

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: August 20, 2018

ANALYST: Jill Sugarman

- I. COMMITTEE: Adam Kokesh American Referendum Project
C00662197
Angela Thornton, Treasurer (3/28/18 – present)
Adam Kokesh, Treasurer (3/5/18 – 3/27/18)
Ethan Owens, Treasurer (12/1/17 – 3/4/18)
Box 973, #23
Ash Fork, AZ 86320
- II. RELEVANT STATUTE: 52 U.S.C § 30102(b) and (c)
52 U.S.C § 30104(b)
11 CFR § 102.9
11 CFR § 102.15
11 CFR § 104.3

III. BACKGROUND:

Other Violations of the Federal Election Campaign Act (Unauthorized Use of Committee Funds)

Adam Kokesh American Referendum Project (“the Committee”) filed the 2018 April Quarterly Report disclosing unauthorized activity totaling \$27,216.30¹ (Attachment 2).

On December 1, 2017, the Committee filed the Statement of Organization (“FEC Form 1”). Line 8 (Treasurer) disclosed Ethan Owens as the Treasurer and Angela Fisher as the Designated Agent and Campaign Manager (Images 201712019087686323-24).²

¹ The 2018 April Quarterly Report disclosed unauthorized receipts of \$3,801.04, undocumented receipts of \$7,750.00, unauthorized disbursements of \$10,721.58, and undocumented disbursements of \$4,943.68.

² On the same date, the Committee filed an Amended FEC Form 1, which disclosed no change in Treasurer or Designated Agent (Images 201712019087686426-27).

On March 5, 2018, the Committee filed an Amended FEC Form 1. Line 8 disclosed the Candidate, Adam Kokesh, as the Treasurer and no Designated Agent (Images 201803059095645166-67).³

On March 28, 2018, the Committee filed an Amended FEC Form 1. Line 8 disclosed Angela Thornton as Treasurer and no Designated Agent (Images 201803289097931169-70).⁴

On April 22, 2018, the Committee filed the 2018 April Quarterly Report covering the period from January 1, 2018 to March 31, 2018 (Image 201804229111719406). Schedule A-P supporting Line 17(a) (Itemized Individual Contributions) disclosed receipts notated as “unauthorized” or “undocumented,” totaling \$11,551.04. In addition, Schedule B-P supporting Line 23 (Operating Expenditures) and Line 25 (Fundraising Disbursements) disclosed disbursements notated as “unauthorized” or “undocumented,” totaling \$15,665.26 (Attachment 2). The report included memo text that stated, in part:

“While this report is true and complete to the best of my ability, we are aware that the disclosure indicates some illegal contribution activity as well as some unauthorized expenditures. We are self-reporting all known violations, but the previous Treasurer has not handed over any financial statements. The information herein is largely based on a spreadsheet provided by his wife, who accessed... our funds after his resignation. We have reason to believe we are under-reporting expenditures. We know that co-mingling personal funds resulted in excess contributions, a fictitious (*sic*) depository was listed, payments to vendors were made via cryptocurrency, (*sic*) Additionally, donations were made to, but not received by, the campaign. Unauthorized expenditures were made to the treasurer's wife. We are aware there are serious violations in the report, and anticipate that an amendment will be required in the future” (Image 201804229111719413).

On the same date, the Committee filed a Miscellaneous Electronic Submission (“FEC Form 99”). The Form 99 stated, in part:

“Please note that I am the Treasurer of record as of 03/28/2018. The previous Treasurer has been unresponsive to repeated requests for original documentation. Communication from the campaign regarding transactions prior to my tenure have been directed to the previous Campaign Manager, who is the wife of the previously listed Treasurer. Her responses have been sporadic, incomplete and even hostile. As a result, while our 2018 April Quarterly filing represents my best efforts to provide accurate data, I have reason to believe that we are missing information, possibly under-reporting contributions and expenses.

³ On March 14, 2018, the Committee filed an Amended FEC Form 1, which disclosed no change in Treasurer or Designated Agent (Images 201803149096557644-45).

⁴ On April 10, 2018, the Committee filed an Amended FEC Form 1, which disclosed no change in Treasurer or Designated Agent (Images 201804109104803887-88).

During my attempts to audit the activity that occurred prior to my appointment, I have discovered activity that indicates the campaign manager and treasurer were:

1. Co-mingling their personal funds with campaign funds, resulting in an excessive contribution
2. Reporting a fictitious (*sic*) depository on the campaign's FEC Form 1.
3. Maintaining multiple unregistered depositories.
4. Making payments via cryptocurrency.
5. Receiving unreported cryptocurrency donations.
6. Misdirecting cryptocurrency donations into personal accounts.
8. Neglecting to obtain donor information on receipts.

Of prime importance, I believe that some donations were not deposited into the campaign account within the 10 day time limit, and that 31 donations of \$250 each are not accompanied by any legally required donor information. Additionally, after the Treasurer resigned, the campaign manager continued to access the accounts, refusing to provide access to the funds as well as spending money with no Treasurer in place. As a result, my initial report also shows:

1. Donations made to, but not received by, the campaign.
2. Unauthorized expenditures from the campaign account to Ms. Fisher.

To summarize, Mr. Owens via Ms. Fisher has refused to provide us with statements, activity and access to the multiple accounts in place during the first 2-1/2 months of the quarter. Therefore, we are unable to balance banks or accurately track donations. As a result, the genesis of the numbers we are reporting is primarily an Excel sheet provided by Ms. Fisher on behalf of Mr. Owens.

The campaign is aware that there are multiple serious violations in this report, and we are self-reporting all violations to the best of our ability in good faith at this time. The campaign is eager to work with the FEC to correct the violations. We believe that this report will need to be amended in the future. We understand that reconciliation to bank statements is a necessity, and hope the FEC can assist us in retrieving (*sic*) those documents.

We are reluctant to refund any overage to Ms. Fisher until we can determine the accuracy of her documentation.

At this point, we are to able demonstrate traditional internal "Safe Harbor" controls have already been implemented, and staff members are being aggressively retrained to ensure future compliance" (Image 201804229111719551).

On June 20, 2018, Reports Analysis Division (RAD) Management discussed the unauthorized activity with the Treasurer, Angela Thornton. She said the former campaign manager made unauthorized payments after leaving the campaign and also made an unauthorized loan to the campaign. Ms. Thornton explained that supporting documentation is lacking for some activity disclosed on the April Quarterly Report. As a result, she is not certain if this activity is valid. RAD Management informed Ms. Thornton of the Commission's self reporting policy and advised her to contact the Office of General Counsel (Attachment 3).

On July 15, 2018, the Committee filed the 2018 July Quarterly Report covering the period from April 1, 2018 to June 30, 2018. Schedule B-P supporting Line 29 (Other Disbursements) disclosed a payment of \$4,226.36 to Adam Kokesh American Referendum Project with the purpose "Cash-on-hand adjustment due to unauthorized disbursements" (Image 201807159115534557).

To date, no further communications have been received from the Committee regarding this matter.

O-Index (2017-2018)															
Cmte. ID: C00662197 Cmte. Name: ADAM KOKESH AMERICAN REFERENDUM PROJECT															
Treasurer Name: THORNTON, ANGELA Address: BOX 973 #23, ASH FORK, AZ 86320															
Cmte. Type: P (PRESIDENTIAL) Cmte. Designation: P (PRINCIPAL CAMPAIGN COMMITTEE OF A CANDIDATE) Filing Frequency: QUARTERLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
MS-T			4/22/2018	2	201804229111719551				-	-	-	-	-	-	-
RQ1		A	4/2/2018	2	201804020300001807			4/2/2018	-	-	-	-	-	-	-
F3PN	YE	N	1/31/2018	11	201801319091120366	11/1/2017	12/31/2017		\$0	\$2,525	\$2,069	\$456	-	\$2,500	\$2,500
F3PN	Q1	N	4/22/2018	143	201804229111719406	1/1/2018	3/31/2018		\$456	\$49,164	\$45,394	\$4,226	\$4,109	\$17,253	\$21,054
F3PN	Q2	N	7/15/2018	51	201807159115534520	4/1/2018	6/30/2018		\$4,226	\$50,310	\$53,740	\$797	\$4,109	\$17,253	\$21,054
F1A		A	3/14/2018	4	201803149096557642				-	-	-	-	-	-	-
F2A		A	3/14/2018	1	201803149096557646				-	-	-	-	-	-	-
F1A		A	3/28/2018	4	201803289097931167				-	-	-	-	-	-	-
F1N		N	12/1/2017	5	201712019087686321				-	-	-	-	-	-	-
F1A		A	12/1/2017	5	201712019087686424				-	-	-	-	-	-	-
F2N		N	1/13/2018	1	201801139090406839				-	-	-	-	-	-	-
F1A		A	3/5/2018	4	201803059095645164				-	-	-	-	-	-	-
F1A		A	4/10/2018	4	201804109104803885				-	-	-	-	-	-	-
Totals										\$102,000	\$101,203				

O-Index (2015-2016)															
Cmte. ID: C00662197 Cmte. Name: ADAM KOKESH AMERICAN REFERENDUM PROJECT															
Treasurer Name: THORNTON, ANGELA Address: BOX 973 #23, ASH FORK, AZ 86320															
Cmte. Type: P (PRESIDENTIAL) Cmte. Designation: P (PRINCIPAL CAMPAIGN COMMITTEE OF A CANDIDATE) Filing Frequency: QUARTERLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
No records were found for this cycle.															

O-Index (2013-2014)															
Cmte. ID: C00662197 Cmte. Name: ADAM KOKESH AMERICAN REFERENDUM PROJECT															
Treasurer Name: THORNTON, ANGELA Address: BOX 973 #23, ASH FORK, AZ 86320															
Cmte. Type: P (PRESIDENTIAL) Cmte. Designation: P (PRINCIPAL CAMPAIGN COMMITTEE OF A CANDIDATE) Filing Frequency: QUARTERLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
No records were found for this cycle.															

Adam Kokesh American Referendum Project (C00662197)

2018 April Quarterly Report, received 4/22/2018 (Image 201804229111719406)

Unauthorized Activity*A. Unauthorized Receipts*

Name of Contributor	Date	Amount	Description
Angela Fisher	2/6/2018	\$3,187.25	In-kind - Unauthorized Loan To Campaign
Angela Fisher	3/2/2018	\$613.79	In-kind - Unauthorized Loan To Campaign
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #01
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #02
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #03
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #04
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #05
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #06
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #07
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #08
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #09
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #10
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #11
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #12
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #13
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #14
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #15
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #16
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #17
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #18
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #19
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #20
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #21
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #22

2018 April Quarterly Report, received 4/22/2018 (Image 201804229111719406)

Unauthorized Activity

A. Unauthorized Receipts

Name of Contributor	Date	Amount	Description
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #23
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #24
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #25
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #26
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #27
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #28
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #29
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #30
Undocumented, Contribution	2/17/2018	\$250.00	Missing Donor #31
Total Unauthorized Receipts:		\$11,551.04	

Adam Kokesh American Referendum Project (C00662197)

2018 April Quarterly Report, received 4/22/2018 (Image 201804229111719406)

Unauthorized Activity*B. Unauthorized Disbursements*

Line	Payee Name	Date	Amount	Purpose	Memo Text
23	Angela Fisher	1/4/2018	\$20.00	Expense Reimbursement: See Memo	Undocumented campaign expense: Twitter
23	Angela Fisher	1/25/2018	\$150.00	Expense Reimbursement: See Memo	Undocumented campaign expense: Shaun T
23	Angela Fisher	1/26/2018	\$15.00	Expense Reimbursement: See Memo	Undocumented campaign expense: Priceline cancel fee \$15
23	Angela Fisher	1/26/2018	\$150.70	Expense Reimbursement: See Memo	Undocumented campaign expense: Priceline Hotel
23	Angela Fisher	1/26/2018	\$354.00	Reimb:Travel:Air	No supporting documentation
23	Angela Fisher	1/29/2018	\$119.67	Expense Reimbursement: See Memo	Undocumented campaign expense: Lucky Kitchen Restaurant
23	Angela Fisher	1/29/2018	\$124.74	Expense Reimbursement: See Memo	Undocumented campaign expense: Safeway #174
23	Angela Fisher	1/29/2018	\$137.56	Expense Reimbursement: See Memo	Undocumented campaign expense: MI PATIO Restaurant
23	Angela Fisher	1/29/2018	\$185.99	Expense Reimbursement: See Memo	Undocumented campaign expense: Priceline Airfare
25	Angela Fisher	1/29/2018	\$334.60	Travel:Air	Undocumented: American Airlines (1 of 2)
25	Angela Fisher	1/29/2018	\$334.60	Travel:Air	Undocumented: American Airlines (2 of 2)
23	Angela Fisher	1/30/2018	\$44.30	Expense Reimbursement: See Memo	Undocumented campaign expense: American Air
23	Angela Fisher	1/30/2018	\$217.99	Expense Reimbursement: See Memo	Undocumented campaign expense: Priceline - Air Tickets
23	Angela Fisher ⁵	1/31/2018	\$121.91	Undocumented Expense Reimbursement	

⁵ This activity was disclosed as a memo entry.

2018 April Quarterly Report, received 4/22/2018 (Image 201804229111719406)

Unauthorized Activity

B. Unauthorized Disbursements

Line	Payee Name	Date	Amount	Purpose	Memo Text
23	Angela Fisher	2/1/2018	\$70.04	Expense Reimbursement: See Memo	Undocumented campaign expense: Lyft
23	Angela Fisher	2/2/2018	\$23.36	Expense Reimbursement: See Memo	Undocumented campaign expense: Lyft
23	Angela Fisher	2/2/2018	\$154.99	Expense Reimbursement: See Memo	Undocumented campaign expense: Priceline
23	Angela Fisher	2/5/2018	\$100.00	Expense Reimbursement: See Memo	Undocumented campaign expense: RushMyPassport
23	Angela Fisher	2/6/2018	\$200.00	Expense Reimbursement: See Memo	Undocumented campaign expense: Owens, Ethan RV driver
23	Angela Fisher	2/6/2018	\$3,187.25	In-kind - Unauthorized Loan To Campaign	
23	Angela Fisher	2/8/2018	\$7.60	Expense Reimbursement: See Memo	Undocumented campaign expense: Priceline
23	Angela Fisher	2/8/2018	\$199.99	Expense Reimbursement: See Memo	Undocumented campaign expense: YAPP
23	Angela Fisher	2/8/2018	\$283.99	Expense Reimbursement: See Memo	Undocumented campaign expense: Priceline
23	Angela Fisher	2/8/2018	\$342.47	Expense Reimbursement: See Memo	Undocumented campaign expense: AeroMexico
23	Angela Fisher	2/9/2018	\$500.00	Expense Reimbursement: See Memo	Undocumented campaign expense: Travel Bonus
25	Angela Fisher	2/13/2018	\$25.00	Travel Expense	Undocumented Travel Expense: United
25	Angela Fisher	2/13/2018	\$269.30	Travel Expense	Undocumented Travel Expense: Mxn Eurocar
25	Angela Fisher	2/20/2018	\$162.96	Undocumented Fundraising Expense	Undocumented Expenditure: Com Mexicano Restaurant
25	Angela Fisher	2/20/2018	\$209.92	Undocumented Fundraising Expense	Undocumented Expenditure: Office Depot
23	Angela Fisher	2/22/2018	\$31.17	Expense:Travel See Memo	Undocumented Expenditure: Lyft
23	Angela Fisher	2/26/2018	\$51.83	Undocumented Expense	Undocumented Expenditure: Capitol Liquor
23	Angela Fisher	3/2/2018	\$613.79	In-kind - Unauthorized Loan To Campaign	

2018 April Quarterly Report, received 4/22/2018 (Image 201804229111719406)

Unauthorized Activity

B. Unauthorized Disbursements

Line	Payee Name	Date	Amount	Purpose	Memo Text
23	Angela Fisher	3/7/2018	\$126.09	Unauthorized expenditure - see memo	Post resignation of Treasurer, unauthorized disbursement
23	Angela Fisher	3/7/2018	\$150.00	Unauthorized expenditure - see memo	Post resignation of Treasurer, unauthorized disbursement
23	Angela Fisher	3/8/2018	\$36.00	Unauthorized expenditure - see memo	Post resignation of Treasurer, unauthorized disbursement
23	Angela Fisher	3/8/2018	\$250.00	Unauthorized expenditure - see memo	Post resignation of Treasurer, unauthorized disbursement
23	Angela Fisher	3/8/2018	\$251.69	Unauthorized expenditure - see memo	Post resignation of Treasurer, unauthorized disbursement
23	Angela Fisher	3/8/2018	\$1,000.00	Unauthorized expenditure - see memo	Post resignation of Treasurer, unauthorized disbursement
23	Angela Fisher	3/9/2018	\$250.00	Unauthorized Expenditure	Post Treasurer Unauthorized Disbursement: (Pulis Salary)
23	Angela Fisher	3/9/2018	\$250.00	Unauthorized Expenditure	Post Treasurer Unauthorized Disbursement: (Pulis Salary)
23	Angela Fisher	3/9/2018	\$700.00	Unauthorized Expenditure	Post Treasurer Unauthorized Disbursement: Gizarelli Salary (via Zelle)
23	Angela Fisher	3/9/2018	\$2,250.00	Unauthorized Expenditure	Post Treasurer Unauthorized Disbursement: Lamont Salary
23	Angela Fisher	3/15/2018	\$1,600.00	Unauthorized Disbursement	Unauthorized Post-treasurer disbursement: Fisher
23	Angela Fisher	3/16/2018	\$11.28	Unauthorized Disbursement	Unauthorized Post-treasurer disbursement: Fisher/Phillips 66
23	Angela Fisher	3/16/2018	\$30.58	Unauthorized Disbursement	Unauthorized Post-treasurer disbursement: Fisher/Phillips 66

2018 April Quarterly Report, received 4/22/2018 (Image 201804229111719406)

Unauthorized Activity

B. Unauthorized Disbursements

Line	Payee Name	Date	Amount	Purpose	Memo Text
23	Stripe.com	3/5/2018	\$.70	Payment Processing Fee	Unauthorised disbursement: post Treasurer resignation merchant fees
23	Stripe.com	3/5/2018	\$.70	Payment Processing Fee	Unauthorised disbursement: post Treasurer resignation merchant fees
23	Stripe.com	3/6/2018	\$.70	Payment Processing Fee	Unauthorised disbursement: post Treasurer resignation merchant fees
23	Stripe.com	3/9/2018	\$.70	Payment Processing Fee	Unauthorised disbursement: post Treasurer resignation merchant fees
23	Stripe.com	3/9/2018	\$.70	Payment Processing Fee	Unauthorised disbursement: post Treasurer resignation merchant fees
23	Stripe.com	3/9/2018	\$4.30	Payment Processing Fee	Unauthorised disbursement: post Treasurer resignation merchant fees
23	Stripe.com	3/11/2018	\$.70	Payment Processing Fee	Unauthorised disbursement: post Treasurer resignation merchant fees
23	Stripe.com	3/14/2018	\$.70	Payment Processing Fee	Unauthorised disbursement: post Treasurer resignation merchant fees
23	Stripe.com	3/14/2018	\$.70	Payment Processing Fee	Unauthorised disbursement: post Treasurer resignation merchant fees
23	Stripe.com	3/15/2018	\$.70	Payment Processing Fee	Unauthorised disbursement: post Treasurer resignation merchant fees
23	Stripe.com	3/17/2018	\$.50	Payment Processing Fee	Unauthorised disbursement: post Treasurer resignation merchant fees
23	Stripe.com	3/17/2018	\$3.30	Payment Processing Fee	Unauthorised disbursement: post Treasurer resignation merchant fees
23	Stripe.com	3/18/2018	\$.50	Payment Processing Fee	Unauthorised disbursement: post Treasurer resignation merchant fees
Total Unauthorized Disbursements:			\$15,665.26		