

Eric Ryan

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

NOTARIZED + TRANSMITTED VIA E-MAIL

Amendment

May 1, 2019

Federal Election Commission
Office of Complaints Examination
& Legal Administration
ATTN: Kathryn Ross, Paralegal
1050 First Street, NE
Washington, DC 20463

2019 MAY - 6 PM 12: 38
OFFICE OF
GENERAL COUNSEL

RE: MUR 7572 - Hawaii Republican Party and Cavasso Campaign - ADDITIONAL EVIDENCE

To Whom It May Concern:

As you are aware, the evidence provided by my above-referenced complaint makes it clear that, prior to the filing of FEC reports by the Hawaii Republican Party (HRP), the entire executive committee of the state party -- including both its chairwoman and treasurer -- were cognizant that they were deliberately using HRP as a conduit to assist the Cam Cavasso 2018 congressional campaign by helping maxed-out donors to exceed legal contribution limits by laundering nearly \$10,000 in **earmarked** contributions from two donors through the state party and then simultaneously paying Cavasso's vendors.

Recently, I obtained a copy of e-mail communications which shed light on the apparent 'coordinated party expenditures' cover story being concocted by HRP officials and the Cavasso campaign AND reveal the true nature of the money laundering of the earmarked contributions in question. Upon receiving our complaint, I don't know why you didn't order HRP not to destroy documents. But here's one that a whistleblower found in the garbage at HRP's headquarters (*a document they forgot to shred along during those shredding parties we recently reported to you which occurred the same day that the FEC contacted HRP about our complaint*).

Judging from the enclosed e-mail exchange between HRP state chair Shirlene Ostrov, HRP finance consultant Pam Smith, and the Cavasso campaign manager Andy Blom just days before the 2018 General Election, it's clear that these officials intended to concoct a cover story by laying the groundwork for a defense of the funds handling in question -- that the nearly \$10,000 in earmarked

excess contributions from maxed-out Cavasso donors was merely part of a scheme of 'coordinated party expenditures'.

As you can see from this e-mail exchange on 28 October 2018, Cavasso manager Blom wrote to HRP's Ostrov with a nonsensical justification for legitimizing the two earmarked transactions totalling nearly \$10,000 and which promises "checks and invoices" just days before the 2018 General Election: *"Shirlene, Below is link to FEC coordinated rules. Please be aware that I have called them and confirmed that the max for a House race is \$49,700 (don't believe that will be an issue); that coordination must take place before expenditure (we did that); and that funds can be used to pay a campaign bill, not just media. FYI, the FEC was very pleased with our inquiries, proposed use of funds and allowed as how they were going to be proactive in advising other campaigns to take advantage of this opportunity. Get you checks and invoices tomorrow? Mahalo, Andy."* (emphasis added)

If the Cavasso campaign did indeed contact FEC for guidance, it's obvious that Blom was lying to you guys at the FEC to set the stage for a defense, if caught, using cherrypicked legalese from irrelevant FEC guidance. Clearly, there was never any hope of one penny of the earmarked \$10,000 in question being shared with other Republican candidates. There was never any possibility of one dollar of this earmarked \$10,000 being used for party expenses. There was only one possibility -- every penny of the earmarked funds being simultaneously routed to the two vendors who were owed money by Cavasso. **The explicit exchange of "checks and invoices" referenced by Andy Blom and accepted by Shirlene Ostrov confirms the real plan here for laundering this money through the party and pretending it was 'coordinated' party spending.** The fact that HRP and Cavasso lied on their FEC reports further confirms their knowledge that they did something illegal here to exceed max donations to Cavasso for Congress through money laundering, wire fraud, fake reporting, and more. After all, Blom and the Cavasso campaign AND Ostrov and HRP all knew that these two donors had maxed out in direct contributions to Cavasso. Desperate to pay his vendors, Cavasso got HRP to agree to some lightning fast money laundering of this earmarked \$10,000.

As you can see from this same e-mail exchange, even HRP finance consultant Pam Smith is confused by the arrangement: *The "only part I am confused about is that you mentioned Cam making a contribution the party."* Well, of course she's confused. Why would money be simultaneously going into the HRP's bank account from the candidate (or his donors) and then the same amount being expended right back out to the same candidate (or his vendors)? This is not any sort of legitimate agreement by a state party to support a candidate through coordinated expenditures. Even Pam Smith realizes the earmarking that's going on without even being told the whole story. Clearly, this reeks of being an illegal scheme which HRP and Cavasso hoped nobody would catch. But it has been caught and the FEC must punish all parties involved.



General Election Night 2018 photo of perennial GOP candidate Cam Cavasso (wearing flower lei), Cavasso campaign manager Andy Blom (seated left) and Cavasso vendor and recipient of most of the laundered funds Frank Petsche (seated right) conferring at HRP headquarters about Cavasso's predictably dismal 22% showing against Democrat Ed Case.

I believe that the plan of the respondents, if caught, was to spin the FEC and other law enforcement into believing that some level of due diligence was performed by having the Cavasso campaign approach the FEC in advance about a scheme involving coordinated expenses. Even the subject line of Andy Blom's e-mail is entitled "FEC | Party | Coordinated Party expenditures" – even though the plan is clearly to funnel earmarked donations from maxed-out donors through the laundering operation of the HRP conduit.

So, again, this was not coordinated spending by HRP. In fact, in less than five minutes of reviewing FEC reports filed by HRP, you'll see that there was no coordinated party spending by HRP for its federal candidates. There was no giant pot of monies from lots of different donors which was being strategically allocated. There were simply these two big donations from maxed-out Cavasso donors which was paid out, penny for penny, **simultaneously** to Cavasso vendors at the request of the Cavasso campaign and with the foreknowledge by HRP leaders that every penny coming in from Cavasso's maxed-out donors would be paid out immediately to Cavasso's vendors.

In your investigation, you won't find any e-mails or memos containing "We hope you look favorably upon our proposed campaign plan" or "With all the candidates competing for support from HRP, please give us as much as you can." Instead, it was wham-bam-thank-you-ma'am. Here are the checks from our two donors, now please use your state party as a conduit so this laundered money from our maxed-out donors can be used pay our two vendors.

Even the more politically viable 2018 candidate for Hawaii state governor, Andria Tupola, only received a mere pittance of \$500 from HRP's miniscule budget. Ron Curtis for U.S. Senate received ZERO from HRP in 2018. Brian Evans for Congress (CD2) received ZERO from HRP in 2018. There was simply no coordinated campaign to help federal candidates. Just a straightforward money laundering scheme to help Cavasso days before the election to pay his vendors whose work for him was already done.

The bogus cover story tested by Andy Blom and Shirlene Ostrov on treasurer consultant Pam Smith reveals the determination of HRP and the Cavasso campaign to stick to their lie. But all of their pretentious chatter about lawful coordinated spending is total bullshit since the entire Executive Committee heard Ostrov and the HRP treasurer admit (you have the audio recording) that they were helping two Cavasso donors exceed legal limits by routing earmarked funds through the state party for the express purpose of paying Cavasso vendors: As HRP state chair Ostrov clearly admitted on 27 November 2018 to her fellow executive committee members PRIOR to filing any FEC reports: **“So, they already gave him too much, and so we, he used us as a pass-through. Okay?”**

That's pretty clear.



General Election Night 2018 photo of HRP state chair Shirlene Ostrov, perennial GOP candidate Cam Cavasso (wearing flower lei) and Cavasso campaign manager Andy Blom (seated) conferring at HRP headquarters about Cavasso's predictably dismal 22% showing against Democrat Ed Case.

Finally, as a frequent campaign vendor myself, I believe any decision by the FEC to let the respondents off the hook for phony reporting, money laundering, and other violations will increase the likelihood and the viability of laundering excess donor monies through state parties to make sure campaign expenses get paid by candidates and their campaigns. If all we need are a few well-heeled supporters of candidates to write checks to the state party with the understanding of paying vendor bills to their campaigns, then your decision would change everyone's understanding of the heretofore crystal clear law as well as the history of politics for decades to come.

That's why it's important for the FEC to act swiftly and strongly here. I've included a copy of my letter to the U.S. Attorney for Hawaii about this matter because it was written to help his office and the Honolulu FBI office to better understand how campaign finance laws by laundering these earmarked funds through the conduit of the state party in question.

If you have any questions, please feel free to contact me directly. My phone number and e-mail address are at the top of this letter.

Thanks again for your assistance in obtaining justice in this matter.

Sincerely yours,

ERIC RYAN

ENCLOSURES:

- E-mail Exchange Between HRP and Cavasso Campaign
- Copy of letter to U.S. Attorney Kenji Price regarding earmarked contributions + conduits

State of Hawaii } ss.
City/County of Honolulu }

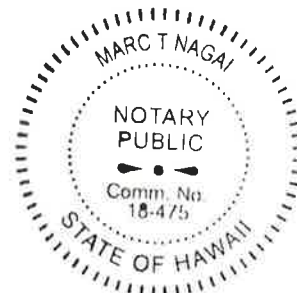
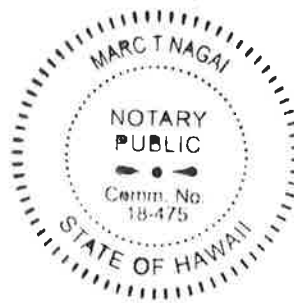
Subscribed and sworn to (or affirmed) before me

This 01st day of May, 20 19.

By Eric S. Ryan

Personally known _____ OR produced identification X

Type of identification produced HI Driver License



[Signature], Notary Public

My Commission Expires 19 August 2022

Doc. Date 01 May 2019 # Pages 7
 Notary Name Marc T. Nagai First Circuit
 Doc. Description MUR 7572 - Hawaii Republican Party and Cavasso Campaign - Additional Evidence
[Signature] 01 May 2019
 Notary Signature Date

12/21/2018

gophawaii.com Mail - FEC | Party | Coordinated party expenditures



Shirlene Ostrov <shirlene@gophawaii.com>

FEC | Party | Coordinated party expenditures

3 messages

andresen blom >
To: shirlene@gophawaii.com

Sun, Oct 28, 2018 at 5:28 PM

Shirlene,

Below is link to FEC coordinated rules. Please be aware that I have called them and confirmed that the max for a House race is \$49,700 (don't believe that will be an issue); that coordination must take place before expenditure (we did that); and that funds can be used to pay a campaign bill, not just media. FYI, the FEC was very pleased with our inquiries, proposed use of funds and allowed as how they were going to be proactive in advising other campaigns to take advantage of this opportunity.

Get you checks and invoices tomorrow?

Mahalo,
Andy

<https://www.fec.gov/help-candidates-and-committees/making-disbursements-political-party/coordinated-party-expenditures/>

Sent from my iPad

Shirlene Ostrov <shirlene@gophawaii.com>
To: 1

Mon, Oct 29, 2018 at 8:48 PM

> Below is link to FEC coordinated rules. Please be aware that I have called them and confirmed that the max for a House race is \$49,700 (don't believe that will be an issue); that coordination must take place before expenditure (we did that); and that funds can be used to pay a campaign bill, not just media. FYI, the FEC was very pleased with our inquiries, proposed use of funds and allowed as how they were going to be proactive in advising other campaigns to take advantage of this opportunity...

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> <https://www.fec.gov/help-candidates-and-committees/making-disbursements-political-party/coordinated-party-expenditures/>

>

>

>

Pam Smith <p>
To: Shirlene Ostrov <shirlene@gophawaii.com>

Mon, Oct 29, 2018 at 9:18 PM

Hi Shirlene

It looks to me like you have it covered.

This seems to be pretty straight forward.

He only part I am confused about is that you mentioned Cam making a contribution to the party - or maybe I got that wrong...

Pam Smith
Sent from my iPad
[Quoted text hidden]

[Home](#) › [Help for candidates and committees](#) › [Making disbursements as a party](#) › [Coordinated party expenditures](#)

Coordinated party expenditures

A national party committee and state party committees may make special expenditures in connection with the general election campaigns of federal candidates. These *coordinated party expenditures* do not count against the contribution limits but are subject to a different set of limits, as explained. Additionally, coordinated party expenditures must be made with federally permissible funds only.

Committees authorized to make coordinated party expenditures

National committee

Only a national party committee has a coordinated party spending limit for the party's presidential nominee. Other party committees may spend against this limit if they have the national committee's prior written authorization (which must include the amount that may be spent).

A national party committee also has a coordinated party expenditure limit for the party's House and Senate candidates in the general election.

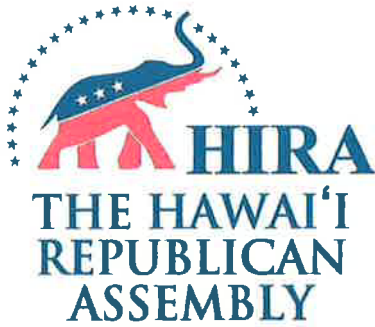
State committee

A state party committee has its own separate spending limit for each of the party's House and Senate nominees in that state.

Local committees

A district or local party committee or organization may make coordinated party expenditures only if authorized to do so by the national or state committee. District and local party units do not have any coordinated party spending authority of their own.

Assigning spending limits



THE REPUBLICAN WING OF THE REPUBLICAN PARTY
AFFILIATED WITH THE NATIONAL FEDERATION OF REPUBLICAN ASSEMBLIES
 WWW.HAWAIIREPUBLICANASSEMBLY.COM

Eric Ryan | P.O. Box 2567 | Ewa Beach, Hawaii 96706 | president@hawaiiRepublicanassembly.com

HAND DELIVERED

January 3, 2019

Mr. Kenji M. Price
 U.S. Attorney
 District of Hawaii
 300 Ala Moana Blvd., Room 6-100
 Honolulu, HI 96850
Kenji.Price@usdoj.gov

2019 JAN -6 PM 12:39
 OFFICE OF
 GENERAL COUNSEL

RE: **Expanded criminal complaint and additional evidence against Hawaii Republican Party and Cam Cavasso Congressional Campaign -- Conspiracy, Money Laundering and Wire Fraud, Conspiracy to Disrupt and Impede a Federal Agency, False Statements Within the Jurisdiction of a Federal Agency, Obstruction of Agency Proceedings, Creation of False Records, Conspiracy to Defraud the U.S.**

Dear Mr. Price:

I hope you and your colleagues have had time to review my above-referenced criminal complaint which was hand delivered to your office last week. While I believe I have presented you with probable cause that multiple crimes were committed, I now believe there are additional charges to consider. Today's letter serves both to follow up on and to expand upon my complaint concerning the multitude of campaign financing offenses committed by the accused, while providing additional evidence as well as supporting views from DOJ guidance and FEC guidance.

Andresen "Andy" Blom, and thousands in combined bills for radio ads, text services, website, IT services -- all paid out in the days after 2018 campaign ended. In this context, the timing of the funds received from Mr. Izuka and Ms. Cavasso (and laundered through the Hawaii GOP for payment to Mr. Petsche and Mr. Linn) just days before the election becomes important in understanding the motive of all concerned. The nearly \$10,000 was already earmarked for other vendors to whom the Cavasso campaign owed monies. Surely, Cavasso and his team (including a paid bookkeeper) knew they would wind up on election day with more money owed than they legally raised. So, this illegal and desperate scheme of laundering excessive donations through the state party probably seemed like desperate Cavasso's only way of trying to break even in 2018 and take care of his vendors. But the conspiracy between the Cavasso campaign, his donors, and the Hawaii GOP to violate numerous federal laws comes with a price which must now be paid in full. That's where you and your office come in.



*Star-Advertiser photo of Ostrov, Cavasso (wearing leis), and Cavasso consultant Blom
Conferring at Hawaii GOP headquarters on Election Night 2018*

Thank you again for reviewing this matter. In order to be helpful, I am willing to meet with you and your staff. Please feel free contact me via telephone at () or via e-mail at president@hawaiiRepublicanassembly.com and let me know who has been assigned chief responsibility for this case.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Eric Ryan". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

ERIC RYAN
President, Hawaii Republican Assembly (HIRA)