



FEDERAL ELECTION COMMISSION
Washington, DC 20463

VIA ELECTRONIC AND FIRST CLASS MAIL

Angela Thornton
Adam Kokesh American Referendum Project
Box 973, #23
Ask Fork, AZ 86320
treasurer@thefreedomline.com

July 28, 2022

RE: MUR 7901

Dear Ms. Thornton:

The Federal Election Commission (the “Commission”) previously notified the Adam Kokesh American Referendum Project and you in your official capacity as treasurer (the “Committee”), that it had ascertained information in the normal course of carrying out its supervisory responsibilities indicating that the Committee may have violated the Federal Election Campaign Act of 1971, as amended (the “Act”). At that time, we also provided the Committee with a copy of the referral document received by this Office. The referral stated that the Committee has been referred for the unauthorized use of committee funds, in violation of 52 U.S.C. §§ 30102(b), (c), 30104(b). We received the Committee’s response, and the matter is currently under review by the Commission.

The Commission has ascertained additional information in the normal course of carrying out its supervisory responsibilities indicating that the Committee may have violated the Act or Commission regulations by accepting excessive and prohibited foreign national contributions. We have obtained information indicating that during Kokesh’s campaign for U.S. President in 2018, Kokesh received a stipend of approximately \$10,000 USD per month in cryptocurrency for an unknown period of time spanning at least December 2017 through March 2018 from Roger Ver, a citizen of St. Kitts and Nevis who renounced his U.S. citizenship in 2014, and at least a portion of these payments were provided for campaign-related purposes.

The Commission also ascertained information indicating that the Committee may have violated the Act by: (1) Raising funds in connection with a poker tournament event held in Acapulco, Mexico, which were not deposited in a properly designated campaign depository and which the Committee may have failed to report; and (2) Raising funds via “Steem” cryptocurrency which were not deposited in a properly designated campaign depository and which the Committee may have failed to report. The Committee is therefore being provided this

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notice and an opportunity to respond, if it wishes to do so.

Under the Act, the term “contribution” includes any gift, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing a Federal election. *See* 52 U.S.C. § 30101(8)(A); 11 C.F.R. § 100.52.

The Act sets forth limits to contributions that a person may make. *See* 52 U.S.C. § 30116(a). In 2018, the maximum contribution that an individual could make to a candidate and his authorized committee was \$2,700 per election.

The Act and Commission regulations require that every political committee designate as its campaign depository one or more state banks, federally chartered depository institutions, or depository institutions in which the accounts are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration. 52 U.S.C. § 30102(h)(1); 11 C.F.R. § 103.3. Commission regulations further provide that all receipts shall be made to this depository institution within ten days of the treasurer’s receipt. 11 C.F.R. § 103.3(a).

The Act and Commission regulations require each treasurer of a political committee to file reports of receipts and disbursements in accordance with the provisions of 52 U.S.C. § 30104. 52 U.S.C. § 30104(a), (b); 11 C.F.R. §§ 104.1 and 104.3. Such reports must include the total amount of contributions received, as well as the identification of each person or political committee who made a contribution in excess of \$200 during the reporting period, together with the date and amount of such contribution. 52 U.S.C. § 30104(b)(2)(A), (b)(3)(A)-(B).

Further, the Act prohibits any person from knowingly accepting or receiving a contribution made by a foreign national in connection with a federal, state, or local election. 52 U.S.C. § 30121(a)(2); 11 C.F.R. § 110.20(g). A “foreign national” is an individual who is not a citizen of the United States or a national of the United States and who is not lawfully admitted for permanent residence. 52 U.S.C. § 30121(b)(2).

Kokesh’s receipt of a stipend of approximately \$100,000 USD per month in cryptocurrency, if received for campaign-related purposes, would constitute excessive and prohibited contributions. Based on the available information, it appears that the Committee may have violated the Act by accepting an unreported, excessive, and prohibited contribution.

The Office of General Counsel is reviewing this information to determine whether we should recommend to the Commission that it find there is reason to believe the Committee violated the Act or Commission regulations. A “reason to believe” finding is not a finding that any person violated the Act; rather, it means only that the Commission believes a violation may have occurred. In the event the Commission finds that there is reason to believe, it may authorize the Office of General Counsel to conduct an investigation to determine whether, in fact, a violation occurred or to assess the scope of the alleged violation. *See* 52 U.S.C. § 30109(a)(2). The Commission may also authorize the Office of General Counsel to enter into

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negotiations directed toward reaching a conciliation agreement in settlement of a matter at an earlier stage of the enforcement process prior to a Commission finding that there is probable cause believe that a person violated the Act or Commission regulations. *See* 11 C.F.R. § 111.18(d).

Before we make a recommendation to the Commission, we offer the Committee the opportunity to provide in writing a response to the allegations in the complaint and the information in this letter. Should the Committee choose to respond, it may also submit any materials — including documents or affidavits from persons with relevant knowledge — that it believes may be relevant or useful to the Commission’s consideration of this matter. The Commission will take into account any additional information the Committee provides in determining whether to find reason to believe that it violated the Act or Commission regulations.

The Committee’s response, if it chooses to make one, must be submitted in writing within 15 days of this letter’s receipt. The Committee should address any response to the Office of General Counsel, and the response should reference MUR 7901. Any correspondence sent to the Commission, such as a response, must be addressed to one of the following:

Mail

Federal Election Commission
 Office of Complaints Examination
 & Legal Administration
 Attn: Christal Dennis, Paralegal
 1050 First Street, NE
 Washington, D.C. 20463

OR

Email

cela@fec.gov

We strongly encourage the Committee to file its response via email. If the Committee submits its response via email, this Office will provide an electronic receipt by email. After 15 days, we will make our recommendations to the Commission. The Commission will then consider the recommendations and take appropriate action.

This matter will remain confidential unless the Committee notifies the Commission in writing that it wishes the matter to be made public. *See* 52 U.S.C. §§ 30109(a)(4)(B), 30109(a)(12). Please be advised though that, although the Commission cannot disclose information regarding an investigation to the public, it may share information on a confidential basis with other law enforcement agencies.¹ Also, please be advised that the Committee is required to preserve all documents, records, and materials relating to the subject matter in the complaint and discussed in this matter until we notify it that the Commission has closed its file in this matter. *See* 18 U.S.C. § 1519.

¹ The Commission has the statutory authority to refer knowing and willful violations of the Act to the Department of Justice for potential criminal prosecution, 52 U.S.C. § 30109(a)(5)(C), and to report information regarding violations of law not within its jurisdiction to appropriate law enforcement authorities. *Id.* § 30107(a)(9).

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If you have any questions, please contact Christal Dennis at (202) 694-1519 or toll free at 1-800-424-9530. Information is also available on the Commission's website at www.fec.gov.

Sincerely,

Peter G. Blumberg

Peter G. Blumberg
Assistant General Counsel