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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

REPORT

Review No. 18-2234

The Board of the Office of Congressional Ethics (hereafter “the Board”), by a vote of no less than four members, on August 29, 2018, adopted the following report and ordered it to be transmitted to the Committee on Ethics of the United States House of Representatives (hereafter “the Committee”).

SUBJECT: Representative David Schweikert

NATURE OF THE ALLEGED VIOLATION: Rep. Schweikert may have used official resources, including staff time, to benefit his campaigns and pressured congressional staff to perform political activity. If Rep. Schweikert used official resources for campaign purposes or pressured congressional staff to perform political activity, then he may have violated House rules, standards of conduct, and federal law.

Rep. Schweikert may have authorized compensation to an employee who did not perform duties commensurate with the compensation the employee received. If Rep. Schweikert authorized compensation to an employee who did not perform duties commensurate with the compensation the employee received, then Rep. Schweikert may have violated House rules, standards of conduct, and federal law.

Rep. Schweikert may have improperly tied official activities to past or potential campaign or political support. If Rep. Schweikert improperly linked official activities to campaign or political support, then he may have violated House rules, standards of conduct, and federal law.

Rep. Schweikert or his campaign committee may have received loans or gifts from a congressional employee. If Rep. Schweikert solicited or accepted a loan, gift, or other contribution from a congressional employee, then Rep. Schweikert may have violated House rules, standards of conduct, and federal law.

Rep. Schweikert may have omitted required information from his annual House financial disclosure statements and Federal Election Commission (“FEC”) candidate committee reports. If Rep. Schweikert failed to disclose required information in his annual House financial disclosure statements or FEC candidate committee filings, then he may have violated House rules, standards of conduct, and federal law.

RECOMMENDATION: The Board recommends that the Committee further review the above allegation because there is substantial reason to believe that Rep. Schweikert used official resources for campaign purposes or pressured congressional staff to perform political activity.

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The Board recommends that the Committee further review the above allegation because there is substantial reason to believe that Rep. Schweikert authorized compensation to an employee who did not perform duties commensurate with the compensation the employee received.

The Board recommends that the Committee dismiss the above allegation because there is not substantial reason to believe that Rep. Schweikert improperly linked official activities to campaign or political support.

The Board recommends that the Committee further review the above allegation because there is substantial reason to believe that Rep. Schweikert solicited or accepted a loan, gift, or other contribution from a congressional employee.

The Board recommends that the Committee further review the above allegation because there is substantial reason to believe that Rep. Schweikert failed to disclose required information in his annual House financial disclosure statements or FEC candidate committee filings.

VOTES IN THE AFFIRMATIVE: 6

VOTES IN THE NEGATIVE: 0

ABSTENTIONS: 0

MEMBER OF THE BOARD OR STAFF DESIGNATED TO PRESENT THIS REPORT TO THE COMMITTEE ON ETHICS: Omar S. Ashmawy, Staff Director & Chief Counsel.

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FINDINGS OF FACT AND CITATIONS TO LAW

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OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

FINDINGS OF FACT AND CITATIONS TO LAW

Review No. 18-2234

On August 29, 2018, the Board of the Office of Congressional Ethics (hereafter “the Board”) adopted the following findings of fact and accompanying citations to law, regulations, rules and standards of conduct (*in italics*). The Board notes that these findings do not constitute a determination of whether or not a violation actually occurred.

I. EXECUTIVE SUMMARY

In November 2017, the Office of Congressional Ethics (“OCE”) opened a preliminary review into whether Rep. Schweikert authorized expenditures from his Members’ Representational Allowance, made by or on behalf of his Chief of Staff, that were not for permissible official expenses. During the course of that review, which was ultimately referred to the Committee on Ethics, the OCE interviewed various third-party witnesses. Testimony from these third-party witnesses provided the OCE with a reasonable basis to review separate and discrete issues concerning Rep. Schweikert. Accordingly, the OCE opened this subsequent review, which focuses on the following potential violations:

- Whether Rep. Schweikert used official resources, including staff time, to benefit his campaigns or pressured congressional staff to perform political activity;
- Whether Rep. Schweikert paid a departing employee an unauthorized “severance”¹ payment;
- Whether Rep. Schweikert tied official activities to past or future campaign or political support;
- Whether Rep. Schweikert solicited or accepted a loan from his longtime Chief of Staff and political fundraiser; and
- Whether Rep. Schweikert omitted required information from his annual House financial disclosure statements and Federal Election Commission (“FEC”) candidate committee reports.

Rep. Schweikert, Rep. Schweikert’s current congressional staff, Rep. Schweikert’s campaign committees, and numerous other individuals affiliated with Rep. Schweikert, his congressional office, his campaigns, and his real estate business refused to cooperate with this review. Richard Oliver Schwab Jr. (“Oliver Schwab” or “Mr. Schwab”), Rep. Schweikert’s longtime Chief of Staff and political fundraiser, resigned during the course of this review and refused to cooperate

¹ As discussed *infra* in Section IV.A, the United States House of Representatives does not provide employees with severance packages in the traditional, private-sector sense. Accordingly, references to “severance” in this report are made in quotation marks.

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with the OCE. In spite of the noncooperation by these key individuals and entities, the OCE reviewed a significant number of records produced by third-party witnesses and conducted numerous third-party witness interviews.

During the course of its review, the OCE found evidence that Rep. Schweikert permitted the misuse of congressional resources. The OCE determined that Oliver Schwab was frequently absent from the congressional office in order to perform campaign work, and would also perform political activities while inside the congressional office. Additionally, the OCE found evidence that certain congressional staff members were pressured to perform political work.

There is also evidence of an impermissible “severance” payment. The OCE determined that Rep. Schweikert authorized the payment of compensation to an employee for approximately six weeks after the employee left his congressional office. Under this “severance” arrangement, he was paid his full congressional salary despite performing minimal work for the congressional office.

The OCE also found evidence that Rep. Schweikert, or his campaign, may have accepted a loan, gift, or other contribution from Oliver Schwab, during a time period in which Mr. Schwab was a congressional employee.

Additionally, the OCE found a pattern of errors and omissions on Rep. Schweikert’s financial disclosures that he filed with the United States House of Representatives and with campaign committee reports that were filed with the FEC. The OCE determined that Rep. Schweikert may have improperly omitted information from his financial disclosure statements concerning various real-estate investment activities, the existence of certain interest-bearing bank accounts, and reportable credit card debt. The OCE also found discrepancies between business income that Rep. Schweikert reported to the Internal Revenue Service (“IRS”) and what he reported on his annual disclosures. With respect to FEC reporting, the OCE found 1) that a Rep. Schweikert-affiliated campaign committee neglected to disclose a \$75,000.00 line of credit that Rep. Schweikert specifically secured in order to fund his congressional campaign; 2) irregularities with two personal loans that Rep. Schweikert allegedly made in support of his reelection efforts; and 3) various other unreported campaign committee receipts, disbursements, and transfers.

Finally, despite the fact that a former staff member told the OCE that campaign donors were provided favorable treatment, the OCE found other evidence which suggests that Rep. Schweikert may not have dispensed special favors to campaign donors.

II. INTRODUCTION

A. Summary of Allegations

1. Rep. Schweikert may have used official resources, including staff time, to benefit his campaigns and pressured congressional staff to perform political activity. If Rep. Schweikert used official resources for campaign purposes or pressured congressional staff to perform political activity, then he may have violated House rules, standards of conduct, and federal law.

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2. The Board recommends that the Committee further review the above allegation because there is substantial reason to believe that Rep. Schweikert used official resources for campaign purposes or pressured congressional staff to perform political activity.
3. Rep. Schweikert may have authorized compensation to an employee who did not perform duties commensurate with the compensation the employee received. If Rep. Schweikert authorized compensation to an employee who did not perform duties commensurate with the compensation the employee received, then Rep. Schweikert may have violated House rules, standards of conduct, and federal law.
4. The Board recommends that the Committee further review the above allegation because there is substantial reason to believe that Rep. Schweikert authorized compensation to an employee who did not perform duties commensurate with the compensation the employee received.
5. Rep. Schweikert may have improperly tied official activities to past or potential campaign or political support. If Rep. Schweikert improperly linked official activities to campaign or political support, then he may have violated House rules, standards of conduct, and federal law.
6. The Board recommends that the Committee dismiss the above allegation because there is not substantial reason to believe that Rep. Schweikert improperly linked official activities to campaign or political support.
7. Rep. Schweikert or his campaign committee may have received loans or gifts from a congressional employee. If Rep. Schweikert solicited or accepted a loan, gift, or other contribution from a congressional employee, then Rep. Schweikert may have violated House rules, standards of conduct, and federal law.
8. The Board recommends that the Committee further review the above allegation because there is substantial reason to believe that Rep. Schweikert solicited or accepted a loan, gift, or other contribution from a congressional employee.
9. Rep. Schweikert may have omitted required information from his annual House financial disclosure statements and FEC candidate committee reports. If Rep. Schweikert failed to disclose required information in his annual House financial disclosure statements or FEC candidate committee filings, then he may have violated House rules, standards of conduct, and federal law.
10. The Board recommends that the Committee further review the above allegation because there is substantial reason to believe that Rep. Schweikert failed to disclose required information in his annual House financial disclosure statements or FEC candidate committee filings.

B. Jurisdiction Statement

11. The allegations that were the subject of this review concern Rep. David Schweikert, a Member of the United States House of Representatives from the 6th District of Arizona. The Resolution the United States House of Representatives adopted creating the OCE directs that, “[n]o review shall be undertaken... by the board of any alleged violation that occurred before

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C. Procedural History

12. The OCE received a written request for preliminary review in this matter signed by at least two members of the Board on April 10, 2018. The preliminary review commenced on April 11, 2018.³
13. On April 11, 2018, the OCE notified Rep. Schweikert of the initiation of the preliminary review, provided him with a statement of the nature of the review, notified him of his right to be represented by counsel in this matter, and notified him that invoking his right to counsel would not be held negatively against him.⁴
14. At least three members of the Board voted to initiate a second-phase review in this matter on May 10, 2018. The second-phase review commenced on May 11, 2018.⁵ The second-phase review was scheduled to end on June 24, 2018.
15. On May 10, 2018, the OCE notified Rep. Schweikert of the initiation of the second-phase review in this matter, and again notified him of his right to be represented by counsel in this matter, and that invoking that right would not be held negatively against him.⁶
16. The Board voted to extend the second-phase review by an additional period of fourteen days on June 8, 2018. The additional period ended on July 8, 2018.
17. The Board voted to refer the matter to the Committee on Ethics and adopted these findings on August 29, 2018.
18. The report and its findings in this matter were transmitted to the Committee on Ethics on September 5, 2018.

D. Summary of Investigative Activity

19. The OCE requested documentary or testimonial information from the following sources:
 - (1) Rep. Schweikert;
 - (2) Oliver Schwab, Rep. Schweikert’s former Chief of Staff;
 - (3) Katherina Dimenstein, Rep. Schweikert’s current Chief of Staff;
 - (4) Kevin Knight, Rep. Schweikert’s current Deputy Chief of Staff;

² H. Res. 895 of the 110th Congress §1(e) (2008) (as amended) (hereafter “the Resolution”).

³ A preliminary review is “requested” in writing by members of the Board of the OCE. The request for a preliminary review is received by the OCE on a date certain. According to the Resolution, the timeframe for conducting a preliminary review is 30 days from the date of receipt of the Board’s request.

⁴ Letter from Omar S. Ashmawy, Chief Counsel and Staff Director, OCE, to Rep. Schweikert, April 11, 2018.

⁵ According to the Resolution, the Board must vote (as opposed to make a written authorization) on whether to conduct a second-phase review in a matter before the expiration of the 30-day preliminary review. If the Board votes for a second-phase, the second-phase commences the day after the preliminary review ends.

⁶ Letter from Omar S. Ashmawy, Chief Counsel and Staff Director, OCE, to Rep. Schweikert, May 10, 2018.

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- (5) Ernestina Borquez-Smith, Rep. Schweikert's current Director of Constituent Services and Office Manager;
- (6) Katherine Duveneck, Rep. Schweikert's current Legislative Assistant;
- (7) Camille Lepire, Rep. Schweikert's current Legislative Aide;
- (8) Ashley Sylvester, Rep. Schweikert's current Officer Manager and Press Secretary;
- (9) Molly Gartland, Rep. Schweikert's current Coalitions Director;
- (10) Former Deputy Chief of Staff;
- (11) Former Financial Administrator;
- (12) Former Legislative Director;
- (13) Former Communications Staffer;
- (14) Former District Staffer;
- (15) Matt Tully, former Rep. Schweikert staff member;
- (16) Kelly Roberson, former Rep. Schweikert staff member;
- (17) Thomas Leander, former Rep. Schweikert staff member;
- (18) Michelle Stoika, former Rep. Schweikert staff member;
- (19) Campaign Financial Services, an FEC compliance firm working for various Rep. Schweikert-affiliated campaign and political action committees;
- (20) Valerie Giramberk, current and former treasurer to various Rep. Schweikert-affiliated campaign and political action committees and former employee of Sheridan Equities Holdings;
- (21) Karen Garrett, former Schweikert for Congress Treasurer;
- (22) Metro Phoenix Bank;
- (23) JPMorgan Chase Bank, N.A.;
- (24) Branch Banking and Trust Company;
- (25) Financial Institution Employee A;
- (26) Financial Institution Employee B;
- (27) Firetrace USA LLC;
- (28) Former Firetrace Executive;
- (29) Mark Cavanaugh, former Firetrace CEO;
- (30) Teddy Eynon, lobbyist for Firetrace USA LLC;
- (31) Ana Schwab, wife of Oliver Schwab; and
- (32) Swartz & Brough, Inc.

20. The following individuals and entities refused to cooperate with the OCE's review:

- (1) Rep. Schweikert;
- (2) Oliver Schwab;
- (3) Katherina Dimenstein;
- (4) Kevin Knight;
- (5) Ernestina Borquez-Smith;
- (6) Katherine Duveneck;
- (7) Camille Lepire;
- (8) Ashley Sylvester;
- (9) Molly Gartland;

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- (10) Matt Tully;
- (11) Kelly Roberson;
- (12) Thomas Leander;
- (13) Michelle Stoika;
- (14) Campaign Financial Services;
- (15) Valerie Giramberk;
- (16) Karen Garrett;
- (17) Firetrace USA LLC;
- (18) Mark Cavanaugh;
- (19) Teddy Eynon; and
- (20) Ana Schwab.

III. REP. SCHWEIKERT MAY HAVE MISUSED CONGRESSIONAL RESOURCES AND PRESSURED STAFF TO PERFORM CAMPAIGN ACTIVITY

A. Applicable Law, Rules, and Standards of Conduct

21. Federal Law

2 U.S.C. § 5341(a) states that “[t]here is established for the House of Representatives a single allowance, to be known as the ‘Members’ Representational Allowance’, which shall be available to support the conduct of the official and representational duties of a Member of the House of Representatives with respect to the district from which the Member is elected.”

31 U.S.C. § 1301(a) states that “[a]ppropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.”

18 U.S.C. § 606, states that a Member or congressional staffer who “discharges, or promotes, or degrades, or in any manner changes the official rank or compensation of any other officer or employee, or promises or threatens so to do, for giving or withholding or neglecting to make any contribution of money or other valuable thing for any political purpose, shall be fined under this title or imprisoned not more than three years, or both.”⁷

22. House Rules

Under House Rule 23, Clause 8(a), “A Member, Delegate, Resident Commissioner, or officer of the House may not retain an employee who does not perform duties for the offices of the employing authority commensurate with the compensation such employee receives.”⁸

⁷ “Depending on the circumstances, compelling a House employee to do campaign work may also violate a provision of the federal criminal code, 18 U.S.C. § 606. That statute covers intimidation to secure not only monetary contributions for a political purpose, but anything of value, apparently including services.” House Ethics Manual (2008) (“House Ethics Manual”) at 136, n. 17.

⁸ “Payments must be consistent with House Rule XXIII, clause 8(a), which requires that employees perform official duties commensurate with the compensation received. Employees may not be compensated from public funds to perform nonofficial, personal, campaign-related political party, or campaign activities on behalf of the Member.” Committee on House Administration, Members’ Congressional Handbook, 113th Congress (Dec. 16,

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23. House Ethics Manual

*Pursuant to the House Ethics Manual, “[t]he misuse of the funds and other resources that the House of Representatives entrusts to Members for the conduct of official House business is a very serious matter. Depending on the circumstances, such conduct may result in not only disciplinary action by the House, but also criminal prosecution. Moreover, while any House employee who makes improper use of House resources is subject to disciplinary action by the Standards Committee, each Member should be aware that he or she may be held responsible for any improper use of resources that occurs in the Member’s office. The Standards Committee has long taken the position that each Member is responsible for assuring that the Member’s employees are aware of and adhere to the rules, and for assuring that House resources are used for proper purposes.”*⁹

*The House Ethics Manual also states that, “[a]mong the specific activities that clearly may not be undertaken in a congressional office or using House resources (including official staff time) are the solicitation of contributions; the drafting of campaign speeches, statements, press releases or literature; the completion of FEC reports; the creation or issuance of a campaign mailing; and the holding of a meeting on campaign business.”*¹⁰

*The House Ethics Manual further explains, “[I]t is permissible for House employees to do campaign work, but only outside of congressional space, without the use of any House resources, and on their own time (as opposed to ‘official’ time for which they are compensated by the House). Accordingly, any House employee who does campaign work must ensure that the work – including any telephone conversations or other communications concerning campaign business – is performed strictly in compliance with these limitations.”*¹¹

Pursuant to the Manual, “[o]nce House employees have completed their official duties, they are free to engage in campaign activities on their own time, as volunteers or for pay, as long as they do not do so in congressional offices or facilities, or otherwise use official resources. . . . It should be stressed that although House employees are free to engage in campaign activities on their own time, in no event may a Member or office compel a House employee to do campaign work. To do so would result in an impermissible official subsidy of the Member’s campaign. The prohibition against coercing staff or requiring staff members to do campaign work is quite

2011) at 9; see also Committee on House Administration, Members’ Congressional Handbook, 115th Congress (Feb. 27, 2018) at 11 (providing same guidance).

⁹ House Ethics Manual at 124. The Committee, in *In the Matter of Rep. E.G. “Bud” Shuster*, H. Rep. 106-979, 106th Cong., 2nd Sess. 31 (2000) stated that “[t]he importance of the fact that the salary of a House employee is to be used exclusively for the performance of official House duties, and not for the performance of campaign work, cannot be overstated.” *In the Matter of Rep. E.G. “Bud” Shuster*, H. Rep. 106-979, 106th Cong., 2nd Sess. 31 (2000) at 53. The Committee found that congressional staff members in Rep. Shuster’s office were routinely performing campaign work in the congressional office and also being compensated with official MRA funds for time periods in which they were working for Rep. Shuster’s principal campaign committee. *Id.* at 51-64. The Committee went on to hold Rep. Shuster responsible for these violations, since they were employees “under his supervision and control,” even though the Committee found “no direct evidence that Rep. Shuster was aware that this activity was taking place.” *Id.* at 64.

¹⁰ House Ethics Manual at 124.

¹¹ *Id.* at 126

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broad. It forbids Members and senior staff from not only threatening or attempting to intimidate employees regarding doing campaign work, but also from directing or otherwise pressuring them to do such work.”¹²

As the House Ethics Manual explains, “[u]nder House Rule 23, clause 8 a Member is always responsible for ensuring that each of his or her employees performs official duties that are commensurate with the compensation that the employee receives from the House. Thus when it is anticipated that an employee will be assuming significant campaign duties, it may be necessary for the employing Member to make an appropriate reduction in the employee’s House pay.”¹³

B. Rep. Schweikert May Have Used Congressional Resources, Including Staff Time, for Political Activities and May Have Pressured Congressional Staff to Perform Campaign Work

24. The OCE interviewed five former congressional staff members about their experiences in Rep. Schweikert’s congressional office.¹⁴ These staff members raised varying levels of concern about misuse of official resources by Rep. Schweikert and Oliver Schwab. Rep. Schweikert’s current congressional staff refused to interview with the OCE.¹⁵
25. Generally, the individuals that interviewed with the OCE raised concerns about the following: Mr. Schwab’s frequent absences from the congressional office; Mr. Schwab’s time spent inside and away from the House office complex working on political matters; and Rep. Schweikert and Mr. Schwab pressuring congressional employees to perform campaign work. Interviewees described a congressional office in which Oliver Schwab frequently was absent for long periods of time in order to handle political work for Rep. Schweikert, and when he was in the office, he would perform campaign responsibilities. Staff members also

¹² *Id.* at 135-36. The Committee, in both a 2014 and 2018 Pink Sheet, stressed that congressional employees may not be pressured in any way to perform political work. Memorandum from the Committee on Ethics on Campaign Activity Guidance (Aug. 15, 2014); Memorandum from the Committee on Ethics on Campaign Activity Guidance (June 7, 2018). According to the 2014 Pink Sheet: “If you wish to work for your employing Member’s campaign, you certainly may do so as long as you do it voluntarily, without using official resources, not on official grounds, and on your own time. Work on your employing Member’s campaign may not be coercive, and it may not impact or inform congressional employment decisions. **Your position in the congressional office may not be threatened or influenced by whether you choose to work on any campaign.** If you feel pressured to do campaign work to keep or improve your congressional employment, you should immediately address the matter with a supervisor or contact the Committee. The Committee takes very seriously allegations of coerced campaign work and the House has disciplined Members for such actions.” Memorandum from the Committee on Ethics on Campaign Activity Guidance, at 10 (Aug. 15, 2014) (emphasis in original). The Pink Sheet goes on to say that “supervisors should be clear when communicating with staff about opportunities to volunteer for the employing Member’s campaign” and explain that “official work and positions will not be impacted by an employee’s decision about volunteering or working for a political campaign.” *Id.*

¹³ House Ethics Manual at 140.

¹⁴ This number excludes Former Financial Administrator, who was a shared employee who did not work out of Rep. Schweikert’s congressional office.

¹⁵ Rep. Schweikert’s campaign committee appears to have hired Holland & Knight LLP (“Holland & Knight”) to represent current and former staff members that wanted representation during the course of the OCE’s review. *See* Transcript of Interview with Matt Tully, June 27, 2018 (“Tully Transcript”) (Exhibit 1 at 18-2234_0017-18; 43-44)]. Through counsel at Holland & Knight, the following individuals communicated their refusal to cooperate: Katherina Dimenstein; Ernestina Borquez-Smith; Katherine Duveneck; Camille Lepire; Ashley Sylvester; and Molly Gartland.

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described pressure, or an “expectation,” to perform political work in support of Rep. Schwerikert’s reelection efforts. Below, the OCE describes the extent to which each of these five interviewees recalled witnessing problematic behavior by either Rep. Schweikert or Oliver Schwab.

26. Former Legislative Director, a Legislative Assistant and then Legislative Director in Rep. Schweikert’s office between February 2011 and January 2017, told the OCE that, even though Oliver Schwab was the Chief of Staff of the congressional office, “the majority of [Mr. Schwab’s] focus was directed towards [Rep. Schweikert’s] reelection.”¹⁶ According to Former Legislative Director, Oliver Schwab was a “relatively hands off” Chief of Staff who “wasn’t engaged with the office for the most part on the day to day operations” because he was focused on political activities.¹⁷
27. Former Legislative Director told the OCE that Mr. Schwab would, while inside the House office complex or Rep. Schweikert’s congressional office, discuss campaign fundraising activities, ask congressional staff members to proofread campaign emails, and possibly make campaign-related phone calls.¹⁸ He also described how Oliver Schwab was “in and out of the office fairly frequently” and would, upon returning to the congressional office, regularly boast about securing contributions for Rep. Schweikert’s reelection efforts.¹⁹ According to Former Legislative Director, Mr. Schwab was “relatively open about” his focus on political activities, and he believed Rep. Schweikert was aware that Mr. Schwab primarily was focused on political matters.²⁰
28. Additionally, Former Legislative Director told the OCE that he was asked, while in his capacity as a congressional staff member, to “provide policy support” to Rep. Schweikert, knowing that the support was intended to assist Rep. Schweikert’s fundraising efforts.²¹ He described this as a “wink and nod” scenario, where he was never explicitly told that he was preparing Rep. Schweikert for a fundraising event, but he knew it to be the case.²² Former Legislative Director said that the amount of time he worked on political activities would fluctuate, but he estimated spending twenty percent of his time on such matters during an election cycle.²³
29. Former Legislative Director told the OCE that he never was employed by the campaign and did not consider himself a campaign volunteer. Instead, he described an “expectation” in the congressional office that staff members would be available to assist with political activity.²⁴ While he was “not sure if [the expectation] stemmed from [Rep. Schweikert] . . . or [Mr.

¹⁶ Transcript of Interview of Former Legislative Director, Jan. 31, 2018 (“Former Legislative Director Transcript”) (Exhibit 2 at 18-2234_0066).

¹⁷ *Id.*

¹⁸ *Id.* at (Exhibit 2 at 18-2234_0066-67).

¹⁹ *Id.* at (Exhibit 2 at 18-2234_0066).

²⁰ *Id.* at (Exhibit 2 at 18-2234_0066-67).

²¹ *Id.* at (Exhibit 2 at 18-2234_0055-56).

²² *Id.*

²³ *Id.* at (Exhibit 2 at 18-2234_0056-57). Before settling on twenty percent, Former Legislative Director explained that he could spend up to fifty percent of his time handling political matters, depending on the time of year. *See id.*

²⁴ *Id.* at (Exhibit 2 at 18-2234_0058; 61).

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Schwab],” he said that “[Rep. Schweikert] was certainly aware of it and allowed it to exist.”²⁵ When asked whether he raised concerns with Rep. Schweikert or Mr. Schwab about this perceived political pressure, Former Legislative Director said he did not.²⁶ He then explained that he believed his employment may have been terminated, or his salary or promotion potential would have been adversely affected, if he raised such concerns.²⁷

30. One specific example where Former Legislative Director was asked, in his role as a congressional staff member, to perform campaign work, involved preparing a policy memo for Rep. Schweikert in advance of a debate with then-Rep. Ben Quayle, who Rep. Schweikert was competing against in the 2012 Republican primary.²⁸ According to Former Legislative Director, “prior to the Ben Quayle debate, or, I guess, quasi-debate . . . I was asked to prepare information on the NDAA [National Defense Authorization Act], because they were opposing votes on that” and Rep. Schweikert “was prepared . . . [t]o use that as a wedge between the two if needed.”²⁹

31. Like Former Legislative Director, Former Deputy Chief of Staff acknowledged pressure to perform political work. Former Deputy Chief of Staff told the OCE that, in October 2016, Mr. Schwab – Rep. Schweikert’s-then Chief of Staff and Former Deputy Chief of Staff’s then-direct superior – told him that he could either leave the office with a six-month “severance” package or continue to work in the official office while taking on significant campaign fundraising responsibilities.

32. Specifically, Mr. Schwab told Former Deputy Chief of Staff that he had two options:

You can quit with [a six-month] severance or you can come back next year at a reduced title, reduced pay, you’ll never see your family, and you’re going to be judged on how much money we bring in to [Rep. Schweikert’s campaign], even though you’re not the fundraiser, you’re going to be the one that’s responsible for that top dollar.³⁰

33. Former Deputy Chief of Staff went on to characterize the statement above as a “threat,” and explained that he ultimately decided to accept the “severance” offer.³¹

²⁵ *Id.* at (Exhibit 2 at 18-2234_0058).

²⁶ *Id.* at (Exhibit 2 at 18-2234_0061).

²⁷ *Id.* When asked how he felt about doing political work under these circumstances, Former Legislative Director said he “wasn’t happy with it,” because “it was redirecting [his] time and efforts to focus on an issue that . . . [Rep. Schweikert] didn’t care about,” aside from the fact that it could result in a campaign donation. *Id.* at (Exhibit 2 at 18-2234_60-61).

²⁸ *Id.* at (Exhibit 2 at 18-2234_0062-63).

²⁹ *Id.* The Board recognizes that the official and campaign offices may need to address similar or overlapping issues, and confusion may arise in that regard, but notes that the House Ethics Manual and Committee publications provide guidance on campaign activity and the appropriate use of official resources.

³⁰ Transcript of Interview of Former Deputy Chief of Staff, Jan. 18, 2018 (“Former Deputy Chief of Staff Transcript, Part 1”) (Exhibit 3 at 18-2234_0087); *see also id.* at (Exhibit 3 at 18-2234_0086) (“I was then given the option of staying for a dramatically reduced salary, with my performance being judged on campaign donations or leaving with a six-month severance. I chose to leave.”).

³¹ *Id.* at (Exhibit 3 at 18-2234_0086; 88).

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34. Former Deputy Chief of Staff did not believe this threatened demotion, pay reduction, and fundraising requirement emanated from Rep. Schweikert; instead, he believed the threat resulted from fundraising pressure that Rep. Schweikert applied to Mr. Schwab.³² Former Deputy Chief of Staff told the OCE that Rep. Schweikert “was putting increasing pressure on [Mr. Schwab] to raise money because [Rep. Schweikert] wanted to run for the Senate. [Rep. Schweikert] was basically telling [Mr. Schwab], ‘I need a million dollars if I’m going to run for the Senate.’ I think that was weighing on [Mr. Schwab].”³³
35. Former Deputy Chief of Staff also recalled Mr. Schwab doing campaign work in Rep. Schweikert’s congressional office, including stuffing and stamping campaign mailers.³⁴ However, he did not recall Mr. Schwab frequently performing campaign work in the office, and he did not believe that Mr. Schwab’s primary focus in the congressional office was political activity.³⁵ When asked if he or any other congressional staff members would have been directed to do campaign work, Former Deputy Chief of Staff said no.³⁶ He also indicated that fundraising events generally would “line-up[] with the day to day” work handled by the official staff and told the OCE that Oliver Schwab generally would attend political events during his lunch break or after hours.³⁷
36. Former Communications Staffer, a communications staff member in the congressional office from January 2011 through September 2013, recalled that Mr. Schwab frequently was absent from the congressional office. She told the OCE that Oliver Schwab was “barely ever in [the congressional] office” and “it was almost like he could have been chief or couldn’t have been chief and the office would have . . . function[ed] the same.”³⁸ Former Communications Staffer could not say with certainty where Mr. Schwab was during his frequent and prolonged absences from the congressional office, but she believed him to be handling political activities for Rep. Schweikert.³⁹
37. Former Communications Staffer did not recall seeing Mr. Schwab perform political activity in Rep. Schweikert’s congressional office; however, she indicated that she would not be surprised if it routinely occurred.⁴⁰ When asked whether Rep. Schweikert or Oliver Schwab pressured congressional staff to engage in campaign activity, she told the OCE that she did not witness either individual applying such pressure.⁴¹

³² *Id.* at (Exhibit 3 at 18-2234_0088) (“[Rep. Schweikert] had said to me on multiple occasions, ‘I’m leaning on Oliver to raise money. That’s not your responsibility.’”).

³³ *Id.*

³⁴ Transcript of Interview of Former Deputy Chief of Staff, Feb. 8, 2018 (“Former Deputy Chief of Staff Transcript, Part 2”) (Exhibit 4 at 18-2234_0129-30).

³⁵ *Id.* at (Exhibit 4 at 18-2234_0129-32).

³⁶ *Id.* at (Exhibit 4 at 18-2234_0133-35).

³⁷ *Id.* at (Exhibit 4 at 18-2234_0131; 134).

³⁸ Transcript of Interview of Former Communications Staffer, July 2, 2018 (“Former Communications Staffer Transcript”) (Exhibit 5 at 18-2234_0168-69).

³⁹ *Id.* at (Exhibit 5 at 18-2234_0168; 170-71; 175-76).

⁴⁰ *Id.* at (Exhibit 5 at 18-2234_0166-67).

⁴¹ *Id.* at (Exhibit 5 at 18-2234_0166).

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38. Matt Tully was a former Legislative Director and Chief of Staff in Rep. Schweikert's office between January 2011 and May 2013.⁴² Mr. Tully acknowledged that Mr. Schwab frequently was absent from the congressional office and engaged in political activity while in the House complex. Specifically, Mr. Tully told the OCE that Oliver Schwab was "gone a fair amount" from the congressional office because he was "making political phone calls outside of the office."⁴³ He also told the OCE that Mr. Schwab met with a political pollster in the congressional office to discuss campaign polling matters,⁴⁴ and remembered a policy memo being prepared by a congressional staff member in advance of Rep. Schweikert's debate with Ben Quayle.⁴⁵
39. Former District Staffer worked in Rep. Schweikert's district office from January 2012 until October 2013, and he took a leave of absence between May and August 2012 in order to manage Rep. Schweikert's reelection campaign. While Former District Staffer did not work in the D.C. office, he recalled several D.C.-based congressional staff members complaining about Oliver Schwab's behavior.
40. He told the OCE that Mr. Schwab "wasn't present a lot in the office in the last few months I was [employed by Rep. Schweikert]. I'd hear from [Former Communications Staffer], I'd hear from [Former Deputy Chief of Staff] . . . that they didn't know where Oliver was. He'd disappear for four or five hours."⁴⁶ Like Former Communication Staffer, he could not definitively say where Oliver Schwab was, but assumed he was at the NRCC making political phone calls.⁴⁷
41. While Former District Staffer did not recall seeing Mr. Schwab perform political activity in a congressional office or pressure anyone to perform campaign work, he recounted that Former Deputy Chief of Staff, Former Communications Staffer, and Matt Tully would complain that Oliver frequently was "pushing the envelope" with some political activities he was doing in or around the congressional office.⁴⁸ He described "concerns from a lot of the D.C. staff about Oliver [Schwab] pushing the envelope and trying to push the line, and having to keep him in check on that."⁴⁹
42. He also recalled that a separate office was "opened up . . . outside the district office but nearby so that we had a place where Oliver could go and do [political work], . . . so it wasn't

⁴² As discussed *infra*, Section IX, the OCE found portions of Mr. Tully's testimony to lack credibility given his friendship with Mr. Schwab, his less than forthcoming responses during his interview with the OCE, and his decision not to provide the OCE with requested documents. However, the OCE notes Mr. Tully nevertheless acknowledged that Mr. Schwab frequently was absent from the congressional office and did engage in political activity when he was present in it.

⁴³ Tully Transcript (Exhibit 1 at 18-2234_0030).

⁴⁴ *Id.*

⁴⁵ *Id.* at (Exhibit 1 at 18-2234_0032-33).

⁴⁶ Transcript of Interview of Former District Staffer, June 29, 2018 ("Former District Staffer Transcript") (Exhibit 6 at 18-2234_0197); *see also id.* at (Exhibit 6 at 18-2234_0217-18; 221).

⁴⁷ *Id.* at (Exhibit 6 at 18-2234_0218).

⁴⁸ *Id.* at (Exhibit 6 at 18-2234_0215-18).

⁴⁹ *Id.* at (Exhibit 6 at 18-2234_0216).

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in the district office.”⁵⁰ That office was opened out of a “desire to avoid political work, the temptation to do political work in the District office.”⁵¹

43. As discussed above, “a Member is always responsible for ensuring that each of his or her employees performs official duties that are commensurate with the compensation that the employee receives from the House” and the Committee “has long taken the position that each Member is responsible for assuring that the Member’s employees are aware of and adhere to the rules, and for assuring that House resources are used for proper purposes.”⁵²

Accordingly, Rep. Schweikert is responsible for ensuring that he, and staff members working in his congressional office, operated in accordance with the rules of the House.

44. Additionally, the OCE notes that performing campaign work outside of the office on one’s personal time is permissible under House rules. However, without the cooperation of Rep. Schweikert or his office, the OCE could not determine Mr. Schwab’s work schedule. Testimony from former staff members suggests that Mr. Schwab may not have conformed with House rules in this regard.

45. Based on the foregoing information, the Board finds that there is substantial reason to believe that Rep. Schweikert used official resources, including staff time, for political purposes and pressured congressional staff to perform political activity.

IV. REP. SCHWEIKERT MAY HAVE AUTHORIZED THE PAYMENT OF COMPENSATION TO AN EMPLOYEE FOR WORK THAT WAS NOT COMMENSURATE WITH DUTIES THE EMPLOYEE PERFORMED

A. Applicable Law, Rules, and Standards of Conduct

46. Federal Law

2 U.S.C. § 5341(a) states that “[t]here is established for the House of Representatives a single allowance, to be known as the ‘Members’ Representational Allowance’, which shall be available to support the conduct of the official and representational duties of a Member of the House of Representatives with respect to the district from which the Member is elected.”

31 U.S.C. § 1301(a) states that “[a]ppropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.”

Pursuant to 2 U.S.C. § 4537(a):

(a) Approval; amount; source of payments

Upon the approval of the appropriate employing authority, an employee of the House of Representatives may be paid a lump sum for the accrued annual leave of the employee or for any other purpose. The lump sum-

⁵⁰ *Id.* at (Exhibit 6 at 18-2234_0215).

⁵¹ *Id.*

⁵² *See supra*, Section III.A.

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(1) shall be paid in an amount not more than the lesser of-

(A) the amount of the monthly pay of the employee, as determined by the Chief Administrative Officer of the House of Representatives; or

(B) in the case of a lump sum payment for the accrued annual leave of the employee, the amount equal to the monthly pay of the employee, as determined by the Chief Administrative Officer of the House of Representatives, divided by 30, and multiplied by the number of days of the accrued annual leave of the employee”

47. House Rules

Under House Rule 23, Clause 8(a), “A Member, Delegate, Resident Commissioner, or officer of the House may not retain an employee who does not perform duties for the offices of the employing authority commensurate with the compensation such employee receives.”

48. House Ethics Manual

The House Ethics Manual explains that “[t]he regulations of the Committee on House Administration require employing Members to provide monthly salary certifications for their staff.”⁵³

The House Ethics Manual also explains that “[t]he underlying standard for the receipt of compensation by an employee of the House is that the employee has regularly performed official duties commensurate with the compensation received. . . . Employees are paid United States Treasury funds to perform public duties. Appropriated funds are to be used solely for the purposes for which appropriated. Funds appropriated for congressional staff to perform official duties should be used only for assisting a Member in his or her legislative and representational duties, working on committee business, or performing other congressional functions.”⁵⁴

49. Members’ Congressional Handbook

“A Member may not retain an employee on the Member’s payroll who does not perform official duties commensurate with the compensation received for the offices of the employing authority.”⁵⁵

“Each month, Member Offices receive a Payroll Certification Form from the Office of Payroll and Benefits that lists the annual pay and gross pay earned for each employee. . . . The Member must certify the information and return the form to the Office of Payroll and Benefits no later than the 15th day of the month.”⁵⁶

⁵³ House Ethics Manual at 277.

⁵⁴ *Id.* at 279.

⁵⁵ Committee on House Administration, Members’ Congressional Handbook, 114th Congress, at 3 (2016); Committee on House Administration, Members’ Congressional Handbook, 115th Congress, at 4 (2018).

⁵⁶ Committee on House Administration, Members’ Congressional Handbook, 114th Congress, at 4 (2016); Committee on House Administration, Members’ Congressional Handbook, 115th Congress, at 4 (2018).

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B. Rep. Schweikert May Have Authorized an Improper “Severance” Payment to Former Deputy Chief of Staff

50. The OCE found that Rep. Schweikert authorized the payment of compensation to Former Deputy Chief of Staff for approximately six weeks after he left Rep. Schweikert’s congressional office. He was paid his full congressional salary during this time period despite performing limited work for Rep. Schweikert’s congressional office.
51. Former Deputy Chief of Staff began working for Rep. Schweikert in January 2011.⁵⁷ He initially was hired as a Legislative Assistant in Rep. Schweikert’s congressional office, was promoted to Legislative Director in 2012, and subsequently became the office’s Deputy Chief of Staff in 2014.⁵⁸
52. As discussed above, in October 2016, Former Deputy Chief of Staff was told by Oliver Schwab, Rep. Schweikert’s-then Chief of Staff, that he could either leave the congressional office with a six-month “severance” or continue to work in the official office while taking on significant campaign fundraising responsibilities.⁵⁹
53. The “severance” offer was for full payment of his congressional salary for six months,⁶⁰ and it required Former Deputy Chief of Staff to work on an as needed basis, outside of the congressional office, until he found other employment.⁶¹
54. Former Deputy Chief of Staff accepted the “severance” offer.⁶² His last day in Rep. Schweikert’s office was November 21, 2016, and he was paid his full salary between that day and January 3, 2017.⁶³ Former Deputy Chief of Staff only was paid through January 3, 2017 because, in December 2016, Oliver Schwab informed him that Rep. Schweikert’s congressional office was not planning to honor the “severance” arrangement past that date.^{64,}
⁶⁵

⁵⁷ Former Deputy Chief of Staff Transcript, Part 1 (Exhibit 3 at 18-2234_0085); Statement of Disbursements of the House, January 1, 2011 – March 31, 2011.

⁵⁸ Former Deputy Chief of Staff Transcript, Part 1 (Exhibit 3 at 18-2234_0085).

⁵⁹ *See supra*, Section III.B.

⁶⁰ Former Deputy Chief of Staff Transcript, Part 1 (Exhibit 3 at 18-2234_0086; 87; 94).

⁶¹ *Id.* at (Exhibit 3 at 18-2234_0089; 94); Former Deputy Chief of Staff Transcript, Part 2 (Exhibit 4 at 18-2234_0143).

⁶² Former Deputy Chief of Staff Transcript, Part 1 (Exhibit 3 at 18-2234_0088; 92).

⁶³ *Id.* at (Exhibit 3 at 18-2234_0089); Former Deputy Chief of Staff Transcript, Part 2 (Exhibit 4 at 18-2234_0143-44); Statement of Disbursements of the House, October 1, 2016 – December 31, 2016; Statement of Disbursements of the House, January 1, 2017 – March 31, 2017.

⁶⁴ Originally, Former Deputy Chief of Staff intended to work in the congressional office through January 3, 2017, at which time his six-month “severance” would become effective. However, “the Friday before Thanksgiving, Oliver [Schwab] called [him] and said [he] was causing confusion in the office and didn’t want [him] to come in[to the office] anymore.” Former Deputy Chief of Staff Transcript, Part 2 at (Exhibit 4 at 18-2234_0143-44); *see also* Former Deputy Chief of Staff Transcript, Part 1 (Exhibit 3 at 18-2234_0094).

⁶⁵ With respect to Rep. Schweikert’s awareness of this “severance” arrangement, Former Deputy Chief of Staff told the OCE that “[Mr. Schwab] said [Rep. Schweikert] approved it. I am doubtful of that. I don’t think David ever approved a single salary for anyone . . . [S]alaries were determined between [Mr. Schwab] and I while I was doing the budget, and before that, just by [Mr. Schwab]. [Rep. Schweikert] wasn’t interested in the day-to-day budget minutia.” Former Deputy Chief of Staff Transcript, Part 2 (Exhibit 4 at 18-2234_0144-45). Regardless of his

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55. Between November 22, 2016 and January 3, 2017, Former Deputy Chief of Staff performed approximately twenty-five to thirty total hours of work for Rep. Schweikert's congressional office.⁶⁶ In total, he received \$19,180.16 for the work he performed during this 43-day period.⁶⁷

56. Despite not being present in the office and performing less than thirty total hours of work, Rep. Schweikert certified that Former Deputy Chief of Staff regularly performed official duties commensurate with the compensation he received during this timeframe.⁶⁸ Former Deputy Chief of Staff was paid his full congressional salary based upon these certifications signed by Rep. Schweikert.

57. Based on the foregoing information, the Board finds that there is substantial reason to believe that Rep. Schweikert authorized compensation to an employee who did not perform duties commensurate with the compensation the employee received.

V. REP. SCHWEIKERT MAY HAVE TIED OFFICIAL ACTIVITIES TO PAST OR FUTURE POLITICAL SUPPORT

A. Applicable Law, Rules, and Standards of Conduct

58. House Ethics Manual

*The House Ethics Manual states that "no solicitation of a campaign or political contribution may be linked to an action taken or to be taken by a Member or employee in his or her official capacity."*⁶⁹

*The House Ethics Manual explains that "[i]t is probably not wrong for the campaign managers of a legislator . . . to request contributions from those for whom the legislator has done appreciable favors, but this should never be presented as a payment for the services rendered. Moreover, the possibility of such a contribution should never be suggested by the legislator or his staff at the time the favor is done. Furthermore, a decent interval of time should be allowed to lapse so that neither party will feel that there is a close connection between the two acts."*⁷⁰

The Manual further explains that "a solicitation for campaign or political contributions may not be linked with an official action taken or to be taken by a House Member or employee, and a

awareness, Rep. Schweikert certified that Former Deputy Chief of Staff was still working hours consistent with his \$14,034.25/month salary. *See infra*.

⁶⁶ Former Deputy Chief of Staff Transcript, Part 2 (Exhibit 4 at 18-2234_0144).

⁶⁷ *See* Schweikert Payroll Certifications Nov. 2016 – Jan. 2017 (Exhibit 7 at 18-2234_0229-37); Statement of Disbursements of the House, October 1, 2016 – December 31, 2016; Statement of Disbursements of the House, January 1, 2017 – March 31, 2017. In November 2016, Former Deputy Chief of Staff was paid \$14,034.25, which equates to \$467.81/day, or \$4,210.29 for the time period of November 22, 2016 – November 30, 2016. In December 2016, he was paid \$14,034.25. From January 1, 2017 – January 3, 2017, he was paid \$935.62. This totals \$19,180.16, or between \$767.21/hour and \$639.34/hour for the work he performed.

⁶⁸ *See* Schweikert Payroll Certifications Nov. 2016 – Jan. 2017 (Exhibit 7 at 18-2234_0229-37).

⁶⁹ House Ethics Manual at 147.

⁷⁰ *Id.*

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*Member may not accept any contribution that is linked with an action that the Member has taken or is being asked to take. A corollary of these rules is that Members and staff are not to take or withhold any official action on the basis of the campaign contributions or support of the involved individuals, or their partisan affiliation. . . . Questions in this area have arisen most frequently on the matter of casework, and on this subject, the Standards Committee has long advised Members and staff that they are **not** to give preferential treatment to casework requests made by the Member's supporters or contributors. Instead, **all** requests for casework assistance are to be handled according to their merits. . . . In this regard, one of the key provisions of the Code of Ethics for Government Service states, in ¶ 5, that government officials should '[n]ever discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not.' The Code further provides, in ¶ 10, that 'public office is a public trust,' and thus the public has a right to expect House Members and staff to exercise impartial judgment in performing their duties.' ”⁷¹*

According to the House Ethics Manual, “[b]ecause a Member's obligations are to all constituents equally, considerations such as political support, party affiliation, or campaign contributions should not affect either the decision of a Member to provide assistance or the quality of help that is given. While a Member should not discriminate in favor of political supporters, neither need he or she discriminate against them. As this Committee has stated: 'The fact that a constituent is a campaign donor does not mean that a Member is precluded from providing any official assistance. As long as there is no quid pro quo, a Member is free to assist all persons equally.' ”⁷²

59. Code of Ethics for Government Service

“Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties”⁷³

B. Rep. Schweikert May Have Provided Favorable Treatment to Campaign Donors

60. During an interview with the OCE, Former Legislative Director told the OCE that he believed Rep. Schweikert's campaign donors were provided preferential treatment. He provided the OCE with two examples of such favoritism.
61. First, Former Legislative Director claimed that Rep. Schweikert's congressional office wrote formal letters of support on behalf of an organization seeking grant funding in Africa because Rep. Schweikert received a campaign contribution from someone affiliated with that organization. According to Former Legislative Director:

⁷¹ *Id.* at 150-51 (emphasis in original).

⁷² *Id.* at 308.

⁷³ Code of Ethics for Government Service, ¶ 5.

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[a] gentleman and his organization contributed to the campaign and following the contribution, Oliver [Schwab] asked me to set up a meeting with him to discuss their issues. Then following that meeting, we subsequently submitted letters in support of their initiatives.

...

What I was told is, that the gentleman . . . donated to the campaign and that we want to be as friendly as we can and as helpful as we can because of those contributions. I don't think there was a direct quid pro quo, but Oliver clearly made it certain that we wanted to be helpful because he was a donor.⁷⁴

62. Former Legislative Director was unable to recall, and the OCE was not able to determine, the identity of this individual or organization.
63. Former Legislative Director also alleged favorable treatment by the congressional office on behalf of Firetrace USA LLC ("Firetrace"). Firetrace is a Scottsdale, Arizona-based company that manufactures fire-suppressant systems for the Department of Defense, along with a variety of other industries.⁷⁵ The company worked with a lobbyist named Teddy Eynon, who employed Oliver Schwab's wife, Ana Schwab.⁷⁶
64. Former Legislative Director oversaw the defense portfolio for Rep. Schweikert and therefore handled matters concerning Firetrace.⁷⁷
65. Former Legislative Director explained that individuals at Firetrace "were large donors to [Rep. Schweikert's] campaign. . . . [T]hey [were] also a client of the company that Ana [Schwab] worked for. . . . It was clear that given the relationships that were built, their donations, we wanted to be as forward leaning as possible in advocating for their products with [the] armed services and appropriations committee[s]." ⁷⁸ He went on to explain that Mr. Schwab told him that preference needed to be given to Firetrace.⁷⁹
66. The OCE requested documents or interviews from several individuals associated with Firetrace, including Mr. Eynon, Mrs. Schwab, and Mark Cavanaugh, a former CEO and senior executive at Firetrace who coordinated the company's lobbying efforts.⁸⁰ These individuals, like Rep. Schweikert and Oliver Schwab, refused to cooperate with the OCE's review. Firetrace provided the OCE with documents; however, Firetrace refused to certify that they provided a complete production to the OCE.⁸¹

⁷⁴ Former Legislative Director Transcript (Exhibit 2 at 18-2234_0059).

⁷⁵ See Transcript of Interview of Former Firetrace Executive, June 19, 2018 ("Former Firetrace Executive Transcript") (Exhibit 8 at 18-2234_0241-42); Firetrace, *About Firetrace*, <https://www.firetrace.com/about-firetrace/> (last visited Aug. 3, 2018).

⁷⁶ Former Legislative Director Transcript (Exhibit 2 at 18-2234_0059-60); Former Firetrace Executive Transcript (Exhibit 8 at 18-2234_0250).

⁷⁷ Former Legislative Director Transcript (Exhibit 2 at 18-2234_0059).

⁷⁸ *Id.* (Exhibit 2 at 18-2234_0059-60).

⁷⁹ *Id.*

⁸⁰ Former Firetrace Executive Transcript (Exhibit 8 at 18-2234_0243; 246).

⁸¹ See OCE Rules for the Conduct of Investigations, Rule 4(A).

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67. These allegations of favorable treatment, coupled with such extensive non-cooperation, raise concern; however, the OCE found other evidence which suggests that Rep. Schweikert may not have dispensed special favors to campaign donors.
68. For example, Firetrace executives only donated to Rep. Schweikert's congressional campaign committees on three occasions between 2011 and the present. Mark Cavanaugh contributed \$2,500.00 on June 29, 2011 and \$2,500.00 on May 22, 2013.⁸² Former Firetrace Executive contributed \$1,000.00 on June 29, 2011.⁸³ Former Firetrace Executive could not recall any other donations by Firetrace executives to Rep. Schweikert,⁸⁴ and the OCE did not definitively identify any other contributions to Rep. Schweikert from individuals associated with Firetrace.
69. Additionally, the OCE interviewed Former Firetrace Executive who indicated that Rep. Schweikert never assisted Firetrace in any material way.⁸⁵ Former staff members also said they had no recollection of campaign donors being provided favorable treatment.⁸⁶
70. Finally, the OCE notes that when asked whether Rep. Schweikert had knowledge of the alleged favorable treatment of donors, Former Legislative Director said the following:
- At least in my presence, there was never any explicit conversations where [Rep. Schweikert] directed us – staff – to provide preferential treatment to [Ana Schwab's] clients or to campaign donors. There were some discussions based on donors as far as who was giving what in the office, but from my experience at least, to me, [Rep. Schweikert] never said, "these folks are giving money. Take care of them." It was usually driven from Oliver.⁸⁷
71. Based on the foregoing information, the Board finds that there is not substantial reason to believe that Rep. Schweikert improperly linked official activities to campaign or political support.

VI. REP. SCHWEIKERT MAY HAVE SOLICITED OR ACCEPTED LOANS OR GIFTS FROM A CONGRESSIONAL EMPLOYEE

A. Applicable Law, Rules, and Standards of Conduct

72. Federal Law

Under 18 U.S.C. § 602, "It shall be unlawful for . . . an individual elected to or serving in the office of Senator or Representative . . . to knowingly solicit any contribution within the meaning

⁸² Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q2), filed July 15, 2011 at 38; Friends of David Schweikert, FEC Quarterly Report of Receipts and Disbursements (Q2), filed July 15, 2013 at 17.

⁸³ Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q2), filed July 15, 2011 at 53.

⁸⁴ Former Firetrace Executive Transcript (Exhibit 8 at 18-2234_0259).

⁸⁵ *Id.* at (Exhibit 8 at 18-2234_0239-78).

⁸⁶ *See e.g.*, Former Deputy Chief of Staff Transcript, Part 2 (Exhibit 4 at 18-2234_0137-38).

⁸⁷ Former Legislative Director Transcript (Exhibit 2 at 18-2234_0060).

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended of section 301(8) of the Federal Election Campaign Act of 1971 from any other such officer, employee, or person.⁸⁸

73. House Rules

Under House Rule 25, clause 5(a)(3)(R)(v), Members may accept opportunities and benefits that are “in the form of loans from banks and other financial institutions on terms generally available to the public.”

Under House Rule 25, clause 5(a)(3)(A), Members may accept anything for which they “pay[] the market value.”

74. House Ethics Manual

According to the House Ethics Manual, “Members, officers, and employees may accept opportunities and benefits that are ‘in the form of loans from banks and other financial institutions on terms generally available to the public’ (House Rule 25, clause 5(a)(3)(R)(v)). In addition . . . the Committee has determined that Members and staff may accept a loan from a person other than a financial institution, provided that the loan is on commercially reasonable terms, including requirements for repayment and a reasonable rate of interest.”⁸⁹

Further, “federal law generally bars government employees from giving gifts to their official superiors. While the Committee has recognized common-sense exceptions for voluntary gifts on special occasions, as a general rule, Members may not accept things of value from their staff members, and higher level staff members may not accept things of value from those who work for them.”⁹⁰

*The Manual also stresses that “[t]he prohibition against an employee making . . . a contribution to the individual’s employing Member is absolute. A House employee may not make such a contribution even if the contribution was entirely unsolicited and the employee genuinely wishes to make the contribution. . . . The definition of the term contribution in the FECA is quite detailed . . . [U]nder FEC regulations, most **outlays** that an individual makes on behalf of a campaign are deemed to be a **contribution** to that campaign from that individual. **This is so even if it is intended that the campaign will reimburse the individual promptly.** The major exception to this*

⁸⁸ “The term ‘contribution’ includes (i) any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.” 52 U.S.C. § 30101(8)(A); see also 11 C.F.R. § 100.52(a).

⁸⁹ House Ethics Manual at 68.

⁹⁰ House Ethics Manual at 70 (noting the following “common-sense exceptions”: “a birthday, holiday, marriage, the birth of a child, anniversary, retirement, and like occasions when gifts are traditionally given”). Note that under House Rule 25, a “gift” is defined to include a loan. See House Rule 25, clause 5(a)(2)(A) (“[T]he term ‘gift’ means a gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. The term includes gifts of services, training, transportation, lodging, and meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred”).

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*rule is for outlays that an individual makes to cover expenses that he or she incurs in **traveling** on behalf of a campaign.”⁹¹*

The House Ethics Manual also states that a Member “must take reasonable steps to ensure that any outside organization over which he or she exercises control – including the individual’s own authorized campaign committee . . . – operates in compliance with applicable law.”⁹²

B. Oliver Schwab May Have Loaned Money to Rep. Schweikert Personally or to Rep. Schweikert’s Campaign

75. The OCE spoke to former members of Rep. Schweikert’s official staff who said that Mr. Schwab loaned money to Rep. Schweikert or to his campaign. None of these individuals could identify a specific amount that was loaned, or a specific time period in which a loan occurred; however, three former staff members recalled Oliver Schwab frequently complaining, between 2014 and 2016, about not being repaid by Rep. Schweikert or his campaign.⁹³
76. Former Deputy Chief of Staff recalled Oliver Schwab complaining that Rep. Schweikert owed him “something in excess of \$30,000.00.”⁹⁴ Former Deputy Chief of Staff did not know whether Rep. Schweikert owed this money personally or if it was owed by his campaign, but he recalled Mr. Schwab complaining every couple of months that Rep. Schweikert “owed him money [for things he put] on his credit card.”⁹⁵ Former Deputy Chief of Staff recalled hearing these complaints between 2015 and 2016 (although he may have heard them as early as 2013).⁹⁶
77. Former Legislative Director told the OCE that Oliver Schwab “donated or he loaned [Rep. Schweikert’s] campaign a relatively significant amount.”⁹⁷ He believed Mr. Schwab was owed approximately five or ten thousand dollars by Rep. Schweikert’s campaign committee.⁹⁸ He recalled hearing Mr. Schwab complain about this in late 2016.⁹⁹
78. Former Financial Administrator, a financial administrator in Rep. Schweikert’s office between 2014 and 2017, told the OCE that Mr. Schwab “[said] on several occasions that he

⁹¹ House Ethics Manual at 138-39 (emphasis in original).

⁹² *Id.* at 123.

⁹³ These are time periods in which Mr. Schwab was Chief of Staff to Rep. Schweikert.

⁹⁴ Former Deputy Chief of Staff Transcript, Part 2 (Exhibit 4 at 18-2234_0127).

⁹⁵ *Id.* (“He did occasionally complain that David owed him money on his credit card. . . . Maybe every couple months, two or three months. Mostly it was when Oliver was worked up and angry at [Rep. Schweikert], he’d let it slip.”).

⁹⁶ *Id.*

⁹⁷ Former Legislative Director Transcript (Exhibit 2 at 18-2234_0080).

⁹⁸ *Id.* Former Legislative Director further explained his awareness by saying: “My understanding was that it was just an outstanding loan that Oliver never was paid back on.” *Id.* When asked whether Oliver Schwab made any other personal outlays on behalf of Rep. Schweikert or his campaign, Former Legislative Director said he did, and explained: “It was generally an erring of grievances about the fact that he hasn’t been paid back by [Rep. Schweikert] for those expenditures. I don’t have a dollar figure, when those expenditures took place, it was just that he spent, he bought X for David and he was never paid back, or he loaned the campaign X amount and was never paid back.” *Id.*

⁹⁹ *Id.*

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did things for the campaign and that [Rep. Schweikert] owed him thousands of dollars that he had personally put out for different things.”¹⁰⁰ When asked follow-on questions about this statement, she indicated that Mr. Schwab provided frequent flier miles to Rep. Schweikert and his wife so they did not have to personally pay for overseas travel.¹⁰¹

79. Because neither Rep. Schweikert nor Oliver Schwab cooperated with this review, the OCE was unable to verify whether a loan or loans were made to Rep. Schweikert, or to his campaign, and under what circumstances.¹⁰²

80. Based on the foregoing information, the Board finds that there is substantial reason to believe that Rep. Schweikert solicited or accepted a loan, gift, or other contribution from a congressional employee.

VII. REP. SCHWEIKERT MAY HAVE OMITTED REQUIRED INFORMATION FROM HIS ANNUAL HOUSE FINANCIAL DISCLOSURE STATEMENTS AND FEC CANDIDATE COMMITTEE REPORTS

A. Applicable Law, Rules, and Standards of Conduct

i. Public Financial Disclosure Reporting Requirements

81. Federal Law

Pursuant to the Ethics in Government Act, “[a]ny individual who is [a Member of Congress] during any calendar year and performs the duties of his position or office for a period in excess of sixty days in that calendar year shall file on or before May 15 of the succeeding year a report containing the information described in section 102 (a).”¹⁰³ Additionally, candidates for Congress must also file financial disclosure statements.¹⁰⁴

The contents of a financial disclosure report filed pursuant to the Ethics in Government Act must include “[t]he identity and category of value of any interest in property held during the preceding calendar year in a trade or business, or for investment or the production of income, which has a fair market value which exceeds \$1,000 as of the close of the preceding calendar year”¹⁰⁵

¹⁰⁰ Transcript of Interview of Former Financial Administrator, Jan. 23, 2018 (Exhibit 9 at 18-2234_0302).

¹⁰¹ *Id.* at (Exhibit 9 at 18-2234_0303). Former Deputy Chief of Staff also recalled that “[t]here may have been one or two times that Oliver in a haste may have mentioned something about frequent flyer miles and getting Joyce [Schweikert] on a trip. I don’t know where they came from or if they were his.” Former Deputy Chief of Staff Transcript, Part 2 (Exhibit 4 at 18-2234_0128).

¹⁰² Other staff members interviewed by the OCE, namely Matt Tully, Former Communications Director, and Former District Staffer, did not recall hearing that Mr. Schwab loaned Rep. Schweikert or his campaign any money. Their departures from Rep. Schweikert’s congressional office, which occurred prior to 2014, likely could account for this lack of awareness. As discussed above, Former Deputy Chief of Staff, Former Legislative Director, and Former Financial Administrator heard Oliver Schwab’s complaints about being owed money between 2014 and 2016.

¹⁰³ 5 U.S.C. app. 4 § 101(d).

¹⁰⁴ 5 U.S.C. app. 4 § 101(c).

¹⁰⁵ 5 U.S.C. app. 4 § 102(a)(3).

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The Ethics in Government Act further states that each report must include a statement of “[t]he identity and category of value of the total liabilities owed to any creditor . . . which exceed \$10,000 at any time during the preceding calendar year. . . .”¹⁰⁶ “With respect to revolving charge accounts,” the Ethics in Government Act explains that “only those with an outstanding liability which exceeds \$10,000 as of the close of the preceding calendar year need be reported under this paragraph.”¹⁰⁷

Additionally, the Ethics in Government Act states that each financial disclosure report must include “a brief description, the date, and category of value of any purchase, sale or exchange during the preceding calendar year which exceeds \$1,000-

(A) in real property, other than property used solely as a personal residence of the reporting individual or his spouse; or

(B) in stocks, bonds, commodities futures, and other forms of securities.”¹⁰⁸

82. House Rules

House Rule 26, clause 2 provides, “[f]or the purposes of this rule, the [financial reporting] provisions of title I of the Ethics in Government Act of 1978 shall be considered Rules of the House as they pertain to Members, Delegates, the Resident Commissioner, officers, and employees of the House.”

83. Committee Instruction Guide for Completing Financial Disclosure Statements¹⁰⁹

According to the Committee Instruction Guide for Completing Financial Disclosure Statements (the “Instruction Guide”), “[r]eal and personal property held by you, your spouse, or a dependent child as an investment or for the production of income must be disclosed on Schedule III [as an asset] if it had a value in excess of \$1,000 at the close of the calendar year or generated unearned income in excess of \$200 during the calendar year.”¹¹⁰

“In order to determine whether deposits in a bank account must be disclosed [as an asset], you must first add together all interest-bearing checking and savings accounts held by you, your spouse, or a dependent child at every financial institution in which you have such accounts. If the total value of these accounts exceeded \$5,000 at the end of the calendar year, then you must disclose each financial institution which held deposits valued at more than \$1,000. You must also report any interest-bearing account that generated more than \$200 in interest during the

¹⁰⁶ 5 U.S.C. app. 4 § 102(a)(4).

¹⁰⁷ 5 U.S.C. app. 4 § 102(a)(4).

¹⁰⁸ 5 U.S.C. app. 4 § 102(a)(5).

¹⁰⁹ Below, the OCE quotes instructions from the 2010 Committee Instruction Guide for Completing Financial Disclosure Statements and also cites to 2017 instructions to note that guidance has remained the same throughout this time period. The OCE, however, notes that financial disclosure *schedules* have changed throughout the years. For example, while assets and unearned income are listed on Schedule III in the 2010-13 financial disclosures, assets and unearned income are addressed in Schedule A in later years.

¹¹⁰ House Committee on Ethics, Calendar Year 2010 Instruction Guide for Financial Disclosure Statements at 11; *see also* House Committee on Ethics, Calendar Year 2017 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports at 16 (providing same guidance).

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calendar year, even if it was valued at less than \$1,000 at the close of the calendar year or your total deposits were less than \$5,000.”¹¹¹

With respect to assets, the Instruction Guide further explains: “[t]o disclose an ownership interest in a privately-held company that was formed for the purpose of holding investments, you must disclose each asset held by the company in which your interest (or that of your spouse or dependent child) had a period-end value of more than \$1,000 or generated more than \$200 in income during the reporting period. Limited partnerships and limited liability companies are frequently formed for the purpose of holding real estate. If, for example, you are a partner in a limited partnership that owns five rental properties, you must separately disclose each property in which your interest exceeded \$1,000 or your rental income derived from that property exceeded \$200. You may, but are not required to, provide an exact street address for each property the company owns. However, when disclosing multiple properties, the property descriptions must be distinguishable from one another and used consistently from year to year.”¹¹²

With respect to liabilities, the Instruction Guide explains, “[y]ou must report on Schedule V any debts personally owed by you, your spouse, or your dependent children that were over \$10,000 during the year.”¹¹³

For credit card debt, a filer need only “report an amount owed . . . if the balance on that card exceeded \$10,000 on December 31, regardless of the balance owed on the card at any other point during the year.”¹¹⁴

The Instruction Guide further explains that “[a]ny liability on real property which generates income must be disclosed. . . . Note that you must also list the property, and any income exceeding \$200 earned from it, as an asset on Schedule III.”¹¹⁵

¹¹¹ House Committee on Ethics, Calendar Year 2010 Instruction Guide for Financial Disclosure Statements at 14 (emphasis removed); *see also* House Committee on Ethics, Calendar Year 2017 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports at 22 (emphasis removed) (providing same guidance). “The accounts to be reported under these rules include interest-bearing, cash-deposit accounts at banks, credit unions and savings and loan associations, including interest-bearing checking accounts, passbook and other savings accounts; money market accounts; negotiable order of withdrawal (NOW) accounts; certificates of deposit (CDs); and individual retirement accounts (IRAs) held in the form of savings accounts or CDs.” House Committee on Ethics, Calendar Year 2010 Instruction Guide for Financial Disclosure Statements at 14; *see also* House Committee on Ethics, Calendar Year 2017 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports at 22 (providing same guidance).

¹¹² House Committee on Ethics, Calendar Year 2010 Instruction Guide for Financial Disclosure Statements at 14-15; *see also* House Committee on Ethics, Calendar Year 2017 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports at 23 (providing same guidance).

¹¹³ House Committee on Ethics, Calendar Year 2010 Instruction Guide for Financial Disclosure Statements at 24; *see also* House Committee on Ethics, Calendar Year 2017 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports at 32 (providing same guidance).

¹¹⁴ House Committee on Ethics, Calendar Year 2010 Instruction Guide for Financial Disclosure Statements at 24; *see also* House Committee on Ethics, Calendar Year 2017 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports at 33 (providing same guidance).

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For liability reporting, the Instruction Guide also explains, “[i]f . . . you have multiple rental properties, state the property to which each obligation relates, together with the type of liability (e.g., “Mortgage on 123 Main Street, Dover, Del.”).”¹¹⁶

In addition, the Instruction Guide explains that you only have to report “[l]iabilities of a business if you are personally liable for the debt.”¹¹⁷

With respect to transactions, the Instruction Guide explains, “you must report each purchase, sale, or exchange transaction involving Schedule III assets by you, your spouse, or dependent child when the amount of the transaction exceeds \$1,000 in the calendar year.”¹¹⁸

With respect to transactions, the Instruction Guide further explains, “[y]ou are only required to disclose transactions related to the ownership interests in privately-held companies that were formed for the purpose of holding investments (typically real estate). If, for example, you are a partner in a limited partnership that owns five rental properties, you must separately disclose each transaction (such as the purchase of an additional rental property) that exceeds \$1,000.”¹¹⁹

According to the Instruction Guide, when reporting transactions, filers must, “[p]rovide the complete name of the asset for which a reportable transaction has occurred.”¹²⁰ Additionally, “Asset descriptions used on Schedule IV should be identical to those used to describe the same asset on Schedule III.”¹²¹

84. Committee Guidance on Reporting Violations

In the Matter of Allegations Relating to Representative Vernon G. Buchanan, the Committee noted that inadvertent errors and omissions “are not uncommon” in financial disclosure statements.¹²² The Committee described the potential for concern with respect to errors and

¹¹⁵ House Committee on Ethics, Calendar Year 2010 Instruction Guide for Financial Disclosure Statements at 24; *see also* House Committee on Ethics, Calendar Year 2017 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports at 32 (providing same guidance).

¹¹⁶ House Committee on Ethics, Calendar Year 2010 Instruction Guide for Financial Disclosure Statements at 25-26; *see also* House Committee on Ethics, Calendar Year 2017 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports at 34 (providing same guidance).

¹¹⁷ House Committee on Ethics, Calendar Year 2010 Instruction Guide for Financial Disclosure Statements at 25; *see also* House Committee on Ethics, Calendar Year 2017 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports at 33 (providing same guidance).

¹¹⁸ House Committee on Ethics, Calendar Year 2010 Instruction Guide for Financial Disclosure Statements at 22; *see also* House Committee on Ethics, Calendar Year 2017 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports at 28 (providing same guidance).

¹¹⁹ House Committee on Ethics, Calendar Year 2010 Instruction Guide for Financial Disclosure Statements at 23; *see also* House Committee on Ethics, Calendar Year 2017 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports at 30 (providing same guidance).

¹²⁰ House Committee on Ethics, Calendar Year 2010 Instruction Guide for Financial Disclosure Statements at 23; *see also* House Committee on Ethics, Calendar Year 2017 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports at 29 (providing same guidance).

¹²¹ House Committee on Ethics, Calendar Year 2010 Instruction Guide for Financial Disclosure Statements at 23; *see also* House Committee on Ethics, Calendar Year 2017 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports at 29 (providing same guidance).

¹²² *In the Matter of Allegations Relating to Representative Vernon G. Buchanan*, 112th Cong., 2nd Sess. (July 10, 2012) at 5.

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omissions that “are knowing or willful, or appear to be significantly related to other potential violations.”¹²³ The Committee went on to explain that “accurate and complete reporting on Financial Disclosure Statements should be every filer’s goal and is necessary to be in compliance with House Rules and federal law. All filers are encouraged to promptly file amendments whenever they learn of errors or omissions. Failure to do so may constitute a knowing and willful violation.”¹²⁴

ii. FEC Disclosure Requirements for Campaign Committees

85. Federal Law

Pursuant to the Federal Election Campaign Act, 52 U.S.C. § 30104, “[e]ach treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of this subsection.”

86. House Ethics Manual

According to the House Ethics Manual, “a Member or employee must take reasonable steps to ensure that any outside organization over which he or she exercises control – including the individual’s own authorized campaign committee or, for example, a ‘leadership PAC’ – operates in compliance with applicable law.”¹²⁵

The House Ethics Manual further states: “While [the Federal Election Campaign Act (‘FECA’)] and other statutes on campaign activity are not rules of the House, Members and employees must also bear in mind that the House Rules require that they conduct themselves ‘at all times in a manner that shall reflect creditably on the House’ (House Rule 23, clause 1). In addition, the Code of Ethics for Government Service, which applies to House Members and staff, provides in ¶ 2 that government officials should ‘[u]phold the Constitution, laws and legal regulations of the United States and of all governments therein and never be a party to their evasion.’ Accordingly, in violating FECA or another provision of statutory law, a Member or employee may also violate these provisions of the House rules and standards of conduct.”¹²⁶

87. FEC Regulations¹²⁷

Reporting Campaign Committee Receipts and Disbursements

Pursuant to 11 C.F.R. § 104.3(a)(3), which addresses how to report receipts of a campaign committee on Schedule A of an FEC report, “[a]n authorized committee of a candidate for Federal office shall report the total amount of receipts received during the reporting period and,

¹²³ *Id.*

¹²⁴ *Id.* at 6.

¹²⁵ House Ethics Manual at 123.

¹²⁶ *Id.* at 122 (footnote omitted).

¹²⁷ As noted in the footnotes below, the FEC’s Campaign Guide for Congressional Candidates and Committees (2014) (hereafter, “FEC Guide”) provides detailed guidance on how to properly report all information required in various candidate committee reports.

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except for itemized and unitemized breakdowns, during the election cycle in each of the following categories:

- (i) Contributions from persons other than any committees; . . .*
- (ii) Contributions from the candidate, excluding loans which are reported under 11 CFR 104.3(a)(3)(vii); . . .*
- (vi) Transfers from other authorized committee(s) of the same candidate[:]; . . .*
- (vii)(B) Loans made, guaranteed, or endorsed by a candidate to his or her authorized committee including loans derived from a bank loan to the candidate or from an advance on a candidate's brokerage account, credit card, home equity line of credit, or other lines of credit described in 11 CFR 100.83 and 100.143.”¹²⁸*

Additionally, 11 C.F.R. § 104.3(a)(4) explains that receipts in the following categories must be itemized:

- (i) Each person, other than any political committee, who makes a contribution to the reporting political committee during the reporting period, whose contribution or contributions aggregate in excess of \$200 per calendar year (or per election cycle in the case of an authorized committee), together with the date of receipt and amount of any such contributions[:]; . . .*
- (iii)(A) For authorized committees of a candidate for Federal office, each authorized committee which makes a transfer to the reporting committee, together with the date and amount of such transfer; . . .*
- (iv) Each person who makes a loan to the reporting committee or to the candidate acting as an agent of the committee, during the reporting period, together with the identification of any endorser or guarantor of such loan, the date such loan was made and the amount or value of such loan[.]”¹²⁹*

Pursuant to 11 C.F.R. § 104.3(b)(2), which addresses how to report disbursements of a campaign committee on Schedule B of an FEC report, “[a]n authorized committee of a candidate for Federal office shall report the total amount of disbursements made during the reporting period and, except for itemized and unitemized breakdowns, during the election cycle in each of the following categories:

- (i) operating expenditures; . . .*
- (ii) transfers to other committees authorized by the same candidate;*
- (iii)(A) Repayment of loans made, guaranteed, or endorsed by the candidate to his or her authorized committee including loans derived from a bank loan to the candidate or from an advance on a candidate's brokerage account, credit card, home equity line of credit, or other lines of credit described in 11 CFR 100.83 and 100.143; . . .*
- (vi) Other disbursements; . . .*
- (vii) Total disbursements.”¹³⁰*

Additionally, 11 C.F.R. § 104.3(b)(4), explains that disbursements in the following categories must be itemized:

¹²⁸ See FEC Guide at 88.

¹²⁹ See *id.* at 88-90.

¹³⁰ See *id.* at 102-03.

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(i) *Each person to whom an expenditure in an aggregate amount or value in excess of \$200 within the election cycle is made by the reporting authorized committee to meet the authorized committee's operating expenses, together with the date, amount and purpose of each expenditure[;] . . .*

(ii) *Each authorized committee of the same candidate to which a transfer is made by the reporting committee during the reporting period, together with the date and amount of such transfer;*

(iii) *Each person who receives a loan repayment, including a repayment of a loan of money derived from an advance on a candidate's brokerage account, credit card, home equity line of credit, or other lines of credit described in 11 CFR 100.83 and 100.143, from the reporting committee during the reporting period, together with the date and amount of such loan repayment; . . .*

(vi) *Each person who has received any disbursement(s) not otherwise disclosed under paragraph (b)(4) of this section to whom the aggregate amount or value of such disbursements exceeds \$200 within the election cycle, together with the date, amount, and purpose of any such disbursement.*"¹³¹

Reporting Debts of a Campaign Committee

*According to 11 C.F.R. § 100.83(e), "[l]oans derived from an advance on a candidate's brokerage account, credit card, home equity line of credit, or other line of credit available to the candidate shall be reported by the candidate's principal campaign committee in accordance with 11 CFR part 104."*¹³²

*According to 11 CFR § 102.7(d), "[a]ny candidate who receives a contribution, as defined at 11 CFR part 100, subparts B and D, obtains any loan or makes any disbursement in connection with his or her campaign, shall be considered as having received the contribution, obtained the loan or made the disbursement as an agent of such authorized committee(s)."*¹³³

*Pursuant to 11 C.F.R. § 104.3(d), which addresses how to report debts and obligations on an FEC report, "[e]ach report filed under 11 CFR 104.1 shall, on Schedule C or D, as appropriate, disclose the amount and nature of outstanding debts and obligations owed by or to the reporting committee."*¹³⁴ *Additionally, pursuant to 11 CFR § 104.3(d)(4) "[w]hen a candidate obtains a bank loan or loan of money derived from an advance on the candidate's brokerage account, credit card, home equity line of credit, or other line of credit described in 11 CFR 100.83 and 100.143 for use in connection with the candidate's campaign, the candidate's principal campaign committee shall disclose in the report covering the period when the loan was obtained, the following information on Schedule C-1 or C-P-1: (i) The date, amount, and interest rate of the loan, advance, or line of credit; (ii) The name and address of the lending institution; and*

¹³¹ *See id.* at 102-104.

¹³² The FEC Guide provides detailed guidance on how to properly report lines of credit on the various schedules of an FEC candidate committee report. *See id.* at 91; 110-12.

¹³³ "When a candidate obtains a bank loan for use in connection with his or her campaign, the loan is considered to be from the bank and not from the candidate's personal funds. The candidate is acting as the agent of the campaign." *See id.* at 29; *see also* FEC Advisory Opinion 1985-33; 11 C.F.R. § 101.2.

¹³⁴ *See* FEC Guide at 105 ("Debts and obligations must be reported continuously until repaid."); *see also* 11 C.F.R. 104.11.

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(iii) *The types and value of collateral or other sources of repayment that secure the loan, advance, or line of credit, if any.*¹³⁵

Contributions from Single Member LLCs

*Pursuant to 11 C.F.R. § 110.1(g)(4), “[a] contribution by an LLC with a single natural person member that does not elect to be treated as a corporation by the Internal Revenue Service pursuant to 26 CFR 301.7701-3 shall be attributed only to that single member.”*¹³⁶

Contribution Limits

*Pursuant to 11 CFR § 110.1(b), “[n]o person shall make contributions to any candidate, his or her authorized political committees or agents with respect to any election for Federal office that, in the aggregate, exceed \$2,000.”*¹³⁷ *This limit applies to family members, including spouses.*¹³⁸

According to 11 CFR § 110.9, “[n]o candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of 11 CFR part 110. No officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under this part 110.”

B. Rep. Schweikert May Have Omitted Required Information from His Personal Financial Disclosure Statements and from FEC Candidate Committee Reports

88. In this review, the OCE found that Rep. Schweikert’s annual financial disclosure statements filed with the United States House of Representatives, and campaign committee reports filed with the FEC, contained a variety of unexplained reporting errors and omissions.

89. Initially, the OCE reviewed Rep. Schweikert’s personal financial disclosure statements to understand the source of certain personal loans that he made to his campaign committee. The

¹³⁵ “All loans received by a committee must be itemized and continuously reported until extinguished.” FEC Guide at 108. “[B]oth the original loan and payments to reduce principal must be reported on Schedule C each reporting period . . . until the loan is repaid.” *Id.* “Bank loans to candidates and loans derived from advances on a candidate’s brokerage accounts, credit cards, home equity line of credit, or other lines of credit obtained for use in connection with his or her campaign must be reported by the committee. 100.83. The committee must report the loan from the candidate as a receipt and repayment of the loan to the candidate as a disbursement.” *Id.* at 110. Further “[a] new Schedule C-1 must also be filed with the next report if the terms of the loan or line of credit are restructured. Additionally, in the case of a committee that has obtained a line of credit, a new Schedule C-1 must be filed with the next report whenever the committee draws on the line of credit. 104.3(d)(1) and (3).” *Id.* at 109.

¹³⁶ *Id.* at 28.

¹³⁷ This limit applies to each election the candidate participates in (e.g., primary, general, run-off, etc) and is adjusted for inflation every two years. See 11 C.F.R. § 110.1(b). In 2011, contribution limits for individuals were set at \$2,500. See Federal Election Commission, *Contribution limits for 2011-2012*, <https://www.fec.gov/updates/contribution-limits-for-2011-2012/> (last visited Aug. 3, 2018). Currently contributions for individuals are limited to \$2,700.00 per election. See Federal Election Commission, *Contribution limits for 2017-2018 federal elections*, <https://www.fec.gov/help-candidates-and-committees/candidate-taking-receipts/contribution-limits/> (last visited Aug. 3, 2018).

¹³⁸ See FEC Guide at 17 (“[T]his limit applies to contributions from the members of a candidate’s family (e.g., spouse, parent”).

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information reported in these public financial disclosures, in addition to third-party financial evidence obtained by the OCE, raised further questions about the source of these personal loans. It also allowed the OCE to identify discrepancies between financial information that was being publicly reported by Rep. Schweikert and his campaign committees and what should have been reported based on the financial transactions evidenced in Rep. Schweikert's and his campaign committees' bank accounts.

90. Rep. Schweikert and his campaign committees' refusal to provide documents in response to the OCE's Request for Information ("RFI"), or to interview with the OCE, prevented the OCE from determining whether Rep. Schweikert's had an explanation for these reporting errors and omissions.

i. Annual Financial Disclosure Statement Omissions and Irregularities

91. Rep. Schweikert filed a United States House of Representatives candidate disclosure statement on May 24, 2010, and he filed annual financial disclosures statements between 2010 and 2017.¹³⁹ The OCE's review of these financial disclosure statements revealed various reporting omissions, including Rep. Schweikert's failure to properly disclose several real estate-related investments as well as his failure to reveal the existence of certain interest-bearing bank accounts and credit card debt.¹⁴⁰ Additionally, the OCE identified discrepancies between Rep. Schweikert's financial disclosures statements and representations he made to the IRS.
92. The OCE initially raised the issue of potential financial disclosure omissions in its April 11, 2018 correspondence to Rep. Schweikert.¹⁴¹ As of the date of this report, Rep. Schweikert has not publicly amended any of his financial disclosure statements to address the issues discussed below.¹⁴²

¹³⁹ Rep. Schweikert's 2017 financial disclosure statement was not publicly available during the course of this review. Therefore, this report only addresses potential errors or omissions between 2010 and 2016.

¹⁴⁰ Rep. Schweikert's financial disclosures statements also raise concerns about outside earned income violations. Specifically, his disclosures routinely suggest that he was earning over the outside earned income limit with respect to his real estate holding companies, Sheridan Equities LLC and Sheridan Equities Holdings LLC. *See* Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0316-417). In a July 11, 2014 letter to the Committee, Rep. Schweikert indicates that he has been inadvertently disclosing unearned income from Sheridan Equities LLC and Sheridan Equities Holdings LLC as earned income. *See id.* (Exhibit 10 at 18-2234_0369). While the OCE finds it concerning that this issue was not addressed in prior disclosures and continues to be a problem in subsequent disclosures, *see e.g.*, (Exhibit 10 at 18-2234_0374), the OCE assumes that income associated with Rep. Schweikert's business is appropriately classified as *unearned income*, and therefore would not qualify as a violation of outside earned income limitations.

¹⁴¹ On this day, the OCE sent Rep. Schweikert a letter noting that the Board was considering whether he "omitted required information from his annual House financial disclosure statements." Letter from Omar S. Ashmawy, Chief Counsel and Staff Director, OCE, to Rep. Schweikert, April 11, 2018. The OCE also sent Rep. Schweikert a RFI that sought documents in connection with potential reporting violations. Request for Information from Omar S. Ashmawy, Chief Counsel and Staff Director, OCE, to Rep. Schweikert, April 11, 2018.

¹⁴² No publically available amendments have been posted by the Office of the Clerk of the United States House of Representatives between April 11, 2018 and the date of this report.

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a. *Real Estate-Related Omissions*

93. Rep. Schweikert is the owner and sole managing member of two real estate holding companies, Sheridan Equities Holdings LLC (“Sheridan Holdings”) and Sheridan Equities LLC (“Sheridan Equities”).¹⁴³ Publicly available Arizona Corporation Commission documents indicate that these entities are single member LLCs, formed in March 2009 and August 2006 respectively, that Rep. Schweikert manages up through the present date.¹⁴⁴ Rep. Schweikert also appears to have an interest in a business called Sheridan Rentals, which he valued between \$100,001.00 and \$500,000.00 in his 2013-2105 financial disclosure statements.¹⁴⁵
94. Rep. Schweikert, through Sheridan Equities, purchased and sold the following rental properties between March 2009 and August 2015:
- *6413 W. Lamar Road, Glendale, Arizona*: This property was purchased on March 26, 2009 for \$36,550.00 and sold on July 24, 2014 for \$105,000.00.¹⁴⁶
 - *3031 N. 64th Drive, Phoenix, Arizona*: This property was purchased March 27, 2009 for \$36,000.00 and sold for \$109,950.00 on January 29, 2015.¹⁴⁷
 - *3338 E. Willetta Street, Phoenix, Arizona*: This property was purchased on April 2, 2009 for \$27,000.00 and sold on July 29, 2014 for \$108,000.00.¹⁴⁸
 - *5920 W. State Avenue, Glendale, Arizona*: This property was purchased on December 29, 2010 for \$78,000.00 and sold on August 21, 2013 for \$95,000.00.¹⁴⁹
95. Under federal law and House rules, Rep. Schweikert had various reporting obligations associated with the above-identified rental properties.
96. First, Rep. Schweikert was required to disclose the existence of these rental properties as assets and identify how they are affiliated with either Sheridan Equities, Sheridan Holdings, or Sheridan Rentals.¹⁵⁰ He failed to do this.¹⁵¹

¹⁴³ Sheridan Holdings Exhibit (Exhibit 11 at 18-2234_0419-23); Sheridan Equities Exhibit (Exhibit 12 at 18-2234_0425-29); *see also* Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0316-417).

¹⁴⁴ Sheridan Holdings Exhibit (Exhibit 11 at 18-2234_0419-23); Sheridan Equities Exhibit (Exhibit 12 at 18-2234_0425-29); *see also* Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0316-417).

¹⁴⁵ Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0359-90). The Arizona Corporation Commission has no record of this entity, and it is possible that Rep. Schweikert is using this name to generically refer to rental properties associated with either Sheridan Equities or Sheridan Holdings.

¹⁴⁶ MPB Revolving Line of Credit (Exhibit 13 at 18-2234_0430-626); Sheridan Property Purchase and Sale History (Exhibit 14 at 18-2234_0628).

¹⁴⁷ MPB Revolving Line of Credit (Exhibit 13 at 18-2234_0430-626); Sheridan Property Purchase and Sale History (Exhibit 14 at 18-2234_0631).

¹⁴⁸ MPB Revolving Line of Credit (Exhibit 13 at 18-2234_0430-626); Sheridan Property Purchase and Sale History (Exhibit 14 at 18-2234_0634).

¹⁴⁹ MPB Revolving Line of Credit (Exhibit 13 at 18-2234_0430-626); Sheridan Property Purchase and Sale History (Exhibit 14 at 18-2234_0637).

¹⁵⁰ *See supra* Section VII.A.i.

¹⁵¹ *See* Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0316-91). Between 2010 and 2015 – the calendar years during which these four rental properties were held by Sheridan Equities and Rep. Schweikert was required to submit annual Financial Disclosure Statements – none of the four properties were disclosed as a “Asset”

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97. Second, he was required to disclose the purchase of these properties, to the extent that the purchases occurred after January 1, 2010.¹⁵² Rep. Schweikert's 2010 financial disclosure statement fails to disclose the purchase of the 5920 W. State Avenue property, which occurred in December 2010.¹⁵³

98. Additionally, Rep. Schweikert was required to disclose liabilities associated with these rental properties.¹⁵⁴ While his financial disclosure statements reveal a 2010 bank note with Metro Phoenix Bank ("MPB"), Rep. Schweikert did not disclose the manner in which this liability was connected to each of these four rental properties.¹⁵⁵ As discussed more fully below, in July 2010, Rep. Schweikert secured a \$75,000.00 line of credit from MPB and used three of Sheridan Equities' rental properties as collateral for the loan.¹⁵⁶ Later, he increased the line of credit to \$154,000.00 and added the fourth property as collateral.¹⁵⁷ None of these details were disclosed.¹⁵⁸

b. Real Estate Income Discrepancies

99. In addition to the above-described omissions, the OCE also identified discrepancies between the business income reported in Rep. Schweikert's tax returns and the business income he reported on his financial disclosure statements.¹⁵⁹

100. For example, in 2009, Rep. Schweikert reported earning between \$100,001.00 and \$1,000,000.00 in unearned income from Sheridan Equities;¹⁶⁰ however, in his 2009 tax return, Rep. Schweikert discloses gross income of only \$18,700.00.¹⁶¹ He also reported

under Schedule III / A. The only reference to these properties occurs after they are sold, although the OCE notes that not all these sales were properly disclosed. *Id.*

¹⁵² See *supra* Section VII.A.i.

¹⁵³ With respect to transactions, Schedule IV says "N/A." See Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0330).

¹⁵⁴ See *supra* Section VII.A.i.

¹⁵⁵ See Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0316-91).

¹⁵⁶ See *infra*, Section VII.B.ii.a.

¹⁵⁷ See *infra*, Section VII.B.ii.a.

¹⁵⁸ See Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0316-91).

¹⁵⁹ "Unearned income," as reported on Schedule III / A of an annual financial disclosure statement, is defined as "income received by you, your spouse, or dependent children as a return on investment." See House Committee on Ethics, Calendar Year 2010 Instruction Guide for Financial Disclosure Statements at 12; see also House Committee on Ethics, Calendar Year 2017 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports at 16 (providing same guidance); House Ethics Manual at 254 (defining "unearned income" as "income derived from property held for investment for the production of income."). The IRS – in its instruction guide on how to report profit and loss from a business – defines gross income as "income from whatever source derived." See IRS 2009 Instruction Guide for Schedule C Reporting at C-4; IRS 2010 Instruction Guide for Schedule C Reporting at C-4; IRS 2011 Instruction Guide for Schedule C Reporting at C-4.

¹⁶⁰ See Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0318). These figures are from Rep. Schweikert's candidate report, which he filed on May 24, 2010, and which includes disclosure of assets and liabilities between January 1, 2009 and April 30, 2010.

¹⁶¹ Compare Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0318) with 2009 Schweikert Tax Return, Form 1040, Schedule C (on file with OCE).

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earning zero income from Sheridan Holdings in 2009, but his tax returns disclose gross income of \$167,000.00.¹⁶²

101. Additionally, in his 2010 financial disclosure statement, Rep. Schweikert reported earning between \$15,001.00 and \$50,000.00 in unearned income from Sheridan Equities; however, his 2010 tax return discloses gross income of only \$10,988.00.¹⁶³
102. Further, in 2011, Rep. Schweikert reported earning between \$15,001.00 and \$50,000.00 in unearned income from Sheridan Equities and between \$100,001.00 and \$1,000,000.00 in unearned income from Sheridan Holdings; however, his 2011 tax return discloses no income for either entity.¹⁶⁴
103. Because Rep. Schweikert refused to interview, the OCE could not address these discrepancies with him.

c. Bank Account Omissions

104. Rep. Schweikert's financial disclosure statements also omit required bank account information.
105. In his 2010 candidate disclosure statement, Rep. Schweikert identified three separate interest-bearing bank accounts. Specifically, he disclosed "checking / savings" accounts with Washington Mutual, Canyon State Credit Union, and Bank of America, all which earned between \$1.00 and \$1,000.00 of interest during the reporting period.¹⁶⁵
106. Despite disclosing the existence of these three accounts in his 2010 candidate statement, Rep. Schweikert neglected to identify these accounts, or any other interest-bearing accounts, on his 2010 – 2016 annual financial disclosure forms.¹⁶⁶ If these or other interest-bearing accounts were maintained by Rep. Schweikert or his wife between 2010 and the present, and they had a combined balance exceeding \$5,000.00 on December 31st, or accrued more than \$200.00/year in interest, then Rep. Schweikert would have been required to disclose them on his annual financial disclosure statements.¹⁶⁷
107. The OCE is aware of at least one other interest-bearing checking account that should have been disclosed by Rep. Schweikert in 2012. Specifically, Rep. Schweikert and his wife maintained an interest-bearing account with JPMorgan Chase Bank ("Chase Bank") between September 2006 and the present, and this account held over \$5,000.00 on December 31,

¹⁶² Compare Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0318) with 2009 Schweikert Tax Returns, Form 1040, Schedule C (on file with OCE).

¹⁶³ Compare Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0326; 335) with 2010 Schweikert Tax Return, Form 1040, Schedule C (on file with OCE).

¹⁶⁴ Compare Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0344) with 2011 Schweikert Tax Return, Form 1040, Schedule C (on file with OCE).

¹⁶⁵ Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0320-21).

¹⁶⁶ *Id.* at (Exhibit 10 at 18-2234_0324-412).

¹⁶⁷ See *supra* Section VII.A.i.

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2012.¹⁶⁸ Rep. Schweikert failed to disclose this account on his 2012 annual financial disclosure statement as required.¹⁶⁹

108. Additionally, the OCE also found evidence of a Bank of America account that appears to have been held in Joyce Schweikert's name between (at least) April 2012 and May 2018.¹⁷⁰ This account was not reported on any annual financial disclosure statement between 2010 and 2016.
109. Because the OCE did not review bank statements from Joyce Schweikert's Bank of America account, the OCE was unable to determine whether Rep. Schweikert failed to properly disclose the existence of this account during any other time periods. The OCE also could not determine whether, when adding the balance of this Bank of America account with the Chase Bank account on December 31st of a given reporting period, their balances would have exceeded \$5,000.00, and thus been reportable.
110. Without Rep. Schweikert's cooperation, the OCE was unable to determine whether he failed to properly disclose bank accounts during any other time periods or with respect to any other financial institutions.

d. Credit Card Omissions

111. Rep. Schweikert was required to report credit card debt if the balance on a card exceeded \$10,000.00 on December 31st of a given reporting year. He was also required to do this for his businesses if he was personally liable for the debt. Despite these obligations, it appears that Rep. Schweikert neglected to disclose this information on at least three occasions.¹⁷¹
112. On December 31, 2010, Rep. Schweikert maintained, but failed to disclose, a credit card with Chase Bank that had a balance exceeding \$10,000.00.¹⁷² This card was in the name of Rep. Schweikert and his business (Sheridan Holdings), which suggests Rep. Schweikert would be liable for the debt and was therefore obligated to report it.

¹⁶⁸ Schweikert Personal Chase Bank Account Excerpts (Exhibit 15 at 18-2234_0649-51).

¹⁶⁹ Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0351-58). In order to secure his line of credit from MPB, Rep. Schweikert was required to provide personal financial statements to the bank which disclosed his assets and liabilities. Notably, he discloses having between \$60,000.00 and \$20,000.00 with Chase Bank between July 2010 and April 2014 respectively. MPB Revolving Line of Credit (Exhibit 13 at 18-2234_0607-26). This is inconsistent with evidence obtained by the OCE and inconsistent with what he reported on his financial disclosures. Since Rep. Schweikert did not cooperate, the OCE was unable to address these discrepancies with him.

¹⁷⁰ Schweikert Personal Chase Bank Account Excerpts (Exhibit 13 at 18-2234_0654; 668); *see also* MPB Revolving Line of Credit (Exhibit 13 at 18-2234_0607-26). If, however, this is the same Bank of America account referenced in Rep. Schweikert's 2010 candidate report, then this account would have been maintained between 2009 and (at least) May 2018.

¹⁷¹ The OCE only reviewed a limited number of credit card statements associated with Rep. Schweikert or his business. Accordingly, there may be debt associated with other credit card accounts that should have been disclosed. For instance, the Personal Financial Statements Rep. Schweikert submitted to MPB between 2010 and 2014 suggest that he had credit cards with Barclays and Canyon State Credit Union, in addition to Chase Bank. *See* MPB Revolving Line of Credit (Exhibit 13 at 18-2234_0607-26).

¹⁷² *See* Chase Credit Card Excerpts (Exhibit 16 at 18-2234_0674-81); Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0328; 337).

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113. On December 31, 2014, Rep. Schweikert maintained a personal credit card with Chase Bank with a balance that exceeded \$10,000.00.¹⁷³ He did not report this liability on his 2014 financial disclosure statement.¹⁷⁴
114. On December 31, 2014, Rep. Schweikert maintained, but failed to disclose, a second credit card with Chase Bank that had a balance exceeding \$10,000.00.¹⁷⁵ This card was in the name of Rep. Schweikert and his business (Sheridan Holdings), which suggests Rep. Schweikert would be liable for the debt and was therefore obligated to report it. He did not do so.

ii. FEC Omissions & Irregularities

115. In addition to the annual personal financial disclosure statement omissions and irregularities described above, the OCE found that Rep. Schweikert's campaign committees repeatedly failed to disclose information about receipts, disbursements, and loans made to the committees. The OCE identified disclosure omissions and irregularities associated with the following committees: Schweikert for Congress and David Schweikert for Congress. Findings with respect to each committee are discussed below.
116. At the outset, the OCE notes heightened concern about these reporting omissions and irregularities due to statements made by a former staff member regarding potential campaign impropriety. Former Deputy Chief of Staff told the OCE that Oliver Schwab, Rep. Schweikert's longtime Chief of Staff and campaign fundraiser, made statements to him about "go[ing] to the FEC and tell[ing] them where the bodies [are] buried."¹⁷⁶ When asked to elaborate on this statement, Deputy Chief of Staff told the OCE that Mr. Schwab would say things like "I'm going to go to the FEC and get [Rep. Schweikert] thrown in jail for campaign fraud. . . . I know where the bodies are buried."¹⁷⁷ Deputy Chief of Staff did not know what sort of specific violations Mr. Schwab was referring to when he made these types of statements.¹⁷⁸

a. *Schweikert for Congress*

117. The OCE found evidence that Schweikert for Congress, Rep. Schweikert's principal campaign committee between January 2011 and October 2013, neglected to disclose a \$75,000.00 line of credit that Rep. Schweikert secured in support of his November 2010 congressional election campaign. The OCE also found reporting irregularities associated with \$100,000.00 and \$130,000.00 personal loans that Rep. Schweikert allegedly made in support of his 2011 reelection campaign.

¹⁷³ See Chase Credit Card Excerpts (Exhibit 16 at 18-2234_0682-89).

¹⁷⁴ Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0375).

¹⁷⁵ Chase Credit Card Excerpts (Exhibit 16 at 18-2234_0700-07); Schweikert Financial Disclosures 2010-17 (Exhibit 10 at 18-2234_0375).

¹⁷⁶ Former Deputy Chief of Staff Transcript, Part 2 (Exhibit 4 at 18-2234_0146-47)

¹⁷⁷ *Id.*

¹⁷⁸ *Id.*

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Omission of Line of Credit from Metro Phoenix Bank

118. On July 30, 2010, Rep. Schweikert secured a \$75,000.00 revolving line of credit from MPB.¹⁷⁹ The credit was extended to Rep. Schweikert, his wife Joyce, and Sheridan Equities.¹⁸⁰ As collateral, MPB received a first priority deed of trust on three Sheridan Equities rental properties, including 6413 W. Lamar Road, 3031 N. 64th Drive, and 3338 E. Willetta Street.¹⁸¹
119. MPB loan documentation reveals that Rep. Schweikert advised MPB that the revolving line of credit would be “used for marketing [his] political campaign.”¹⁸² The OCE also obtained evidence that Rep. Schweikert used the funds in August 2010 for that purpose.¹⁸³
120. Between February 2011 and October 2014, Rep. Schweikert increased the line of credit to \$154,000.00, provided an additional rental property as collateral for the loan, and modified the terms of the loan on eight separate occasions.¹⁸⁴ He ultimately paid off the line of credit in February 2015.¹⁸⁵
121. Because this line of credit was secured in connection with his campaign, Rep. Schweikert’s principal campaign committee was required to disclose certain information about the loan to the FEC.¹⁸⁶ On Schedule C-1 of an FEC report covering the time period in which the loan was obtained, Rep. Schweikert was required to disclose (a) the date, amount, and interest rate of the line of credit; (b) the name and address of the lending institution; and (c) the types and value of collateral or other sources of repayment that secure the line of credit.¹⁸⁷ Further, the line of credit must be itemized and continuously reported on FEC reports until extinguished, and a new C-1 must be filed each time the committee drew on the line of credit or restructured any of its terms.¹⁸⁸

¹⁷⁹ MPB Revolving Line of Credit (Exhibit 13 at 18-2234_0431-443).

¹⁸⁰ *Id.*

¹⁸¹ *Id.*

¹⁸² *Id.* at (Exhibit 13 at 18-2234_0430-31).

¹⁸³ *Id.* at (Exhibit 13 at 18-2234_0501-517; 604-06). For example, funds from the line of credit paid for campaign services provided by Blue Point, LLC (“Blue Point”) and Anthem Media, Inc. (“Anthem”). *Id.* Blue Point is a political consulting company run by Chris Baker, Rep. Schweikert’s campaign consultant. MPB documents reveal that Blue Point was paid \$26,000.00 and \$11,577.00 for campaign services in August 2010. *Id.* FEC reports also indicate that Blue Point was paid \$26,000.00 and \$11,577.00 by David Schweikert for Congress on August 4, 2010 and August 2, 2010 respectively. *See* David Schweikert for Congress, FEC Report of Receipts and Disbursements, 12-Day Pre-Election Report, at 45, filed Aug. 12, 2010; David Schweikert for Congress, FEC Report of Receipts and Disbursements, 12-Day Pre-Election Report, at 43, filed Aug. 12, 2010. Anthem is political consulting company utilized by Rep. Schweikert’s campaigns. MPB documents reveal that Anthem was paid \$24,589.00 by David Schweikert for Congress in early August 2010 for television and radio advertisements. *See* MPB Revolving Line of Credit (Exhibit 13 at 18-2234_0501-517; 604-06). FEC reports also indicate that Anthem was paid \$24,589.00 by David Schweikert for Congress on July 30, 2010. *See* David Schweikert for Congress, FEC Report of Receipts and Disbursements, 12-Day Pre-Election Report, at 41, filed Aug. 12, 2010.

¹⁸⁴ MPB Revolving Line of Credit (Exhibit 13 at 18-2234_0518-603). The \$79,000.00 increase was not made for campaign purposes. *Id.* at (Exhibit 13 at 18-2234_0518-19).

¹⁸⁵ *Id.* at (Exhibit 13 at 18-2234_0604-06).

¹⁸⁶ *See supra* Section VII.A.ii.

¹⁸⁷ *See supra* Section VII.A.ii.

¹⁸⁸ *See supra* Section VII.A.ii.

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122. Rep. Schweikert's then-principal campaign committee, David Schweikert for Congress, did not comply with any of these requirements.¹⁸⁹ Despite specifically securing this loan from MPB for campaign purposes, and then using it to pay campaign expenses incurred by David Schweikert for Congress, Rep. Schweikert did not disclose this line of credit on any FEC report between July 2010 and February 2015.¹⁹⁰

December 25, 2011 Personal Loan by Rep. Schweikert

123. The OCE also found irregularities regarding a \$100,000.00 personal loan from Rep. Schweikert, which was disclosed by Schweikert for Congress in a 2011 Year End FEC Report. Specifically, the OCE could not identify any campaign bank statements showing that the campaign actually received the \$100,000.00.
124. According to FEC records, Rep. Schweikert made a \$100,000.00 personal loan to Schweikert for Congress on December 25, 2011.¹⁹¹
125. The OCE reviewed Schweikert for Congress FEC filings to identify where the campaign committee had bank accounts. As of December 25, 2011, Schweikert for Congress had campaign bank accounts with MPB and Chase Bank.¹⁹² The OCE reviewed both MPB and Chase Bank statements from this time period and found no evidence of a \$100,000.00 deposit in either the Chase Bank¹⁹³ or MPB statements.^{194, 195}

¹⁸⁹ There is not a single reference to MPB on Schedule C of any FEC report filed by David Schweikert for Congress (Rep. Schweikert's then-principal campaign committee) between July 2010 and February 2015 (the dates between which Rep. Schweikert secured, modified, and eventually paid off the line of credit obtained from MPB). While his only operational principal campaign committee on July 30, 2010 (the date the line of credit as extended by MPB) was David Schweikert for Congress, the OCE also reviewed FEC filings associated with Schweikert for Congress and Friends of David Schweikert since both of these committees operated as a principal campaign committee during the life of the line of credit at issue. The OCE found no disclosure of any line of credit from MPB on Schedule C of either of these other two campaign committees.

¹⁹⁰ See *supra*, note 189.

¹⁹¹ Schweikert for Congress, FEC Report of Receipts and Disbursements, 2011 Year End Report, at 73, 94, filed Jan. 31, 2012.

¹⁹² See Schweikert for Congress, FEC Form 1 Statement of Organization, Amendment, filed Nov. 9, 2011 (identifying Chase Bank and MPB accounts); See Schweikert for Congress, FEC Form 1 Statement of Organization, Amendment, filed Jan. 13, 2012 (identifying Chase Bank and MPB accounts). Both financial institutions certified to the OCE that they provided all documents associated with these campaign accounts.

¹⁹³ Schweikert for Congress Chase Bank Statements (Exhibit 17 at 18-2234_0783-85).

¹⁹⁴ Schweikert for Congress MPB Statements (Exhibit 18 at 18-2234_0911-43). MPB statements reveal that \$200,000.00 was transferred from the Schweikert for Congress Chase Bank account on October 24, 2011 into a MPB account in Rep. Schweikert name. *Id.* On November 7, 2011, that \$200,000.00, plus accrued interest, was withdrawn and closed. *Id.* That money was deposited into a new MPB account opened in the name of Schweikert for Congress. *Id.* Between November 2011 and August 2012, that money remained in the Schweikert for Congress MPB account and accrued interest. *Id.* On August 2, 2012, a \$100,000.00 check was written from the Schweikert for Congress MPB account to Joyce Schweikert. *Id.* On August 8, 2011, a check for the remaining balance in that account, \$101,134.47, was written to Schweikert for Congress. *Id.* After August 2012, the MPB account maintained a zero balance. *Id.* It appears that both the \$100,000.00 check made out to Joyce Schweikert and the \$101,134.47 made out to Schweikert for Congress were both deposited into the Schweikert for Congress Chase Bank account in August 2012. See Schweikert for Congress Chase Bank Statements (Exhibit 17 at 18-2234_0845).

¹⁹⁵ Both banks certified to the OCE that they provided all documents associated with these campaign accounts.

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126. According to FEC records, Rep. Schweikert forgave the \$100,000.00 personal loan on September 30, 2013.¹⁹⁶
127. Because Rep. Schweikert and his campaign committees did not cooperate with this review, the OCE was unable to address this discrepancy with him.

August 22, 2012 Personal Loan by Rep. Schweikert

128. The OCE also found irregularities regarding a \$130,000.00 personal loan from Rep. Schweikert, which was reported by Schweikert for Congress in an October 2012 Quarterly FEC Report. Specifically, the OCE found evidence suggesting that Rep. Schweikert's wife may have made a contribution to his campaign in excess of statutory limits, and the OCE also determined that almost \$100,000.00 of the \$130,000.00 personal loan may not have been repaid to Rep. Schweikert, despite representations to the contrary made in FEC reports.
129. According to FEC records, Rep. Schweikert made a \$130,000.00 personal loan to Schweikert for Congress on August 22, 2012.¹⁹⁷
130. Chase Bank records confirm that \$130,000.00 was transferred to Schweikert for Congress in August 2012, although the entire \$130,000.00 was not all transferred on August 22, 2012.¹⁹⁸ Chase Bank records evidence the following transfers:
- August 16, 2012 deposit of \$5,000.00: This \$5,000.00 was transferred to the Schweikert for Congress account from a Sheridan Holdings Chase Bank account.¹⁹⁹
 - August 17, 2012 deposit of \$8,000.00: This \$8,000.00 was transferred to the Schweikert for Congress account from a Sheridan Holdings Chase Bank account.²⁰⁰
 - August 21, 2012 deposit of \$17,000.00: This \$17,000.00 was transferred to the Schweikert for Congress account from an account titled "Joyce's B of A."²⁰¹
 - August 22, 2012 deposit of \$100,000.00. This \$100,000.00 was transferred to the Schweikert for Congress account from a Sheridan Holdings Chase Bank account.²⁰²
131. The August 21, 2012 transfer of \$17,000.00 from "Joyce's B of A" account raises concerns about Rep. Schweikert's wife making an excessive contribution to his campaign.²⁰³ Because

¹⁹⁶ See Schweikert for Congress, FEC Report of Receipts and Disbursements, Termination Report, at 5-6, filed Oct. 11, 2013; Schweikert for Congress, Miscellaneous Report to FEC, filed Oct. 12, 2013.

¹⁹⁷ Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q3), at 49, 71, filed Oct. 15, 2012.

¹⁹⁸ Schweikert for Congress Chase Bank Statements (Exhibit 17 at 18-2234_0846).

¹⁹⁹ *Id.*; Sheridan Holdings Chase Bank Statement Excerpts (Exhibit 19 at 18-2234_0947).

²⁰⁰ Schweikert for Congress Chase Bank Statements (Exhibit 17 at 18-2234_0846); Sheridan Holdings Chase Bank Statement Excerpts (Exhibit 19 at 18-2234_0947).

²⁰¹ Schweikert for Congress Chase Bank Statements (Exhibit 17 at 18-2234_0846).

²⁰² *Id.*; Sheridan Holdings Chase Bank Statement Excerpts (Exhibit 19 at 18-2234_0947).

²⁰³ See *supra* Section VII.A.ii (noting that a spouse's contribution is limited under FEC regulations). The OCE notes that candidates may use assets jointly held with a spouse, see FEC Guide at 29, but since Rep. Schweikert refused to cooperate, the OCE could not determine whether funds from "Joyce's B of A" account could be considered joint assets.

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Rep. Schweikert refused to cooperate with this review, the OCE could not determine whether this \$17,000.00 was a permissible contribution.

132. The August 22, 2012 transfer may also be problematic. On August 21, 2012, the day before Sheridan Holdings transferred \$100,000.00 to Schweikert for Congress, Sheridan Holdings received a \$100,000.00 cashier's check from Robert Cooper.²⁰⁴ The size and timing of this payment, coupled with the repayment issues discussed below, raises questions about whether this was an unreported contribution to Rep. Schweikert's campaign. Because Rep. Schweikert did not cooperate with this review, the OCE was unable to determine whether the \$100,000.00 transfer was part of a legitimate personal loan to the campaign.
133. Additionally, the eventual repayment of this \$130,000.00 may be problematic. Although the campaign committee reported to the FEC that the \$130,000.00 personal loan was fully repaid to Rep. Schweikert in installments between February and August of 2013, the OCE found that the campaign committee's bank account only disbursed \$30,062.00 of the \$130,000.00 loan back to Rep. Schweikert. In other words, Schweikert for Congress bank records do not correlate with FEC records; instead, these statements suggest that almost \$100,000.00 of the loan was never repaid.²⁰⁵

²⁰⁴ Sheridan Holdings Chase Bank Statement Excerpts (Exhibit 19 at 18-2234_0947); Robert Cooper Cashier's Check (Exhibit 20 at 18-2234_0969-70). Without Rep. Schweikert's cooperation, the OCE was unable to determine Robert Cooper's connection to Rep. Schweikert.

²⁰⁵ According to FEC records, \$30,000.00 of the original \$130,000.00 loan was repaid to Rep. Schweikert on December 27, 2012. *See* Schweikert for Congress, FEC Report of Receipts and Disbursements, 2012 Year End Report at 13, 15, filed Jan. 31, 2013. While Chase Bank records do not reflect a \$30,000.00 transfer to Rep. Schweikert on December 27, 2012, the \$30,000.00 repayment appears to coincide with a November 27, 2012 \$15,000 transfer from Schweikert for Congress to Sheridan Holdings and a January 2, 2013 \$15,000 transfer from Schweikert for Congress to Sheridan Holdings. *See* Schweikert for Congress Chase Bank Statements (Exhibit 17 at 18-2234_0867; 881); Sheridan Holdings Chase Bank Statement Excerpts (Exhibit 19 at 18-2234_0950-51; 0954-55).

Schweikert for Congress FEC reports also evidence the following loan repayments to Rep. Schweikert, which total \$100,000.00:

- February 28, 2013: \$5,488.54 "Loan Repayment." *See* Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q1), at 6, filed Apr. 14, 2013.
- February 28, 2013: \$30,000.00 "Loan Repayment." *See* Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q1), at 6, filed Apr. 14, 2013.
- March 22, 2013: \$62.00 "Loan Repayment." *See* Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q1), at 6, filed Apr. 14, 2013.
- April 1, 2013: \$30,000.00 "Loan Repayment." *See* Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q2), at 6, filed July 15, 2013.
- August 20, 2013: \$34,449.46 "Loan Repayment." *See* Schweikert for Congress, FEC Report of Receipts and Disbursements, Termination Report, at 8, 10, filed Oct. 11, 2013.

Schweikert for Congress bank account records do not reflect these same series of repayment transactions. Instead, the following transactions to Rep. Schweikert are evidenced in the Schweikert for Congress Chase Bank statements:

- February 28, 2013: \$5,488.54 disbursement to Sheridan Holdings. *See* Schweikert for Congress Chase Bank Statements (Exhibit 17 at 18-2234_0886); Sheridan Holdings Chase Bank Statement Excerpts (Exhibit 19 at 18-2234_0959). While this disbursement exists in the Chase Bank records (as well as the FEC reports), it is offset by a deposit that occurred on that same day and for that same amount from Rep. Schweikert's personal checking account. *See* Schweikert for Congress Chase Bank Statements

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134. Schweikert for Congress filed a termination report on October 11, 2013, and the termination filing was accepted by the FEC on November 5, 2013.²⁰⁶ At no point in time did Schweikert for Congress disclose the existence of any bank accounts aside from those it held with Chase Bank and MPB.²⁰⁷
135. Because Rep. Schweikert did not cooperate with this review, the OCE was unable to address these discrepancies with him.²⁰⁸

(Exhibit 17 at 18-2234_0885); Schweikert Personal Checking (Exhibit 15 at 18-2234_0663). Thus the \$100,000.00 loan is still outstanding as of this date.

- March 13, 2013: \$4.00 disbursement to Rep. Schweikert's personal checking account. *See* Schweikert for Congress Chase Bank Statements (Exhibit 17 at 18-2234_0890). While this disbursement exists in the Chase Bank records, it is offset by a deposit that occurred for that same amount from Rep. Schweikert's personal checking account. *See* Schweikert for Congress Chase Bank Statements (Exhibit 17 at 18-2234_0889); Schweikert Personal Checking (Exhibit 15 at 18-2234_0663). Thus the \$100,000.00 loan is still outstanding as of this date.
- March 26, 2013: \$62.00 disbursement to Sheridan Holdings. *See* Schweikert for Congress Chase Bank Statements (Exhibit 17 at 18-2234_0890); Sheridan Holdings Chase Bank Statement Excerpts (Exhibit 19 at 18-2234_0963). This disbursement zeros out the Schweikert for Congress Chase Bank account, and the account is no longer actively used between this date and its June 2013 closure. *See* Schweikert for Congress Chase Bank Statements (Exhibit 17 at 18-2234_0889-906); *see also id.* (Exhibit 17 at 18-2234_0907-09) (noting the account is closed on June 17, 2013).

In summary, Schweikert for Congress bank records do not correlate with FEC records; instead, Chase Bank statements suggest that \$99,938.00 was never repaid to Rep. Schweikert. This figure represents the \$100,000.00 that remained outstanding as of March 26, 2013, minus the \$62.00 payment to Sheridan Holdings that was used to zero out the Schweikert for Congress account in March of 2013. As discussed above, the MPB account remained inactive, with a zero balance, as of mid-August 2012. *See supra*, note 194.

²⁰⁶ Schweikert for Congress, FEC Report of Receipts and Disbursements, 2013 Termination Report, filed Oct. 11, 2013; Schweikert for Congress, 2013 Termination Approval, filed Nov. 5, 2013.

²⁰⁷ *See* Schweikert for Congress, FEC Form 1 Statement of Organization, filed Jan. 20, 2011 (identifying a Chase Bank account); Schweikert for Congress, FEC Form 1 Statement of Organization, filed Mar. 18, 2011 (identifying a Chase Bank account); Schweikert for Congress, FEC Form 1 Statement of Organization, filed May 11, 2011 (identifying a Chase Bank account); Schweikert for Congress, FEC Form 1 Statement of Organization, filed Oct. 11, 2011 (identifying Chase Bank and MPB accounts); Schweikert for Congress, FEC Form 1 Statement of Organization, filed Jan. 13, 2012 (identifying Chase Bank and MPB accounts); Schweikert for Congress, FEC Form 1 Statement of Organization, filed Jan. 30, 2012 (identifying Chase Bank and MPB accounts); Schweikert for Congress, FEC Form 1 Statement of Organization, filed June 12, 2012 (identifying Chase Bank and MPB accounts); Schweikert for Congress, FEC Form 1 Statement of Organization, filed Aug. 1, 2012 (identifying Chase Bank and MPB accounts); Schweikert for Congress, FEC Form 1 Statement of Organization, filed May 29, 2013 (identifying Chase Bank and MPB accounts). Both banks certified to the OCE that they provided all documents associated with these campaign accounts.

²⁰⁸ In addition to the above omissions and irregularities, the OCE also identified two transfers between committees that were not reported to the FEC. Pursuant to FEC regulations, transfers between committees must be reported by both the disbursing and receiving committees. *See supra* Section VII.A.ii. On March 26, 2012, Schweikert for Congress transferred \$1,000.00 to David Schweikert for Congress. *See* Schweikert for Congress Chase Bank Statements (Exhibit 17 at 18-2234_0807); David Schweikert for Congress Chase Bank Statements (Exhibit 21 at 18-2234_1096). This transaction was not reported on the Schweikert for Congress or David Schweikert for Congress 2012 Quarterly (Q1) Reports of Receipts and Disbursements. *See* Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q1), at 4, filed April 15, 2012; David Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q1), at 3, filed April 15, 2012. On July 30, 2012, Schweikert for Congress transferred another \$1,000.00 to David Schweikert for Congress. *See* Schweikert for Congress Chase Bank Statements (Exhibit 17 at 18-2234_0840); David Schweikert for Congress Chase Bank Statements (Exhibit 21 at 18-2234_1106). This transaction was not reported on the Schweikert for Congress or David Schweikert for Congress

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b. David Schweikert for Congress

136. Like the Schweikert for Congress campaign committee, David Schweikert for Congress also failed to disclosure a variety of reportable transactions. While the OCE was unable to determine the extent of the campaign's reporting violations without cooperation from Rep. Schweikert and a complete set of financial records from the campaign committee, the OCE nevertheless identified unreported receipts and disbursements.
137. Between August 2007 and April 2013, David Schweikert for Congress maintained a campaign account with Chase Bank.²⁰⁹ A review of Chase Bank statements reveals a variety of reporting omissions. As shown in Exhibit 22, David Schweikert for Congress failed to disclose twelve separate receipts between January 2010 and January 2013, totaling \$142,155.63.²¹⁰
138. Likewise, the campaign committee also neglected to report disbursements. For example, between January 1, 2011 and December 31, 2011, FEC reports only identify ten total disbursements.²¹¹ However, Chase Bank statements during this same timeframe reveal many more disbursements.²¹²
139. Because Rep. Schweikert did not cooperate with this review, the OCE was unable to address these discrepancies with him.
- * * *
140. Based on the foregoing information, the Board finds that there is substantial reason to believe that Rep. Schweikert omitted required information from his annual House financial disclosure statements and FEC candidate committee reports.

2012 Quarterly (Q3) Reports of Receipts and Disbursements. See Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q3), at 4, filed Oct. 15, 2012; David Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q3), at 3, filed Oct. 15, 2012. Because Rep. Schweikert did not cooperate with this review, the OCE was unable to address these discrepancies with him.

²⁰⁹ See David Schweikert for Congress Chase Bank Statements (Exhibit 21 at 18-2234_0972-1134); see also David Schweikert for Congress, FEC Form 1 Statement of Organization, filed Nov. 5, 2007 at 4 (identifying Washington Mutual, whose assets were subsequently purchased by Chase Bank, as a depository bank).

²¹⁰ David Schweikert for Congress Omitted Transfers Chart (Exhibit 22 at 18-2234_1136). The figures identified in this exhibit exclude the transfers from Schweikert for Congress to David Schweikert for Congress identified above in footnote 208.

²¹¹ David Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q1), at 9-11, filed April 15, 2011 (identifying seven disbursements); David Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q2), at 6, filed July 15, 2011 (identifying three disbursements); David Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q3), at 4, filed Oct. 15, 2011 (identifying zero disbursements); David Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q3), at 4, filed Jan. 31, 2012 (identifying zero disbursements).

²¹² David Schweikert for Congress Chase Bank Statements (Exhibit 21 at 18-2234_1056-93). While some of these disbursements can be matched to FEC disbursement records from late December 2011, others cannot.

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VIII. CONCLUSION

141. Based on the foregoing information, the Board finds that there is substantial reason to believe that Rep. Schweikert used official resources, including staff time, for political purposes and pressured congressional staff to perform political activity.
142. Accordingly, the Board recommends that the Committee further review the above allegation that Rep. Schweikert used official resources, including staff time, for political purposes and pressured congressional staff to perform political activity.
143. Based on the foregoing information, the Board finds that there is substantial reason to believe that Rep. Schweikert authorized compensation to an employee who did not perform duties commensurate with the compensation the employee received.
144. Accordingly, the Board recommends that the Committee further review the above allegation that Rep. Schweikert authorized compensation to an employee who did not perform duties commensurate with the compensation the employee received
145. Based on the foregoing information, the Board finds that there is not substantial reason to believe that Rep. Schweikert improperly linked official activities to campaign or political support.
146. Accordingly, the Board recommends that the Committee dismiss the above allegation that Rep. Schweikert improperly linked official activities to campaign or political support.
147. Based on the foregoing information, the Board finds that there is substantial reason to believe that Rep. Schweikert solicited or accepted a loan, gift, or other contribution from a congressional employee.
148. Accordingly, the Board recommends that the Committee further review the above allegation that Rep. Schweikert solicited or accepted a loan, gift, or other contribution from a congressional employee.
149. Based on the foregoing information, the Board finds that there is substantial reason to believe that Rep. Schweikert omitted required information from his annual House financial disclosure statements and FEC candidate committee reports.
150. Accordingly, the Board recommends that the Committee further review the above allegation that Rep. Schweikert omitted required information from his annual House financial disclosure statements and FEC candidate committee reports.

IX. INFORMATION THE OCE WAS UNABLE TO OBTAIN AND RECOMMENDATION FOR THE ISSUANCE OF SUBPOENAS

151. As discussed below, twenty individuals or entities refused to cooperate with this review. The Board recommends the issuance of subpoenas to the following non-cooperative individuals and entities:

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Rep. Schweikert

152. The OCE requested information from Rep. Schweikert personally, in his official capacity, from his businesses, and from his affiliated campaign and political action committees. The OCE also requested the opportunity to interview Rep. Schweikert. Rep. Schweikert, through counsel, declined to provide full and complete responses to the OCE's RFI and declined to interview with the OCE.

Oliver Schwab

153. The OCE requested information from and the opportunity to interview Mr. Schwab. Mr. Schwab, through counsel, declined to produce any information in response to the OCE's RFI and refused to interview with the OCE. Mr. Schwab resigned from Rep. Schweikert's congressional office during the course of this review, and he is no longer employed with the United States House of Representatives as of the date of this report.

Current Congressional Staff Members²¹³

154. Katherina Dimenstein is Rep. Schweikert's current Chief of Staff and former Legislative Director, Legislative Assistant, Legislative Correspondent and Staff Assistant. Ms. Dimenstein, through counsel, declined to interview with the OCE.
155. Kevin Knight is Rep. Schweikert's current Deputy Chief of Staff and former District Director. Mr. Knight declined to interview with the OCE.
156. Ernestina Borquez-Smith is Rep. Schweikert's Director of Constituent Services and Office Manager. Ms. Borquez-Smith, through counsel, declined to interview with the OCE.
157. Katherine Duveneck is Rep. Schweikert's current Legislative Assistant and former Researcher. Ms. Duveneck, through counsel, declined to interview with the OCE.
158. Camille Lepire is Rep. Schweikert's current Legislative Aide and former Legislative Correspondent. Ms. Lepire, through counsel, declined to interview with the OCE.
159. Ashley Sylvester is Rep. Schweikert's Officer Manager and Press Secretary. Ms. Sylvester, through counsel, declined to interview with the OCE.
160. Molly Gartland is Rep. Schweikert's current Coalitions Director and former Staff Assistant. On June 8, 2018, Ms. Gartland agreed, during a telephone call, to interview with the OCE on June 22, 2018. She confirmed her availability for this interview on June 14, 2018. Later, the OCE was informed that Ms. Gartland had retained counsel and was no longer willing to speak with the OCE.²¹⁴

²¹³ As discussed *supra*, note 15, Rep. Schweikert, through his campaign committee, appears to have hired counsel to represent current and former staff members in connection with the OCE's review.

²¹⁴ As discussed *supra*, note 15, Holland & Knight is representing Ms. Gartland. Her decision not to cooperate came after she was connected with Holland & Knight.

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Former Congressional Staff Members

161. Matt Tully was a Legislative Director and then Chief of Staff in Rep. Schweikert's congressional office between January 2011 and May 2013. Mr. Tully voluntarily interviewed with the OCE on June 27, 2018; however, OCE staff found Mr. Tully's testimony to lack credibility at times. For example, Mr. Tully frequently could not recall details from recent conversations he had with current and former Rep. Schweikert staff members regarding the OCE's investigation or press reports concerning Oliver Schwab's misuse of congressional resources.²¹⁵ When pressed by OCE investigators on what was discussed during these communications, Mr. Tully was less than forthcoming.²¹⁶ The OCE believes Mr. Tully's lack of candor stems, at least in part, from his relationship with Mr. Schwab. Mr. Tully initially described their relationship as a "friendly" and said they "haven't hung out socially in a number of years;" however, he later told the OCE that he and Mr. Schwab played squash together "every week [or] every other week" during the four months leading up to his interview with the OCE, and he also estimated that he had seen Oliver Schwab approximately five to ten times between November 2017 and June 2018.²¹⁷ Additionally, Mr. Tully's decision not to provide the OCE with requested documentary evidence calls into question his candor. During his interview with the OCE, Mr. Tully informed the OCE that he communicated with Oliver Schwab and Katherina Dimenstein regarding the OCE's investigation or news articles concerning Oliver Schwab misusing congressional funds.²¹⁸ At the conclusion of the interview, the OCE asked that Mr. Tully save and produce communications discussed during the interview. He agreed to do so, and at his counsel's request, the OCE sent Mr. Tully a formal RFI seeking all communications he had with Mr. Schwab and Ms. Dimenstein between October 1, 2017 and June 28, 2018. Despite previously indicating that he would produce these materials, Mr. Tully subsequently refused to provide documents in response to the OCE's RFI.
162. Kelly Roberson was an Intern, District Aide, Director of Operations, and Policy Advisor in Rep. Schweikert's office between September 2011 and December 2016. Ms. Roberson did not respond to OCE requests for an interview. The OCE was informed that on January 19, 2018, Mr. Schwab and Ms. Roberson had lunch together at Mr. Schwab's invitation.²¹⁹
163. Thomas Leander was an Intern, Fellow, Staff Assistant, Legislative Correspondent, Legislative Aide, and Legislative Assistant in Rep. Schweikert's office between May 2014 and August 2017. Mr. Leander did not respond to OCE requests for an interview.
164. Michelle Stoika was an Intern, Staff Assistant, Legislative Correspondent, Legislative Aide, and Legislative Assistant in Rep. Schweikert's office between June 2013 and February 2015. Ms. Stoika initially agreed to interview with the OCE, but later decided not to cooperate with the review.

²¹⁵ See e.g., Tully Transcript (Exhibit 1 at 18-2234_0014-15).

²¹⁶ *Id.*

²¹⁷ *Id.* at (Exhibit 1 at 18-2234_0008-9; 16; 21).

²¹⁸ *Id.* at (Exhibit 1 at 18-2234_0013-20).

²¹⁹ Former Deputy Chief of Staff Transcript, Part 2 (Exhibit 4 at 18-2234_0145-46).

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Current and Former Treasurers

165. Campaign Financial Services (“CFS”) is an FEC compliance firm handling FEC compliance matters for various Rep. Schweikert-affiliated campaign and political action committees. While Valerie Giramberk appears to be the current treasurer signing FEC reports (see below), CFS appears to play some role. Notably, CFS is listed as a point of contact on recent FEC Form 1 Statements of Organizations filed by Friends of David Schweikert,²²⁰ David Schweikert for Congress,²²¹ Defending America’s Values Everywhere PAC,²²² and the Schweikert Victory Committee.²²³ Rep. Schweikert also advised the OCE that CFS was hired to correct errors and irregularities associated with its prior FEC filings and FEC reporting practices. CFS declined to cooperate with this review and specifically refused to provide documents in response to an OCE RFI.
166. Valerie Giramberk is currently the treasurer for several Rep. Schweikert-affiliated campaign and political action committees, including Friends of David Schweikert,²²⁴ David Schweikert for Congress,²²⁵ the Schweikert Victory Committee²²⁶ and the Defending America’s Values Everywhere PAC.²²⁷ She was formerly a treasurer for Schweikert for Congress.²²⁸ She also previously did accounting work for Rep. Schweikert’s real estate company, Sheridan Holdings.²²⁹ Ms. Giramberk declined to cooperate with the OCE’s review.²³⁰

²²⁰ See e.g., Friends of David Schweikert, FEC Form 1 Statement of Organization, Amendment, filed Apr. 13, 2018 at 1, 3 (identifying CFS as the custodian of records and providing a CFS email address as the point of contact for the campaign committee).

²²¹ See e.g., David Schweikert for Congress, FEC Form 1 Statement of Organization, Amendment, filed Apr. 13, 2018 at 1, 3 (identifying CFS as the custodian of records and providing a CFS email address and P.O. Box as the relevant points of contact for the campaign committee).

²²² See e.g., Defending America’s Values Everywhere (Team Dave), FEC Form 1 Statement of Organization, Amendment, filed Apr. 13, 2018 at 1, 3 (identifying CFS as the custodian of records and providing a CFS email address and P.O. Box as the relevant points of contact for the campaign committee).

²²³ See e.g., Schweikert Victory Committee, FEC Form 1 Statement of Organization, Amendment, filed Apr. 13, 2018 at 1, 3 (identifying CFS as the custodian of records and providing a CFS email address and P.O. Box as the relevant points of contact for the campaign committee).

²²⁴ See e.g., Friends of David Schweikert, FEC Quarterly Report of Receipts and Disbursements (Q2), at 1, filed July 13, 2018.

²²⁵ See e.g., David Schweikert for Congress, FEC Quarterly Report of Receipts and Disbursements (Q2), at 1, filed July 13, 2018.

²²⁶ See e.g., Schweikert Victory Committee, FEC Report of Receipts and Disbursements (Q2), at 1, filed July 13, 2018.

²²⁷ See e.g., Defending America’s Values Everywhere, FEC Quarterly Report of Receipts and Disbursements (Q2), at 1, filed July 13, 2018.

²²⁸ See e.g., Schweikert for Congress, FEC Form 1 Statement of Organization, Amendment, filed Jan. 13, 2012; Schweikert for Congress, FEC Report of Receipts and Disbursements (Q1), at 1, filed April 14, 2017.

²²⁹ See V. Giramberk LinkedIn (Exhibit 23 at 18-2234_1138).

²³⁰ The OCE requested interviews from Ms. Giramberk and Ms. Garrett on June 5, 2018 and received nearly identical responses from them around the same time that evening. Both women responded to the OCE’s request via email by telling the OCE that they “decline[d] to participate” in the review and then asked that the OCE “not contact [them] again.”

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167. Karen Garrett is a former Schweikert for Congress treasurer.²³¹ She has also volunteered for other organizations working to reelect Rep. Schweikert. Ms. Garrett declined to cooperate with the OCE's review.²³²

Firetrace

168. Firetrace provided the OCE with documents in response to its RFI; however, Firetrace refused to sign and return a certification, pursuant to 18 U.S.C. § 1001, that it did not knowingly or willfully withhold materials requested by the OCE.
169. Mark Cavanaugh was a former senior executive and then CEO of Firetrace. Mr. Cavanaugh did not respond to OCE requests for an interview.²³³
170. Teddy Eynon was a lobbyist for Firetrace and friend of Mr. Cavanaugh's. The OCE sought documents from and an opportunity to interview Mr. Eynon. Mr. Eynon did not respond to the OCE's communications.

Ana Schwab

171. Ana Schwab, Mr. Schwab's wife, declined, through counsel, to interview with the OCE.

²³¹ See e.g., Schweikert for Congress, FEC Form 1 Statement of Organization, filed Jan. 20, 2011; Schweikert for Congress, FEC Form 1 Statement of Organization, Amendment, filed Nov. 9, 2011.

²³² See *supra*, note 230.

²³³ Former Firetrace Executive advised the OCE that Mr. Cavanaugh received copies of the OCE's requests and purposefully declined to respond to those communications. Former Firetrace Executive Transcript (Exhibit 8 at 18-2234_274-76).