



FEDERAL ELECTION COMMISSION
1050 FIRST STREET, N.E.
WASHINGTON, D.C. 20463

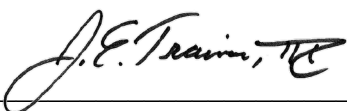
BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of :
 : MUR 8302
Hawaii Republican Party :
 :
 :

**STATEMENT OF REASONS OF
VICE CHAIRMAN JAMES E. "TREY" TRAINOR, III
AND COMMISSIONER ALLEN J. DICKERSON**

In this Matter, we voted to approve the Office of General Counsel's recommendations to dismiss the allegations that the Hawaii Republican Party and Julie-Ann Yamoto in her official capacity as Treasurer violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3(a), (b) by misreporting its financial activity; violated 52 U.S.C. § 30103(c) and 11 C.F.R. §102.2(a) by failing to amend its Statement of Organization within 10 days; violated 52 U.S.C. § 30102(b)(3) and 11 C.F.R. §102.15 by commingling committee funds with personal funds; and violated 52 U.S.C. § 30114(b) and 11 C.F.R.8 §113.2(e) by converting Committee funds to personal use.


For the purposes of 52 U.S.C. § 30109(a)(8), we attach our reasoning in this Matter.



James E. "Trey" Trainor, III
Vice Chairman

April 30, 2025

Date



Allen J. Dickerson
Commissioner

April 30, 2025

Date

FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: Hawaii Republican Party and Julie-Ann Yamato MUR 8302
in her official capacity as treasurer

I. INTRODUCTION

This matter arises from a Complaint and two Supplemental Complaints (collectively, the “Complaints”) alleging that the Hawaii Republican Party and Julie-Ann Yamato in her official capacity as treasurer (the “Committee”) misreported its financial activity, failed to timely file amendments, comingled committee funds with personal funds, and converted funds to personal use, in violation of the Federal Election Campaign Act of 1971, as amended (the “Act”). In particular, the Complaints claim that, despite selling its headquarters for \$549,839.41, the Committee did not report any income from the sale in its federal filings. Based on this alleged misreporting, the Complaints speculate that the income from the sale of the headquarters may have been embezzled. Further, the Complaint alleges that the Committee continues to report a recurring monthly payment of \$459.29 for a copier lease that should have ended in December 2023 after the copier was removed from its office. Also, the Complaints allege that funds were converted to personal use with respect to expenses disclosed on the Committee’s regular reports based on the Complaints’ interpretation of the purposes provided by the Committee. Finally, the Complaints allege that the Committee failed to timely amend its Statement of Organization to disclose its new address and a change in its treasurer.

The Committee filed a Response and a Supplemental Response (collectively, the “Responses”) asserting that it deposited income from the sale of its headquarters into a non-federal account and therefore did not need to report the income in its federal reports. Also, the Responses state that the Committee was contractually required to continue to make payments for

1 the copier even though it does not have access to it. The Responses contend that the Committee
2 filed an amended Statement of Organization to disclose the changes in address and treasurer but
3 admit that it was filed late. The Responses also deny that any funds were misappropriated or
4 converted to personal use.

5 As explained below, it appears that, because the Committee deposited the income from
6 the sale of its headquarters into a state account, it was not required to report the income in its
7 federal reports. Additionally, it appears that the Committee correctly reported the copier
8 payments, because the payments were ongoing pursuant to the lease. Accordingly, the
9 Commission dismisses the allegation that the Committee violated 52 U.S.C. § 30104(b) and
10 11 C.F.R. § 104.3(a), (b) by failing to report income from the sale of its headquarters and
11 misreporting payments for its copier. Next, consistent with past matters, the Commission
12 exercises its prosecutorial discretion and dismisses the allegation that the Committee violated
13 52 U.S.C. § 30103(c) and 11 C.F.R. § 102.2(a) by failing to timely amend its Statement of
14 Organization given that the Committee filed an amended Statement with updated information not
15 long after the deadline. Finally, the Commission dismisses the allegation that the Committee
16 violated 52 U.S.C. §§ 30102(b)(3) and 30114(b) and 11 C.F.R. §§ 102.15 and 113.2(e) by
17 allowing the conversion of funds to personal use and comingling of committee funds because the
18 allegations here are speculative and because the personal use provision of the Act does not apply
19 to state party committees.

1 II. FACTUAL BACKGROUND

2 The Hawaii Republican Party is a state party committee registered with the Commission.¹

3 Julie-Ann Yamato is the treasurer for the Committee.²

4 The Complaints make a series of allegations that the Committee violated the Act and
5 Commission regulations. First, the Complaints allege that the Committee failed to report income
6 it received and reported disbursements that did not occur. The Complaints allege that the
7 Committee did not report \$549,839.41 in income from the sale of its headquarters that occurred
8 in May 2024.³ Additionally, the Complaints allege that the Committee continues to report a
9 payment for a copier that was removed from its office in December 2023.⁴ The Responses reply
10 that the Committee put proceeds from the sale of its headquarters into a non-federal account and
11 therefore is not required to report the income on its federal reports.⁵ The bank statement, from
12 July 2024, shows a beginning balance of \$546,381.14, approximately matching the sale of the
13 headquarters, as well as two transfers out totaling \$7,260.88.⁶ The \$7,260.88 matches the
14 amount that the Committee transferred from its non-federal account to its federal account during
15 July 2024, suggesting that bank statement here is the Committee's non-federal account and,
16 therefore, that the Committee did, in fact, deposit the proceeds of the sale into its non-federal

¹ Hawaii Republican Party, Amended Statement of Organization at 2 (Sept. 5, 2024), <https://docquery.fec.gov/pdf/676/202409059675359676/202409059675359676.pdf>.

² *Id.* at 3.

³ Compl. at 1 (Aug. 16, 2024); Second Suppl. Compl. at 1 (Oct. 1, 2024).

⁴ Compl. at 1.

⁵ Resp. at 1 (Sept. 9, 2024); Second Resp. at 1 (Nov. 6, 2024).

⁶ *Id.* The Committee did not provide a bank statement for the time period covering when the sale occurred on May 31, 2024. The total proceeds from the sale of the headquarters match when including a transfer the Committee reported from its state to federal account on June 11, 2024 for \$3,558.27. See Hawaii Republican Party, 2024 July Monthly Report at 20 (Jul. 20, 2024), <https://docquery.fec.gov/pdf/088/202407209661441088/202407209661441088.pdf>.

1 account.⁷ Additionally, the Committee states that the payments for the copier continue because
2 the lease agreement requires the Committee to continue payment at this time even though it does
3 not have access to the copier.⁸

4 Second, the Complaints allege that the Committee failed to timely file an amended
5 Statement of Organization to disclose a change in its treasurer and address.⁹ The Complaint
6 states that the Committee sold its headquarters on May 31, 2024, but as of the date of the
7 Complaint (August 16, 2024) had not yet filed an amended Statement of Organization.¹⁰ The
8 Supplemental Complaint states that Michael Jauch resigned as treasurer on August 18, 2024, and
9 that David Buehler was serving as the new treasurer, but as of the date of the Supplemental
10 Complaint (August 27, 2024) the Committee had not yet filed an amended Statement of
11 Organization.¹¹ On September 5, 2024, three months after its headquarters changed and 18 days
12 after its treasurer changed, the Committee filed an amended Statement of Organization
13 disclosing its new address and treasurer.¹² The Response asks that the allegation be dismissed
14 because the Committee provided this information in an amended Statement of Organization.¹³

15 Finally, the Complaint posits that Committee funds may have been misappropriated or
16 converted to personal use based on the failure to report the income from the sale of the

⁷ See Hawaii Republican Party, 2024 August Monthly Report at 23-24 (Aug. 20, 2024),
<https://docquery.fec.gov/pdf/104/202408209666559104/202408209666559104.pdf>.

⁸ Resp. at 3-4.

⁹ Compl. at 1; Suppl. Compl. at 1 (Aug. 27, 2024).

¹⁰ Compl. at 1.

¹¹ Suppl. Compl. at 1.

¹² Hawaii Republican Party, Amended Statement of Organization (Sept. 5, 2024).

¹³ Resp. at 4.

1 Committee’s headquarters.¹⁴ The Complaint also alleges that Committee funds are being
2 converted into personal use based on information reported by the Committee, specifically
3 reimbursements to the Party Chair and her husband and disbursements for “restaurant, gasoline,
4 grocery and Home Depot expenses.”¹⁵ The Responses deny these allegations, asserting that the
5 Committee deposited the income from the sale of its headquarters into a non-federal account and
6 that all expenses were “approved by the Party executive committee as necessary for party
7 activities.”¹⁶

8 **III. LEGAL ANALYSIS**

9 **A. The Commission Dismisses the Allegation That the Committee Misreported** 10 **Financial Activity**

11 Political committees must regularly submit to the Commission reports that accurately
12 disclose, *inter alia*, their receipts and disbursements.¹⁷ A state party committee may establish a
13 non-federal account where deposits into this account are governed by state law.¹⁸

14 First, whereas the Complaint alleges that the Committee failed to properly report the
15 income from the sale of its headquarters, it appears from the Responses and documents they
16 include that the Committee was not required to report the income because it was deposited into

14 Compl. at 1.

15 *Id.*

16 Resp. at 2.

17 52 U.S.C. § 30104(b)(2)-(7); 11 C.F.R. § 104.3(a)(3)-(4), (b)(2), (4).

18 11 C.F.R. § 300.30(b)(1).

1 its non-federal account and thus is not governed by the Commission.¹⁹ Second, whereas the
2 Complaint alleges that the Committee's recurring payments for a copier were inaccurate because
3 it no longer possessed the copiers, the Committee asserts that it still owed payments on its lease
4 for the printer regardless of whether the Committee still has access to the copier. Therefore, the
5 Commission dismisses the allegation that that the Committee violated 52 U.S.C. § 30104(b) and
6 11 C.F.R. § 104.3(a), (b) by misreporting its financial activity.

7 **B. The Commission Exercises its Prosecutorial Discretion and Dismisses the**
8 **Allegation That the Committee Failed to Timely File Amended Statements of**
9 **Organizations**

10 It is the responsibility of a committee to report its address and the name of its treasurer to
11 the Commission, and any change must be reported to the Commission within 10 days through an
12 amended Statement of Organization.²⁰ On May 31, 2024, the Committee sold its headquarters
13 and thus was required to disclose an updated address 10 days later, on June 10, 2024. On
14 August 18, 2024, the Committee's treasurer resigned and a new treasurer was appointed, thus it
15 was required to disclose its new treasurer 10 days later on August 28, 2024. The Committee did
16 not disclose the new information until September 5, 2024, 87 days late for the address and eight
17 days late for the treasurer.²¹ In a past matter, the Commission exercised its prosecutorial
18 discretion in dismissing a case where a political committee did not amended its Statement of

¹⁹ *See id.* § 300.35(c) (providing that income from the rental of a state party committee constructed or bought with non-federal funds must be deposited into the committee's non-federal account). The Second Supplemental Complaint provides information that the Committee provided to the CSC, including a memo that the Committee received from a consultant that it should deposit the income from the sale of its headquarters into a nonfederal account, because the Committee did not know what type of funds were used to originally buy the headquarters. Second Suppl. Compl., Attach. at 5. Additionally, the Second Response states that income was placed into account the functions as a nonfederal account and the Committee corrected the account subtitle name. Second Resp. at 1.

²⁰ 52 U.S.C. § 30103(a)-(c); 11 C.F.R. §§ 102.1(d), 102.2(a)(1), (2).

²¹ Hawaii Republican Party, Amended Statement of Organization (Sept. 5, 2024).

1 Organization until October 26, 2016 where information available to the Commission disclosed
2 the Committee appointed a new treasurer four months earlier in June 2016.²²

3 Accordingly, the Commission exercises its prosecutorial discretion²³ and dismisses the
4 allegation that the Committee violated 52 U.S.C. § 30103(c) and 11 C.F.R. § 102.2(a) by failing
5 to timely file an amended Statement of Organization.

6 **C. The Commission Dismisses the Allegation That the Committee Comingled**
7 **Committee Funds with Personal Funds and Allowed Personal Use of**
8 **Committee Funds**

9 The Act and Commission regulations require that all funds of a political committee must
10 be “segregated from and may not be commingled with the personal funds of any individual.”²⁴
11 The Complaints allege that income from the sale of the headquarter may have been embezzled or
12 comingled when the Committee did not report this income to the Commission; however the
13 information available to the Commission shows the Committee deposited the funds in a
14 nonfederal account.²⁵

15 Therefore, the Commission dismisses the allegation that the Committee violated
16 52 U.S.C. § 30102(b)(3) and 11 C.F.R. § 102.15 by commingling committee funds with personal
17 funds.²⁶

²² Factual & Legal Analysis (“F&LA”) at 1-2, MUR 7164 (Alaska Republican Party).

²³ *Heckler v. Chaney*, 470 U.S. 821, 831 (1985).

²⁴ 52 U.S.C. § 30102(b)(3); 11 C.F.R. § 102.15.

²⁵ *See supra* note 16.

²⁶ *Cf.* F&LA at 1-2, MUR 6026 (Jan Churchill) (finding no reason to believe that a treasurer comingled funds by reporting payments to herself for salary and travel reimbursements where she asserted that the payments were for legitimate purposes and the Complaint failed to otherwise establish that the payments were impermissible).

1 The Act’s personal use prohibitions apply to contributions “accepted by a candidate,” and
2 to funds raised and spent by a candidate’s authorized committee.²⁷ However, state political party
3 committees are not “authorized committees” within the meaning of the Act.²⁸ The Complaint
4 alleges that committee funds were used to purchase items for personal use based on the
5 description and recipients disclosed on its report, such as: “food”, “gas”, and “Reimbursement:
6 See Below” that disclosed payments for travel related expenditures.²⁹ Because the Committee is
7 a state party committee,³⁰ and not the authorized committee of a candidate, the Commission
8 dismisses the allegations that the Committee violated 52 U.S.C. § 30114(b) and 11 C.F.R.
9 § 113.2(e).

²⁷ 52 U.S.C. § 30114(b); 11 C.F.R. § 113.2(e).

²⁸ The Act states that “[n]o political committee which supports or has supported more than one candidate may be designated as an authorized committee.” A narrow exception exists for national party committees—though not state party committees—that are designated as an authorized committee by the party’s presidential nominee and maintain a separate account. 52 U.S.C. 30102(e)(3)(A)(i).

²⁹ Compl. at 1. *See* Hawaii Republican Party, 2024 June Monthly Report at 28-29 (June 20, 2024), <https://docquery.fec.gov/pdf/452/202406209649360452/202406209649360452.pdf>; Hawaii Republican Party, 2024 July Monthly Report at 23, 26 (July 20, 2024), <https://docquery.fec.gov/pdf/088/202407209661441088/202407209661441088.pdf>.

³⁰ Hawaii Republican Party, Amended Statement of Organization at 2 (Sept. 5, 2024).