

Three Indicted for Allegedly Operating Fraudulent PACs in 2016 Cycle

November 2021

On November 10, 2021, the U.S. Department of Justice (DOJ) announced that on November 2, a federal grand jury in the Western District of Texas returned a sealed, multiple-count indictment against three individuals – Matthew Nelson Tunstall of Los Angeles; Robert Reyes, Jr., of Hollister, CA; and Kyle George Davies of Austin, TX – for what DOJ describes as “their alleged involvement [in] a scheme to operate two fraudulent political action committees (PACs) during the 2016 federal election cycle.” According to DOJ’s summary of the indictment, Tunstall, Reyes, and Davies:

... solicited contributions to Liberty Action Group PAC and Progressive Priorities PAC under the guise that the PACs were affiliated with or meaningfully supporting specified candidates for public office. Between January 2016 and April 2017, the defendants obtained approximately \$3.5 million from unwitting donors based on false and misleading representations and used those funds to enrich themselves and to pay for additional fraudulent advertisements soliciting donations.

According to the indictment, Liberty Action Group PAC “claimed to raise political contributions to support the election of Candidate 1 [apparently Donald Trump] in 2016”; “Progress Priorities PAC claimed to raise political contributions to support the election of Candidate 2 [apparently Hillary Clinton] in 2016.” Also according to the indictment, “[o]f the approximately \$3.5 million raised by Liberty Action Group and Progressive Priorities, only approximately \$19 were distributed to any candidate’s authorized campaign committee or to any political cause, while a total of more than \$1.5 million was used to benefit” the three defendants.

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Based on this alleged fraudulent scheme, Tunstall, Reyes, and Davies were charged in the indictment with: one count of conspiracy to commit wire fraud through false and misleading solicitations for funds for the two PACs and to cause the submission of materially false statements and representations concerning the PACs to the Federal Election Commission; three counts of wire fraud; and four counts of money laundering. Given the scope of the alleged fraudulent scheme and the amount of funds allegedly fraudulently obtained, if convicted on all counts, Tunstall, Reyes, and Davies could each face substantial time in prison.

The investigation in this matter was conducted out of the FBI's Austin Resident Agency of its San Antonio Division. The case is being prosecuted by the Public Integrity Section of the Criminal Division of DOJ.