



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

1 **MEMORANDUM**
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3 **TO:** The Commission

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5 **FROM:** Lisa J. Stevenson
6 Acting General Counsel

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8 **BY:** Charles Kitcher *CK*
9 Acting Associate General Counsel for Enforcement

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11 Stephen Gura *SG*
12 Deputy Associate General Counsel for Enforcement

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14 Jin Lee *JL*
15 Acting Assistant General Counsel

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17 Justine A. di Giovanni *JAdG*
18 Attorney

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20 **SUBJECT:** MUR 7468 (Progressive Priorities PAC)

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22 **RE:** Circulation of Discovery Document
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25 As part of the investigation in the above-referenced matter, we are circulating the
26 attached subpoenas directed to Wells Fargo Bank, N.A., and J.P. Morgan Chase Bank, N.A.,
27 d/b/a Chase Bank, for the Commission's approval on a 48-hour no-objection basis. This matter
28 concerns allegations that Progressive Priorities PAC ("PPP") failed to properly itemize its
29 contributions and expenditures in reports filed with the Commission and listed fictitious
30 treasurers on each of those filings.

31 On August 7, 2018, the Commission found reason to believe that PPP violated
32 52 U.S.C. §§ 30103(b), (c) and 30104(b) and 11 C.F.R. §§ 102.2(a)(1), (2) and 104.3.¹ The
33 Commission also authorized compulsory process.

34 Prior to the Commission's reason to believe finding, we received a Response from one
35 of the three individuals who was identified as the purported treasurer of PPP, Michelle Pautin

¹ Cert., MUR 7468 (Aug. 8, 2018).

1 (née Sotelo), who claimed that she was designated as PPP's treasurer without her knowledge.²
2 Pautin explained in her Response that she opened an account in October 2016 after a family
3 friend convinced her to do so to make a \$100 business investment.³ Pautin stated that
4 individuals associated with PPP subsequently commandeered the account and prevented her
5 from accessing it.⁴ In 2017, Pautin was able to regain control of and close the account.⁵

6 During the course of our investigation, we also obtained a declaration from another
7 purported treasurer, Henok Tedla.⁶ Tedla described his engagement as an accountant for PPP.⁷
8 Tedla has stated he never had direct access to PPP's bank records and never signed any of the
9 Committee's disclosure reports filed with the Commission.⁸ He subsequently sought to
10 remove himself as treasurer once he realized that he had been listed in this position on PPP's
11 filings with the Commission.⁹

12 As of this date, we have been unable to identify anyone with personal knowledge of
13 PPP's finances, filing procedures, or contributions and disbursements. We have thus far been
14 unable to contact the third previously listed treasurer for PPP. We therefore seek to subpoena
15 bank records for each account associated with PPP in order to identify the Committee's
16 receipts and disbursements, develop further information regarding the PAC's financial
17 practices, and identify the individuals responsible for the PAC's finances.

18 The attached subpoenas request records from the beginning of 2015 to the present. The
19 first subpoena is directed to Chase Bank, which is the authorized depository of PPP.¹⁰ The
20 second subpoena is directed to Wells Fargo Bank, the bank where Pautin opened the account
21 that was allegedly "commandeered" by PPP.¹¹ The subpoena directed to Wells Fargo requests
22 information regarding any other accounts opened by or for PPP.

23 Accordingly, we ask that the Commission approve the attached Subpoenas to Produce
24 Documents to Wells Fargo and Chase Bank.

2 Michelle Pautin Resp. at 1 (Feb. 20, 2018).

3 *Id.* at 1-2.

4 *Id.* at 1.

5 *Id.*

6 Henok Tedla Decl. (Mar. 18, 2019).

7 *Id.* ¶¶ 5-12.

8 *Id.* ¶¶ 11, 19.

9 *Id.* ¶¶ 15-16.

10 *See, e.g.*, Progressive Priorities PAC Amended Statement of Organization (Jan. 31, 2017).

11 Because the Wells Fargo account was opened as Pautin's personal account, we are required to comply with the Right to Financial Privacy Act of 1978 by notifying her of the subpoena and providing her the opportunity to file a Motion to Quash the subpoena. We have spoken with Pautin and informed her of our plans; as Pautin has previously banked with Wells Fargo personally, we agreed to limit our request to accounts opened between September 2016 and June 2017. Pautin indicated that she would not object.

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