



FEDERAL ELECTION COMMISSION
Washington, DC 20463

1 **MEMORANDUM**
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4 **TO:** The Commission
5
6 **FROM:** Lisa J. Stevenson
7 Acting General Counsel
8
9 Charles Kitcher
10 Acting Associate General Counsel for Enforcement
11
12 **BY:** Mark Allen *MA*
13 Assistant General Counsel
14
15 Ana J. Peña-Wallace *APW*
16 Attorney
17
18 **DATE:** December 7, 2020
19
20 **SUBJECT:** MUR 7479 (KAIRC PAC, *et al.*)
21 Supplement to First General Counsel's Report
22

23
24 **I. INTRODUCTION**
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26 This matter involves allegations that Keeping America in Republican Control PAC and
27 H. Russell Taub in his official capacity as treasurer ("KAIRC PAC") violated the Federal
28 Election Campaign Act of 1971, as amended (the "Act"), by failing to register and report as a
29 political committee despite raising over \$1.5 million in contributions.¹ The Office of General
30 Counsel ("OGC") circulated the First General Counsel's Report ("FGCR" or the "Report") in
31 this matter on April 29, 2019. The FGCR recommends that the Commission find reason to
32 believe that KAIRC PAC and Taub in his personal capacity knowingly and willfully violated
33 52 U.S.C. §§ 30103 and 30104 by failing to register and report as a political committee and
34 52 U.S.C. § 30102(b)(3) by commingling committee and personal funds. The FGCR also
35 recommends that the Commission find reason to believe that KAIRC PAC violated 52 U.S.C.
36 § 30120 and 11 C.F.R. § 110.11 by failing to include required disclaimers on its
37 communications. The Report further recommends that the Commission take no action at this

¹ First Gen. Counsel's Rpt. at 7, MUR 7479 (quoting email solicitations from KAIRC PAC stating that it supported over 85 candidates, raised over \$1.5 million, and launched 9 support ads).

1 time concerning allegations that KAIRC PAC failed to report independent expenditures and
2 dismiss allegations regarding possible foreign national contributions.

3
4 At the time of circulation of the FGCR, Taub had pled guilty to wire fraud charges, in
5 violation of 18 U.S.C. § 1343, and to knowingly and willfully failing to file reports with the
6 Commission, in violation of 52 U.S.C. §§ 30104 and 30109, stemming from his operation of
7 KAIRC PAC and a related entity, Keeping Ohio in Republican Control PAC (“KOIRC PAC”).
8 Taub had not yet been sentenced when the Commission discussed the recommendations at the
9 Executive Session of May 21, 2019. The Commission held the matter over for further
10 consideration following Taub’s sentencing.

11
12 Taub was sentenced on July 12, 2019, to thirty-six months in prison and three years of
13 supervised release, but a final restitution order was deferred. On July 20, 2020, an Amended
14 Judgment was entered, ordering Taub to pay \$1,102,439 in restitution to 267 victims.²

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16 The details from Taub’s sentencing do not change the recommendations in the FGCR.

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19 Therefore, we recommend that the Commission approve the
20 recommendations in the FGCR and the attached revised Factual and Legal Analysis that
21 incorporates the additional information regarding Taub’s criminal conviction.

22 23 **II. ANALYSIS**

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25 As discussed in the FGCR, Taub operated KAIRC PAC from 2016 to 2018, which
26 included the operation of a website with an online donation page and at least one fundraising
27 page on another platform.³ KAIRC PAC also solicited contributions through emails and
28 Facebook ads, some of which advocated the support or defeat of clearly identified federal
29 candidates.⁴ In his Response to the Complaint, Taub denied the allegations, stating that KAIRC
30 PAC failed to raise or spend the amounts required for registration as a political committee;⁵
31 however, less than a year later, in March 2019, Taub pled guilty to criminal charges, admitting
32 that he knowingly and willfully failed to file reports with the Commission.⁶

33
34 Taub’s final restitution order includes a list of 267 individuals who are owed money in
35 connection with Taub’s activities with KAIRC PAC and KOIRC PAC in amounts ranging from

² See Attach. 1 (Amended Judgment and Restitution List, *United States. v. Harold Russell Taub*, 1:19CR00015-01 (D.R.I. Jul. 20, 2020)).

³ First Gen. Counsel’s Rpt. at 4-5, MUR 7479.

⁴ *Id.* at 5-7.

⁵ *Id.* at 8-9 (discussing Taub’s Response of Sept. 4, 2018).

⁶ *Id.* at 9.

1 \$7 to \$695,758.⁷ However, the list does not specify which amounts were for contributions made
2 in connection with a federal election and which were related to state or local races.⁸ Likewise,
3 Taub's indictment states that Taub made contributions totaling \$215,000 to federal candidates
4 using KAIRC PAC funds but does not provide further details.⁹ Commission records show that
5 Taub reportedly made contributions to federal committees totaling over \$400,000, but in light of
6 his criminal conviction, it is unclear whether those contributions were made using his personal
7 funds or with funds derived from contributions made by others to KAIRC PAC or KOIRC
8 PAC.¹⁰ The Commission's databases do not show that any federal committee ever disclosed
9 contributions from KAIRC PAC.

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11 In light of the questions that remain, the fact that KAIRC PAC has neither registered with
12 the Commission nor disclosed *any* receipts or disbursements, and the possibility that recipient
13 committees may have misreported some of the contributions they received as a result of Taub's
14 malfeasance, a limited investigation remains appropriate in this matter.

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⁷ Attach. 1, Restitution List.

⁸ The list also indicates that the amount of the aggregate loss for these individuals totaled \$1,621,798. In the Amended Judgment, however, the court waived interest on the restitution amount and only ordered Taub to pay the original \$1,102,439. *See* Attach. 1 at 6 and 14.

⁹ First Gen. Counsel Rpt. at 10.

¹⁰ *Id.* at 10-11.

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Accordingly, we recommend that the Commission approve the recommendations in the FGCR that was previously circulated for this matter and that it approve a revised Factual and Legal Analysis that incorporates the additional information regarding Taub's criminal conviction.

III. RECOMMENDATIONS

1. Approve recommendations 1, 2, 3, 4, 5, 7 and 8 in the First General Counsel's Report in MUR 7479 circulated on April 29, 2019; and
2. Approve the attached Factual and Legal Analysis.

Attachments:

1. Amended Judgment and Restitution List
2. Factual and Legal Analysis

¹³ *Buckley v. Valeo*, 424 U.S. 1, 66 (1976); *see also Citizens United v. FEC*, 558 U.S. 310, 369-71 (2010) (describing importance of disclosure requirements to serve informational interest, because "transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages").

UNITED STATES DISTRICT COURT DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA

AMENDED JUDGMENT IN A CRIMINAL CASE

V.

Harold Russell Taub

Case Number: 1:19CR00015-01WES

USM Number: 12072-070

Eric R. Levine, Jeffrey B. Pine, Esquire

Defendant's Attorney

Date of Original Judgment: 7/26/2019 (Or Date of Last Amended Judgment)

THE DEFENDANT:

[X] pleaded guilty to count(s) I and II of the Information

[] pleaded nolo contendere to count(s) which was accepted by the court.

[] was found guilty on count(s) after a plea of not guilty.

The defendant is adjudicated guilty of these offenses:

Table with 4 columns: Title & Section, Nature of Offense, Offense Ended, Count. Row 1: 18 U.S.C. § 1343, Wire Fraud, November 2018, I. Row 2: 52 U.S.C. §§ 30104(a)(4) and 30109(d)(1)(A), Willful Violation of the Election Act, December 31, 2018, II.

The defendant is sentenced as provided in pages 2 through 8 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

[] The defendant has been found not guilty on count(s) [] Count(s) [] is [] are dismissed on the motion of the United States.

It is ordered that the defendant must 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.

7/20/2020 Date of Imposition of Judgment [Signature] Signature of Judge William E. Smith US District Judge Name and Title of Judge 7/20/2020 Date

DEFENDANT: **Harold Russell Taub**
CASE NUMBER: **1:19CR00015-01WES**

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 Counts I and II to be served concurrently with each other

The court makes the following recommendations to the Bureau of Prisons:

That the defendant be placed in a facility most appropriate for defendant to receive some of the mental health services that defendant is in need of, preferably Fort Devens.

The defendant is remanded to the custody of the United States Marshal.

The defendant shall surrender to the United States Marshal for this district:

at _____ a.m. p.m. on _____ .

as notified by the United States Marshal.

The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

before 2 p.m. on _____ .

as notified by the United States Marshal.

as notified by the Probation or Pretrial Services Office.

RETURN

I have executed this judgment as follows:

Defendant delivered on _____ to _____

a _____, with a certified copy of this judgment.

UNITED STATES MARSHAL

By _____
DEPUTY UNITED STATES MARSHAL

DEFENDANT: Harold Russell Taub
CASE NUMBER: 1:19CR00015-01WES

SUPERVISED RELEASE

Upon release from imprisonment, you will be on supervised release for a term of :
3 years as to Counts I and II to run concurrently with each other

MANDATORY CONDITIONS

1. You must not commit another federal, state or local crime.
2. You must not unlawfully possess a controlled substance.
3. You must refrain from any unlawful use of a controlled substance. You must submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.
 - The above drug testing condition is suspended, based on the court's determination that you pose a low risk of future substance abuse. *(check if applicable)*
4. You must make restitution in accordance with 18 U.S.C. §§ 3663 and 3663A or any other statute authorizing a sentence of restitution. *(check if applicable)*
5. You must cooperate in the collection of DNA as directed by the probation officer. *(check if applicable)*
6. You must comply with the requirements of the Sex Offender Registration and Notification Act (34 U.S.C. § 20901, *et seq.*) as directed by the probation officer, the Bureau of Prisons, or any state sex offender registration agency in the location where you reside, work, are a student, or were convicted of a qualifying offense. *(check if applicable)*
7. You must participate in an approved program for domestic violence. *(check if applicable)*

You must comply with the standard conditions that have been adopted by this court as well as with any other conditions on the attached page.

DEFENDANT: Harold Russell Taub
CASE NUMBER: 1:19CR00015-01WES

STANDARD CONDITIONS OF SUPERVISION

As part of your supervised release, you must comply with the following standard conditions of supervision. These conditions are imposed because they establish the basic expectations for your behavior while on supervision and identify the minimum tools needed by probation officers to keep informed, report to the court about, and bring about improvements in your conduct and condition.

1. You must report to the probation office in the federal judicial district where you are authorized to reside within 72 hours of your release from imprisonment, unless the probation officer instructs you to report to a different probation office or within a different time frame.
2. After initially reporting to the probation office, you will receive instructions from the court or the probation officer about how and when you must report to the probation officer, and you must report to the probation officer as instructed.
3. You must not knowingly leave the federal judicial district where you are authorized to reside without first getting permission from the court or the probation officer.
4. You must answer truthfully the questions asked by your probation officer.
5. You must live at a place approved by the probation officer. If you plan to change where you live or anything about your living arrangements (such as the people you live with), you must 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, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
6. You must allow the probation officer to visit you at any time at your home or elsewhere, and you must permit the probation officer to take any items prohibited by the conditions of your supervision that he or she observes in plain view.
7. You must work full time (at least 30 hours per week) at a lawful type of employment, unless the probation officer excuses you from doing so. If you do not have full-time employment you must try to find full-time employment, unless the probation officer excuses you from doing so. If you plan to change where you work or anything about your work (such as your position or your job responsibilities), you must 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, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
8. You must not communicate or interact with someone you know is engaged in criminal activity. If you know someone has been convicted of a felony, you must not knowingly communicate or interact with that person without first getting the permission of the probation officer.
9. If you are arrested or questioned by a law enforcement officer, you must notify the probation officer within 72 hours.
10. You must 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. You must 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 you pose a risk to another person (including an organization), the probation officer may require you to notify the person about the risk and you must comply with that instruction. The probation officer may contact the person and confirm that you have notified the person about the risk.
13. You must follow the instructions of the probation officer related to the conditions of supervision.

U.S. Probation Office Use Only

A U.S. probation officer has instructed me on the conditions specified by the court and has provided me with a written copy of this judgment containing these conditions. For further information regarding these conditions, see *Overview of Probation and Supervised Release Conditions*, available at: www.uscourts.gov.

Defendant's Signature _____

Date _____

DEFENDANT: Harold Russell Taub
CASE NUMBER: 1:19CR00015-01WES

SPECIAL CONDITIONS OF SUPERVISION

1. The defendant shall participate in a program of mental health treatment as directed and approved by the Probation Office.
2. The defendant shall contribute to the cost of all ordered treatment and testing based on ability to pay as determined by the probation officer.
3. The defendant is to provide access to all financial information requested by the supervising probation officer including, but not limited to, copies of all federal and state income tax returns. All tax returns shall be filed in a timely manner.
4. The defendant will not open new lines of credit, which includes the leasing of any vehicle or other property or use existing credit resources without the prior approval of the supervising probation officer until court ordered financial obligations have been satisfied.
5. The defendant will maintain one personal checking account. All the defendant's income, monetary gains, or other pecuniary proceeds will be deposited into this account, which will also be used for payment of all personal expenses. Records of all other bank accounts, including business accounts, will be disclosed to the supervising probation officer upon request.
6. The defendant will not transfer, sell, give away, or otherwise convey any asset with a fair market value in excess of \$1,000.00 without the approval of the supervising probation officer until all financial obligations imposed by this court have been satisfied.
7. The defendant will cooperate with the U.S. Probation Office in the investigation and approval of any position of self-employment, including any independent, entrepreneurial, or freelance employment or business activity. If approved for self-employment, the defendant will provide the U.S. Probation Office with full disclosure of self-employment and other business records, including, but not limited to, all of the records identified in the Probation Form 48F (Request for Self-Employment Records), or as otherwise requested by the U.S. Probation Office.

DEFENDANT: Harold Russell Taub
CASE NUMBER: 1:19CR00015-01WES

CRIMINAL MONETARY PENALTIES

The defendant must pay the total criminal monetary penalties under the schedule of payments on Sheet 6.

	<u>Assessment</u>	* <u>Restitution</u>	<u>Fine</u>	<u>AVAA Assessment*</u>	<u>JVTA Assessment***</u>
TOTALS	\$ 200.00	\$ 1,102,439.00	\$ 0.00	\$ 0.00	\$ 0.00

The determination of restitution is deferred until _____. An Amended Judgment in a Criminal Case (AO 245C) will be entered after such determination.

« The defendant must make restitution (including community restitution) to the following payees in the amount listed below.

* **See twelve (12) page attachment.**

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 below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

<u>Name of Payee</u>	<u>Total Loss***</u>	<u>Restitution Ordered</u>	<u>Priority or Percentage</u>

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	*		*
TOTALS	\$ <u>1,621,798.00</u>		\$ <u>1,102,439.00</u>

Restitution amount ordered pursuant to plea agreement \$ _____

The defendant must pay interest on restitution and a fine of more than \$2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 6 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).

« The court determined that the defendant does not have the ability to pay interest and it is ordered that:

the interest requirement is waived for the fine restitution.

the interest requirement for the fine restitution is modified as follows:

* Amy, Vicky, and Andy Child Pornography Victim Assistance Act of 2018, Pub. L. No. 115-299.

** Justice for Victims of Trafficking Act of 2015, Pub. L. No. 114-22.

*** 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.

DEFENDANT: Harold Russell Taub
CASE NUMBER: 1:19CR00015-01WES

SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties is due as follows:

- A * Lump sum payment of \$ 1,102,639.00 due immediately, balance due
 - not later than _____, or
 - in accordance with C, D, E, or F below; or
- B Payment to begin immediately (may be combined with C, D, or F below); or
- C Payment in equal _____ (e.g., weekly, monthly, quarterly) installments of \$ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after the date of this judgment; or
- D Payment in equal _____ (e.g., weekly, monthly, quarterly) installments of \$ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after release from imprisonment to a term of supervision; or
- E Payment during the term of supervised release will commence within _____ (e.g., 30 or 60 days) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or
- F Special instructions regarding the payment of criminal monetary penalties:

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during the period of imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

Joint and Several

Defendant and Co-Defendant Names and Case Numbers (including defendant number), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.

The defendant shall pay the cost of prosecution.

The defendant shall pay the following court cost(s):

The defendant shall forfeit the defendant's interest in the following property to the United States:
SEE NEXT PAGE

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) AVAA assessment, (5) fine principal, (6) fine interest, (7) community restitution, (8) JVTA assessment, (9) penalties, and (10) costs, including cost of prosecution and court costs.

DEFENDANT: Harold Russell Taub
CASE NUMBER: 1:19CR00015-01WES

ADDITIONAL FORFEITED PROPERTY

Any property, real or personal, which constitutes or is derived from proceeds traceable to the offense(s).

XXXX-436-9	Harold Taub	\$7,760.99
XXXX-093-2	Harold Taub DBA Harold Taub Keeping Ohio in Republican Control (KOIRC)	\$1,320.34
XXXX-771-0	HaroldTaub DBA Taub Victory Fund	\$67.67
XX-XXX3428	Harold Taub	\$2,023.54
XXXX-781-9	Harold Taub DBA Putting New England First (PNEF)	\$1,011.00
XXXX-814-3	Harold Taub DBA Tested and Trusted	\$1,259.40

Victim Name	Loss Amount	Restitution Amount Ordered
Simon Abramovici	\$ 25.00	\$ 17.00
Kenneth & Nira Abramowitz	\$ 20,830.00	\$ 14,159.00
James C Adams	\$ 45.00	\$ 31.00
Marc & Janice Adler	\$ 50.00	\$ 34.00
Lisa M Alexander	\$ 25.00	\$ 17.00
Monique Amerman	\$ 25.00	\$ 17.00
Mark Anderson	\$ 25.00	\$ 17.00
Pat Austin	\$ 50.00	\$ 34.00
Walter Bahler	\$ 50.00	\$ 34.00
Rodney R Baillargeon	\$ 350.00	\$ 238.00
Timothy Barletta	\$ 2,000.00	\$ 1,360.00
Carole Barrett	\$ 50.00	\$ 34.00
Dennis Bell	\$ 25.00	\$ 17.00
Eugene Belli	\$ 25.00	\$ 17.00
Kjell Bergh	\$ 2,500.00	\$ 1,699.00
Francine A Bernabeo	\$ 50.00	\$ 34.00
Harold Beznos	\$ 10,000.00	\$ 6,798.00
Catherine Bigelow	\$ 25.00	\$ 17.00
Dwight Bolton	\$ 50.00	\$ 34.00
Peter V. S. & Zahira S. Bond	\$ 75.00	\$ 51.00
Judy Bonin	\$ 45.00	\$ 31.00
Sherwin Borsuk	\$ 25.00	\$ 17.00
Carter Boswell	\$ 25.00	\$ 17.00
Mark Bowell	\$ 2,000.00	\$ 1,360.00
Gary Bridgeford	\$ 10.00	\$ 7.00
Elliott B. Broidy	\$ 10,000.00	\$ 6,798.00
John Brown	\$ 100.00	\$ 68.00
Ross Brown	\$ 100.00	\$ 68.00
William R. & Sophia C. Brown	\$ 90.00	\$ 61.00
Neil D Bucci	\$ 2,050.00	\$ 1,394.00
Michael J. Bugara	\$ 75.00	\$ 51.00
Peg Bugara	\$ 100.00	\$ 68.00
Deborah Burch	\$ 10.00	\$ 7.00
Gary Burns	\$ 61.00	\$ 41.00
Dannie Butler	\$ 25.00	\$ 17.00
Leo Caissie	\$ 50.00	\$ 34.00
Wynn Calland	\$ 100.00	\$ 68.00
Robert S. Carlin Jr	\$ 1,700.00	\$ 1,156.00
John Carmony	\$ 100.00	\$ 68.00
Paula A. & John K. Carnevale	\$ 500.00	\$ 340.00
Gina Catalano	\$ 10.00	\$ 7.00
Robert Chou	\$ 25.00	\$ 17.00
Daniel Christopher	\$ 50.00	\$ 34.00
Daniel Chu	\$ 25.00	\$ 17.00

Giovanni Cicione	\$ 250.00	\$ 170.00
Brenda Clark	\$ 10.00	\$ 7.00
Bruce Clark	\$ 25.00	\$ 17.00
Mrs. William H. Clark	\$ 5,000.00	\$ 3,399.00
Barbara Clifford	\$ 100.00	\$ 68.00
Mary Clifton	\$ 50.00	\$ 34.00
Elfriede A. Collis	\$ 200.00	\$ 136.00
Alan Connors	\$ 50.00	\$ 34.00
Gary Convis	\$ 50.00	\$ 34.00
Anthony Corrente Jr	\$ 100.00	\$ 68.00
Paul G. Coulombe	\$ 15,000.00	\$ 10,196.00
Jenny Craig	\$ 2,000.00	\$ 1,360.00
Jarrett Crawford	\$ 30.00	\$ 20.00
Stephanie Cripe	\$ 10.00	\$ 7.00
Justin La Croix	\$ 50.00	\$ 34.00
Robert D'Andrea	\$ 110.00	\$ 75.00
Ken Dalton	\$ 100.00	\$ 68.00
Jeffrey Davidoff	\$ 50.00	\$ 34.00
Pam Davis	\$ 25.00	\$ 17.00
Peter DeCarlo	\$ 25.00	\$ 17.00
James Dean	\$ 25.00	\$ 17.00
Ace Tomato Enterprises, Inc.	\$ 1,000.00	\$ 680.00
Business Avionix Company LLC	\$ 75.00	\$ 51.00
MCNA Health Care Holdings, LLC	\$ 20,000.00	\$ 13,595.00
Oxford Academy Inc	\$ 1,000.00	\$ 680.00
Paragraph Two PAC	\$ 200.00	\$ 136.00
Thomas Dietz	\$ 50.00	\$ 34.00
Frank Dolenc	\$ 40.00	\$ 27.00
Edward Doura	\$ 150.00	\$ 102.00
Jackie Dudley	\$ 20.00	\$ 14.00
Joseph Dunn	\$ 100.00	\$ 68.00
Tom Economy, Jr	\$ 37.00	\$ 25.00
Margot Einstein	\$ 2,125.00	\$ 1,444.00
Dan Michael Fast	\$ 25.00	\$ 17.00
Judith Faurie	\$ 50.00	\$ 34.00
Joyce I Lanni & Richard E Fishpaw, Jr.,	\$ 1,475.00	\$ 1,003.00
Susan L. & Lawrence J. Fitzmorris, Jr.	\$ 375.00	\$ 255.00
James J. Fitzpatrick	\$ 13.00	\$ 8.00
Richard Foley	\$ 100.00	\$ 68.00
Antonio S. & Dianne C. Fonseca	\$ 4,135.00	\$ 2,811.00
Donald Fowler	\$ 25.00	\$ 17.00
Foster S. & Lynnette E. Friess	\$ 1,000.00	\$ 680.00
Robert G Fuller, Jr.	\$ 3,000.00	\$ 2,039.00
Peter Fuller	\$ 50.00	\$ 34.00
John Gaffney	\$ 20.00	\$ 14.00
Alfred J. & Judith D. Gagne	\$ 800.00	\$ 544.00
Warren B Galkin, UA	\$ 89,900.00	\$ 61,111.00

Robert T. Galkin	\$ 1,950.00	\$ 1,326.00
Teri Galvez	\$ 200.00	\$ 136.00
Cheng Gao	\$ 10,000.00	\$ 6,798.00
Terence P. & Carol A. Garvey	\$ 875.00	\$ 595.00
Michael Gendre	\$ 50.00	\$ 34.00
Stephane T. & Peter J. Gibbons	\$ 350.00	\$ 238.00
Lawrence A Girouard & Janet Creamer	\$ 1,200.00	\$ 816.00
Pat Glass	\$ 10.00	\$ 7.00
Peter D & Anita J Gordon	\$ 25.00	\$ 17.00
Richard Goldberg	\$ 1,000.00	\$ 680.00
Roxanne Goodman	\$ 500.00	\$ 340.00
Karin Gorman	\$ 35.00	\$ 24.00
Karen Grafton	\$ 8,500.00	\$ 5,778.00
William Grapentine	\$ 175.00	\$ 119.00
Ernest A. Greco	\$ 385.00	\$ 262.00
Nancy Guiles	\$ 5.00	\$ 3.00
Artie Hardie	\$ 25.00	\$ 17.00
Arthur Hartwig	\$ 25.00	\$ 17.00
Jeannitte Hays	\$ 50.00	\$ 34.00
Kaleb Hendrickson	\$ 5.00	\$ 3.00
Tatnall Lea Hillman	\$ 10,500.00	\$ 7,138.00
Jane Grote & Van D. Hipp, Jr	\$ 500.00	\$ 340.00
Larry Hochberg	\$ 17,500.00	\$ 11,896.00
Gary Hoffman	\$ 250.00	\$ 170.00
William Hoffman	\$ 50.00	\$ 34.00
Brad Howard	\$ 50.00	\$ 34.00
Russell Hryzan	\$ 500.00	\$ 340.00
Brian E. Hutchings	\$ 50.00	\$ 34.00
Gerardo Iantosca	\$ 25.00	\$ 17.00
Grady Jackson	\$ 25.00	\$ 17.00
Keith Jandahl	\$ 25.00	\$ 17.00
Russell & Carey D. Jeffrey	\$ 5,000.00	\$ 3,399.00
Brian Jencunas	\$ 50.00	\$ 34.00
Hildreth Johnson	\$ 25.00	\$ 17.00
James Johnson	\$ 15.00	\$ 10.00
Adri C. Kalisvaart	\$ 650.00	\$ 442.00
David Kaplan	\$ 25.00	\$ 17.00
Joseph Karabinus	\$ 25.00	\$ 17.00
Teresa Karcich	\$ 15.00	\$ 10.00
Ron Katz	\$ 10.00	\$ 7.00
Warren Keinath	\$ 750.00	\$ 510.00
Stephanie & Jonathan J. Keith	\$ 25.00	\$ 17.00
Robert Kirsch	\$ 100.00	\$ 68.00
Barbara Klein	\$ 100.00	\$ 68.00
Noel Kott	\$ 50.00	\$ 34.00
Steven A & June M Kruger	\$ 20.00	\$ 14.00
Paul Kruss	\$ 500.00	\$ 340.00

Peter Kurze	\$ 75.00	\$ 51.00
Michael A. Lafond	\$ 100.00	\$ 68.00
Martin Lamb	\$ 50.00	\$ 34.00
Salvatore Lanuto	\$ 50.00	\$ 34.00
Joseph S. Larisa, Jr.	\$ 250.00	\$ 170.00
Fred Lauer	\$ 50.00	\$ 34.00
John S. Lawlor	\$ 2,000.00	\$ 1,360.00
Robert Lebovics	\$ 500.00	\$ 340.00
Robert & Amy Lebovics	\$ 250.00	\$ 170.00
Richard Lefcourt	\$ 25.00	\$ 17.00
Max Lemke	\$ 5.00	\$ 3.00
Mark Levenson	\$ 1,000.00	\$ 680.00
Judy Levine	\$ 50.00	\$ 34.00
Leora Levy	\$ 500.00	\$ 340.00
John Lewis	\$ 25.00	\$ 17.00
Greg Littell	\$ 25.00	\$ 17.00
Deidre Lobaugh	\$ 25.00	\$ 17.00
Miguel Lopez	\$ 25.00	\$ 17.00
Joseph H. Lorenz	\$ 125.00	\$ 85.00
Larry MacDonald	\$ 50.00	\$ 34.00
Kenneth Manning	\$ 50.00	\$ 34.00
Ruth Mark	\$ 20.00	\$ 14.00
Joseph Matais	\$ 50.00	\$ 34.00
J. William Middendorf	\$ 4,000.00	\$ 2,719.00
Charles A. & Eun Ju Milhans	\$ 2,700.00	\$ 1,835.00
Christopher Miller	\$ 100.00	\$ 68.00
David Miller	\$ 25.00	\$ 17.00
Michael N. Miller & Edith R. Miller	\$ 500.00	\$ 340.00
Michael Monostori	\$ 15.00	\$ 10.00
Linda M. Montana	\$ 25.00	\$ 17.00
James C. Morphy	\$ 100.00	\$ 68.00
Scott A. & Marion C. Morrison	\$ 1,000.00	\$ 680.00
Paul Moshay	\$ 20.00	\$ 14.00
Kurt Moyer	\$ 25.00	\$ 17.00
William J. Murphy	\$ 1,985.00	\$ 1,349.00
Deborah Murray	\$ 50.00	\$ 34.00
Ronald C. Myer	\$ 15.00	\$ 10.00
Dan Negrea	\$ 2,500.00	\$ 1,699.00
Richard Palmer	\$ 200.00	\$ 136.00
Arthur Pamas	\$ 25.00	\$ 17.00
Robert Paulson	\$ 50.00	\$ 34.00
Ronald M. Pearson	\$ 375.00	\$ 255.00
Augusta H Petrone	\$ 2,700.00	\$ 1,835.00
James Phetteplace	\$ 75.00	\$ 51.00
William Pike	\$ 75.00	\$ 51.00
Gerald Platt	\$ 1,000.00	\$ 680.00

Vincent Porcaro	\$ 250.00	\$ 170.00
Ryan Quattromani	\$ 125.00	\$ 85.00
Dick J. & Carolyn I. Randall, Trustee	\$ 5,000.00	\$ 3,399.00
Rev. John C. Rankin	\$ 35.00	\$ 24.00
Thomas Rastin	\$ 250,000.00	\$ 169,941.00
Abram Mark Ratner	\$ 75.00	\$ 51.00
Frank Rattay	\$ 25.00	\$ 17.00
Dorothy Read	\$ 25.00	\$ 17.00
Janice Reineke	\$ 100.00	\$ 68.00
Steven Rice	\$ 25.00	\$ 17.00
Robert Righter	\$ 10.00	\$ 7.00
Kenneth E & Barbara Rix	\$ 4,400.00	\$ 2,991.00
Laura Rom	\$ 20.00	\$ 14.00
Douglas Rose	\$ 5,000.00	\$ 3,399.00
Philip Rosenthal	\$ 100.00	\$ 68.00
Richard Rosenzweig	\$ 25.00	\$ 17.00
Gina Ross	\$ 15.00	\$ 10.00
Seth Ruskin	\$ 225.00	\$ 153.00
Mary Ellen Rusnov	\$ 13.00	\$ 8.00
Miki Russell	\$ 10.00	\$ 7.00
Kenneth J. & Roberta K. Schneider	\$ 250.00	\$ 170.00
Peter Schulkin	\$ 50.00	\$ 34.00
Charlotte Sciola	\$ 100.00	\$ 68.00
William Scruggs	\$ 25.00	\$ 17.00
Deborah Seibel	\$ 35.00	\$ 24.00
June Sekiguchi	\$ 10.00	\$ 7.00
Frank K. Seninsky	\$ 2,000.00	\$ 1,360.00
David J. Shepherd	\$ 2,035.00	\$ 1,383.00
Stephen Shubert	\$ 50.00	\$ 34.00
Richard Sigmon	\$ 100.00	\$ 68.00
Hardwick Simmons	\$ 5,000.00	\$ 3,399.00
Esta Singer	\$ 10.00	\$ 7.00
Jeffrey Singer	\$ 10.00	\$ 7.00
Martha Sloan	\$ 100.00	\$ 68.00
Robert Snider	\$ 150.00	\$ 102.00
Robert M. & Doreen M. Soffer	\$ 125.00	\$ 85.00
Robert Spitalnick	\$ 250.00	\$ 170.00
Frank Starosciak	\$ 25.00	\$ 17.00
Walter P. Stern TTE	\$ 1,000.00	\$ 680.00
Melissa Stimler	\$ 100.00	\$ 68.00
John Strom	\$ 10.00	\$ 7.00
Mary N. Stultz	\$ 200.00	\$ 136.00
Lawrence Sullivan	\$ 1,125.00	\$ 765.00
Anthony Taquey	\$ 100.00	\$ 68.00
Michael P. & Susan M. Tasca JT Ten	\$ 200.00	\$ 136.00
Stanley Tate	\$ 250.00	\$ 170.00
Iris B. & Armand S. Tetreault,	\$ 25.00	\$ 17.00

Philip Tobin	\$ 50.00	\$ 34.00
Lewis Topper	\$ 6,000.00	\$ 4,079.00
Mark Townsend	\$ 100.00	\$ 68.00
Ron Trapani	\$ 25.00	\$ 17.00
Jane Trautmann	\$ 10.00	\$ 7.00
Beverly D. Trytten	\$ 100.00	\$ 68.00
Gerald Tuite	\$ 1,125.00	\$ 765.00
Peter Turner	\$ 150.00	\$ 102.00
Michael Tusoni	\$ 25.00	\$ 17.00
Richard E. Uihlein	\$ 20,000.00	\$ 13,595.00
Grant A Van Eck	\$ 325.00	\$ 221.00
Karen Vent	\$ 50.00	\$ 34.00
Rex Walker	\$ 50.00	\$ 34.00
David H & Jade S Walsh	\$ 1,000.00	\$ 680.00
James Ward	\$ 25.00	\$ 17.00
Joe Ward	\$ 5.00	\$ 3.00
Leonard Wass	\$ 50.00	\$ 34.00
Mark Watson	\$ 100.00	\$ 68.00
Chistopher Weaver	\$ 50.00	\$ 34.00
William Weaver	\$ 20.00	\$ 14.00
Robin Weeks	\$ 25.00	\$ 17.00
Ronald Wermers	\$ 50.00	\$ 34.00
Stephanie L. Westgate	\$ 150.00	\$ 102.00
Ray White	\$ 25.00	\$ 17.00
Fred Whitley	\$ 5.00	\$ 3.00
Leslie Wickel	\$ 75.00	\$ 51.00
Claudia Wiens	\$ 50.00	\$ 34.00
Richard Wightman	\$ 100.00	\$ 68.00
Joseph Wilhelm	\$ 25.00	\$ 17.00
Alfred H. Wilson III	\$ 200.00	\$ 136.00
Elaine J. Wold	\$ 150.00	\$ 102.00
Karen Buchwald Wright	\$ 1,025,000.00	\$ 696,758.00
Braford Wyatt	\$ 100.00	\$ 68.00
Stephen Wyers	\$ 25.00	\$ 17.00
Mark Zaccaria	\$ 100.00	\$ 68.00
Alice Zinkevich	\$ 10.00	\$ 7.00
	Total = \$ 1,621,798.00	Total= \$ 1,102,439.00

FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: Keeping America in Republican Control **MUR 7479**
PAC and H. Russell Taub in his official
capacity as treasurer
H. Russell Taub

I. INTRODUCTION

This matter was generated by a Complaint filed with the Federal Election Commission (the “Commission”) alleging violations of the Federal Election Campaign Act of 1971, as amended, (the “Act”) by H. Russell Taub and Keeping America in Republican Control PAC and Taub in his official capacity as treasurer (“KAIRC PAC”). The Complaint alleges that KAIRC PAC failed to register as a political committee with the Commission despite raising over \$1.5 million for federal elections, in violation of the Act, and, as a result, has not filed reports of its receipts and disbursements. The Complaint further alleges that KAIRC PAC failed to include a disclaimer on its website, that KAIRC PAC executive director H. Russell Taub misused committee funds, and that KAIRC PAC may have received contributions from foreign nationals. Respondents describe KAIRC PAC as an unincorporated association of Republican donors who individually raise and/or make individual contributions to Republican candidates for primarily state offices, and Respondents deny that KAIRC PAC qualified as a political committee.

In 2019, Taub was convicted of criminal charges relating to his operation of KAIRC PAC, specifically, wire fraud in violation of 18 U.S.C. § 1343 and the knowing and willful failure to file reports with the Commission in violation of 52 U.S.C. §§ 30104 and 30109. As discussed below, based on the available information, including publicly available information from the criminal case, it appears that KAIRC PAC was operating as a political committee, raising and spending funds for federal elections starting in December 2016. Therefore, the

1 Commission finds reason to believe that KAIRC PAC and H. Russell Taub, acting as treasurer,
2 failed to properly register as a political committee and file disclosure reports with the
3 Commission in knowing and willful violation of 52 U.S.C. §§ 30103 and 30104(a).
4 Additionally, it appears that Respondents may have commingled committee funds with Taub's
5 personal funds, may have paid for advertisements in support of federal candidates that required
6 the filing of independent expenditure reports with the Commission, and further failed to include
7 complete disclaimers on advertisements, emails, and a website. Accordingly, the Commission
8 also finds reason to believe that KAIRC PAC and Taub knowingly and willfully violated
9 52 U.S.C. § 30102(b)(3) and that KAIRC PAC violated 52 U.S.C. § 30120. For the reasons
10 discussed below, the Commission also dismisses the allegations regarding possible foreign
11 national contributions to KAIRC PAC.

12 **II. FACTUAL BACKGROUND**

13 H. Russell Taub was a candidate for the U.S House of Representatives in Rhode Island's
14 First congressional district in 2016¹ and is a self-described activist; his Facebook page shows
15 numerous photos of him attending political events and with various congressional candidates.²

¹ See H. Russell Taub, *Statement of Candidacy*, FEC Form 2 (Dec. 19, 2014 and amend. Feb. 6, 2015). Taub lost to the incumbent, David Cicilline. See *Federal Elections 2016: Election Results for the U.S. President, the U.S. Senate, and the U.S. House of Representatives* at 164, available at <https://transition.fec.gov/general/FederalElections2016.shtml>.

² See "H. Russell Taub Activist," <https://www.facebook.com/hrt2016/>.

1 According to the Criminal Information, Taub operated KAIRC PAC from 2016 to 2018.³
2 It appears that KAIRC PAC’s website, www.kaircpac.com, was registered on December 5, 2016,
3 but is no longer active.⁴ The criminal case documents, however, indicate that the website
4 included pages titled “Federal PAC” and “State PAC,” and that the site also allowed individuals
5 to submit donations.⁵ A link to KAIRC PAC’s donation page remains active. According to that
6 page, the group solicited donations to “help keep, support, re-elect Republicans in control both in
7 the state and federal government” and “raises money for candidates.”⁶ The donation page does
8 not refer to the organization as a PAC, just simply as “Keeping America in Republican Control
9 (KAIRC),” but it does request the contributor’s employer and occupation information and
10 references “Federal law” requiring best efforts to obtain such information.⁷ A number of
11 KAIRC PAC’s other donation pages also appear to remain active, including one titled “I stand
12 with Rick Scott for the U.S. Senate,” which displays a link to Scott’s official donation page and

³ Criminal Information at 3. Taub describes KAIRC PAC as “an unincorporated association of Republican donors,” but does not provide further details about its organization or its tax status. Resp. (Sept. 4, 2018), Aff. of H. Russell Taub ¶ 1 (“Taub Aff.”). A search of the Internal Revenue Service website does not show that KAIRC PAC is identified as a tax exempt organization. See <https://www.irs.gov/charities-non-profits/tax-exempt-organization-search>.

⁴ Compl. at Attach. (website registration information).

⁵ Criminal Information at 5.

⁶ <https://secure.piryx.com/donate/AX5fY8pK/Keeping-America-in-Republican-Control/KAIRC> (last accessed Apr. 26, 2019); see also Compl. at note 5 (noting that the same language previously appeared on the “About” page of KAIRC PAC’s website).

⁷ The bottom of the web page includes the following language:

Contributions or gifts to Keeping America In Republican Control are not tax deductible as charitable contributions for federal income tax purposes. Corporate contributions and contributions from foreign nationals are prohibited by law. It is illegal for any person to reimburse another for making a contribution to Keeping America in Republican Control. Federal law requires us to use our best efforts to obtain and report the name, mailing address, occupation and name of employer for each individual who contribute[s].

1 displays a separate donation form for donations to KAIRC PAC.⁸ KAIRC PAC also operated a
 2 fundraising page through another website listing approximately 50 contributors by name and
 3 showing donations made as recently as August 2018; that site described KAIRC PAC as “[a]
 4 Political Action Committee Dedicated to electing and re-electing Republicans.”⁹

5 In addition, KAIRC PAC solicited contributions through Facebook advertisements on
 6 Taub’s Facebook page. One of Taub’s Facebook posts, from January 7, 2018, shows an
 7 advertisement advocating the defeat of Rep. Maxine Waters that states that it was “PAID FOR
 8 BY KAIRC PAC,” and includes a link to a donation page.¹⁰ An image of the advertisement is
 9 displayed below.



10

⁸ <https://secure.piryx.com/donate/AX5fY8pK/Keeping-America-in-Republican-Control/rickscott> .

⁹ <http://giving.piryx.com/streams/Keeping-America-in-Republican-Control/AX5fY8pK> (last accessed Apr. 26, 2019).

¹⁰ <https://secure.piryx.com/donate/AX5fY8pK/Keeping-America-in-Republican-Control/stop--maxine-waters>.

1 Taub's other Facebook posts, from as early as December 2016, contain links to active
 2 donation pages seeking contributions through the sale of t-shirts and raffle tickets.¹¹ Taub also
 3 used Facebook to advertise fundraising events to benefit KAIRC PAC, as displayed below.



4
 5 The Complaint alleges that KAIRC PAC failed to register as a political committee with
 6 the Commission, failed to include appropriate disclaimers on its communications, and misused
 7 contributions.¹² The Complaint also questions whether some of KAIRC PAC's funds may have
 8 come from foreign nationals.¹³ In support of the allegations against KAIRC PAC and Taub, the
 9 Complaint and Supplement attach a Facebook post and copies of emails raising funds to elect
 10 candidates. The Facebook post announced a KAIRC PAC event hosted by Taub — *i.e.*, a

¹¹ See, e.g., <https://secure.piryx.com/donate/AX5fY8pK/Keeping-America-in-Republican-Control/i-support-israel>; <https://secure.piryx.com/donate/AX5fY8pK/Keeping-America-in-Republican-Control/raffle>.

¹² Compl. at 1-4.

¹³ *Id.* at 4-5.

1 “KAIRC PAC Reception – Cigar Dining/Raising money for Republicans” — scheduled for
2 February 6, 2017.¹⁴ The emails, dated May and July 2018, appear to have been sent by KAIRC
3 PAC and urged support for various federal candidates. An email dated May 31, 2018, urged
4 support for U.S. Senate candidates John James and Ted Cruz, stating that KAIRC PAC had
5 “helped over 54 candidates,” “[s]cheduled multiple fundraisers to help candidates in 2018,”
6 “[r]aised over \$990,000 as of – March 30, 2018,” and “[l]aunched 9 support Ads to help our
7 candidates.”¹⁵ The email asks the recipient to “join me by supporting KAIRC PAC,” and
8 appears to include donation links to the James and Cruz campaigns. The sender listed on the
9 email “From” line is an individual named Kris “Tanto” Paronto, described as a “Benghazi”
10 survivor, while the message within the email is signed by “Amb. J. William Middendorf III,
11 Former Secretary of the U.S. Navy.”¹⁶

12 The Complaint also attaches two emails from July 2018, one urging support of Rick Scott
13 and another supporting Ted Cruz. Both of those emails state that KAIRC PAC has “helped over
14 85 candidates,” “[r]aised over \$1.5 million as of June 30, 2018,” and “[l]aunched 9 support
15 ads.”¹⁷ Those emails were each purportedly sent by Amb. Middendorf, and include a “Donate”
16 button at the end. It is unclear whether the Donate button led to the candidate’s official
17 campaign website or to KAIRC PAC’s donation page.

18 Additionally, the Complaint alleges that KAIRC PAC’s website failed to include a
19 disclaimer stating that it was not authorized by any federal candidate and that KAIRC PAC

¹⁴ Compl. at Ex. C.

¹⁵ Suppl. at Ex. C.

¹⁶ *Id.*

¹⁷ Compl. at Ex. A; Suppl. at Ex. B.

1 misused contributions because the \$1.5 million KAIRC PAC claims to have raised “has not
2 actually been distributed to any federal candidates or committees.”¹⁸ Finally, the Complaint
3 alleges that based on Taub’s claims on the KAIRC PAC website that he is an “Ambassador” to a
4 Ukrainian organization known as the “International Human Rights Commission,” there is a
5 possibility some of the PAC’s funds could have come from foreign nationals.¹⁹

6 Respondents deny the allegations and in a sworn affidavit, Taub asserts that “KAIRC” is
7 an association of donors who “individually raise and/or make individual contributions to
8 Republican candidates,” focusing primarily on state offices.²⁰ He adds that in early 2017 he
9 decided to test whether KAIRC PAC members would support a political committee, as a separate
10 organization, that “would support candidates for state and local races.”²¹ According to Taub, it
11 was not until July 2018 that he sought to test whether KAIRC PAC members would support a
12 political committee to raise funds for federal candidates as well.²² Taub acknowledges that he
13 was aware that the Commission required a political committee to register “10 days after it has
14 raised or expended \$1,000 in the aggregate in a calendar year,” but states that “KAIRC PAC”
15 failed “to raise or expend that aggregate sum to influence a federal race since January 2018, [and

¹⁸ Compl. at 4.

¹⁹ *Id.* at 5. Taub’s LinkedIn Profile indicates that he is a “Former International Human Rights Commission Rep. to the USA.” See <https://www.linkedin.com/in/honorable-h-russell-taub-bb79b42a> (last accessed Mar. 14, 2019). According to the organization’s website, the International Human Rights Commission (“IHRC”) was first established in the Ukraine but now promotes human rights throughout the world. See <https://www.ihrchq.org/history.html> and <https://www.ihrchq.org/mission.html>. A large number of “Ambassadors,” “Ambassadors at Large,” “Young Ambassadors,” and “Ambassadors of Goodwill,” representing different countries, are listed on the website. Taub is not included on any of those lists as a current ambassador.

²⁰ Resp., Taub Aff. ¶ 1.

²¹ Taub Aff. ¶¶ 5-8.

²² *Id.* ¶ 7.

1 as a result, he] did not bother to register KAIRC PAC with the Commission as a political
2 committee.”²³

3 Taub states that KAIRC PAC did not receive any contributions, made no independent
4 expenditures, and that event expenses were paid by those in attendance or by Taub himself.²⁴

5 Taub also claims that it was KAIRC PAC’s “members” (and not KAIRC PAC) who raised funds
6 for candidates, hosted fundraisers, and launched the support ads.²⁵

7 On February 22, 2019, Taub was arraigned on criminal charges relating to his operation
8 of KAIRC PAC and Keeping Ohio in Republican Control (“KOIRC PAC”), another entity that
9 may have been engaged in similar federal political activity.²⁶ On March 21, 2019, Taub pleaded
10 guilty to wire fraud, in violation of 18 U.S.C. § 1343, and the knowing and willful failure to file
11 reports with the Commission, in violation of 52 U.S.C. §§ 30104 and 30109.²⁷ He was
12 sentenced on July 12, 2019, to thirty-six months in federal prison, three years of supervised
13 release, and to pay an undetermined amount of restitution.²⁸ On July 20, 2020, a final restitution
14 order was entered requiring Taube to pay \$1,102,439 in restitution to 267 victims.²⁹

²³ *Id.* ¶ 9. Taub’s affidavit does not address the allegation that KAIRC PAC may have accepted contributions from foreign nationals.

²⁴ Taub further explains that KAIRC PAC maintained a bank account under the name “Russell Taub d/b/a KAIRC,” that he used to deposit checks and pay KAIRC PAC expenses. *Id.* ¶ 1-2.

²⁵ *Id.* ¶ 8.

²⁶ See Criminal Information at 4-5 and Waiver of Indictment, *United States v. Harold Russell Taub*, No. CR 19-015 (D. R.I. Feb. 22, 2019).

²⁷ See Plea Agreement (noting that restitution would be ordered for the donors to Taub’s “two purported political action committees”).

²⁸ See Judgment, *United States v. Harold Russell Taub*, 1:19CR00015-01(D. R.I. Jul. 25, 2019).

²⁹ See Amended Judgment and Restitution List, *United States v. Harold Russell Taub*, 1:19CR00015-01 (D. R.I. Jul. 20, 2020).

1 According to the criminal charging documents, Taub operated KAIRC PAC and KOIRC
2 PAC between December 2016 and November 2018 as part of a scheme to defraud and obtain
3 money under false pretenses.³⁰ He carried out this scheme by soliciting contributions through
4 the website “www.kaircpac.com,” as well as through the direct solicitation of individuals
5 through the U.S. mail, e-mail, and social media, and by using the name of a former Ambassador,
6 without his permission, to give credibility to the solicitations.³¹ In the solicitations, Taub
7 represented that KAIRC PAC and KOIRC PAC were comprised of volunteers and that “100%”
8 of donations would be used to support candidates.³² However, according to the criminal
9 investigation Taub was the only individual working for the entities.³³ The Criminal Information
10 indicates that Taub obtained contributions through KAIRC PAC and KOIRC PAC totaling
11 \$1,630,439: \$1,126,114 to KAIRC PAC from more than 160 donors, and \$504,325 to KOIRC
12 PAC from six donors.³⁴ Of the total amount, \$1,275,000 came from two donors.³⁵ Taub used
13 more than \$1 million of the contributions that KAIRC PAC and KOIRC PAC received to pay for
14 personal expenses, including transfers to his personal bank accounts, and for the payment of
15 personal expenses such as “travel, hotels, restaurants, clothing, cigars, adult entertainment, and

³⁰ According to the Criminal Information, Taub formed KAIRC PAC in December 2016 and started KOIRC PAC in March 2018. Criminal Information at 4-5.

³¹ *Id.* at 6.

³² *Id.*

³³ *Id.* at 4.

³⁴ *Id.* at 7.

³⁵ *Id.* None of the donors were named identified in the Criminal Information, but a restitution list identifying 267 donors was attached to the court’s Amended Judgment entered in 2020. *See* Amended Judgment and Restitution List, *United States v. Harold Russell Taub*, 1:19CR00015-01 (D. R.I. Jul. 20, 2020)

1 escort services.”³⁶ Additionally, the Criminal Information indicates that Taub issued donations
2 totaling \$215,000 from KAIRC PAC and KOIRC PAC directly to federal candidates, but the
3 document does not identify those candidates.³⁷ The Commission’s database indicates that Taub
4 made individual contributions to federal committees totaling \$8,525 during the 2016 election
5 cycle and \$443,676.80 during the 2018 election cycle.³⁸ Finally, neither KAIRC PAC nor
6 KOIRC PAC has registered with the Commission.

7 **III. LEGAL ANALYSIS**

8 As discussed below, the Commission finds reason to believe that Taub operated KAIRC
9 PAC as a political committee. As a result of its status, KAIRC PAC and Taub also failed to
10 comply with a number of the Act’s requirements for political committees: specifically,
11 registration with the Commission, the filing of periodic reports, maintaining committee and
12 personal funds separately, and adding disclaimers on KAIRC PAC’s public communications and
13 on its website.

14 Further, it appears that some of these violations were knowing and willful. A violation of
15 the Act is knowing and willful when the respondent acts “with full knowledge of all the relevant
16 facts and a recognition that the action is prohibited by law.”³⁹ This standard does not require

³⁶ *Id.* at 7-8.

³⁷ *Id.* at 6.

³⁸ No federal committees have reported contributions directly from KAIRC PAC or KOIRC PAC. Additionally, Ohio state records do not show that Taub made any contributions in support of any state candidates or political committees in Ohio. *See Campaign Finance Reports Search*, Ohio Sec. of State, <https://www.sos.state.oh.us/campaign-finance/search/>.

³⁹ 122 Cong. Rec. 12197, 12199 (daily ed. May 3, 1976) (defining phrase “knowing and willful”). *See FEC v. Novacek*, 739 F. Supp. 2d 957, 961 (N.D. Tex. 2010) (granting Commission’s motion for summary judgment where there were no genuine issues of material fact as to the knowing and willful allegations). The Commission has made knowing and willful findings against respondents who have admitted to criminal violations related to the same activity at issue in the enforcement matter. *See, e.g.*, MUR 7132 (Michael David Pitts); MUR 6597 (Kinde Durkee);

1 proving knowledge of the specific statute or regulation the respondent allegedly violated.⁴⁰
2 Rather, it is sufficient to demonstrate that a respondent “acted voluntarily and was aware that his
3 conduct was unlawful.”⁴¹ This awareness may be shown through circumstantial evidence, such
4 as a “defendant’s elaborate scheme for disguising” her actions, or other “facts and circumstances
5 from which the jury reasonably could infer [the defendant] knew her conduct was unauthorized
6 and illegal.”⁴²

7 Taub’s admissions through his guilty plea, as well as his sworn statement to the
8 Commission, provide evidence that Taub was aware that his conduct relating to KAIRC PAC
9 was illegal. In his affidavit, Taub admits that he was aware of the Act’s thresholds triggering the
10 registration of political committees, but claims that he did not believe that KAIRC PAC had met
11 the thresholds.⁴³ This claim is contradicted, however, by his subsequent admissions to criminal
12 violations that he deliberately failed to file reports with the Commission in connection with
13 KAIRC PAC’s and KOIRC PAC’s federal political activity that included soliciting and receiving
14 contributions.⁴⁴ Further, as a former federal candidate, Taub was already familiar with at least

MUR 6475 (Andrew McCrosson), MUR 6179 (Christopher Ward), MUR 5971 (Jennifer Adams), MURs 5721/5772 (Kenneth Phelps); MUR 5610 (Earl Allen Haywood).

⁴⁰ See *United States v. Danielczyk*, 917 F. Supp. 2d 573, 579 (E.D. Va. 2013) (citing *Bryan v. United States*, 524 U.S. 184, 195 & n.23 (1998) (holding that, to establish that a violation is willful, the government needs to show only that the defendant acted with knowledge that her conduct was unlawful, not knowledge of the specific statutory provision violated)).

⁴¹ *Id.* (internal quotation marks omitted).

⁴² *United States v. Hopkins*, 916 F.2d 207, 213-15 (5th Cir. 1990) (internal quotation marks omitted). As the *Hopkins* court noted, “It has long been recognized that ‘efforts at concealment [may] be reasonably explainable only in terms of motivation to evade’ lawful obligations.” *Id.* at 214 (quoting *Ingram v. United States*, 360 U.S. 672, 679 (1959)).

⁴³ *Supra* at 7-8.

⁴⁴ *Supra* at 8-10.

1 the general requirements of the Act. Therefore, as described in further detail below, it appears
2 that some of the violations were knowing and willful.

3 **A. Political Committee Status**

4 The Act defines a political committee as “any committee, club, association, or other
5 group of persons” that receives aggregate contributions or makes aggregate expenditures in
6 excess of \$1,000 during a calendar year.⁴⁵ In *Buckley v. Valeo*, the Supreme Court held that
7 defining political committee status “only in terms of the annual amount of ‘contributions’ and
8 ‘expenditures’” might be overbroad, reaching “groups engaged purely in issue discussion.”⁴⁶ To
9 cure that infirmity, the Court concluded that the term “political committee” “need only
10 encompass organizations that are under the control of a candidate or the major purpose of which
11 is the nomination or election of a candidate.”⁴⁷ Accordingly, under the statute as thus construed,
12 an organization that is not controlled by a candidate will be considered a political committee
13 only if (1) it crosses the \$1,000 threshold and (2) its “major purpose is Federal campaign activity
14 (*i.e.*, the nomination or election of a Federal candidate).”⁴⁸

15 Political committees are required to register with the Commission, meet organizational
16 and recordkeeping requirements, and file periodic disclosure reports.⁴⁹ Such requirements

⁴⁵ 52 U.S.C. § 30101(4)(A).

⁴⁶ 424 U.S. 1, 79 (1976) (per curiam).

⁴⁷ *Id.*

⁴⁸ Political Committee Status: Supplemental Explanation and Justification, 72 Fed. Reg. 5595, 5597 (Feb. 7, 2007) (“Supplemental E&J”); *see Buckley*, 424 U.S. at 79; *FEC v. Mass. Citizens for Life, Inc.*, 479 U.S. 238, 262 (1986) (“*MCFL*”).

⁴⁹ *See* 52 U.S.C. §§ 30102, 30103, 30104.

1 “provide[] the electorate with information as to where political campaign money comes from and
2 how it is spent” and help it “make informed choices in the political marketplace.”⁵⁰

3 In examining the “major purpose” of an organization, the Commission takes a case-by-
4 case approach that requires a fact-intensive analysis of the group’s activities.⁵¹ To determine an
5 entity’s “major purpose,” the Commission explained that it considers a group’s “overall
6 conduct,” including public statements about its mission, organizational documents, government
7 filings (*e.g.*, IRS notices), the proportion of spending related to “Federal campaign activity (*i.e.*,
8 the nomination or election of a Federal candidate),” and the extent to which fundraising
9 solicitations indicate funds raised will be used to support or oppose specific candidates.⁵² The
10 Commission has also explained that it compares how much of an organization’s spending is for
11 “*federal campaign activity*” relative to “activities that [a]re not campaign related.”⁵³

12 The Department of Justice’s (“DOJ’s”) criminal investigation found that KAIRC PAC
13 operated as a political committee, that it solicited funds purportedly to influence federal and state
14 elections, and collected over \$1 million in the process — well over the statutory threshold for

⁵⁰ *Citizens United v. FEC*, 558 U.S.C. 310, 367 (2010) (quoting *Buckley*, 424 U.S. at 66-67, and *McConnell v. FEC*, 540 U.S. 93, 197 (2003), and upholding disclosure requirements).

⁵¹ See Supplemental E&J, 72 Fed. Reg. at 5601.

⁵² Supplemental E & J, 72 Fed. Reg. at 5,597, 5,605; see also Factual and Legal Analysis at 6-9, MUR 6538R (*Americans for Job Security, et al.*) (summarizing Commission’s case-by-case method of determining political committee status); Supplemental E&J, 72 Fed. Reg. at 5601 (noting that the “Federal courts’ interpretation of the constitutionally mandated major purpose doctrine requires the Commission to conduct investigations into the conduct of specific organizations that may reach well beyond the publicly available advertisements,” such as an examination of its spending, fundraising appeals, and sources of contributions).

⁵³ Supplemental E & J, 72 Fed. Reg. at 5,601, 5,605; see also *MCFL*, 479 U.S. at 262-64; *FEC v. GOPAC, Inc.*, 917 F. Supp. 851, 859 (D.D.C. 1996). In *CREW v. FEC*, a district court considered application of the major purpose test, and instructed the Commission, when examining an organization’s major purpose to look beyond express advocacy and include spending on communications that “indicate a campaign-related purpose.” 209 F. Supp. 3d 77, 93 (D.D.C. Sept. 19, 2016).

1 political committees. This information is consistent with the Complaint, Supplement, Response,
2 KAIRC PAC’s website and Taub’s Facebook account, all of which indicate that KAIRC PAC’s
3 major purpose was to elect Republicans at the federal and state levels. First, KAIRC PAC’s
4 website referred to the organization as a “PAC” through its URL address, www.kairpac.com, as
5 well as by including pages on the website titled “Federal PAC” and State PAC.”⁵⁴ Additionally,
6 KAIRC PAC’s website and donation pages solicit contributions with the stated purpose, also set
7 forth explicitly in the group’s name, to “*help keep, support, re-elect Republicans in control both*
8 *in the state and federal government.*”⁵⁵ Second, the emails attached to the Complaint and
9 Supplement demonstrate that the group solicited funds for at least three separate U.S. Senate
10 campaigns, those of Rick Scott, John James, and Ted Cruz, and also indicate that KAIRC PAC
11 raised over \$1.5 million.⁵⁶ And a Facebook post from December 2016 advertised a fundraiser
12 “benefitting the ‘Keeping America in Republican Control PAC (KAIRC)’” scheduled for
13 February 2017.⁵⁷ Taub’s Facebook account also includes a post from January 7, 2018, opposing
14 a federal candidate by urging readers to “STOP MAXINE WATERS – Donate Today,” with a
15 link to a KAIRC PAC donation page and with the words “PAID for By KAIRC PAC” printed at
16 the bottom of the advertisement. That January 2018 post included a photograph of federal
17 candidate Maxine Waters.⁵⁸

⁵⁴ *Supra* at 3.

⁵⁵ *Supra* at 3 (emphasis added).

⁵⁶ *Supra* at 5-6.

⁵⁷ *See* Attach. 1.

⁵⁸ *Supra* at 4.

1 Taub’s claims that KAIRC was not a political committee, that “KAIRC PAC never
2 existed,” and that he had merely decided to “test” running the organization as a possible political
3 committee are not credible in light of the available information.⁵⁹ Taub’s assertions that he
4 decided “for the first time” in July 2018 to see if “KAIRC PAC” could potentially raise money
5 for federal elections are contradicted by the emails and Facebook evidence: the February 2018
6 Maxine Waters Facebook ad and the May 2018 email in support of John James and Ted Cruz.⁶⁰
7 Based on the available information, in particular KAIRC PAC’s email solicitations concerning
8 federal candidates, and its statements on its website and Taub’s Facebook posts, it appears that
9 KAIRC PAC’s major purpose was the nomination or election of federal candidates.

10 With regard to KAIRC PAC’s spending, the current record includes the statements made
11 on KAIRC PAC’s email solicitations concerning the level of fundraising and spending (*i.e.*,
12 having “helped over 85 candidates,” “scheduled multiple fundraisers,” “[r]aised over \$1.5
13 million,” and “[l]aunched 9 support Ads”). These statements are consistent with information
14 from DOJ’s investigation that KAIRC PAC raised over \$1 million in contributions, and, given
15 that level of funding, the cost of the “9 support Ads” likely exceeded \$1,000 as well. While DOJ
16 discovered that Taub converted a significant portion of the funds donated to KAIRC PAC and
17 KOIRC PAC, DOJ also notes that Taub also issued more than \$215,000 in contributions directly
18 from KAIRC PAC and KOIRC PAC to the campaign committees of federal candidates.⁶¹

⁵⁹ See Taub Aff. ¶¶ 5-8, 11.

⁶⁰ Taub Aff. ¶ 7; Suppl. Ex. C.

⁶¹ *Supra* at 9. Independent expenditure-only political committees are prohibited from making direct or in-kind contributions to candidates and their authorized committees. See 52 U.S.C. §§ 30116(f), 30118(a); Advisory Op. 2010-11 (Commonsense Ten) at 2-3. Federal candidates and their authorized committees may not knowingly accept an excessive or prohibited contribution. 52 U.S.C. §§ 30118(a) and 30116(f).

1 However, as noted *supra*, no federal committees have disclosed contributions from KAIRC PAC
2 or KOIRC PAC, but they have disclosed contributions from Taub personally.⁶² Based on this
3 information, and the likelihood that the organizations' funds were used in making the
4 contributions (commingling allegations are discussed below), there is reason to believe that
5 KAIRC PAC exceeded the Act's thresholds for registration with the Commission and had the
6 requisite major purpose of nominating or electing candidates.

7 As a political committee, KAIRC PAC would have been required, but failed to, file
8 reports of receipts and disbursements with the Commission. Additionally, DOJ's investigation
9 determined that Taub was the only individual behind both KAIRC PAC and KOIRC PAC and
10 handled their receipts and disbursements.⁶³ Taub has stated to the Commission that he was the
11 named accountholder on KAIRC PAC's bank account, and, as discussed above, has
12 acknowledged his understanding of the Act's requirements for political committees.⁶⁴
13 Therefore, Taub acted as KAIRC PAC's treasurer. Accordingly, the Commission finds reason to
14 believe that KAIRC PAC and Taub knowingly and willfully failed to register as a political
15 committee and file reports with the Commission in violation of 52 U.S.C. §§ 30103 and 30104.

16 **B. Commingling**

17 As a political committee, KAIRC PAC was required to ensure that all campaign funds are
18 "segregated from, and may not be commingled with the personal funds of any individual."⁶⁵ The

⁶² *Supra* at 9-10 and note 36.

⁶³ *Supra* at 9.

⁶⁴ *Supra* at note 24 and associated text.

⁶⁵ 52 U.S.C. § 30102(b)(3); 11 C.F.R. § 102.15. *See, e.g.*, MUR 7132 (Michael David Pitts) (finding respondent knowingly and willfully commingled funds by forging a check drawn on a PAC account and making it payable to a company with a bank account that was controlled by the respondent).

1 Criminal Information indicates that Taub converted KAIRC PAC and KOIRC PAC funds to
2 personal use in part by “transferring more than \$715,000 directly into his personal checking and
3 savings accounts.”⁶⁶ In his affidavit submitted with the Commission, Taub himself
4 acknowledges that the KAIRC PAC bank account listed his name and that he also paid some
5 committee expenses using his personal bank account.⁶⁷ Based on this information, the
6 Commission finds reason to believe that KAIRC PAC and Taub knowingly and willfully
7 commingled committee funds, in violation of 52 U.S.C. § 30102(b)(3).

8 **C. Disclaimers**

9 All public communications made by a political committee and all public communications
10 made “by any person that expressly advocate the election or defeat of a clearly identified
11 candidate” are required to include a disclaimer.⁶⁸ Disclaimers are required on emails containing
12 substantially similar messages sent by political committees to more than 500 recipients and on
13 “all Internet websites of political committees available to the general public.”⁶⁹ “If the
14 communication, including any solicitation, is not authorized by a candidate, authorized
15 committee of a candidate, or an agent of either, the disclaimer must clearly state the full name
16 and permanent street address, telephone number, or World Wide Web address of the person who
17 paid for the communication, and that the communication is not authorized by any candidate or

⁶⁶ Criminal Information at 7. Although the criminal case documents set forth details concerning Taub’s personal use of committee funds, we do not examine that as a potential violation of 52 U.S.C. § 30114(a), (b) because the Act’s personal use provisions do not apply to unauthorized committees.

⁶⁷ Criminal Information at 1-2; Taub Aff. ¶¶ 1-2.

⁶⁸ 52 U.S.C. § 30120(a); 11 C.F.R. § 110.11(a)(1), (a)(2). Public communications include communications placed for a fee on another person’s website. 11 C.F.R. § 100.26.

⁶⁹ 52 U.S.C. § 30120; 11 C.F.R. § 110.11(a)(1).

1 candidate's committee."⁷⁰ The disclaimer "must be presented in a clear and conspicuous
2 manner," and a disclaimer that appears on any printed public communication must be of
3 sufficient type size to be clearly readable by the recipient of the communication, in a printed box,
4 and with a reasonable degree of color contrast between the background and the printed
5 statement.⁷¹

6 Our review of KAIRC PAC's emails attached to the Complaint and Supplement, the
7 Maxine Waters Facebook ad, and KAIRC PAC's website donation pages, indicates that KAIRC
8 PAC failed to include complete disclaimers on its communications. The emails list KAIRC
9 PAC's name and address, but do not state who paid for the communication or whether it was
10 authorized by the candidate; the Facebook ad states that it was "Paid for By KAIRC PAC," but
11 includes no additional information; and KAIRC's donation pages only identify KAIRC PAC,
12 without its address or any other information required by the Act and Commission regulations.
13 Therefore, the Commission finds reason to believe that KAIRC PAC violated 52 U.S.C. § 30120
14 by failing to include the required disclaimers on its website, emails, and public communications.

15 **D. Contributions from Foreign Nationals**

16 The Act prohibits any "foreign national" from "directly or indirectly" making a
17 contribution or donation of money or any other thing of value in connection with a Federal,
18 State, or local election.⁷² Commission Regulations also provide that no person shall "knowingly
19 solicit, accept, or receive from a foreign national any contribution or donation. . . ."⁷³ "Foreign

⁷⁰ 11 C.F.R. § 110.11(b)(3).

⁷¹ *Id.* § 110.11(c).

⁷² 52 U.S.C. § 30121(a)(1); *see also* 11 C.F.R. § 110.20(b), (c).

⁷³ 11 C.F.R. § 110.20(g).

1 national” includes anyone who “is not a citizen of the United States or a national of the United
2 States . . . and who is not lawfully admitted for permanent residence[.]”⁷⁴

3 The Complaint alleges that because Taub claimed a role with a Ukrainian organization,
4 then it is possible that KAIRC PAC could have accepted contributions from a foreign national.
5 The Response is silent as to this allegation and we have not found any publicly available
6 information to indicate that there may have been such contributions. Taken together, the
7 information available in the record, including the speculative nature of the Complaint’s pleading
8 with respect to the possibility of foreign national contributions, fails to give rise to a reasonable
9 inference that a violation has occurred. Accordingly, the Commission dismisses the foreign
10 national contribution allegation.

⁷⁴ 52 U.S.C. § 30121(b); *see also* 11 C.F.R. § 110.20(a)(3).