

APPENDIX C

IN THE MATTER OF REPRESENTATIVE DAVID SCHWEIKERT
STIPULATION AND AGREEMENT

Pursuant to Committee on Ethics (Committee) Rule 19(c)(4), counsel for the Committee and counsel for the Respondent Representative David Schweikert have, subject to the approval of the Investigative Subcommittee, agreed to facts not in dispute.

Committee counsel and Respondent stipulate and agree as follows:

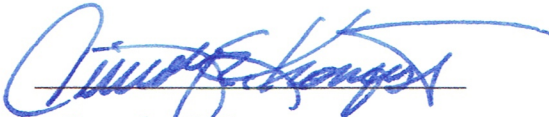
1. Joyce Schweikert has a bachelor's degree in Business Administration and Master of Business Administration.
2. Mrs. Schweikert served as treasurer for David Schweikert for Congress from approximately October 24, 2007 through May 29, 2013. During this time period, Mrs. Schweikert:
 - had access to the David Schweikert for Congress and Schweikert for Congress bank accounts,
 - performed campaign bookkeeping functions for David Schweikert for Congress and Schweikert for Congress,
 - reviewed and made payments for David Schweikert for Congress and Schweikert for Congress campaign expenditures in consultation with Representative Schweikert, and
 - prepared David Schweikert for Congress and Schweikert for Congress FEC reports.
3. Representative Schweikert obtained a \$75,000 line of credit from Metro Phoenix Bank on or about July 30, 2010. Mrs. Schweikert was a co-borrower on the line of credit. Representative Schweikert funded in-kind contributions totaling at least \$62,166 to David Schweikert for Congress in August 2010 with draws on this credit line. No campaign funds were used to repay these draws. Representative Schweikert and Mrs. Schweikert personally repaid the draws made on the line of credit. The line of credit was increased in 2011 for uses unrelated to the campaign, and the terms were otherwise modified between 2011 and 2014. The line of credit was completely repaid in February 2015.
4. David Schweikert for Congress was the campaign's sole authorized campaign committee at the time the line of credit was extended and used for campaign expenses in 2010. Mrs. Schweikert knew the \$75,000 Metro Phoenix Bank line of credit was used in support of Representative Schweikert's candidacy. The line of credit was not reported on the David Schweikert for Congress FEC disclosure reports. The in-kind payments for the campaign expenses funded with the draws were not reported as loans on the David Schweikert for Congress FEC disclosure reports. The Schweikerts did not believe the line of credit needed to be disclosed to the FEC.
5. [REDACTED] became the treasurer for David Schweikert for Congress in May 2013. Schweikert for Congress was formed as a second authorized campaign committee in 2011. [REDACTED] was the treasurer of Schweikert for Congress when it was formed, [REDACTED] became treasurer in January 2012, and [REDACTED] became treasurer in May 2013. Neither Representative Schweikert nor Mrs. Schweikert recall ever informing [REDACTED], [REDACTED], or

██████ that the December 2011 \$100,000 personal loan had been inaccurately reported and the loan continued to be reported on FEC reports between 2011 and 2013.

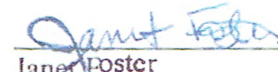
6. FEC disclosure reports show that in 2011, Schweikert for Congress made six disbursements totaling \$3,090.01 to Mr. Schwab for reimbursements of campaign expenditures he made on behalf of the campaign.
7. Between 2010 and 2013, David Schweikert for Congress Chase bank records contain at least \$8,000 in disbursements and \$140,000 in receipts that are not reflected in any of the David Schweikert for Congress disclosures made to the FEC.
8. In late 2012, Schweikert for Congress misreported disbursements to Blue Point LLC that had not been made. Specifically, the following disbursements to Blue Point LLC were disclosed but the records for all bank accounts used by Schweikert for Congress in and around that time period do not show that the payments were ever made:
 - October 5, 2012 disbursement for \$23,972
 - October 15, 2012 disbursement for \$11,580
 - October 19, 2012 disbursement for \$18,868
 - October 26, 2012 disbursement for \$22,580
 - November 2, 2012 disbursement for \$23,000
9. In late 2012, ██████ and ██████ raised the misreported disbursements to Blue Point LLC with Representative Schweikert. No further action was taken to resolve the reports.
10. In January 2013, the campaign retained the compliance firm of ██████ to manage the campaign's finances going forward, including taking over campaign treasurer duties, creating a new campaign committee named Friends of David Schweikert to replace Schweikert for Congress, and opening a new bank account to conduct campaign business. Schweikert for Congress filed a termination report in October 2013.
11. ██████ was not hired to review prior campaign and was not specifically advised about past activities of the campaign, including past activity discussed in these factual stipulations, or the disclosure of that activity on past disclosure reports of the campaign's other two committees.
12. After ██████ was hired in January 2013, Mrs. Schweikert retained access to the bank accounts that had been used by David Schweikert for Congress and Schweikert for Congress to this point and continued to make payments from the Schweikert for Congress account until the accounts were closed by Mrs. Schweikert on April 8, 2013, and June 17, 2013, respectively. No personnel at ██████ had access to these bank accounts for the respective four and six month periods they remained open after ██████ was hired nor were they provided access to the accounts, or their corresponding books, after the accounts were closed.

13. The January 2013 monthly statement from the Schweikert for Congress Chase bank account shows a series of small disbursements totaling \$1,658.41 from two account debit cards, and a series of small deposits totaling \$3,397. The Schweikert for Congress's 2013 April Quarterly Report covering this time frame does not include disbursements or receipts in these amounts. Debit cards for this account were issued in the names of Representative Schweikert and Mrs. Schweikert. Representative Schweikert believes that, aside from a recurring payment to the campaign's email marketing firm and a \$15 payment to Facebook, the debit card transactions were in-store purchases by his then-chief of staff to pay for expenses related to serving coffee and donuts at the Maricopa County Republican Mandatory meeting.
14. The February 2013 monthly statement from the Schweikert for Congress bank account shows a check paid by the committee in the amount of \$19,708.10 on February 28, 2013, and \$24,108.18 in deposits. Schweikert for Congress's 2013 April Quarterly Report covering this time frame does not include disbursements or receipts in these amounts.
15. Representative Schweikert and Mrs. Schweikert were the only individuals that had debit cards in their names for the Schweikert for Congress Chase bank account in early 2013. Mrs. Schweikert retained sole responsibility for inputting Schweikert for Congress's expenditures into the campaign's FEC reporting software at this time.
16. In August 2018, Mrs. Schweikert resumed a role in Representative Schweikert's campaign finances with respect to reviewing and approving requests by Campaign Financial Services for payment of campaign expenses. Mrs. Schweikert, however, currently plays no role in managing, overseeing, approving the campaign's expenses or FEC filings.

The parties hereby enter into this agreement on May 1, 2020.



Timothy E. Kronquist, Esq.
Counsel for Respondent



Janet Foster
Counsel, Committee on Ethics
Counsel for the Investigative Subcommittee