

RECEIVED
FEDERAL ELECTION
COMMISSION

COMPLAINT

2011 AUG 31 PM 5: 29

Complainant files this complaint under 2 U.S.C. § 437g(a)(1) against Rep. Jean

Schmidt, the Schmidt for Congress Committee, Joseph Braun, Phillip Greenberg, and
Peter Schmidt for violations of the Federal Elections Campaign Act (FECA or The Act),
as described below.

OFFICE OF GENERAL
COUNSEL

A. FACTS

Complainant is David Krikorian, a citizen of the United States of America.

Respondent Rep. Jean Schmidt is a member of the United States House of
Representatives representing the second district of Ohio. Schmidt for Congress
Committee is the principal campaign committee of Rep. Jean Schmidt in her campaigns
for election to the United States House of Representatives.

Respondent Joseph Braun was the assistant treasurer of the Schmidt for Congress
Committee in 2008 according to filings made by Schmidt for Congress Committee.

Respondent Philip Greenberg is currently the duly authorized treasurer of Schmidt
for Congress Committee according to filings made by Schmidt for Congress Committee.

Respondent Peter Schmidt was the treasurer of the Schmidt for Congress
Committee in 2008 and since 2009 has been the assistant treasurer for Schmidt for
Congress Committee according to filings made by Schmidt for Congress Committee.

Based upon information and belief and the recent findings of the House
Committee on Ethics,¹ Rep. Schmidt personally, and on behalf of Schmidt for Congress
Committee has accepted contributions from the Turkish Coalition of America (TCA) in

¹ A copy of the Statement of the Chairman and Ranking Member of the Committee on
Ethics Regarding Representative Schmidt is attached as Exhibit A. This is also available
online at <http://ethics.house.gov/Media/PDF/SchmidtPressRelease.pdf>

100241001-10

violation of 2 U.S.C. § 441b(a). Upon information and belief, TCA is a Massachusetts Corporation exempt from taxation under I.R.C. § 501(c)(3) with offices in Boston, Massachusetts; Washington, D.C.; and Istanbul, Turkey. Based upon a recent finding by the House Ethics Committee, these contributions total approximately \$498,587 for years 2008, 2009, and 2010,² a violation of 2 U.S.C. § 441a(a)(1)(A) and § 441a(f). This approximation does not include the payments made on Rep. Schmidt's behalf in 2011. Further, Schmidt for Congress Committee has failed to report these contributions in violation of 2 U.S.C. § 434(a)(2).

B. HISTORY³

In the Congressional election of November 2008, Rep. Schmidt ran against David Krikorian. Since the 2008 campaign, Rep. Schmidt has been involved in four complaints or lawsuits directly related to the 2008 campaign. In each action Rep. Schmidt has been represented by lawyers provided by the Turkish American Legal Defense Fund (TALDF), an alter ego of the Turkish Coalition of America (TCA). Her primary attorneys were Bruce Fein a Washington D.C. based attorney affiliated with TCA and Don Brey of the Columbus, Ohio law firm, Chester, Willcox & Saxbe. In addition to Messrs. Fein and Brey, TCA has paid for the legal services of David Saltzman⁴ of

² Report of the Office of Congressional Ethics "In the Matter Regarding Allegations Relating to Representative Schmidt." Available online at <http://ethics.house.gov/Media/PDF/JeanSchmidtReportGPOprint.pdf> Page 46 of the .pdf file. Henceforth, "The Report."

³ Included with this Complaint is a copy of a complaint I filed with the Office of Congressional Ethics in July 2010. As discussed below, that complaint ultimately led to a finding by the House Committee on Ethics that the payments at issue constituted impermissible gifts to Rep. Schmidt. The Complaint is attached as Exhibit B.

⁴ Report "In the Matter Regarding Allegations Relating to Representative Schmidt. Available online at <http://ethics.house.gov/Media/PDF/SchmidtReportwithAttachments.pdf>

Saltzman & Evinch, P.C. a Washington D.C. area law firm, and two other attorneys from Chester, Willcox & Saxbe: Sarah Morrison and Elizabeth Watters⁵, for work done on behalf of Rep. Schmidt. All of this work was paid for by TCA.⁶

Ohio Election Commission

In the waning days of the election Mr. Krikorian distributed leaflets accusing Rep. Schmidt of taking "blood money" for her position on the Armenian Genocide issue. Shortly after the election Rep. Schmidt filed a complaint against Mr. Krikorian with the Ohio Elections Commission (OEC) regarding those accusations.

In the course of the OEC case, Bruce Fein and Barry Bennett (Rep. Schmidt's then chief of staff) were deposed. It is rather unusual for an attorney on a case to be deposed, and what Mr. Fein revealed was no less unusual. Under oath Fein revealed that shortly after the 2008 election, he, on behalf of TCA/TALDF, approached Schmidt with the offer of free legal services: "I was asked by Lincoln McCurdy [the president of TCA] if I would as part of TALDF go speak with Jean Schmidt about possibly representing her in what ultimately eventuated in this administrative complaint [the OEC action]."⁷ Mr. Fein stated unambiguously, "We said we would do this and we would not charge them legal fees."⁸ Further, Mr. Fein also stated that he and the other attorneys were representing both Rep. Schmidt personally, and the Schmidt for Congress Committee.⁹

Page 37 of the pdf file. Henceforth, "The Report."

⁵ The Report, page 196 of the .pdf file. This is a copy of a bill sent by Chester, Wilcox & Saxbe to TCA which indicates billable hours for Mr. Brey, Ms. Morrison, and Ms. Watters, all partners at the firm according to the firm's website, along with billable hours for Christopher Murphy, identified in the bill as a law clerk.

⁶ The Report, page 11 of the .pdf file.

⁷ Deposition of Bruce Fein, page 56-57. Attached as Exhibit C.

⁸ *Id.*, page 60, line 5-6. Exhibit C.

⁹ *Id.*, page 59, line 16-22. Exhibit C.

Attorney Don Brey, also being paid by TCA for his work on behalf of Rep. Schmidt also stated that they were representing both Rep. Schmidt personally, and her campaign committee during Barry Bennett's deposition.¹⁰ Barry Bennett revealed that Rep. Schmidt never sought the approval of either the House Ethics Committee¹¹ or the FEC for this arrangement.

As discussed later in this complaint, the House Ethics Committee has found that Messrs. Fein and Brey, and the other three attorneys identified to date, were compensated by TCA for their services to Rep. Schmidt. According to deposition testimony taken in the course of the OEC action, TCA also paid the travel and lodging expenses of a witness in the OEC action, as well as those of the attorneys. All of these expenses, along with all other litigation related expenses, were ultimately paid by TCA.

Appeal of OEC Findings

The OEC Complaint resulted in approximately half of the allegations against me being dismissed, and the OEC finding that half of the allegations were in fact "False Statements" under Ohio law. I filed an administrative appeal of that decision in the Franklin County Ohio Common Pleas Court (Case No. 09CV017707 and 09CV017709), in which Rep. Schmidt, using the same attorneys, participated as appellee. The House Ethics Committee has found that the costs incurred by Rep. Schmidt in this matter, including attorneys' fees, have also been paid for by TCA, and that such payment was impermissible under House Ethics Rules.

¹⁰ Deposition of Barry Bennett, page 52, line 5-8. Attached as Exhibit D.

¹¹ *Id.*, page 48, line 5-15, 21-24, and page 49, line 8. Exhibit D.

Federal Court Proceedings

After the OEC action, I filed a separate complaint in the United States District Court for the Southern District of Ohio (Case No. 1:10-CV-00103) against the Ohio Elections Commission. Rep. Schmidt was not a party to this action. However, using the same attorneys, Rep. Schmidt moved to participate as amicus curiae in that federal action. The House Ethics Committee has found that the costs incurred by Rep. Schmidt in this matter, including attorneys' fees, have been paid for by TCA.

Clermont County Ohio Common Pleas Court Defamation Action

Finally, in June of 2010, Rep. Schmidt filed a lawsuit in Clermont County Ohio Court of Common Pleas accusing me of defamation, and seeking more than \$6 million in damages. Again, Rep. Schmidt is using Mr. Fein and his law firm, and Mr. Brey and his firm in filing these pleadings. The House Ethics Committee has found that the costs incurred by Rep. Schmidt in this matter, including attorneys' fees, have been paid for by TCA.

C. HOUSE COMMITTEE ON ETHICS

Only recently, after the House Committee on Ethics investigated this payment scheme and determined that these payments constitute impermissible gifts, has Rep. Schmidt documented these payments in any way. The House Committee on Ethics has ordered Rep. Schmidt to amend her 2009 and 2010 financial disclosure forms to identify these payments as gifts, and going forward, to identify this as an obligation that she must repay.¹² Prior to that recent determination, Rep. Schmidt failed to document these

¹² The Report, page 11 of the .pdf file. Inexplicably, the House Ethics Committee did not require Rep. Schmidt to amend her 2008 financial disclosure forms to identify the impermissible gift of the 2008 payments made by TCA.

services and payments in any way: not as a gift, not as a campaign contribution, nor as a legal expense either personally or of the campaign committee.

In July of 2010, I submitted a complaint to the Office of Congressional Ethics (OCE) regarding this payment scheme. In response to my complaint, the OCE investigated Rep. Schmidt and voted unanimously to recommend the matter for further investigation by the House Committee on Ethics (Ethics Committee).

The Ethics Committee investigated the matter and made a number of findings released in The Report. Among those findings, the Ethics Committee determined that the TCA did in fact pay Rep. Schmidt's legal bills; that those payments totaled approximately \$498,587; and the Ethics Committee found that these payments constituted impermissible gifts. The Ethics Committee accepted Rep. Schmidt's version of events that she was never aware that TCA was paying her bills, despite the sworn testimony of one of her attorneys, court filings made in her name, and representations her attorneys made in open court to the contrary. Ultimately, the Ethics Committee found that her attorneys misled her and made materially false statements regarding this payment scheme, and ruled that Rep. Schmidt must amend her 2009 and 2010 Financial Disclosure Forms to indicate that she received these gifts in those years. Further, the Ethics Committee ordered Rep. Schmidt to repay these gifts, allowing her to use a legal expense fund for this purpose if she so chose. However, the Ethics Committee ruled that Rep. Schmidt may not use the proceeds of a legal expense fund to pay the expenses related to her amicus filing in the Federal Court case.¹³

¹³ The House Ethics Committee, in a rather Rube Goldbergian fashion, concocted a solution which requires Rep. Schmidt to repay the attorneys, and for the attorneys to turn around and send that repayment to the TCA. In this convoluted manner, Rep. Schmidt

During its investigation into this payment scheme, the Office of Congressional Ethics reviewed invoices submitted by the attorneys to TCA and approximated the payments by year as, \$3905 in 2008, \$289,280 in 2009, and \$205,401 in 2010. The Office of Congressional Ethics did not review invoices for 2011 even though this payment scheme continued until the Ethics Committee ordered it stopped on August 5, 2011.

D. REQUEST FOR INVESTIGATION

While I believe that the Ethics Committee was correct: that this payment scheme was a gift under the House Ethics rules; the payment of Rep. Schmidt's legal bills by a third party also constitute campaign contributions under the FECA. And in fact, these gifts are illegal campaign contributions as the TCA is a corporation, specifically, a tax-exempt 501(c)(3) corporation. Finally, these contributions are excessive as they are far greater than the contribution limits set forth by the FECA. Not only did Rep. Schmidt fail to document the impermissible gift, her campaign committee failed to properly document this impermissible gift as an impermissible campaign contribution.¹⁴

I request that the Federal Election Committee undertake an investigation of these payments and forward their findings to the appropriate law enforcement agencies for prosecution.

can technically be said to be paying her attorneys (who of course have already been paid by TCA, that is the problem), even as her attorneys then turn the money over to TCA.

¹⁴ My complaint to the Office of Congressional Ethics was premised upon my belief at the time that because the Ohio Elections Complaint and the subsequent cases were prosecuted in Rep. Schmidt's name personally they were unconnected to her campaign committee. However, as Barry Bennett's statement above that this was campaign related; Rep. Schmidt's similar statement to the House Ethics Committee; the ultimate findings and ruling by the House Ethics Committee; and my later review of the FECA and FEC regulations all make clear, these expenses and the payments made by TCA were both personal and campaign related.

E. LEGAL ARGUMENT

1: Third party payments of legal expenses are contributions

2 U.S.C. § 431(8)(A)(ii) defines "contribution" to include "the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose." 11 § CFR 100.54 provides two exceptions to this rule, those payments made for legal and accounting services as provided for by 11 CFR §§ 100.74 and 100.75.

The exception in 11 CFR § 100.74 covers "Uncompensated services by volunteers," and does not apply in this situation because the attorneys were compensated by TCA.

11 CFR § 100.75 covers "Use of volunteer's real or personal property" and is likewise inapplicable here.

There is an additional exception to this rule for legal services provided to ensure compliance with the Act.¹⁵ However, the legal services paid by TCA in this instance were not paid by the regular employer of the attorneys (neither Fein, Brey nor any other attorneys who provided legal services to Rep. Schmidt are "employees" of TCA), nor were the services for the purpose of complying with the Act. Even assuming that these services were covered by the exception, "[a]mounts paid by the regular employer for these services shall be reported by the committee receiving such services in accordance with 11 CFR 104.3(h)."¹⁶ These payments were made by a third party, who was not the regular employer of the recipients of the payments, and the Schmidt for Congress Committee did not report the payments.

¹⁵ See 2 U.S.C. § 431(8)(B)(viii)(II); 11 CFR §§ 100.86 and 114.1(a)(2)(vii).

¹⁶ 11 CFR § 100.86. [emphasis added].

In its report on the investigation of Rep. Schmidt, the House Ethics Committee found that these legal expenses were related to Rep. Schmidt's candidacy.¹⁷ And Rep. Schmidt herself, in both public statements and her communications with the Ethics Committee acknowledged that these were "...legal costs that have been and will be incurred in connection with legal action directly related to my candidacy for federal office in 2008."¹⁸

The very fact that the House Ethics Committee has approved the use of a legal expense fund for most of these expenses necessarily means that these expenses cannot be solely, or even primarily personal because the House Ethics Committee "shall not grant permission to establish a Legal Expense Fund where the legal expenses arise in connection with a matter that is primarily personal in nature."¹⁹ Thus, Rep. Schmidt, by requesting permission to establish a legal expense fund, and the House Ethics Committee, by approving the legal expense fund, necessarily must have determined that these expenses (and the payments by TCA) are not primarily personal in nature. For Rep. Schmidt to now argue otherwise would be an explicit admission that she made materially false statements to the House Ethics Committee in her request for permission to establish the legal expense fund in the first place!

Finally, in his deposition testimony, Barry Bennett (Rep. Schmidt's then Chief of Staff), explaining why he believed that the House Ethics Committee did not need to

¹⁷ The Report, page 20 of the .pdf file.

¹⁸ Rep. Schmidt's letter to the House Ethics Committee requesting permission to establish a Legal Expense Fund, dated July 19, 2010. The Report, page 439 of the .pdf file; Rep. Schmidt repeated this statement in a second letter to the Ethics Committee seeking approval on August 11, 2010. The Report page 441 of the .pdf file [emphasis added].

¹⁹ House Ethics Manual – 2008 Edition, page 395 (page 407 of the pdf). Available online at http://oce.house.gov/pdf/2008_House_Ethics_Manual.pdf [emphasis added].

approve the payment scheme, stated that the Ohio Elections Commission action was specifically tied to the campaign:

Q. Well how does this deal with the campaign?

A. With the -- this happened in the course of the campaign. The -- the commission where this is filed [Ohio Elections Commission] deals with the campaigns, not the House of Representatives.²⁰

The sworn deposition testimony of Barry Bennett and Rep. Schmidt's own statement in her request to the House Ethics Committee make it indisputable that it is the position of Rep. Schmidt and Schmidt for Congress Committee that the legal expenses which were paid by TCA were campaign related, and as such the payments by TCA constitute campaign contributions. Furthermore, the establishment and funding of, and distributions from, the legal expense fund in repayment of these prior payments by TCA constitute admissions that these expenses are campaign related and that the payments for such by TCA were necessarily campaign contributions.

2: Third party payments for personal expenses are contributions.

It may be argued that the legal services were provided only to Rep. Schmidt individually, and not to Schmidt for Congress Committee -- notwithstanding statements to the contrary by her attorneys Bruce Fein and Don Brey that they were representing both the Schmidt for Congress Committee and Rep. Schmidt personally; the sworn deposition testimony of Barry Bennett contradicting the notion that these were solely personal; the findings of the Ethics Committee; and Rep. Schmidt's own statements. However, 11

²⁰ Bennett deposition, page 48. See also, Bennett deposition, page 47 beginning at line 6. Exhibit D.

CFR § 113.1(g)(6) provides that third party payments for personal expenses are contributions, unless the payment would have been made irrespective of the candidacy.

In the course of his deposition, Bruce Fein stated unequivocally that he did not know Rep. Schmidt prior to the 2008 election,²¹ and that he was asked to contact her by the president of TCA only because of her candidacy, and the events during the campaign.²² By their own admission, TCA would not have made the third party payments but for Rep. Schmidt's candidacy for Congress. Finally, the president of TCA, Lincoln McCurdy, the man who directed Mr. Fein to Rep. Schmidt for the purpose of initiating this payment scheme, told the Office of Congressional Ethics investigator that he first met Rep. Schmidt at a fundraiser where he overheard her speaking about the Armenian Genocide issue (the very issue at the heart of all of the legal matters for which TCA paid) and that her statements on the Armenian Genocide issue prompted him to introduce himself to Rep. Schmidt.^{23,24} As such, the genesis of the relationship between Rep. Schmidt and TCA was directly related to her status as a candidate and the payments to Rep. Schmidt's attorneys made by TCA would not have been made but for Rep. Schmidt's status as a candidate.

Therefore, it is incontrovertible that even if it these payments were made solely on behalf of Rep. Schmidt personally, the payments were not made irrespective of Rep.

²¹ Fein deposition, page 182. "I did not even know who Jean Schmidt was until after the election." Exhibit C.

²² *Id.*, page 56-57. Exhibit C.

²³ Memorandum of Interview with the president of TCA, The Report, page 62 of the .pdf file.

²⁴ According to the first paragraph in the Memorandum of Interview, it is my understanding that Lincoln McCurdy's statement to the investigator was made after to a warning that a false statement by Mr. McCurdy was punishable by a fine and/or up to five years imprisonment pursuant to 18 U.S.C. § 1001.

Schmidt's candidacy, and therefore as a matter of law, are contributions to the Schmidt for Congress Committee, which must be reported.

Further analysis of this issue was provided by FEC advisory opinions 2000-08 and 2006-22. Both are instructive as to how the FECA is to apply to third party payments such as these.

In Advisory Opinion 2000-08, a Mr. Philip Harvey sought advice as to the legality of his desired gift of \$10,000 to a candidate for federal office. Mr. Harvey wished to express his gratitude to that individual for his willingness to "engage in a difficult and time-consuming campaign."²⁵ On the face of the request, it did not appear that Mr. Harvey was motivated by anything other than public spirit. Nonetheless, the FEC found that such a gift would constitute a campaign contribution because "the proposed gift would not be made but for the recipient's status as a Federal candidate," and is, "therefore linked to the Federal election."²⁶

In Advisory Opinion 2006-22 a law firm sought guidance regarding its desire to provide free legal services in the preparation of an amicus brief on behalf of the campaign committee of a candidate for Congress. The Commission concluded in that such an arrangement would be a contribution under federal law as the "payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose."²⁷ Further, the Commission concluded that the contribution would be impermissible because the payment, and thusly the contribution, would be made by a corporation.

²⁵ AO 2000-08.

²⁶ AO 2000-08, page 3.

²⁷ 2 U.S.C. 431(8)(A)(ii).

The facts here implicate both advisory opinions in that the "gift" of the payment of approximately \$500,000 of legal expenses was "payment by any person [TCA] of compensation for the personal services of another person [Bruce Fein, David Salzman, Don Brey, etc.] which were rendered to a political committee without charge for any purpose," and the payor is a corporation, TCA. Implicating AO 2006-22. And, that "gift" would not have been made "but for the recipient's status as a Federal candidate."²⁸ Implicating AO 2000-08. Applying either it is clear that the payment of Rep. Schmidt's legal bills by TCA was an impermissible campaign contribution because it was both excessive and from an impermissible source.

Under any one of a number of rationales, the payment by TCA of the legal expenses of Rep. Schmidt and the Schmidt for Congress Committee constitutes a campaign contribution by TCA.

3: The contributions at issue are excessive

The FECA places limitations and prohibitions on the amounts and sources of contributions to a federal election campaign. For the 2008 campaign, the limit for contributions was \$2300. For the 2010 campaign, the limit was \$2400.

The amount of the contribution in this instance, the value of the legal services provided and compensated for by TCA, totals approximately \$489,587 over three years, according to the findings of the House Ethics Committee; well in excess of the 2008 and 2010 limits. Further, this payment scheme continued until at least August 2011 when the House Ethics Committee ruled that Rep. Schmidt must not allow TCA to continue paying her attorneys.

²⁸ AO 2000-08, p. 3

4: The contributions at issue are impermissible

The campaign committee of a candidate for federal office is permitted to raise money only from certain sources, including individuals, partnerships, and political action committees.²⁹ Corporations are barred from making contributions to candidates for federal office.³⁰

TCA is a corporation, incorporated in the State of Massachusetts, and exempt from taxation under I.R.C. § 501(c)(3). As a corporation, TCA is prohibited from making a contribution. This also follows the analysis provided in AO 2006-22 as discussed above.

Because TCA is prohibited from making contributions to Schmidt for Congress Committee, the contributions made by TCA are impermissible.

5: The contributions at issue have not been reported

“Each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of this subsection.”³¹ According to the findings of the Ethics Committee, TCA began making these payments on Rep. Schmidt’s behalf in 2008.³² Peter Schmidt as the treasurer in 2008 and assistant treasurer at all times since then, Joseph Braun, as the assistant treasurer in 2008, and Phillip Greenberg as the treasurer at all times since then, of the Schmidt for Congress Committee are thusly required to file and sign each report during their respective tenures. Campaign committees are required to report the source and amount of any excess contributions.³³

²⁹ See 2 U.S.C. § 441a.

³⁰ 11 CFR § 114.2(b)(1).

³¹ 2 U.S.C. § 434(a)(1).

³² The Report, page 9 of the .pdf file.

³³ 2 U.S.C. § 434(a)(6)(C).

At no time has the Schmidt for Congress Committee reported these contributions. Nor does my research indicate that the Schmidt for Congress Committee requested an advisory opinion from the FEC regarding this matter, despite numerous recommendations by the Ethics Committee that Rep. Schmidt seek the guidance of the FEC.³⁴

F. CONCLUSION

Regardless of whether the legal expenses were personal to Rep. Schmidt or expenses of the Schmidt for Congress Committee, or some combination of both, by paying these expenses TCA has made contributions to the Schmidt for Congress committee in an amount equal to the value of the legal expenses. Because these payments were not made irrespective of Rep. Schmidt's candidacy, that portion of the legal expenses that is personal to Rep. Schmidt constitute contributions under 11 CFR § 113.1(g)(6). That portion of the legal expenses that was in service of Schmidt for Congress Committee constitutes contributions under 11 CFR § 100.54. Thus, all payments of the legal expenses of Rep. Schmidt individually and the Schmidt for Congress Committee by TCA are contributions to the Schmidt for Congress Committee.

The value of the legal expenses paid for by TCA through 2010 was approximately \$500,000, and is likely substantially more as this payment scheme continued until at least August 2011. This is far in excess of the contribution limits set forth in FECA.

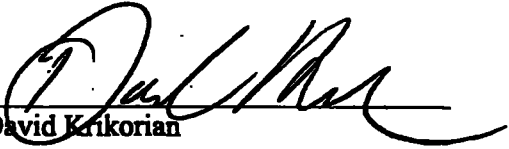
³⁴ I believe that you will find that this failure to seek guidance is part of a pattern of willful blindness that Rep. Schmidt has followed throughout her career and specifically with regard to financial and ethics issues. For example: as an Ohio State Representative, Rep. Schmidt accepted illegal gifts of tickets to an NFL game. After being caught, Rep. Schmidt claimed that she did not know that tickets came from an impermissible source. Rather, Rep. Schmidt claimed that she believed former NFL quarterback Boomer Esiason had paid for the tickets.

The source of these excessive gifts is TCA, a Massachusetts corporation registered with the IRS as a 501(c)(3) tax-exempt organization. FECA prohibits contributions by corporations. Hence, these gifts are both excessive and impermissible

FECA requires that contributions be reported. Schmidt for Congress Committee has filed numerous reports since the initiation of the legal services and has not made any indication of these contributions.

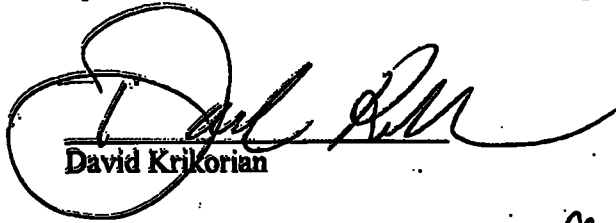
Beginning at least as early as 2008 and continuing into 2011, Rep. Schmidt and the Schmidt for Congress Committee have accepted excessive impermissible contributions from the Turkish Coalition of America, a tax-exempt corporation, and have failed to report said contributions.

WHEREFORE, David Krikorian requests that the FEC conduct an investigation into these allegations, declare the respondents to have violated the FECA and applicable FEC regulations, impose sanctions appropriate to these violations and take such further action as may be appropriate, including referring this case to the Department of Justice for criminal prosecution.


David Krikorian

Cincinnati, OH 45243-2206

David Krikorian hereby verifies that the statements made in the attached Complaint are,
upon information and belief, true. Sworn pursuant to 18 U.S.C. § 1001.


David Krikorian

Sworn to and subscribed before me this 21st day of August, 2011.


Notary Public



Miranda Jo Curl
Notary Public, State of Ohio
My Commission Expires 05-18-2016

EXHIBIT A

— 100545010150001 —

Jo Bonner, Alabama
Chairman
Linda T. Sánchez, California
Ranking Member

Michael T. McCaul, Texas
K. Michael Conaway, Texas
Charles W. Dent, Pennsylvania
Gregg Harper, Mississippi

John A. Yarmuth, Kentucky
Donna F. Edwards, Maryland
Pedro R. Pierluisi, Puerto Rico
Joe Courtney, Connecticut



ONE HUNDRED TWELFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON ETHICS

Daniel A. Schwager
Staff Director and Chief Counsel

Joanne White
Administrative Staff Director

Kelle A. Strickland
Counsel to the Chairman

Daniel J. Taylor
Counsel to the Ranking Member

1015 Longworth House Office Building
Washington, D.C. 20515-6328
Telephone: (202) 225-7103
Facsimile: (202) 225-7392

FOR RELEASE: Upon Receipt

August 5, 2011

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE JEAN SCHMIDT

Pursuant to Committee Rule 7(d) and 7(g), the Committee on Ethics (Committee) determined on August 1, 2011, to release the following statement:

On May 18, 2011, the Committee received a referral from the Office of Congressional Ethics (OCE) regarding Representative Jean Schmidt. The Committee, pursuant to Committee Rule 18(a), conducted a further review of the matter as recommended by OCE. Following the conclusion of the Committee's further review, the Committee unanimously voted on August 1, 2011, to release a public Report finding that Representative Schmidt did not knowingly violate any provision of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct with respect to the receipt of gifts.

Since the spring of 2009, Representative Schmidt has been involved in litigation regarding statements made about her by an opponent in her 2008 re-election campaign. That dispute has involved proceedings before an Ohio state agency, in Ohio state court, and in federal court.

According to the OCE referral, Representative Schmidt received an impermissible gift from the Turkish Coalition of America (TCA) when lawyers provided legal services to Representative Schmidt in at least three related matters and then sent bills for their fees to the TCA, which paid those bills on an ongoing basis. According to OCE's referral, between 2008 and 2010 TCA actually paid her lawyers, who claimed to be acting as the Turkish American Legal Defense Fund (TALDF), a project of TCA, approximately \$500,000 for legal services provided to Representative Schmidt. Neither the Committee nor, according to the evidence, Representative Schmidt was aware of these payments when the Committee previously provided advice to Representative Schmidt regarding her options for paying legal fees in the various proceedings.

The Committee's review of the matter indicated that Representative Schmidt did, in fact, receive an impermissible gift from TCA as OCE has alleged, and therefore the Committee did not dismiss the OCE matter. However, the Committee has found that Representative Schmidt's lawyers failed to inform her of their payment arrangement with TCA, and made false and misleading statements to her about their relationship with TCA and TALDF. Because Representative Schmidt did not know she was receiving a gift from TCA, the Committee has

110034510001

