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December 24, 2018

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

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 : Milliani, 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

Izuka, Mikio	CAM CAVASSO 4 CONGRESS	GENERAL	HI	10/24/2018	\$2,700.00
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https://www.fec.gov/data/receipts/?two_year_transaction_period=2018&cycle=2018&data_type=efiling&committee_id=C00680876

Ms. Melba Cavasso of Waimanalo, Hawaii 96795-1 , 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	Biosocks Hawaii, Inc. / President	11/02/2018	2500.00	2500.00
Mr. Mikio Izuka	Information Requested / RETIRED	11/02/2018	20.00	7320.00
Mr. Mikio Izuka	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 22:05:53 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>

The FEC requires earmarked contributions to be reported and noted, as in the example below. FEC instructions are very clear: *"In the memo text field, the PAC discloses the candidate to whom the contribution is directed."*

<https://www.fec.gov/updates/earmarked-contributions/>

SCHEDULE A (FEC Form 3X) ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE	OF
			<input checked="" type="checkbox"/> 11a	<input type="checkbox"/> 11b	<input type="checkbox"/> 11c
			<input type="checkbox"/> 13	<input type="checkbox"/> 14	<input type="checkbox"/> 15
			<input type="checkbox"/> 12	<input type="checkbox"/> 16	<input type="checkbox"/> 17
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.					
NAME OF COMMITTEE (In Full) XYZ PAC					
Full Name of Individual (Last, First, Middle Initial) or Full Organization Name A. Rafferty, Linda			Date of Receipt 06 / 01 / 2018		
Mailing Address 1900 Eel River Drive			Amount of Each Receipt this Period \$2,500.00		
City Crescent City	State CA	Zip Code 00000	<input type="checkbox"/> Memo Item		
FEC ID number of contributing federal political committee. C			Earmarked for Willy Wonka for Congress, U.S. House, Virginia - 05		
Name of Employer (for Individual) True Care Hospital		Occupation (for Individual) Physician			
Receipt For: 2018 <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼		Aggregate Year-to-Date ▼			

However, HRP fails to disclose the earmarked nature of these donations from maxed-out Cavasso supporters Mr. Izuka and Ms. Cavasso.

Full Name of Individual (Last, First, Middle Initial) or Full Organization Name C. Cavasso, Melba, K.,			Date of Receipt 11 / 02 / 2018		
Mailing Address 41-530 Waikupanah St.			Transaction ID : AF91903D5513243E1858		
City Waimanalo	State HI	Zip Code 96795-1438	Amount of Each Receipt this Period 2500.00		
FEC ID number of contributing federal political committee. C			<input type="checkbox"/> Memo Item		
Name of Employer (for Individual) Biosocks Hawaii, Inc.		Occupation (for Individual) President			
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Aggregate Year-to-Date ▼ 2500.00			

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

Full Name of Individual (Last, First, Middle Initial) or Full Organization Name B. Izuka, Mikio, , Mr.,			Date of Receipt MM / DD / YYYY 11 / 02 / 2018		
Mailing Address 95-1050 Makaikai Street # 2313			Transaction ID : A292C065DC07C41209DF		
City Mililani	State HI	Zip Code 96789	Amount of Each Receipt this Period 7300.00		
FEC ID number of contributing federal political committee. C		<input type="checkbox"/> Memo Item			
Name of Employer (for Individual) Information Requested		Occupation (for Individual) RETIRED			
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼		Aggregate Year-to-Date ▼ 7320.00			

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

The FEC requires earmarked disbursement to be reported and noted, as in the example below. FEC instructions are very clear: "The PAC must disclose a disbursement on Schedule B to the candidate's campaign committee with a memo text noting that the contribution was earmarked by the original contributor and transmitted to the candidate committee via PAC check."

<https://www.fec.gov/updates/earmarked-contributions/>

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page		FOR LINE NUMBER: (check only one) <input type="checkbox"/> 21b <input type="checkbox"/> 22 <input checked="" type="checkbox"/> 23 <input type="checkbox"/> 26 <input type="checkbox"/> 27 <input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 28c <input type="checkbox"/> 29 <input type="checkbox"/> 30b		PAGE OF	
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.							
NAME OF COMMITTEE (In Full) XYZ PAC							
Full Name (Last, First, Middle Initial) A. Willy Wonka for Congress				Date of Disbursement MM / DD / YYYY 06 / 09 / 2018			
Mailing Address 100 James River Road				FEC Identification Number C 000000595			
City Richmond		State VA		Zip Code 00000		Amount of Each Disbursement this Period \$2,500.00	
Purpose of Disbursement Contribution				Category/ Type			
Candidate Name Willy Wonka				Amount of Each Disbursement this Period \$2,500.00			
Office Sought: 2018 State: VA District: 05		Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼		<input type="checkbox"/> Memo Item Earmarked by Linda Rafferty and transmitted by committee check.			

Here also, willing conduit HRP fails to disclose the earmarked nature of these disbursements to Mr. Petsche and Mr. Linn, funded through earmarked contributions from maxed-out Cavasso supporters Mr. Izuka and Ms. Cavasso.

Full Name (Last, First, Middle Initial) of Each Payee <input type="checkbox"/> Memo Item Petsche, Frank, , ,				Purpose of Expenditure Digital Campaign Consulting/Media	<input type="text"/> Category/ Type
Mailing Address 5705 Round Top Lane				Date	<input type="text"/> 11 / 01 / 2018
City Burke	State VA	Zip Code 22015-3123		Amount	<input type="text"/> 8300.00
Name of Federal Candidate Supported CAVASSO, CAM, , ,	Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> Presidential	State: HI	District: 01		
Aggregate General Election Expenditure for this Candidate ▶ <input type="text"/> 9800.00 Transaction ID : F58A774DA3AE64F01AAC					
Full Name (Last, First, Middle Initial) of Each Payee <input type="checkbox"/> Memo Item Linn, Dennis, R., ,				Purpose of Expenditure Professional Video Services	<input type="text"/> Category/ Type
Mailing Address 7220 York Ave. S. #509				Date	<input type="text"/> 11 / 01 / 2018
City Minneapolis	State MN	Zip Code 55435-4464		Amount	<input type="text"/> 1500.00
Name of Federal Candidate Supported CAVASSO, CAM, , ,	Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> Presidential	State: HI	District: 01		
Aggregate General Election Expenditure for this Candidate ▶ <input type="text"/> 9800.00 Transaction ID : F3AFEB94036D746C9A03					

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

Not a penny of the money donated by Mr. Izuka and Ms. Cavasso to the Hawaii Republican Party remained in the state party's accounts or was utilized for HRP purposes, according to FEC transaction records. Every single penny from these two Cavasso supporters (who had never previously donated to HRP in 2017-2018 prior to these transactions in question) passed through the Hawaii GOP and was immediately disbursed to folks that Cavasso owed money to. Even without Ostrov's tape recorded confession acknowledging the laundering (or "pass through") scheme, **there's no doubt that this money laundering scheme of using HRP as a conduit for the earmarked contributions and disbursements was quietly pursued by all participants in an effort to get away with breaking multiple federal and state laws.**

While Cavasso's records completely omit the HRP payments to his two vendors at his (and HRP's) direction, what is revealed in Cavasso's reporting is that these vendors were regularly utilized during the 2018 campaign and paid directly by Cam Cavasso 4 Congress. Sample transactions include . . .

Payment of \$2,700 to Frank Petsche on 02 November 2018
 Payment of \$684.80 to Dennis Linn on 29 October 2018
 Payment of \$2,700 to Frank Petsche on 02 November 2018
 Payment of \$2,700 to Frank Petsche on 02 November 2018
 Etc. ???

Disbursements

Export Viewing **253** 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	\$917.89
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=cam%20cavasso

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 Mssrs. 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

penny of that money had not been nearly simultaneously and exclusively used to pay Cavasso's vendors. \$9,800 is equivalent to 1.5 months of typical overhead costs for HRP's headquarters in Honolulu. But state chair Ostrov and state treasurer Honjo (*a trained compliance officer who has held this state party treasurer position multiple times*) had already approved the illegal laundering of the \$9,800 in donations for the sole purpose of paying Cavasso's two vendors.

Page 8 of this same treasurer's report reveals that the actual payments to Msrs. Petsche and Linn were not actually made on the dates shown in HRP's official reports to the FEC. In fact, if Ms. Honjo's report is to be believed, the \$9,800 in donations from Mr. Izuka and Ms. Cavasso were not 'passed through' or laundered until 06 November 2018 for Mr. Petsche and until 15 November 2018 for Mr. Linn. As a result of this clarification, it appears that the unlawful passthrough or laundering of these monies occurred chronologically, with the donations from Mr. Izuka and Ms. Cavasso to HRP being followed shortly thereafter with HRP's payment of Cavasso's vendors, as consented to in advance and after the fact by many top HRP state officers in attendance at the 27 November 2018, such as longtime executive committee members Greg Lussier, Steve Yoder, David Ross, Jane Tatibouet, Pat Saiki, Miriam Hellreich, Gene Ward, and Bob McDermott. Even Brett Kulbis, the newest and shortest-serving member of the committee, noticed these unusual transactions on the treasurer's report and felt obliged to ask about them during the meeting. Hearing consent by the others through willingness to allow such clear lawlessness without objection was quite shocking.

Pursuant to the FEC's clear instructions on "Handling earmarked contributions" as found on the FEC website: ***"An earmarked contribution always counts against the original contributor's limit for the recipient candidate. If the conduit exercises any direction or control over the contributor's choice of recipient candidate, then the contribution will count against the limits of both the original contributor and the conduit."***

<https://www.fec.gov/updates/earmarked-contributions/>

Clearly, all four parties involved in this conspiracy -- *the two donors, the conduit state party, the Cavasso congressional campaign committee and the vendor recipients of those earmarked contributions* -- knew that the transactions totalling \$9,800 would be in excess of the \$2,700 that Mr. Izuka and Ms. Cavasso could lawfully donate for the benefit of Cam Cavasso 4 Congress. Ultimately, for the 2018 General Election, the maxed-out Mr. Izuka gave \$10,000 for the direct benefit of Cam Cavasso for Congress, while the maxed-out Ms. Cavasso give \$5,200 for the direct benefit of Cam Cavasso for Congress. Were it not for this complaint, the respondents that participated in this laundering scheme would surely have gotten away with helping the donors to evade legal contributor limits of \$2,700 each and gotten away with this earmarked donation laundering scheme.

On the enclosed audio recording of the HRP executive committee meeting on 27 November 2018, HRP treasurer Gwen Honjo is asked about the unusual looking expenditures by one of HRP's county chairman in attendance, Brett Kulbis. Here below is a screenshot from the page 8 of the the written Treasurer's Report in question -- the very report discussed at this meeting, of

which a complete set is enclosed. This page shows key transactions -- the payouts from HRP to Cavasso's vendors.

Answers to Kulbis' question below about the payments to Petsche and Linn come from HRP treasurer Gwen Honjo, HRP state chair Shirlene Ostrov, and HRP national committeewoman Miriam Hellreich. That discussion is excerpted below and is provided as an audio recording enclosed on CD-ROM.

**AUDIO EXCERPT FROM HRP STATE TREASURER'S REPORT
DURING THE 11-27-18 HRP EXECUTIVE COMMITTEE MEETING:**

BRETT KULBIS (Honolulu County GOP chairman): Uh, November, there's an \$8,300 payment to Frank Petsche? Who's Frank Petsche?

GWEN HONJO (State GOP treasurer): So, um, (TO OSTROV) explain about the Cam Cavasso contribution and the payment payout.

SHIRLENE OSTROV (State GOP chair): Yes, so, on the federal spending commission rules are different from the state. Federal, you can have somebody donate money to a party and, that, the party can donate the money to the federal person. So, it's, there's no, yeah, so there's, so there's no spending, it's almost . . .

MIRIAM HELLREICH (State GOP national committeewoman): It's a pass-through.

OSTROV: It's a pass-through. And, so they gave us . . .

KULBIS: Is that the same with Dennis Linn?

HONJO: Those two equate to \$9,800

OSTROV: So, they already gave him too much, and so we, he used us as a pass-through. Okay? Any other questions on Treasurer?

As you can plainly see and hear, HRP chair Ostrov and HRP treasurer Honjo freely and clearly admit to the illegal scheme of having the state party receive the \$9,800 in earmarked funds from Cavasso's contributors who already "gave him too much" and then directly paid Cavasso's vendors Petsche and Linn who performed zero work for the state party. This arrangement was made to help donors skirt the federal limits on political donations and help Cavasso by laundering those illegal donations through the state party. And the only donors in 2017-2018 who maxed out to Cavasso and also donated to HRP were the aforementioned Mr. Izuka and Ms. Cavasso.

Attendees of the meeting were smart enough not to further implicate HRP (*on the record or over an open teleconference*) in wrongdoing by asking the obvious question: Why did these donors contribute to HRP rather than the more obvious recipient, the Cavasso campaign? Obviously, the casual and matter of fact explanation given by Ostrov and Honjo about the \$9,800 in question was a clear signal to other members of the HRP executive meeting not to belabor the issue that funds from maxed-out donors to Cavasso were using the state party to disguise donations to Cavasso by paying his vendors directly. Many attendees of this 27 November 2018 meeting possess years and years of political experience -- including past congressional candidates (and current party officers) Saiki, McDermott, Ward, and Ostrov -- whose apparent

complicity in this money laundering scheme for the benefit of 2018 congressional candidate Cam Cavasso allowed them to readily ignore and say nothing about the party's illegal conduit role in helping Cavasso and his donors to exceed legal contribution limits.

Based on current FEC filings, it's obvious that the pressure was on Cavasso to pay his team in the final week of his campaign, as he had incurred nearly \$12,000 in debts to both Msrs. Petsche and Linn, as well as owing Cavasso's campaign manager Andresen "Andy" Blom, Blom's daughter Prudence Malia Blom Hill, Cavasso's treasurer and bookkeeper Sandra Lee Ahn (d.b.a. "Successful Solutions"), and several others.

<http://docquery.fec.gov/cgi-bin/forms/C00680876/1269180/sd/10>

It's also clear that the pressure was on state party chair Ostrov to win any way she could in 2018, even illegally. At the time of these illegal transactions, very few political analysts in Hawaii thought that perennial losing candidate Cam Cavasso had any hope of beating odds-on favorite Ed Case (who ended up winning less than one week later by a margin of more than 3-to-1 -- Case's 70.3% to Cavasso's 22.2%). Ostrov's very own "Hawaii GOP Victory 2018 Plan and Prospectus" (enclosed) didn't even list Cavasso among either the A list or B list of GOP candidates in 2018 with the best chances. So Ostrov must have been really desperate to facilitate this arrangement which could easily get herself, her cronies, the party and Cavasso and his donors in potential hot water with so little hope for political reward. Perhaps Ostrov was hopeful that Cavasso would rally his supporters behind her re-election for state chair in 2019.

In any event, the motive of these respondents is clear, as they not only wanted Cavasso to win, but many HRP officers were also financial donors to the Cavasso for Congress 2018 campaign. Included among HRP officers who donated to Cavasso are Gary Grimmer (HRP general counsel), Mark Blackburn (HRP Finance Chairman), Steve Yoder (HRP county chair for Kauai), Paul Mossman (chairman, Republican Party of Honolulu County Central Committee), Mary Smart (HRP's immediate past state treasurer), and Jack James (HRP's immediate past executive director).

I have a good faith belief that HRP officers illegally directed the state party's vendor Aristotle to (*probably unwittingly*) participate in the scheme to hide the earmarked contributions so these would appear as simple, innocent payments to Cavasso's vendors rather than earmarked funds from Cavasso supporters that party officers knew had "maxed out" in the donations to Cavasso.

I believe that the FEC should continue to monitor the Cavasso and HRP committees as these committees might employ the same or similar illegal means to launder funds and pay additional campaign expenditures and retire debts over the next twelve months following the 2018 General Election.

Upon hearing the HRP state chair and state treasurer admit to this scheme (in real time while listening in to the meeting via telephone) during the aforementioned executive committee meeting of HRP on 27 November 2018, my organization Hawaii Republican Assembly (HIRA)

immediately undertook an investigation which led to the filing of this complaint. As a conservative organization which does not accept cheating or lying on either side of the political aisle, HIRA found that the money HRP received from two big donors was nearly simultaneously transferred to two mainland vendors for political marketing and video production with which HRP had no previous relationship and which had an ongoing, recent, and substantial financial relationship with Cam Cavasso 4 Congress.

In particular, Ostrov and Cavasso controlled this money from beginning to end in a coordinated effort to evade spending limits by creating a fake paper trail in violation of campaign finance laws and FEC rules. This entire money laundering operation was a scheme to circumvent contribution limits and launder these illegally excessive contributions through the state party to deliver them to Cavasso's designated recipients with the assistance of co-conspirators in leadership positions at the Hawaii Republican Party.

Based on my understanding of how the FEC explains the individual limit and based on the clear intent of HRP state chair Ostrov to help the individuals involved to exceed these limits in order to help Cavasso pay his campaign bills, I believe it is exceedingly illegal for the parties involved to have deliberately and knowing facilitated this laundering scheme. Therefore, the FEC needs to immediately open an investigation into these violations of federal campaign finance law.

The irony is that the Hawaii Republican Party is well aware of the illegal nature of money laundering through state parties to help individuals circumvent donation limits. HRP filed an FEC complaint in March 2008 against state Democrat parties in multiple states for doing just that to assist Rhode Island Democrat U.S. Senate candidate Matt Brown, whereby individual donors who had already given Brown the legal limit gave \$30,000 to Democratic committees in Maine, Massachusetts and Hawaii, which then contributed \$25,000 to Brown's Senate campaign.

As the FEC knows, first the Republican Party of Hawaii, and then the Rhode Island GOP, filed federal complaints charging that Brown and Democratic organizations from the three states illegally "laundered" \$25,000 in contributions to his campaign. The heart of the allegation in FEC case # MUR 5732 is that Brown helped to engineer the donations to and from the Democratic parties in Hawaii, Maine and Massachusetts to skirt campaign limits.

In November 2007, due to insufficient evidence, the FEC announced that it had "found no reason to believe that Brown and the three Democratic committees violated the Federal Election Campaign Act . . . The Commission concluded there was no evidence that donors earmarked or designated contributions to the state parties to be used to support the Brown committee."

But here's the BIG difference today in this case. The entire executive committee of the Hawaii Republican Party heard what the FEC hears on this audio: HRP state chair Shirlene Ostrov freely and clearly admits to the illegal scheme along with HRP state treasurer Gwen Honjo. And, even absent their admission, there's no way that HRP would know to receive

\$9,800 and then immediately pass along every penny of that \$9,800 in donations to two Cavasso vendors without the requisite earmarking and designating which Ostrov and Honjo freely admitted to. Unlike the Brown case cited above, the evidence of a conspiracy to violate the law is abundant and unmistakable.

Mr. Izuka and Ms. Cavasso made \$9,800 contributions to HRP with the knowledge that HRP would use all \$9,800 in funds to support Cam Cavasso 4 Congress by paying its bills. In my opinion, the FEC now has probable cause to refer this criminal matter to the U.S. Attorney General for prosecution of these wilful violations and/or to subpoena communications between the donors, the Cavasso campaign, and HRP and its officers in order to further investigate this conspiracy to violate federal campaign finance laws and regulations. I suspect you will find additional criminal violations when even more evidence is obtained and reviewed.

As audio of the meeting reveals, these transactions were neither accidental nor coincidental. Ostrov and Honjo clearly violated the Act as revealed in their own words that the Cavasso committee had solicited donations on HRP's behalf and that the Cavasso committee said how these contributions should be distributed. 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 vendors)."**

Needless to say, in another act of impropriety, these earmarked contributions were not acknowledged in Cavasso's own reporting, as doing so would have raised red flags with the FEC and those who monitor campaign finance reports. Likewise, HRP's reporting disguise the nature of its actions as a conduit for Cavasso supporters to use HRP to pay Cavasso's bills for the same nefarious reason.

Specifically earmarking monies for a specific candidate and funneling it through a third party to avoid the \$2,700 limit is illegal under federal law. Aiding the lawbreaking are HRP, its officers, and Cam Cavasso 4 Congress and its officers. Also implicated are the members of the executive committee of HRP, such as Gene Ward, Bob McDermott, Jane Tatibouet, and others who expressed no concern for the illegal laundering of funds and made no subsequent effort to correct the problem. Without question, this complaint proves there was such a conspiracy to break laws and file false reports beyond a reasonable doubt.

We applaud Honolulu County Republican Party chairman Brett Kulbis for having the fortitude to raise the question about the transactions in question in a room full of party officers who clearly knew what they were doing was illegal, especially since HIRA understands Mr. Kulbis has been censured by these same officers for raising questions of accountability at this and past meetings of HRP officers.

Please note for the record that the specific respondents to this complaint (*and the contact info for HRP's last known general counsel*) are as follows:

Shirlene Ostrov - *HRP state chair and deputy treasurer #1*
Mililani, Hawaii 96789

Gwen Honjo - *HRP state treasurer*
Aiea, Hawaii 96701

Honolulu, Hawaii 96813

Miriam Hellreich - *HRP national committeewoman*
Kailua, Hawaii 96734

Gene Ward - *HRP national committeeman and state house minority leader*
Honolulu, Hawaii 96825

Jane Tatibouet - *HRP vice chairwoman*
Honolulu, Hawaii 96815

Bob McDermott - *HRP state representative*
Ewa Beach, Hawaii 96706

Greg Lussier - *HRP county chair (Maui)*
Kahului, Hawaii 96732

Steve Yoder - *HRP county chair (Kauai)*
Kapaa, Hawaii 96746

David Ross - *HRP county chair (Big Island)*
Holualoa, Hawaii 96725

Campbell Cavasso - *Cam Cavasso 4 Congress candidate*
Waimanalo, Hawaii 96795

Sandra Lee Ahn - *Cam Cavasso 4 Congress treasurer/bookkeeper*
Kaneohe, Hawaii 96744

***Mikio Izuka** - *Cam Cavasso 4 Congress + HRP donor*
Mililani, Hawaii 96789

***Melba Cavasso** - *Cam Cavasso 4 Congress + HRP donor*

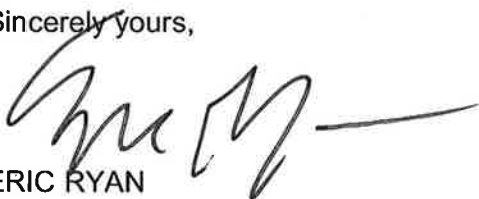
Waimanalo, Hawaii 96795-1438

Gary Grimmer - HRP general counsel
Kailua, 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 president@hawaiiirepublicanassembly.com.

Sincerely yours,



ERIC RYAN
President, Hawaii Republican Assembly (HIRA)

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 _____ day of _____, 20 _____,

By _____

Personally known _____ OR produced identification _____

Type of identification produced _____

_____, Notary Public

My Commission Expires _____


STATE OF HAWAII

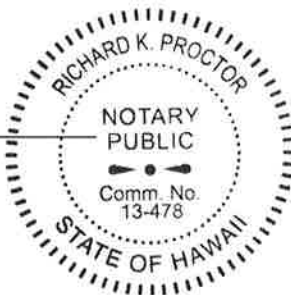
CITY AND COUNTY OF HONOLULU

} SS

Acknowledgment Certificate for a Corporation
or Partnership

On this 24th day of December, 2018, before me personally appeared ERIC RYAN, to me personally known, who, being by me duly sworn (or affirmed), did say that the person is the PRESIDENT of HAWAII REPUBLICAN ASSEMBLY, and that the instrument was signed in behalf of the corporation (or partnership), by authority of its board of directors, partners or trustees, and He acknowledged the instrument to be the free act and deed of the corporation (or partnership).


Richard K. Proctor, Notary Public
My commission expires: 01/05/2022



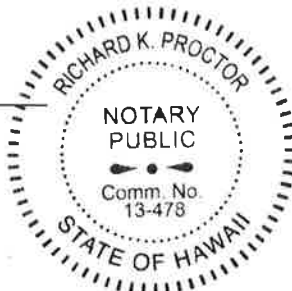
Document description:

Official Complaint against officers of Hawaii
GOP and Cam Carasso Campaign

Date of document: 12/24/2018 Number of pages: 18

Date of notarization: 12/24/2018


Richard K. Proctor, Notary Public



State of Hawaii, First Circuit Court
Commission No. 13-478

OFFICE OF
GENERAL COUNSEL

2019 FEB -1 PM 1: 32



OFFICE OF
GENERAL COUNSEL

2019 JAN 32 PM 1: 31

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** *GH*
- 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.