

MUR # 7572

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FEDERAL ELECTION
COMMISSION

2018 FEB 25 PM 2:31

Eric Ryan

CELA

P.O. Box 2567 | Ewa Beach, Hawaii 96706 | () |

February 20, 2018

Office of General Counsel (OGC)
Federal Election Commission
1050 First Street, NE
Washington, DC 20463

OFFICE OF
GENERAL COUNSEL
2018 FEB 25 PM 12:19

RE: Official Complaint against officers of Hawaii GOP and Cam Cavasso Campaign

To Whom It May Concern:

Based on my conversation on the morning of 13 December 2018 with your compliance specialist (800-424-9530, menu option 6), please accept this letter and additional enclosures as my lawfully submitted and sworn complaint in regard to serious campaign finance violations by officers of the Hawaii Republican Party (C00085506) and of the 2018 congressional campaign for Campbell "Cam" Cavasso a.k.a. Cam Cavasso 4 Congress (C00680876). I, Eric Ryan, am the complainant in this matter and present the facts in this complaint to the FEC under penalty of perjury. I am president of the Hawaii Republican Assembly which has uncovered and exposed wrongdoing by the Hawaii Republican Party for several years now.

As you well know, there is no loophole in the law allowing an individual to donate more than \$2,700 per election cycle to the congressional candidate of his or her choice. Likewise, there is no loophole allowing a state party or a congressional campaign to knowingly facilitate a transaction enabling a congressional campaign to benefit financially from donor monies exceeding that same \$2,700 limit; most certainly not by knowingly laundering donor funds through a state party to pay the expenses of that congressional campaign.

In fact, 52 U.S.C. § 30116 (f) explicitly prohibits party officers from “knowingly” accepting or spending money to circumvent contribution limits. *“No candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of this section. No officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or knowingly make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under this section.”*

<https://codes.findlaw.com/us/title-52-voting-and-elections/52-usc-sect-30116.html>

Late last month, I listened in real time to a teleconference of a meeting of the executive committee of the Hawaii Republican Party (hereinafter abbreviated as HRP) held on the evening of Tuesday, 27 November 2018. *[Since June 2017, the leadership of HRP under its state chair Shirlene Ostrov has used the very same call-in number of 202-808-0188 to conduct meetings of its Executive Committee and its State Committee. Said call-in number has previously been circulated to party members and leaders in a variety of intra-party communications with the expectation that folks would avail themselves of the intended transparency.]*

During this teleconference, I became immediately aware during the ‘treasurer’s report’ portion of said meeting that top party officers had deliberately and knowingly used the state party as an illegal conduit to launder money through its bank account on behalf of at least two donors who contributed in excess of the maximum individual contribution of \$2,700 to congressional candidate Cam Cavasso by donating that earmarked money to HRP which was simultaneously disbursed to pay Cavasso’s campaign bills **only five short days before the 2018 General Election**. Stuningly and revealingly, the party treasurer and state chair refer to these transactions as “the Cam Cavasso contribution and the payment payout.”

As audio of the meeting reveals, these transactions were neither accidental nor coincidental. HRP state chair Ostrov clearly explained to her fellow officers at the above-referenced HRP executive committee on 27 November 2018: **“So they (these two donors) already gave him (Cavasso) too much, and so he (Cavasso) used us (HRP) as a pass-through (to pay these two Cavasso vendors).”**

Fraudulent reports disguising these transactions were filed days later by HRP and Cavasso with the FEC.

A teleconference recording of that meeting, our prepared transcript of that recording, and the treasurer’s report distributed for (and discussed during) that meeting is enclosed.

What follows is a more detailed explanation of this complaint and the illegal scheme in which HRP and its officers and Cam Cavasso 4 Congress were directly involved.

Mr. Mikio Izuka of _____, Mililani, Hawaii 96789, maxed out his individual donation to Cam Cavasso with a single \$2,700 donation two weeks before the 2018

General Election on 24 October 2018, as revealed by the 'raw' data reported by the Hawaii Republican Party.

Data type: raw CAM CAVASSO 4 CONGRESS (C00680876) x

Contributor name	Recipient	State	Employer	Receipt date	Amount
Izuka, Mikio	CAM CAVASSO 4 CONGRESS	HI	GENERAL	10/24/2018	\$2,700.00

https://www.fec.gov/data/receipts/?two_year_transaction_period=2018&cycle=2018&data_type=efiling&committee_id=C00680876

Ms. Melba Cavasso of _____, Hawaii 96795 _____, daughter-in-law of candidate Cam Cavasso, maxed out her individual donations to her father-in-law's campaign with a single \$2,700 contribution in the 2018 Primary and three contributions totalling \$2,700 in the 2018 General, as revealed by the 'raw' data reported by the Hawaii Republican Party.

CAM CAVASSO 4 CONGRESS (C00680876) x 01/01/2017 - 12/08/2018 melba x

Contributor name	Recipient	State	Employer	Receipt date	Amount
CAVASSO, MELBA	CAM CAVASSO 4 CONGRESS	HI	SELF	10/10/2018	\$350.00
CAVASSO, MELBA	CAM CAVASSO 4 CONGRESS	HI	SELF	09/13/2018	\$2,250.00
CAVASSO, MELBA	CAM CAVASSO 4 CONGRESS	HI	SELF	08/11/2018	\$100.00
CAVASSO, MELBA	CAM CAVASSO 4 CONGRESS	HI	SELF	07/11/2018	\$2,700.00

https://www.fec.gov/data/individual-contributions/?+two_year_transaction_period=2018&two_year_transaction_period=2018&committee_id=C00680876&contributor_name=melba&min_date=01%2F01%2F2017&max_date=12%2F08%2F2018

Mr. Izuka and Ms. Cavasso donated to HRP on the same day, 02 November 2018. Izuka gave \$7,300 and Cavasso gave \$2,500, for a grand total of \$9,800.

Melba K Cavasso	41-530 Waikupanah St. Waimanalo, Hawaii 967951438	Biosock's Hawaii, Inc. / President	11/02/2018	2500.00	2500.00
Mr. Mikio Izuka	95-1050 Makiakai Street # 2313 Miliiani, Hawaii 96789	Information Requested / RETIRED	11/02/2018	20.00	7320.00
Mr. Mikio Izuka	95-1050 Makiakai Street # 2313 Miliiani, Hawaii 96789	Information Requested / RETIRED	11/02/2018	7300.00	7320.00

<http://docquery.fec.gov/cgi-bin/forms/C00085506/1298486/sa/ALL>

At the same time, HRP remitted a grand total of \$9,800 in payments to two vendors used exclusively by Cam Cavasso 4 Congress; vendors never utilized by HRP. [Frank Petsche of Burke, Virginia](#) received \$8,300 from HRP for "digital campaign consulting/media". Dennis Linn of Minneapolis, Minnesota received \$1,500 from HRP for "professional video services". In a

show of totally fraudulent reporting by **both** HRP and Cavasso in order to protect the money laundering scheme, **neither of these transactions are revealed by HRP to be paid for using earmarked contributions from Mr. Izuka and Ms. Cavasso, and neither earmarked transaction laundered through conduit HRP appears in Cavasso's reports to the FEC as either income from Mr. Izuka and Ms. Cavasso or as disbursements to Mr. Petsche and Mr. Linn.** As if to throw FEC off the scent,, where Cavasso's reports are concerned, transactions of both donors who laundered money through conduit HRP are omitted **and** transactions of both recipients of money laundered through conduit HRP are omitted. True and accurate information about the payments was never disclosed to the FEC. These unlawful campaign contributions should appear on the FEC reports filed by Cavasso, but don't.



FEDERAL ELECTION COMMISSION

HOME | CAMPAIGN FINANCE DATA | COMMITTEE DETAILS | HTML VIEWER

SCHEDULE F

ITEMIZED COORDINATED EXPENDITURES MADE BY POLITICAL PARTY COMMITTEES OR DESIGNATED AGENTS(S) ON BEHALF OF CANDIDATES FOR FEDERAL OFFICE

FILING FEC-1298486

Committee: HAWAII REPUBLICAN PARTY

Payee: Frank Petsche

5705 Round Top Lane
Burke, Virginia 220153123

Federal Candidate Supported: C00085506
Candidate ID #: H8H100012
Aggregate General Election Expenditure For This Candidate: \$8300.00
Purpose of Expenditure: Digital Campaign Consulting/Media
Date Expended = 11/01/2018

Amount Expended = :8300.00

Limit Raised Due To Opponent's Spending

Payee: Dennis R. Linn

7220 York Ave. S. #509
Minneapolis, Minnesota 554354464

Federal Candidate Supported: C00085506
Candidate ID #: H8H100012
Aggregate General Election Expenditure For This Candidate: \$1500.00
Purpose of Expenditure: Professional Video Services
Date Expended = 11/01/2018

Amount Expended = :1500.00

Limit Raised Due To Opponent's Spending

Total Expenditures This Period = 9800

Generated Fri Dec 7 22:03:33 2018

<http://docquery.fec.gov/cgi-bin/forms/C00085506/1298486/sf>

An examination of HRP's Schedule A Itemized Receipts for November 2018 filed on 06 December 2018 further expose the fraudulent reporting by HRP which was submitted to FEC as if these payments were NOT the result of earmarked donations from Mr. Izuka and Ms. Cavasso.

<http://docquery.fec.gov/pdf/534/201812069134786534/201812069134786534.pdf>

Disbursements

Export

Viewing filtered results for:

Clear all filters X

Data type: raw CAM CAVASSO 4 CONGRESS (C00680876) X

Spender	Recipient	State	Description	Disbursement date	Amount
CAM CAVASSO 4 CONGRESS	Petsche	VA	Reimburse Social Media ad	11/02/2018	\$2,700.00
CAM CAVASSO 4 CONGRESS	Linn	MN	Reimb travel	10/29/2018	\$684.80
CAM CAVASSO 4 CONGRESS	Petsche	VA	Reimburse air travel	10/24/2018	\$328.90
CAM CAVASSO 4 CONGRESS	Petsche	VA	Reimburse email verification	10/23/2018	\$112.52
CAM CAVASSO 4 CONGRESS	Petsche	VA	Reimburse air travel	10/23/2018	\$517.89
CAM CAVASSO 4 CONGRESS	Petsche	VA	REIMBURSE FOR MEDIA ADS	10/10/2018	\$10,000.00
CAM CAVASSO 4 CONGRESS	Linn	MN	PROFESSIONAL SERVICES	10/02/2018	\$3,000.00
CAM CAVASSO 4 CONGRESS	Petsche	VA	REIMBURSEMENT MEDIA ADS	10/02/2018	\$1,500.00

https://www.fec.gov/data/disbursements/?two_year_transaction_period=2018&data_type=efiling&committee_id=C00680876

These are the Cavasso campaign ads which we believe Petsche was paid to promote on Facebook with the funds in question from HRP as well as funds paid to Petsche directly by the Cavasso campaign:

https://www.facebook.com/ads/archive/?active_status=all&ad_type=political_and_issue_ads&country=US&q=cavasso

These ads can be seen here on Cavasso's YouTube channel:

https://www.youtube.com/channel/UC5SLdYKh_pMx0Xr6Am7arrA/videos

With Cam Cavasso 4 Congress directly paying Messrs. Petsche and Linn on so many occasions before in the preceding days and weeks, why didn't Cavasso simply pay these bills himself on November 1st? The answer is clear. The money paid by HRP to these Cavasso vendors actually came from donors who had already maxed out to Cavasso's campaign, so the money had to be illegally laundered through HRP with the full knowledge of the state chair Ostrov and state treasurer Honjo with the full knowledge and complete acquiescence of the state party's governing state committee. And, since HRP didn't ever use either of these vendors, the only way for HRP to know the contact information for Cavasso's vendors and/or learn how much money was owed to Cavasso's vendors was with direct participation and cooperation in this scheme by Cam Cavasso's congressional campaign, which used these vendors repeatedly.

The signed report of HRP's state treasurer Gwen Honjo dated 27 November 2018 reveals that HRP finds itself to be low on funds following the 2018 General Election. The state party certainly could have used the \$9,800 in donations from Mr. Izuka and Ms. Cavasso if every

., Waimanalo, Hawaii 96795-1438

Gary Grimmer - HRP general counsel
, Hawaii 96734

** Whether Mr. Izuka and Ms. Cavasso knowingly donated the nearly \$10,000 in excess of legal limits for the benefit of Mr. Cavasso's campaign or if they were induced to make the excessive contributions by agents of the Cavasso campaign and/or HRP is left to the FEC's investigation to determine. However, there should be no question as to the knowing participation in this illegal money laundering scheme by officers of HRP and the Cavasso campaign who facilitated these illegal transactions and then filed fraudulent reports to cover their tracks.*

Finally, thank you for your action on this complaint which has been filed in accordance with your posted procedures and duly notarized. I look forward to the swift and just resolution of these serious and undeniably violative matters. You may feel free contact me via telephone at _____) or via e-mail at _____ 1.

Sincerely yours,



ERIC RYAN



EXP
05/15/20

ENCLOSURES:

- Audio CD-ROM of HRP Executive Committee Meeting / 11-27-18
- Official Agenda of HRP Executive Committee Meeting / 11-27-18
- Written HRP Treasurer's Report Submitted at 11-27-18 Meeting

State of Hawaii

County of Honolulu

Subscribed and sworn to (or affirmed) before me

This 21 day of February, 20 19.

By Eric Ryan

Personally known _____ OR produced identification

Type of identification produced driver license

Alexandra Jessop, Notary Public

My Commission Expires 05/15/20



EXP
05/15/20

Doc. Date: <u>02/21/19</u>	# Pages: <u>1</u>
Notary Name: <u>Alexandra Jessop</u> et Circuit	
Doc. Description: <u>official complaint</u>	
Notary Signature: <u>[Signature]</u>	Date: <u>02/21/19</u>



EXECUTIVE COMMITTEE AGENDA

November 27, 2018

5:00PM -6:45PM

Location:

Hawaii Republican Party Headquarters

725 Kapiolani Blvd., Suite C-105

Honolulu, HI 96813

Call in Information: Will provide to those specific members via text prior to meeting

- I. Call to Order
 - a. Invocation
 - b. Pledge of Allegiance
- II. Reports
 - A. Chairman (Election Recap)
 - B. Treasurer
 - C. Vice Chairman for Coordinated Campaigns
 - D. Vice Chairman for Candidate Recruitment and Training
- III. Old Business
 - A. Rules Committee Meeting and Update of Members
 - B. District and Precinct Officers
- IV. New Business
 - A. Political Plan – Finance Plan 2019
 - B. Budget 2019
 - C. Discussion of Lennox memo
 - D. Executive Director plan
 - E. Calendar Synchronization
 - a. LDD Event
 - b. Training Events
 - c. District and County Caucus Meetings
 - d. May 2019 State Convention
 - F. Chairman Special Announcement
- V. Reports (as time permits)
 - A. National Committeeman
 - B. National Committeewoman
 - C. County Chairmen
 - D. Others, as requested
- VI. Comments and Announcements
- VII. Adjournment

Next meeting date: State Committee Meeting, December 18 from 5pm-7pm



**Report of Treasurer
Name (Gwen Honjo)
November 27, 2018**

- I. Names of committee member : *Gwen Honjo, Treasurer*
- II. The objective of the committee (or position): *Report of Financial Status*
- III. Summary of recent accomplishments and current activities:

Bank accounts ("A" Federal) and ("B" State) are now at concerning levels. The Federal Acct. "A" currently has a balance of \$14,775.16 (as of yesterday) The State Acct. "B" currently has a balance of \$19,059.11 (as of yesterday), of which \$7,785.52 are the other County funds.

A recap of revenue and expenses are attached for September, October and November (to date) for reference and review.

The Direct Mail/Telemarketing campaign is currently suspended after Aaron's departure. The vendor will continue service if provided with a list of contacts. Currently the Direct Mail/Telemarketing and Membership Dues have been the only source of HRP's revenue in recent months. Fees for this service is more than what we are collecting monthly so I think the program should be revisited and reassessed. This program is something that needs to be monitored for it to be successful.

The Victory 2018 campaign ended with a total of \$59,375.81 expensed from the Federal and State accounts. (detailed expenditure listing attached)

Other attachments included are justification summaries for September, October and November receipts and expenditures. Also attached is a listing of monthly recurring expenses for review and reference.

- IV. List of activities in progress and upcoming events: Financial impact: *N/A*
- V. Dissenting opinions (if any): *N/A*
- VI. Recommendations to the Executive Board:

**725 KAPIOLANI BLVD. #C-105, HONOLULU HI 96813 • (808) 593-8180 • INFO@GOPHAWAII.COM
WWW.GOPHAWAII.COM**



A couple of items for action and consideration:

1. A proposal for preventative maintenance and service of the A/C unit has been offered by the vendor. An annual cost of \$1,250.00 would include 3 services calls per year plus A/C filters and check to clear drains, check system operation and make recommendations on repairs, as necessary. (Executive Committee approval is necessary)

2. The maintenance fees for Imperial Plaza is expected to increase in 2019 by 2.5%. The new amount will be \$2,717.68. We are currently paying \$2,567.26 monthly + Electricity charges.

Also received a "special assessment" notice from the AOA of Imperial Plaza to replace the Cooling Tower and Air Handler of the property and the hiring of a Building Engineer. The Special Assessment amount of \$2,791.50 or 12 installments @ \$232.63.

If we decide to pay off the entire special assessment, payment is due in full by December 31, 2018.