The defendant is hereby committed to the custody of the Federal Bureau of Prisons to be imprisoned for a total term of 36 months as to count 1.

The defendant shall surrender for service of sentence at the institution designated by the Federal Bureau of Prisons as notified by the United States Marshal. The defendant shall not be required to surrender until after January 1, 2020.

The Court makes the following recommendation(s) to the Bureau of Prisons: That the defendant participate in the 500 Hour Residential Drug Abuse Program, or alternatively that he participate in the most intensive drug treatment program available during the period of confinement. If, for any reason, the Bureau of Prisons does not comply with any recommendation of this Court made in this Judgment and Sentence, the Bureau of Prisons shall immediately notify the Court and any reason therefore.

The Court also recommends to the Bureau of Prisons that the defendant be placed in a federal facility as close to Bloomington, IL area as possible for family visitation.

## RETURN

I have executed this judgment as follows:

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Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_  
at \_\_\_\_\_, with a certified copy of this judgment.

---

UNITED STATES MARSHAL

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By  
DEPUTY UNITED STATES MARSHAL

## **SUPERVISED RELEASE**

Upon release from imprisonment, the defendant shall be on supervised release for a term of **three (3) years**.

While on supervised release, the defendant shall comply with the mandatory, standard and if applicable, the special conditions that have been adopted by this Court, and shall comply with the following additional conditions:

The defendant shall participate in a substance abuse treatment program and follow the rules and regulations of that program. The program may include testing and examination during and after program completion to determine if the defendant has reverted to the use of drugs. The probation officer shall supervise the participation in the program (provider, location, modality, duration, intensity, etc.). During treatment, the defendant shall abstain from the use of alcohol and any and all intoxicants. The defendant shall pay the costs of such treatment if financially able.

The defendant shall submit to substance abuse testing to determine if the defendant has used a prohibited substance. The defendant shall not attempt to obstruct or tamper with the testing methods. The defendant shall pay the costs of testing if financially able.

The defendant shall submit his or her person, property, house, residence, vehicle, papers, computers (as defined in 18 U.S.C. § 1030(e)(1)), other electronic communications or data storage devices or media, or office, to a search conducted by a United States probation officer. Failure to submit to a search may be grounds for revocation of release. The defendant shall warn any other occupants that the premises may be subject to searches pursuant to this condition. The probation officer may conduct a search under this condition only when reasonable suspicion exists that the defendant has violated a condition of supervision and that the areas to be searched contain evidence of this violation. Any search shall be conducted at a reasonable time and in a reasonable manner.

The defendant shall provide the probation officer with access to any requested financial information and authorize the release of any financial information. The probation office may share financial information with the U.S. Attorney's Office.

The defendant shall not incur new credit charges, or open additional lines of credit without the approval of the probation officer.

If the judgment imposes a financial penalty, the defendant shall pay the financial penalty in accordance with the Schedule of Payments sheet of this judgment. The defendant shall notify the court of any changes in economic circumstances that might affect the ability to pay this financial penalty.

## CONDITIONS OF SUPERVISION

### Mandatory Conditions:

- [1] The defendant shall not commit another federal, state, or local crime during the term of supervision.
- [2] The defendant shall not unlawfully possess a controlled substance.
- [3] The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release on probation or supervised release and at least two periodic drug tests thereafter (as determined by the court), but the condition stated in this paragraph may be ameliorated or suspended by the court if the defendant's presentence report or other reliable sentencing information indicates low risk of future substance abuse by the defendant.
- [4] The defendant shall cooperate in the collection of DNA as instructed by the probation officer, if the collection of such a sample is authorized pursuant to section 3 of the DNA Analysis Backlog Elimination Act of 2000 (42 U.S.C. § 14135a).
- [5] If applicable, the defendant shall comply with the requirements of the Sex Offender Registration and Notification Act (34 U.S.C. § 20901, *et. seq.*) as instructed by the probation officer, the Bureau of Prisons, or any state sex offender registration agency in which the defendant resides, works, is a student, or was convicted of a qualifying offense.
- [6] If convicted of a domestic violence crime as defined in 18 U.S.C. § 3561(b), the defendant shall participate in an approved program for domestic violence.
- [7] If the judgment imposes a fine or restitution, it is a condition of supervision that the defendant pay in accordance with the Schedule of Payments sheet of the judgment.
- [8] The defendant shall pay the assessment imposed in accordance with 18 U.S.C. § 3013.
- [9] The defendant shall notify the court of any material change in the defendant's economic circumstances that might affect the defendant's ability to pay restitution, fines or special assessments.

### Standard Conditions:

- [1] The defendant shall report to the probation office in the federal judicial district where he or she is authorized to reside within 72 hours of release from imprisonment, unless the probation officer instructs the defendant to report to a different probation office or within a different time frame.
- [2] After initially reporting to the probation office, the defendant will receive instructions from the court or the probation officer about how and when to report to the probation officer, and the defendant shall report to the probation officer as instructed.
- [3] The defendant shall not knowingly leave the federal judicial district where he or she is authorized to reside without first getting permission from the court or the probation officer.
- [4] The defendant shall answer truthfully the questions asked by the probation officer.
- [5] The defendant shall live at a place approved by the probation officer. If the defendant plans to change where he or she lives or anything about his or her living arrangements (such as the people the defendant lives with), the defendant shall notify the probation officer at least 10 days before the change. If notifying the probation officer in advance is not possible due to unanticipated circumstances, the defendant shall notify the probation officer within 72 hours of becoming aware of a change or expected change
- [6] The defendant shall allow the probation officer to visit the defendant at any time at his or her home or elsewhere, and the defendant shall permit the probation officer to take any items prohibited by the conditions of the defendant's supervision that are observed in plain view.

- [7] The defendant shall work full time (at least 30 hours per week) at a lawful type of employment, unless the probation officer excuses the defendant from doing so. If the defendant does not have full-time employment, he or she shall try to find full-time employment, unless the probation officer excuses the defendant from doing so. If the defendant plans to change where the defendant works or anything about his or her work (such as the position or job responsibilities), the defendant shall notify the probation officer at least 10 days before the change. If notifying the probation officer at least 10 days in advance is not possible due to unanticipated circumstances, the defendant shall notify the probation officer within 72 hours of becoming aware of a change or expected change.
  
- [8] The defendant shall not communicate or interact with someone the defendant knows is engaged in criminal activity. If the defendant knows someone has been convicted of a felony, the defendant shall not knowingly communicate or interact with that person without first getting the permission of the probation officer.
  
- [9] If the defendant is arrested or questioned by a law enforcement officer, the defendant shall notify the probation officer within 72 hours.
  
- [10] The defendant shall not own, possess, or have access to a firearm, ammunition, destructive device, or dangerous weapon (i.e., anything that was designed, or was modified, for the specific purpose of causing bodily injury or death to another person such as nunchakus or tasers).
  
- [11] The defendant shall not act or make any agreement with a law enforcement agency to act as a confidential human source or informant without first getting the permission of the court.
  
- [12] If the probation officer determines that the defendant poses a risk to another person (including an organization), the probation officer may require the defendant to notify the person about the risk and the defendant shall comply with that instruction. The probation officer may contact the person and confirm that the defendant has notified the person about the risk.
  
- [13] The defendant shall follow the instructions of the probation officer related to the conditions of supervision.
  
- [14] If the judgment imposes other criminal monetary penalties, it is a condition of supervision that the defendant pay such penalties in accordance with the Schedule of Payments sheet of the judgment.
  
- [15] If the judgment imposes a fine, special assessment, restitution, or other criminal monetary penalties, it is a condition of supervision that the defendant shall provide the probation officer access to any requested financial information.
  
- [16] If the judgment imposes a fine, special assessment, restitution, or other criminal monetary penalties, it is a condition of supervision that the defendant shall not incur any new credit charges or open additional lines of credit without the approval of the probation officer, unless the defendant is in compliance with the payment schedule.
  
- [17] If the defendant is excluded, deported, or removed upon release on probation or supervised release, the term of supervision shall be a non-reporting term of probation or supervised release. The defendant shall not illegally re-enter the United States. If the defendant is released from confinement or not deported, or lawfully re-enters the United States during the term of probation or supervised release, the defendant shall immediately report in person to the nearest U.S. Probation Office.

**CRIMINAL MONETARY PENALTIES/SCHEDULE**

The defendant shall pay the following total criminal monetary penalties in accordance with the schedule of payments set forth. Unless the Court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during the period of imprisonment. Criminal Monetary Penalties, except those payments made through Federal Bureau of Prisons' Inmate Financial Responsibility Program shall be paid through the Clerk, United States District Court, 501 West Fifth Street, Suite 1100, Austin, TX 78701. The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

If the defendant is not now able to pay this indebtedness, the defendant shall cooperate fully with the office of the United States Attorney, the Federal Bureau of Prisons and/or the United States Probation Office to make payment in full as soon as possible, including during any period of incarceration. Any unpaid balance at the commencement of a term of probation or supervised release shall be paid on a schedule of monthly installments to be established by the U.S. Probation office and approved by the Court.

	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
<b>TOTALS</b>	\$100.00	\$ .00	\$546,118.14

**SPECIAL ASSESSMENT**

It is ordered that the defendant shall pay to the United States a special assessment of \$100.00. Payment of this sum shall begin immediately.

**FINE**

The fine is waived because of the defendant's inability to pay.

**RESTITUTION**

The defendant shall pay restitution in the amount of \$546,118.14 through the Clerk, U.S. District Court, for distribution to the payee(s). Payment of this sum shall begin immediately.

The Court imposed payment schedule shall not prevent statutorily authorized collection efforts by the United States Attorney. The defendant shall cooperate fully with the United States Attorney and the United States Probation Office to make payment in full as soon as possible. The defendant shall notify the United States Attorney for the district within 30 days of any change in mailing or residence address that occurs while any portion of the restitution remains unpaid. The Court determines the defendant does not have the ability to pay interest and therefore waives the interest requirement. 18 U.S.C. §3612(F)(3)

**Name of Payee**

**Amount of Restitution**

The list is on file under seal with the Clerk of the Court.

**FORFEITURE**

The defendant will forfeit all right, title and interest in the following:  
 \$205,496.68.

This forfeiture amount shall be credited to the restitution amount owed.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column above. However, pursuant to 18 U.S.C. § 3664(i), all non-federal victims must be paid before the United States is paid.

If the fine is not paid, the court may sentence the defendant to any sentence which might have been originally imposed. See 18 U.S.C. §3614.

The defendant shall pay interest on any fine or restitution of more than \$2,500.00, unless the fine or restitution is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. §3612(f). All payment options may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. §3612(g).

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) community restitution, (6) fine interest, (7) penalties, and (8) costs, including cost of prosecution and court costs.

Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.