

UNCLASSIFIED

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION



TRANSCRIPTION  
Interview Nathan Sproul, April 27, 2012

Participants

BG	Special Agent Brian Grehoski, FBI
MM	Special Agent Merv Mason, FBI
NS	Nathan Sproul
FP	Frederick Petti

Abbreviations

[UI]	Unintelligible
[OV]	Overlapping voices
[IA]	Inaudible
[SC]	Secondary (simultaneous) conversation

Reviewed by Mark Stribling *MS*

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

MM: This is Special Agent Merv Mason. It is Friday, April 27<sup>th</sup> at approximately eight forty A.M. Um, we're just gonna go around the room and have everybody introduce themselves.

BG: I'm Special Agent Brian Grehoski, FBI.

FP: I'm Frederick Petti, uh, with the firm Petti and Briones and I represent Nathan Sproul and Lincoln Strategy Group.

NS: And I'm Nathan Sproul with Lincoln Strategy Group.

MM: And we're here in, um, what's the name of the law firm?

FP: Petti and Briones.

MM: Okay. And we're here to conduct an interview with Nathan Sproul.

BG: Okay, Nathan, if you could, um, could you just give us some background on yourself. Uh, you're the owner of Lincoln Strategy Group. Is that a firm that you founded and how long has that been in existence and what types of services do you provide?

NS: Correct. It started as Sproul Associates in, ah, the fall of two thousand three. Um, it was just a one or two clients and quickly emerged in the two thousand – the two thousand four election cycle. Ah, when we brought on several, ah, additional clients. Um, in the January of two thousand eight we changed the name, ah, when we brought on some additional employees. Um, so that it was no longer just Sproul and Associates, it was a broader based name. So, the company Lincoln Strategy Group has been around since January of two thousand eight. But it's predecessor, Sproul and Associates, the fall of two thousand three.

BG: Okay. And what types of services do you provide?

NS: Ah, public affairs, political consulting.

BG: Okay.

NS: Ah, our real niche is grass roots, um, ah, canvassing, voter registration, petition signatures. We're, it's safe to say, I think the only republican right of center business company in the country that does it at the capacity and the scale that we do it at.

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

- BG: Okay. Uh, and has that been your profession your whole life?
- NS: Ah, for the most part. In different variations. Uh, you know, prior to doing that I worked, ah, for a company called Voyager Expanded Learning, which was a combination of sales and government relations work. Uh, but prior to that I was the executive director of the party, um, in Arizona, the republican party, for three years.
- BG: Okay. With regards to the two thousand ten election cycle, uh, did you have any interaction with the Tom Horne for Attorney General campaign?
- NS: Ah, there were – was brief interactions because his campaign manager is a former member of our company.
- BG: Okay.
- NS: Um, but to the extent of it, you know, how's it going, what's – you know, it was very surface based kind of conversations. And they were several months prior to, uh, the election actually occurred. So, ah, to say that it was interaction, it would be a very surface based level.
- BG: Okay. And is that Michael Vargas?
- NS: Yes sir.
- BG: Okay.
- FP: Ah, just, ah, 'cause I want to make sure that, you know, you – you guys tell me to shut up at any time. Nathan didn't you make – or somebody on your camp—in your office make a pitch to do work for the campaign?
- NS: Well, at some point, um, and I don't remember the exact time frame, right now seeing the email, I – I had forgotten about it until I saw the email. But, at some point Michael Vargas asked us if we wanted to put together a bid for a very small component. And this was I think in the spring. Um, and, ah, you know, Brian forwarded me that email and said is this something that we want to do. I mean, because of the political sensitivities of it. Um, meaning, you know, the Thomas, Horne race was going to be very contentious. Um, you know, we punted that request to somebody else. It wasn't – it wasn't something that we chose to take on.
- BG: Okay. And we did see that – that letter in the – in the email packet.
- NS: And – and it – ah, ah, one last question that I do have prior to you asking me any

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

more questions. If – if there's a question that you ask where I would like to get Fred's opinion of privately, is that [UI]?

[OV]

BG: That's perfectly fine, absolutely.

NS: Okay.

MM: We'll stop the tape, you guys can have some time.

NS: Well, then could I ask – I – I would like to ask Fred just one –

MM: Okay, sure. We'll turn that off. Uh, this is Special Agent Merv Mason again. It's approximately eight forty-five, we're gonna go off tape.

[Break in Recording]

MM: This is Special Agent Merv Mason. It's still April twenty-seventh. Approximately eight forty-seven A.M. And we're going to continue with our interview with Nathan Sproul. And all the same parties are present.

NS: So – so the other aspect of interaction that I would have had was sometime in early two thousand ten. Uh, Tom Horne called me on a couple of occasions, asking me to reach out to a wealthy businessman that I frequently do work for in the state.

BG: Okay.

NS: Um, as a means of – of trying to solicit fund raising.

BG: Okay.

NS: Um, with the, um, less than subtle implication that if I helped him raise money, he would then use that money to hire our firm to do grass roots work.

BG: Okay.

NS: Um, it's not a relation—that's not how I view my relationship with the businessman.

BG: Um hm (affirmative).

NS: Um, and so it made me feel uncomfortable. So I never approached it. But I believe

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

Horne called me at least twice, and maybe even three times.

BG: Okay. Fair enough. Um, and so he – he – they never really engaged Lincoln Strategy Group for – for anything other than that? There was a – a couple of exchanges where the solicitation was made to – to try and do some work and that just never panned out. You punted it to – to another group as you said?

NS: Correct.

BG: Okay. Um, so then – and when did Michael Vargas leave your firm?

NS: Michael Vargas left in – I hadn't thought about that, the chronology. M—May, June of two thousand nine.

BG: Okay.

NS: Somewhere, maybe July?

BG: So he had been gone for awhile?

NS: Yes.

BG: Okay. But he remained in contact with various folks at Lincoln Strategy?

NS: Right.

BG: Okay. Um, okay. I think that's it on that. Um, how long was Brian Murray with Lincoln Strategy Group?

NS: Middle of January, two thousand eight until December of two thousand eleven.

BG: Okay. That's when he left? Okay. And do you know how he came to be in contact with Business Leaders for Arizona or Business Leaders for Arizona contacted your firm? Do you know how all that started?

NS: Yes.

BG: Okay. And you describe that for us?

NS: Ah, ah, I was coming into the office with – one morning, um, toward the end of October. And I received a phone call from Brian, um, saying that Kathleen, ah, had walked into our office.

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

BG: Okay.

NS: Um, and said she had, ah, funds available. I – I believe it was forty, fifty thousand dollars.

BG: Okay.

NS: Um, to conduct an independent expenditure for, um, on behalf of Tom Horne.

BG: Okay. So she just came in out of the blue and what, just walked in off the street, no prior contact?

NS: Correct.

BG: Um, did you have any contact from anybody at Horne's campaign saying this woman was coming or anything like that?

NS: No.

BG: No. Just came – okay. And she had forty or fifty thousand. Did – did you have any interaction with Brian on that campaign, that account? I mean how much were you involved with Business Leaders for Arizona or Kathleen Winn?

NS: Our – our company in two thousand ten, um, ah, I – I'd have to count the exact number, but did a – had approximately two hundred clients in the two thousand ten cycle. Um, so, I was not involved with very many of them in – in – down in the – in the weeds of the actual client interaction. Um, primarily my job was making sure that all the pieces within the company moved together. Um, on this one, since it was, you know, large dollar amounts, the biggest one was making sure that we were paid –

BG: Um hm (affirmative).

NS: -- in advance before we laid down our commitment to television stations, or else, you know, there's the potential that we could be caught on the hoof – on the hook for that.

BG: Okay.

NS: So that – and that – and – and this client, my top priority was just making sure that the cash flow worked correctly. Um, after I received a call from Brian I shortly thereafter received a call from Jay McClusky who worked for us in our

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

Albuquerque office, um, telling me that Ben Cannatti was going to be calling me. Um, when I got into the office, I walked into Brian's office to find out what the status was and that's when he told me in more detail the conversation that he'd had with Kathleen when she walked in. Um, and then he and I, I believe it was that same meeting, um, although on this point I'm not a hundred percent sure. Um, had a conversation with Ben Cannatti, um, who was responsible for the Republican Attorney Generals' Association, um, and helping to fund these races.

BG: Okay.

NS: And, you know, so we made the pitch to Ben of we've been now got a client, you guys should be more concerned about this race than what you look like you are.

BG: Okay. So you did a lot of the in—or, ah, who did the bulk of the interacting with Ben Cannatti? Was that you or Brian, or was it just a collective effort?

NS: That's the only conversation that I remember having with Ben about the effort.

BG: Okay.

NS: And once that – I – I just don't think Brian and Ben had ever ha—worked together before, and Ben had worked primarily with Jay.

BG: Okay.

NS: Um, so when Brian first reached out to Ben, Ben's first contact back who he knew in our company was Jay and then myself.

BG: Okay.

NS: Um, but I don't recall having a conversation with Ben after that point. I remember Brian telling me that they'd committed to fund, you know, further.

BG: Okay.

NS: But I don't recall having a conversation with Ben later.

BG: Okay.

MM: But – but Jay was just a stepping stone because he was who knew Ben?

NS: Yes sir.

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

MM: Okay.

NS: I – I be—that was the only conversation that Jay had about this effort.

MM: Okay.

BG: So was it Jay that initiated the contact with Ben? Is that how that started? 'Cause our – our understanding or – was that, um, when Kathleen came in Business Leaders for Arizona wanted to do this – this campaign, that Brian realized that there wasn't enough money to compete with – with what the Rotellini camp had in terms of this – this so called union money. And he said he reached out to the Republican National Committee and they put him in touch with the R-S-L-C and – and that's how that came to be. Is – is that accurate or is it j—different pieces that – that's –

NS: That – that – but that –

BG: -- missing?

NS: -- ah, I'm sorry.

BG: No [UI].

NS: No, that sounds – that sounds accurate to me.

BG: Okay.

NS: Um, but I think what happened was that Ben, once they got to Ben Cannatti's desk, and he heard that Lincoln Strategy Group had reached out on this effort, who he knew at Lincoln Strategy Group was Jay McClusky.

BG: I got ya. Okay. So it all makes – that's consistent.

NS: Um hm (affirmative).

BG: Okay. Um, and do you know how much they were initially going to, ah, direct towards the Horne, ah, effort?

NS: Ah, the R-S-L-C?

BG: Yeah.

NS: Ah, well at first they weren't going to direct anything.

UNCLASSIFIED



UNCLASSIFIED

194A-PX-87458

MM:sec

BG: Okay.

NS: Ah, the first conversation that we had with Ben was Horne's up by eight, nine, ten points. You guys are fine. Not where we're gonna put our money. Um, and that's why we went and showed them what the competitiveness were with the unions and some of the outside groups coming in that, quite possibly, were going to get to a million dollars.

BG: Okay.

NS: Ah, no matter who a candidate is, that's going to erode their numbers.

BG: Okay.

NS: If they have that kind of money spent against them.

BG: Okay.

NS: Um, so I think when Ben saw that, that was enough to, um, get him to take a hard look at this.

BG: Okay.

NS: At one point I think he was as high as thinking in the half million, four fifty range.

BG: Okay.

NS: And I believe they settled somewhere around three fifty.

BG: And -- and that seems right. Do you know -- do you know why he dropped it a hundred b—a hundred thousand?

NS: I don't.

BG: Okay. Um, alright. Uh, Merv?

MM: Not on that. That's, ah, do we need to get into any specifics with the emails or are we --

FP: You know, you might ask him if Brian mentioned any concerns to him.

BG: Yeah, we were gonna --

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

Unknown: Oh, yeah, yeah, yeah.

FP: Okay. I'm sorry.

BG: Just try to get the fif—three fifty, four fifty thing out of the way.

FP: Okay. I apologize.

BG: Okay.

MM: No, that's alright. Was – was, um, did you h—you didn't really have any interaction, that's more the weed, that stuff that Brian was working out for the dollar amounts?

NS: Correct.

BG: And you – your – like you said, your – your role was to make sure the money was flowing. And did you express that to Brian, and that's why Brian was so, um, e—the emails seemed to say it's – it's my ass on the line if – if I don't get that money and there was a concern, I think Ben had that – the money wasn't gonna get there, she was gonna do something with it, that kinda stuff. Was – were you the driving force behind that?

NS: Ah, no, but that – that would be consistent with every conversation that we ever have when we sat around the table talking about clients. Okay, because that's such a large dollar amount.

MM: Right.

NS: That that would be a consistent – I don't remember having that conversation specifically with this client.

BG: Okay.

NS: Um...

MM: Let me ask one question. Um, is it – I read in there something and it – it makes sense, but is it standard operating to – the email suggested that, hey can the money come right to you, and then go out to the production company. And I think Brian said no.

NS: May – may I stop you for a second?

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

MM: Sure.

NS: Who's -- was that Ben Cannatti asking Brian Murray that? Who --

MM: No I think it was Brian and Kathleen talking or something.

NS: Oh.

MM: And -- and it was something along the line, no it needs to go to you first and then back to us in order to set a trigger. Like a reporting trigger, so that on paper it's going to her 'cause she's the I-E and [UI]... Is that -- is that how it works? Or do you guys sometimes get the money directly for an I-E, or how does that...?

NS: Well it would be called an in kind contribution if it came just directly to us from --

MM: Right, that's what I thought.

NS: -- the R-S-L-C.

MM: Right.

NS: Um, so I'm not sure what Brian's thought process would have been on saying that. Um, it is cleaner for sure, for it to go into the hands of the committee usually. And then for the committee to forward it to us as the vendor. Um, but there are times, um, and this would be a case where that may have been considered. Um, and that's purely speculation on my part. I don't -- I don't know that.

MM: Okay. But --

NS: Ah, but there are times when the donor source doesn't trust where the money's -- you know the bank -- the person who's holding the bank account, um, and that's just a lack of a relationship on this one. Um, where sometimes they -- they choose to send it directly to the vendor and just call it an in kind contribution.

MM: Okay. So then it -- so maybe it -- I mean, who knows? It could have been something that was bugging Brian or he just -- he just liked the extra security of having them kind of, okay...

BG: Yeah, I was gonna see if I could find that.

MM: Okay. That's kind of what we thought, but...

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

NS: Yeah I -- I don't --

MM: No --

NS: -- frankly I don't recall ever having a conversation with Brian.

MM: Right. There's nothing wrong with it coming to you folks. It would just be -- it would just be reported differently.

NS: Well, that's one of those cases where we would want our attorneys to give us the thumbs up. You know, because the last thing you want five days out is that you, you know, violated some kind of campaign law. Um, so it's not a -- that is not a normal standard practice. I have seen it done before. It's not -- it's certainly not how we would prefer to do it.

MM: What, come directly to you?

NS: Correct.

MM: Okay, so you'd prefer it to go through a -- that what you ordinarily do, fund raising in that manner? I mean like wh--if -- if somebody comes to you, you put 'em in touch with the R-S-L-C?

NS: Sure.

MM: Okay.

NS: Yeah, I mean those are relationships that we've developed over --

MM: Right, that's --

NS: -- a long period of time.

MM: That's part of your, ah, services.

NS: Correct.

MM: I mean, that's what you bring to the table.

NS: Correct.

MM: Okay.

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

BG: Okay. So, we'll move on –

NS: And let me ask you one other thing on that point.

BG: Sure.

NS: And it proved to be the right, you know, at that point, given the political dynamics that were going on. The national party was not concerned about Horne. And even with the effort that was done, you know, on behalf of Horne, his numbers definitely had eroded. So it was the right thing to do, too. You know, given the political realities of what we were dealing with.

BG: Okay. So let's fast forward to Fred's point. At some point did Brian express the concerns that maybe there was coordination going on between Kathleen Winn and the Horne campaign?

NS: The – the one conversation that I absolutely recall having with Brian was I believe the very first day, it may have been the second day. Um, when he expressed, um, concern over her lack of understanding of what an independent expenditure really was.

BG: Okay.

NS: Um, and I don't remember the exact course of – the exact words that he used. But it was something to the effect of I had to give her a real basic tutorial in making sure that she doesn't coordinate or communicate.

BG: Okay.

NS: Uh, that's the only conversation that I ever recall having with Brian about it.

BG: Okay. And there – there is a substantial difference between communicating and coordinating. Um, is – is it your understanding that it's okay for someone to talk with people at the campaign as long as they don't talk about the – the campaign itself and – and –

NS: We – we would never recommend that to a client.

BG: Okay.

NS: Um, we would recommend that the wall be as high and as thick as you can possibly make it.

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

- BG: Okay.
- NS: Um, because, eh, eh, it just creates all sorts of problems for everyone involved if it's not. Um, and so, you know, what – and this is my layman's understanding is the law, is that that would be okay. What you just described would be okay.
- BG: Okay.
- NS: You know, for somebody to have interaction with someone, as long as they don't talk about the details of the campaign.
- BG: Okay.
- NS: Um, our advice would be, um, to be extremely cautious and prudent and not even offer the opportunity for someone to think something may have inappropriately happened. Um, so, my belief is that Brian would have shared, you know, similar sentiments with her.
- BG: Okay.
- MM: So it – it's just kind of ingrained as part of your company. If you were to meet a client for the first time, you would just give 'em that speech? Or is dependent on that person's knowledge of the law?
- NS: I think that – that's the more accurate way I think to say it. Um, you know, most – most independent expenditures are done by someone who understands more about what they're doing than what Kathleen clearly did. Um, at least in that first conversation.
- MM: Okay.
- NS: Um, so, you know, when somebody comes in and – and expresses a lack of knowledge, you know, because of the legal liabilities that go along with – with doing something incorrectly on this point, um, absolutely, that would be a s—normal standard course for us to do. Um, but most clients that would come in under that, you know, from that perspective would be, you know, veterans of other campaigns. And –
- MM: Okay.
- NS: -- they would know exactly what an independent expenditure entails.

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

- MM: But does... this instance, you specifically remember Brian coming to you and saying I had to admonish her, I had to teach her that fact that you can't be coordinating with them?
- NS: Um, ye—yes. And I don't know that I would, ah, I would phrase it in the way of saying that he came to me to say that. It was part of the, you know, I—I came into the office, we got on the phone with Ben Cannatti, you know, fif—forty thousand could be with his client. You know, will we be able to get money in? By the way, uh, you know, she wasn't very clear on what the legal restrictions are, so I gave her a very good tutorial. You know that was — it was just like —
- MM: Okay.
- NS: -- it was a, you know, five minute conversation that —
- MM: Okay.
- NS: -- happened pretty quickly.
- MM: Alright.
- BG: Ah, and going back, did you guys learn about the influx of union money to support Rotellini on your own? Or did someone tell you about that? That something you were just watching as part of business?
- NS: Well, we — we work with a media buyer. Uh, and when someone — when — when a — an individual or a company lays down, ah, television space for commercials, it becomes a public record.
- BG: Okay.
- NS: Um, and so our TV buyers consis—routinely run, uh, what are called competitiveness.
- BG: Um hm (affirmative).
- NS: Um, so we're able to see what, you know, our opponents are doing and understand are we matching them point for point or, you know, are they gaining an advantage. So, eh, it probably took, you know, twelve to twenty-four hours, uh, for our media buyer to have that information so that then we could pass it along to Ben.
- BG: They kind of happens quick then, huh?

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

NS: Yes.

BG: Yeah, okay. Um, 'cause then there's this email here where --- this where I think -- it's -- I think -- well, we'll -- we'll ask it differently. This is an email exchange between Kathleen and Brian. And they're talking about the campaign. It's dated October twenty-first, two thousand ten. Um, and you can see the underlined part.

NS: Yeah.

BG: She's saying to Brian, Rotellini has a one million dollar et cetera. And then he asks her how do you know that? And her response is an attorney from Horne called. Um, did Brian -- do you recall if Brian brought this to your attention saying, you know, this might be an issue?

NS: I don't -- I don't ever recall having a conversation with Brian about that.

BG: Okay.

MM: Just for the record, this is, um, L-S-G zero zero one two eight four.

BG: Okay. Bates number.

MM: Bates number.

BG: Okay. And is that the type of activity that would raise bells with you and -- and should raise bells with anybody that works for Lincoln Strategy that -- that starts to get on the fringe of some kind of contact that would be inappropriate?

NS: Uh, that email would have concerned me if I had seen that email.

BG: Okay. Um, and, okay. Would -- what would you have done had this come to your attention? Would you have admonished her again, or, you know, what would be the appropriate response with that kind of concern?

NS: I -- I would like to understand what it means an attorney that wa--is with Tom.

BG: Okay.

NS: Um, because that's a -- um, that in and of itself I don't think pierces the veil of the independent expenditure committee. You know, that -- knowing that they had mutual friendships it could be very easy to be having a conversation and somebody say, you know, there was a one million dollar ad buy.

UNCLASSIFIED



UNCLASSIFIED

194A-PX-87458

MM:sec

BG: Okay.

NS: Eh, I don't think those numbers are accurate.

BG: Um hm (affirmative).

NS: Um, you know, which leads me to believe that it was somebody, you know, speculating or knowing that a big ad buy was coming, but not putting too much meat on the bone. So, um, yes, I would – that would have caused me to go back to her and say, you know, look, if I wasn't clear twenty-four hours ago, let me be really clear.

BG: Okay. Alright. Um, tsk, tsk, tsk, tsk, what's the next one? You got the, ah – [pause] that just came in. So then, I think this is the one that – this is the one that caused, ah, Brian to send an email to your attorney. Steve – is it Steve Sparks?

NS: Uh, yes, with Sanders Sparks.

BG: Yeah.

MM: You mind reading the Bates number real quick sir?

NS: L-S-G zero zero zero three seven two.

MM: Thank you.

BG: Um, have you seen this email before?

NS: I – I had not seen it until we were asked to pull documents. But I saw it shortly after we started pulling our documents.

BG: Okay. Um, and so the email chain is – is obviously two emails to Tom Horne's email address, or what appears to be Tom Horne's email address, from a pollster, Ryan Ducharme. Do you know who Ryan Ducharme is?

NS: Uh—uh, yes, well, I know who he is. I don't – I don't – to my knowledge I don't know that I've ever met him. Um, but I don't think it's accurate to call him a pollster.

BG: Okay.

NS: Um, I – I believe what Ryan is saying here, and this is speculation on my part, um,

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

is that the state G-O-P had done some statewide polling. Um, and I believe Ryan at the time was employed by the A-Z-G-O-P.

BG: Okay.

NS: Um, so I think what he was doing, um, and not an uncommon thing for a state party staffer to do --

BG: Um hm (affirmative).

NS: -- is relaying information to the elected official saying hey, be aware of this.

BG: Okay.

NS: Um, but Ryan would -- would not have been somebody that I would considered a senior staffer at the state republican party.

BG: Okay. And then it looks like, um, Horne forwarded it to Casey Phillips. Do you know who Casey Philips is?

NS: I -- I -- I mean judging by the e--email address I can see that she's with the -- or he may be, with the R-S-L-C, but I don't know that I've ever met Casey Phillips.

BG: Okay. Um, and then subsequent to that, and this is where we start to get into the area of concern, it -- it appears, uh, Horne forwarded it to, uh, Kathleen Winn at -- at an old email address. Got rejected, tried again, forwarded it to her, and then she gets it off, ah, to Brian Murray. Um, so is that the kind of conduct or contact that would pierce the veil in your mind of some sort of coordination?

NS: Ah, one hundred percent.

BG: One hundred percent?

NS: Yeah. I -- I don't -- I -- on its face.

BG: Okay.

NS: You know, I guess there's always explanations for things. But, on its face, it would have absolutely pierced the veil.

BG: Okay. And did -- I -- I know Brian had sent that email off to Mister Sparks. Did he also come to you and express these concerns as well, do you know?

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

NS: That I – I don't recall. You know, and that's – eh, eh, once I saw this email, that was – that's been a thing that I've, you know, gone back through in my memory and every email and every legal billing that we had, you know, during that time period, trying to recall if I ever had a conversation with Brian. And I don't recall having a conversation with him.

BG: Okay.

NS: And when we called Steve Sparks, he confirmed that he had never forwarded the email to me, talked to me about it.

BG: Okay.

NS: So, but, obviously that –

MM: Just, again, for the record, this is reading backwards in the email chain, this is L-S-G zero zero zero three seven one, it's the f—first page of that. Would, ah, had you – had you found this at the time or known about this at the time, what actions would you have taken?

NS: All – all I can do is tell you what actions we've taken in the past.

MM: Okay. That's fair.

NS: Uh, when we've seen, ah, wh—when we've been, um, become aware of potentially, um, illegal conduct by people that we were working with, um, and most of it has happened through our work on voter registration and those types of programs.

MM: Um hm (affirmative).

NS: Um, that over the last ten years, I don't know the exact number, um, but it's closer to a hundred than it is to zero, of people that we have turned over for potential prosecution, um, when we see fraud occur. Um, I would hope that if I had seen that email, that we'd of immediately stopped working on the project and sending notification to her, to the committee, um, and to Tom Horne. You know, saying that we believe the veil has been pierced and, you know, we're turning this over to the appropriate authorities.

MM: Would you – would you take the time, or in the past have you taken the time to confront the people and ask for an explanation?

NS: Ah, yes, certainly.

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

MM: Okay.

NS: Um, you know, and – and every situation is different.

MM: Correct.

NS: Obviously. Um, sometimes it's so blatant –

MM: Um hm (affirmative).

NS: -- um, you know, that it's – it's best for us just to turn it over –

MM: Turn it over.

NS: -- and – and, you know, have that be the end of it.

MM: Okay.

NS: Um...

MM: But this would have – this would have generated at least a stoppage to – to figure it out?

NS: I –

MM: It's hard to say?

NS: No, ah, it – it's hard for me to speculate.

MM: I – I don't – yeah, I don't want to do that.

NS: Because I – I – what I – what I would have wanted to have done is to talk to an attorney like Fred who is, you know, deals with the criminal li—liability issues and – and understand exactly what course of action we should take.

MM: Okay.

NS: So, for me to speculate as a layman, you know, it, in my opinion does that clearly pierced the veil? Uh, it's hard to imagine that it doesn't.

MM: Okay. That's fair.

BG: Um, those are the two that really rise to, ah, the – the question at hand. Do you have

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

any other conversations, or after going through all the – the compliance that you provided, was there anything else that triggered in your mind that – things that s—were of concern or should have been of concern to you?

NS: No. Um, you know I mean obviously that would have been – that email would have been a major concern.

BG: Okay. Um...

NS: I – I think everything else is, you know, sig—is less than that one.

BG: Okay.

NS: You know.

BG: Did you have a good working relationship with Tom Horne? Did – did you have a ho---ho—how did you view each other?

NS: Well, I don't know how he viewed me.

BG: Okay.

NS: Um, ah, I always viewed him as someone that I was friendly with.

BG: Okay.

NS: Um, you know that if it – there was – if, you know, if we happened to be at a – a fund raiser together, you know, we would talk for a few minutes. Um, but I certainly would not consider our relationship close. Uh, as evidenced by the fact that we never really, um, we never were, um, part of his political consulting team. Um, certainly I was not the person that he came to for political advice.

BG: Okay. Uh, I guess that's kinda it, right, on that?

MM: Yeah.

BG: I don't there's any point in showing this one, do you?

MM: No.

BG: 'Cause Nathan's not part of it anywhere.

MM: Um hm (affirmative).

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

BG: Okay. Although it would be kinda fun. Uh...

NS: Well, then, show it to me.

[Laughter]

BG: It's not Bates stamped, so I'm not sure where we got this one. I'd have to go back and look. I – it seems like it would have come from your compliance. Maybe one of our, ah, analysts printed it off and the Bates stamp just didn't come with it. Um, you know, a lot of these emails seem to suggest that Kathleen was speaking with someone, but she didn't want to disclose who that was, 'cause she talked in general terms like the person and someone. And all of those exchanges seem to suggest that she's concealing, ah, did that raise any flags with you or with Brian? Did Brian ever express the concern that she's talking cryptically and that that was a concern?

NS: I – I never recall having a conversation like that with Brian.

BG: Okay.

NS: Um, and I – I know, you know, based on email traffic, that I was never copied on those emails.

BG: Okay. Alright. Um, and you know the heart of this is, um, the representations that were made to Lincoln Strategy Group, to Brian, to you, by Kathleen. And, just in summary, ah, your impression was it was an independent expenditure committee. Sh—I'm just kind of recapping everything we've talked about. She was told by Brian, ah, gotten a – a basic education on independents, the wall and all that stuff. Uh, what I have here is, ah, some phone records that show her conversations, or at least communication between Kathleen and – and Tom Horne right around the time she was speaking with Brian Murray. And the question is had you known about all of this contact, would you have changed what you were doing? I'll just kinda put these out here. Um, this three one four one number is her number. And so it would appear, like on October twenty-first, she talked to Tom, had a – looks like a – well, it's a minute conversation. You can see, ah, there's – there's lots. Tom, Tom, Tom, Tom. She gets off the phone, she talks to Carmen Chenal. Do you know who Carmen Chenal is?

NS: I don't.

BG: Okay. She worked on his campaign as well. She gets off the phone, looks like calls Brian, and then there's a Chuck Johnson. He was on the campaign. Ah, and again, like there's Tom, Tom, Michael Vargas she's speaking with. Ah, Vanessa

UNCLASSIFIED

UNCLASSIFIED

194A-PX-87458

MM:sec

Deatherage was on the campaign. Had she had all these conversations, ah, again, here's one with Tom. It was a three minute conversation, gets off the phone, calls Brian. Gets off the phone and then calls Tom again. Ah, to us, it – it appears like there was a significant amount of interaction between her and Tom.

NS: Right.

BG: And Mike Vargas and all that during the – the campaign. So, you know, in light of these emails, had you known that she was having these – this many conversations with, um –

MM: The campaign.

BG: -- with the campaign, Brian and then Tom.

NS: Right.

FP: That would lead one to wonder [UI] is the very first day.

BG: Yeah, that's right. And that's – it seems to be around the twentieth or the twenty-first is when she started to get in touch with Lincoln Strategy Group. You know what, there's other ones here.

NS: Um, so this is speculation on my part. But given what you're showing me, I – I believe that what we would have likely done was disengage with her. Because really, wh—she was bringing fifty thousand dollars to the table.

BG: Um hm (affirmative).

NS: You know. We, once – once she put it on our radar screen, it was – that's a pretty good idea. You know, the – the national party does need to help Tom Horne.

BG: Yeah.

NS: Uh, fifty thousand dollars from our perspective is roughly, you know, five thousand dollars of gross profit for us.

BG: Okay.

NS: Um, our company last year did not twenty million dollars of revenue, but more than fifteen.

UNCLASSIFIED