

Federal Election Commission

Washington DC 20463

OFFICE OF  
GENERAL COUNSEL

2018 OCT -9 PM 12:38

RE: MUR 7468

Progressive Priorities

I received the above-mentioned case on 09/20/2018 through certified USPS mail.

Hi Amanda Andrade,

I am responding to the case I received through the mail about my involvement with Progressive Priorities.

On March 2016, I responded to a craigslist advertisement for a company called Modern Media Group (Robert Reyes) looking for a Bookkeeper that can help them on maintaining their PACs books. I did a phone interview with Robert Reyes who is located in California and I accepted the assignment. See the attached contract. Access Accounting Services is my accounting firm. I provide accounting and tax services for small business and non-profits. In my contract my role with the organization is clearly stated.

At the initial filling of Progressive Priorities PAC registration I was listed as a Treasurer under Robert Reyes assumption that is where the Bookkeeper who is going to maintain the books will be listed. But later on I received a document from FEC that explains the role of the Treasurer. I approached Robert Reyes and I mentioned to him that I cannot be listed as the Treasurer of the organization because the role of the Treasurer is not what I am contracted to do and I demanded to be removed as Treasurer (See the attached email). Then they submitted an amended statement of organization taking me out of the Treasurer.

I am not involved with any of the day to day activities of the organization. And I never performed any of the responsibilities of the Treasurer. What I performed for them is they send me their monthly bank activities and I will maintain their books through QuickBooks online and generate reports when needed. And for this service they paid me \$40 per hour.

I wasn't aware that the FEC report were submitted under my name. I have not prepared or submitted those reports.

I have attached some printed copies of my email communication with Robert Reyes, which clearly indicates that I served an accountant role not a Treasurer role. And my name as Treasurer was removed since September 2016. My relationship with Modern Media Group terminated around March 2017 for failure to make payments for my invoices.

I am willing to discuss on this issue and provide any documentation required. I can be reached at  
' anytime.

Thanks,

Henok Tedla, CPA

Annandale VA, 22003



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Progressive Priorities PAC  
3300 N. Interstate 35  
Suite 700  
Austin, TX 78722

SEP 14 2018

RE: MUR 7468  
Progressive Priorities PAC

To whom it may concern:

On August 7, 2018, the Federal Election Commission found that there is reason to believe that Progressive Priorities PAC and its treasurer ("Committee") violated 52 U.S.C. §§ 30104(b), 30103(b), (c), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"), as well as 11 C.F.R. §§ 104.3, 102.2(a)(1), (2). These findings were based on information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities. *See* 52 U.S.C. § 30109(a)(2). The Factual and Legal Analysis, which formed a basis for the Commission's finding(s), is enclosed for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the Office of the General Counsel's within 15 days of your receipt of this notification. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. *See* 52 USC § 30109(a)(4).

Please note that you have a legal obligation to preserve all documents; records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. *See* 18 U.S.C. § 1519.

If you are interested in pursuing pre-probable cause conciliation, you should make such a request by letter to the Office of the General Counsel. *See* 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into in order to complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been delivered to the respondent(s). Requests for extensions of time are not routinely granted. Requests must be made in writing at least five days prior to the due date of the response and good cause must be demonstrated. In addition, the

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Progressive Priorities PAC  
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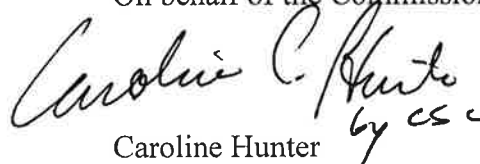
Office of the General Counsel ordinarily will not give extensions beyond 20 days. Pre-probable cause conciliation, extensions of time, and other enforcement procedures and options are discussed more comprehensively in the Commission's "Guidebook for Complainants and Respondents on the FEC Enforcement Process," which is available on the Commission's website at [http://www.fec.gov/em/respondent\\_guide.pdf](http://www.fec.gov/em/respondent_guide.pdf).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

Please be advised that, although the Commission cannot disclose information regarding an investigation to the public, it may share information on a confidential basis with other law enforcement agencies.<sup>1</sup>

This matter will remain confidential in accordance with 52 U.S.C. § 30109(a)(4)(B) and 30109(a)(12)(A) unless you notify the Commission in writing that you wish the investigation to be made public. For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Amanda Andrade, the attorney assigned to this matter, at (202) 694-1650.

On behalf of the Commission,

Handwritten signature of Caroline C. Hunter in cursive, with "by CSC" written below it.

Caroline Hunter  
Chair

Enclosures  
Factual and Legal Analysis  
Designation of Counsel Form

cc: Henok Tedla

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<sup>1</sup> The Commission has the statutory authority to refer knowing and willful violations of the Act to the Department of Justice for potential criminal prosecution, 52 U.S.C. § 30109(a)(5)(C), and to report information regarding violations of law not within its jurisdiction to appropriate law enforcement authorities. *Id.* § 30107(a)(9).



March 8, 2016

**Robert Reyes**

Modern Media Group LLC

[rob@modernmediagroupllc.com](mailto:rob@modernmediagroupllc.com)

c: 323.476.1238 f: 310.496.1530

Dear Robert:

It was a pleasure speaking with you about Modern Media Group LLC tax and accounting needs and how Access Accounting Services can be of an assistance.

As we discussed over the phone the following are the services we will provide:

**1) Bookkeeping**

- Receive the monthly bank activities of the PAC and
- Maintain record keeping and reporting duties of the PAC

Monthly service fee is paid through invoicing with an hourly rate of **\$40** per hour.

Should you have any questions or concerns, please don't hesitate to call me. I greatly appreciate the opportunity and look forward to mutually rewarding relationship.

Sincerely,

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Henok Tedla, CPA  
President/CEO  
Access Accounting Services

**Henok Tedla**

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From: Robert Reyes <rob@modernmediagroupllc.com>  
 Sent: Sunday, September 18, 2016 12:35 PM  
 To: matt.mediateam@gmail.com; Henok Tedla  
 Subject: Re: Clarifying my role

Henok-

Everyone is in accordance with that. We all have to clarify roles, myself included as not the Director of Contact for the PAC but outside consultant.

We all know your role within the PAC as the accountant.

We will submit the amendment.

Rob

Get [Outlook for iOS](#)

On Sun, Sep 18, 2016 at 4:10 PM +0200, "Henok Tedla" <[henok@access-cpa.com](mailto:henok@access-cpa.com)> wrote:

Hi Rob,

After carefully reviewing the PAC Treasurer responsibilities I don't think my contract fits into performing the responsibility of the Treasurer. I am hired to maintain the books of the PAC and that all I do. I have no control on the rest of the PAC activities.

Please submit an amendment and remove my name as a Treasurer of the PAC.

## Treasurer's Responsibilities

### Registering the Committee

A political committee must register under federal law by filing a [Statement of Organization \(FEC Form 1\)](#) [PDF]. The committee treasurer must sign the form and see that it is filed within 10 days after the committee qualifies as a "political committee" under the Act. [2](#)

On the form, the committee provides basic information about the committee (such as its name, address and bank) and officially designates the treasurer and custodian of records.

### Receipts and Expenditures

The treasurer must make sure that committee receipts are deposited in the designated campaign depository (i.e., the bank or credit union) within 10 days of receipt.

The treasurer must also authorize all committee expenditures or designate agents, either orally or in writing, who may authorize expenditures. Note that candidates who make financial transactions in connection with their campaigns are regarded, under the law, as agents of their respective committees.

### Recordkeeping and Reporting

The treasurer is responsible for the timely and accurate filing of financial reports with the federal and state governments. 3 To carry this out, and to monitor compliance with the law's limits and prohibitions, the regulations require a treasurer to maintain records of receipts and disbursements from the very beginning of the committee's operations. The federal campaign finance law is very specific about the information that must be documented and reported.

The treasurer must also sign the required reports or obtain a password that serves as a signature on reports filed electronically.

### Monitoring Contributions

The committee may not accept contributions from sources prohibited under the law or contributions that exceed that law's limits. Similarly, the committee may not make contributions that exceed the legal limits. The treasurer is responsible for monitoring contributions received and made by the committee to ensure compliance with these requirements. Keeping accurate records of receipts and disbursements is essential for this purpose.

Thanks,  
Henok Tedla, CPA  
President/CEO

901 S Highland street suite 315  
Arlington, VA 22204  
571-395-1242 Office

[www.access-cpa.com](http://www.access-cpa.com)  
Fixed Monthly Fee...No Surprise Bills

**Henok Tedla**

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**From:** Rob Reyes <rob@modernmediagroupllc.com>  
**Sent:** Monday, April 18, 2016 4:54 PM  
**To:** 'Greg Hutchison'  
**Cc:** 'Henok Tedla'; 'Henok Tedla'  
**Subject:** Need Credentials for B of A Account

Greg-

Henok, our accountant who does the bookkeeping, needs to have access to our B of A merchant account as part of his monthly reporting duties.

Alexa, the PAC Director called in to B of A and they stated that a 'Nick' with InfoCision in the admin for the account and he would need to provide this information.

It's very critical that we get our monthly activities accurately and within a timely manner.

Can you forward this to Nick so he can give Henok the required information?

**Robert Reyes**

Modern Media Group LLC

[rob@modernmediagroupllc.com](mailto:rob@modernmediagroupllc.com)

c: f: 310.496.1530 **skype:**robertreyes1982

**MMG**  
Modern Media Group

**Henok Tedla**

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**From:** QuickBooks Payments <connect@e.connect.intuit.com>  
**Sent:** Wednesday, November 16, 2016 1:47 PM  
**To:** henok@access-cpa.com  
**Subject:** Payment received: Invoice 1050 (Progressive Priorities PAC)



A payment of **\$100.00** has been received.

A payment has been received on invoice **1050**.

**Here are your transaction details:**

**Paid to**

Access Accounting & Tax Services, LLC

**Invoice no**

1050

**Paid date**

November 16, 2016

**Payment method**

Visa

**Payment amount**

\$100.00

**Invoice balance**

**\$0.00**

Your confirmation no. for this payment is: **PG0067386614**

Funds will be deposited in your account in 2-3 business days.

